

# INTERIM FINANCIAL INFORMATION

March 31, 2018



 **Localiza**

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**Company Information / Capital Structure**

<b>Number of Shares (Thousands)</b>	<b>Current Quarter 03/31/2018</b>
<b>Paid-In Capital</b>	
<b>Common Shares</b>	667,149
<b>Preferred Shares</b>	0
<b>Total</b>	667,149
<b>Treasury Shares</b>	
<b>Common Shares</b>	6,636
<b>Preferred Shares</b>	0
<b>Total</b>	6,636

**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	12/07/2017	Interest on Capital	01/31/2018	Common Shares		0.06475
Meeting of the Board of Directors	03/22/2018	Interest on Capital	05/16/2018	Common Shares		0.06356

**Individual Financial Statements / Balance Sheet – Assets****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2018</b>	<b>Prior Year 12/31/2017</b>
1	Total Assets	8,684,629	9,001,774
1.01	Current Assets	2,228,504	2,597,692
1.01.01	Cash and Cash Equivalents	1,637,856	829,737
1.01.02	Financial Assets	-	1,158,867
1.01.02.01	Financial Assets at fair value	-	532,407
1.01.02.02	Financial Assets at amortized cost	-	626,460
1.01.03	Accounts Receivable	397,647	441,364
1.01.03.01	Trade Receivables	397,647	441,364
1.01.06	Recoverable Taxes	19,351	14,820
1.01.06.01	Current Recoverable Taxes	19,351	14,820
1.01.07	Prepaid Expenses	57,391	7,051
1.01.08	Other Current Assets	116,259	145,853
1.01.08.01	Non-Current Assets Available for Sale	22,326	27,033
1.01.08.03	Other	93,933	118,820
1.01.08.03.01	Dividends Receivable	9,812	39,812
1.01.08.03.02	Other	84,121	79,008
1.02	Non-Current Assets	6,456,125	6,404,082
1.02.01	Long-Term Assets	53,437	51,799
1.02.01.09	Other Non-Current Assets	53,437	51,799
1.02.01.09.03	Escrow Deposits	53,354	51,716
1.02.01.09.04	Other	83	83
1.02.02	Investments	1,007,212	949,169
1.02.02.01	Ownership Interests	1,007,212	949,169
1.02.02.01.02	Investments in Subsidiaries	1,007,212	949,169
1.02.03	Property and Equipment	5,351,636	5,356,734
1.02.03.01	Property and Equipment in Use	5,343,283	5,350,727
1.02.03.02	Leased Property and Equipment	979	1,204
1.02.03.03	Constructions in Progress	7,374	4,803
1.02.04	Intangible Assets	43,840	46,380
1.02.04.01	Intangible Assets	43,840	46,380
1.02.04.01.02	Software in Service	43,777	46,308
1.02.04.01.03	Leased Software	63	72

**Individual Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2018</b>	<b>Prior Year 12/31/2017</b>
2	Total Liabilities	8,684,629	9,001,774
2.01	Current Liabilities	1,382,976	1,697,465
2.01.01	Payroll and Related Taxes	108,925	91,323
2.01.01.01	Payroll Taxes	10,792	17,190
2.01.01.02	Related Taxes	98,133	74,133
2.01.02	Trade Payables	895,910	1,157,954
2.01.02.01	Domestic Suppliers	895,272	1,156,679
2.01.02.02	Foreign Suppliers	638	1,275
2.01.03	Taxes Payable	23,666	11,767
2.01.03.01	Federal Taxes Payable	21,895	10,225
2.01.03.01.01	Income Tax and Social Contribution Payable	15,702	1,973
2.01.03.01.02	Other Federal Taxes	6,193	8,252
2.01.03.03	Municipal Taxes Payable	1,771	1,542
2.01.04	Loans and Financing	191,098	237,790
2.01.04.02	Debentures	190,990	237,636
2.01.04.03	Finance Lease	108	154
2.01.05	Other Payables	163,377	198,631
2.01.05.01	Payables to Related Parties	5,516	4,534
2.01.05.01.02	Payables to Subsidiaries	5,516	4,534
2.01.05.02	Other	157,861	194,097
2.01.05.02.01	Dividends and Interest on Capital Payable	35,734	36,384
2.01.05.02.04	Other Current Liabilities	122,127	157,713
2.02	Non-Current Liabilities	4,579,066	4,703,584
2.02.01	Loans and Financing	4,382,369	4,527,539
2.02.01.01	Loans and Financing	671,996	660,785
2.02.01.01.01	In Local Currency	671,996	660,785
2.02.01.02	Debentures	3,710,373	3,866,719
2.02.01.03	Finance Lease	-	35
2.02.02	Other Payables	6,606	6,239
2.02.02.02	Other	6,606	6,239
2.02.02.02.03	Other Non-Current Liabilities	6,606	6,239
2.02.03	Deferred Taxes	93,456	79,941
2.02.03.01	Deferred Income Tax and Social Contribution	93,456	79,941
2.02.04	Provisions	96,563	89,784
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	96,563	89,784
2.02.04.01.01	Provisions for Tax Risks	44,760	39,353
2.02.04.01.02	Provisions for Social Security and Labor Risks	33,895	33,559
2.02.04.01.04	Provisions for Civil Risks	17,908	16,872
2.02.06	Unearned Profit and Revenue	72	81
2.02.06.02	Unearned Revenue	72	81
2.03	Equity	2,722,587	2,600,725
2.03.01	Paid-In Capital	1,500,000	1,500,000
2.03.02	Capital Reserves	98,688	94,939
2.03.02.05	Treasury Shares	-52,664	-53,696

**Individual Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2018</b>	<b>Prior Year 12/31/2017</b>
2.03.02.07	Share Issuance Premium and Stock Options Granted	151,352	148,635
2.03.04	Earnings Reserves	1,123,899	1,005,786
2.03.04.01	Legal Reserve	145,908	145,908
2.03.04.02	Statutory Reserve	741,098	622,985
2.03.04.05	Earnings Retention Reserve	236,893	236,893

**Individual Financial Statements / Income Statement****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Accumulated for the Current Year 01/01/2018 to 03/31/2018</b>	<b>Accumulated for the Prior Year 01/01/2017 to 03/31/2017</b>
3.01	Revenue from Sales and/or Services	1,378,846	1,076,756
3.02	Cost of Sales and/or Services	-1,003,713	-825,925
3.03	Gross Profit	375,133	250,831
3.04	Operating Income (Expenses)	-104,029	-60,190
3.04.01	Selling Expenses	-124,034	-79,272
3.04.02	General and Administrative Expenses	-32,967	-29,269
3.04.05	Other Operating Expenses	-5,783	-226
3.04.06	Equity in the Earnings of Subsidiaries	58,755	48,577
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	271,104	190,641
3.06	Finance Income (Expenses)	-57,618	-59,181
3.06.01	Finance Income	31,146	35,976
3.06.02	Finance Expenses	-88,764	-95,157
3.07	Net Income Before Income Taxes	213,486	131,460
3.08	Income Tax and Social Contribution on Profit	-37,481	-11,194
3.08.01	Current	-16,139	-14,440
3.08.02	Deferred	-21,342	3,246
3.09	Net Income from Continuing Operations	176,005	120,266
3.11	Net Income for the Period	176,005	120,266
3.99	Earnings per Share (R\$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.26650	0.18344
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	0.26596	0.18302



**Individual Financial Statements / Statement of Comprehensive Income****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year 01/01/2018 to 03/31/2018	Year 01/01/2017 to 03/31/2017
4.01	Net Income for the Period	176,005	120,266
4.03	Comprehensive Income for the Period	176,005	120,266

**Individual Financial Statements / Statement of Cash Flows – Indirect Method****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
6.01	Net Cash Provided by Operating Activities	1,065,569	64,294
6.01.01	Cash Provided by Operations	1,000,486	821,595
6.01.01.01	Net Income for the Period	176,005	120,266
6.01.01.02	Depreciation and Amortization	28,815	38,679
6.01.01.03	Residual Value of Property and Equipment Written Off	716,300	617,459
6.01.01.04	Deferred Income Tax and Social Contribution	21,342	-3,246
6.01.01.05	Equity in the Earnings of Subsidiaries	-58,755	-48,577
6.01.01.06	Other	26,840	3,500
6.01.01.07	Provisions for contingencies	6,779	4,305
6.01.01.08	Interest on Loans, Financing, Debentures and Fixed-Rate Swap	83,160	89,209
6.01.02	Changes in Assets and Liabilities	-1,056,431	-654,034
6.01.02.01	Trade Receivables	4,389	67,750
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-1,003,501	-645,587
6.01.02.03	Escrow Deposits	-1,638	-5,070
6.01.02.04	Recoverable Taxes	-4,499	6,207
6.01.02.05	Prepaid Expenses	-50,340	-32,512
6.01.02.06	Other Current and Non-Current Assets	-13,948	-45,749
6.01.02.07	Trade Payables (Except Car Manufacturers)	15,356	-26,863
6.01.02.08	Payroll and Related Taxes	17,602	19,258
6.01.02.09	Income Tax and Social Contribution	16,139	14,440
6.01.02.11	Insurance Premiums	-2,328	12,796
6.01.02.12	Other Current and Non-Current Liabilities	-33,663	-18,704
6.01.03	Other	1,121,514	-103,267
6.01.03.01	Income Tax and Social Contribution Paid	-2,411	-8,984
6.01.03.02	Interest on Loans, Financing and Debt Paid	-34,942	-94,283
6.01.03.03	Short-term financial assets	1,158,867	-
6.02	Net Cash Provided by Investing Activities	24,154	49,434
6.02.02	Dividends from Subsidiaries	30,000	61,900
6.02.03	Purchase of Other Property and Equipment	-5,477	-9,972
6.02.04	Purchase of Intangible Assets	-369	-2,494
6.03	Net Cash Provided by Financing Activities	-281,604	-279,137
6.03.02	Loans and Financing - Repayments	-80	-219,011
6.03.04	Debentures - Repayments	-240,000	-37,500
6.03.06	Interest on Capital	-42,745	-46,708
6.03.07	Treasury Shares	20	-
6.03.08	Exercise of Stock Options with Treasury Shares, Net	1,201	24,082
6.05	Increase (Decrease) in Cash and Cash Equivalents	808,119	-165,409
6.05.01	Opening Balance of Cash and Cash Equivalents	829,737	1,133,711
6.05.02	Closing Balance of Cash and Cash Equivalents	1,637,856	968,302

**Individual Financial Statements / Statement of Changes in Equity - 01/01/2018 to 03/31/2018****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	1,500,000	94,939	1,005,786	-	-	2,600,725
5.02	Prior year adjustments	-	-	-	-15,911	-	-15,911
5.02.01	Effect of initial adoption of IFRS 9	-	-	-	-15,911	-	-15,911
5.03	Adjusted Opening Balances	1,500,000	94,939	1,005,786	-15,911	-	2,584,814
5.04	Capital Transactions with Shareholders	-	3,749	-	-41,981	-	-38,232
5.04.03	Stock Options Granted Recognized	-	2,528	-	-	-	2,528
5.04.05	Treasury shares sold	-	20	-	-	-	20
5.04.07	Interest on Capital	-	-	-	-41,981	-	-41,981
5.04.08	Exercise of Stock Options with Treasury Shares	-	1,201	-	-	-	1,201
5.05	Total Comprehensive Income	-	-	-	176,005	-	176,005
5.05.01	Net Income for the Period	-	-	-	176,005	-	176,005
5.07	Closing Balances	1,500,000	98,688	1,005,786	118,113	-	2,722,587

**Individual Financial Statements / Statement of Changes in Equity - 01/01/2017 to 03/31/2017****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	976,708	33,977	1,186,305	-	-	2,196,990
5.03	Adjusted Opening Balances	976,708	33,977	1,186,305	-	-	2,196,990
5.04	Capital Transactions with Shareholders	-	25,825	-	-39,891	-	-14,066
5.04.03	Stock Options Granted Recognized	-	1,743	-	-	-	1,743
5.04.07	Interest on Capital	-	-	-	-39,891	-	-39,891
5.04.08	Exercise of Stock Options with Treasury Shares	-	24,082	-	-	-	24,082
5.05	Total Comprehensive Income	-	-	-	120,266	-	120,266
5.05.01	Net Income for the Period	-	-	-	120,266	-	120,266
5.07	Closing Balances	976,708	59,802	1,186,305	80,375	-	2,303,190

**Individual Financial Statements / Statement of Value Added****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Accumulated for the Current Year 01/01/2018 to 03/31/2018</b>	<b>Accumulated for the Prior Year 01/01/2017 to 03/31/2017</b>
7.01	Revenues	1,385,139	1,094,409
7.01.01	Sales of Goods, Products and Services	1,392,273	1,093,776
7.01.03	Revenues Related to the Construction of Own Assets	2,572	2,390
7.01.04	Allowance for/Reversal of Doubtful Debts	-9,706	-1,757
7.02	Inputs Acquired from Third Parties	-898,918	-723,221
7.02.01	Cost of Products, Goods and Services Sold	-824,983	-674,894
7.02.02	Materials, Power, Third-Party Services and Other	-73,935	-48,327
7.03	Gross Value Added	486,221	371,188
7.04	Retentions	-28,815	-38,679
7.04.01	Depreciation, Amortization and Depletion	-28,815	-38,679
7.05	Net Wealth Created	457,406	332,509
7.06	Wealth Received in Transfer	89,901	84,553
7.06.01	Equity in the Earnings of Subsidiaries	58,755	48,577
7.06.02	Finance Income	31,146	35,976
7.07	Total Wealth for Distribution	547,307	417,062
7.08	Wealth Distributed	547,307	417,062
7.08.01	Personnel	119,815	94,141
7.08.01.01	Salaries and Wages	88,989	71,029
7.08.01.02	Benefits	21,307	15,934
7.08.01.03	Severance Pay Fund (FGTS)	6,991	5,434
7.08.01.04	Other	2,528	1,744
7.08.02	Taxes, Fees and Contributions	108,686	66,049
7.08.02.01	Federal	73,798	41,499
7.08.02.02	State	29,710	20,628
7.08.02.03	Municipal	5,178	3,922
7.08.03	Lenders and Lessors	142,801	136,606
7.08.03.01	Interest	88,764	95,157
7.08.03.02	Rentals	49,527	37,869
7.08.03.03	Other	4,510	3,580
7.08.03.03.01	Other Rentals	4,510	3,580
7.08.04	Shareholders	176,005	120,266
7.08.04.01	Interest on Capital	41,981	39,891
7.08.04.03	Retained Earnings (Loss for the Period)	134,024	80,375

**Consolidated Financial Statements / Balance Sheet – Assets****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2018</b>	<b>Prior Year 12/31/2017</b>
1	Total Assets	11,206,547	11,186,234
1.01	Current Assets	3,463,417	3,430,988
1.01.01	Cash and Cash Equivalents	1,868,092	1,338,195
1.01.02	Financial Assets	794,377	1,275,699
1.01.02.01	Financial Assets at fair value	776,703	615,134
1.01.02.02	Financial Assets at amortized cost	17,674	660,565
1.01.03	Accounts Receivable	535,689	585,124
1.01.03.01	Trade Receivables	535,689	585,124
1.01.06	Recoverable Taxes	31,752	28,036
1.01.06.01	Current Recoverable Taxes	31,752	28,036
1.01.07	Prepaid Expenses	76,155	8,178
1.01.08	Other Current Assets	157,352	195,756
1.01.08.01	Non-Current Assets Available for Sale	63,884	103,350
1.01.08.03	Other	93,468	92,406
1.01.08.03.02	Other	93,468	92,406
1.02	Non-Current Assets	7,743,130	7,755,246
1.02.01	Long-Term Assets	191,095	187,837
1.02.01.03	Accounts Receivable	4,287	4,698
1.02.01.03.01	Trade Receivables	4,287	4,698
1.02.01.06	Deferred Taxes	41,071	41,953
1.02.01.06.01	Deferred Income Tax and Social Contribution	41,071	41,953
1.02.01.09	Other Non-Current Assets	145,737	141,186
1.02.01.09.03	Escrow Deposits	85,541	83,124
1.02.01.09.04	Other	83	83
1.02.01.09.06	Derivatives - Swap	18,902	16,703
1.02.01.09.07	Investments in restricted accounts	41,211	40,584
1.02.01.09.08	Recoverable Taxes	-	692
1.02.03	Property and Equipment	7,471,361	7,483,974
1.02.03.01	Property and Equipment in Use	6,920,435	6,881,798
1.02.03.02	Leased Property and Equipment	543,552	597,373
1.02.03.03	Constructions in Progress	7,374	4,803
1.02.04	Intangible Assets	80,674	83,435
1.02.04.01	Intangible Assets	80,674	83,435
1.02.04.01.02	Goodwill on Acquisition of Investments	30,719	30,719
1.02.04.01.03	Software in Service	49,892	52,644
1.02.04.01.04	Leased Software	63	72

**Consolidated Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2018</b>	<b>Prior Year 12/31/2017</b>
2	Total Liabilities	11,206,547	11,186,234
2.01	Current Liabilities	1,944,363	2,234,098
2.01.01	Payroll and Related Taxes	130,651	109,176
2.01.01.01	Payroll Taxes	12,917	20,560
2.01.01.02	Related Taxes	117,734	88,616
2.01.02	Trade Payables	1,043,243	1,331,680
2.01.02.01	Domestic Suppliers	1,042,605	1,330,405
2.01.02.02	Foreign Suppliers	638	1,275
2.01.03	Taxes Payable	55,236	44,209
2.01.03.01	Federal Taxes Payable	53,018	42,147
2.01.03.01.01	Income Tax and Social Contribution Payable	45,348	31,258
2.01.03.01.02	Other Federal Taxes	7,670	10,889
2.01.03.03	Municipal Taxes Payable	2,218	2,062
2.01.04	Loans and Financing	533,322	537,216
2.01.04.01	Loans and Financing	76,788	52,106
2.01.04.01.01	In Local Currency	76,788	52,106
2.01.04.02	Debentures	217,156	249,269
2.01.04.03	Finance Lease	239,378	235,841
2.01.05	Other Payables	181,911	211,817
2.01.05.02	Other	181,911	211,817
2.01.05.02.01	Dividends and Interest on Capital Payable	35,734	36,384
2.01.05.02.04	Other Current Liabilities	131,617	168,602
2.01.05.02.05	Derivatives - Swaps	14,560	6,831
2.02	Non-Current Liabilities	6,539,597	6,351,411
2.02.01	Loans and Financing	6,107,959	5,940,463
2.02.01.01	Loans and Financing	1,454,683	1,130,522
2.02.01.01.01	In Local Currency	1,454,683	1,130,522
2.02.01.02	Debentures	4,559,527	4,715,847
2.02.01.03	Finance Lease	93,749	94,094
2.02.02	Other Payables	60,724	58,142
2.02.02.02	Other	60,724	58,142
2.02.02.02.03	Other Non-Current Liabilities	7,108	6,734
2.02.02.02.04	Derivatives - Swaps	12,405	10,824
2.02.02.02.05	Restricted obligations	41,211	40,584
2.02.03	Deferred Taxes	228,966	219,706
2.02.03.01	Deferred Income Tax and Social Contribution	228,966	219,706
2.02.04	Provisions	135,900	126,490
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	135,900	126,490
2.02.04.01.01	Provisions for Tax Risks	61,632	54,712
2.02.04.01.02	Provisions for Social Security and Labor Risks	48,035	47,278
2.02.04.01.04	Provisions for Civil Risks	26,233	24,500
2.02.06	Unearned Profit and Revenue	6,048	6,610
2.02.06.02	Unearned Revenue	6,048	6,610
2.03	Consolidated Equity	2,722,587	2,600,725
2.03.01	Paid-In Capital	1,500,000	1,500,000

**Consolidated Financial Statements / Balance Sheet – Liabilities****(In Thousands of Brazilian Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2018</b>	<b>Prior Year 12/31/2017</b>
2.03.02	Capital Reserves	98,688	94,939
2.03.02.05	Treasury Shares	-52,664	-53,696
2.03.02.07	Share Issuance Premium and Stock Options Granted	151,352	148,635
2.03.04	Earnings Reserves	1,123,899	1,005,786
2.03.04.01	Legal Reserve	145,908	145,908
2.03.04.02	Statutory Reserve	741,098	622,985
2.03.04.05	Earnings Retention Reserve	236,893	236,893



**Consolidated Financial Statements / Income Statement****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year 01/01/2018 to 03/31/2018	Year 01/01/2017 to 03/31/2017
3.01	Revenue from Sales and/or Services	1,822,736	1,339,578
3.02	Cost of Sales and/or Services	-1,305,972	-969,476
3.03	Gross Profit	516,764	370,102
3.04	Operating Income (Expenses)	-186,850	-140,033
3.04.01	Selling Expenses	-139,216	-103,299
3.04.02	General and Administrative Expenses	-40,486	-36,503
3.04.05	Other Operating Expenses	-7,148	-231
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	329,914	230,069
3.06	Finance Income (Expenses)	-88,885	-74,829
3.06.01	Finance Income	44,858	54,314
3.06.02	Finance Expenses	-133,743	-129,143
3.07	Net Income Before Income Taxes	241,029	155,240
3.08	Income Tax and Social Contribution on Profit	-65,024	-34,974
3.08.01	Current	-46,814	-35,588
3.08.02	Deferred	-18,210	614
3.09	Net Income from Continuing Operations	176,005	120,266
3.11	Net Income for the Period	176,005	120,266
3.11.01	Attributable to the Company's Owners	176,005	120,266
3.99	Earnings per Share (R\$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.26650	0.18344
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	0.26596	0.18302

**Consolidated Financial Statements / Statement of Comprehensive Income****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the Prior
		Current Year 01/01/2018 to 03/31/2018	Year 01/01/2017 to 03/31/2017
4.01	Consolidated Net Income for the Period	176,005	120,266
4.03	Consolidated Comprehensive Income for the Period	176,005	120,266
4.03.01	Attributable to the Company's Owners	176,005	120,266

**Consolidated Financial Statements / Statement of Cash Flows – Indirect Method****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
6.01	Net Cash Provided by Operating Activities	479,251	117,336
6.01.01	Cash Provided by Operations	1,344,597	1,010,460
6.01.01.01	Net Income for the Period	176,005	120,266
6.01.01.02	Depreciation and Amortization	67,441	66,940
6.01.01.03	Residual Value of Property and Equipment Written Off	928,132	688,391
6.01.01.04	Deferred Income Tax and Social Contribution	18,210	-614
6.01.01.05	Other	26,922	6,515
6.01.01.06	Provisions for contingencies	9,003	5,266
6.01.01.07	Interest on Loans, Financing, Debentures and Fixed-Rate Swap	127,407	123,696
6.01.01.08	Income from financial assets	-8,523	-
6.01.02	Changes in Assets and Liabilities	-1,266,896	-747,187
6.01.02.01	Trade Receivables	9,487	79,542
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-1,227,675	-764,566
6.01.02.03	Escrow Deposits	-2,417	-5,619
6.01.02.04	Recoverable Taxes	-1,932	7,033
6.01.02.05	Prepaid Expenses	-67,977	-45,940
6.01.02.06	Other Current and Non-Current Assets	-10,224	-42,851
6.01.02.07	Trade Payables (Except Car Manufacturers)	5,837	-25,507
6.01.02.08	Payroll and Related Taxes	21,475	25,270
6.01.02.09	Income Tax and Social Contribution	46,814	35,588
6.01.02.11	Insurance Premiums	-2,328	12,796
6.01.02.12	Other Current and Non-Current Liabilities	-37,956	-22,933
6.01.03	Other	401,550	-145,937
6.01.03.01	Income Tax and Social Contribution Paid	-33,327	-24,014
6.01.03.02	Interest on Loans, Financing and Debt Paid	-54,968	-121,923
6.01.03.03	Short-term financial assets	489,845	-
6.02	Net Cash Provided by Investing Activities	-6,104	-38,761
6.02.01	Purchase of Other Property and Equipment	-5,479	-36,173
6.02.02	Purchase of Intangible Assets	-625	-2,588
6.03	Net Cash Provided by Financing Activities	56,750	-286,125
6.03.01	Loans and Financing - Funding	435,169	59,333
6.03.02	Loans and Financing - Repayments	-96,895	-285,332
6.03.04	Debentures - Repayments	-240,000	-37,500
6.03.06	Interest on Capital	-42,745	-46,708
6.03.07	Exercise of Stock Options with Treasury Shares, Net	1,201	24,082
6.03.08	Treasury Shares	20	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	529,897	-207,550
6.05.01	Opening Balance of Cash and Cash Equivalents	1,338,195	1,692,261
6.05.02	Closing Balance of Cash and Cash Equivalents	1,868,092	1,484,711

**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2018 to 03/31/2018****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	1,500,000	94,939	1,005,786	-	-	2,600,725	-	2,600,725
5.02	Prior year adjustments	-	-	-	-15,911	-	-15,911	-	-15,911
5.02.01	Effect of initial adoption of IFRS 9	-	-	-	-15,911	-	-15,911	-	-15,911
5.03	Adjusted Opening Balances	1,500,000	94,939	1,005,786	-15,911	-	2,584,814	-	2,584,814
5.04	Capital Transactions with Shareholders	-	3,749	-	-41,981	-	-38,232	-	-38,232
5.04.03	Stock Options Granted Recognized	-	2,528	-	-	-	2,528	-	2,528
5.04.05	Treasury shares sold	-	20	-	-	-	20	-	20
5.04.07	Interest on Capital	-	-	-	-41,981	-	-41,981	-	-41,981
5.04.08	Exercise of Stock Options with Treasury Shares	-	1,201	-	-	-	1,201	-	1,201
5.05	Total Comprehensive Income	-	-	-	176,005	-	176,005	-	176,005
5.05.01	Net Income for the Period	-	-	-	176,005	-	176,005	-	176,005
5.07	Closing Balances	1,500,000	98,688	1,005,786	118,113	-	2,722,587	-	2,722,587

**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2017 to 03/31/2017****(In Thousands of Brazilian Reais)**

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	976,708	33,977	1,186,305	-	-	2,196,990	-	2,196,990
5.03	Adjusted Opening Balances	976,708	33,977	1,186,305	-	-	2,196,990	-	2,196,990
5.04	Capital Transactions with Shareholders	-	25,825	-	-39,891	-	-14,066	-	-14,066
5.04.03	Stock Options Granted Recognized	-	1,743	-	-	-	1,743	-	1,743
5.04.07	Interest on Capital	-	-	-	-39,891	-	-39,891	-	-39,891
5.04.08	Exercise of Stock Options with Treasury Shares	-	24,082	-	-	-	24,082	-	24,082
5.05	Total Comprehensive Income	-	-	-	120,266	-	120,266	-	120,266
5.05.01	Net Income for the Period	-	-	-	120,266	-	120,266	-	120,266
5.07	Closing Balances	976,708	59,802	1,186,305	80,375	-	2,303,190	-	2,303,190

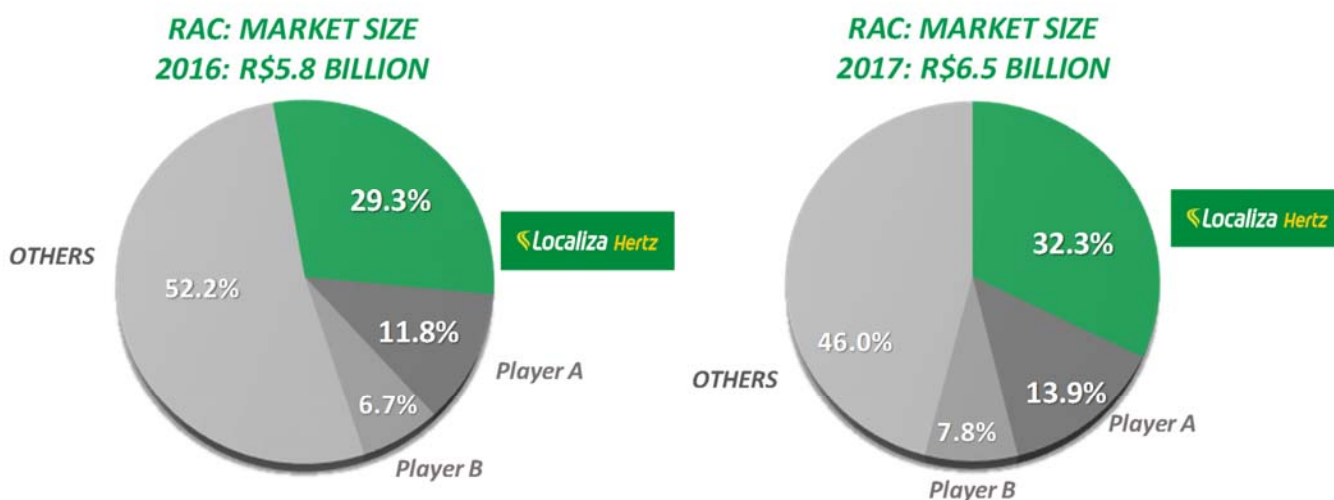
**Consolidated Financial Statements / Statement of Value Added****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
7.01	Revenues	1,833,199	1,362,433
7.01.01	Sales of Goods, Products and Services	1,839,404	1,362,646
7.01.03	Revenues Related to the Construction of Own Assets	2,572	2,390
7.01.04	Allowance for/Reversal of Doubtful Debts	-8,777	-2,603
7.02	Inputs Acquired from Third Parties	-1,152,853	-826,994
7.02.01	Cost of Products, Goods and Services Sold	-1,074,031	-774,190
7.02.02	Materials, Power, Third-Party Services and Other	-78,822	-52,804
7.03	Gross Value Added	680,346	535,439
7.04	Retentions	-67,441	-66,940
7.04.01	Depreciation, Amortization and Depletion	-67,441	-66,940
7.05	Net Wealth Created	612,905	468,499
7.06	Wealth Received in Transfer	44,858	54,314
7.06.02	Finance Income	44,858	54,314
7.07	Total Wealth for Distribution	657,763	522,813
7.08	Wealth Distributed	657,763	522,813
7.08.01	Personnel	143,453	122,928
7.08.01.01	Salaries and Wages	107,866	95,288
7.08.01.02	Benefits	24,714	18,796
7.08.01.03	Severance Pay Fund (FGTS)	8,345	7,100
7.08.01.04	Other	2,528	1,744
7.08.02	Taxes, Fees and Contributions	156,126	108,317
7.08.02.01	Federal	108,493	75,421
7.08.02.02	State	40,580	27,402
7.08.02.03	Municipal	7,053	5,494
7.08.03	Lenders and Lessors	182,179	171,302
7.08.03.01	Interest	133,743	129,143
7.08.03.02	Rentals	43,836	38,470
7.08.03.03	Other	4,600	3,689
7.08.03.03.01	Other Rentals	4,600	3,689
7.08.04	Shareholders	176,005	120,266
7.08.04.01	Interest on Capital	41,981	39,891
7.08.04.03	Retained Earnings (Loss for the Period)	134,024	80,375

Dear Investors,

We present the results of 1Q18, where once again the Company achieved extremely positive results. Before entering into the financial and operational highlights that will follow, two relevant events of this quarter deserve to be mentioned:

- **Publishing of Car Rental Data - ABLA Yearbook 2018.** On 1Q18 the 2018 Yearbook, published by the Brazilian Association of Car Rental Companies - ABLA, which brings the data and statistics for the year 2017 on the industry leasing vehicles raised by the entity. According to the Yearbook, Brazilian car rental market grew by 12.3% in 2017, from R\$5.8 billion to R\$6.5 billion gross revenue. Considering the gross revenues of the Company's car rental unit (including franchisees), Localiza increased its market share by 3.0 pp in the period.



Source: ABLA, considering the breakdown reported applied on the revenues

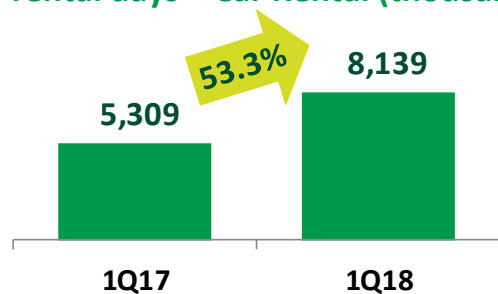
The Yearbook also published annual data on the Fleet Rental sector, indicating that it increased 12.3% in 2017, from R\$8.0 billion to R\$9.0 billion in gross sales. Based on these assumptions and considering the gross sales of the Company's fleet rental unit, Localiza maintained a stable share in this market.

**Sustainability and Corporate Social Responsibility.** Localiza begins 2018 reaffirming its commitment to the environment and sustainability: as of March, all car rental locations and car sales stores in 4 states, representing 30% of the Company's energy consumption, are already being fully supplied by solar energy. By 2019, 100% of our corporate rental locations and stores in all Brazilian states will be supplied by clean energy. In 2017, we engaged to the UN Global Compact, a global initiative committed to Social Responsibility and action for a better world. Practices related to Human Rights, Labor, Environment and Anticorruption are aligned with our vision.

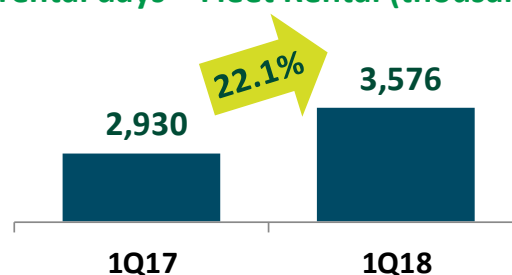


## Operational Highlights

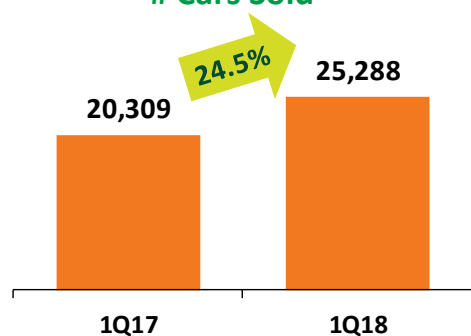
# of rental days – Car Rental (thousands)



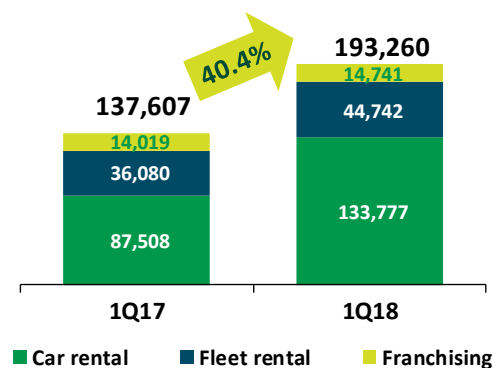
# of rental days – Fleet Rental (thousands)



# Cars Sold

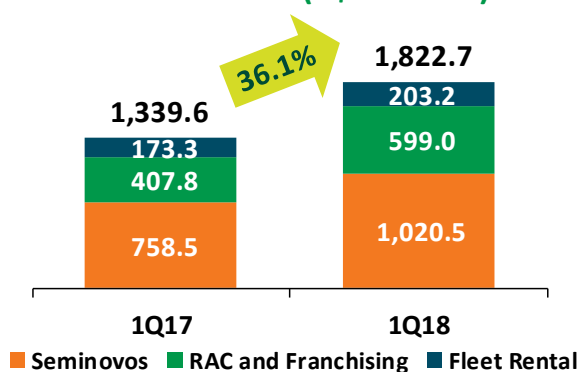


End of period fleet

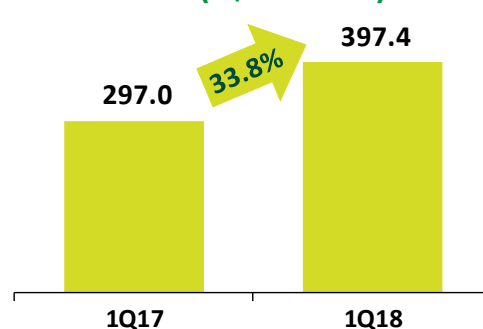


## Consolidated financial Highlights

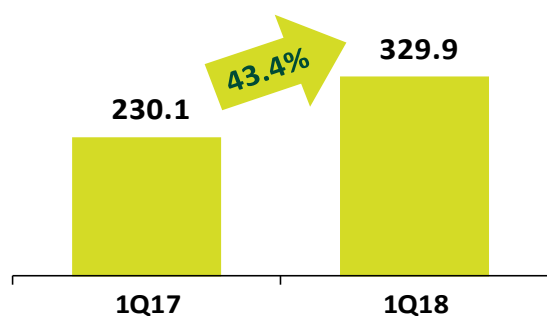
Net revenues (R\$ millions)



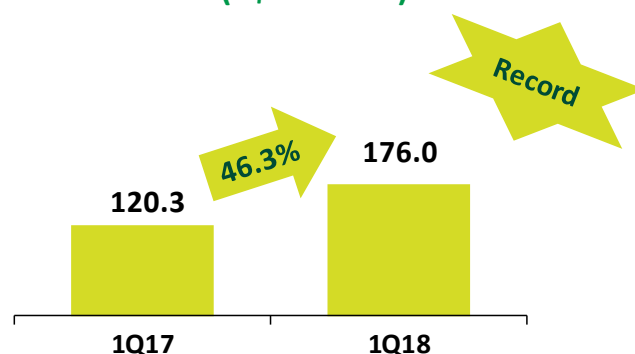
EBITDA (R\$ millions)



EBIT (R\$ millions)



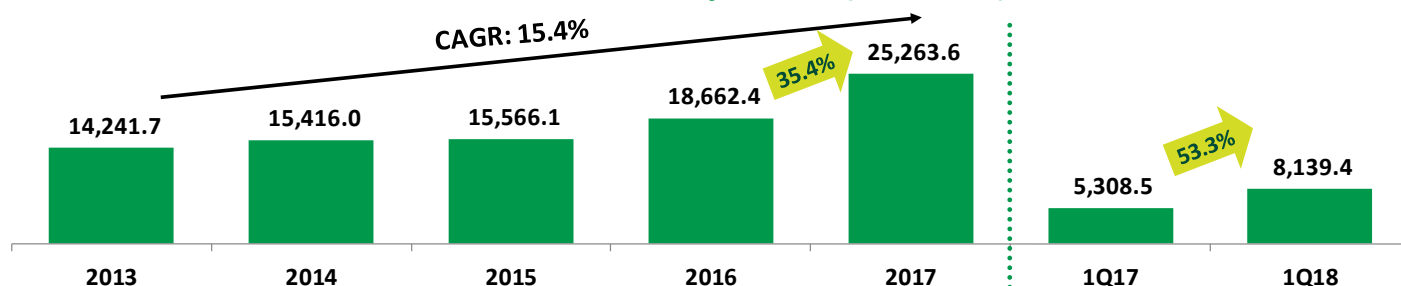
Net Income (R\$ millions)



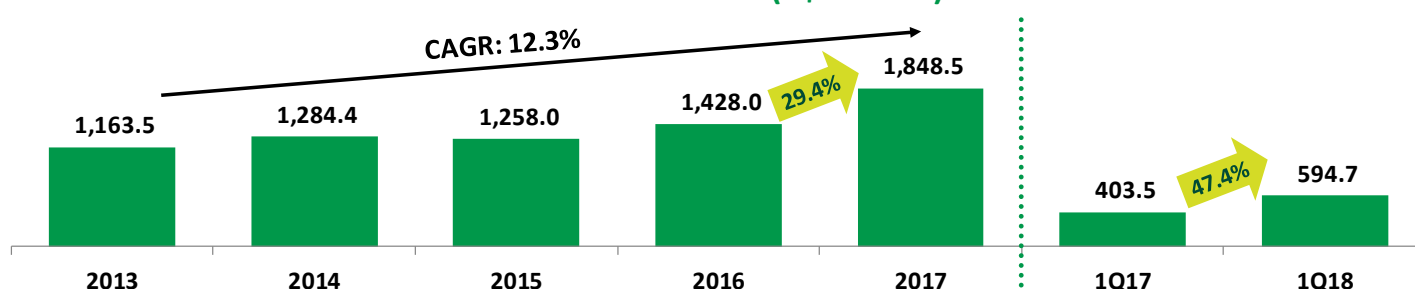


## 1 - Rent a Car

### Number of daily rentals (thousand)



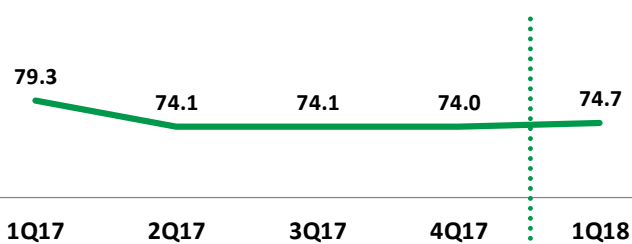
### Net revenues (R\$ million)



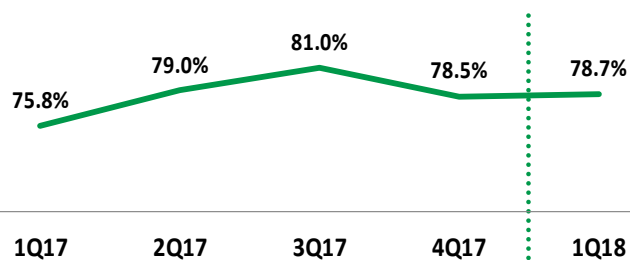
In 1Q18, **Car Rental** Division daily rental volume grew 53.3% in relation to 1Q17. On the same comparison basis, net revenues increased 47.4%, as a consequence of 5.7% reduction in the average rental rate, which already shows stability compared with 4Q17.

In comparison to the 1Q17, the decrease in the average rental rate for the quarter reflects the price management strategy, the utilization rate and the segment mix. In 1Q18, a seasonally strong quarter of retail demand, the mix was the main factor for the decrease in the rental rate, due to the growth also in segments with lower rates.

### Average daily rate (in R\$)



### Operating fleet utilization rate (%)

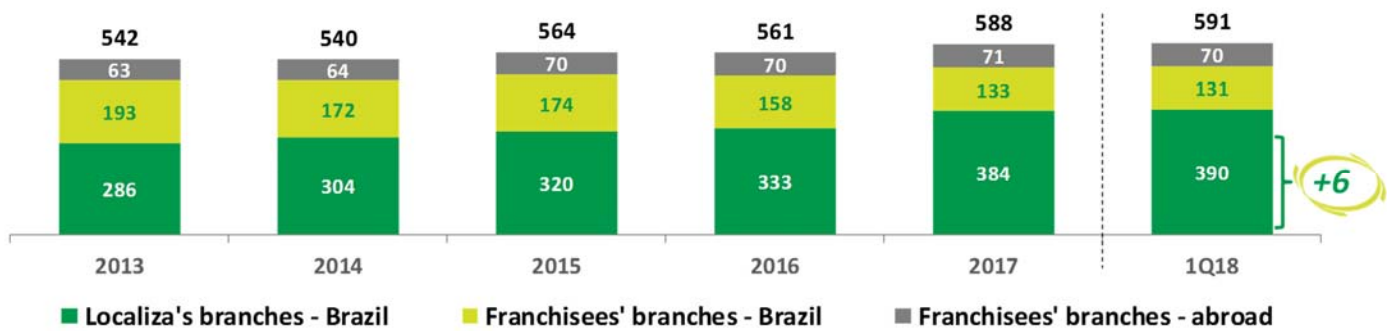


With the price management system to stimulate demand and the operational improvement, the lower rental rates were offset by the increase in the utilization rate of 78.7% in 1Q18, representing a gain of 2.9p.p. in relation to 1Q17.

The utilization rate presented reflects only the period when cars are available for rent at the locations and therefore does not include cars on activation and decommissioning process.

## 1.1 - Distribution network

### *Number of car rental locations Brazil and abroad*

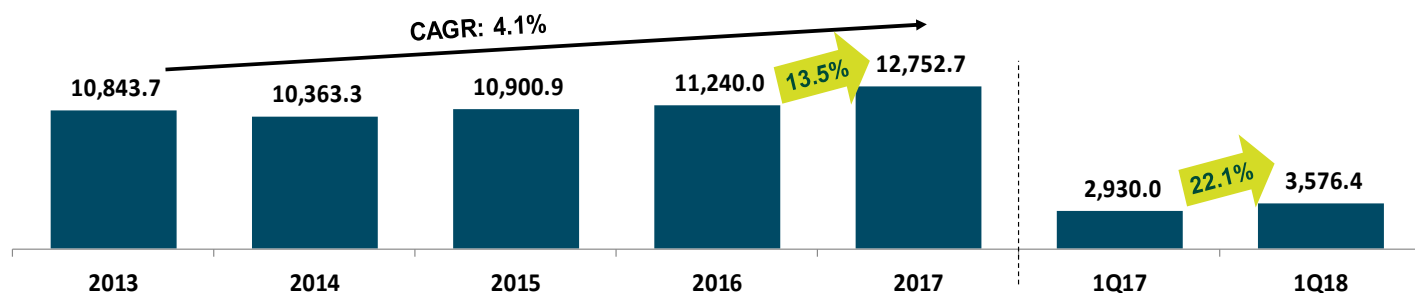


In 1Q18, Localiza's corporate network was expanded by 6 locations, going from 384 on 12/31/2017 to 390 on 03/31/2018, including 3 locations which were previously operated by franchisees.

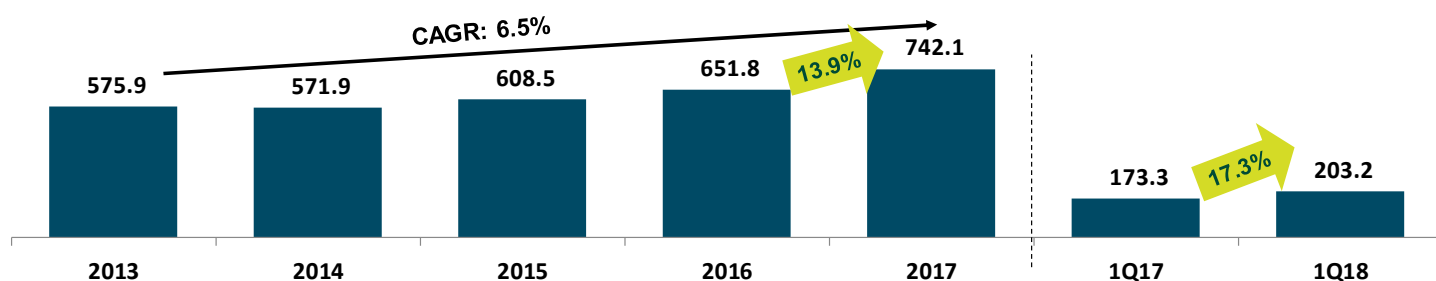
At the end of 1Q18, Localiza System had 591 rental locations, being 521 in Brazil and 70 in 6 other South American countries.

## 2 – Fleet Rental

Number of daily rentals (thousand)



Net revenues (R\$ million)



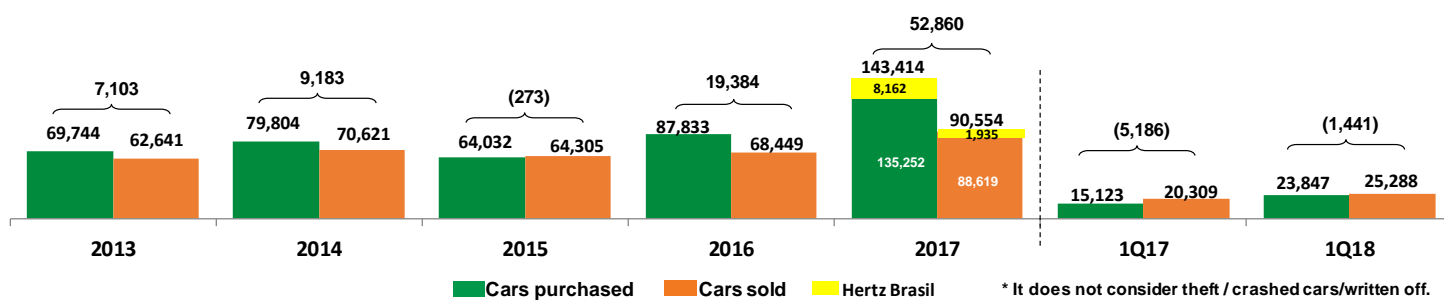
In 1Q18, **Fleet Rental** Division registered a 22.1% increase in volumes and 17.3% in revenue compared to the same period of the previous year, as a consequence of the 5.6% reduction in the average rental rate.

The lower rental rate of this division mainly reflects the pricing of new contracts in a context of lower interest rates, in addition to the entry of Hertz Brazil contracts with lower average price.

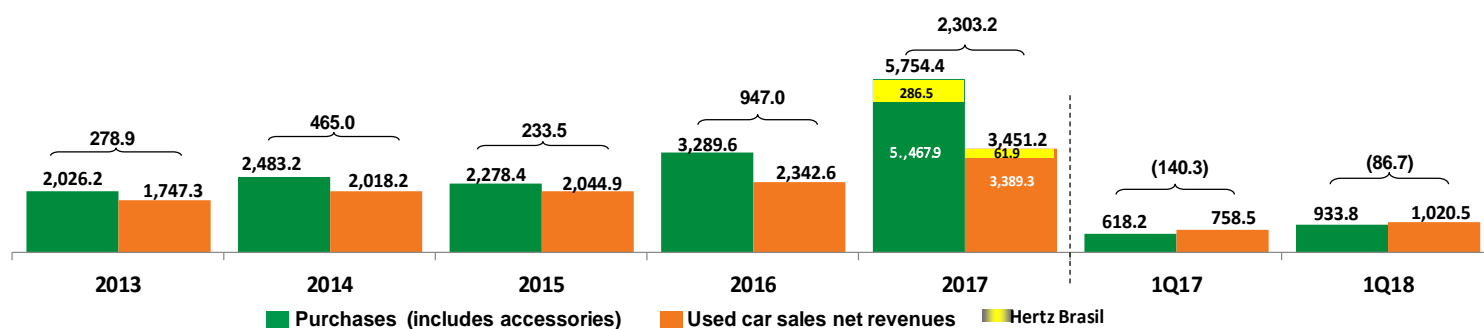
## 3 - Fleet

### 3.1 – Net investment in the fleet

#### Fleet (reduction) expansion\* (quantity)



#### Net investment in fleet (R\$ million)

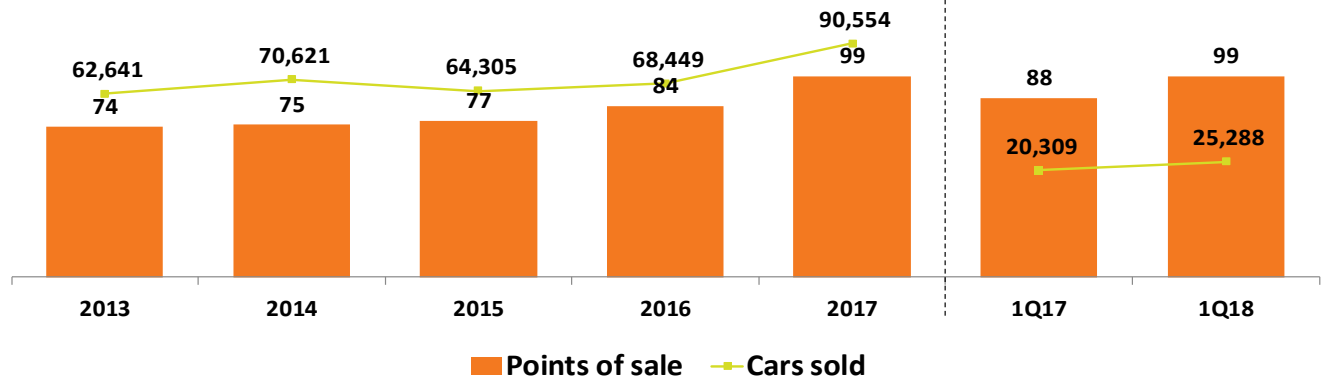


Historically, the fleet from the **Car Rental** Division is reduced in the first quarter of each year, after summer vacation peak of demand.

In 1Q18, though, the Company was able to reduce seasonality, obtaining a net selling balance of only 1,441 cars in comparison with 5,186 cars in the same period of the year before.

## 4 – Seminovos

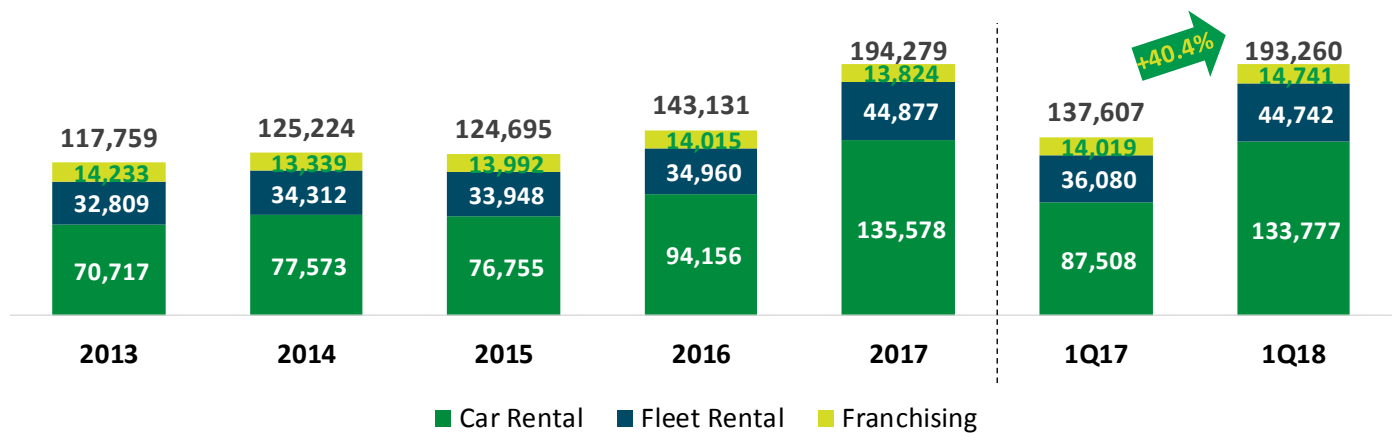
Number of stores (Brazil)



On 12/31/2018, **Seminovos** network was comprised of 99 stores distributed in 65 cities in Brazil. In the quarter, 25,288 cars were sold, representing a growth of 24.5% compared to 1Q17.

## 5 – End of period fleet

End of period fleet (quantity)

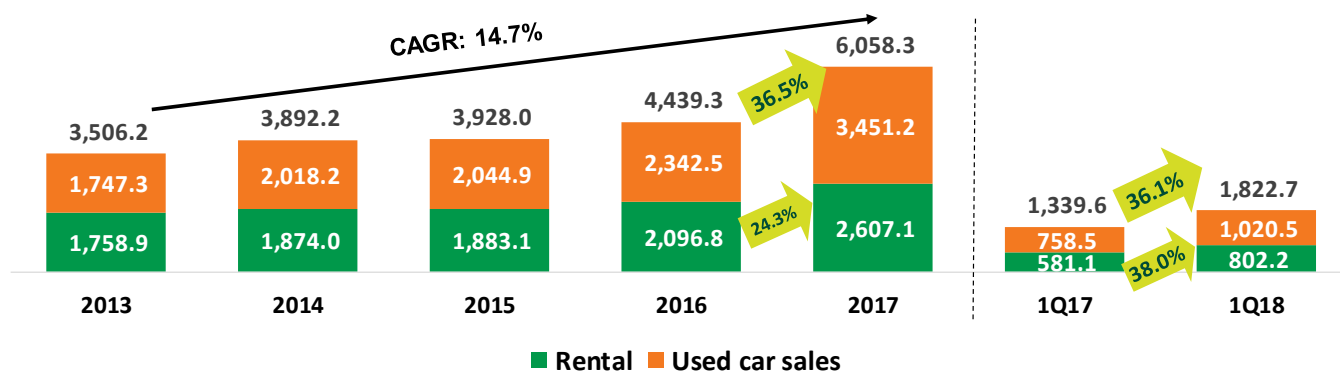


As of 03/31/2018, the consolidated fleet consisted of 193,260 cars, including 14,741 cars from franchisees.

In 1Q18, Localiza System's fleet (including franchisees) was reduced in relation to 4Q17 by 1,019 cars after the peak of demand of the **Car Rental** Division.

## 6 – Net revenues - consolidated

### Consolidated net revenues (R\$ million)

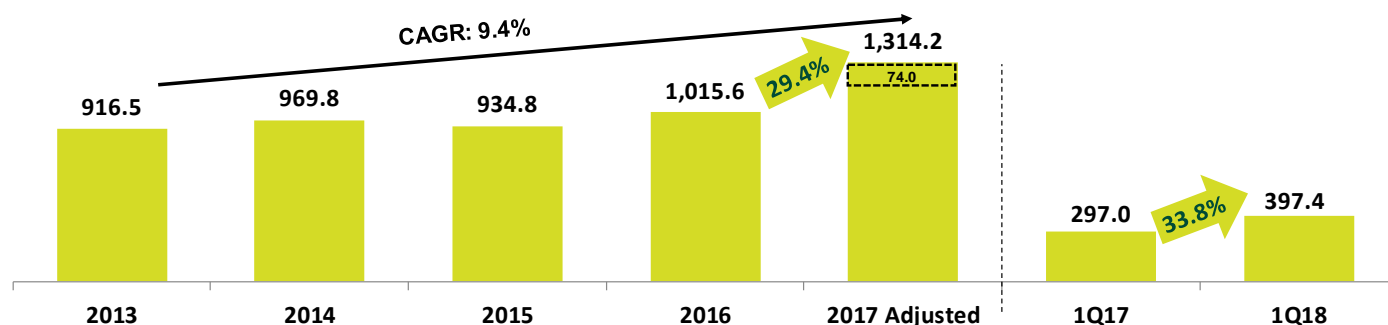


In 1Q18, consolidated net revenues grew 36.1% when compared with 1Q17. Net rental revenues increased 38.0%, being 47.4% in the **Car Rental** Division and 17.3% in the **Fleet Rental** Division.

**Seminovos** net revenues in 1Q18 grew 34.5% when compared to 1Q17, due to 24.5% increase in sales volume and 8.1% increase in the average price of cars sold.

## 7 - EBITDA

### Consolidated EBITDA (R\$ million)



One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

EBITDA margin:

Divisions	2013	2014*	2015	2016	2017	1Q17	1Q18
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%**	36.6%	35.7%
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%**	63.0%	61.3%
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%**	44.5%	42.2%
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	5.0%	5.7%

(\*) From 2014 on, it considers the new ap.propriation criteria of the overhead, which is also ap.propriated to Seminovos.

(\*\*) Adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchisees incorporation

In 1Q18, consolidated EBITDA totaled R\$397.4 million, 33.8% higher than the same period of the previous year.

The EBITDA margin of the **Car Rental** Division was 35.7% in 1Q18, 0.9 p.p. lower when compared with 1Q17, mainly due to lower average rental rate partially offset by the increase of the utilization rate by 2.9 p.p. in relation to 1Q17.

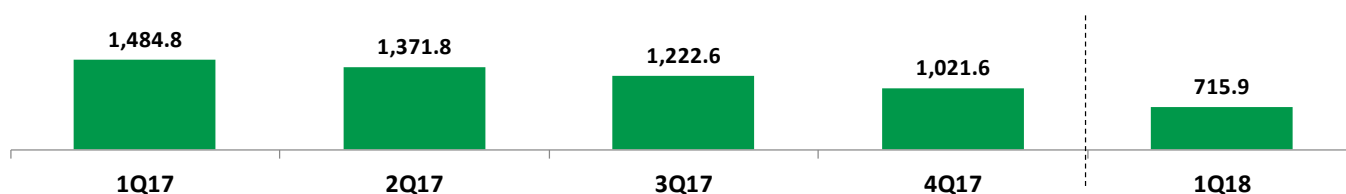
In the **Fleet Rental** Division, EBITDA margin was 61.3% in 1Q18, lower by 1.7 p.p. when compared with 1Q17. The lower EBITDA margin reflects the lower prices of the new contracts of this Division, due to lower interest in addition to the entry of Hertz Brazil contracts with lower average rate.

**Seminovos** EBITDA margin in 1Q18 was 5.7%, higher than 1Q17, reflecting the increase in average prices and the dilution of sale expenses due to the higher volume sold.

## 8 - Depreciation

### 8.1 – Rent a Car

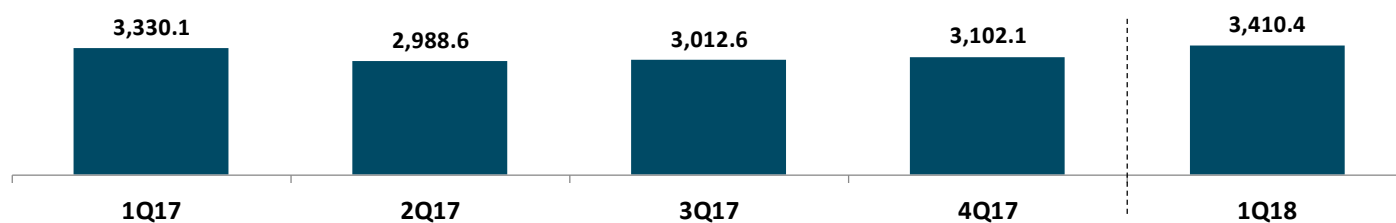
#### Average annualized depreciation per car (R\$) – RAC



The annualized average depreciation of 1Q18 was R\$715.9, lower by 51.8% if compared with 1Q17. The decrease in depreciation reflects the increase in the average sale price and the Company's efficiency in the purchase and sale of cars.

### 8.2 – Fleet Rental

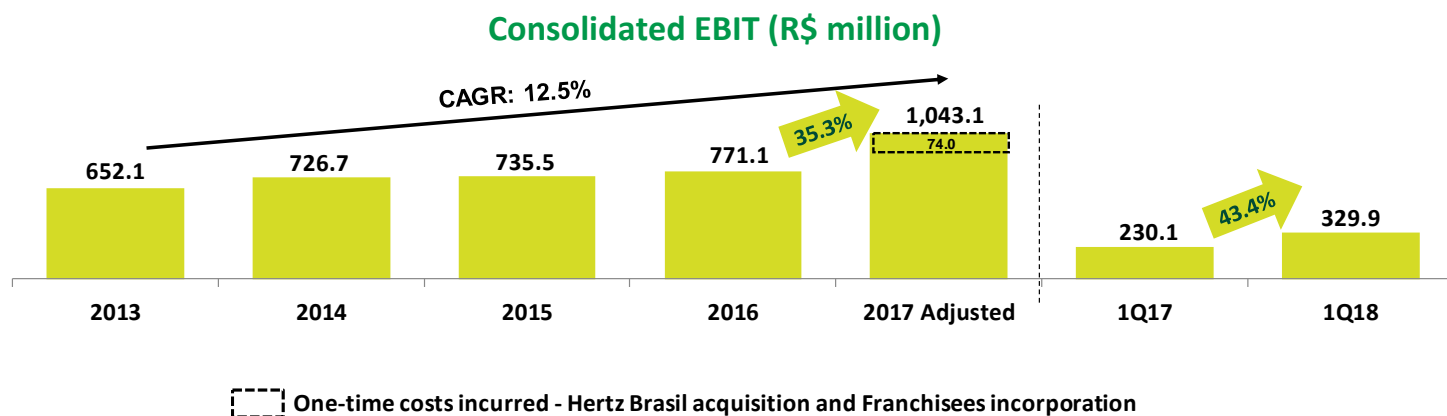
#### Average annualized depreciation per car (R\$) – Fleet Rental



In the **Fleet Rental** Division, the annualized average depreciation per car in 2017 was R\$3,410.4, a 2.4% increase when compared with 1Q17. Depreciation reflects the Company's expectations in relation to the sales price of this division.



## 9 - EBIT



EBIT margin calculated over rental revenues:

Divisions	2013	2014	2015	2016	2017	1Q17	1Q18
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%*	34.8%	38.8%
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%*	50.9%	48.0%
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%*	39.6%	41.1%

(\*) Adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchisees incorporation

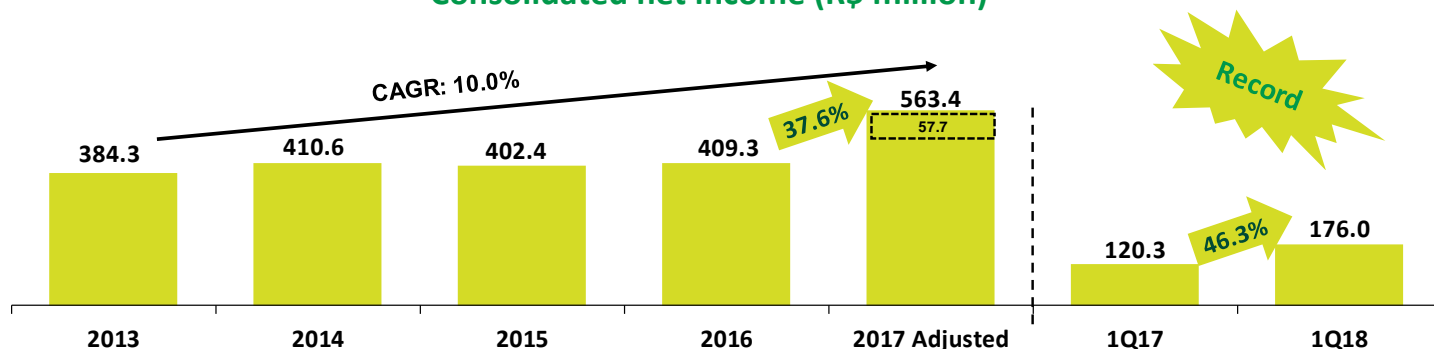
Consolidated EBIT for 1Q18 reached R\$329.9 million, a 43.4% increase when compared with 1Q17, due to a 33.8% increase in EBITDA and a decrease in average annualized depreciation per car by 30.5%.

The EBIT margin of 1Q18 of the **Car Rental** Division was 38.8%, representing an increase of 4.0 p.p. when compared with 1Q17, reflecting lower annualized average depreciation per car in the quarter.

The EBIT margin of the **Fleet Rental Division** in 1Q18 was 48.0%, a reduction of 2.9p.p. in relation to 1Q17, reflecting lower EBITDA margin due to: (i) the adjustment in the pricing of new contracts in a scenario of lower interest rates and absorption of Hertz contracts with lower average prices and (ii) higher depreciation.

## 10 - Consolidated net income

### Consolidated net income (R\$ million)



One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation, after taxes

Reconciliation EBITDA x Net income	2013	2014	2015	2016	2017*	Var. R\$	Var. %	1Q17	1Q18	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	298.6	29.4%	297.0	397.4	100.4	33.8%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(25.7)	12.5%	(57.9)	(56.9)	1.0	-1.7%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(0.9)	2.4%	(9.0)	(10.6)	(1.6)	17.8%
EBIT	652.1	726.7	735.5	771.1	1,043.1	272.0	35.3%	230.1	329.9	99.8	43.4%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(71.5)	29.4%	(74.8)	(88.9)	(14.1)	18.9%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(46.4)	39.2%	(35.0)	(65.0)	(30.0)	85.7%
Net income of the period	384.3	410.6	402.4	409.3	563.4	154.1	37.6%	120.3	176.0	55.7	46.3%

(\*) Adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchisees incorporation

The net income of 1Q18 totaled R\$176.0 million, an increase of 46.3% over 1Q17, mainly due to:

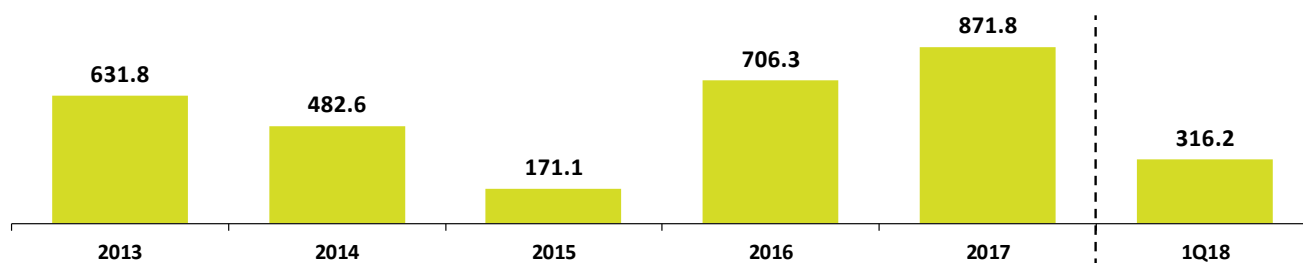
(+) R\$100.4 million EBITDA increase;

(-) R\$14.1 million increase in net financial expenses, due to an increase in the net debt and partially compensated by the SELIC (basic interest rate) reduction.

(-) R\$30.0 million increase in income taxes, due to higher taxable income and an increase in the effective rate of income tax and social contribution. The higher rate is due to the lower representativeness of interest on equity in relation to income.

## 11 – Free cash flow (FCF)

### Free cash flow from operations, before growth



Free cash flow - R\$ million		2013	2014	2015	2016	2017	1Q18
Operations	EBITDA	916.5	969.8	934.8	1,015.6	1,314.2*	397.4
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(3,451.2)	(1,020.5)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	928.1
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(33.3)
	Change in working capital	2.9	(27.1)	(30.0)	113.2	21.2	(49.0)
	Cash generated by rental operations	607.4	588.4	518.3	795.5	882.5	222.7
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	1,747.3	2,018.2	2,036.3	2,342.5	3,451.2	962.4
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(933.8)
	Change in accounts payable to car suppliers – renewal	144.3	120.0	(75.4)	174.1	247.8	71.0
	Net investment for fleet renewal	71.9	(59.5)	(317.5)	(47.0)	38.1	99.6
	Fleet renewal – quantity	62,641	70,621	64,032	68,449	90,554	23,847
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(42.2)	(48.8)	(6.1)
Free cash flow from operations, before growth		631.8	482.6	171.1	706.3	871.8	316.2
Capex - Growth	Fleet growth investment	(209.4)	(286.8)	-	(726.0)	(1,807.0)	-
	Used car sale revenue, net from taxes – fleet reduction	-	-	8.6	-	-	58.1
	Change in accounts payable to car suppliers – growth	(54.6)	214.4	(45.8)	16.6	167.7	(364.9)
	Hertz Brazil acquisition - fleet	-	-	-	-	(286.5)	-
	Fleet growth capex	(264.0)	(72.4)	(37.2)	(709.4)	(1,925.8)	(306.8)
	Fleet increase / (reduction) – quantity	7,103	9,183	(273)	19,384	52,860	(1,441)
Free cash flow after growth, and before interest and new HQ		367.8	410.2	133.9	(3.1)	(1,054.0)	9.4
Capex - non-recurring	Hertz Acquisition (Except fleet)	-	-	-	-	(46.7)	-
	Incurred one-time costs effect	-	-	-	-	(74.0)	-
	New headquarters construction and furniture	(6.5)	(148.3)	(30.7)	(84.4)	(126.2)	-
Free cash flow before interest		361.3	261.9	103.2	(87.5)	(1,300.9)	9.4

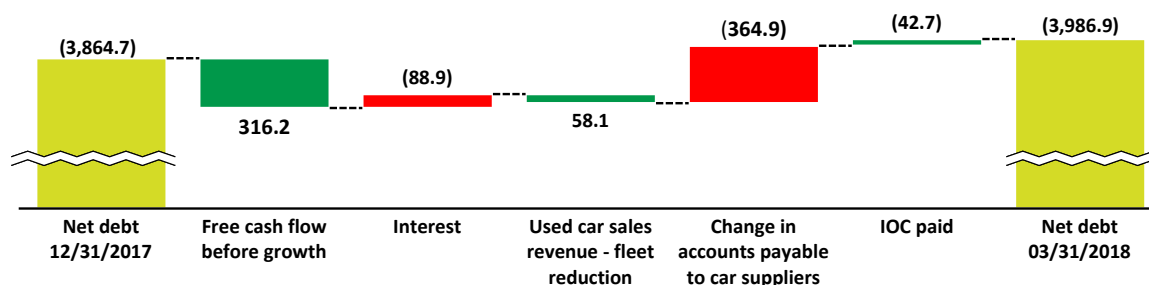
(\*) Adjusted by one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediately liquidity.

In 1Q18, the Company continued to present strong cash generation of R\$316.2 million before growth.

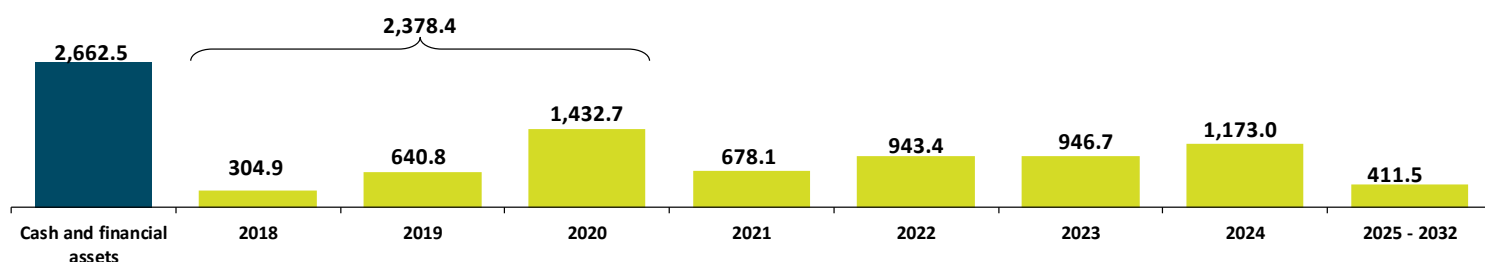
## 12 – Debt

### 12.1 – Change in debt – R\$ million



### 12.2 – Debt maturity profile – Principal – R\$ million

As of March 31, 2018



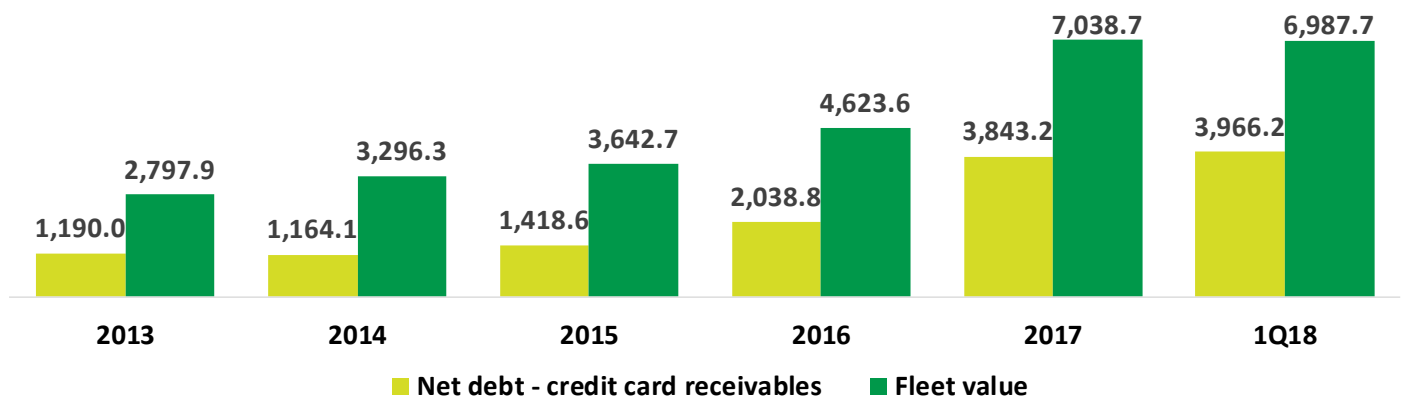
Cash balance of R\$2.7 billion is more than enough to support fleet growth and the short term debt maturity profile.

### 12.3 – Debt profile

Debt	Issuance	Contract rate	2018	2019	2020	2021	2022	2023	2024	2025+	Total
Debentures 7th Issuance	09/30/2013	110.95% CDI	75.0	75.0	100.0	100.0	-	-	-	-	350.0
Debentures 8th Issuance	09/10/2014	109.5% CDI	-	250.0	250.0	-	-	-	-	-	500.0
Debentures 9th Issuance	04/30/2015	113.2% CDI	-	50.0	150.0	300.0	-	-	-	-	500.0
Debentures 10th Issuance	01/08/2016	113.9% CDI	-	-	100.0	100.0	-	-	-	-	200.0
Debentures 11th Issuance	12/12/2016	111.5% CDI	-	-	-	-	500.0	-	-	-	500.0
Debentures 12th Issuance	05/15/2017	107.25% CDI	-	-	-	-	-	-	700.0	-	700.0
Debentures da 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	-	-	434.4	434.5	-	-	868.9
Debentures da 13th Issuance - 2nd serie	12/15/2017	111.30% CDI	-	-	-	-	-	-	108.0	108.0	216.0
Debentures 3rd Issuance of Localiza Fleet	05/05/2017	107.0% CDI	-	-	-	-	-	500.0	-	-	500.0
Debentures 4th Issuance of Localiza Fleet	10/02/2017	CDI + 0.30%	-	-	-	-	-	-	350.0	-	350.0
Promissory notes 6th issuance	09/29/2017	CDI + 0.40%	-	-	650.0	-	-	-	-	-	650.0
CCBI – New headquarters	06/18/2014	98.8% CDI	-	47.5	95.0	47.5	-	-	-	-	190.0
Real State Receivables Certificate (CRI)	02/26/2018	99% CDI	13.4	7.0	4.4	5.6	9.0	12.2	15.0	303.5	370.1
Working Capital / Others	-	Several	216.6	211.3	83.3	125.0	-	-	-	-	636.2
Interest accrued and paid	-	-	118.2	-	-	-	-	-	-	-	118.2
Cash and cash equivalents on 03/31/2018	-	-	(2,662.5)	-	-	-	-	-	-	-	(2,662.5)
<b>Net debt</b>	-	-	<b>(2,239.3)</b>	<b>640.8</b>	<b>1,432.7</b>	<b>678.1</b>	<b>943.4</b>	<b>946.7</b>	<b>1,173.0</b>	<b>411.5</b>	<b>3,986.9</b>

## 12.4 – Debt ratios

### NET DEBT DISCOUNTING CREDIT CARD RECEIVABLES VERSUS FLEET VALUE

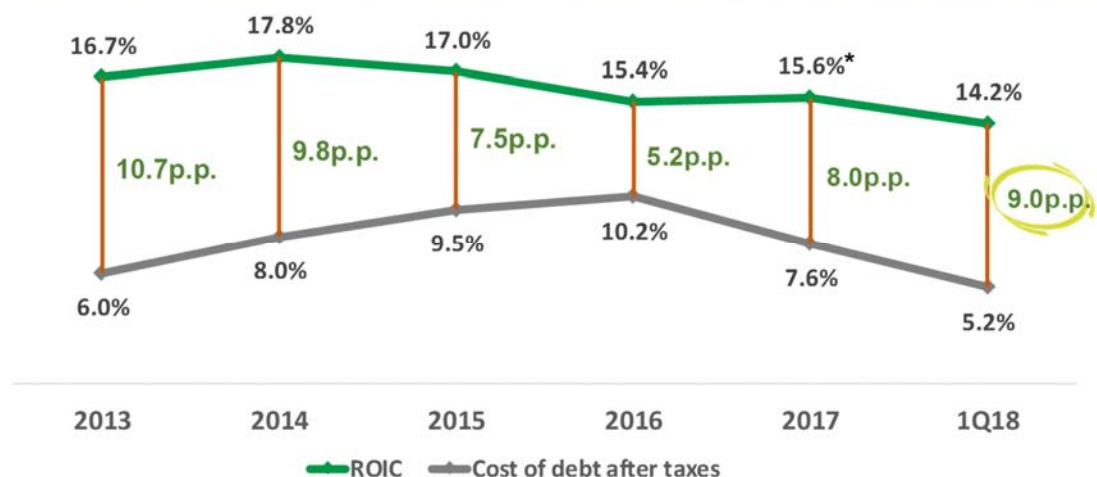


BALANCE AT THE END OF PERIOD	2013	2014	2015	2016	2017	1Q18
Net debt - credit card receivables / Fleet value	43%	35%	39%	44%	55%	57%
Net debt - credit card receivables / annualized EBITDA	1.3x	1.2x	1.5x	2.0x	2.9x	2.5x
Net debt - credit card receivables / Equity	0.9x	0.7x	0.7x	0.9x	1.5x	1.5x
EBITDA / Net financial expenses	8.3x	6.4x	4.6x	4.2x	4.2x	4.5x

In the leverage ratios calculation, we have discounted credit card receivables from debt due to their high liquidity.

### Comfortable capital structure

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



(\*)Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation  
ROIC considered each year's effective income tax and social contribution rate

The higher spread results in greater value generation for shareholders

## 14 – Dividends and interest on capital (IOC)

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	0.060829
IOC	2017	06/30/2017	07/06/2017	08/24/2017	39.2	0.059539
IOC	2017	09/13/2017	09/22/2017	11/07/2017	41.0	0.062161
IOC	2017	12/07/2017	12/14/2017	01/31/2018	42.8	0.064746
<b>Total</b>					<b>162.9</b>	

2018 interest on capital were approved as follow:

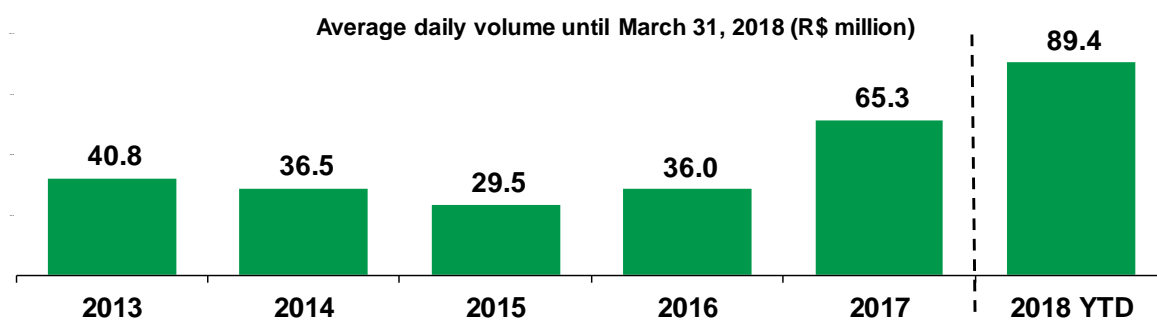
Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2018	03/22/2018	03/28/2018	05/16/2018	42.0	0.060829
<b>Total</b>					<b>42.0</b>	

(\*) For comparative purposes, the amount of IOC and dividend per share was adjusted considering the stock dividend approved by the Extraordinary Shareholders' Meeting of April 25, 2017 and the stock Split approved by the Extraordinary Shareholders' Meeting of November 22, 2017.

## 15 – RENT3

Under the ADR Level I program, the Company had 16,571,798 ADRs issued as of 03/31/2018.

In 2018, the average daily traded volume of RENT3 was R\$89.4 million, 36.9% higher than the average volume of 2017.



## 16 – Results per division

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

CAR RENTAL RESULTS	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	27.7%	1,898.7	27.7%	420.8	608.2	44.5%
Taxes on revenues (**)	(44.9)	(67.7)	(58.9)	(58.9)	(50.2)	-14.8%	(50.2)	-14.8%	(17.3)	(13.5)	-22.0%
<b>Car rental net revenues</b>	<b>1,163.5</b>	<b>1,284.4</b>	<b>1,258.0</b>	<b>1,428.0</b>	<b>1,848.5</b>	<b>29.4%</b>	<b>1,848.5</b>	<b>29.4%</b>	<b>403.5</b>	<b>594.7</b>	<b>47.4%</b>
Car rental costs	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(189.7)	(279.6)	47.4%
<b>Gross profit</b>	<b>626.6</b>	<b>707.1</b>	<b>639.9</b>	<b>720.6</b>	<b>922.1</b>	<b>28.0%</b>	<b>977.8</b>	<b>35.7%</b>	<b>213.8</b>	<b>315.1</b>	<b>47.4%</b>
Operating expenses (SG&A)	(197.9)	(209.7)	(239.9)	(258.8)	(347.2)	34.2%	(332.3)	28.4%	(66.0)	(102.8)	55.8%
Other assets depreciation and amortization	(22.2)	(22.2)	(22.3)	(23.9)	(23.6)	-1.3%	(23.6)	-1.3%	(5.4)	(6.4)	18.5%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>406.5</b>	<b>475.2</b>	<b>377.7</b>	<b>437.9</b>	<b>551.3</b>	<b>25.9%</b>	<b>621.9</b>	<b>42.0%</b>	<b>142.4</b>	<b>205.9</b>	<b>44.6%</b>
Financial expenses, net	(1.3)	(1.5)	(2.0)	(1.4)	(5.3)	278.6%	(5.3)	278.6%	(0.3)	(1.2)	300.0%
Income tax and social contribution	(119.5)	(136.2)	(89.9)	(95.9)	(123.4)	28.7%	(138.9)	44.8%	(31.8)	(55.7)	75.2%
<b>Net income for the period</b>	<b>285.7</b>	<b>337.5</b>	<b>285.8</b>	<b>340.6</b>	<b>422.6</b>	<b>24.1%</b>	<b>477.7</b>	<b>40.3%</b>	<b>110.3</b>	<b>149.0</b>	<b>35.1%</b>
<b>Net Margin</b>	<b>24.6%</b>	<b>26.3%</b>	<b>22.7%</b>	<b>23.9%</b>	<b>22.9%</b>	<b>-1.0 p.p.</b>	<b>25.8%</b>	<b>1.9 p.p.</b>	<b>27.3%</b>	<b>25.1%</b>	<b>-2.2 p.p.</b>
<b>EBITDA</b>	<b>428.7</b>	<b>497.4</b>	<b>400.0</b>	<b>461.8</b>	<b>574.9</b>	<b>24.5%</b>	<b>645.5</b>	<b>39.8%</b>	<b>147.8</b>	<b>212.3</b>	<b>43.6%</b>
<b>EBITDA Margin</b>	<b>36.8%</b>	<b>38.7%</b>	<b>31.8%</b>	<b>32.3%</b>	<b>31.1%</b>	<b>-1.2 p.p.</b>	<b>34.9%</b>	<b>2.6 p.p.</b>	<b>36.6%</b>	<b>35.7%</b>	<b>-0.9 p.p.</b>

USED CAR SALES RESULTS (SEMINOVOS)	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Gross revenues (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	49.7%	2,990.0	49.7%	678.8	853.8	25.8%
Taxes on revenues	(3.1)	(3.5)	(2.5)	(2.7)	(4.9)	81.5%	(4.9)	81.5%	(0.9)	(1.4)	55.6%
<b>Net revenues</b>	<b>1,483.0</b>	<b>1,667.9</b>	<b>1,676.7</b>	<b>1,995.1</b>	<b>2,985.1</b>	<b>49.6%</b>	<b>2,985.1</b>	<b>49.6%</b>	<b>677.9</b>	<b>852.4</b>	<b>25.7%</b>
Book value of cars sold and preparation for sale	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	50.7%	(2,603.2)	50.7%	(595.6)	(746.8)	25.4%
<b>Gross profit</b>	<b>211.1</b>	<b>239.5</b>	<b>280.4</b>	<b>267.6</b>	<b>381.9</b>	<b>42.7%</b>	<b>381.9</b>	<b>42.7%</b>	<b>82.3</b>	<b>105.6</b>	<b>28.3%</b>
Operating expenses (SG&A)	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	24.4%	(220.0)	24.4%	(51.8)	(57.1)	10.2%
Cars depreciation	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	34.1%	(117.7)	34.1%	(30.1)	(21.6)	-28.2%
Other assets depreciation and amortization	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	6.6%	(9.7)	6.6%	(2.5)	(2.3)	-8.0%
<b>Operating profit (loss) before financial results and taxes (EBIT)</b>	<b>(25.1)</b>	<b>(10.6)</b>	<b>53.9</b>	<b>(6.1)</b>	<b>34.5</b>	<b>-665.6%</b>	<b>34.5</b>	<b>-665.6%</b>	<b>(2.1)</b>	<b>24.6</b>	<b>-1271.4%</b>
Financial expenses, net	(76.6)	(106.3)	(138.4)	(174.4)	(229.9)	31.8%	(229.9)	31.8%	(55.6)	(67.4)	21.2%
Income tax and social contribution	30.3	33.2	17.6	37.2	43.9	18.0%	43.9	18.0%	12.6	11.5	-8.7%
<b>Net loss for the period</b>	<b>(71.4)</b>	<b>(83.7)</b>	<b>(66.9)</b>	<b>(143.3)</b>	<b>(151.5)</b>	<b>5.7%</b>	<b>(151.5)</b>	<b>5.7%</b>	<b>(45.1)</b>	<b>(31.3)</b>	<b>-30.6%</b>
<b>Net Margin</b>	<b>-4.8%</b>	<b>-5.0%</b>	<b>-4.0%</b>	<b>-7.2%</b>	<b>-5.1%</b>	<b>2.1 p.p.</b>	<b>-5.1%</b>	<b>2.1 p.p.</b>	<b>-6.7%</b>	<b>-3.7%</b>	<b>3.0 p.p.</b>
<b>EBITDA</b>	<b>72.4</b>	<b>78.8</b>	<b>101.6</b>	<b>90.8</b>	<b>161.9</b>	<b>78.3%</b>	<b>161.9</b>	<b>78.3%</b>	<b>30.5</b>	<b>48.5</b>	<b>59.0%</b>
<b>EBITDA Margin</b>	<b>4.9%</b>	<b>4.7%</b>	<b>6.1%</b>	<b>4.6%</b>	<b>5.4%</b>	<b>0.8 p.p.</b>	<b>5.4%</b>	<b>0.8 p.p.</b>	<b>4.5%</b>	<b>5.7%</b>	<b>1.2 p.p.</b>

CAR RENTAL TOTAL FIGURES	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	27.7%	1,898.7	27.7%	420.8	608.2	44.5%
Car sales for fleet renewal - gross revenues (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	49.7%	2,990.0	49.7%	678.8	853.8	25.8%
Total gross revenues (*)	2,694.5	3,023.5	2,996.1	3,484.7	4,888.7	40.3%	4,888.7	40.3%	1,099.6	1,462.0	33.0%
Taxes on revenues	(44.9)	(67.7)	(58.9)	(58.9)	(50.2)	-14.8%	(50.2)	-14.8%	(17.3)	(13.5)	-22.0%
Car rental (**) (3.1)	(3.1)	(3.5)	(2.5)	(2.7)	(4.9)	81.5%	(4.9)	81.5%	(0.9)	(1.4)	55.6%
Car rental revenues - net revenues	1,163.5	1,284.4	1,258.0	1,428.0	1,848.5	29.4%	1,848.5	29.4%	403.5	594.7	47.4%
Car sales for fleet renewal - net revenues	1,483.0	1,667.9	1,676.7	1,995.1	2,985.1	49.6%	2,985.1	49.6%	677.9	852.4	25.7%
<b>Total net revenues</b>	<b>2,646.5</b>	<b>2,952.3</b>	<b>2,934.7</b>	<b>3,423.1</b>	<b>4,833.6</b>	<b>41.2%</b>	<b>4,833.6</b>	<b>41.2%</b>	<b>1,081.4</b>	<b>1,447.1</b>	<b>33.8%</b>
Direct costs	-	-	-	-	-	-	-	-	-	-	-
Car rental	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(189.7)	(279.6)	47.4%
Car sales for fleet renewal	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	50.7%	(2,603.2)	50.7%	(595.6)	(746.8)	25.4%
<b>Gross profit</b>	<b>837.7</b>	<b>946.6</b>	<b>920.3</b>	<b>988.2</b>	<b>1,304.0</b>	<b>32.0%</b>	<b>1,359.7</b>	<b>37.6%</b>	<b>296.1</b>	<b>420.7</b>	<b>42.1%</b>
Operating expenses (SG&A)	(197.9)	(209.7)	(239.9)	(258.8)	(347.2)	34.2%	(332.3)	28.4%	(66.0)	(102.8)	55.8%
Car rental	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	24.4%	(220.0)	24.4%	(51.8)	(57.1)	10.2%
Car sales for fleet renewal	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	24.4%	(220.0)	24.4%	(51.8)	(57.1)	10.2%
Cars depreciation	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	34.1%	(117.7)	34.1%	(30.1)	(21.6)	-28.2%
Other assets depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-
Car rental	(22.2)	(22.2)	(22.3)	(23.9)	(23.6)	-1.3%	(23.6)	-1.3%	(5.4)	(6.4)	18.5%
Car sales for fleet renewal	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	6.6%	(9.7)	6.6%	(2.5)	(2.3)	-8.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>381.4</b>	<b>464.6</b>	<b>431.6</b>	<b>431.8</b>	<b>585.8</b>	<b>35.7%</b>	<b>656.4</b>	<b>52.0%</b>	<b>140.3</b>	<b>230.5</b>	<b>64.3%</b>
Financial expenses, net	(77.9)	(107.8)	(140.4)	(175.8)	(235.2)	33.8%	(235.2)	33.8%	(55.9)	(68.6)	22.7%
Income tax and social contribution	(89.2)	(103.0)	(72.3)	(58.7)	(79.5)	35.4%	(95.0)	61.8%	(19.2)	(44.2)	130.2%
<b>Net income for the period</b>	<b>214.3</b>	<b>253.8</b>	<b>218.9</b>	<b>197.3</b>	<b>271.1</b>	<b>37.4%</b>	<b>326.2</b>	<b>65.3%</b>	<b>65.2</b>	<b>117.7</b>	<b>80.5%</b>
<b>Net margin</b>	<b>8.1%</b>	<b>8.6%</b>	<b>7.5%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>-0.2 p.p.</b>	<b>6.7%</b>	<b>0.9 p.p.</b>	<b>6.0%</b>	<b>8.1%</b>	<b>2.1 p.p.</b>
<b>EBITDA</b>	<b>501.1</b>	<b>576.2</b>	<b>501.6</b>	<b>552.6</b>	<b>736.8</b>	<b>33.3%</b>	<b>807.4</b>	<b>46.1%</b>	<b>178.3</b>	<b>260.8</b>	<b>46.3%</b>
<b>EBITDA margin</b>	<b>18.9%</b>	<b>19.5%</b>	<b>17.1%</b>	<b>16.1%</b>	<b>15.2%</b>	<b>-0.9 p.p.</b>	<b>16.7%</b>	<b>0.6 p.p.</b>	<b>16.5%</b>	<b>18.0%</b>	<b>1.5 p.p.</b>

OPERATING DATA	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Average operating fleet	59,094	61,525	62,513	70,185	94,194	34.2%	94,194	34.2%	81,011	120,463	48.7%
Average rented fleet	39,475	42,999	43,315	51,515	69,762	35.4%	69,762	35.4%	59,508	90,980	52.9%
Average operating fleet age (in months)	7.2	7.2	7.4	7.9	6.5	-17.7%	6.5	-17.7%	6.8	6.9	1.4%
End of period fleet	70,717	77,573	76,755	94,156	135,578	44.0%	135,578	44.0%	87,508	133,777	52.9%
Number of rental days - in thousands	14,241.7	15,416.0	15,566.1	18,662.4	25,263.6	35.4%	25,263.6	35.4%	5,308.5	8,139.4	53.3%
Average daily rental revenues per car (R\$)	84.85	87.71	84.56	79.67	75.16	-5.7%	75.16	-5.7%	79.27	74.72	-5.7%
Annualized average depreciation per car (R\$)	1,452.4	1,270.0	622.1	1,251.2	1,250.1	-0.1%	1,250.1	-0.1%	1,484.8	715.9	-51.8%
Utilization rate (Does not include cars in preparation and decommissioning)	-	-	75.4%	78.0%	78.6%	0.6 p.p.	78.6%	0.6 p.p.	75.8%	78.7%	2.9 p.p.
Number of cars purchased	58,826	64,908	52,343	76,071	114,966	51.1%	114,966	51.1%	11,518	19,200	66.7%
Number of cars sold	52,759	57,578	52,508	57,596	76,901	33.5%	76,901	33.5%	17,857	20,582	15.3%
Average sold fleet age (in months)	15.3	14.4	14.9	16.8	14.3	-14.9%	14.3	-14.9%	15.9	14.9	-6.3%
Average total fleet	68,251	70,982	72,169	80,765	107,997	33.7%	107,997	33.7%	87,008	132,666	52.5%
Average value of total fleet - R\$ million	1,776.8	1,963.8	2,205.9	2,790.2	4,100.6	47.0%	4,100.6	47.0%	3,189.4	5,110.1	60.2%
Average value per car in the period - R\$ thsd	26.0	27.7	30.6	34.5	38.0	10.1%	38.0	10.1%	36.7	38.5	4.9%

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

(\*\*) As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note 14 of the 2017 Financial Statements



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

FLEET RENTAL RESULTS	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Fleet rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	14.0%	757.4	14.0%	177.8	204.4	15.0%
Taxes on revenues (**)	(16.9)	(17.6)	(11.1)	(12.3)	(15.3)	24.4%	(15.3)	24.4%	(4.5)	(1.2)	-73.3%
<b>Fleet rental net revenues</b>	<b>575.9</b>	<b>571.9</b>	<b>608.5</b>	<b>651.8</b>	<b>742.1</b>	<b>13.9%</b>	<b>742.1</b>	<b>13.9%</b>	<b>173.3</b>	<b>203.2</b>	<b>17.3%</b>
Fleet rental costs	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	13.8%	(220.1)	13.6%	(51.4)	(65.0)	26.5%
<b>Gross profit</b>	<b>414.8</b>	<b>381.1</b>	<b>419.2</b>	<b>458.1</b>	<b>521.7</b>	<b>13.9%</b>	<b>522.0</b>	<b>13.9%</b>	<b>121.9</b>	<b>138.2</b>	<b>13.4%</b>
Operating expenses (SG&A)	(37.5)	(38.1)	(40.7)	(37.9)	(65.4)	72.6%	(62.3)	64.4%	(12.8)	(13.7)	7.0%
Other assets depreciation and amortization	(1.1)	(1.1)	(2.2)	(2.9)	(3.5)	20.7%	(3.5)	20.7%	(0.6)	(1.2)	100.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>376.2</b>	<b>341.9</b>	<b>376.3</b>	<b>417.3</b>	<b>452.8</b>	<b>8.5%</b>	<b>456.2</b>	<b>9.3%</b>	<b>108.5</b>	<b>123.3</b>	<b>13.6%</b>
Financial expenses, net	(0.1)	(0.2)	(0.1)	(1.1)	(1.6)	45.5%	(1.6)	45.5%	(0.1)	(0.1)	0.0%
Income tax and social contribution	(111.4)	(99.2)	(90.5)	(90.4)	(102.8)	13.7%	(103.6)	14.6%	(24.2)	(33.2)	37.2%
<b>Net income for the period</b>	<b>264.7</b>	<b>242.5</b>	<b>285.7</b>	<b>325.8</b>	<b>348.4</b>	<b>6.9%</b>	<b>351.0</b>	<b>7.7%</b>	<b>84.2</b>	<b>90.0</b>	<b>6.9%</b>
<b>Net Margin</b>	<b>46.0%</b>	<b>42.4%</b>	<b>47.0%</b>	<b>50.0%</b>	<b>46.9%</b>	<b>-3.1 p.p.</b>	<b>47.3%</b>	<b>-2.7 p.p.</b>	<b>48.6%</b>	<b>44.3%</b>	<b>-4.3 p.p.</b>
<b>EBITDA</b>	<b>377.3</b>	<b>343.0</b>	<b>378.5</b>	<b>420.2</b>	<b>456.3</b>	<b>8.6%</b>	<b>459.7</b>	<b>9.4%</b>	<b>109.1</b>	<b>124.5</b>	<b>14.1%</b>
<b>EBITDA Margin</b>	<b>65.5%</b>	<b>60.0%</b>	<b>62.2%</b>	<b>64.5%</b>	<b>61.5%</b>	<b>-3.0 p.p.</b>	<b>61.9%</b>	<b>-2.6 p.p.</b>	<b>63.0%</b>	<b>61.3%</b>	<b>-1.7 p.p.</b>

USED CAR SALES RESULTS (SEMINOVOS)	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Gross revenues (*)	264.6	350.8	368.6	347.8	466.5	34.1%	466.5	34.1%	80.7	168.3	108.6%
Taxes on revenues	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(0.1)	(0.2)	100.0%
<b>Net revenues</b>	<b>264.3</b>	<b>350.3</b>	<b>368.2</b>	<b>347.4</b>	<b>466.1</b>	<b>34.2%</b>	<b>466.1</b>	<b>34.2%</b>	<b>80.6</b>	<b>168.1</b>	<b>108.6%</b>
Book value of cars sold and preparation for sale	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	40.3%	(392.1)	40.3%	(66.5)	(147.6)	122.0%
<b>Gross profit</b>	<b>50.2</b>	<b>74.0</b>	<b>81.5</b>	<b>68.0</b>	<b>74.0</b>	<b>8.8%</b>	<b>74.0</b>	<b>8.8%</b>	<b>14.1</b>	<b>20.5</b>	<b>45.4%</b>
Operating expenses (SG&A)	(23.4)	(32.6)	(33.6)	(31.0)	(32.7)	5.5%	(32.7)	5.5%	(6.3)	(10.5)	66.7%
Cars depreciation	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	-3.5%	(114.3)	-3.5%	(27.8)	(35.3)	27.0%
Other assets depreciation and amortization	-	(0.6)	(2.0)	(1.8)	(1.7)	-5.6%	(1.7)	-5.6%	(0.3)	(0.5)	66.7%
<b>Operating profit (loss) before financial results and taxes (EBIT)</b>	<b>(116.4)</b>	<b>(88.5)</b>	<b>(78.8)</b>	<b>(83.3)</b>	<b>(74.7)</b>	<b>-10.3%</b>	<b>(74.7)</b>	<b>-10.3%</b>	<b>(20.3)</b>	<b>(25.8)</b>	<b>27.1%</b>
Financial expenses, net	(34.0)	(44.9)	(63.8)	(68.7)	(80.0)	16.4%	(80.0)	16.4%	(19.8)	(20.5)	3.5%
Income tax and social contribution	44.7	38.4	33.7	32.3	35.1	8.7%	35.1	8.7%	8.9	12.6	41.6%
<b>Net loss for the period</b>	<b>(105.7)</b>	<b>(95.0)</b>	<b>(108.9)</b>	<b>(119.7)</b>	<b>(119.6)</b>	<b>-0.1%</b>	<b>(119.6)</b>	<b>-0.1%</b>	<b>(31.2)</b>	<b>(33.7)</b>	<b>8.0%</b>
<b>Net Margin</b>	<b>-40.0%</b>	<b>-27.1%</b>	<b>-29.6%</b>	<b>-34.5%</b>	<b>-25.7%</b>	<b>8.8 p.p.</b>	<b>-25.7%</b>	<b>8.8 p.p.</b>	<b>-38.7%</b>	<b>-20.0%</b>	<b>18.7 p.p.</b>
<b>EBITDA</b>	<b>26.8</b>	<b>41.4</b>	<b>47.9</b>	<b>37.0</b>	<b>41.3</b>	<b>11.6%</b>	<b>41.3</b>	<b>11.6%</b>	<b>7.8</b>	<b>10.0</b>	<b>28.2%</b>
<b>EBITDA Margin</b>	<b>10.1%</b>	<b>11.8%</b>	<b>13.0%</b>	<b>10.7%</b>	<b>8.9%</b>	<b>-1.8 p.p.</b>	<b>8.9%</b>	<b>-1.8 p.p.</b>	<b>9.7%</b>	<b>5.9%</b>	<b>-3.8 p.p.</b>

FLEET RENTAL TOTAL FIGURES	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Fleet rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	14.0%	757.4	14.0%	177.8	204.4	15.0%
Car sales for fleet renewal - gross revenues (*)	264.6	350.8	368.6	347.8	466.5	34.1%	466.5	34.1%	80.7	168.3	108.6%
Total gross revenues (*)	857.4	940.3	988.2	1,011.9	1,223.9	21.0%	1,223.9	21.0%	258.5	372.7	44.2%
Taxes on revenues	-	-	-	-	-	-	-	-	-	-	-
Fleet rental (**)	(16.9)	(17.6)	(11.1)	(12.3)	(15.3)	24.4%	(15.3)	24.4%	(4.5)	(1.2)	-73.3%
Car sales for fleet renewal	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(0.1)	(0.2)	100.0%
Fleet rental - net revenues	575.9	571.9	608.5	651.8	742.1	13.9%	742.1	13.9%	173.3	203.2	17.3%
Car sales for fleet renewal - net revenues	264.3	350.3	368.2	347.4	466.1	34.2%	466.1	34.2%	80.6	168.1	108.6%
<b>Total net revenues (**)</b>	<b>840.2</b>	<b>922.2</b>	<b>976.7</b>	<b>999.2</b>	<b>1,208.2</b>	<b>20.9%</b>	<b>1,208.2</b>	<b>20.9%</b>	<b>253.9</b>	<b>371.3</b>	<b>46.2%</b>
Direct costs	-	-	-	-	-	-	-	-	-	-	-
Fleet rental	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	13.8%	(220.1)	13.6%	(51.4)	(65.0)	26.5%
Car sales for fleet renewal	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	40.3%	(392.1)	40.3%	(66.5)	(147.6)	122.0%
<b>Gross profit</b>	<b>465.0</b>	<b>455.1</b>	<b>500.7</b>	<b>526.1</b>	<b>595.7</b>	<b>13.2%</b>	<b>596.0</b>	<b>13.3%</b>	<b>136.0</b>	<b>158.7</b>	<b>16.7%</b>
Operating expenses (SG&A)	-	-	-	-	-	-	-	-	-	-	-
Fleet rental	(37.5)	(38.1)	(40.7)	(37.9)	(65.4)	72.6%	(62.3)	64.4%	(12.8)	(13.7)	7.0%
Car sales for fleet renewal	(23.4)	(32.6)	(33.6)	(31.0)	(32.7)	5.5%	(32.7)	5.5%	(6.3)	(10.5)	66.7%
Cars depreciation	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	-3.5%	(114.3)	-3.5%	(27.8)	(35.3)	27.0%
Other assets depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-
Fleet rental	(1.1)	(1.1)	(2.2)	(2.9)	(3.5)	20.7%	(3.5)	20.7%	(0.6)	(1.2)	100.0%
Car sales for fleet renewal	-	(0.6)	(2.0)	(1.8)	(1.7)	-5.6%	(1.7)	-5.6%	(0.3)	(0.5)	66.7%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>259.8</b>	<b>253.4</b>	<b>297.5</b>	<b>334.0</b>	<b>378.1</b>	<b>13.2%</b>	<b>381.5</b>	<b>14.2%</b>	<b>88.2</b>	<b>97.5</b>	<b>10.5%</b>
Financial expenses, net	(34.1)	(45.1)	(63.9)	(69.8)	(81.6)	16.9%	(81.6)	16.9%	(19.9)	(20.6)	3.5%
Income tax and social contribution	(66.7)	(60.8)	(56.8)	(58.1)	(67.7)	16.5%	(68.5)	17.9%	(15.3)	(20.6)	34.6%
<b>Net income for the period</b>	<b>159.0</b>	<b>147.5</b>	<b>176.8</b>	<b>206.1</b>	<b>228.8</b>	<b>11.0%</b>	<b>231.4</b>	<b>12.3%</b>	<b>53.0</b>	<b>56.3</b>	<b>6.2%</b>
<b>Net margin</b>	<b>18.9%</b>	<b>16.0%</b>	<b>18.1%</b>	<b>20.6%</b>	<b>18.9%</b>	<b>-1.7 p.p.</b>	<b>19.2%</b>	<b>-1.4 p.p.</b>	<b>20.9%</b>	<b>15.2%</b>	<b>-5.7 p.p.</b>
<b>EBITDA</b>	<b>404.1</b>	<b>384.4</b>	<b>426.4</b>	<b>457.2</b>	<b>497.6</b>	<b>8.8%</b>	<b>501.0</b>	<b>9.6%</b>	<b>116.9</b>	<b>134.5</b>	<b>15.1%</b>
<b>EBITDA margin</b>	<b>48.1%</b>	<b>41.7%</b>	<b>43.7%</b>	<b>45.8%</b>	<b>41.2%</b>	<b>-4.6 p.p.</b>	<b>41.5%</b>	<b>-4.3 p.p.</b>	<b>46.0%</b>	<b>36.2%</b>	<b>-9.8 p.p.</b>

OPERATING DATA	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Average operating fleet	31,188	30,778	31,676	31,908	36,804	15.3%	36,804	15.3%	33,389	41,448	24.1%
Average rented fleet	30,121	28,787	30,280	31,222	35,424	13.5%	35,424	13.5%	32,558	39,738	22.1%
Average operating fleet age (in months)	18.6	18.0	16.7	18.0	18.1	0.6%	18.1	0.6%	18.9	15.8	-16.3%
End of period fleet	-	-	-	-	-	-	-	-	-	-	-
Rented Fleet	32,809	34,312	33,948	34,960	44,877	28.4%	44,877	28.4%	36,080	44,742	24.0%
Managed Fleet	30	267	207	145	94	-35.2%	94	-35.2%	121	78	-35.5%
Number of rental days - in thousands	10,843.7	10,363.3	10,900.9	11,240.0	12,752.7	13.5%	12,752.7	13.5%	2,930.0	3,576.4	22.1%
Average daily rental revenues per car (R\$)	53.83	56.16	56.08	58.23	58.77	0.9%	58.77	0.9%	59.94	56.57	-5.6%
Annualized average depreciation per car (R\$)	4,592.3	4,202.1	3,935.2	3,714.0	3,104.3	-16.4%	3,104.3	-16.4%	3,330.1	3,410.4	2.4%
Utilization rate (Does not include cars in preparation and decommissioning) (***)	-	-	98.4%	98.9%	98.2%	-0.8 p.p.	98.2%	-0.8 p.p.	98.6%	97.5%	-1.1 p.p.
Number of cars purchased	10,918	14,896	11,689	11,762	20,286	72.5%	20,286	72.5%	3,605	4,647	28.9%
Number of cars sold	9,882	13,043	11,797	10,853	13,653	25.8%	13,653	25.8%	2,452	4,706	91.9%
Average sold fleet age (in months)	32.4	35.1	33.4	31.4	31.8	1.3%	31.8	1.3%	32.1	33.9	5.6%
Average total fleet	32,488	32,686	33,446	33,436	39,605	18.5%	39,605	18.5%	35,373	44,818	26.7%
Average value of total fleet - R\$ million	887.3	943.3	1,067.1	1,130.4	1,482.5	31.1%	1,482.5	31.1%	1,233.8	1,771.7	43.6%
Average value per car in the period - R\$ thsd	27.3	28.9	31.9	33.8	37.4	10.7%	37.4	10.7%	34.9	39.5	13.2%

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

(\*\*) As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note 14 of 2017 the Financial Statements

(\*\*\*) The 2015 utilization rate was calculated only on the basis of the fourth quarter of 2015.



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

FRANCHISING RESULTS	2013	2014	2015	2016	2017	Var.	1Q17	1Q18	Var.
Gross revenues(*)	20.6	18.7	17.8	18.0	17.6	-2.2%	4.6	4.6	0.0%
Taxes on revenues	(1.1)	(1.0)	(1.2)	(1.0)	(1.1)	10.0%	(0.3)	(0.3)	0.0%
<b>Net revenues</b>	<b>19.5</b>	<b>17.7</b>	<b>16.6</b>	<b>17.0</b>	<b>16.5</b>	<b>-2.9%</b>	<b>4.3</b>	<b>4.3</b>	<b>0.0%</b>
Costs	(8.1)	(7.8)	(9.2)	(9.7)	(8.9)	-8.2%	(2.3)	(2.2)	-4.3%
<b>Gross profit</b>	<b>11.4</b>	<b>9.9</b>	<b>7.4</b>	<b>7.3</b>	<b>7.6</b>	<b>4.1%</b>	<b>2.0</b>	<b>2.1</b>	<b>5.0%</b>
Operating expenses (SG&A)	(0.1)	(0.7)	(0.6)	(1.5)	(1.8)	20.0%	(0.2)	-	-100.0%
Other assets depreciation and amortization	(0.4)	(0.5)	(0.4)	(0.5)	(0.6)	20.0%	(0.2)	(0.2)	0.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>10.9</b>	<b>8.7</b>	<b>6.4</b>	<b>5.3</b>	<b>5.2</b>	<b>-1.9%</b>	<b>1.6</b>	<b>1.9</b>	<b>18.8%</b>
Financial expenses, net	1.4	1.8	1.6	2.1	1.8	-14.3%	1.0	0.3	-70.0%
Income tax and social contribution	(1.3)	(1.2)	(1.3)	(1.5)	(1.2)	-20.0%	(0.5)	(0.2)	-60.0%
<b>Net income for the period</b>	<b>11.0</b>	<b>9.3</b>	<b>6.7</b>	<b>5.9</b>	<b>5.8</b>	<b>-1.7%</b>	<b>2.1</b>	<b>2.0</b>	<b>-4.8%</b>
<b>Net Margin</b>	<b>56.4%</b>	<b>52.5%</b>	<b>40.4%</b>	<b>34.7%</b>	<b>35.2%</b>	<b>0.5 p.p.</b>	<b>48.8%</b>	<b>46.5%</b>	<b>-2.3 p.p.</b>
<b>EBITDA</b>	<b>11.3</b>	<b>9.2</b>	<b>6.8</b>	<b>5.8</b>	<b>5.8</b>	<b>0.0%</b>	<b>1.8</b>	<b>2.1</b>	<b>16.7%</b>
<b>EBITDA Margin</b>	<b>57.9%</b>	<b>52.0%</b>	<b>41.0%</b>	<b>34.1%</b>	<b>35.2%</b>	<b>1.1 p.p.</b>	<b>41.9%</b>	<b>48.8%</b>	<b>6.9 p.p.</b>

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

## 16.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	1Q17	1Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	27.7%	1,898.7	27.7%	420.8	608.2	44.5%
Franchising gross revenues (*)	20.6	18.7	17.8	18.0	17.6	-2.2%	17.6	-2.2%	4.6	4.6	0.0%
Car Rental and Franchising total gross revenues (*)	1,229.0	1,370.8	1,334.7	1,504.9	1,916.3	27.3%	1,916.3	27.3%	425.4	612.8	44.1%
Fleet Rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	14.0%	757.4	14.0%	177.8	204.4	15.0%
Car and Fleet Rentals and Franchising total gross revenues (*)	1,821.8	1,960.3	1,954.3	2,169.0	2,673.7	23.3%	2,673.7	23.3%	603.2	817.2	35.5%
Taxes on revenues - Car and Fleet Rentals and Franchising (**)	(62.9)	(86.3)	(71.2)	(72.2)	(66.6)	-7.8%	(66.6)	-7.8%	(22.1)	(15.0)	-32.1%
<b>Car and Fleet Rentals and Franchising net revenues</b>	<b>1,758.9</b>	<b>1,874.0</b>	<b>1,883.1</b>	<b>2,096.8</b>	<b>2,607.1</b>	<b>24.3%</b>	<b>2,607.1</b>	<b>24.3%</b>	<b>581.1</b>	<b>802.2</b>	<b>38.0%</b>
Car sales gross revenues											
Car sales for fleet renewal - Car Rental (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	49.7%	2,990.0	49.7%	678.8	853.8	25.8%
Car sales for fleet renewal - Fleet Rental (*)	264.6	350.8	368.6	347.8	466.5	34.1%	466.5	34.1%	80.7	168.3	108.6%
Car sales for fleet renewal - total gross revenues (*)	1,750.7	2,022.2	2,047.8	2,345.6	3,456.5	47.4%	3,456.5	47.4%	759.5	1,022.1	34.6%
Taxes on revenues - Car sales for fleet renewal	(3.4)	(4.0)	(2.9)	(3.1)	(5.3)	71.0%	(5.3)	71.0%	(1.0)	(1.6)	60.0%
<b>Car sales for fleet renewal - net revenues</b>	<b>1,747.3</b>	<b>2,018.2</b>	<b>2,044.9</b>	<b>2,342.5</b>	<b>3,451.2</b>	<b>47.3%</b>	<b>3,451.2</b>	<b>47.3%</b>	<b>758.5</b>	<b>1,020.5</b>	<b>34.5%</b>
<b>Total net revenues</b>	<b>3,506.2</b>	<b>3,892.2</b>	<b>3,928.0</b>	<b>4,439.3</b>	<b>6,058.3</b>	<b>36.5%</b>	<b>6,058.3</b>	<b>36.5%</b>	<b>1,339.6</b>	<b>1,822.7</b>	<b>36.1%</b>
Direct costs and expenses:											
Car rental	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(189.7)	(279.6)	47.4%
Franchising	(8.1)	(7.8)	(9.2)	(9.7)	(8.9)	-8.2%	(8.9)	-8.2%	(2.3)	(2.2)	-4.3%
Total Car rental and Franchising	(545.0)	(585.1)	(627.3)	(717.1)	(935.3)	30.4%	(879.6)	22.7%	(192.0)	(281.8)	46.8%
Fleet Rental	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	13.8%	(220.1)	13.6%	(51.4)	(65.0)	26.5%
Total Car and Fleet Rentals and Franchising	(706.1)	(775.9)	(816.6)	(910.8)	(1,155.7)	26.9%	(1,099.7)	20.7%	(243.4)	(346.8)	42.5%
Car sales for fleet renewal - Car rental	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	50.7%	(2,603.2)	50.7%	(595.6)	(746.8)	25.4%
Car sales for fleet renewal - Fleet Rental	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	40.3%	(392.1)	40.3%	(66.5)	(147.6)	122.0%
Total Car sales for fleet renewal (book value) and preparation for sale	(1,486.0)	(1,704.7)	(1,683.0)	(2,006.9)	(2,995.3)	49.3%	(2,995.3)	49.3%	(662.1)	(894.4)	35.1%
Total costs	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	42.3%	(4,095.0)	40.4%	(905.5)	(1,241.2)	37.1%
<b>Gross profit</b>	<b>1,314.1</b>	<b>1,411.6</b>	<b>1,428.4</b>	<b>1,521.6</b>	<b>1,907.3</b>	<b>25.3%</b>	<b>1,963.3</b>	<b>29.0%</b>	<b>434.1</b>	<b>581.5</b>	<b>34.0%</b>
Operating expenses											
Advertising, promotion and selling:											
Car rental	(103.5)	(117.8)	(127.9)	(148.6)	(199.6)	34.3%	(193.3)	30.1%	(42.0)	(69.2)	64.8%
Franchising	(0.1)	(0.8)	(0.6)	(0.6)	(1.1)	83.3%	(1.1)	83.3%	(0.1)	0.2	-300.0%
Total car rental and Franchising	(103.6)	(118.6)	(128.5)	(149.2)	(200.7)	34.5%	(194.4)	30.3%	(42.1)	(69.0)	63.9%
Fleet Rental	(14.4)	(15.1)	(18.2)	(14.0)	(18.8)	34.3%	(18.8)	34.3%	(4.8)	(6.5)	35.4%
Car sales for fleet renewal	(162.1)	(172.3)	(191.1)	(191.6)	(232.3)	21.2%	(232.3)	21.2%	(54.0)	(62.0)	14.8%
Total advertising, promotion and selling	(280.1)	(306.0)	(337.8)	(354.8)	(451.8)	27.3%	(445.5)	25.6%	(100.9)	(137.5)	36.3%
General, administrative and other expenses	(117.5)	(135.8)	(155.8)	(151.2)	(215.3)	42.4%	(203.6)	34.7%	(36.2)	(46.6)	28.7%
Total Operating expenses	(397.6)	(441.8)	(493.6)	(506.0)	(667.1)	31.8%	(649.1)	28.3%	(137.1)	(184.1)	34.3%
Depreciation expenses:											
Cars depreciation:											
Car rental	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	34.1%	(117.7)	34.1%	(30.1)	(21.6)	-28.2%
Fleet Rental	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	-3.5%	(114.3)	-3.5%	(27.8)	(35.3)	27.0%
Total cars depreciation expenses	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	12.5%	(232.0)	12.5%	(57.9)	(56.9)	-1.7%
Other assets depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	2.4%	(39.1)	2.4%	(9.0)	(10.6)	17.8%
Total depreciation and amortization expenses	(264.4)	(243.1)	(199.3)	(244.5)	(271.1)	10.9%	(271.1)	10.9%	(66.9)	(67.5)	0.9%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>652.1</b>	<b>726.7</b>	<b>735.5</b>	<b>771.1</b>	<b>969.1</b>	<b>25.7%</b>	<b>1,043.1</b>	<b>35.3%</b>	<b>230.1</b>	<b>329.9</b>	<b>43.4%</b>
Financial expenses, net:											
Expense	(187.1)	(276.4)	(370.1)	(445.5)	(511.9)	14.9%	(511.9)	14.9%	(129.1)	(133.8)	3.6%
Income	76.5	125.3	167.4	202.0	196.9	-2.5%	196.9	-2.5%	54.3	44.9	-17.3%
Financial (expenses) revenues, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	29.4%	(315.0)	29.4%	(74.8)	(88.9)	18.9%
<b>Income before tax and social contribution</b>	<b>541.5</b>	<b>575.6</b>	<b>532.8</b>	<b>527.6</b>	<b>654.1</b>	<b>24.0%</b>	<b>728.1</b>	<b>38.0%</b>	<b>155.3</b>	<b>241.0</b>	<b>55.2%</b>
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(148.4)	25.4%	(164.7)	39.2%	(35.0)	(65.0)	85.7%
<b>Net income for the period</b>	<b>384.3</b>	<b>410.6</b>	<b>402.4</b>	<b>409.3</b>	<b>505.7</b>	<b>23.6%</b>	<b>563.4</b>	<b>37.6%</b>	<b>120.3</b>	<b>176.0</b>	<b>46.3%</b>
EBITDA	916.5	969.8	934.8	1,015.6	1,240.2	22.1%	1,314.2	29.4%	297.0	397.4	33.8%
EBIT	652.1	726.7	735.5	771.1	969.1	25.7%	1,043.1	35.3%	230.1	329.9	43.4%
<b>Consolidated EBIT Margin (calculated over rental revenues)</b>	<b>37.1%</b>	<b>38.8%</b>	<b>39.1%</b>	<b>36.8%</b>	<b>37.2%</b>	<b>0.4 p.p.</b>	<b>40.0%</b>	<b>3.2 p.p.</b>	<b>39.6%</b>	<b>41.1%</b>	<b>1.5 p.p.</b>
Car and Fleet Rentals and Franchising EBITDA	817.3	849.6	785.3	887.8	1,037.0	16.8%	1,111.0	25.1%	258.7	338.9	31.0%
<b>EBITDA Margin</b>	<b>46.5%</b>	<b>45.3%</b>	<b>41.7%</b>	<b>42.3%</b>	<b>39.8%</b>	<b>-2.5 p.p.</b>	<b>42.6%</b>	<b>0.3 p.p.</b>	<b>44.5%</b>	<b>42.2%</b>	<b>-2.3 p.p.</b>
Used Car Sales (Seminovos) EBITDA	99.2	120.2	149.5	127.7	203.2	59.1%	203.2	59.1%	38.3	58.5	52.7%
<b>EBITDA Margin</b>	<b>5.7%</b>	<b>6.0%</b>	<b>7.3%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>0.4 p.p.</b>	<b>5.9%</b>	<b>0.4 p.p.</b>	<b>5.0%</b>	<b>5.7%</b>	<b>0.7 p.p.</b>

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

(\*\*)As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note 14 of the 2017 Financial Statements.

## 16.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2013	2014	2015	2016	2017	Var.	1Q17	1Q18	Var.
<b>Average operating fleet:</b>									
Car Rental	59,094	61,525	62,513	70,185	94,194	34.2%	81,011	120,463	48.7%
Fleet Rental	31,188	30,778	31,676	31,908	36,804	15.3%	33,389	41,448	24.1%
Total	90,282	92,303	94,189	102,093	130,998	28.3%	114,400	161,911	41.5%
<b>Average rented fleet:</b>									
Car Rental	39,475	42,999	43,315	51,515	69,762	35.4%	59,508	90,980	52.9%
Fleet Rental	30,121	28,787	30,280	31,222	35,424	13.5%	32,558	39,738	22.1%
Total	69,596	71,786	73,595	82,737	105,186	27.1%	92,066	130,718	42.0%
<b>Average age of operating fleet (months)</b>									
Car Rental	7.2	7.2	7.4	7.9	6.5	-17.7%	6.8	6.9	1.4%
Fleet Rental	18.6	18.0	16.7	18.0	18.1	0.6%	18.9	15.8	-16.3%
Average age of total operating fleet	11.1	10.0	10.6	11.0	9.8	-10.9%	10.6	9.2	-13.2%
<b>Fleet at end of period:</b>									
Car Rental	70,717	77,573	76,755	94,156	135,578	44.0%	87,508	133,777	52.9%
Fleet Rental	32,809	34,312	33,948	34,960	44,877	28.4%	36,080	44,742	24.0%
Total	103,526	111,885	110,703	129,116	180,455	39.8%	123,588	178,519	44.4%
Managed fleet at end period - Fleet Rental	30	267	207	145	94	-35.2%	121	78	-35.5%
<b>Fleet investment (R\$ million)</b>									
Car Rental	1,634.5	1,909.1	1,773.1	2,782.2	4,581.8	64.7%	468.6	726.1	55.0%
Fleet Rental	389.7	571.2	502.0	503.4	881.5	75.1%	148.8	206.0	38.4%
Total	2,024.2	2,480.3	2,275.1	3,285.6	5,463.3	66.3%	617.4	932.1	51.0%
<b>Number of rental days (In thousands):</b>									
Car Rental - Total	14,414.7	15,696.2	15,815.8	18,864.8	25,494.0	35.1%	5,361.6	8,193.6	52.8%
Rental days for Fleet Rental replacement service	(173.0)	(280.2)	(249.7)	(202.4)	(230.4)	13.8%	(53.1)	(54.2)	2.2%
Car Rental - Net	14,241.7	15,416.0	15,566.1	18,662.4	25,263.6	35.4%	5,308.5	8,139.4	53.3%
Fleet Rental	10,843.7	10,363.3	10,900.9	11,240.0	12,752.7	13.5%	2,930.0	3,576.4	22.1%
Total	25,085.4	25,779.3	26,467.0	29,902.4	38,016.3	27.1%	8,238.5	11,715.8	42.2%
<b>Annualized average depreciation per car (R\$)</b>									
Car Rental	1,452.4	1,270.0	622.1	1,251.2	1,250.1	-0.1%	1,484.8	715.9	-51.8%
Fleet Rental	4,592.3	4,202.1	3,935.2	3,714.0	3,104.3	-16.4%	3,330.1	3,410.4	2.4%
Total	2,537.1	2,247.7	1,736.3	2,020.9	1,771.0	-12.4%	2,023.4	1,405.7	-30.5%
<b>Average annual revenues per operating car (R\$ thousand)</b>									
Car Rental	19.7	20.9	20.1	20.3	19.4	-4.4%	20.2	20.0	-1.0%
Fleet Rental	18.2	18.3	18.9	20.1	19.9	-1.0%	20.5	19.4	-5.4%
<b>Average daily rental (R\$)</b>									
Car Rental (*)	84.85	87.71	84.56	79.67	75.16	-5.7%	79.27	74.72	-5.7%
Fleet Rental	53.83	56.16	56.08	58.23	58.77	0.9%	59.94	56.57	-5.6%
<b>Utilization rate (Does not include cars in preparation and decommissioning):</b>									
Car Rental	-	-	75.4%	78.0%	78.6%	0.6 p.p.	75.8%	78.7%	2.9 p.p.
Fleet Rental	-	-	98.4%	98.9%	98.2%	-0.8 p.p.	98.6%	97.5%	-1.1 p.p.
<b>Number of cars purchased - consolidated (**)</b>	69,744	79,804	64,032	87,833	135,252	54.0%	15,123	23,847	57.7%
<b>Average price of cars purchased (R\$ thsd) - consolidated</b>	29.02	31.08	35.53	37.41	40.39	8.0%	40.83	39.09	-4.3%
<b>Numbers of cars sold - consolidated</b>	62,641	70,621	64,305	68,449	90,554	32.3%	20,309	25,288	24.5%
<b>Average price of cars sold (R\$ thsd) (***) - consolidated</b>	25.36	25.90	28.54	31.23	35.38	13.3%	34.54	37.75	9.3%

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

(\*\*) Does not include cars from Hertz Brazil

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

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

ASSETS	2013	2014	2015	2016	2017	1Q18
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	1,010.7	1,390.2	1,385.1	1,692.3	1,338.2	1,868.1
Financial assets	-	-	-	-	1,275.7	794.4
Trade accounts receivable	408.3	459.6	486.1	424.5	585.1	535.7
Derivative financial instruments - swap	-	-	-	2.2	-	-
Other current assets	57.9	94.6	102.6	115.0	128.6	201.3
Decommissioning cars to fleet renewal	16.5	18.3	31.8	8.8	103.4	63.9
<b>Total current assets</b>	<b>1,493.4</b>	<b>1,962.7</b>	<b>2,005.6</b>	<b>2,242.8</b>	<b>3,431.0</b>	<b>3,463.4</b>
<b>NON CURRENT ASSETS:</b>						
Long-term assets:						
Marketable securities	-	92.5	-	-	-	-
Derivative financial instruments - swap	-	-	45.6	7.4	16.7	18.9
Trade accounts receivable	7.1	3.2	4.7	3.2	4.7	4.3
Escrow deposit	38.1	41.9	52.9	60.1	83.1	85.5
Deferred income tax and social contribution	32.4	-	-	-	42.0	41.1
Investments in restricted accounts	-	-	-	-	40.6	41.2
Other non current assets	0.1	0.1	0.1	0.1	0.7	0.1
<b>Total long-term assets</b>	<b>77.7</b>	<b>137.7</b>	<b>103.3</b>	<b>70.8</b>	<b>187.8</b>	<b>191.1</b>
Property and equipment						
Cars	2,781.4	3,278.0	3,610.9	4,614.8	6,934.7	6,923.8
Other	166.1	203.9	314.1	405.8	549.3	547.5
Intangible:						
Software and others	47.3	60.3	67.1	61.1	52.8	50.1
Goodwill on acquisition of investments	12.3	22.0	22.0	22.0	30.6	30.6
<b>Total non current assets</b>	<b>3,084.8</b>	<b>3,701.9</b>	<b>4,117.4</b>	<b>5,174.5</b>	<b>7,755.2</b>	<b>7,743.1</b>
<b>TOTAL ASSETS</b>	<b>4,578.2</b>	<b>5,664.6</b>	<b>6,123.0</b>	<b>7,417.3</b>	<b>11,186.2</b>	<b>11,206.5</b>

LIABILITIES AND SHAREHOLDERS' EQUITY	2013	2014	2015	2016	2017	1Q18
<b>CURRENT LIABILITIES:</b>						
Trade accounts payable	460.5	828.4	690.6	910.9	1,331.7	1,043.2
Social and labor obligations	73.9	86.3	85.6	95.0	109.2	130.7
Loans, financing and debentures	275.4	300.9	422.4	654.6	537.2	533.3
Derivative financial instruments - swap	-	-	-	-	6.8	14.6
Income tax and social contribution	35.2	41.3	28.3	23.0	31.3	45.3
Dividends and interest on own capital	53.1	59.2	29.3	39.7	36.4	35.7
Other current liabilities	78.6	82.3	99.9	118.5	181.5	141.5
<b>Total current liabilities</b>	<b>976.7</b>	<b>1,398.4</b>	<b>1,356.1</b>	<b>1,841.7</b>	<b>2,234.1</b>	<b>1,944.3</b>
<b>NON CURRENT LIABILITIES:</b>						
Loans, financing and debentures	2,068.1	2,411.6	2,596.9	3,131.3	5,940.5	6,108.0
Derivative financial instruments - swap	-	-	-	-	10.8	12.4
Provisions	50.9	69.9	68.3	63.1	126.5	135.9
Deferred income tax and social contribution	111.8	106.0	141.6	171.9	219.7	229.0
Restricted Obligations	-	-	-	-	40.6	41.2
Other non current liabilities	29.5	23.2	18.5	12.3	13.3	13.1
<b>Total non current liabilities</b>	<b>2,260.3</b>	<b>2,610.7</b>	<b>2,825.3</b>	<b>3,378.6</b>	<b>6,351.4</b>	<b>6,539.6</b>
<b>Total liabilities</b>	<b>3,237.0</b>	<b>4,009.1</b>	<b>4,181.4</b>	<b>5,220.3</b>	<b>8,585.5</b>	<b>8,483.9</b>
<b>SHAREHOLDERS' EQUITY:</b>						
Capital	976.7	976.7	976.7	976.7	1,500.0	1,500.0
Capital Reserves	30.2	40.4	35.9	34.0	94.9	98.7
Earnings Reserves	334.3	638.4	929.0	1,186.3	1,005.8	1,123.9
<b>Total shareholders' equity</b>	<b>1,341.2</b>	<b>1,655.5</b>	<b>1,941.6</b>	<b>2,197.0</b>	<b>2,600.7</b>	<b>2,722.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,578.2</b>	<b>5,664.6</b>	<b>6,123.0</b>	<b>7,417.3</b>	<b>11,186.2</b>	<b>11,206.5</b>

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

STATEMENT OF INCOME	2013	2014	2015	2016	2017	2017 Adjusted	1Q18
<b>Total net revenues</b>	<b>3,506.2</b>	<b>3,892.2</b>	<b>3,928.0</b>	<b>4,439.3</b>	<b>6,058.3</b>	<b>6,058.3</b>	<b>1,822.7</b>
COSTS AND EXPENSES:							
Direct costs	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(1,241.2)
Selling, general, administrative and other expenses	(397.6)	(441.8)	(493.6)	(506.0)	(667.1)	(649.1)	(184.1)
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(232.0)	(56.9)
Other assets depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(39.1)	(10.6)
Total costs and expenses	(2,854.1)	(3,165.5)	(3,192.5)	(3,668.2)	(5,089.2)	(5,015.2)	(1,492.8)
<b>Income before financial results and taxes (EBIT)</b>	<b>652.1</b>	<b>726.7</b>	<b>735.5</b>	<b>771.1</b>	<b>969.1</b>	<b>1,043.1</b>	<b>329.9</b>
FINANCIAL EXPENSES, NET	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(315.0)	(88.9)
<b>Income before taxes</b>	<b>541.5</b>	<b>575.6</b>	<b>532.8</b>	<b>527.6</b>	<b>654.1</b>	<b>728.1</b>	<b>241.0</b>
INCOME TAX AND SOCIAL CONTRIBUTION							
Current	(130.1)	(139.5)	(94.8)	(88.0)	(119.4)	(135.7)	(46.8)
Deferred	(27.1)	(25.5)	(35.6)	(30.3)	(29.0)	(29.0)	(18.2)
	(157.2)	(165.0)	(130.4)	(118.3)	(148.4)	(164.7)	(65.0)
<b>Net income</b>	<b>384.3</b>	<b>410.6</b>	<b>402.4</b>	<b>409.3</b>	<b>505.7</b>	<b>563.4</b>	<b>176.0</b>

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

CONSOLIDATED CASH FLOW	2013	2014	2015	2016	2017	2017 Adjusted	1Q18
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Net income	384.3	410.6	402.4	409.3	505.7	563.4	176.0
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:							
Depreciation and amortization	264.4	243.2	199.3	244.5	271.1	271.1	67.4
Net book value of vehicles written off	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	3,106.6	928.1
Deferred income tax and social contribution	27.1	25.5	35.6	30.3	29.1	29.1	18.2
Interest on loans, financing, debentures and swaps of fixed rates	181.6	281.7	406.6	438.1	476.2	476.2	127.4
Income from financial investments	-	-	-	-	-	-	(8.5)
Other	33.7	32.0	17.3	26.9	81.7	81.7	35.9
(Increase) decrease in assets:							
Trade receivable	(54.7)	(49.9)	(36.6)	56.8	(151.8)	(151.8)	9.5
Purchases of cars (see supplemental disclosure below)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(1,227.7)
Escrow deposits	(15.1)	(5.7)	(15.3)	(7.2)	(17.5)	(17.5)	(2.4)
Taxes recoverable	(20.3)	(43.4)	(5.2)	(6.0)	2.6	2.6	(1.9)
Prepaid expenses	0.0	0.0	0.0	0.0	2.7	2.7	(68.0)
Other assets	6.1	(5.7)	(1.3)	(3.6)	(8.8)	(8.8)	(10.2)
Increase (decrease) in liabilities:							
Accounts payable (except car manufacturers)	14.6	33.5	(16.7)	29.6	(4.8)	(4.8)	5.8
Social and labor obligations	20.7	12.4	(0.5)	9.4	7.5	7.5	21.5
Income tax and social contribution	130.1	139.5	94.8	88.0	119.4	135.7	46.8
Insurance premium	4.0	(0.6)	4.4	8.6	19.3	19.3	(2.3)
Other liabilities	1.1	(5.4)	5.9	(19.5)	40.1	40.1	(38.1)
<b>Cash provided by (used in) operating activities</b>	<b>582.0</b>	<b>694.5</b>	<b>460.2</b>	<b>308.8</b>	<b>(573.3)</b>	<b>(499.3)</b>	<b>77.5</b>
Income tax and social contribution paid	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(108.3)	(33.3)
Interest on loans, financing and debentures paid(*)	(152.0)	(328.0)	(352.9)	(442.3)	(485.7)	(485.7)	(55.0)
Financial assets	-	-	-	-	(1,275.8)	(1,275.8)	489.8
<b>Net cash provided by (used in) operating activities</b>	<b>321.5</b>	<b>253.4</b>	<b>(3.4)</b>	<b>(226.8)</b>	<b>(2,443.1)</b>	<b>(2,369.1)</b>	<b>479.0</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
(Investments) withdraw in marketable securities	-	(92.6)	92.6	-	-	-	-
Acquisition of investment, goodwill and fair value surplus	(12.5)	(14.4)	-	-	(333.2)	(333.2)	-
Purchases of other property and equipment and addition of intangible assets	(41.5)	(87.3)	(153.0)	(126.6)	(175.0)	(175.0)	(6.1)
<b>Net cash provided by (used in) investing activities</b>	<b>(54.0)</b>	<b>(194.3)</b>	<b>(60.4)</b>	<b>(126.6)</b>	<b>(508.2)</b>	<b>(508.2)</b>	<b>(6.1)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>							
Loans and financings:							
Proceeds	112.6	499.1	747.1	266.3	950.1	950.1	435.3
Repayment	(129.4)	(490.4)	(368.4)	(297.9)	(510.1)	(510.1)	(96.8)
Debentures							
Proceeds	496.3	497.3	496.8	943.4	2,626.9	2,626.9	-
Repayment	(220.7)	(90.8)	(668.0)	(105.0)	(355.0)	(355.0)	(240.0)
Treasury shares (acquired)/ sold	(36.8)	0.0	(27.5)	(25.0)	2.1	2.1	-
Exercise of stock options with treasury shares, net	12.8	5.5	18.0	18.2	50.1	50.1	1.2
Dividends paid	(255.1)	(38.6)	(44.7)	(1.0)	-	-	-
Interest on own capital	(60.4)	(61.7)	(94.6)	(138.4)	(166.9)	(166.9)	(42.7)
<b>Net cash provided by (used in) financing activities</b>	<b>(80.7)</b>	<b>320.4</b>	<b>58.7</b>	<b>660.6</b>	<b>2,597.2</b>	<b>2,597.2</b>	<b>57.0</b>
<b>NET CASH FLOW PROVIDED (USED) IN THE YEAR</b>	<b>186.8</b>	<b>379.5</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(280.1)</b>	<b>529.9</b>
Cash flow without incurred one-time costs Hertz and franchisees	-	-	-	-	-	- 74.00	-
<b>NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS</b>	<b>186.8</b>	<b>379.5</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(354.1)</b>	<b>529.9</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,692.3	1,338.2
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,010.7	1,390.2	1,385.1	1,692.3	1,338.2	1,338.2	1,868.1
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>186.8</b>	<b>379.5</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(354.1)</b>	<b>529.9</b>
<b>Supplemental disclosure of cash flow information:</b>							
Cash paid during the period for cars acquisition							
Cars acquisition in the year/period - renewal	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(3,660.9)	(933.8)
Cars acquisition in the year/period - growth	(209.4)	(286.9)	-	(726.0)	(1,807.0)	(1,807.0)	0.0
Suppliers - automakers:							
Balance at the end of the year	378.1	712.5	591.3	782.0	1,197.5	1,197.5	903.6
Balance at the beginning of the year	(288.4)	(378.1)	(712.5)	(591.3)	(782.0)	(782.0)	(1,197.5)
Cash paid for cars purchased	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(1,227.7)

(\*) In 2014, approximately 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

- **Adjusted:** financials have been recalculated to exclude the impact of incurred one-time costs related with the acquisition of Hertz Brazil and the integration of 20 franchised branches in 2017.
- **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. In the Fleet Rental is the actual number of cars rented.
- **CAGR:** Compounded annual growth rate.
- **CAPEX:** Capital expenditure.
- **Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of the selling expenses. 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 rental net revenues.
- **Net debt:** Short and long term debts +/- the results from the swap operations, net of the cash, cash equivalents and short term financial investments. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.
- **Net debt excluding credit card receivables:** For the purpose of calculating the leverage ratios, we deduct credit card receivables from net debt, since they have high liquidity.
- **Net (Divestment) Investment in cars:** capital investment in cars acquisition, net of the revenues from selling decommissioned cars.
- **NOPAT:** Net operating profit after tax.
- **One-time costs:** non-recurring costs and expenses related to the acquisition of Hertz Brazil's operations and the integration of 20 franchised branches.
- **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.
- **Utilization Rate:** It is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.
- **ROIC:** Return on invested capital.

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

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED MARCH 31, 2018

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

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**1. GENERAL INFORMATION**

Localiza Rent a Car S.A. ("Localiza" or "Company"), headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, has been since May 2005 a Brazilian publicly-held company, listed in B3 S.A. - Brasil, Bolsa, Balcão ("B3") Novo Mercado, which characterizes the highest corporate governance level in Brazilian capital market. Localiza's shares are traded under the ticker symbol RENT3.

Localiza and its subsidiaries are mainly engaged in: car rental, fleet rental and franchising. In order to renew the fleet, Localiza, its subsidiary Localiza Fleet S.A. ("Localiza Fleet") and its indirect subsidiary Localiza Car Rental Systems S.A. ("Car Rental Systems" or "Hertz Brasil") sell their decommissioned cars, thereby generating cash to pay carmakers for new cars.

As of March 31, 2018, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 591 car rental locations (not reviewed quarterly by the auditors), of which: (i) 521 locations in 362 cities in Brazil, 390 of which were operated by Localiza and 131 by franchisees; and (ii) 70 locations in 41 cities in 6 South American countries, all operated by franchisees.

On that same date, Localiza's Platform fleet was composed of 193,260 cars (not reviewed quarterly by the auditors), of which: (i) 178,519 belonged to the Company, including 133,777 of the Car Rental Division and 44,742 of the Fleet Rental Division; (ii) 8,278 belonged to its franchisees in Brazil; and (iii) 6,463 belonged to its franchisees abroad. Decommissioned cars are substantially sold to final consumers through 99 points of sale owned by the Company, located in 65 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 technical pronouncement CPC 21 (R1) – Interim Statements, issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and in accordance with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") 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 IFRS.

Except for the changes arising from the application of IFRS 9 (as mentioned in note 3.1), 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 and other notes to the annual financial statements for the year ended December 31, 2017 (hereinafter referred to as "financial statements for the year ended December 31, 2017"), published on March 7, 2018 through the websites [www.cvm.gov.br](http://www.cvm.gov.br), [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br) and [www.localiza.com/ri](http://www.localiza.com/ri) and disclosed on March 15, 2018 in the "Diário do Comércio de Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais State Register) newspapers.



### 3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

#### 3.1. Recently issued accounting pronouncements and interpretations adopted by the Company

- **IFRS 9 – Financial Instruments**

In July 2014, IASB issued the IFRS 9 pronouncement, which addresses the recognition and measurement of financial assets and liabilities, as well as contracts for purchase and sale of non-financial items. This standard replaces IAS 39 - Financial Instruments: Recognition and Measurement. In December 2016, CVM issued its Decision 763/16 and approved CPC 48, which is the equivalent to this IFRS. The Company and its subsidiaries adopted the new standard on January 1, 2018, the effective date of first-time adoption.

**Classification and measurement:** The Company does not expect a significant impact on its balance sheet or shareholders' equity when applying the classification and measurement requirements of IFRS 9. Investments, as well as trade account receivables, are maintained to capture contractual cash flows and should generate cash flows representing only payments of principal and interest. Localiza and its subsidiaries analyzed the contractual cash flow characteristics of these instruments and concluded that they meet the amortized cost measurement criteria in accordance with IFRS 9.

**Impairment:** IFRS 9 requires the Company to record the expected credit losses on all of its financial assets, whether on a 12-month basis or for life. As of January 1, 2018, Localiza and its subsidiaries started to record provision for losses expected during the entire life under trade accounts receivable. Due to the unsecured nature of its receivables, the impact of first-time adoption on the financial statements for the fiscal year ended December 31, 2017 was as follows:

	Individual			Consolidated		
	As reported	Adjustment adoption of IFRS 9	Adjusted opening balance	As reported	Adjustment adoption of IFRS 9	Adjusted opening balance
<b>ASSETS</b>						
Cash, cash equivalents and financial assets	1,988,604	-	1,988,604	2,613,894	-	2,613,894
Trade receivables	479,508	(12,617)	466,891	640,418	(12,768)	627,650
(-) Allowance for doubtful accounts and expected losses	(38,144)	(10,410)	(48,554)	(55,294)	(11,208)	(66,502)
Other current assets	167,724	-	167,724	231,970	-	231,970
<b>Total current assets</b>	<b>2,597,692</b>	<b>(23,027)</b>	<b>2,574,665</b>	<b>3,430,988</b>	<b>(23,976)</b>	<b>3,407,012</b>
Long-term assets	51,799	-	51,799	187,837	-	187,837
Investments in subsidiaries	949,169	(713)	948,456	-	-	-
Fixed and intangible assets	5,403,114	-	5,403,114	7,567,409	-	7,567,409
<b>Total non-current assets</b>	<b>6,404,082</b>	<b>(713)</b>	<b>6,403,369</b>	<b>7,755,246</b>	<b>-</b>	<b>7,755,246</b>
<b>Total assets</b>	<b>9,001,774</b>	<b>(23,740)</b>	<b>8,978,034</b>	<b>11,186,234</b>	<b>(23,976)</b>	<b>11,162,258</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>EQUITY</b>						
Trade accounts payable	1,157,954	-	1,157,954	1,331,680	-	1,331,680
Loans, financing and debt	237,790	-	237,790	537,216	-	537,216
Other current liabilities	301,721	-	301,721	365,202	-	365,202
<b>Total current liabilities</b>	<b>1,697,465</b>	<b>-</b>	<b>1,697,465</b>	<b>2,234,098</b>	<b>-</b>	<b>2,234,098</b>
Loans, financing and debt	4,527,539	-	4,527,539	5,940,463	-	5,940,463
Deferred income tax and social contribution	79,941	(7,829)	72,112	219,706	(8,065)	211,641
Other current liabilities	96,104	-	96,104	191,242	-	191,242
<b>Total non-current liabilities</b>	<b>4,703,584</b>	<b>(7,829)</b>	<b>4,695,755</b>	<b>6,351,411</b>	<b>(8,065)</b>	<b>6,343,346</b>
Capital	1,500,000	-	1,500,000	1,500,000	-	1,500,000
Capital reserves	148,635	-	148,635	148,635	-	148,635
Treasury shares	(53,696)	-	(53,696)	(53,696)	-	(53,696)
Earnings reserves	768,893	(15,911)	752,982	768,893	(15,911)	752,982
Retained earnings	236,893	-	236,893	236,893	-	236,893
<b>Total Shareholders' Equity</b>	<b>2,600,725</b>	<b>(15,911)</b>	<b>2,584,814</b>	<b>2,600,725</b>	<b>(15,911)</b>	<b>2,584,814</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,001,774</b>	<b>(23,740)</b>	<b>8,978,034</b>	<b>11,186,234</b>	<b>(23,976)</b>	<b>11,162,258</b>

The estimated losses were calculated based on the actual experience of loan loss last year. The Company calculated loss rates separately for each segment using the percentage of delinquency observed in the period between 90 and 210 days after the due date, since, after this period, the effectiveness of collection efforts is no longer significant. The positions within each segment were segregated based on common credit risk characteristics, such as risk rating, type of product purchased, form of payment and level of delinquency.

Considering the cost-benefit tradeoff and the respective impact on the interim financial statements, the Company did not restate comparison information from previous years due to the changes in classification and measurement of financial instruments (including expected loan losses). As shown previously, differences in the book balances of financial assets and liabilities resulting from the adoption of IFRS 9 were recognized as retained earnings on January 1, 2018.

- **IFRS 15 - Revenue from Contracts with Customers**

In May 2014, IASB issued IFRS 15, which addresses the recognition of customer contract revenues in accordance with the transfer of the goods and services involved to the customer, at values that reflect the payment to which the entity expects to be entitled upon the transfer of goods and services, and it replaces IAS 18 - Revenue, IAS 11 - Construction Contracts and related interpretations. In December 2016, CVM issued its Decision 762/16 and approved CPC 47, which is the equivalent to this IFRS. The Company and its subsidiaries adopted the new standard as of January 1, 2018, effective date of first-time adoption.

The Company conducted a detailed analysis of IFRS 15 and did not identify significant impacts with regard to the accounting practices currently adopted.

- **Review of IFRS 2 – Share-based payments**

IASB amended IFRS 2 in order to clarify the accounting of certain share-based payments in the following areas: (i) measurement of share-based payments settled in cash; (ii) classification of share-based payments net of taxes; and (iii) accounting of a change in share-based payments from "settled in cash" to "settled in shareholders' equity instruments". The amendments are effective for annual periods beginning January 1, 2018.

The Company conducted a detailed analysis of IFRS 2 and did not identify significant impacts in relation to the accounting practices currently adopted.

### **3.2. Recently issued accounting pronouncements and interpretations and not yet adopted by the Company**

The following IFRS were issued by IASB but did not come into force in 2018. The early adoption of standards, even though encouraged by IASB, is not permitted in Brazil by the CPC.

- **IFRS 16 – Leases**

The new standard requires lessees to recognize the liability of the future payments and the right of use of the leased asset for virtually all lease contracts, including operating leases. Certain short-term and low-value contracts could be out of the scope of this new standard. The criteria for recognition and measurement of leases in the financial statements of the lessors will be substantially maintained. On December 21, 2017, CVM, through Resolution 787/17, approved CPC 06 (R2), which is equivalent to said IFRS. IFRS 16 is effective for years beginning as from January 1, 2019 and replaces IAS 17 - Leases and corresponding interpretations. The Management is evaluating the total impact of this pronouncement.

#### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Cash and banks	4,893	10,593	11,667	18,370
Bank Certificates of Deposit ("CDB") and others	464,387	-	478,055	14,919
Non-exclusive, fixed-income investment fund units	1,168,576	819,144	1,378,370	1,304,906
<b>Total</b>	<b>1,637,856</b>	<b>829,737</b>	<b>1,868,092</b>	<b>1,338,195</b>

On March 31, 2018, investments in CDB and other fixed-income investment fund units had an weighted average yield of 99.7% of the Interbank Deposit Certificates ("CDI") rate variation (103.4% on December 31, 2017), have immediate liquidity and may be used within up to 90 days.

#### 5. FINANCIAL ASSETS

Financial assets are broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Bank Certificates of Deposit ("CDB")	-	222,128	17,482	253,614
Repurchase operations	-	404,332	192	406,951
Non-exclusive, fixed-income investment fund units	-	532,407	776,703	615,134
<b>Total</b>	<b>-</b>	<b>1,158,867</b>	<b>794,377</b>	<b>1,275,699</b>

As of March 31, 2018, investments in CDB, repurchase operations and non-exclusive, fixed-income investment funds recorded weighted annual average yield of 98.1% of the CDI rate variation (103.4% as of December 31, 2017), are highly liquid and will be used within 91 to 365 days.

#### 6. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Car rental	349,028	359,346	351,572	361,077
Fleet rental	-	-	106,636	111,276
Sale of decommissioned cars	105,988	118,975	147,225	160,936
Franchising	891	1,187	9,612	11,827
	<b>455,907</b>	<b>479,508</b>	<b>615,045</b>	<b>645,116</b>
Allowance for doubtful debts/expected losses (*)	(58,260)	(38,144)	(75,069)	(55,294)
<b>Total</b>	<b>397,647</b>	<b>441,364</b>	<b>539,976</b>	<b>589,822</b>
<b>Current</b>	<b>397,647</b>	<b>441,364</b>	<b>535,689</b>	<b>585,124</b>
<b>Non-current (**)</b>	<b>-</b>	<b>-</b>	<b>4,287</b>	<b>4,698</b>

(\*) The increase in provision on March 31, 2018 compared to December 31, 2017 was due to the first-time adoption of IFRS 9, which included the allowance for expected losses on receivables (note 3.1).

(\*\*) Refers to the franchising integration rate.

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Current	335,811	314,293	428,483	410,332
Up to 30 days overdue	42,633	92,320	82,708	132,691
31 to 60 days overdue	16,636	21,116	22,710	28,786
61 to 90 days overdue	11,497	15,915	13,998	20,548
91 to 180 days overdue	28,164	15,091	32,657	19,650
Over 181 days overdue	21,166	20,773	34,489	33,109
<b>Total</b>	<b>455,907</b>	<b>479,508</b>	<b>615,045</b>	<b>645,116</b>
<b>% provisioned on receivables over 60 days overdue</b>	<b>95.8%</b>	<b>73.7%</b>	<b>92.5%</b>	<b>75.4%</b>

The balance of trade receivables includes overdue amounts at the end of the period/year, for which the allowance for doubtful debts/expected losses was not recognized as these amounts are still considered recoverable. The aging list of these overdue amounts is as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Up to 30 days overdue	36,040	91,050	75,413	131,001
31 to 60 days overdue	12,469	20,108	18,128	27,578
61 to 90 days overdue	7,798	14,980	10,173	19,407
Over 91 days overdue	11,813	2,743	15,125	3,960
<b>Total</b>	<b>68,120</b>	<b>128,881</b>	<b>118,839</b>	<b>181,946</b>

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

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Current	(6,284)	(1,810)	(7,346)	(2,456)
Up to 30 days overdue	(6,593)	(1,270)	(7,295)	(1,690)
31 to 60 days overdue	(4,167)	(1,008)	(4,582)	(1,208)
61 to 90 days overdue	(3,699)	(935)	(3,825)	(1,141)
Over 91 days overdue	(37,517)	(33,121)	(52,021)	(48,799)
<b>Total</b>	<b>(58,260)</b>	<b>(38,144)</b>	<b>(75,069)</b>	<b>(55,294)</b>

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

	Individual		Consolidated	
	1Q18	1Q17	1Q18	1Q17
<b>Balance at the beginning of the period</b>	<b>(38,144)</b>	<b>(25,958)</b>	<b>(55,294)</b>	<b>(37,094)</b>
Balance from first-time adoption of IFRS9	(10,410)	-	(11,208)	-
Reversal of first-time adoption of IFRS9	3,402	-	3,939	-
Recognition	(34,383)	(1,932)	(41,317)	(2,803)
Reversal	21,275	175	28,811	200
<b>Balance at the end of the period</b>	<b>(58,260)</b>	<b>(27,715)</b>	<b>(75,069)</b>	<b>(39,697)</b>

Other information related to accounts receivable (individual and consolidated) did not undergo significant changes compared to the information disclosed in note 6 to the financial statements as of December 31, 2017.

## 7. OTHER CURRENT AND NON-CURRENT ASSETS

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

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Balances stated separately in current assets:				
Prepaid expenses (*)	57,391	7,051	76,155	8,178
Recoverable taxes	19,351	14,820	31,752	28,036
	76,742	21,871	107,907	36,214
Other current assets:				
Receivables from insurance company (**)	73,188	65,416	73,933	66,234
Other receivables – subsidiaries (note 8(b) (i))	627	634	-	-
Receivables from Hertz Corp.	-	-	-	4,496
Other current assets	10,306	12,958	19,535	21,676
	84,121	79,008	93,468	92,406
<b>Total other current assets</b>	<b>160,863</b>	<b>100,879</b>	<b>201,375</b>	<b>128,620</b>
Balances stated separately in non-current assets:				
Recoverable taxes	-	-	-	692
Investments in restricted accounts (note 14)	-	-	41,211	40,584
Derivative instruments – swap (note 13(b))	-	-	18,902	16,703
Other non-current assets	83	83	83	83
<b>Total other non-current assets</b>	<b>83</b>	<b>83</b>	<b>60,196</b>	<b>58,062</b>
<b>Total other current and non-current assets</b>	<b>160,946</b>	<b>100,962</b>	<b>261,571</b>	<b>186,682</b>

(\*) Basically refers to prepaid expenses on Vehicle Tax (“IPVA”), in the consolidated amount of R\$66,636, paid at the beginning of the year for fleet cars in use and monthly paid according to car purchases during the year, 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, 2018.

(\*\*) Expenses incurred on claims, cost of stolen cars and receivables from the insurance company for insurance stipulation services for customers contracting insurance coverage when renting cars from the Company (Note 2.7.7 to the financial statements for the year ended December 31, 2017).

## 8. 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, whose main operations are as follows:

- **Localiza Fleet S.A. (“Localiza Fleet”)**: Privately-held company engaged in fleet rental business.
- **Rental Brasil Administração e Participação S.A. (“Rental Brasil”)**: Privately-held company engaged primarily in acquiring, selling and renting own properties to Localiza and its subsidiaries.
- **Localiza Serviços Prime S.A. (“Localiza Prime”)**: Privately-held company mainly engaged in the intermediation of sales of decommissioned cars previously used by Localiza, Localiza Fleet and Car Rental Systems.
- **Car Assistance Serviços de Administração de Sinistros S.A. (“Car Assistance”)**: Privately-held company engaged in managing car-related claims for insurance companies, accrediting and negotiating with garages and other suppliers, regulating claims, approving budgets and services performed, managing information and supporting documentation on claims and managing indemnities.
- **Localiza Franchising Brasil S.A. (“Franchising Brasil”)**: Privately-held company engaged in conducting the franchise business of “Localiza” brand in Brazil.
- **Localiza Franchising International S.R.L. (“LFI S.R.L.”)**: Limited liability company engaged in managing Localiza’s franchises in Argentina.

- **Rental International LLC (“Rental International”)**: Company’s wholly-owned subsidiary established to conduct financial activities abroad. It is currently dormant.
- **FR Assistance Serviços de Administração de Sinistros S.A. (“FR Assistance”)**: Wholly-owned subsidiary of Franchising Brasil, currently dormant, that manages car-related claims for insurance companies, accredits and negotiates with garages and other suppliers, regulates claims, approves budgets and services performed, manages information and supporting documentation on claims and manages indemnities.
- **Localiza Car Rental Systems S.A., (“Car Rental Systems” or “Hertz Brasil”)**: Subsidiary of Localiza Fleet, mainly engaged in car rental and fleet rental.

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

	Number of shares		In capital (%)		Interest		In net income / (loss)	
	03/31/18	12/31/17	03/31/18	12/31/17	In equity		In net income / (loss)	
					03/31/18	12/31/17	1Q18	1Q17
<b>Localiza subsidiaries:</b>								
Localiza Fleet	103,280,354	103,280,354	100.0	100.0	599,480	553,770	46,167	49,455
Rental Brasil	15,000,000	15,000,000	100.0	100.0	261,336	257,178	4,158	-
Localiza Prime	15,000	15,000	100.0	100.0	91,116	91,585	(468)	(8,214)
Car Assistance	200,000	200,000	100.0	100.0	22,523	16,662	5,861	4,487
Franchising Brasil	399,069	399,069	100.0	100.0	9,783	7,183	2,854	2,693
LFI S.R.L.	131,078	131,078	98.0	98.0	880	696	184	180
Rental International	1,000	1,000	100.0	100.0	17	18	(1)	(24)
					<b>985,135</b>	<b>927,092</b>	<b>58,755</b>	<b>48,577</b>
<b>Goodwill in the acquisition of investments:</b>								
Goodwill					22,077	22,077	-	-
<b>Total</b>					<b>1,007,212</b>	<b>949,169</b>	<b>58,755</b>	<b>48,577</b>
<b>Indirect subsidiary:</b>								
LFI S.R.L.	2,160	2,160	2.0	2.0	18	14	4	-
<b>Franchising Brasil's subsidiary:</b>								
FR Assistance	150,000	150,000	100.0	100.0	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>
<b>Localiza Fleet's subsidiary:</b>								
Car Rental Systems	603,876,785	603,876,785	100.0	100.0	455,250	451,095	4,306	-
<b>Goodwill, surplus value and loss in acquisition of investments by Localiza Fleet:</b>								
Goodwill on acquisition of Car Rental Systems					8,642	8,642	-	-
Surplus value from fixed assets, net of realizations					3,897	7,017	-	-
Loss from fixed assets, net of realizations					(5,500)	(7,571)	-	-
<b>Total</b>					<b>462,289</b>	<b>459,183</b>	<b>4,306</b>	<b>-</b>

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

	1Q18	1Q17
<b>Balance at the beginning of the period</b>	<b>927,092</b>	<b>829,032</b>
Equity in the earnings of subsidiaries	58,755	48,577
Dividends from subsidiaries (item (iii) below)	-	(85,264)
Provision for equity deficiency and effect from exchange variation of subsidiary Rental International	1	24
Effect, in equity accounting, from the first-time adoption of IFRS 9 in subsidiaries	(713)	-
<b>Balance at the end of the period</b>	<b>985,135</b>	<b>792,369</b>

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

**(i) Balance sheets**

<b>03/31/18</b>	<b>Localiza Fleet Consolidated</b>	<b>Rental Brasil</b>	<b>Localiza Prime</b>	<b>Car Assistance</b>	<b>Franchising Brasil Consolidated</b>	<b>LFI S.R.L.</b>	<b>Rental International</b>
<b>Assets</b>							
Current	716,786	415,103	91,668	29,160	17,656	1,499	17
Non-current							
Long-term assets	92,514	18,902	17,784	-	8,458	-	-
Investment	18	-	-	-	-	-	-
Property and equipment	1,723,778	395,612	335	-	-	-	-
Intangible assets	14,299	-	-	-	458	-	-
<b>Total</b>	<b>2,547,395</b>	<b>829,617</b>	<b>109,787</b>	<b>29,160</b>	<b>26,572</b>	<b>1,499</b>	<b>17</b>
<b>Liabilities</b>							
Current	544,998	28,436	10,884	6,637	6,854	577	-
Non-current	1,402,917	539,845	7,787	-	9,935	24	-
Equity	599,480	261,336	91,116	22,523	9,783	898	17
<b>Total</b>	<b>2,547,395</b>	<b>829,617</b>	<b>109,787</b>	<b>29,160</b>	<b>26,572</b>	<b>1,499</b>	<b>17</b>
<b>12/31/17</b>	<b>Localiza Fleet Consolidated</b>	<b>Rental Brasil</b>	<b>Localiza Prime</b>	<b>Car Assistance</b>	<b>Franchising Brasil Consolidated</b>	<b>LFI S.R.L.</b>	<b>Rental International</b>
<b>Assets</b>							
Current	699,136	53,567	94,369	23,262	16,962	1,285	18
Non-current							
Long-term assets	91,903	17,395	17,987	-	8,753	-	-
Investment	14	-	-	-	-	-	-
Property and equipment	1,730,918	395,977	345	-	-	-	-
Intangible assets	14,443	-	-	-	535	-	-
<b>Total</b>	<b>2,536,414</b>	<b>466,939</b>	<b>112,701</b>	<b>23,262</b>	<b>26,250</b>	<b>1,285</b>	<b>18</b>
<b>Liabilities</b>							
Current	554,108	9,251	12,795	6,600	8,632	550	-
Non-current	1,428,536	200,510	8,321	-	10,435	25	-
Equity	553,770	257,178	91,585	16,662	7,183	710	18
<b>Total</b>	<b>2,536,414</b>	<b>466,939</b>	<b>112,701</b>	<b>23,262</b>	<b>26,250</b>	<b>1,285</b>	<b>18</b>

**(ii) Income statements**

<b>1Q18</b>	<b>Localiza Fleet Consolidated (*)</b>	<b>Rental Brasil (**)</b>	<b>Localiza Prime</b>	<b>Car Assistance</b>	<b>Franchising Brasil Consolidated</b>	<b>LFI S.R.L.</b>	<b>Rental International</b>
Net revenue	436,581	8,929	8,637	6,431	3,630	242	-
Gross profit	115,526	7,957	8,637	6,348	2,915	248	-
Net income / (loss) before income tax and social contribution	70,171	6,289	(350)	6,636	3,368	188	(1)
<b>Net income / (loss)</b>	<b>46,167</b>	<b>4,158</b>	<b>(468)</b>	<b>5,861</b>	<b>2,854</b>	<b>188</b>	<b>(1)</b>

(\*) As of September 2017, Localiza Fleet consolidated Car Rental Systems in its financial statements.

(\*\*) Rental Brasil started operating on July 1<sup>st</sup>, 2017.



<b>1Q17</b>	<b>Localiza Fleet</b>	<b>Localiza Prime</b>	<b>Car Assistance</b>	<b>Franchising Brasil Consolidated</b>	<b>LFI S.R.L.</b>	<b>Rental International</b>
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)
<b>Net income / (loss)</b>	<b>49,455</b>	<b>(8,214)</b>	<b>4,487</b>	<b>2,693</b>	<b>180</b>	<b>(24)</b>

**(iii) Dividends from subsidiaries**

<b>1Q18</b>	<b>Localiza Fleet</b>
Dividends declared in 2017 and paid in 2018	30,000
<b>Total dividends paid</b>	<b>30,000</b>

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

**(b) Balances and transactions with related parties**

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

	<b>Individual</b>					
	<b>Localiza Fleet</b>		<b>Other subsidiaries</b>		<b>Total</b>	
	<b>03/31/18</b>	<b>12/31/17</b>	<b>03/31/18</b>	<b>12/31/17</b>	<b>03/31/18</b>	<b>12/31/17</b>
<b>Balances:</b>						
Trade receivables	3,056	2,556	3	2	<b>3,059</b>	<b>2,558</b>
Dividends receivable	-	30,000	9,812	9,812	<b>9,812</b>	<b>39,812</b>
Other receivables (current and non-current) (note 7)	-	-	627	634	<b>627</b>	<b>634</b>
Trade payables	(2,334)	(1,416)	(10,540)	(4,256)	<b>(12,874)</b>	<b>(5,672)</b>
Other payables (note 14)	(3,926)	(1,780)	(1,590)	(2,754)	<b>(5,516)</b>	<b>(4,534)</b>

	<b>Individual</b>					
	<b>Localiza Fleet</b>		<b>Other subsidiaries</b>		<b>Total</b>	
	<b>1Q18</b>	<b>1Q17</b>	<b>1Q18</b>	<b>1Q17</b>	<b>1Q18</b>	<b>1Q17</b>
<b>Transactions:</b>						
Costs and expenses	(906)	-	(12,699)	-	<b>(13,605)</b>	<b>-</b>
Recoverable costs and expenses	7,884	6,050	923	1,233	<b>8,807</b>	<b>7,283</b>
Revenues	4,884	4,479	1	20	<b>4,885</b>	<b>4,499</b>

	Combined					
	Localiza Fleet		Other subsidiaries		Total	
	03/31/18	12/31/17	03/31/18	12/31/17	03/31/18	12/31/17
<b>Balances:</b>						
Trade receivables	8,016	4,540	3	2	<b>8,019</b>	<b>4,542</b>
Dividends receivable	-	30,000	9,812	9,812	<b>9,812</b>	<b>39,812</b>
Other receivables (current and non-current)	448	106	769	776	<b>1,217</b>	<b>882</b>
Trade payables	(2,334)	(1,416)	(10,543)	(4,258)	<b>(12,877)</b>	<b>(5,674)</b>
Other payables	(3,926)	(1,780)	(1,590)	(2,754)	<b>(5,516)</b>	<b>(4,534)</b>

	Combined					
	Localiza Fleet		Other subsidiaries		Total	
	1Q18	1Q17	1Q18	1Q17	1Q18	1Q17
<b>Transactions:</b>						
Costs and expenses	(906)	-	(12,699)	-	<b>(13,605)</b>	-
Recoverable costs and expenses	7,884	6,050	923	1,233	<b>8,807</b>	<b>7,283</b>
Revenues	7,860	4,479	1	20	<b>7,861</b>	<b>4,499</b>

As of March 31, 2018, there were collateral signatures related to guarantees for loans, financing and debt securities amounting to: (i) R\$4,089,367 issued by Localiza Fleet to Localiza; (ii) R\$1,515,847 issued by Localiza to Localiza Fleet; and (iii) R\$190,494 issued by Localiza to Rental Brasil. There were also collateral signatures between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$67,259.

Additionally, the Company has guarantees insurances with J Malucelli Seguradora and Pottencial Seguradora, the latter being a company in which Salim Mattar and Eugênio Mattar, founding partners of Localiza, jointly hold 40% of the capital. In transactions with Pottencial Seguradora, made under normal market conditions, the amount of the accumulated premium paid through March 31, 2018 was R\$1,179 related to guarantees insurances in the current insured amount of R\$86,375.

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	
	1Q18	1Q17	1Q18	1Q17
Compensation of the Board of Directors	3,428	3,436	3,428	3,436
Management and Executive Board				
Fees and compensation	4,914	3,364	7,328	5,314
Payroll taxes	1,220	1,085	1,806	1,573
Options granted recognized	1,800	1,297	1,800	1,297
Supplementary pension plan	1,112	112	1,495	172
<b>Total</b>	<b>12,474</b>	<b>9,294</b>	<b>15,857</b>	<b>11,792</b>

## 9. PROPERTY AND EQUIPMENT

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

	Individual								
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>									
As of December 31, 2017	5,295,132	108,347	82,034	38,807	4,802	681	1,913	23,520	5,555,236
Additions	726,101	-	1,220	1,030	2,572	-	-	655	731,578
Write-offs/transfers (*)	(736,293)	-	-	(65)	-	-	-	-	(736,358)
As of March 31, 2018	5,284,940	108,347	83,254	39,772	7,374	681	1,913	24,175	5,550,456
<b>Accumulated depreciation:</b>									
As of December 31, 2017	(87,898)	(52,675)	(23,699)	(21,211)	-	-	(1,041)	(11,978)	(198,502)
Additions	(19,318)	(2,927)	(1,826)	(1,300)	-	-	(22)	(513)	(25,906)
Write-offs/transfers (*)	25,523	-	-	65	-	-	-	-	25,588
As of March 31, 2018	(81,693)	(55,602)	(25,525)	(22,446)	-	-	(1,063)	(12,491)	(198,820)
<b>Net carrying amount:</b>									
As of December 31, 2017	5,207,234	55,672	58,335	17,596	4,802	681	872	11,542	5,356,734
As of March 31, 2018	5,203,247	52,745	57,729	17,326	7,374	681	850	11,684	5,351,636

	Individual								
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>									
As of December 31, 2016	3,486,670	153,455	45,038	28,652	6,200	681	1,913	25,071	3,747,680
Additions	468,640	-	2,690	3,896	2,782	-	-	604	478,612
Write-offs/transfers (*)	(646,035)	955	-	(315)	(955)	-	-	(4)	(646,354)
As of March 31, 2017	3,309,275	154,410	47,728	32,233	8,027	681	1,913	25,671	3,579,938
<b>Accumulated depreciation:</b>									
As of December 31, 2016	(77,298)	(100,107)	(27,628)	(19,168)	-	-	(953)	(14,071)	(239,225)
Additions	(30,072)	(3,149)	(827)	(895)	-	-	(22)	(454)	(35,419)
Write-offs/transfers (*)	22,212	-	-	315	-	-	-	4	22,531
As of March 31, 2017	(85,158)	(103,256)	(28,455)	(19,748)	-	-	(975)	(14,521)	(252,113)
<b>Net carrying amount:</b>									
As of December 31, 2016	3,409,372	53,348	17,410	9,484	6,200	681	960	11,000	3,508,455
As of March 31, 2017	3,224,117	51,154	19,273	12,485	8,027	681	938	11,150	3,327,825

Consolidated									
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>									
As of December 31, 2017	7,328,454	110,305	82,237	40,525	4,802	29,342	369,935	24,699	7,990,299
Additions	933,808	-	1,220	1,030	2,572	-	-	657	939,287
Write-offs/transfers (*)	(956,264)	-	-	(65)	-	-	-	-	(956,329)
As of March 31, 2018	7,305,998	110,305	83,457	41,490	7,374	29,342	369,935	25,356	7,973,257
<b>Accumulated depreciation:</b>									
As of December 31, 2017	(393,683)	(53,169)	(23,725)	(21,861)	-	-	(1,747)	(12,140)	(506,325)
Additions	(56,899)	(3,024)	(1,831)	(1,371)	-	-	(387)	(543)	(64,055)
Write-offs/transfers (*)	68,419	-	-	65	-	-	-	-	68,484
As of March 31, 2018	(382,163)	(56,193)	(25,556)	(23,167)	-	-	(2,134)	(12,683)	(501,896)
<b>Net carrying amount:</b>									
As of December 31, 2017	6,934,771	57,136	58,512	18,664	4,802	29,342	368,188	12,559	7,483,974
As of March 31, 2018	6,923,835	54,112	57,901	18,323	7,374	29,342	367,801	12,673	7,471,361

Consolidated										
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Construction of the new head office	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>										
As of December 31, 2016	4,991,127	153,455	46,708	28,981	276,163	6,200	29,279	3,046	25,738	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 of March 31, 2017	4,875,548	154,410	49,398	32,562	302,364	8,027	29,279	3,046	26,338	5,480,972
<b>Accumulated depreciation:</b>										
As of December 31, 2016	(376,334)	(100,107)	(28,992)	(19,457)	-	-	-	(953)	(14,258)	(540,101)
Additions	(57,869)	(3,149)	(843)	(900)	-	-	-	(22)	(469)	(63,252)
Write-offs/transfers (*)	41,624	-	-	315	-	-	-	-	4	41,943
As of March 31, 2017	(392,579)	(103,256)	(29,835)	(20,042)	-	-	-	(975)	(14,723)	(561,410)
<b>Net carrying amount:</b>										
As of December 31, 2016	4,614,793	53,348	17,716	9,524	276,163	6,200	29,279	2,093	11,480	5,020,596
As of March 31, 2017	4,482,969	51,154	19,563	12,520	302,364	8,027	29,279	2,071	11,615	4,919,562

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

As of March 31, 2018, the consolidated balances include the net carrying amounts of property and equipment items acquired as finance leases in the amount of R\$543,552 (R\$597,373 as of December 31, 2017). For further information on finance leases, see note 13(a).

The other information on property and equipment (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, 2017.

#### (a) Decommissioned cars for fleet renewal

The cost, accumulated depreciation and net carrying amount of decommissioned cars for fleet renewal in each period are as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Cost	23,226	28,590	77,225	123,909
Accumulated depreciation	(900)	(1,557)	(13,341)	(20,559)
<b>Net carrying amount</b>	<b>22,326</b>	<b>27,033</b>	<b>63,884</b>	<b>103,350</b>

## 10. INTANGIBLE ASSETS

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

	Individual		Consolidated	
	1Q18	1Q17	1Q18	1Q17
<b>Cost:</b>				
At the beginning of the period	96,961	93,065	109,146	102,652
Additions	369	2,494	625	2,588
At the end of the period	<b>97,330</b>	<b>95,559</b>	<b>109,771</b>	<b>105,240</b>
<b>Accumulated amortization:</b>				
At the beginning of the period	(50,581)	(37,453)	(56,430)	(41,596)
Additions	(2,909)	(3,260)	(3,386)	(3,688)
At the end of the period	<b>(53,490)</b>	<b>(40,713)</b>	<b>(59,816)</b>	<b>(45,284)</b>
<b>Net carrying amount:</b>				
At the beginning of the period	46,380	55,612	52,716	61,056
At the end of the period	<b>43,840</b>	<b>54,846</b>	<b>49,955</b>	<b>59,956</b>

On March 31, 2018, the consolidated balances include net carrying amounts of intangible assets acquired as finance lease in the amount of R\$63 (R\$72 on December 31, 2017). For more information on finance lease, see note 13(a).

The other information on intangible assets (individual and consolidated) has not significantly changed in relation to that disclosed in note 10 to the financial statements for the year ended December 31, 2017.

## 11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Car manufacturers (*)	770,266	1,047,666	903,588	1,197,455
Insurance premiums	35,510	28,110	35,980	28,730
Maintenance services and parts	29,245	27,658	48,578	40,148
Rentals	24,411	17,546	13,871	13,301
IT services and other	36,478	36,974	41,226	52,046
<b>Total</b>	<b>895,910</b>	<b>1,157,954</b>	<b>1,043,243</b>	<b>1,331,680</b>

(\*) The balance payable to car manufacturers refers to cars acquired at the end of each period and with average payment term of approximately 85 days.

## 12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Accrued vacation pay	37,585	35,841	43,497	41,880
Accrued profit sharing (*)	53,889	38,292	66,309	46,736
Accrued 13 <sup>th</sup> salary (**)	6,659	-	7,928	-
Social security contribution ("INSS")	6,714	12,358	7,870	14,595
Government Severance Indemnity Fund for Employees ("FGTS")	2,042	1,991	2,449	2,395
Other	2,036	2,841	2,598	3,570
<b>Total</b>	<b>108,925</b>	<b>91,323</b>	<b>130,651</b>	<b>109,176</b>

(\*) The Company has a profit sharing program for employees 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 in April and July, which is 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.

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

## 13. LOANS, FINANCING, DEBT AND SWAP

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

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
<b>In local currency</b>				
Debentures - 6 <sup>th</sup> issue	-	243,638	-	243,638
Debentures - 7 <sup>th</sup> issue	362,022	355,570	362,022	355,570
Debentures - 8 <sup>th</sup> issue	500,631	510,818	500,631	510,818
Debentures - 9 <sup>th</sup> issue	513,428	504,148	513,428	504,148
Debentures - 10 <sup>th</sup> issue	201,810	207,095	201,810	207,095
Debentures - 11 <sup>th</sup> issue	507,479	498,366	507,479	498,366
Debentures - 12 <sup>th</sup> issue	714,118	701,986	714,118	701,986
Debentures - 13 <sup>th</sup> issue	1,101,875	1,082,734	1,101,875	1,082,734
Debentures of Localiza Fleet - 3 <sup>rd</sup> issue	-	-	513,811	505,193
Debentures of Localiza Fleet - 4 <sup>th</sup> issue	-	-	361,509	355,568
Promissory notes - 6 <sup>th</sup> issue	671,996	660,785	671,996	660,785
Working capital	-	-	300,951	324,769
Real estate credit note ("CCBI")	-	-	197,307	197,074
Finance lease	108	189	333,127	329,935
Real estate Receivables Certificate ("CRI")	-	-	361,217	-
	<b>4,573,467</b>	<b>4,765,329</b>	<b>6,641,281</b>	<b>6,477,679</b>
<b>Loans, financing and debt</b>				
Current liabilities	191,098	237,790	533,322	537,216
Non-current liabilities	4,382,369	4,527,539	6,107,959	5,940,463
	<b>4,573,467</b>	<b>4,765,329</b>	<b>6,641,281</b>	<b>6,477,679</b>
<b>Derivatives – swap (b)</b>				
Non-current assets (note 7)	-	-	(18,902)	(16,703)
Current liabilities (note 14)	-	-	14,560	6,831
Non-current liabilities (note 14)	-	-	12,405	10,824
<b>Total loans, financing and debt, net of swap</b>	<b>4,573,467</b>	<b>4,765,329</b>	<b>6,649,344</b>	<b>6,478,631</b>

On December 6, 2017, the Board of Directors approved the signing of all documents related to the issue of Real Estate Receivables Certificate (CRI), issued by RB Capital Companhia de Securitização, backed by real estate receivables from lease contracts of property of Localiza's and Localiza Fleet's registered office entered into with Rental Brasil.

On February 26, 2018, the Company concluded the CRI offering in the total amount of R\$370,000, due on November 21, 2032, with redemption option for holders of certificates as of November 21, 2024 and remuneration at 99.0% of CDI.

On the same date, the Company settled in advance the debentures related to the 6<sup>th</sup> issue in the amount of R\$246,733.

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

	Individual		Consolidated	
	1Q18	1Q17	1Q18	1Q17
<b>Balance at the beginning of the period</b>	<b>4,765,329</b>	<b>2,685,584</b>	<b>6,478,631</b>	<b>3,776,293</b>
Loans	-	-	435,169	59,333
Interest and finance charges (*)	83,160	89,209	127,407	123,696
Repayment of principal	(240,080)	(256,511)	(336,895)	(322,832)
Interest amortization	(34,942)	(94,283)	(54,968)	(121,923)
<b>Balance at the end of the period</b>	<b>4,573,467</b>	<b>2,423,999</b>	<b>6,649,344</b>	<b>3,514,567</b>

(\*) The consolidated balance of 1Q17 includes the net debt amount of R\$1,052 related to interest and mark-to-market on loans of Rental Brasil capitalized according to CPC 20 – Borrowing Costs until June 30, 2017. As from July 1, 2017, Rental Brasil started its operations and these effects were recognized in the income statement.

As of March 31, 2018, Localiza had seven issues of outstanding debentures, not convertible into shares, and one issue of promissory notes and Localiza Fleet had one two issues of debentures, 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 unremedied default within the respective period in individual or aggregate amount equal to or above R\$25,000 (7<sup>th</sup> to 10<sup>th</sup> issue of debentures from Localiza) or 3% of the consolidated average equity calculated in the past three quarters (11<sup>th</sup> issue and 13<sup>th</sup> issue of debentures and 6<sup>th</sup> issue of promissory notes from Localiza and 3<sup>rd</sup> and 4<sup>th</sup> issues of debentures from 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 (*)
Debentures - 7 <sup>th</sup> 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.
Debentures - 8 <sup>th</sup> issue	Downgraded by two grades or more in relation to the rating brAAA (BR, triple A) by Standard & Poor's (**).
Debentures - 9 <sup>th</sup> 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.
Debentures - 10 <sup>th</sup> , 11 <sup>th</sup> , 12 <sup>th</sup> and 13 <sup>th</sup> issues	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).
Debentures of Localiza Fleet - 3 <sup>rd</sup> and 4 <sup>th</sup> issues	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).
Promissory notes - 6 <sup>th</sup> issue	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 of March 31, 2018: Standard & Poor's (AAA(bra)/negative), Moody's (Aa1.br/stable) and Fitch Ratings (AAA(bra)/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 financial covenants were met as of March 31, 2018 and December 31, 2017 as shown below:

Ratio	Limits	12-month period ended 03/31/18	12-month period ended 12/31/17
Net debt/ Adjusted EBITDA (*)	Below 4.00	2.80	2.92
Adjusted EBITDA/ Finance costs, net	Above 1.50	4.33	4.20

(\*) EBITDA corresponds to the Issuer's net income or loss, on a consolidated basis, relating to the 12 last months, before: (i) finance income (expenses); (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. In the 12 months ended March 31, 2018 and December 31, 2017, non-recurring expenses totaled R\$74,068.

Additionally, the Company has loans and financing that also include certain early maturity events under conditions similar to those applicable to debt securities. As of March 31, 2018, restrictive covenants were all complied with.

#### (a) Finance lease

The net carrying amounts, by asset category, acquired through finance lease agreements on March 31, 2018 and December 31, 2017 are as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Cars	-	-	542,573	596,169
Hardware	979	1,204	979	1,204
<b>Total property and equipment (note 9)</b>	<b>979</b>	<b>1,204</b>	<b>543,552</b>	<b>597,373</b>
Software	63	72	63	72
<b>Total intangible assets (note 10)</b>	<b>63</b>	<b>72</b>	<b>63</b>	<b>72</b>
<b>Total</b>	<b>1,042</b>	<b>1,276</b>	<b>543,615</b>	<b>597,445</b>

#### (b) Derivative instruments – Swap

The breakdown of swap balance, presented in line items “Other current liabilities” (note 7) or “Other current liabilities” and “Other non-current liabilities” (note 14), is as follows:

	Consolidated	
	03/31/18	12/31/17
Swap pre-fixed (i)	(26,965)	(17,655)
Swap TR (ii)	18,902	16,703
<b>Total liabilities, net</b>	<b>(8,063)</b>	<b>(952)</b>

#### (i) CDI x Fixed rate

Fleet rental contracts vary from 24 to 36 months and usually 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.

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 03/31/18	
				Assets	Liabilities	Notional amount R\$ thousand	Payables/ receivables R\$ thousand
CDI x Fixed-rate	04/01/16	07/03/20	Sundry banks	107.5% of CDI fluctuation	9.8% p.a.	857,596(*)	(26,965)

(\*) On March 31, 2018, the short position (fixed rate) of swaps corresponded to R\$836,051, mark-to-market short position of swaps corresponded to R\$17,321 and long position accounts for R\$826,407.



(ii) **TR x CDI**

As of March 31, 2018, 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 03/31/18	
				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	18,902

Other information related to loans, financing, debt and swap (individual and consolidated) did not undergo significant changes compared to the information disclosed in note 13 to the financial statements as of December 31, 2017.

#### 14. OTHER CURRENT AND NON-CURRENT LIABILITIES

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

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Balances stated separately in current liabilities:				
Payables to related parties (note 8(b) (i))	5,516	4,534	-	-
Federal taxes withheld from third parties	6,193	8,252	7,670	10,889
Municipal taxes payable	1,771	1,542	2,218	2,062
Derivative instruments – swap (note 13 (b))	-	-	14,560	6,831
	13,480	14,328	24,448	19,782
Other current liabilities:				
Advances from car rental and decommissioned sale customers	51,497	84,444	53,464	86,999
Insurance premiums for transfer (*)	63,353	65,681	63,554	65,840
Deferred revenues (**)	30	29	3,577	3,859
Other	7,247	7,559	11,022	11,904
	122,127	157,713	131,617	168,602
<b>Total other current liabilities</b>	<b>135,607</b>	<b>172,041</b>	<b>156,065</b>	<b>188,384</b>
Balances stated separately in non-current liabilities:				
Deferred revenues (**)	72	81	6,048	6,610
Derivative instruments – swap (note 13 (b))	-	-	12,405	10,824
Restricted obligations (***)	-	-	41,211	40,584
Other	6,606	6,239	7,108	6,734
<b>Total other non-current liabilities</b>	<b>6,678</b>	<b>6,320</b>	<b>66,772</b>	<b>64,752</b>
<b>Total other current and non-current liabilities</b>	<b>142,285</b>	<b>178,361</b>	<b>222,837</b>	<b>253,136</b>

(\*) Premiums received from customers that took insurance for rented cars and which will be transferred by Localiza to the insurance company (note 2.7.7 to the financial statements for the year ended December 31, 2017).

(\*\*) Refers to the integration of franchising

(\*\*\*) The restricted obligations refers to the amounts retained from the purchase price owed to Car Rental Systems' sellers, which shall be made available to them after compliance with specific provisions under the share purchase agreement. Restricted obligations are guaranteed by financial assets carried out by the Company, with restricted access, and shall be made available for withdrawal on August 31, 2020 and 2024 (note 7).

## 15. PROVISIONS AND ESCROW DEPOSITS

### (a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Tax (*)	44,760	39,353	61,632	54,712
Social security	8,425	8,075	10,186	9,754
Labor	25,470	25,484	37,849	37,524
Civil	17,908	16,872	26,233	24,500
<b>Total</b>	<b>96,563</b>	<b>89,784</b>	<b>135,900</b>	<b>126,490</b>

(\*) Localiza and Localiza Fleet filed for injunction claiming their right to appropriate PIS and COFINS credits from depreciation of their rental vehicles, based on the justification inserted in Article 3, VI, and Article 15 of Law 10,833/03, at the fraction of 1/48 per month instead of the general rule of 1/60 per month. Starting April 2017, based on favorable outcome, Localiza and Localiza Fleet will appropriate credits at the fraction of 1/48 per month and recognize the difference between said bases until new decisions about the discussion are issued. Said provision was also recognized for 2013, period in which the same procedure to take the credits was adopted, which explains the increase in provisions for tax lawsuits.

### (b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Tax	36,177	35,334	63,411	61,947
Social security	1,338	1,328	1,338	1,328
Labor	14,574	13,935	18,423	17,658
Civil	1,265	1,119	2,369	2,191
<b>Total</b>	<b>53,354</b>	<b>51,716</b>	<b>85,541</b>	<b>83,124</b>

The other information on provisions and escrow deposits (individual and consolidated) has not significantly changed in relation to that disclosed in note 15 to the financial statements for the year ended December 31, 2017.

## 16. 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 of March 31, 2018 and December 31, 2017 is as follows:

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Temporary differences in the deductibility of provisions:				
Legal and other provisions	32,063	29,763	41,669	38,332
Allowance for doubtful debts/expected losses and other allowances	34,212	18,822	37,456	21,732
Provision of payment of services in progress and others (*)	26,490	23,038	33,614	29,579
Swap transaction with payment on a cash basis	-	-	9,168	6,003
Income tax and social contribution losses (**)	6,335	13,379	40,748	48,551
<b>Total deferred income tax and social contribution assets</b>	<b>99,100</b>	<b>85,002</b>	<b>162,655</b>	<b>144,197</b>
Car depreciation (***)	192,026	164,361	225,518	197,086
Leasing in the purchase of property and equipment (****)	530	582	119,627	121,074
Swap transactions with payment on a cash basis	-	-	2,005	1,500
Other	-	-	3,400	2,290
<b>Total deferred income tax and social contribution liabilities</b>	<b>192,556</b>	<b>164,943</b>	<b>350,550</b>	<b>321,950</b>
<b>Total deferred income tax and social contribution, net</b>	<b>93,456</b>	<b>79,941</b>	<b>187,895</b>	<b>177,753</b>

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
<b>Non-current assets</b>	-	-	(41,071)	(41,953)
<b>Non-current liabilities</b>	93,456	79,941	228,966	219,706

(\*) Refers mainly to the deferred income and social contribution taxes tax on temporary differences of the accrued provisions for profit sharing and loyalty program.

(\*\*) Refers mainly to deferred income tax and social contribution of Localiza Prime and Car Rental Systems in the amounts of R\$15,475 and R\$18,938, respectively, as a result of income tax and social contribution losses (R\$15,512 and R\$19,660, respectively on December 31, 2017).

(\*\*\*) Refers to the temporary difference in the calculation of depreciation, introduced by the 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 of 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 and its subsidiaries have recognized a balance, as of March 31, 2018, as tax credit on tax loss carryforwards of R\$6,335 (individual) and R\$40,748 (consolidated) (R\$13,379 and R\$48,551, respectively on December 31, 2017). 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, arising from temporary differences and tax losses and social contribution tax loss carryforwards, is contingent upon future events that will make the provisions that gave rise to them and will enable the offset of tax losses and social contribution tax loss carryforwards, in accordance with prevailing tax legislation.

Based on past taxable income that originated deferred income tax and social contribution asset balances, as well as projections of profit or loss for coming years, the Company estimates the following schedule for recovering of tax credits:

	Individual	Consolidated
2018	46,431	60,516
2019	20,485	31,634
2020	14,521	24,265
2021	352	8,835
2022	15,357	26,163
2023 to 2026	1,954	11,242
<b>Total deferred income and social contribution tax assets</b>	<b>99,100</b>	<b>162,655</b>

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

The reconciliation between the statutory and effective rates for the periods ended March 31, 2018 and 2017 is as follows:

	Individual		Consolidated	
	1Q18	1Q17	1Q18	1Q17
Net income before taxes	213,486	131,460	241,029	155,240
Statutory rate	34%	34%	34%	34%
<b>Expense at statutory rate</b>	<b>(72,585)</b>	<b>(44,696)</b>	<b>(81,950)</b>	<b>(52,782)</b>
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	19,977	16,516	-	-
Effect of deduction of interest on capital	14,274	13,563	14,274	13,563
Income tax and social contribution due by subsidiaries (deemed income)	-	-	2,111	1,456
Other, net	853	3,423	541	2,789
<b>Expense at effective rate</b>	<b>(37,481)</b>	<b>(11,194)</b>	<b>(65,024)</b>	<b>(34,974)</b>
<b>Current income tax and social contribution</b>	<b>(16,139)</b>	<b>(14,440)</b>	<b>(46,814)</b>	<b>(35,588)</b>
<b>Deferred income tax and social contribution</b>	<b>(21,342)</b>	<b>3,246</b>	<b>(18,210)</b>	<b>614</b>

## 17. EQUITY

### (a) Capital

As of March 31, 2018, the Company's capital was R\$1,500,000, divided into 667,149,210 common shares. The ownership of capital and the related reconciliation of the number of outstanding shares are as follows:

	Management (not reviewed by auditors)			Outstanding shares (not reviewed by auditors)	Number of shares – ON
	Founding partners	Board of Directors and Statutory Board	Treasury shares		
<b>Amount as of December 31, 2017</b>	<b>157,505,935</b>	<b>957,569</b>	<b>6,752,346</b>	<b>501,933,360</b>	<b>667,149,210</b>
Acquisition (sale) of shares, net	-	(1,400)	-	1,400	-
Exercise of stock options with treasury shares	-	-	(114,287)	114,287	-
Sale of treasury shares	-	-	(2,244)	2,244	-
Renting of shares	34,500	-	-	(34,500)	-
<b>Amount as of March 31, 2018</b>	<b>157,540,435</b>	<b>956,169</b>	<b>6,635,815</b>	<b>502,016,791</b>	<b>667,149,210</b>

	Management (not reviewed by auditors)			Outstanding shares (not reviewed by auditors)	Number of shares – ON
	Founding partners	Board of Directors and Statutory Board	Treasury shares		
<b>Amount as of December 31, 2016</b>	<b>59,028,084</b>	<b>337,778</b>	<b>3,692,636</b>	<b>148,734,902</b>	<b>211,793,400</b>
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)	-
<b>Amount as of March 31, 2017</b>	<b>57,095,632</b>	<b>305,298</b>	<b>2,950,932</b>	<b>151,441,538</b>	<b>211,793,400</b>

For comparison purposes, the ownership interest in capital and the respective reconciliation of number of outstanding shares adjusted considering the 5% stock bonus and the stock split at the ratio of three (3) shares to one (1) existing common share, approved in the Extraordinary Shareholders Meetings held on April 25, 2017 and November 22, 2017, respectively, is as follows:

	Management (not reviewed by auditors)			Outstanding shares (not reviewed by auditors)	Number of shares – ON
	Founding partners	Board of Directors and Statutory Board	Treasury shares		
<b>Amount as of December 31, 2016</b>	<b>185,938,465</b>	<b>1,064,001</b>	<b>11,631,803</b>	<b>468,514,941</b>	<b>667,149,210</b>
Acquisition (sale) of shares, net	(7,326,702)	(404,517)	-	7,731,219	-
Exercise of stock options with treasury shares	1,209,483	302,205	(2,336,367)	824,679	-
Renting of shares	29,994	-	-	(29,994)	-
<b>Amount as of March 31, 2017</b>	<b>179,851,240</b>	<b>961,689</b>	<b>9,295,436</b>	<b>477,040,845</b>	<b>667,149,210</b>

Pursuant to article 6 of the Bylaws, the Company is authorized to increase its capital stock up to the limit of 812,553,525 registered common shares, regardless of any amendment to the bylaws, so that an additional 145,404,315 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. The Company had 16,571,798 ADRs issued in the United States as of March 31, 2018 and 19,173,432 as of December 31, 2017 (not reviewed by the auditors). Each ADR corresponds to 1 (one) Company’s share.

**(b) Interest on capital and dividends**

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

1Q18					
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date	
03/22/18	41,981	0.06356	03/28/18	05/16/18	
<b>Total</b>	<b>41,981</b>				

1Q17					
Approval date	Total amount approved	Amount per share (in R\$)		Shareholding position date	Payment date
		On approval date	For comparison purposes (*)		
03/08/17	39,891	0.19161	0.06083	03/15/17	05/02/17
<b>Total</b>	<b>39,891</b>				

(\*) For comparison purposes, interest on equity per share was adjusted considering the 5% stock bonus and the stock split at the ratio of three (3) shares to one (1) existing common share, approved in the Extraordinary Shareholders Meetings held on April 25, 2017 and November 22, 2017, respectively, is as follows

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

	Consolidated	
	03/31/18	12/31/17
Proposed interest on capital in net income for the period	41,981	42,745
Provision for withholding income tax on interest on capital	(6,247)	(6,361)
<b>Total interest on capital payable</b>	<b>35,734</b>	<b>36,384</b>

**(c) Capital reserves**

**(i) Options exercised in 1Q18**

In 1Q18, 114,287 stock options related to the Stock Options Programs from 2011 to 2014 were exercised, calculated at fair value in the amount of R\$425. All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

**(ii) Goodwill on share subscription**

The goodwill reserve on share subscription for the quarter ended March 31, 2018 rises from the following:

	03/31/18
Primary distribution of shares of Localiza in 2006	48,174
Goodwill between 2011 and 2017 on realization of treasury shares for the options exercised	49,589
Goodwill in 1Q18 on realization of treasury shares for the options exercised and the sale of treasury shares	189
<b>Total</b>	<b>97,952</b>

**(iii) Treasury shares**

On March 31, 2018, there were 6,635,815 shares in treasury (9,295,436 on March 31, 2017, including the effects from bonus shares and the stock splits in 2017), acquired under the 1<sup>st</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> Share Repurchase Programs, with fair value of R\$190,581 (quotation of R\$28.72 per share as of March 29, 2018).

#### (d) Bylaws reserve

The Annual Shareholders Meeting held on April 26, 2018 approved the accrual of a Bylaws reserve in the amount of R\$317,490, related to the balance net income from 2017.

Other information on equity has not significantly changed in relation to that disclosed in note 17 to the financial statements for the year ended December 31, 2017.

### 18. EARNINGS PER SHARE

The methods used to calculate basic and diluted earnings per share are the same as those disclosed in note 18 to the financial statements for the year ended December 31, 2017.

The table below shows net income information and the number of shares used, encompassing the effects of stock bonus and stock split occurred in 2017, in the calculation of basic and diluted earnings per share for each of the reporting years of the income statement:

	<b>Individual and Consolidated</b>	
	<b>1Q18</b>	<b>1Q17</b>
<b>Net income for the period</b>	<b>176,005</b>	<b>120,266</b>
<b><u>Basic earnings per share:</u></b>		
Weighted average number of outstanding common shares (units)	660,425,049	655,602,815
<b>Basic earnings per share (R\$)</b>	<b>0.26650</b>	<b>0.18344</b>
<b><u>Diluted earnings per share:</u></b>		
Weighted average number of outstanding common shares (units)	660,425,049	655,602,815
Dilutive effect of stock options (units)	1,350,229	1,507,205
Total shares subject to dilution (units)	661,775,278	657,110,020
<b>Diluted earnings per share (R\$)</b>	<b>0.26596</b>	<b>0.18302</b>

### 19. DIVISION REPORTING

An operating division 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 division and for performance evaluation; and (iii) for which individual financial information is available.

The Company has defined three operating divisions that are separately managed based on the reports used by the Board of Directors to make strategic decisions. The accounting policies of these operating divisions 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, 2017.

- **Car Rental:** This division is responsible for car rentals in locations located inside and outside airports and for insurance stipulation and management of car claims for insurance companies. Cars are rented by legal entities and individuals, in some cases through distribution channels. Given the need to renew the fleet, Localiza sells its cars after 12 months of use. In order to reduce intermediation costs on the sale of decommissioned cars, roughly 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, as well as avoids full dependence on third parties for the sales.
- **Fleet Rental:** This division is responsible for fleet rental to legal entities, through the subsidiaries Localiza Fleet and Car Rental Systems, for long periods, usually 24 to 36 months. This division's fleet is acquired after signature of agreements according to the clients' needs. Therefore, the fleet is more diversified in terms of models and

brands. Decommissioned cars are sold within 34 months of use, on average, directly to the end consumer or to dealers through the Company's own car dealer network.

- **Franchising:** This division is responsible for the management and establishment of franchises in geographically defined markets, including the transfer of the necessary know-how to operate the business and licensing of the right to use the Localiza brand. The franchising business is managed by the subsidiary Franchising Brasil, in Brazil, LFI S.R.L., in Argentina, and by Localiza itself in other countries.

**(a) Operating division financial reporting**

**(i) Consolidated assets and liabilities by operating division**

<b>03/31/18</b>	<b>Car Rental</b>	<b>Fleet Rental</b>	<b>Franchising</b>	<b>Unallocated balances</b>	<b>Deductions/ Reclassifications</b>	<b>Consolidated</b>
<b>Assets</b>						
Cash and cash equivalents	-	-	-	1,868,092	-	1,868,092
Financial assets	-	-	-	794,377	-	794,377
Trade receivables	417,240	133,075	8,255	-	(18,594)	539,976
Decommissioned cars for fleet renewal	38,861	25,023	-	-	-	63,884
Property and equipment	5,391,070	1,697,075	-	384,819	(1,603)	7,471,361
Other assets	337,089	143,887	6,582	-	(18,701)	468,857
<b>Total assets</b>	<b>6,184,260</b>	<b>1,999,060</b>	<b>14,837</b>	<b>3,047,288</b>	<b>(38,898)</b>	<b>11,206,547</b>
<b>Liabilities</b>						
Trade payables	898,228	165,847	61	-	(20,893)	1,043,243
Loans, financing and debt	-	-	-	6,641,281	-	6,641,281
Other liabilities	524,252	274,257	17,329	-	(16,402)	799,436
<b>Total liabilities</b>	<b>1,422,480</b>	<b>440,104</b>	<b>17,390</b>	<b>6,641,281</b>	<b>(37,295)</b>	<b>8,483,960</b>
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,722,587</b>	<b>-</b>	<b>2,722,587</b>
<b>Total liabilities and equity</b>	<b>1,422,480</b>	<b>440,104</b>	<b>17,390</b>	<b>9,363,868</b>	<b>(37,295)</b>	<b>11,206,547</b>

<b>12/31/17</b>	<b>Car Rental</b>	<b>Fleet Rental</b>	<b>Franchising</b>	<b>Unallocated balances</b>	<b>Deductions/ Reclassifications</b>	<b>Consolidated</b>
<b>Assets</b>						
Cash and cash equivalents	-	-	-	1,338,195	-	1,338,195
Financial assets	-	-	-	1,275,699	-	1,275,699
Trade receivables	454,485	133,910	10,251	-	(8,824)	589,822
Decommissioned cars for fleet renewal	66,058	37,292	-	-	-	103,350
Property and equipment	5,438,102	1,661,252	-	385,174	(554)	7,483,974
Other assets	317,424	117,849	6,398	-	(46,477)	395,194
<b>Total assets</b>	<b>6,276,069</b>	<b>1,950,303</b>	<b>16,649</b>	<b>2,999,068</b>	<b>(55,855)</b>	<b>11,186,234</b>
<b>Liabilities</b>						
Trade payables	1,165,097	174,899	1,898	-	(10,214)	1,331,680
Loans, financing and debt	-	-	-	6,477,679	-	6,477,679
Other liabilities	511,470	292,024	17,743	-	(45,087)	776,150
<b>Total liabilities</b>	<b>1,676,567</b>	<b>466,923</b>	<b>19,641</b>	<b>6,477,679</b>	<b>(55,301)</b>	<b>8,585,509</b>
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,600,725</b>	<b>-</b>	<b>2,600,725</b>
<b>Total liabilities and equity</b>	<b>1,676,567</b>	<b>466,923</b>	<b>19,641</b>	<b>9,078,404</b>	<b>(55,301)</b>	<b>11,186,234</b>

**(ii) Consolidated income statements per operating division**

1Q18	Car Rental	Fleet Rental	Franchising	Reclassifications	Consolidated
Net revenue	1,446,964	371,410	4,362	-	1,822,736
Costs	(1,053,065)	(249,030)	(2,304)	(1,573)	(1,305,972)
Gross profit	393,899	122,380	2,058	(1,573)	516,764
Operating expenses:					
Selling expenses	(123,390)	(16,800)	163	811	(139,216)
General, administrative and other expenses	(40,065)	(8,217)	(114)	762	(47,634)
Profit (loss) before finance costs, net (EBIT)	230,444	97,363	2,107	-	329,914
Finance costs, net					(88,885)
Profit before income tax and social contribution					241,029
Income tax and social contribution					(65,024)
Net income					176,005

1Q17	Car Rental	Fleet Rental	Franchising	Reclassifications	Consolidated
Net revenue	1,081,362	253,905	4,311	-	1,339,578
Costs	(819,846)	(146,185)	(2,406)	(1,039)	(969,476)
Gross profit	261,516	107,720	1,905	(1,039)	370,102
Operating expenses:					
Selling expenses	(92,818)	(10,900)	(115)	534	(103,299)
General, administrative and other expenses	(28,477)	(8,615)	(147)	505	(36,734)
Profit (loss) before finance costs, net (EBIT)	140,221	88,205	1,643	-	230,069
Finance costs, net					(74,829)
Profit before income tax and social contribution					155,240
Income tax and social contribution					(34,974)
Net income					120,266

The Company had, as of March 31, 2018 and 2017, a network of franchisees in six South American countries; 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	
	1Q18	1Q17
Revenue in Brazil	1,811,887	1,331,612
Exports revenue (*)	10,359	7,626
Royalties abroad	490	340
Net revenue	1,822,736	1,339,578

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

**(iii) Consolidated depreciation and amortization expenses per operating division**

	Consolidated	
	1Q18	1Q17
<b>Car Rental</b>		
Car depreciation	21,561	30,072
Depreciation of other property and equipment and amortization of intangible assets	8,703	7,892
<b>Fleet Rental</b>		
Car depreciation	35,338	27,797
Depreciation of other property and equipment and amortization of intangible assets	1,702	1,024
<b>Franchising</b>		
Depreciation of other property and equipment and amortization of intangible assets	137	155
<b>Total</b>	<b>67,441</b>	<b>66,940</b>



## 20. NET REVENUE

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

	Individual		Consolidated	
	1Q18	1Q17	1Q18	1Q17
Gross revenue	1,394,046	1,094,889	1,846,914	1,365,725
Deductions:				
Discounts	(1,773)	(1,113)	(7,510)	(3,079)
Taxes (*)	(13,427)	(17,020)	(16,668)	(23,068)
<b>Net revenue</b>	<b>1,378,846</b>	<b>1,076,756</b>	<b>1,822,736</b>	<b>1,339,578</b>

(\*) 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	
	1Q18	1Q17	1Q18	1Q17
Revenue from car rental	592,873	403,097	594,662	403,469
Revenue from fleet rental	-	-	203,323	173,256
Franchising	490	340	4,362	4,311
Cars sold for fleet renewal	785,483	673,319	1,020,389	758,542
<b>Net revenue</b>	<b>1,378,846</b>	<b>1,076,756</b>	<b>1,822,736</b>	<b>1,339,578</b>

## 21. 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					
	Selling, general, administrative and other expenses				Total	
	Costs					
	1Q18	1Q17	1Q18	1Q17	1Q18	1Q17
Cost of cars sold	(674,838)	(595,634)	-	-	(674,838)	(595,634)
Car maintenance, IPVA and others	(136,309)	(76,817)	-	-	(136,309)	(76,817)
Car depreciation	(19,318)	(30,072)	-	-	(19,318)	(30,072)
Payroll, related taxes and benefits	(68,960)	(58,763)	(53,471)	(36,410)	(122,431)	(95,173)
Real estate rental	(37,825)	(25,841)	(11,702)	(12,028)	(49,527)	(37,869)
Third-party services	(22,600)	(9,910)	(19,274)	(15,935)	(41,874)	(25,845)
Profit sharing	(9,165)	(7,456)	(6,451)	(5,481)	(15,616)	(12,937)
Depreciation and amortization of other property and equipment and intangible assets	(5,389)	(4,621)	(4,108)	(3,986)	(9,497)	(8,607)
Water, electricity and telephone	(3,228)	(2,666)	(1,958)	(1,938)	(5,186)	(4,604)
Travel	(2,176)	(1,627)	(1,050)	(746)	(3,226)	(2,373)
Advertising	-	-	(9,196)	(8,579)	(9,196)	(8,579)
Commissions	-	-	(19,943)	(11,396)	(19,943)	(11,396)
Allowance for doubtful debts/expected losses and write-off of uncollectible amounts	-	-	(20,511)	(6,238)	(20,511)	(6,238)
Other	(23,905)	(12,518)	(15,120)	(6,030)	(39,025)	(18,548)
<b>Total</b>	<b>(1,003,713)</b>	<b>(825,925)</b>	<b>(162,784)</b>	<b>(108,767)</b>	<b>(1,166,497)</b>	<b>(934,692)</b>

	Consolidated					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	1Q18	1Q17	1Q18	1Q17	1Q18	1Q17
Cost of cars sold	(877,783)	(662,274)	-	-	(877,783)	(662,274)
Car maintenance, IPVA and others	(190,968)	(111,098)	-	-	(190,968)	(111,098)
Car depreciation	(56,899)	(57,869)	-	-	(56,899)	(57,869)
Payroll, related taxes and benefits	(76,413)	(65,554)	(69,273)	(58,544)	(145,686)	(124,098)
Real estate rental	(32,051)	(26,144)	(11,785)	(12,326)	(43,836)	(38,470)
Third-party services	(26,750)	(11,777)	(21,414)	(18,219)	(48,164)	(29,996)
Profit sharing	(10,538)	(8,736)	(9,044)	(8,889)	(19,582)	(17,625)
Depreciation and amortization of other property and equipment and intangible assets	(6,167)	(5,074)	(4,375)	(3,997)	(10,542)	(9,071)
Water, electricity and telephone	(3,261)	(2,687)	(2,074)	(2,053)	(5,335)	(4,740)
Travel	(2,241)	(1,681)	(1,541)	(1,351)	(3,782)	(3,032)
Advertising	-	-	(9,277)	(8,753)	(9,277)	(8,753)
Commissions	-	-	(20,292)	(11,615)	(20,292)	(11,615)
Allowance for doubtful debts/ expected losses and write-off of uncollectible amounts	-	-	(19,958)	(7,189)	(19,958)	(7,189)
Other	(22,901)	(16,582)	(17,817)	(7,097)	(40,718)	(23,679)
<b>Total</b>	<b>(1,305,972)</b>	<b>(969,476)</b>	<b>(186,850)</b>	<b>(140,033)</b>	<b>(1,492,822)</b>	<b>(1,109,509)</b>

## 22. FINANCIAL INCOME (EXPENSES)

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

	Individual		Consolidated	
	1Q18	1Q17	1Q18	1Q17
Interest income on financial assets	27,373	33,061	39,660	49,968
PIS/COFINS on finance income	(1,487)	(1,757)	(2,099)	(2,566)
Other interest income	5,260	4,672	7,297	6,912
<b>Total financial income</b>	<b>31,146</b>	<b>35,976</b>	<b>44,858</b>	<b>54,314</b>
Interest expenses on loans, financing, debt and swap	(83,160)	(89,209)	(127,407)	(122,644)
Other interest expenses	(5,604)	(5,948)	(6,336)	(6,499)
<b>Total financial expenses</b>	<b>(88,764)</b>	<b>(95,157)</b>	<b>(133,743)</b>	<b>(129,143)</b>
<b>Total financial income (expenses)</b>	<b>(57,618)</b>	<b>(59,181)</b>	<b>(88,885)</b>	<b>(74,829)</b>

## 23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
<b>Financial assets</b>				
Cash and cash equivalents (note 4)				
Amortized cost	469,280	10,593	489,722	33,289
Financial assets at fair value through profit or loss	1,168,576	819,144	1,378,370	1,304,906
Financial assets (note 5)				
Amortized cost	-	626,460	17,674	660,565
Financial assets at fair value through profit or loss	-	532,407	776,703	615,134
Amortized cost				
Trade receivables (note 6)	397,647	441,364	539,976	589,822
Escrow deposits (note 15)	53,354	51,716	85,541	83,124
Investments in restricted accounts (note 7)	-	-	41,211	40,584

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
<b>Financial liabilities</b>				
Other financial liabilities				
Trade payables (note 11)	(895,910)	(1,157,954)	(1,043,243)	(1,331,680)
Loans, financing and debt (note 13)	(4,573,467)	(4,765,329)	(6,641,281)	(6,477,679)
Restricted obligations (note 14)	-	-	(41,211)	(40,584)
Financial liabilities at fair value through profit or loss				
Swap (note 13)	-	-	(8,063)	(952)

## (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; (ii) financial assets, (iii) trade receivables and (iv) loans, financing, debt 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, since the increase in interest rates can affect both the cost of loans raised by the Company and the debt cost, further increasing its finance costs.

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, up to the limit of floating-rate net debt, thus eliminating the risk of fluctuation in the benchmark interest rate in long-term contracts (see details of these operations in Note 13(b)). In addition, all the Company's cash equivalents balance is also indexed to the CDI rate fluctuation, which is the same rate adopted for floating-rate debts.

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 of March 31, 2018, the Company's net debt totaled R\$3,986,875. Of this total, R\$1,169,178, with fixed cost at an average rate of 10.43% 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. Therefore, net debt subject to the CDI fluctuation amounts to R\$2,817,697 as of March 31, 2018.
- The probable scenario for the next 12 months was estimated, according to information in the Focus Market Readout issued by the Central Bank of Brazil, based on an average CDI rate of 6.29% against the effective annual rate of 6.74% in the three-month period ended March 31, 2018.

Description	Consolidated		
	Probable scenario (*)	Scenario I - 25% deterioration	Scenario II - 50% deterioration
<b>Net debt as of March 31, 2018</b> (letter (b))	<b>3,986,875</b>	<b>3,986,875</b>	<b>3,986,875</b>
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate (note 13 and 13 (b))	(1,169,178)	(1,169,178)	(1,169,178)
<b>Net debt subject to the CDI fluctuation</b>	<b>2,817,697</b>	<b>2,817,697</b>	<b>2,817,697</b>
Effective average annual CDI rate for the three-month period ended March 31, 2018	6.74%	6.74%	6.74%
Estimated average annual CDI rate, according to stress scenarios	6.29%	7.86%	9.44%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rates	(189,913)	(189,913)	(189,913)
- according to scenarios	(177,233)	(221,471)	(265,991)
<b>(Increase) decrease in finance expenses for the next 12 months</b>	<b>12,680</b>	<b>(31,558)</b>	<b>(76,078)</b>

(\*) As required by IFRS 7 and based on the average rate of 6.29%, 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 29, 2018.

- **Currency risk** – The Company is not exposed to currency risk since it enters into swap transactions tied to foreign currency-denominated loans. Currently, the Company has no financial liabilities in foreign currency.

## (ii) 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 and financial assets deposited/invested in banks and financial institutions, which include amounts invested in fixed-income investment fund units.

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

	Individual		Consolidated	
	03/31/18	12/31/17	03/31/18	12/31/17
Cash and cash equivalents:				
Financial assets:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,632,963	819,144	1,856,425	1,319,825
Cash and banks	4,893	10,593	11,667	18,370
<b>Total cash and cash equivalents (note 4)</b>	<b>1,637,856</b>	<b>829,737</b>	<b>1,868,092</b>	<b>1,338,195</b>
Financial assets:				
Rated at least Aa3 by Moody's or an equivalent rating by another agency	-	1,158,867	794,377	1,275,699
<b>Total financial assets (note 5)</b>	<b>-</b>	<b>1,158,867</b>	<b>794,377</b>	<b>1,275,699</b>
Trade receivables – customers	378,499	421,006	519,301	568,188
Trade receivables – credit card:				
Aaa in the Moody's scale	5,845	7,203	5,951	7,242
Sundry	13,303	13,155	14,724	14,392
<b>Total trade receivables (note 6)</b>	<b>397,647</b>	<b>441,364</b>	<b>539,976</b>	<b>589,822</b>
<b>Total</b>	<b>2,035,503</b>	<b>2,429,968</b>	<b>3,202,445</b>	<b>3,203,716</b>

- **Cash and cash equivalents and financial assets** – 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 Policy and the equity of which is higher than R\$50.0 billion.

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

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.

The Company mitigates its credit risk by operating significantly with credit cards for car rentals, mainly in transactions with individuals under short-term agreements. In transactions with legal entities for car rental and fleet rental, the risk 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 overdue 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. Cars are released upon the confirmation of receivables payment in cash.

The management of credit risk also includes the periodic analysis of the impairment of trade receivables, in which the need to recognize an allowance for doubtful debts and expected losses 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, the position of overdue receivables and historical loan losses.

Estimated losses were calculated based on the actual experience of loan loss last year. The Company calculated loss rates separately for each segment using the percentage of delinquency observed in the period between 90 and 210 days after the due date since, after this period, the effectiveness of collection efforts is no longer significant. The positions within each segment were segregated based on common loan risk characteristics, such as risk rating, type of product purchased, form of payment and level of delinquency.

**(iii) Liquidity risk**

Liquidity risk is the risk of the Company not having sufficient funds to settle its obligations. The liquidity risk management, conducted by the Finance Department, seeks to ensure that the Company has the necessary funds to settle its financial liabilities at the maturity dates, and is monitored by the Board of Directors and 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 financial assets 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, debt and swap, based on the interest rate contracted for each transaction and a CDI rate of 6.39% as of March 31, 2018, is as follows:

	Individual								Total
	2018	2019	2020	2021	2022	2023	2024	2025	
Debentures – 7 <sup>th</sup> issue	99,141	92,751	112,221	105,187	-	-	-	-	409,300
Debentures – 8 <sup>th</sup> issue	17,289	284,355	267,545	-	-	-	-	-	569,189
Debentures – 9 <sup>th</sup> issue	36,580	83,853	176,587	310,445	-	-	-	-	607,465
Debentures – 10 <sup>th</sup> issue	7,285	14,188	107,355	107,280	-	-	-	-	236,108
Debentures – 11 <sup>th</sup> issue	35,431	35,277	34,993	34,710	503,024	-	-	-	643,435
Debentures – 12 <sup>th</sup> issue	48,157	47,475	46,711	46,902	47,283	47,093	723,069	-	1,006,690
Debentures – 13 <sup>th</sup> issue	73,956	75,020	74,415	74,242	500,163	462,224	120,669	113,230	1,493,919
Promissory notes – 6 <sup>th</sup> issue	-	-	793,512	-	-	-	-	-	793,512
Finance lease	112	-	-	-	-	-	-	-	112
<b>Total</b>	<b>317,951</b>	<b>632,919</b>	<b>1,613,339</b>	<b>678,766</b>	<b>1,050,470</b>	<b>509,317</b>	<b>843,738</b>	<b>113,230</b>	<b>5,759,730</b>

	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2032	Total
Debentures – 7 <sup>th</sup> issue	99,141	92,751	112,221	105,187	-	-	-	-	-	409,300
Debentures – 8 <sup>th</sup> issue	17,289	284,355	267,545	-	-	-	-	-	-	569,189
Debentures – 9 <sup>th</sup> issue	36,580	83,853	176,587	310,445	-	-	-	-	-	607,465
Debentures – 10 <sup>th</sup> issue	7,285	14,188	107,355	107,280	-	-	-	-	-	236,108
Debentures – 11 <sup>th</sup> issue	35,431	35,277	34,993	34,710	503,024	-	-	-	-	643,435
Debentures – 12 <sup>th</sup> issue	48,157	47,475	46,711	46,902	47,283	47,093	723,069	-	-	1,006,690
Debentures – 13 <sup>th</sup> issue	73,956	75,020	74,415	74,242	500,163	462,224	120,669	113,230	-	1,493,919
Debentures of Localiza Fleet – 3 <sup>rd</sup> issue	34,325	33,830	33,422	33,558	33,694	516,439	-	-	-	685,268
Debentures of Localiza Fleet – 4 <sup>th</sup> issue	24,073	23,008	23,101	23,008	23,008	22,915	373,101	-	-	512,214
Promissory notes – 6 <sup>th</sup> issue	-	-	793,512	-	-	-	-	-	-	793,512
Working capital	43,490	95,134	84,999	127,162	-	-	-	-	-	350,785
Finance lease	214,869	143,816	8,596	-	-	-	-	-	-	367,281
CCBI new head office/with swap	13,975	67,232	109,259	51,180	-	-	-	-	-	241,646
CRI	30,459	29,673	26,355	27,196	30,359	33,096	35,268	39,358	360,349	612,113
<b>Total</b>	<b>679,030</b>	<b>1,025,612</b>	<b>1,899,071</b>	<b>940,870</b>	<b>1,137,531</b>	<b>1,081,767</b>	<b>1,252,107</b>	<b>152,588</b>	<b>360,349</b>	<b>8,528,925</b>

## (b) Capital management

The Company's businesses require intensive long-term capital to finance the fleet, in order to implement its growth and renewal 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 manages the capital structure and adjusts it considering the changes in economic conditions. To maintain or adjust capital structure, the Management may adjust the payment of dividends to shareholders, return capital to them or issue new shares.

Capital is monitored based on the Company's debt ratio, which corresponds to net debt divided by equity and on the fleet value. 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 and financial assets.

The table below shows the Company's debt ratios as of March 31, 2018 and December 31, 2017:

	Consolidated	
	03/31/18	12/31/17
Short and long-term debts, net of the swap transactions classified in current and non-current assets and liabilities (note 13)	6,649,344	6,478,631
Cash and cash equivalents (note 4)	(1,868,092)	(1,338,195)
Financial assets (note 5)	(794,377)	(1,275,699)
<b>Net debt</b>	<b>3,986,875</b>	<b>3,864,737</b>
Equity	2,722,587	2,600,725
<b>Debt ratio (net debt / equity)</b>	<b>1.46</b>	<b>1.49</b>
Fleet value (*)	6,987,719	7,038,121
<b>Net debt / fleet value</b>	<b>0.57</b>	<b>0.55</b>

(\*) Cars and decommissioned cars for fleet renewal (note 9).

## (c) Fair value of financial instruments

The estimated carrying amounts and fair values of loans, financing and debt 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 fair values of swap transactions recorded under "derivative instruments – swap," which are classified as Level 2, are presented in note 13(b).

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

The fair value of financial liabilities recognized at amortized cost in the Company's balance sheet as of March 31, 2018 and December 31, 2017:

	Individual			
	Carrying amount		Fair value	
	03/31/18	12/31/17	03/31/18	12/31/17
<b>Financial liabilities – other financial liabilities:</b>				
Loans, financing and debt	(4,573,467)	(4,765,329)	(3,476,503)	(3,698,672)
	Consolidated			
	Carrying amount		Fair value	
	03/31/18	12/31/17	03/31/18	12/31/17
<b>Financial liabilities – other financial liabilities:</b>				
Loans, financing and debt	(6,641,281)	(6,477,679)	(5,010,867)	(5,186,060)

Management believes that the carrying amounts of other financial instruments (cash and cash equivalents, trade receivables, escrow deposits, investments in restricted accounts, trade payables and restricted obligations), which are recognized in the parent company 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.

## 24. RENTAL COMMITMENTS

The Company has property lease contracts for its car rental locations located in airports, off-airports (downtown locations), stores, head office, 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, stores, head office 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, 2017.

## 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.

In the 1Q18, contributions made by the Company totaled R\$1,474 in the individual and R\$1,958 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, 2017.



## **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, 2018.

## **Comments on the Performance of Business Projections**

The Company did not disclose any projections for 2018.

## Other Information Considered Relevant by the Company

### SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the three-month periods ended March 31, 2018 and 2017 is as follows:

(In R\$ thousand)

1Q18				1Q17		
<b>Calculation basis of consolidated social indicators</b>						
Net revenue ("NR")			1,822,736			1,339,578
Earnings before taxes ("EBT")			241,029			155,240
Gross payroll ("GP")			138,319			121,302
<b>Internal social indicators</b>	<b>Amount</b>	<b>% on GP</b>	<b>% on NR</b>	<b>Amount</b>	<b>% on GP</b>	<b>% on NR</b>
Meals	11,241	8%	1%	9,611	8%	1%
Compulsory payroll taxes	30,140	22%	2%	25,887	21%	2%
Health	9,904	7%	1%	7,121	6%	1%
Professional training and development	645	0%	0%	325	0%	0%
Daycare centers or childcare allowance	60	0%	0%	58	0%	0%
Profit sharing	19,582	14%	1%	17,625	15%	1%
Other	3,027	2%	0%	1,771	1%	0%
<b>Total internal social indicators</b>	<b>74,599</b>	<b>53%</b>	<b>5%</b>	<b>62,398</b>	<b>51%</b>	<b>5%</b>
<b>External social indicators</b>	<b>Amount</b>	<b>% on EBT</b>	<b>% on NR</b>	<b>Amount</b>	<b>% on EBT</b>	<b>% on NR</b>
Education	176	0%	0%	143	0%	0%
Culture	700	0%	0%	572	0%	0%
Other	176	0%	0%	121	0%	0%
<b>Total contributions to society</b>	<b>1,052</b>	<b>0%</b>	<b>0%</b>	<b>836</b>	<b>0%</b>	<b>0%</b>
Taxes (excluding payroll taxes) (*)	130,046	54%	7%	89,193	58%	7%
<b>Total external social indicators</b>	<b>131,098</b>	<b>54%</b>	<b>7%</b>	<b>90,029</b>	<b>58%</b>	<b>7%</b>
<b>Staff indicators</b>	<b>03/31/18</b>			<b>03/31/17</b>		
Number of employees at the end of the period			7,237			6,374
Number of new hires during the period			480			424
Number of third-party workers			457			131
Number of interns			53			18
Number of employees above 45 years old			855			728
Number of female employees			3,151			2,769
Percentage of lead positions held by female employees			49.00%			48.42%
Number of disabled employees			337			288

**Opinions and Representations / Report on Review of Interim Financial Information – Unqualified**

(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, 2018, which comprises the balance sheet as at March 31, 2018, 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 individual and consolidated 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.

**Opinions and Representations / Report on Review of Interim Financial Information – Unqualified****Other matters***Statements of value added*

We have also reviewed the individual and consolidated interim statement of value added ("DVA"), for the three-month period ended March 31, 2018, 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.

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

Belo Horizonte, April 26, 2018

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Walmir Bolgheroni  
Engagement Partner

**Opinions and Representations / Management's Statement on the Financial Statements****MANAGEMENT'S STATEMENT ON THE INTERIM FINANCIAL INFORMATION**

By this instrument, the CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection II, paragraph 1, article 29 of CVM Instruction 480/09, hereby declare that they have:

i. Reviewed, discussed and approved Localiza's and consolidated interim financial information for the three-month period ended March 31, 2018.

Belo Horizonte, April 26, 2018.

Eugênio Pacelli Mattar  
CEO

Maurício Fernandes Teixeira  
CFO and Investor Relations Officer

**Opinions and Representations / Management's Statement on the Independent Auditor's Report****MANAGEMENT'S STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT**

By this instrument, the CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection II, paragraph 1, article 29 of CVM Instruction 480/09, hereby declare that they have:

i. Reviewed, discussed and agreed with the opinions expressed in the Independent Auditor's Report of Deloitte Touche Tohmatsu Auditores Independentes on Localiza's and consolidated interim financial information for the three-month period ended March 31, 2018.

Belo Horizonte, April 26, 2018.

Eugênio Pacelli Mattar  
CEO

Maurício Fernandes Teixeira  
CFO and Investor Relations Officer