FEDERAL PUBLIC SERVICE
CVM - BRAZILIAN SECURITIES COMMISSION
INTERIM FINANCIAL STATEMENTS - ITR **June 30, 2010** **Brazilian Corporate Law**
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY
Spontaneous Restatement

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

01.01 - IDENTIFICATION

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

01.02 - HEADQUARTERS

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

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

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

01.04 - ITR REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/01/2010	12/31/2010	2	4/01/2010	6/30/2010	1	10/01/2009	12/31/2009

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

01.01 - IDENTIFICATION

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

01.05 - CAPITAL STOCK

Number of Shares (in thousands)	1 - CURRENT QUARTER 06/30/2010	2 - PREVIOUS QUARTER 12/31/2009	3 - SAME QUARTER, PREVIOUS YEAR 06/30/2009
Paid-up Capital			
1 - Common	201,708	201,708	201,708
2 - Preferred	0	0	0
3 - Total	201,708	201,708	201,708
Treasury Shares			
4 - Common	4,226	4,226	4,226
5 - Preferred	0	0	0
6 - Total	4,226	4,226	4,226

01.06 - COMPANY PROFILE

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

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

1 – ITEM	2 - EVENT	3 – APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
01	RCA (*)	3/25/2010	Interest on own Capital	5/21/2010	Common	0.0452249780
02	AGO/E (**)	4/29/2010	Dividends	6/25/2010	Common	0.0309507940
03	RCA (*)	6/24/2010	Interest on own Capital	8/20/2010	Common	0.0484500590

(*) Board of Director's Meeting
(**) Extraordinary and Ordinary General Meeting

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01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

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

01.10 - INVESTOR RELATIONS OFFICER

1 – DATE	2 – SIGNATURE
5/10/2011	

01.01 - IDENTIFICATION

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

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

1 - CODE	2 – DESCRIPTION	3 - 06/30/2010	4 - 12/31/2009
1	Total Assets	2,184,764	2,098,496
1.01	Current Assets	438,083	437,598
1.01.01	Cash and Cash Equivalents	177,784	192,234
1.01.02	Credits	192,683	168,275
1.01.02.01	Customers	192,683	168,275
1.01.02.02	Sundry Credits	-	-
1.01.03	Inventory	-	-
1.01.04	Other	67,616	77,089
1.01.04.01	Dividends receivable	14,098	53,899
1.01.04.02	Recoverable Taxes	4,438	8,156
1.01.04.03	Deferred Income Tax and Social Contribution	-	-
1.01.04.04	Other Current Assets	48,530	14,725
1.01.04.05	Decommissioning cars to fleet renewal	550	309
1.02	Noncurrent Assets	1,746,681	1,660,898
1.02.01	Long-Term Assets	36,003	39,424
1.02.01.01	Sundry Credits	-	-
1.02.01.02	Credit with Related Parties	-	-
1.02.01.02.01	Affiliates	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other Related Parties	-	-
1.02.01.03	Other	36,003	39,424
1.02.01.03.01	Escrow Deposits	23,604	22,235
1.02.01.03.02	Deferred Income Tax and Social Contribution	12,028	16,923
1.02.01.03.03	Other	371	266
1.02.02	Permanent Assets	1,710,678	1,621,474
1.02.02.01	Investments	325,429	278,225
1.02.02.01.01	In Affiliates	-	-
1.02.02.01.02	In Affiliates-goodwill	-	-
1.02.02.01.03	In Subsidiaries	320,921	273,717
1.02.02.01.04	In Subsidiaries-goodwill	4,508	4,508
1.02.02.01.05	Other Investments	-	-
1.02.02.02	Property and Equipment	1,378,983	1,336,402
1.02.02.02.01	Vehicles	1,291,184	1,252,070
1.02.02.02.02	Others	87,799	84,332
1.02.02.03	Intangibles	6,266	6,847
1.02.02.04	Deferred	-	-

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02.02 - BALANCE SHEET - LIABILITIES (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 - 06/30/2010	4 - 12/31/2009
2	Total Liabilities	2,184,764	2,098,496
2.01	Current Liabilities	373,170	767,842
2.01.01	Loans and Financing	2,627	200,729
2.01.02	Debentures	14,651	235,760
2.01.03	Trade Accounts Payable	254,922	250,451
2.01.04	Taxes and contributions payable	13,653	8,305
2.01.04.01	Income Tax and Social Contribution	7,513	3,974
2.01.04.02	Other tax payable	6,140	4,331
2.01.05	Dividends Payable	9,932	7,911
2.01.06	Reserves	-	-
2.01.07	Accounts payable to related parties	-	-
2.01.08	Other	77,385	64,686
2.01.08.01	Payroll and Related Taxes	29,752	23,229
2.01.08.02	Other Current Liabilities	47,633	41,457
2.02	Noncurrent Liabilities	1,011,895	622,090
2.02.01	Long-Term Liabilities	1,011,895	622,090
2.02.01.01	Loans and Financing	365,545	346,831
2.02.01.02	Debentures	568,550	199,533
2.02.01.03	Provisions	38,834	36,334
2.02.01.03.01	Tax, social security, labor and civil provisions	38,834	36,334
2.02.01.04	Accounts payable to related parties	2,192	4,293
2.02.01.05	Advance for future capital increase	-	-
2.02.01.06	Other	36,774	35,099
2.02.01.06.01	Deferred financing incentive and other	1,070	1,377
2.02.01.06.02	Deferred Income Tax and Social Contribution	35,704	33,722
2.03	Deferred income	-	-
2.05	Shareholders' Equity	799,699	708,564
2.05.01	Capital	400,000	400,000
2.05.02	Capital Reserves	9,597	7,511
2.05.03	Revaluation Reserve	-	-
2.05.03.01	Own Assets	-	-
2.05.03.02	Subsidiaries/Affiliates	-	-
2.05.04	Profit Reserves	260,540	260,540
2.05.04.01	Legal Reserve	38,498	38,498
2.05.04.02	Statutory Reserve	196,922	196,922
2.05.04.03	For Contingencies	-	-
2.05.04.04	Realizable Profit	-	-
2.05.04.05	Profit retention	23,000	23,000
2.05.04.06	Special for Non-Distributed Dividends	2,120	2,120
2.05.04.07	Other Profit Reserves	-	-
2.05.05	Valuation adjustments to equity	19,345	40,513
2.05.05.01	Marketable securities adjustments	-	-
2.05.05.02	Cumulative translation adjustments	-	-
2.05.05.03	Business combinations adjustments	-	-
2.05.06	Retained Earnings/ Accumulated Losses	110,217	-
2.05.07	Advance for future capital increase	-	-

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03.01 - STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.01	Gross Revenues from Sales and/or Services	433,597	841,919	270,107	568,694
3.02	Deductions from Gross Revenues	(9,955)	(18,427)	(6,375)	(13,072)
3.03	Net Revenues from Sales and/or Services	423,642	823,492	263,732	555,622
3.04	Cost of Goods and/or Services Sold	(316,047)	(625,336)	(203,764)	(436,269)
3.05	Gross profit	107,595	198,156	59,968	119,353
3.06	Operating Expenses/Income	(37,482)	(69,021)	(34,886)	(91,558)
3.06.01	Sales	(29,067)	(53,872)	(21,568)	(41,416)
3.06.02	General and Administrative	(10,875)	(20,199)	(8,022)	(16,069)
3.06.03	Financial	(20,082)	(38,145)	(24,415)	(58,807)
3.06.03.01	Financial Income	4,390	8,944	6,290	9,939
3.06.03.02	Financial Expenses	(24,472)	(47,089)	(30,705)	(68,746)
3.06.04	Other Operating Income	-	-	-	-
3.06.05	Other Operating Expenses	(1,046)	(1,698)	(318)	(1,363)
3.06.06	Equity in subsidiaries	23,588	44,893	19,437	26,097
3.07	Income from Operations	70,113	129,135	25,082	27,795
3.08	Non-Operating Income	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expense	-	-	-	-
3.09	Results from operations before Financial income (expenses) and Taxes	70,113	129,135	25,082	27,795
3.10	Income tax and Contribution Reserves	(7,633)	(14,710)	-	(3,615)
3.11	Deferred Income Tax	(4,498)	(6,877)	757	8,519

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03.01 - STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.12	Statutory Holding/Contributions	-	-	-	-
3.12.01	Holdings	-	-	-	-
3.12.02	Contributions	-	-	-	-
3.13	Reversal of Interest on Capital	-	-	-	-
3.15	Net Income/ Loss for the period	57,982	107,548	25,839	32,699
	NUMBER OF SHARES, EX-TREASURY (in thousands)	197,482	197,482	197,482	197,482
	EARNINGS PER SHARE (R$)	0.29361	0.54460	0.13084	0.16558
	LOSS PER SHARE (R$)				

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

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

1 - CODE	2 – DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.01	Net cash provided by (used in) operating activities	(31,968)	(21,691)	152,171	350,168
4.01.01	Cash flows from operating activities	290,164	562,192	160,113	333,645
4.01.01.01	Net income for the period	57,982	107,548	25,839	32,699
4.01.01.02	Depreciation and amortization	25,248	50,889	28,997	69,398
4.01.01.03	Net book value of property and equipment written off	224,739	437,973	123,443	261,591
4.01.01.04	(Recognition)/ reversal of deferred income tax and social contribution	4,498	6,877	(757)	(8,519)
4.01.01.05	Recognition (reversal) of provision for doubtful accounts	113	621	335	836
4.01.01.06	Recognition (reversal) of reserve for contingencies	(22)	1,091	1,229	2,806
4.01.01.07	Stock option plan	1,194	2,086	464	931
4.01.01.08	Equity in subsidiaries	(23,588)	(44,893)	(19,437)	(26,097)
4.01.01.09	Other	-	-	-	-
4.01.02	Increase (decrease) in assets and liabilities	(322,132)	(583,883)	(7,942)	16,523
4.01.02.01	Trade accounts receivable	(11,440)	(25,029)	4,139	4,359
4.01.02.02	Acquisition of cars – net of car makers variation	(275,204)	(526,825)	(229)	(953)
4.01.02.03	Escrow deposits	(344)	(1,369)	(325)	(228)
4.01.02.04	Recoverable taxes	(747)	841	2,463	(1,357)
4.01.02.05	Interest on marketable securities	-	-	-	(70)
4.01.02.06	Other assets	(442)	(32,241)	1,162	(8,747)
4.01.02.07	Trade accounts payable – other	(6,572)	13,114	(286)	(516)
4.01.02.08	Payroll and related taxes	(2,843)	6,523	(3,980)	4,434
4.01.02.09	Income Tax and Social Contribution	1,564	6,416	(931)	2,684

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

1 - CODE	2 – DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.01.02.10	Interest on borrowings, financing, debentures and other liabilities	(32,744)	(29,080)	6,435	23,957
4.01.02.11	Deferred financing incentive	(88)	(175)	(88)	(175)
4.01.02.12	Other liabilities	6,728	3,942	(16,302)	(6,865)
4.01.03	Other	-	-	-	-
4.02	Net cash provided by (used in) investing activities	135	26,785	13,442	24,955
4.02.01	Purchases in marketable securities	-	-	-	-
4.02.02	Proceeds from sales in marketable securities	-	-	-	8,318
4.02.03	Additions to other Property and Equipment	(5,187)	(12,222)	(2,303)	(4,333)
4.02.04	Additions to intangible assets	(540)	(700)	(264)	(459)
4.02.05	Dividends from subsidiaries	5,859	39,801	16,247	21,667
4.02.06	Capital increase in subsidiaries	-	-	(200)	(200)
4.02.07	Other	3	(94)	(38)	(38)
4.03	Net cash provided by (used in) financing activities	203,734	(19,544)	(20,028)	(150,942)
4.03.01	Loans and financings – proceeds	590,000	591,948	-	-
4.03.02	Loans and financings – amortization	(369,710)	(594,071)	(223)	(121,038)
4.03.03	Dividends	(6,112)	(6,112)	(5,583)	(5,583)
4.03.04	Interest on capital	(8,931)	(8,931)	(8,204)	(16,796)
4.03.05	Intercompany Loan Amortization	(1,513)	(2,378)	(6,018)	(7,525)
4.04	Exchange variation in cash and cash equivalents	-	-	-	-
4.05	Increase (decrease) in cash and cash equivalents	171,901	(14,450)	145,585	224,181
4.05.01	Cash and cash equivalents at beginning of period	5,883	192,234	180,576	101,980
4.05.02	Cash and cash equivalents at end of period	177,784	177,784	326,161	326,161

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

05.01 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY FROM 04/01/2010 TO 6/30/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	7,304	-	202,273	34,120	-	643,697
5.02	Prior year adjustments	-	1,099	-	58,267	20,009	27,019	106,394
5.03	Adjusted balances	400,000	8,403	-	260,540	54,129	27,019	750,091
5.04	Profit / loss of the period	-	-	-	-	57,982	-	57,982
5.05	Allocations	-	-	-	-	(9,568)	-	(9,568)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(9,568)	-	(9,568)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	7,674	(7,674)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	7,674	(7,674)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	1,194	-	-	-	-	1,194
5.12.01	Options granted and recognized	-	1,194	-	-	-	-	1,194
5.13	Closing balances	400,000	9,597	-	260,540	110,217	19,345	799,699

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05.01 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY FROM 1/01/2010 TO 6/30/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	6,412	-	202,273	-	-	608,685
5.02	Prior year adjustments	-	1,099	-	58,267	-	40,513	99,879
5.03	Adjusted balances	400,000	7,511	-	260,540	-	40,513	708,564
5.04	Profit / loss of the period	-	-	-		107,548	-	107,548
5.05	Allocations	-	-	-	-	(18,499)	-	(18,499)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(18,499)	-	(18,499)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	21,168	(21,168)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	21,168	(21,168)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	2,086	-	-	-	-	2,086
5.12.01	Options granted and recognized	-	2,086	-	-	-	-	2,086
5.13	Closing balances	400,000	9,597	-	260,540	110,217	19,345	799,699

01.01 - IDENTIFICATION

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

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

1 - CODE	2 - DESCRIPTION	3 - 06/30/2010	4 - 12/31/2009
1	Total Assets	2,801,493	2,740,541
1.01	Current Assets	710,309	718,309
1.01.01	Cash and Cash Equivalents	396,465	459,619
1.01.02	Credits	245,175	212,140
1.01.02.01	Customers	245,175	212,140
1.01.02.02	Sundry Credits	-	-
1.01.03	Inventory	-	-
1.01.04	Other	68,669	46,550
1.01.04.01	Recoverable Taxes	8,743	12,193
1.01.04.02	Deferred Income Tax and Social Contribution	-	-
1.01.04.03	Other Current Assets	49,237	14,023
1.01.04.04	Decommissioning cars to fleet renewal	10,689	20,334
1.02	Noncurrent Assets	2,091,184	2,022,232
1.02.01	Long-Term Assets	43,781	45,428
1.02.01.01	Sundry Credits	-	-
1.02.01.02	Credit with Related Parties	-	-
1.02.01.02.01	Affiliates	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other Related Parties	-	-
1.02.01.03	Other	43,781	45,428
1.02.01.03.01	Escrow Deposits	28,762	26,469
1.02.01.03.02	Deferred Income Tax and Social Contribution	14,936	18,876
1.02.01.03.03	Other	83	83
1.02.02	Permanent Assets	2,047,403	1,976,804
1.02.02.01	Investments	-	-
1.02.02.01.01	In Affiliates	-	-
1.02.02.01.02	In Subsidiaries	-	-
1.02.02.01.03	Other investments	-	-
1.02.02.02	Property and Equipment	2,036,400	1,965,172
1.02.02.02.01	Vehicles	1,947,684	1,879,672
1.02.02.02.02	Other	88,716	85,500
1.02.02.03	Intangibles	11,003	11,632
1.02.02.03.01	Goodwill on acquisition of investments	4,508	4,508
1.02.02.03.02	Software	6,495	7,124
1.02.02.04	Deferred charges	-	-

01.01 - IDENTIFICATION

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

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

1 - CODE	2 - DESCRIPTION	3 - 06/30/2010	4 - 12/31/2009
2	Total Liabilities	2,801,493	2,740,541
2.01	Current Liabilities	436,966	829,087
2.01.01	Loans and Financing	2,627	200,729
2.01.02	Debentures	25,408	245,873
2.01.03	Trade Accounts Payable	297,969	292,467
2.01.04	Taxes and contributions payable	24,225	18,450
2.01.04.01	Income Tax and Social Contribution	15,301	11,539
2.01.04.02	Other tax payable	8,924	6,911
2.01.05	Dividends Payable	9,932	7,911
2.01.06	Reserves	-	-
2.01.07	Accounts payable to related parties	-	-
2.01.08	Other	76,805	63,657
2.01.08.01	Payroll and Related Taxes	37,984	30,149
2.01.08.02	Other Current Liabilities	38,821	33,508
2.02	Noncurrent Liabilities	1,564,828	1,202,890
2.02.01	Long-Term Liabilities	1,564,828	1,202,890
2.02.01.01	Loans and Financing	475,376	493,092
2.02.01.02	Debentures	967,625	598,499
2.02.01.03	Provisions	48,613	44,812
2.02.01.03.01	Tax, social security, labor and civil provisions	48,613	44,812
2.02.01.04	Accounts payable to related parties	-	-
2.02.01.05	Advance for future capital increase	-	-
2.02.01.06	Other	73,214	66,487
2.02.01.06.01	Deferred financing incentive and other	12,753	14,121
2.02.01.06.02	Deferred Income Tax and Social Contribution	60,461	52,366
2.03	Deferred income	-	-
2.04	Minority Interest	-	-
2.05	Shareholders' Equity	799,699	708,564
2.05.01	Capital	400,000	400,000
2.05.02	Capital Reserves	9,597	7,511
2.05.03	Revaluation Reserve	-	-
2.05.03.01	Own Assets	-	-
2.05.03.02	Subsidiaries/Affiliates	-	-
2.05.04	Profit Reserves	260,540	260,540
2.05.04.01	Legal Reserve	38,498	38,498
2.05.04.02	Statutory Reserve	196,922	196,922
2.05.04.03	For Contingencies	-	-
2.05.04.04	Realizable Profit	-	-
2.05.04.05	Profit retention	23,000	23,000
2.05.04.06	Special for Non-Distributed Dividends	2,120	2,120
2.05.04.07	Other Profit Reserves	-	-
2.05.05	Valuation adjustments to equity	19,345	40,513
2.05.05.01	Marketable securities adjustments	-	-
2.05.05.02	Cumulative translation adjustments	-	-
2.05.05.03	Business combinations adjustments	-	-
2.05.06	Retained Earnings/ Accumulated Losses	110,217	-
2.05.07	Advance for future capital increase	-	-

01.01 - IDENTIFICATION

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

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

1 - CODE	2 – DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.01	Gross Revenues from Sales and/or Services	577,911	1,143,622	417,632	864,889
3.02	Deductions from Gross Revenues	(14,488)	(27,414)	(9,847)	(19,806)
3.03	Net Revenues from Sales and/or Services	563,423	1,116,208	407,785	845,083
3.04	Cost of Goods and Services Sold	(396,187)	(802,590)	(303,957)	(655,338)
3.05	Gross profit	167,236	313,618	103,828	189,745
3.06	Operating Expenses/Income	(86,007)	(163,069)	(68,946)	(149,147)
3.06.01	Sales	(42,060)	(78,676)	(31,350)	(61,188)
3.06.02	General and Administrative	(13,178)	(24,471)	(10,021)	(19,868)
3.06.03	Financial	(29,195)	(57,368)	(26,771)	(65,579)
3.06.03.01	Financial Income	9,989	18,405	7,890	12,791
3.06.03.02	Financial Expenses	(39,184)	(75,773)	(34,661)	(78,370)
3.06.04	Other Operating Income	-	-	-	-
3.06.05	Other Operating Expenses	(1,574)	(2,554)	(804)	(2,512)
3.06.06	Equity in Subsidiaries	-	-	-	-
3.07	Income from Operations	81,229	150,549	34,882	40,598
3.08	Non-Operating Income	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Income Before Taxes	81,229	150,549	34,882	40,598
3.10	Income Tax and Social Contribution	(15,402)	(30,966)	(10,244)	(26,898)
3.11	Deferred Income Tax	(7,845)	(12,035)	1,201	18,999
3.12	Statutory Holding/Contributions	-	-	-	-
3.12.01	Holdings	-	-	-	-
3.12.02	Contributions	-	-	-	-
3.13	Reversal of Interest on Capital	-	-	-	-
3.14	Minority Interest	-	-	-	-
3.15	Net Income/Loss for the Period	57,982	107,548	25,839	32,699

01.01 - IDENTIFICATION

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

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

1 - CODE	2 – DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
	NUMBER OF SHARES, EX-TREASURY (in thousands)	197,482	197,482	197,482	197,482
	EARNINGS PER SHARE (R$)	0.29361	0.54460	0.13084	0.16558
	LOSS PER SHARE (R$)				

01.01 - IDENTIFICATION

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

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

1 - CODE	2 - DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.01	Net cash provided by (used in) operating activities	(18,920)	1,829	221,977	506,782
4.01.01	Cash flows from operating activities	376,500	748,547	263,086	534,254
4.01.01.01	Net income for the period	57,982	107,548	25,839	32,699
4.01.01.02	Depreciation and amortization	44,750	89,594	55,398	136,550
4.01.01.03	Net book value of property and equipment written off	264,256	534,859	181,109	379,181
4.01.01.04	(Recognition)/ reversal of deferred income tax and social contribution	7,845	12,035	(1,201)	(18,999)
4.01.01.05	Recognition (reversal) of provision for doubtful accounts	83	523	37	618
4.01.01.06	Recognition (reversal) of reserve for contingencies	390	1,902	1,509	3,362
4.01.01.07	Stock option plan	1,194	2,086	464	931
4.01.01.08	Equity in subsidiaries	-	-	-	-
4.01.01.09	Other	-	-	(69)	(88)
4.01.02	Increase (decrease) in assets and liabilities	(395,420)	(746,718)	(41,109)	(27,472)
4.01.02.01	Trade accounts receivable	(19,130)	(33,558)	(12,287)	(14,972)
4.01.02.02	Acquisition of cars – net of car makers variation	(345,382)	(680,936)	(40,232)	(53,849)
4.01.02.03	Escrow deposits	(410)	(2,368)	(405)	(402)
4.01.02.04	Recoverable taxes	(1,873)	(1,028)	2,116	(3,981)
4.01.02.05	Interest on marketable securities	-	-	-	(70)
4.01.02.06	Other assets	(1,644)	(32,955)	6,370	(9,334)
4.01.02.07	Trade accounts payable – other	(4,955)	13,848	111	(229)
4.01.02.08	Payroll and related taxes	(3,780)	7,835	(6,315)	3,900
4.01.02.09	Income Tax and Social Contribution	1,537	8,241	(1,320)	14,474
4.01.02.10	Interest on borrowings, financing, debentures and other liabilities	(27,178)	(30,034)	9,710	42,901
4.01.02.11	Deferred financing incentive	(616)	(1,235)	(850)	(1,239)

01.01 - IDENTIFICATION

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

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

1 - CODE	2 - DESCRIPTION	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.01.02.12	Other liabilities	8,011	5,472	1,993	(4,671)
4.01.03	Other	-	-	-	-
4.02	Net cash provided by (used in) investing activities	(5,686)	(12,817)	(2,613)	3,480
4.02.01	Purchases in marketable securities	-	-	-	-
4.02.02	Proceeds from sales in marketable securities	-	-	-	8,318
4.02.03	Additions to other Property and Equipment	(5,146)	(12,101)	(2,349)	(4,379)
4.02.04	Additions to intangible assets	(540)	(716)	(264)	(459)
4.03	Net cash provided by (used in) financing activities	170,247	(52,166)	(14,010)	(241,435)
4.03.01	Loans and financings – proceeds	590,000	591,948	-	-
4.03.02	Loans and financings – amortization	(404,710)	(629,071)	(223)	(219,056)
4.03.03	Dividends	(6,112)	(6,112)	(5,583)	(5,583)
4.03.04	Interest on capital	(8,931)	(8,931)	(8,204)	(16,796)
4.04	Exchange variation in cash and cash equivalents	-	-	-	-
4.05	Increase (decrease) in cash and cash equivalents	145,641	(63,154)	205,354	268,827
4.05.01	Cash and cash equivalents at beginning of period	250,824	459,619	185,157	121,684
4.05.02	Cash and cash equivalents at end of period	396,465	396,465	390,511	390,511

01.01 - IDENTIFICATION

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

11.01 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY (CONSOLIDATED) FROM 04/01/2010 TO 06/30/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	7,304	-	202,273	34,120	-	643,697
5.02	Prior year adjustments	-	1,099	-	58,267	20,009	27,019	106,394
5.03	Adjusted balances	400,000	8,403	-	260,540	54,129	27,019	750,091
5.04	Profit / loss of the period	-	-	-	-	57,982	-	57,982
5.05	Allocations	-	-	-	-	(9,568)	-	(9,568)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(9,568)	-	(9,568)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	7,674	(7,674)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	7,674	(7,674)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	1,194	-	-	-	-	1,194
5.12.01	Options granted and recognized	-	1,194	-	-	-	-	1,194
5.13	Closing balances	400,000	9,597	-	260,540	110,217	19,345	799,699

01.01 - IDENTIFICATION

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

11.02 - STATEMENTS OF CHANGES IN SHAREHOLDER´S EQUITY (CONSOLIDATED) FROM 01/01/2010 TO 06/30/2010 (in thousands of Reais)

1 - CODE	2 – DESCRIPTION	3 – CAPITAL	4 – CAPITAL RESERVES	5 – REVALUATION RESERVE	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – EQUITY ASSESSMENT ADJUSTMENTS	9 - TOTAL
5.01	Opening balances	400,000	6,412	-	202,273	-	-	608,685
5.02	Prior year adjustments	-	1,099	-	58,267	-	40,513	99,879
5.03	Adjusted balances	400,000	7,511	-	260,540	-	40,513	708,564
5.04	Profit / loss of the period	-	-	-	-	107,548	-	107,548
5.05	Allocations	-	-	-	-	(18,499)	-	(18,499)
5.05.01	Dividends	-	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	(18,499)	-	(18,499)
5.05.03	Other allocations	-	-	-	-	-	-	-
5.06	Profit reserve realization	-	-	-	-	-	-	-
5.07	Equity assessment adjustment	-	-	-	-	21,168	(21,168)	-
5.07.01	Marketable securities adjustments	-	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-	-
5.07.04	Valuation adjustments to equity	-	-	-	-	21,168	(21,168)	-
5.08	Increase / decrease in capital	-	-	-	-	-	-	-
5.09	Recognition / Realization of capital reserves	-	-	-	-	-	-	-
5.10	Treasury shares	-	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-	-
5.12	Other	-	2,086	-	-	-	-	2,086
5.12.01	Options granted and recognized	-	2,086	-	-	-	-	2,086
5.13	Closing balances	400,000	9,597	-	260,540	110,217	19,345	799,699

1. GENERAL INFORMATION

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

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

As of June 30, 2010, Localiza System, including franchisees in Brazil and abroad, comprised 387 branches in 272 municipalities of Brazil and 71 branches in 44 municipalities of 8 Latin America countries. Out of 387 branches in Brazil, 219 are operated by Localiza and the remaining by franchisees (not reviewed by the independent auditors).

As of June 30, 2010, Localiza System's fleet comprised 80,832 cars, out of which: i) 71,055 belonging to the Company, including 23,328 of the fleet rental division; ii) 8,600 belonging to franchisees in Brazil; and iii) 1,177 belonging to franchisees abroad. After being used in the rental activity, the cars are sold substantially to end consumers in 48 sales points for decommissioned cars, located in 25 cities throughout Brazil.

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

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

The Company's interim financial statements include:

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

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

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

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

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

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

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

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

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

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

4.1.1. Application of IFRS and Restatement of Interim Financial Statement

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

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

(i) Restatement of Interim Financial Statements

As provided by CVM Instruction 603/09, as adjusted by CVM Instruction 656/11 Management originally elected to disclose these Interim Financial Statements for the period ended June 30, 2010 in accordance with the accounting practices adopted in Brazil through December 31, 2009. Also pursuant to the aforementioned Instruction, those companies that elected to adopt this procedure are required to restate their 2010 Interim Financial Statements comparatively to 2009 also adjusted to the standards effective 2010, at least when disclosing the first Interim Financial Statements for the 2011. Accordingly, the individual and consolidated Interim Financial Statements of Localiza Rent a Car S.A. for the period ended June 30, 2010 are restated in accordance with the accounting practices effective for 2010. Therefore, the effects on balance sheets, shareholder's equity and income statement arising from the adoption of IFRS and the new accounting pronouncements issued by the CPC on these interim financial statements are shown below. Additionally, we show below the effects on the income statement for the period ended June 30, 2009, which is restated for purposes of comparison with the income statement for the period ended June 30, 2010.

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

4.1.2.1 Effects of the adoption of IFRS and the new CPC pronouncements on the consolidated balance sheet and shareholders' equity as of June 30, 2010

	Consolidated			
	06/30/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Total Assets	**2,603,905**			**2,801,493**
Current Assets	**705,900**			**710,309**
Cash and cash equivalents	396,465			396,465
Credits	**245,175**			**245,175**
Customers	245,175			245,175
Other	**64,260**			**68,669**
Recoverable taxes	8,743			8,743
Deferred income tax and social contribution	6,280	(6,280)	*(c)*	-
Other current assets	49,237			49,237
Decommissioning cars to fleet renewal	-	10,689	*(a)*	10,689
Noncurrent Assets	**1,898,005**			**2,091,184**
Long-Term Assets	**17,880**			**43,781**
Other	**17,880**			**43,781**
Escrow deposits	9,141	19,621	*(d)*	28,762
Deferred income tax and social contribution	8,656	6,280	*(c)*	14,936
Other	83			83
Fixed Assets	**1,880,125**			**2,047,403**
Property and Equipment	**1,869,122**			**2,036,400**
Vehicles	1,780,406	167,278	*(b)/(a)*	1,947,684
Other	88,716			88,716
Intangible	**11,003**			**11,003**

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

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

	Consolidated			
	06/30/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Total Liabilities and Shareholders' Equity	**2,603,905**			**2,801,493**
Current Liabilities	**435,196**			**436,966**
Loans and financing	2,627			2,627
Debentures	25,408			25,408
Trade accounts payable	297,969			297,969
Tax Obligations	**24,225**			**24,225**
Income tax and social contribution payable	-	15,301	*(b)*	15,301
Other tax obligations	-	8,924	*(b)*	8,924
Dividend Payable	8,162	1,770	*(a) / (c)*	9,932
Other	**76,805**			**76,805**
Social and labor obligations	37,984			37,984
Other current liabilities	38,821			38,821
Noncurrent Liabilities	**1,484,601**			**1,564,828**
Long-Term Liabilities	**1,484,601**			**1,564,828**
Loans and financing	475,376			475,376
Debentures	967,625			967,625
Provisions	**28,992**			**48,613**
Tax, social security, labor and civil Provisions	28,992	19,621	*(d)*	48,613
Other	**12,608**			**73,214**
Deferred financing incentive	12,608	145		12,753
Deferred income tax and social contribution	-	60,461	*(e)*	60,461
Shareholders' Equity	**684,108**			**799,699**
Capital	400,000			400,000
Capital reserves	8,498	1,099	*(f)*	9,597
Profit Reserves	**202,273**			**260,540**
Legal reserve	38,194	304	*(h)*	38,498
Retained earnings reserve	23,000			23,000
Proposed additional dividends	-	2,120	*(i)*	2,120
Statutory reserve	141,079	55,843	*(j)*	196,922
Equity assessment adjustments	**-**			**19,345**
Own assets	-	19,345	*(g)*	19,345
Retained earnings/Accumulated losses	73,337	36,880	*(k)*	110,217

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

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

(k) Realization of equity assessment adjustments and effects of the change in depreciation criteria for Localiza fleet and Total Fleet cars.

4.1.2.2 Effects of the adoption of IFRS and new CPC pronouncements on the consolidated statement of income for the period ended June 30, 2010 and 2009

	Consolidated 2Q 2010				Consolidated 1H 2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Gross revenues from sales and/or services	577,911			577,911	1,143,622			1,143,622
Gross revenues deductions	(14,488)			(14,488)	(27,414)			(27,414)
Net Revenues from Sales and/or Services	**563,423**			**563,423**	**1,116,208**			**1,116,208**
Cost of goods and/or services sold	(410,124)	13,937	*(a)*	(396,187)	(826,397)	23,807	*(a)*	(802,590)
Gross Profit	**153,299**			**167,236**	**289,811**			**313,618**
Operating Expenses/Income	**(86,007)**			**(86,007)**	**(163,069)**			**(163,069)**
Sales	(42,060)			(42,060)	(78,676)			(78,676)
General and administrative	(13,178)			(13,178)	(24,471)			(24,471)
Financials	**(29,195)**			**(29,195)**	**(57,368)**			**(57,368)**
Financial income	9,989			9,989	18,405			18,405
Financial expenses	(39,184)			(39,184)	(75,773)			(75,773)
Other operating expenses	(1,574)			(1,574)	(2,554)			(2,554)
Operating Result	**67,292**			**81,229**	**126,742**			**150,549**
Income Before Taxes	**67,292**			**81,229**	**126,742**			**150,549**
Income tax and social contribution - Current	(15,402)			(15,402)	(30,966)			(30,966)
Income tax and social contribution - Deferred	(3,105)	(4,740)	*(a)*	(7,845)	(3,940)	(8,095)	*(a)*	(12,035)
Income/Losses for the Period	**48,785**	**9,197**		**57,982**	**91,836**	**15,712**		**107,548**

	Consolidated 2Q 2009				Consolidated 1H 2009			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP and IFRS
Gross revenues from sales and/or services	417,632			417,632	864,889			864,889
Gross revenues deductions	(9,847)			(9,847)	(19,806)			(19,806)
Net Revenues from Sales and/or Services	**407,785**			**407,785**	**845,083**			**845,083**
Cost of goods and/or services sold	(305,582)	1,625	*(a)*	(303,957)	(637,327)	(18,011)	*(a)*	(655,338)
Gross Profit	**102,203**			**103,828**	**207,756**			**189,745**
Operating Expenses/Income	**(68,946)**			**(68,946)**	**(149,147)**			**(149,147)**
Sales	(31,350)			(31,350)	(61,188)			(61,188)
General and administrative	(10,021)			(10,021)	(19,868)			(19,868)
Financials	**(26,771)**			**(26,771)**	**(65,579)**			**(65,579)**
Financial income	7,890			7,890	12,791			12,791
Financial expenses	(34,661)			(34,661)	(78,370)			(78,370)
Other operating expenses	(804)			(804)	(2,512)			(2,512)
Operating Result	**33,257**			**34,882**	**58,609**			**40,598**
Income Before Taxes	**33,257**			**34,882**	**58,609**			**40,598**
Income tax and social contribution - Current	(10,244)			(10,244)	(26,898)			(26,898)
Income tax and social contribution - Deferred	1,753	(552)	*(a)*	1,201	12,875	6,124	*(a)*	18,999
Income/Losses for the Period	**24,766**	**1,073**		**25,839**	**44,586**	**(11,887)**		**32,699**

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

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

4.1.2.3 Effects of the adoption of IFRS and new CPC pronouncements on the consolidated statement of cash flows for the period ended June 30, 2010 and 2009

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

4.2. Effects of the adoption of new pronouncements issued by CPC on balance sheet for the period ended June 30, 2010, and statement of income for the period ended June 30, 2010 and 2009, on the interim financial satatements

4.2.1. Adoption of new accounting practices in Brazil

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

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

4.2.2.1 Effects of the adoption of the new accounting practices adopted in Brazil on the individual balance sheet and shareholders' equity for the period ended June 30, 2010

	Individual			
	06/30/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Total Assets	**2,016,000**			**2,184,764**
Current Assets	**429,292**			**438,083**
Cash and cash equivalents	177,784			177,784
Credits	**192,683**			**192,683**
Customers	192,683			192,683
Other	**58,825**			**67,616**
Dividends receivable	1,249	12,849	*(f)*	14,098
Recoverable taxes	4,438			4,438
Deferred income tax and social contribution	4,608	(4,608)	*(c)*	-
Other current assets	48,530			48,530
Decommissioning cars to fleet renewal		550	*(a)*	550
Noncurrent Assets	**1,586,708**			**1,746,681**
Long-Term Assets	**15,842**			**36,003**
Other	**15,842**			**36,003**
Escrow deposits	8,051	15,553	*(d)*	23,604
Deferred income tax and social contribution	7,420	4,608	*(c)*	12,028
Other	371			371
Fixed Assets	**1,570,866**			**1,710,678**
Investments	**285,714**			**325,429**
Interest in subsidiaries	285,714	35,207	*(e)*	320,921
Interest in subsidiaries - Goodwill	-	4,508	*(g)*	4,508
Property and Equipment	**1,274,378**			**1,378,983**
Vehicles	1,186,579	104,605	*(b)/(a)*	1,291,184
Other	87,799			87,799
Intangible	10,774	(4,508)	*(g)*	6,266

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

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

	Individual			
	06/30/2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Total Liabilities and Shareholders' Equity	**2,016,000**			**2,184,764**
Current Liabilities	**371,400**			**373,170**
Loans and financing	2,627			2,627
Debentures	14,651			14,651
Trade accounts payable	254,922			254,922
Tax Obligations	**13,653**			**13,653**
Income tax and social contribution payable	-	7,513	*(b)*	7,513
Other tax obligations	-	6,140	*(b)*	6,140
Dividend Payable	8,162	1,770	*(a) / (c)*	9,932
Other	**77,385**			**77,385**
Social and labor obligations	29,752			29,752
Other current liabilities	47,633			47,633
Noncurrent Liabilities	**960,492**			**1,011,895**
Long-Term Liabilities	**960,492**			**1,011,895**
Loans and financing	365,545			365,545
Debentures	568,550			568,550
Provisions	**23,281**			**38,834**
Tax, social security, labor and civil Provisions	23,281	15,553	*(d)*	38,834
Debit with related party	2,192			2,192
Other	**924**			**36,774**
Deferred financing incentive	924	146		1,070
Deferred income tax and social contribution	-	35,704	*(e)*	35,704
Shareholders' Equity	**684,108**			**799,699**
Capital	400,000			400,000
Capital reserves	7,839	1,758	*(f)*	9,597
Profit Reserves	**202,273**			**260,540**
Legal reserve	38,194	304	*(h)*	38,498
Retained earnings reserve	23,000			23,000
Proposed additional dividends	-	2,120	*(i)*	2,120
Statutory reserve	141,079	55,843	*(j)*	196,922
Equity assessment adjustments	**-**			**19,345**
Own assets	-	19,345	*(g)*	19,345
Retained earnings/Accumulated losses	73,996	36,221	*(k)*	110,217

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

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

(k) Realization of equity assessment adjustments and effects of the change in depreciation criteria for Localiza fleet and Total Fleet cars.

4.2.2.2 Effects of the adoption of new accounting practices in Brazil on the individual statement of income for the period ended June 30, 2010 and 2009

	Individual				Individual			
	2Q 2010				1H 2010			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Gross revenues from sales and/or services	433,597			433,597	841,919			841,919
Gross revenues deductions	(9,955)			(9,955)	(18,427)			(18,427)
Net Revenues from Sales and/or Services	**423,642**			**423,642**	**823,492**			**823,492**
Cost of goods and/or services sold	(319,047)	3,000	*(a)*	(316,047)	(631,164)	5,828	*(a)*	(625,336)
Gross Profit	**104,595**			**107,595**	**192,328**			**198,156**
Operating Expenses/Income	**(44,326)**			**(37,482)**	**(80,228)**			**(69,021)**
Sales	(29,067)			(29,067)	(53,872)			(53,872)
General and administrative	(10,501)	(374)	*(c)*	(10,875)	(19,540)	(659)	*(c)*	(20,199)
Financials	**(20,082)**			**(20,082)**	**(38,145)**			**(38,145)**
Financial income	4,390			4,390	8,944			8,944
Financial expenses	(24,472)			(24,472)	(47,089)			(47,089)
Other operating expenses	(1,046)			(1,046)	(1,698)			(1,698)
Equity in subsidiaries	16,370	7,218	*(b)*	23,588	33,027	11,866	*(b)*	44,893
Operating Result	**60,269**			**70,113**	**112,100**			**129,135**
Income Before Taxes	**60,269**			**70,113**	**112,100**			**129,135**
Income tax and social contribution - Current	(7,633)			(7,633)	(14,710)			(14,710)
Income tax and social contribution - Deferred	(3,477)	(1,021)	*(a)*	(4,498)	(4,895)	(1,982)	*(a)*	(6,877)
Income/Losses for the Period	**49,159**	**8,823**		**57,982**	**92,495**	**15,053**		**107,548**

	Individual				Individual			
	2Q 2009				1H 2009			
	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP	Previous accounting practices	Adjustments / Reclassifications	Notes	New accounting practices - BR GAAP
Gross revenues from sales and/or services	270,107			270,107	568,694			568,694
Gross revenues deductions	(6,375)			(6,375)	(13,072)			(13,072)
Net Revenues from Sales and/or Services	**263,732**			**263,732**	**555,622**			**555,622**
Cost of goods and/or services sold	(206,783)	3,019	*(a)*	(203,764)	(435,917)	(352)	*(a)*	(436,269)
Gross Profit	**56,949**			**59,968**	**119,705**			**119,353**
Operating Expenses/Income	**(33,812)**			**(34,886)**	**(79,593)**			**(91,558)**
Sales	(21,568)			(21,568)	(41,416)			(41,416)
General and administrative	(7,868)	(154)	*(c)*	(8,022)	(15,759)	(310)	*(c)*	(16,069)
Financials	**(24,415)**			**(24,415)**	**(58,807)**			**(58,807)**
Financial income	6,290			6,290	9,939			9,939
Financial expenses	(30,705)			(30,705)	(68,746)			(68,746)
Other operating expenses	(318)			(318)	(1,363)			(1,363)
Equity in subsidiaries	20,357	(920)	*(b)*	19,437	37,752	(11,655)	*(b)*	26,097
Operating Result	**23,137**			**25,082**	**40,112**			**27,795**
Income Before Taxes	**23,137**			**25,082**	**40,112**			**27,795**
Income tax and social contribution - Current	-			-	(3,615)			(3,615)
Income tax and social contribution - Deferred	1,783	(1,026)	*(a)*	757	8,399	120	*(a)*	8,519
Income/Losses for the Period	**24,920**	**919**		**25,839**	**44,896**	**(12,197)**		**32,699**

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

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

4.2.2.3 Effects of the adoption of new accounting practices in Brazil on the individual statement of cash flows for the period ended June 30, 2010 and 2009

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

4.3 Change in accounting practice – Deemed Cost

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

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

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

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

(ii) valuation basis and appraisers

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

(iii) valuation dates and description

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

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

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

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

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

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

The effect on income for the six month period ended June 30, 2010 and 2009, due to changes in the depreciation amounts of cars, as a result of deemed cost, review of useful lives and changes in depreciation criteria, was as follows:

	Depreciation of cars				Cost of cars sold/stolen			
	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)		Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009
Previous accounting practices	128,597	98,040	209,340	177,014	356,057	222,144	428,690	310,035
Current accounting practices - deemed cost	40,853	58,945	79,365	125,879	437,973	261,591	534,859	379,181
Net effect - credit (debit)	**87,744**	**39,095**	**129,975**	**51,135**	**(81,916)**	**(39,447)**	**(106,169)**	**(69,146)**

(vi) comparison of the prior and current depreciation criteria

Before the adoption of deemed cost and of this new accounting practice, the depreciation rate of cars and accessories was 20% per year, calculated at the straight-line basis on acquisition cost. Presently, the new practice consists of estimating the residual value of cars at the end of their useful lives, estimating the future net sales value in order to calculate their depreciable amount, which is the difference between acquisition cost and residual value on estimated sales date. Accordingly, each car has a specific depreciation rate. The car's average depreciation rate (annualized) for the period ended June 30, 2010, is 6.2% per year for the Car Rental Division and 10.4% per year for the Fleet Rental Division. The cars of the Car Rental Division continue to be depreciated at the straight-line basis, while the cars of the Fleet Rental Division are now depreciated at the sum of digits method, or exponential method.

4.4 Additional disclosures

In accordance with CPC 21 – Interim Financial Statements, approved by CVM Instruction 581, of July 31, 2009, we present below the Statement of Changes in Equity for the period ended June 30, 2009, for purposes of comparison with the Statements of Changes in Equity for the six month period ended June 30, 2010.

Description	Capital	Capital Reserves	Equity assessment adjustment	Profit Reserve	Accumulated Earnings/Losses	Total Shareholders' Equity
Beginning balances on 1/1/2009	**300,000**	**5,857**	**-**	**231,399**	**-**	**537,256**
Adjusted beginning of period balances	-	-	94,453	-	-	**94,453**
Ajusted balances on 1/1/2009	**300,000**	**5,857**	**94,453**	**231,399**	**-**	**631,709**
Net income	-	-	-	-	32,699	32,699
Allocation:						
Interest on own capital	-	-	-	-	(16,714)	(16,714)
Equity assessment adjustment:						
Realization of Equity assessment adjustment	-	-	(26,556)	-	26,556	-
Increase/Decrease in Capital:						
With profit reserve	100,000	-	-	(100,000)	-	-
Other:	-					
Options granted and recognized	-	931	-	-	-	931
End of period balances on 06/30/2009	**400,000**	**6,788**	**67,897**	**131,399**	**42,541**	**648,625**

5. APPROVAL OF THE RESTATEMENT OF INTERIM FINANCIAL STATEMENTS

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

6. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	**12/31/09**	**01/01/09**	**06/30/10**	**12/31/09**	**01/01/09**
Cash and banks	327	12,662	19,652	1,381	14,437	33,483
Bank certificates of deposit (CDB)	106,718	64,180	30	207,927	153,762	910
Committed operations	70,739	115,392	82,298	187,157	291,420	87,291
Total	**177,784**	**192,234**	**101,980**	**396,465**	**459,619**	**121,684**

As of June 30, 2010, investments in CDBs and committed operations average yield 100.8% of the interbank deposit rate - CDI - variation (100.2% as of December 31, 2009 and 103.8% as of January, 2009) have immediate liquidity and redemption term lower than 90 days.

7. TRADE ACCOUNTS RECEIVABLE

The breakdown of trade accounts receivable on June 30, 2010 and December 31 and January 1, 2009, is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Car Rental	198,417	173,867	140,237	203,184	179,091	144,508
Fleet Rental	-	-	-	48,088	39,688	29,777
Franchising	479	-	-	3,405	2,340	1,945
	198,896	**173,867**	**140,237**	**254,677**	**221,119**	**176,230**
Allowance for doubtful accounts	(6,213)	(5,592)	(4,333)	(9,502)	(8,979)	(6,349)
Total	**192,683**	**168,275**	**135,904**	**245,175**	**212,140**	**169,881**

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

8. OTHER CURRENT AND NONCURRENT ASSETS

The breakdown of other current and noncurrent assets on June 30, 2010 and December 31 and January 1, 2009, are as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Other receivables from subsidiaries (Note 9(b))	3,176	845	2,602	-	-	-
Prepayments						
IPVA (tax on property of vehicle) insurance and license fee	10,267	-	-	14,057	-	-
Other prepayments	1,531	1,199	1,150	1,531	1,199	1,150
Rreceivables from the insurance company (*)	32,660	11,514	-	32,660	11,514	-
Advance for future capital increase	-	-	33,000	-	-	-
Other	1,267	1,433	1,621	1,072	1,393	2,525
Total	**48,901**	**14,991**	**38,373**	**49,320**	**14,106**	**3,675**
Current	**48,530**	**14,725**	**5,153**	**49,237**	**14,023**	**3,591**
Noncurrent	**371**	**266**	**33,220**	**83**	**83**	**84**

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

9. INVESTMENTS AND RELATED-PARTY TRANSACTIONS

(a) Information on subsidiaries

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

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

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

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

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

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

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

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

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

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

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

	Number of shares		Interest					
			In capital (%)		In equity		In income statement	
	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	06/30/09
Direct subsidiaries:								
Total Fleet	103,280,354	103,280,354	100.0	100.0	307,654	268,635	38,488	22,554
Franchising Brasil	399,069	399,069	100.0	100.0	4,175	555	3,596	2,771
Franchising International	-	-	-	-	-	-	-	82
Prime (***)	15,000	15,000	100.0	100.0	-	-	(2,364)	(2,153)
Car Rental	1,339,961	1,339,961	100.0	100.0	7,194	4,165	3,029	2,596
Rental International (***)	1,000	1,000	100.0	100.0	-	-	(51)	(63)
Car Assistance	200,000	200,000	100.0	100.0	1,806	240	1,566	-
LFI SRL (**)	25,000	25,000	100.0	100.0	92	122	(30)	-
					320,921	**273,717**	**44,234**	**25,787**
Goodwill on acquisition of investments					4,508	4,508	-	-
Effect of stock option plan (*)					-	-	659	310
Total					**325,429**	**278,225**	**44,893**	**26,097**
Indirect subsidiaries:								
TF Assistance	150,000	150,000	100.0	-	150	150	-	-
LFI SRL (**)	-	-	-	-	-	-	-	(133)
					150	**150**	**-**	**(133)**

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

Changes in investments in subsidiaries are as follows:

Balance as of January 1, 2009	**464,042**
Capital contribution in subsidiaries	1,700
Merger of subsidiary	(225)
Equity in subsidiaries	64,609
Dividends from subsidiaries	(256,593)
Reclassification of subsidiaries' equity deficit to current liabilities	4,692
Balance as of December 31, 2009	**278,225**
Equity in subsidiaries	44,893
Reclassification of subsidiaries' equity deficit to current liabilities	2,311
Balance as of June 30, 2010	**325,429**

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

06/30/10	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Car Assistance	LFI SRL
Assets							
Current assets	257,504	7,131	6,164	9,438	66	4,018	165
Noncurrent assets:							
Long-term assets	5,643	954	2,523	-	-	-	-
Property and equipment	667,258	299	-	-	-	-	-
Intangible assets	153	76	-	-	-	-	-
Total	930,558	8,460	8,687	9,438	66	4,018	165
Liabilities and shareholders' equity							
Current liabilities	82,903	2,688	7,156	2,244	-	2,212	73
Noncurrent liabilities	540,001	1,597	12,740	-	287	-	-
Shareholders' equity	307,654	4,175	(11,209)	7,194	(221)	1,806	92
Total	930,558	8,460	8,687	9,438	66	4,018	165

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

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

06/30/10	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Car Assistance	LFI SRL
Statement of income							
Net revenues	271,086	5,517	12,947	7,192	-	2,093	-
Gross profit	93,009	4,159	(2,787)	3,548	-	1,807	-
Operating income	51,998	4,286	(2,364)	3,886	(51)	1,810	(30)
Net income (loss)	38,488	3,596	(2,364)	3,029	(51)	1,566	(30)

06/30/2009	Total Fleet	Franchising Brasil	Prime	Car Rental	Rental International	Franchising Internacional (*)
Statement of income						
Net revenues	276,350	4,369	5,678	7,356	-	954
Gross profit	57,931	3,234	(3,811)	3,348	-	207
Operating income	39,872	3,320	(2,153)	3,455	(63)	163
Net income (loss)	22,554	2,771	(2,153)	2,596	(63)	82

(*) On December 28, 2009, Franchising Internacional was merged with and into Localiza. On June 30, 2009, this Company was a direct subsidiary of Localiza

(b) Balances and transactions with related parties

(i) Balances and transactions with subsidiaries

	Total Fleet			Prime			Other		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Balances:									
Trade accounts receivable	2,038	620	348	-	-	-	2,880	512	831
Dividends	12,849	42,173	14,300	-	-	-	1,249	11,726	7,367
Other short-term receivables (a) / (Note 8)	2,291	781	226	215	-	2,305	670	64	71
Payables to subsidiaries:									
Loans (b)	-	-	-	2,192	4,293	17,078	-	-	-
Subsidiary Equity deficit and other (Note 14)	-	-	-	11,208	4,972	3,826	1,072	5,410	2,635

	Total Fleet		Car Rental		Other	
	06/30/10	06/30/09	06/30/10	06/30/09	06/30/10	06/30/09
Transactions:						
Recovery of administrative, advertising and selling expenses (a)	(8,641)	(10,118)	-	-	(1,295)	(726)
Revenue from car rentals	1,982	946	3,223	3,236	57	53

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

In addition, there are collaterals to loans and financing in the amount of R$895,229 on June 30, 2010 (R$910,835 as of December 31, 2009 and R$372,108 on January 1, 2009) between Localiza and Total Fleet. There are also sureties between the companies related to letters of guarantees obtained to collateralize lawsuits that amount to R$15,073 (R$10,674 as of December 31, 2009 and R$9,390 on January 1, 2009).

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

- **Merger of subsidiary**

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

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

- **Assignment of rights and obligations**

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

(ii) Other related-party transactions

- **Compensation of key management personnel**

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/10	**06/30/09**	**06/30/10**	**06/30/09**
Remuneration of the Board of Directors	875	450	875	450
Management and Executive Board:				
Fees and compensation	5,661	5,199	6,581	5,756
Payroll taxes	1,113	1,064	1,297	1,212
Share-based compensation	638	428	711	453
Total	**8,287**	**7,141**	**9,464**	**7,871**

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

Until June 30, 2010, immaterial transactions related to rental and sales of cars were entered into between the Company and key management personnel related to rental and sale of cars, under the same conditions granted to other Company's employees. All these transactions were settled in full at maturity and no allowance for losses was recorded.

One of the controlling shareholders that was part of the Company's board until July 2008 rendered consulting services after termination, receiving R$60 in the first half of 2010 (R$84 in the first half of 2009).

10. PROPERTY AND EQUIPMENT

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

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	Cars	Other P&E	Total	Cars	Other P&E	Total
Cost:						
On January 1, 2009	**1,038,749**	**122,017**	**1,160,766**	**1,699,492**	**124,128**	**1,823,620**
Additions	911,962	18,075	930,037	1,204,231	18,210	1,222,441
Write offs (*)	(656,651)	(2)	(656,653)	(909,602)	(19)	(909,621)
As of December 31, 2009	**1,294,060**	**140,090**	**1,434,150**	**1,994,121**	**142,319**	**2,136,440**
Additions	518,182	12,222	530,404	672,590	12,101	684,691
Write offs (*)	(482,967)	-	(482,967)	(587,805)	-	(587,805)
As of June 30, 2010	**1,329,275**	**152,312**	**1,481,587**	**2,078,906**	**154,420**	**2,233,326**
Accumulated depreciation:						
On January 1, 2009	**-**	**(37,498)**	**(37,498)**	**-**	**(38,315)**	**(38,315)**
Additions	(100,690)	(18,262)	(118,952)	(211,938)	(18,525)	(230,463)
Write offs (*)	58,700	2	58,702	97,489	21	97,510
As of December 31, 2009	**(41,990)**	**(55,758)**	**(97,748)**	**(114,449)**	**(56,819)**	**(171,268)**
Additions	(40,853)	(8,755)	(49,608)	(79,365)	(8,885)	(88,250)
Write offs (*)	44,752	-	44,752	62,592	-	62,592
As of June 30, 2010	**(38,091)**	**(64,513)**	**(102,604)**	**(131,222)**	**(65,704)**	**(196,926)**

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

Residual value of property and equipment (cars and other P&E**):**						
On January 1, 2009	**1,038,749**	**84,519**	**1,123,268**	**1,699,492**	**85,813**	**1,785,305**
As of December 31, 2009	**1,252,070**	**84,332**	**1,336,402**	**1,879,672**	**85,500**	**1,965,172**
As of June 30, 2010	**1,291,184**	**87,799**	**1,378,983**	**1,947,684**	**88,716**	**2,036,400**

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

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Leasehold improvements	31,674	32,187	39,062	31,674	32,187	39,062
Furniture and fixtures	14,258	14,310	13,733	14,871	14,960	14,492
IT equipment	5,915	5,440	6,560	6,077	5,649	6,872
Property and equipment in progress	12,246	9,340	2,215	12,269	9,515	2,246
Other	23,706	23,055	22,949	23,825	23,189	23,141
Total	**87,799**	**84,332**	**84,519**	**88,716**	**85,500**	**85,813**

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

11. TRADE ACCOUNTS PAYABLE

The breakdown of trade accounts payable on June 30, 2010 and December 31 and January 1, 2009, is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Car makers	217,165	225,808	598	252,960	261,306	5,004
Maintenance services and parts	8,411	7,251	4,609	15,882	12,802	8,399
Rentals	2,690	3,075	2,452	897	2,431	2,288
Other	26,656	14,317	7,139	28,230	15,928	7,923
Total	**254,922**	**250,451**	**14,798**	**297,969**	**292,467**	**23,614**

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

12. SOCIAL AND LABOR OBLIGATIONS

The breakdown of social and labor obligations on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Management fees	3,448	5,220	1,624	3,802	5,785	1,896
Accrued vacation	9,120	8,068	6,592	11,999	10,652	9,131
Provision for employee profit sharing	10,595	7,251	6,990	13,433	10,021	10,269
Social security contribution (INSS)	2,087	1,738	1,376	2,787	2,426	1,863
Severance pay fund (FGTS)	469	422	349	632	588	475
Other	4,033	530	445	5,331	677	670
Total	**29,752**	**23,229**	**17,376**	**37,984**	**30,149**	**24,304**

The Company pays employee profit sharing on a semi-annual basis based on position and performance, recorded as operating costs or expenses, according to each employee allocation.

13. LOANS, FINANCING AND DEBENTURES

The breakdown of Loans, Financing and Debentures on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)				
	06/30/2010	12/31/09	01/01/09	06/30/2010	12/31/09	01/01/09	Maturity	Effective interest rate (EIR)
In local currency (R$)								
BNDES	1,719	2,168	3,061	1,719	2,168	3,061	5/15/12	TJLP + 3.8% p.a.
Debentures – 1st issue	-	226,941	361,373	-	226,941	361,373	-	CDI + 0.59% p.a.
Debentures – 2nd issue	208,405	208,352	212,806	208,405	208,352	212,806	07/02/12 to 07/02/14	CDI + 0.59% p.a.
Debentures – 3rd issue	-	-	313,605	-	-	313,605	-	113.9% and 114.3% of CDI
Debentures – 4th issue	374,796	-	-	374,796	-	-	05/05/12 to 05/05/17	113.9% and 114.3% of CDI
Debentures – 1st TF issue	-	-	-	409,832	409,079	-	09/30/12 to 09/30/15	CDI + 2.02% p.a.
Promissory notes - 4th issue (a)	-	199,826	-	-	199,826	-	06/27/2010	CDI + 2.33% p.a.
BCN	-	199,270	173,171	109,831	303,597	266,246	04/24/12 and 04/24/13	CDI + 1.50% p.a.+ IOF
CCN (b)	196,378	146,296	-	196,378	188,230	81,257	11/23/12 to 06/18/16	111.1% and 111.4% of CDI + IOF
Other	-	-	42,854	-	-	42,854	-	CDI + 0.30% p.m. / Interest of 1.22% p.a. + 100% of CDI fluctuation
In foreign currency								
Foreign currency loan - US dollar	170,075	-	-	170,075	-	-	05/25/2016	114.7% of CDI
Other Foreign currency loans - US dollar, Euro and Yen	-	-	61,154	-	-	103,220	01/26/09 to 06/21/09	100.0% to 105.2% of CDI + coupon of 1.02% p.a. to 1.30% p.a.
	951,373	**982,853**	**1,168,024**	**1,471,036**	**1,538,193**	**1,384,422**		
Current	**17,278**	**436,489**	**167,412**	**28,035**	**446,602**	**251,126**		
Noncurrent	**934,095**	**546,364**	**1,000,612**	**1,443,001**	**1,091,591**	**1,133,296**		

(a) Promissory Notes

On December 7, 2009 and December 14, 2009, the Company's Board of Directors authorized the 4th Public Issue of the Commercial Promissory Notes, with restricted placement efforts. The funds were used as working capital and for car purchases.

The Company issued 40 registered, single series promissory notes for public distribution, with par value of R$5,000 each, totaling R$200,000, and issue date on December 29, 2009. Their terms were 180 days from the issue date, maturing on June 27, 2010. Nevertheless, on June 14, 2010, the Company anticipated the payment of the promissory notes.

(b) CCN - Commercial Credit Note

On April 30, 2008, the subsidiary Total Fleet S.A. contracted working capital loan in the form of Commercial Credit Note (CCN), in the amount of R$35,000 maturing on April 10, 2011. On June 21, 2010, the subsidiary Total Fleet anticipated the payment of such transaction, without premium payment.

(c) BNDES - PEC

In the third quarter of 2009, the National Bank for Economic and Social Development (BNDES) approved a credit line of R$299,957 to the Company, with funds from the Special Credit Program (PEC). As of June 30, 2010, the Individual has agreements totaling R$100,000, without request for the release of funds

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

14. OTHER CURRENT AND NONCURRENT LIABILITIES

The breakdown of other current and noncurrent liabilities on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Payables to subsidiaries (Note 9(b))	850	1,263	2,034	-	-	-
Provision for equity deficit (Note 9(b))	11,430	9,119	4,427		-	-
Advances from rental customers	3,431	8,361	8,248	3,431	8,361	8,398
Insurance premiums for transfer (*)	30,312	21,645	-	30,312	21,645	-
Deferred financing incentive	971	1,146	1,495	9,048	9,824	11,380
Other payables	1,709	1,300	1,907	8,783	7,799	11,209
Total	**48,703**	**42,834**	**18,111**	**51,574**	**47,629**	**30,987**
Current	**47,633**	**41,457**	**16,263**	**38,821**	**33,508**	**14,269**
Noncurrent	**1,070**	**1,377**	**1,848**	**12,753**	**14,121**	**16,718**

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

15. PROVISIONS AND ESCROW DEPOSITS

(a) Recognized provisions

The breakdown of provisions on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Tax	17,285	14,347	10,632	23,532	19,720	14,053
Social security	10,247	10,183	12,033	11,167	11,103	12,952
Labor	6,265	5,787	4,706	7,296	6,732	5,491
Civil	5,037	6,017	4,846	6,618	7,257	5,759
Total	**38,834**	**36,334**	**32,217**	**48,613**	**44,812**	**38,255**

(b) Escrow deposits

The breakdown of escrow deposits on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Tax	14,386	13,446	11,682	18,074	16,380	13,553
Social security	6,505	6,420	6,681	7,443	7,357	7,764
Labor	1,591	1,571	3,002	2,104	1,918	3,184
Civil	1,122	798	471	1,141	814	483
Total	**23,604**	**22,235**	**21,836**	**28,762**	**26,469**	**24,984**

Other information related to provisions and escrow deposits (Individual and Consolidated) were not significantly changed compared to those disclosed in Note 15 to Financial Statements for the year ended December 31, 2010

16. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

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

(i) Deferred income tax and social contribution assets

The breakdown of deferred income tax and social contribution assets on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Temporary differences in the deductibility of provisions:						
Allowance for doubtful accounts	659	544	401	1,099	973	416
Accrued liabilities for contingencies	7,420	6,665	8,494	8,656	7,612	9,391
Provision for payables to suppliers and other	1,907	946	586	2,788	1,173	1,067
Tax loss carry forwards	2,042	8,768	13,509	2,393	9,118	15,201
Total deferred income tax and social contribution assets – noncurrent	**12,028**	**16,923**	**22,990**	**14,936**	**18,876**	**26,075**

(ii) Deferred income tax and social contribution liabilities

The breakdown of deferred income tax and social contribution liabilities on June 30, 2010 and December 31 and January 1, 2009 is as follows:

	Individual (BR GAAP)			Consolidated (BR GAAP and IFRS)		
	06/30/10	12/31/09	01/01/09	06/30/10	12/31/09	01/01/09
Foreign currency loan	-	-	7,488	-	-	12,875
Deferred tax on first-time adoption (*)	35,704	33,722	25,706	60,461	52,366	48,657
Total deferred income tax and social contribution liabilities - noncurrent	**35,704**	**33,722**	**33,194**	**60,461**	**52,366**	**61,532**

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

As of June 30, 2010 and December 31, 2009, Localiza and its subsidiary Total Fleet calculated income tax and social contribution at the quarterly taxation regime.

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

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

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

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/10	06/30/09	06/30/10	06/30/09
Pretax income	129,135	27,795	150,549	40,598
Statutory rate	34%	34%	34%	34%
Nominal expense	**(43,906)**	**(9,450)**	**(51,187)**	**(13,803)**
Adjustments to nominal expense:				
Equity in subsidiaries	15,264	8,873	-	-
Effect of the deduction of interest on capital	6,289	5,682	6,289	5,682
Other, net	766	(201)	1,897	222
Effective expense	**(21,587)**	**4,904**	**(43,001)**	**(7,899)**

17. SHAREHOLDERS' EQUITY

(a) Capital

As of June 30, 2010, December 31 and January 1, 2009, subscribed and paid-up capital is represented by 201,708,000 registered common shares without par value, totaling R$400,000 on June 30, 2010 and December 31, 2009 and R$300,000 on January 1, 2009. Capital may be increased, upon resolution of the Board of Directors, by up to 43,962,000 common shares.

As of June 30 2010 and December 31, 2009, capital was held as follows:

	06/30/10		12/31/09	
Shareholders	**Common shares**	**%**	**Common shares**	**%**
Founders	81,256,001	40.28	85,256,001	42.27
Outstanding shares	116,199,594	57.61	112,199,594	55.62
Treasury shares	4,226,300	2.10	4,226,300	2.10
Board of Directors	26,105	0.01	26,105	0.01
Total	**201,708,000**	**100.00**	**201,708,000**	**100.00**
(-) Treasury shares	(4,226,300)		(4,226,300)	
Shares outstanding at period end	**197,481,700**		**197,481,700**	

(b) Interest on capital and dividends

(i) Interest on capital

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

	Individual (BR GAAP)		
Approval date	**Total amount paid**	**Amount per share (in R$)**	**Ownership interest date**
03/25/2010	8,931	0.045225	03/31/2010
06/24/2010	9,568 (*)	0.048450	06/30/2010
Total 2010	**18,499**		

(*) As of June 30, 2010, these interests on capital have not yet been paid to shareholder.

(ii) Dividends and interest on capital payable

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

	Individual (BR GAAP) and Consolidated (BR GAAP and IFRS)		
	06/30/10	**12/31/09**	**01/01/09**
Dividends:			
on net income for the year	-	7,911	5,583
on net income in the first-time adoption	1,770 (*)	-	-
Interest on capital	9,568	-	8,753
Withholding income tax on interest on capital	(1,406)	-	(1,309)
Total dividends and interest on capital payable	**9,932**	**7,911**	**13,027**

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

(c) Capital reserve

The breakdown of Capital Reserve on June 30, 2010 is as follows:

	06/30/10
	Individual and Consolidated (BR GAAP and IFRS)
Options granted and recognized	5,049
Share premium	48,174
Treasury shares	(43,626)
	9,597

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

18. EARNINGS PER SHARE

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

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

	Individual (BR GAAP) and Consolidated (BR GAAP and IFRS)	
	06/30/10	06/30/09
Net income for the six month period ended 06/03/10	**107,548**	**32,699**
Basic earnings per share:		
Weighted average outstanding shares (in units)	197,481,700	197,481,700
Basic earnings per share (in R$)	**0.54**	**0.17**
Diluted earnings per share:		
Weighted average of outstanding shares (in units)	197,481,700	197,481,700
Dilutive effect of share purchase options (in units)	553,469	-
Shares applicable to dilution (in units)	198,035,169	197,481,700
Earnings per share (in R$) - diluted	**0.54**	**0.17**

For the period ended June 30, 2009, the effect of stock options is antidilutive on earnings per share, since their exercise price exceed the market price of the accompanying shares.

19. SEGMENT REPORTING

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

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

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

- Car Rental: division responsible for car rental in branches located in airports and off-airports. Cars are rented to individuals in business or leisure travel and to legal entities, including insurance companies and car makers. As part of its fleet renewal program, the car rental division disposes of its decommissioned cars at an average of 12 months after it is being used in rental, through a network of sales points and directly to end-consumers.

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

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

(i) Operating segment financial reporting

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

	Car rental			Fleet rental			Franchising			Unallocated balances			Eliminations			Consolidated (BR GAAP & IFRS)		
	06/30/2010	12/31/2009	01/01/09	06/30/2010	12/31/2009	01/01/09	06/30/2010	12/31/2009	01/01/09	06/30/2010	12/31/2009	01/01/09	06/30/2010	12/31/2009	01/01/09	06/30/2010	12/31/2009	01/01/09
ASSETS																		
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	396,465	459,619	121,684	-	-	-	396,465	459,619	121,684
Marketable securities	-	-	-	-	-	-	-	-	-	-	-	8,248	-	-	-	-	-	8,248
Trade accounts receivable	200,796	173,612	140,869	45,220	36,970	27,720	2,926	2,340	1,945	-	-	-	(3,767)	(782)	(653)	245,175	212,140	169,881
Decommissioned cars to fleet renewal	550	309	242	10,139	20,025	55,649	-	-	-	-	-	-	-	-	-	10,689	20,334	55,891
Property and equipment	1,378,983	1,336,402	1,123,269	657,118	628,435	661,450	299	335	586	-	-	-	-	-	-	2,036,400	1,965,172	1,785,305
Other assets	106,497	121,212	137,551	12,336	7,688	10,274	1,844	2,009	3,294	-	-	-	(7,913)	(47,633)	(78,219)	112,764	83,276	72,900
Total assets	**1,686,826**	**1,631,535**	**1,401,931**	**724,813**	**693,118**	**755,093**	**5,069**	**4,684**	**5,825**	**396,465**	**459,619**	**129,932**	**(11,680)**	**(48,415)**	**(78,872)**	**2,801,493**	**2,740,541**	**2,213,909**
Liabilities and shareholders' equity																		
Trade accounts payable	256,519	250,660	15,126	44,923	42,329	8,994	217	260	147	-	-	-	(3,690)	(782)	(653)	297,969	292,467	23,614
Loans, financing and debentures	-	-	-	-	-	-	-	-	-	1,471,036	1,538,193	1,384,422	-	-	-	1,471,036	1,538,193	1,384,422
Other liabilities	198,448	178,033	158,032	49,497	70,809	88,850	4,263	9,111	10,315	-	-	-	(19,419)	(56,636)	(83,033)	232,789	201,317	174,164
Total liabilities	**454,967**	**428,693**	**173,158**	**94,420**	**113,138**	**97,844**	**4,480**	**9,371**	**10,462**	**1,471,036**	**1,538,193**	**1,384,422**	**(23,109)**	**(57,418)**	**(83,686)**	**2,001,794**	**2,031,977**	**1,582,200**
Shareholders' equity	-	-	-	-	-	-	-	-	-	799,699	708,564	631,709	-	-	-	799,699	708,564	631,709
Total liabilities and shareholders' equity	**454,967**	**428,693**	**173,158**	**94,420**	**113,138**	**97,844**	**4,480**	**9,371**	**10,462**	**2,270,735**	**2,246,757**	**2,016,131**	**(23,109)**	**(57,418)**	**(83,686)**	**2,801,493**	**2,740,541**	**2,213,909**

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

	Car rental		Fleet rental		Franchising		Consolidated (BR GAAP & IFRS)	
	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	1H10	1H09
Net revenues	**837,149**	**561,939**	**273,354**	**277,821**	**5,705**	**5,323**	**1,116,208**	**845,083**
Costs	**(622,108)**	**(434,485)**	**(178,077)**	**(218,419)**	**(2,405)**	**(2,434)**	**(802,590)**	**(655,338)**
Gross profit	**215,041**	**127,454**	**95,277**	**59,402**	**3,300**	**2,889**	**313,618**	**189,745**
Operating expenses:								
Advertising and sales	(67,062)	(48,329)	(11,530)	(12,844)	(84)	(15)	(78,676)	(61,188)
General, administrative	(19,311)	(15,544)	(5,160)	(4,324)	-	-	(24,471)	(19,868)
Other, net	(1,703)	(1,363)	(845)	(1,138)	(6)	(11)	(2,554)	(2,512)
Income before financial expenses, net	**126,965**	**62,218**	**77,742**	**41,096**	**3,210**	**2,863**	**207,917**	**106,177**
Financial expenses, net	(38,070)	(41,085)	(19,431)	(24,561)	133	67	(57,368)	(65,579)
Pretax income	**88,895**	**21,133**	**58,311**	**16,535**	**3,343**	**2,930**	**150,549**	**40,598**
Income tax and social contribution	(22,688)	4,045	(19,623)	(11,314)	(690)	(630)	(43,001)	(7,899)
Net income	**66,207**	**25,178**	**38,688**	**5,221**	**2,653**	**2,300**	**107,548**	**32,699**

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

	06/30/10	06/30/09
Car Rental:		
Depreciation of cars	40,853	58,945
Depreciation of other property and equipment and amortization of intangible assets	9,809	10,238
Fleet Rental:		
Depreciation of cars	38,512	66,934
Depreciation of other property and equipment and amortization of intangible assets	356	353
Franchising:		
Depreciation of other property and equipment and amortization of intangible assets	64	80
Total depreciation and amortization expenses	**89,594**	**136,550**

20. REVENUES

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

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/10	06/30/09	06/30/10	06/30/09
Gross Revenues	841,919	568,694	1,143,622	864,889
Deductions:				
Taxes on sales	(14,707)	(11,458)	(23,256)	(17,646)
Discounts	(3,720)	(1,614)	(4,158)	(2,160)
Net Revenues	**823,492**	**555,622**	**1,116,208**	**845,083**

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

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/10	06/30/09	06/30/10	06/30/09
Revenues from rental:				
Cars	354,681	277,940	357,913	280,254
Fleets	-	-	167,277	147,225
Franchising	189	-	5,705	5,323
Cars disposed for fleet renewal	468,622	277,682	585,313	412,281
Net Revenues	**823,492**	**555,622**	**1,116,208**	**845,083**

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

	Costs				Advertising, sales, and General and administrative, and Other			
	Company (BR GAAP)		Consolidated (BR GAAP & IFRS)		Company (BR GAAP)		Consolidated (BR GAAP & IFRS)	
	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009
Cost of cars sold	(422,408)	(242,834)	(515,228)	(356,625)	-	-	-	-
Depreciation of cars	(40,853)	(58,945)	(79,365)	(125,879)	-	-	-	-
Car maintenance, car tax (IPVA), and other	(61,322)	(55,527)	(102,467)	(90,840)	-	-	-	-
Depreciation and amortization of other property and equipment and intangible assets	(6,209)	(7,073)	(6,397)	(7,279)	(3,827)	(3,380)	(3,832)	(3,392)
Payroll and related taxes	(41,229)	(34,733)	(47,744)	(40,602)	(26,662)	(21,953)	(44,691)	(35,810)
Profit sharing	(8,070)	(2,501)	(9,441)	(3,100)	(5,872)	(3,206)	(8,976)	(5,357)
Outside services	(6,988)	(4,269)	(8,575)	(5,348)	(6,295)	(4,603)	(7,446)	(5,526)
Leases	(21,171)	(18,117)	(21,510)	(18,353)	(7,145)	(5,110)	(8,196)	(6,182)
Office and maintenance supplies	(1,907)	(1,347)	(1,969)	(1,429)	(4,424)	(3,477)	(5,033)	(4,162)
Commissions	-	-	-	-	(5,583)	(4,444)	(6,526)	(5,547)
Advertising	-	-	-	-	(10,947)	(8,012)	(12,210)	(9,393)
Other	(15,179)	(10,923)	(9,894)	(5,883)	(5,014)	(4,663)	(8,791)	(8,199)
	(625,336)	(436,269)	(802,590)	(655,338)	(75,769)	(58,848)	(105,701)	(83,568)

22. FINANCIAL INCOME AND EXPENSES

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/10	06/30/09	06/30/10	06/30/09
Financial income:				
Interest revenues from short-term investments	8,106	8,501	17,137	9,314
Other interest revenues	838	1,438	1,268	3,477
	8,944	**9,939**	**18,405**	**12,791**
Financial expenses:				
Interest expense from loans, financing and debentures	(45,533)	(65,069)	73,745)	(74,317)
Other interest expenses	(1,556)	(3,677)	(2,028)	(4,053)
	(47,089)	**(68,746)**	**(75,773)**	**(78,370)**
Financial expenses, net	**(38,145)**	**(58,807)**	**(57,368)**	**(65,579)**

23. FINANCIAL INSTRUMENTS AND RISK MANEGEMENT

(a) Sensitivity analysis

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

- As of June 30, 2010, The Company's net debt was R$1,074,571, see item (b) (i), below;

- Market expectation according to data from the Focus Bulletin issued by the Brazilian Central Bank on July 16, 2010, is an estimated average effective CDI rate of 10.47%, considered as the probable scenario for 2010, against the effective rate of 8.78% for the twelve-month period ended on June 30, 2010.

Description	Consolidated (BR GAAP and IFRS) Probable scenario (*)	Scenario I - 25% stress	Scenario I - 50% stress
Net Debt as of 06/30/10	**1,074,571**	**1,074,571**	**1,074,571**
Effective CDI rate for the twelve-month period ended on June 30, 2010	8.78%	8.78%	8.78%
Estimated annual CDI rate, according to proposed scenarios	10.47%	13.09%	15.71%
Effect on financial expenses:			
- according effective rates	(94,347)	(94,347)	(94,347)
- according to estimated scenarios	(112,508)	(140,661)	(168,815)
Annual increase in the Company's financial expenses	**18,161**	**46,314**	**74,468**

(*) As required by IFRS 7, Management understands that the 10.47% rate is the fairly possible scenario for 2010, according to Focus Bulletin of the Brazilian Central Bank.

(b) Maturities Analysis

The analysis of loan, financing and debenture maturities, considering the interest rate of 10.25% as of June 30, 2010 is as follows:

	Consolidated (BR GAAP & IFRS)								
Debt	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
In local currency (R$):									
BNDES	520	975	381	-	-	-	-	-	**1,876**
Debentures - 2th issue	9,116	21,263	87,460	80,464	73,799	-	-	-	**272,102**
Debentures - 4th issue	21,426	41,027	64,542	62,084	95,888	88,608	92,069	128,796	**594,440**
Debentures - 1st TF issue	23,829	47,190	147,990	137,061	124,818	112,418	-	-	**593,306**
BCN	-	-	67,887	75,895	-	-	-	-	**143,782**
CCN	11,141	21,307	36,993	55,065	70,897	84,488	21,076	-	**300,967**
In foreign currency (R$):									
Foreign currency loans	-	-	-	-	-	-	328,866	-	**328,866**
Total	**66,032**	**131,762**	**405,253**	**410,569**	**365,402**	**285,514**	**442,011**	**128,796**	**2,235,339**

(c) Net debt

The chart below presents the reconciliation between net debt and the amounts in the consolidated interim financial statements of the Company as of June 30, 2010 and December 31, 2009:

	Consolidated (BR GAAP and IFRS) 06/30/10	12/31/09
	R$	**R$**
Short and long term indebtedness	1,471,036	1,538,193
Cash and cash equivalents	(396,465)	(459,619)
Net debt	**1,074,571**	**1,078,574**
Shareholders' Equity	799,699	708,564
Indebtedness level	**1.34**	**1.52**

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

(d) Fair value

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

	Consolidated (BR GAAP & IFRS)					
	Carrying amount			Fair value		
	06/30/2010	12/31/09	01/01/09	06/30/2010	12/31/09	01/01/09
Financial liabilities:						
Other financial liabilities:						
Loans, financing and debentures	1,471,036	1,538,193	1,384,422	1,460,305	1,526,270	1,368,598

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

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

(e) Derivatives

The Company does not have any derivative instrument other than the swap transaction, which has the sole purpose of hedging the loan raised in foreign currency, changing the exchange rate variation plus spread for 114.7% of CDI variation.

This is a matched transaction which consists formally of a loan agreement and a swap transaction contract, with the same maturity and counterpart and that should be simultaneously settled by a single net value. Accordingly, Management understands that, in essence, this transaction is a loan denominated in local currency plus a determined interest rate. Therefore, the accounting treatment and respective disclosures reflect the substance of the transaction. Therefore, the Company and its subsidiaries are not subject to risk of changes in exchange rates and, thus, there is no risk of changes in exchange rates to be measured by the sensitivity analysis, since its debt is only exposed to CDI variation.

The Company does not enter transactions involving financial instruments for speculative purposes.

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

24. RENTAL OBLIGATIONS

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

25. OTHER INFORMATIONS

(a) Operating lease

On June 27, 2005, the Company entered into an operating lease for an aircraft, model Cessna 550 Bravo. The contract had a five-year life maturing on June 27, 2010 and annual payments amount to US$463 thousand. At the Board of Directors' Meeting, held on October 19, 2005, it was deliberated that the aircraft would be used exclusively by management to facilitate their access to its branches scattered throughout Brazil. At this same meeting, it was declared that the aircraft could not be used for personal reasons by the members of the Board of Directors, not even in cases of reimbursement. As of June 30, 2010, the Company was settling the related aircraft operational leasing, including the return of the aircraft. On that same date, the Company had an agreement for the acquisition of an aircraft, which will be used for the same purposes previously described. Such transaction will be completed in July 2010.

26. SUBSEQUENT EVENTS

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

27. STATEMENT OF VALUE ADDED

	Individual (BR GAAP)		Consolidated (BR GAAP and IFRS)	
	06/30/10	06/30/09	06/30/10	06/30/09
Revenues				
Sale of goods, products and services	814,780	565,489	1,111,734	858,819
Other income	22,964	969	27,346	3,530
Revenues related to the construction of own assets	8,853	1,869	8,853	1,869
Total Revenues	**846,597**	**568,327**	**1,147,933**	**864,218**
Costs and expenses acquired from third parties	**(529,783)**	**(326,105)**	**(658,329)**	**(469,346)**
Gross value added	**316,814**	**242,222**	**489,604**	**394,872**
Depreciation and amortization	(50,889)	(69,398)	(89,594)	(136,550)
Net value added	**265,925**	**172,824**	**400,010**	**258,322**
Wealth received in transfer:				
Financial income	8,944	9,939	18,405	12,791
Equity in subsidiaries	44,893	26,097	-	-
Total value added for distribution	**319,762**	**208,860**	**418,415**	**271,113**
Wealth distributed				
Personnel				
Salaries and wages	59,521	45,589	77,546	59,039
Benefits	8,663	7,353	10,899	9,173
FGTS (severance pay fund)	3,297	3,291	4,498	4,370
Stock option plan	2,086	931	2,086	931
Government and community				
Federal	49,906	17,696	83,885	40,311
State	13,098	10,488	20,361	18,280
Municipal	1,449	899	2,152	1,310
Payments to third parties				
Interest	47,089	68,746	75,773	78,370
Rents for real estate and other	27,105	21,168	33,667	26,630
Payments to shareholders				
Interest on capital	18,499	16,714	18,499	16,714
Retained earnings	89,049	15,985	89,049	15,985
Total distributed and retained	**319,762**	**208,860**	**418,415**	**271,113**

28. SOCIAL BALANCE- Not reviewed by the independent auditors

	Consolidated	
1.Calculation basis for social indicators - R$ thousand	**06.30.210**	**06.30.2009**
Net revenues (NR)	1,116,208	845,083
Earnings before taxes (EBT)	150,549	40,598
Gross payroll (GP)	94,742	71,756

2. Internal Social Indicators	**06.30.2010**			**06.30.2009**		
	Amount	**% over GP**	**% over NR**	**Amount**	**% over GP**	**% over NR**
Meals	5,272	6%	1%	4,648	6%	1%
Compulsory payroll related charges	20,330	21%	2%	16,763	23%	2%
Health care	2,038	2%	0%	2,634	4%	0%
Professional qualification and development	3,708	4%	0%	252	0%	0%
Day care center or child care allowance	105	0%	0%	84	0%	0%
Profit sharing	18,417	19%	2%	8,530	12%	1%
Other	3,483	4%	0%	1,809	3%	0%
Total - Internal social indicators	**53,353**	**56%**	**5%**	**34,720**	**48%**	**4%**

3. External Social Indicators	**06.30.2010**			**06.30.2009**		
	Amount	**% over EBT**	**% over NR**	**Amount**	**% over EBT**	**% over NR**
Education	15	0%	0%	15	0%	0%
Culture	544	1%	0%	537	1%	0%
Other	272	0%	0%	149	0%	0%
Total contributions to society	831	1%	0%	701	1%	0%
Taxes (excluding payroll related charges)	90,562	60%	7%	47,299	117%	6%
Total - External social indicators	**91,393**	**61%**	**7%**	**48,000**	**118%**	6%

4.Personnel indicators	**06.30.2010**	**06.30.2009**
Headcount at end of period	3,850	3,313
Number of employees hired during the period	678	412
Number of outsourced employees	91	80
Number of interns	41	51
Number of employees above age 45	229	186
Number of women working in the Company	1,822	1,581
% of supervisory positions held by women	50.00%	54.54%
Number of blacks working in the Company	1,924	1,673
% of supervisory positions held by blacks	34.97%	34.90%
Number of persons with disability or special needs	55	60

	06.30.2010			Goals 2010		
Significant information regarding corporate citizenship						
Highest/lowest compensation ratio			39.2 (*)			39.2 (*)
Total number of occupational accidents			16			-
- The social and environmental projects developed by the company were established by	( ) directors	( ) directors and managers	(x) all employees	( ) directors	( ) directors and managers	(x) all employees
- The safety and health standards in the workplace were established by	( ) directors and managers	( ) all employees	(x) all + Cipa (Internal Accident Prevention Commission)	( ) directors and managers	( ) all employees	(x) all + Cipa
- Regarding union freedom, right to collective bargaining and internal workers representation, the company	( ) is not involved	(x) follows the standards of the International Labor Organization (ILO)	( ) encourages and follows the standards of the ILO	( ) will not be involved	(x) will follow the standards of the ILO	( ) will encourage and follow the standards of the ILO
- The profit sharing plan covers	( ) directors	( ) directors and managers	(x) all employees	( ) directors	( ) directors and managers	(x) all employees
- In selecting suppliers, the same ethical, social responsibility and environmental standards adopted by the company	(x) are not considered	( ) are suggested	( ) are required	(x) will not be considered	( ) will be suggested	( ) will be required
- As to the participation of employees in volunteer work programs, the company	( ) is not involved	( ) supports	(x) organizes and encourages	( ) will not be involved	( ) supports	(x) will organize and encourage
- Total number of complaints and criticisms from consumers	In the company (**)	In Procon 24	In court 249	In the company (**)	In Procon None	In court None
- % of complaints and criticisms from consumers handled or solved	In the company (**)	In Procon 37.5%	In court 18.1%	In the company (**)	In Procon None	In court None

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

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

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

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

In R$ thousand

1 - Car Rental	2Q09	2Q10	Var. %
Net revenues	266,599	431,171	**61.7%**
Costs	(202,825)	(314,099)	**54.9%**
Operating expenses (SG&A):			
Advertising and sales	(24,865)	(36,605)	**47.2%**
General, administrative and other	(8,076)	(11,429)	**41.5%**
Financial expenses, net	(16,579)	(19,401)	**17.0%**
Income tax and social contribution	342	(12,679)	**-3807.3%**
Net income from car rental and sales	**14,596**	**36,958**	**153.2%**

2 - Fleet Rental	2Q09	2Q10	Var. %
Net revenues	138,117	129,056	**-6.6%**
Costs	(99,858)	(80,794)	**-19.1%**
Operating expenses (SG&A):			
Advertising and sales	(6,479)	(5,371)	**-17.1%**
General, administrative and other	(2,747)	(3,319)	**20.8%**
Financial expenses, net	(10,195)	(9,863)	**-3.3%**
Income tax and social contribution	(8,973)	(10,188)	**13.5%**
Net income from fleet rental and sales	**9,865**	**19,521**	**97.9%**

3 - Franchising	2Q09	2Q10	Var. %
Net revenues	3,069	3,196	**4.1%**
Costs	(1,274)	(1,294)	**1.6%**
Operating expenses (SG&A):			
Advertising and sales	(6)	(84)	**1300.0%**
General, administrative and other	(2)	(4)	**100.0%**
Financial expenses, net	3	69	**2200.0%**
Income tax and social contribution	(412)	(380)	**-7.8%**
Net income	**1,378**	**1,503**	**9.1%**

4 - Consolidated	2Q09	2Q10	Var. %
Net revenues	407,785	563,423	**38.2%**
Costs	(303,957)	(396,187)	**30.3%**
Advertising and sales	(31,350)	(42,060)	**34.2%**
General, administrative and other	(10,825)	(14,752)	**36.3%**
	61,653	**110,424**	**79.1%**
Financial expenses, net	(26,771)	(29,195)	**9.1%**
Operating profit	**34,882**	**81,229**	**132.9%**
Income tax and social contribution	(9,043)	(23,247)	**157.1%**
Net income	**25,839**	**57,982**	**124.4%**

Net revenues

Consolidated net revenues increased 38.2% (R$155.6 million), from R$407.8 million in 2Q09 to R$563.4 million in 2Q10, basically due to:

- Increase of 61.7% in net revenues from car rentals, from R$266.6 million in 2Q09 to R$431.2 million in 2Q10, representing a growth of 36.0% in revenues from car rentals and 88.1% in revenues from sales of discontinued cars to fleet renewal. This increase was primarily due to:

  i) an increase of 31.7% in the volume of daily car rental; and
  ii) increase of 84.3% in the volume of cars sold for fleet renewal.

- Revenues from fleet rental decreased 6.6% (R$9.1 million). This decrease was basically due to the decrease of 35.5% in the volume of cars sold for fleet renewal, partially offset by an increase of 12.6% in average rented fleet.

- Revenues from franchising increased 4.1% (R$0.1 million).

Costs

Consolidated costs increased 30.3%, from R$304.0 million in 2Q09 to R$396.2 million in 2Q10. This increase is basically explained by:

i) An increase of 54.9% in car rental costs, which grew from R$202.8 million in 2Q09 to R$314.1 million in 2Q10. This increase was basically due to the growth of 90.0% (R$103.5 million) in the cost of cars sold for fleet renewal, which was in line with the increase in the volume of cars sold. Car rental operating costs remained stable nearby R$90.0 million and fleet's depreciation in 2Q10 decreased when compared to the same period of 2009, due to the fleet renewal occurred from second half of 2009 on, as the cars were purchased with reduced IPI (excise tax).

ii) Fleet rental operating costs decrease 19.1%, from R$99.9 million in 2Q09 to R$80.8 million in 2Q10. Such decrease was mainly due to the decrease of 33.5% in the cost of cars sold for fleet renewal, which was in line with the decrease in the 35.5% in the volume of cars sold for fleet renewal. Operating costs remained stable nearby R$43.0 million in both quarters under analysis. Fleet's depreciation in 2Q10 decreased when compared with the same period of 2009, due to the stretching of contracts period on this division, as well due to fleet renewal for new contracts, with cars purchased with reduced IPI.

Operating expenses (SG&A)

Consolidated operating expenses (SG&A) increased 34.7%, from R$42.2 million in 2Q09 to R$56.8 million in 2Q10. As a percentage of revenues, operating expenses was not significantly changed, representing approximately 10.2% in both quarters under analysis.

Financial expenses, net

Consolidated financial expenses, net increased 9.1%, from R$26.8 million in 2Q09 to R$29.2 million in 2Q10, mainly due to the increase of 23.4% in average net debt, partially offset by the decrease of 0.16p.p in CDI's average rate.

Operating Income and tax and social contribution

The growth of R$46.4 million in operating income of 2Q10, when compared with 2Q09, affected tax and social contribution. The tax and social contribution expenses increased 157.1%, from R$9.0 million in 2Q09 to R$23.2 million in 2Q10, mainly due to the increase of 132.9% of pretax income. Effective rate of tax and social contribution increased from 25.9% in 2Q09 to 28.6% in 2Q10, partially offset for the representativeness of interest on own capital in relation to statutory expenses.

Net income

The 124.4% growth in consolidated net income, corresponding to an increase of R$32.1 million (from R$25.8 million in 2Q09 to R$58.0 million in 2Q10) is basically due to the increase in car and fleet rental volumes, as mentioned in the paragraphs' above.

01.01 - IDENTIFICATION

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

09.01 - HOLDINGS IN SUBSIDIARIES AND/OR AFFILIATED COMPANIES

1 - ITEM	2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY	3 - CNPJ (Corporate Taxpayer's ID)	4 - CLASSIFICATION	5 - INTEREST IN CAPITAL OF INVESTEE - %	6 – INVESTOR'S SHAREHOLDERS' EQUITY - %
7 - TYPE OF COMPANY		8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands)		9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands)	
01	TOTAL FLEET S.A.	02.286.479/0001-08	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	39.83
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		103,280		103,280	
02	LOCALIZA FRANCHISING BRASIL S.A.	06.291.437/0001-08	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.61
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		399		399	
04	PRIME PRESTADORA DE SERVIÇOS S.A.	02.887.100/0001-07	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.00
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		15		15	
05	LOCALIZA FRANCHISING INTERNATIONAL SRL	. . / -	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.01
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		25		25	
06	LOCALIZA CAR RENTAL S.A.	07.150.288/0001-20	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	1.05
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		1,340		1,340	
07	RENTAL INTERNATIONAL LLC	. . / -	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.00
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		1		1	
08	CAR ASSISTANCE SER ADM DE SINISTROS S.A.	10.863.913/0001-95	CLOSELY-HELD SUBSIDIARY COMPANY	100.00	0.26
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		200		200	
09	TF ASSISTANCE SER ADM DE SINISTROS S.A.	10.866.914/0001-93	INVESTEE OF THE SUBSIDIARY/AFFILIATED COMPANY	100.00	0.06
COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY		150		150	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
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14.01 – CARACTERISTICS OF PUBLIC OR PRIVATE ISSUE OF DEBENTURES

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

14.01 – CARACTERISTICS OF PUBLIC OR PRIVATE ISSUE OF DEBENTURES

1- ITEM	02
2 - No. ORDER	4
3 - No. REGISTRY AT CVM	
4 - REGISTRY DATE AT CVM	
5 - ISSUED SERIES	2
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PARTICULAR
8 - DATE OF ISSUANCE	5/5/2010
9 - MATURITY DATE	5/5/2017
10 - TYPE OF DEBENTURE	FLOATING
11 - CONDITION OF CURRENT REMUNERATION	113.9% and 114.3% of CDI
12 - PREMIUM/DISCOUNT	0.00
13 - PAR VALUE (Reais)	1,000.00
14 - AMOUNT ISSUED (Thousands of Reais)	370,000
15 - NUMBER OF SECURITIES ISSUED (UNIT)	370
16 - OUTSTANDING SECURITIES (UNIT)	370
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

20.01- Other Relevant Information

In compliance with "Novo Mercado" Regulation, the Additional Requirements for the Interim Financial Statements – ITR on June 30, 2010 are as follows:

1) Localiza Rent a Car S.A.'s shareholding as of June 30, 2010, up to the individual level.

Participants	No. of Common Shares (in units)	%
Jose Salim Mattar Junior	22,348,314	11.08
Antonio Claudio Brandao Resende	24,204,960	12.00
Eugenio Pacelli Mattar	17,351,363	8.60
Flavio Brandao Resende	17,351,364	8.60
Ameriprise Financial INC	11,855,950	5.88
Treasury shares	4,226,300	2.10
Free Float	104,369,749	51.74
Total	**201,708,000**	**100.00**

2) Controlling Shareholders, Management shares and free float:

a) As of June 30, 2010:

	No. of Common Shares (in units)	%
Controlling shareholders	81,256,001	40.28
Free float	115,985,277	57.50
Treasury shares	4,226,300	2.10
Board of Directors' Members	26,105	0.01
Executive Officers	214,317	0.11
Total	**201,708,000**	**100.00**

b) As of June 30, 2009;

	No. of Common Shares (in units)	%
Controlling shareholders	86,876,378	43.07
Free float	110,354,600	54.71
Treasury shares	4,226,300	2.10
Board of Directors' Members	29,105	0.01
Executive Officers	221,617	0.11
Total	**201,708,000**	**100.00**

3) The Company does not have Fiscal Council.

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

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

INDEPENDENT ACCOUNTANTS'SPECIAL REVIEW REPORT

To the Shareholders and Board of Directors of

Localiza Rent a Car S.A.

Belo Horizonte, MG

1. We have reviewed the interim accounting information included in the accompanying (restated) interim individual and consolidated financial statements of Localiza Rent a Car S.A. for the quarter ended June 30, 2010, consisting of the balance sheets, the statements of income, changes in shareholders' equity and cash flows, the performance report and the related notes, prepared under the responsibility of its Management.

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

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

4. We have also reviewed the interim individual and consolidated statements of value added (DVA) for the three-month period ended June 30, 2010, the presentation of which is required by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of interim financial information and considered supplemental information by IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly presented, in all material respects, in relation to the interim individual and consolidated financial statements taken as a whole.

5. As mentioned in Note 4, the interim financial statements as of June 30, 2010 were originally presented in conformity with the accounting practices adopted in Brazil through December 31, 2009, as permitted by CVM Resolution 603/09, amended by CVM Resolution 656/11. This

Resolution also established that, those companies that elected to adopt the aforementioned procedure are required to restate their 2010 interim financial statements comparatively to 2009 also adjusted to the standards effective 2010, at least when disclosing the first interim financial statements for 2011. Accordingly, the accounting information included in the individual and consolidated interim financial statements are a restatement of the interim financial statements originally presented on which we issued an unqualified special review report, dated July 28, 2010.

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

Belo Horizonte, May 10, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Delio Rocha Leite
Engagement Partner

01.01 - IDENTIFICATION

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

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