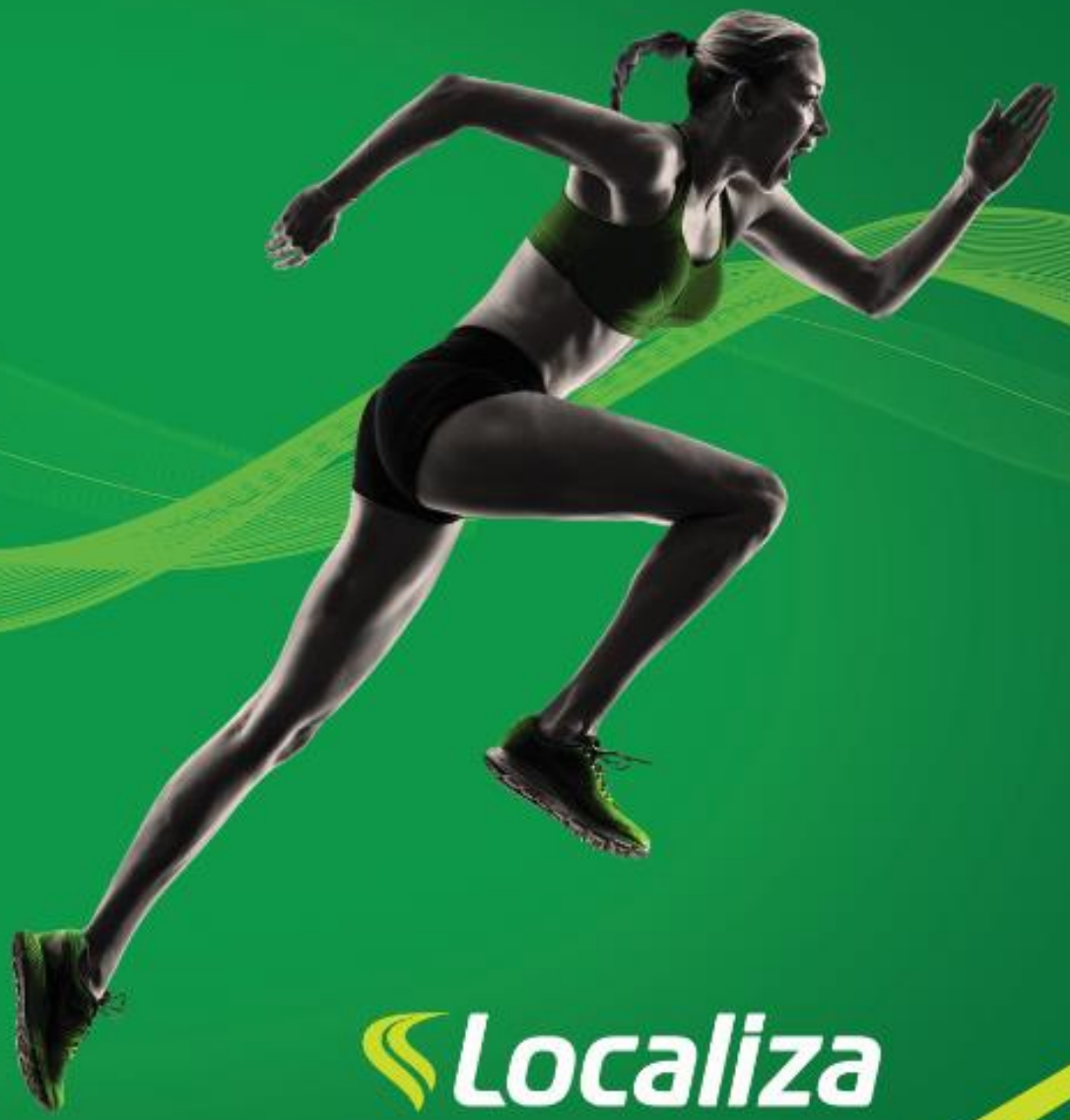
2Q16 Earnings Release

July 22, 2016

R$ million



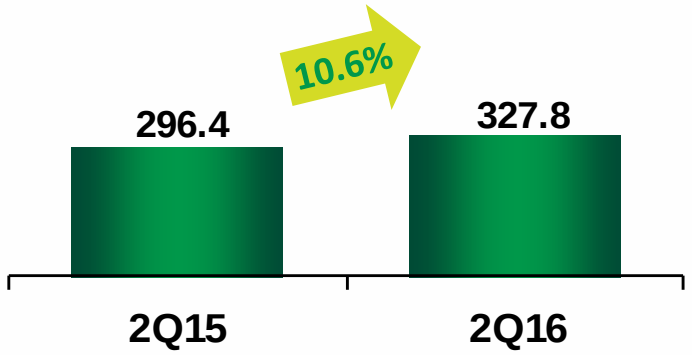
Rio2016

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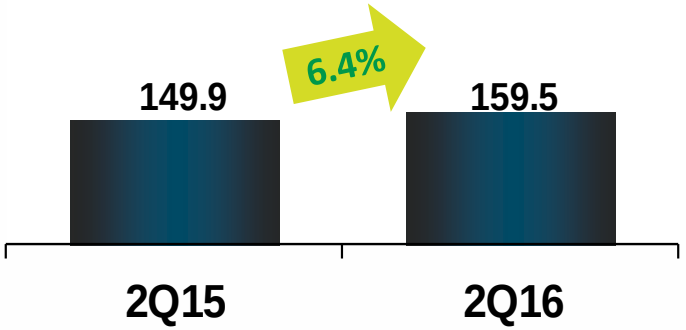
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Highlights

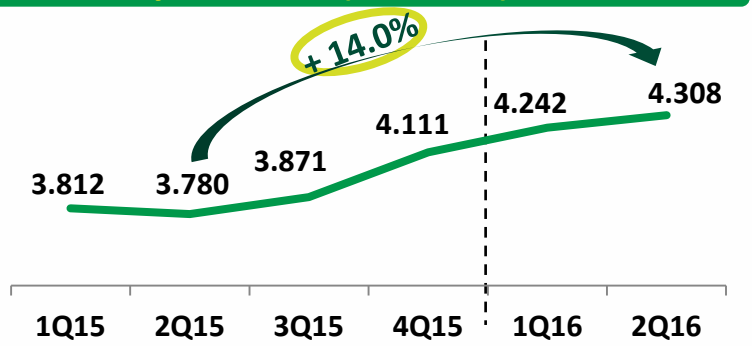
Net Revenues - Car Rental Division (R$ million)



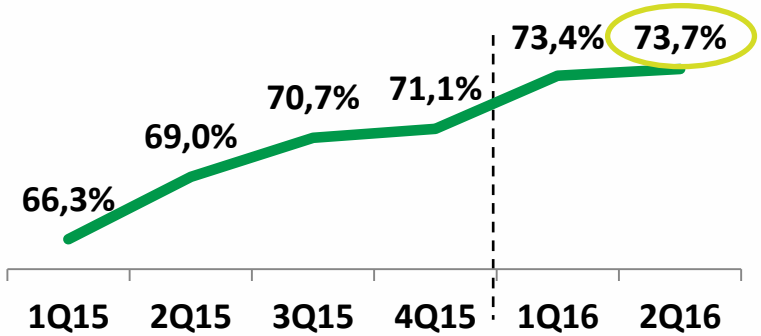
Net Revenues - Fleet Rental Division (R$ million)



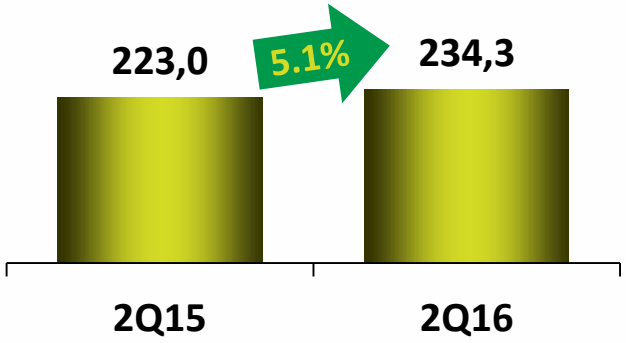
Rental days evolution (thousand)– Car Rental



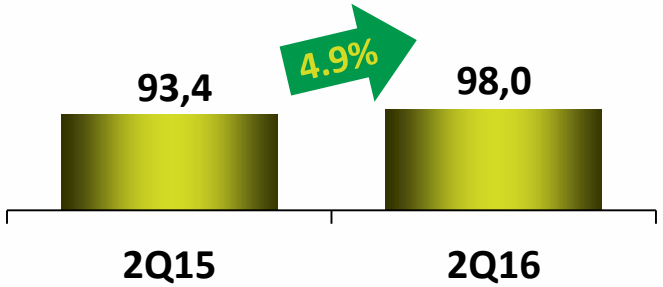
Utilization rate evolution – Car Rental



Consolidated EBITDA (R$ million)

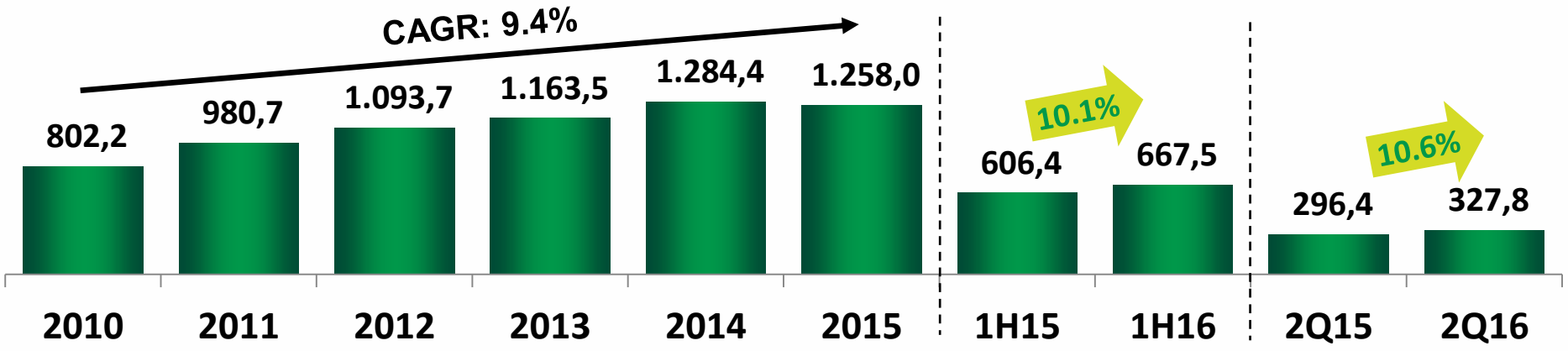


Consolidated Net Income (R$ million)

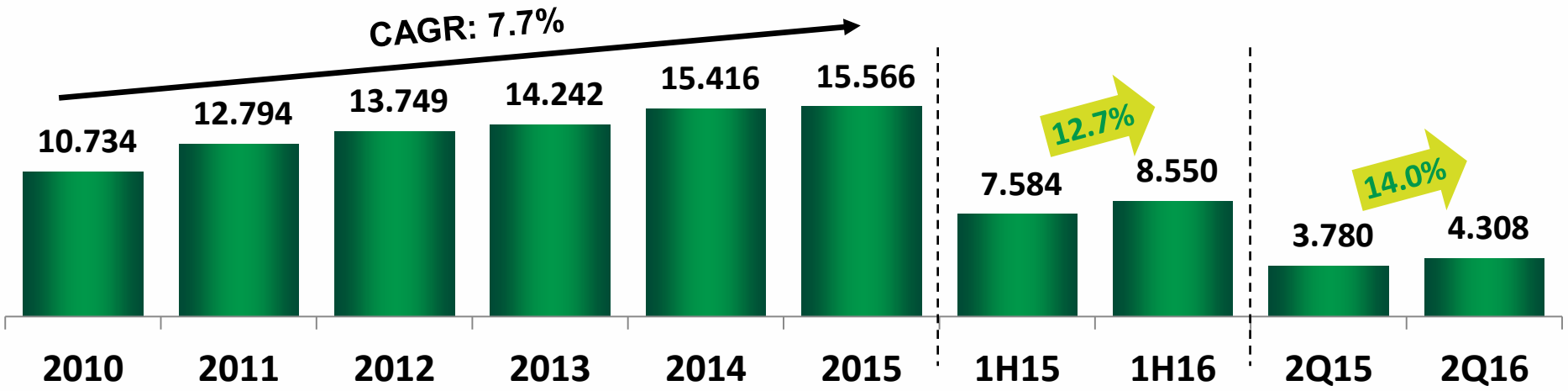


Car Rental

Net Revenues (R$ million)



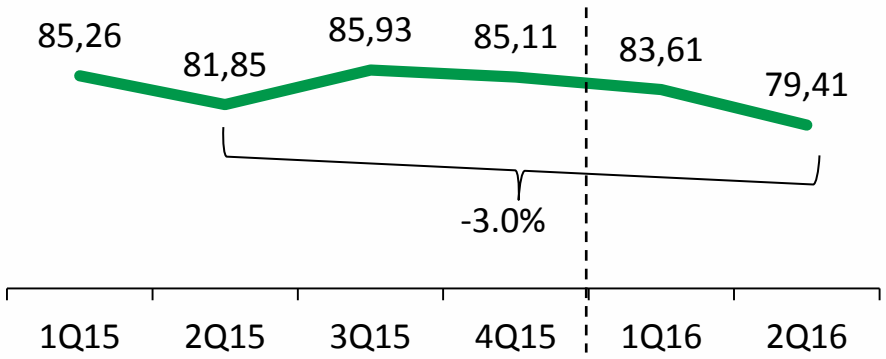
Number of Daily Rentals (thousands)



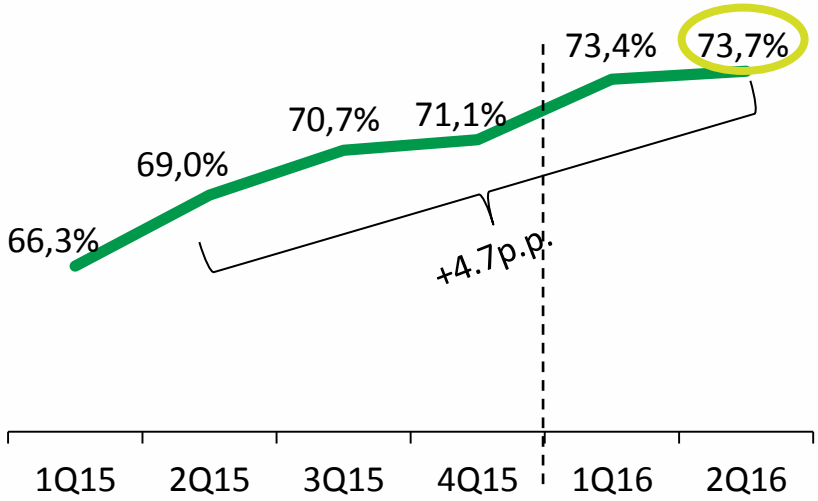
The Company continued to perform strong volume growth in 2Q16 in an adverse macro and highly competitive environment.

Average daily rental evolution and utilization rate
Car Rental Division

Average daily rental – In R$



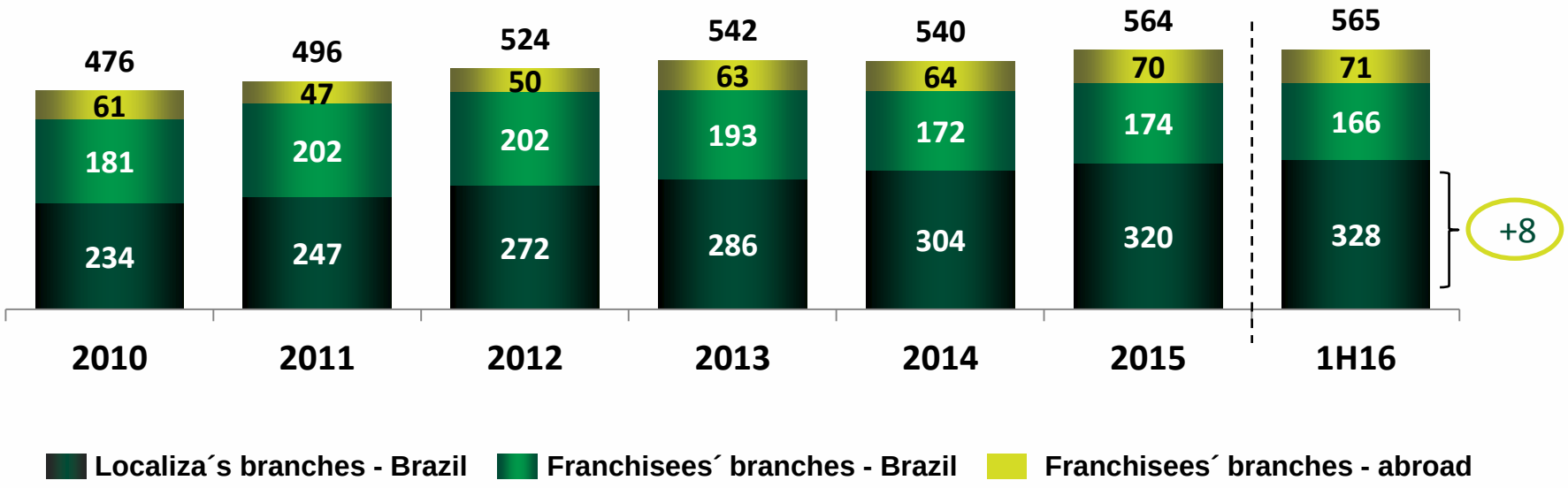
Utilization rate



In 2Q16, the average daily rental rate was adjusted to the post summer vacation mix. Demand stimulation resulted in higher utilization rate

Car Rental network evolution

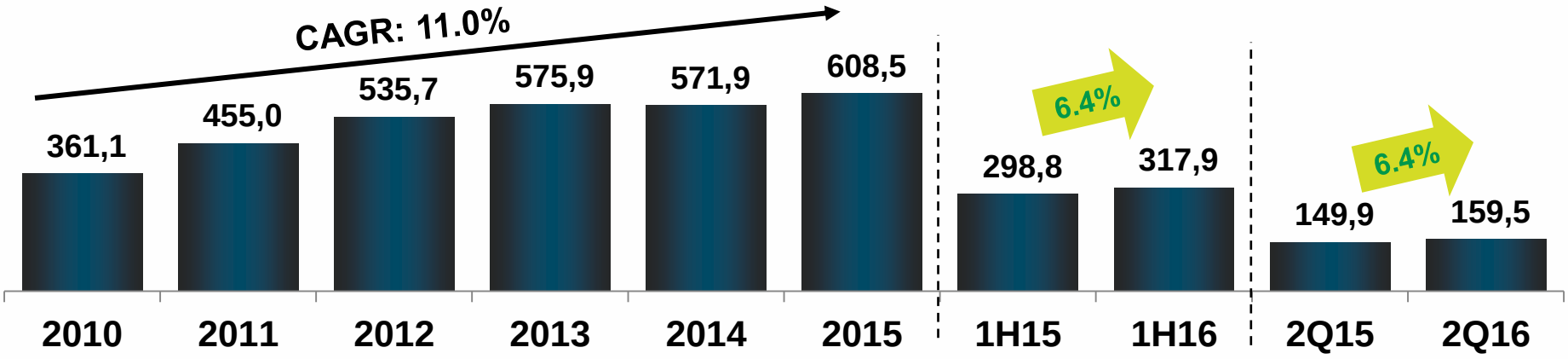
Number of car rental locations (Brazil and abroad)



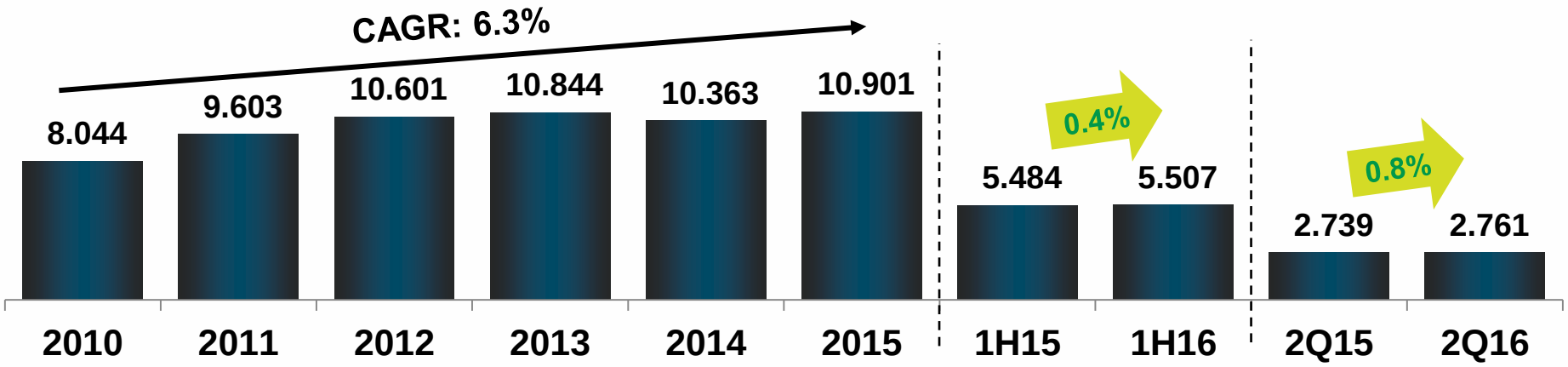
8 new corporate locations were added to the network

Fleet Rental Division

Net Revenues (R$ million)



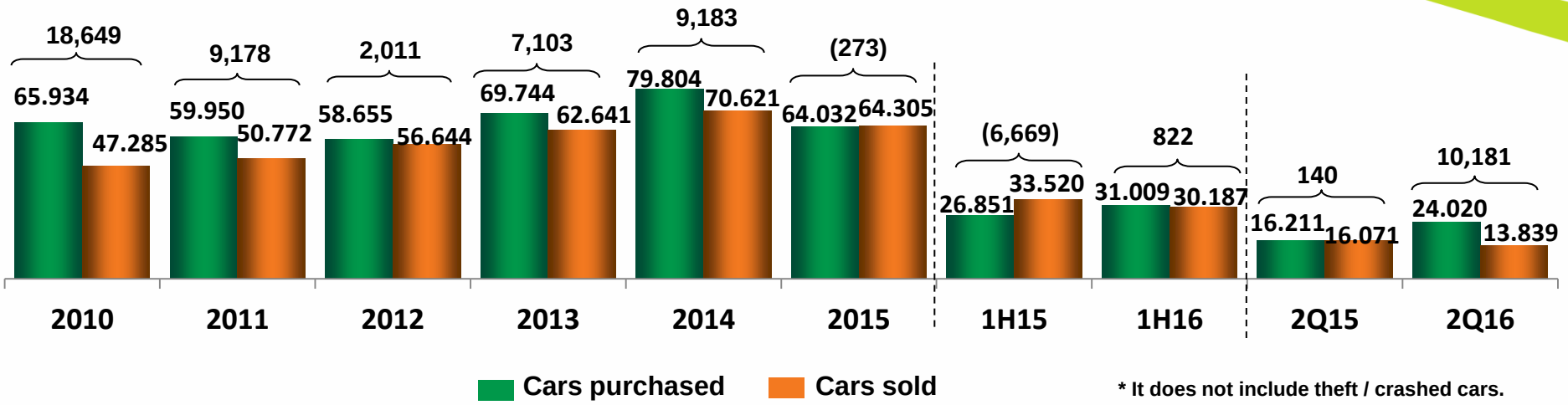
Number of Daily Rentals (thousands)



6.4% increase in net revenues due to higher average rental rate

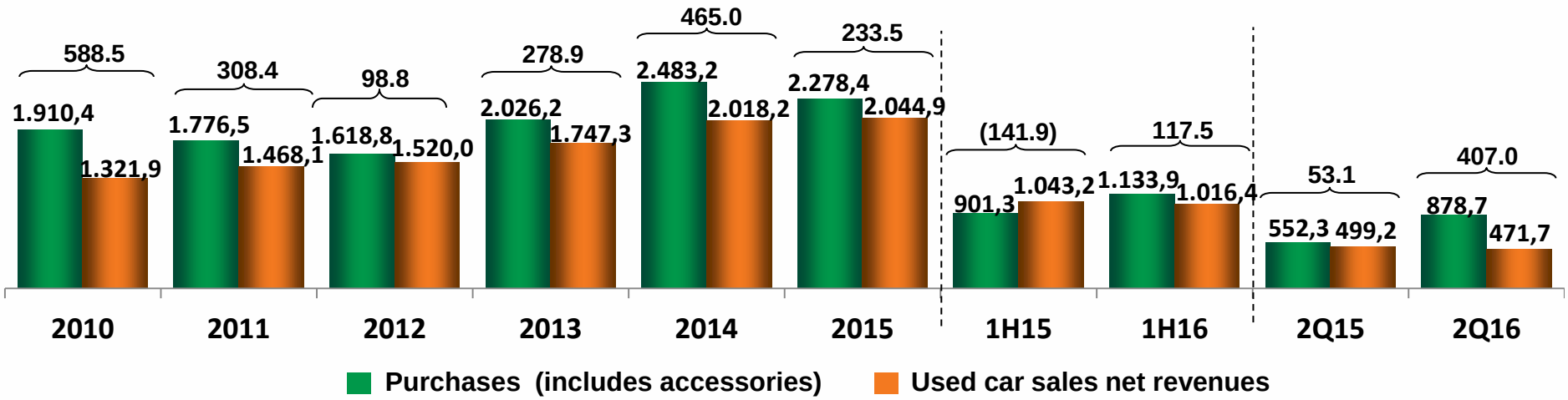
Net investment

Fleet Expansion* (quantity)



* It does not include theft / crashed cars.

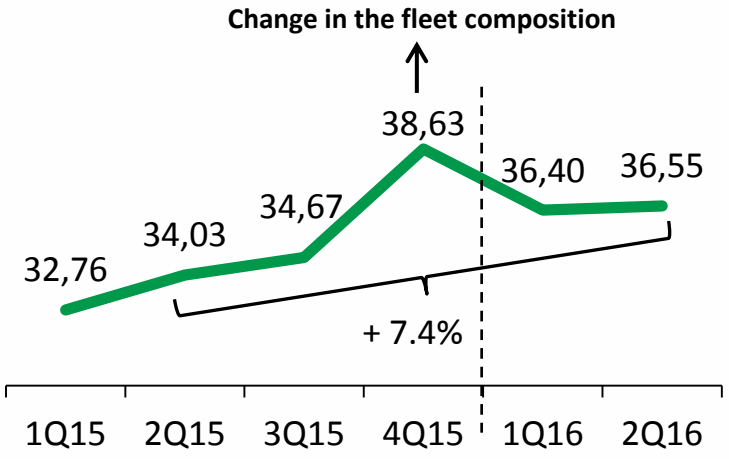
Net Investment in Fleet (R$ million)



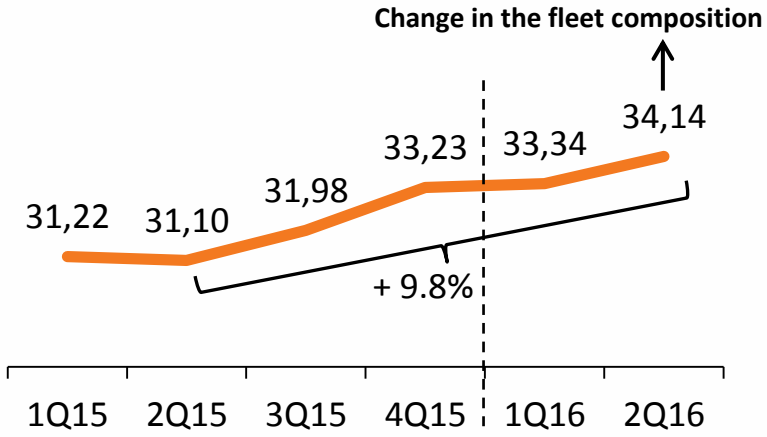
In 2Q16, 24,020 new cars were bought and 13,839 cars were sold, resulting in an increase of 10,181 cars and net investment of R$407.0 million

Average price of cars sold and purchased
Consolidated

Average price of cars purchased
In R$ thousand



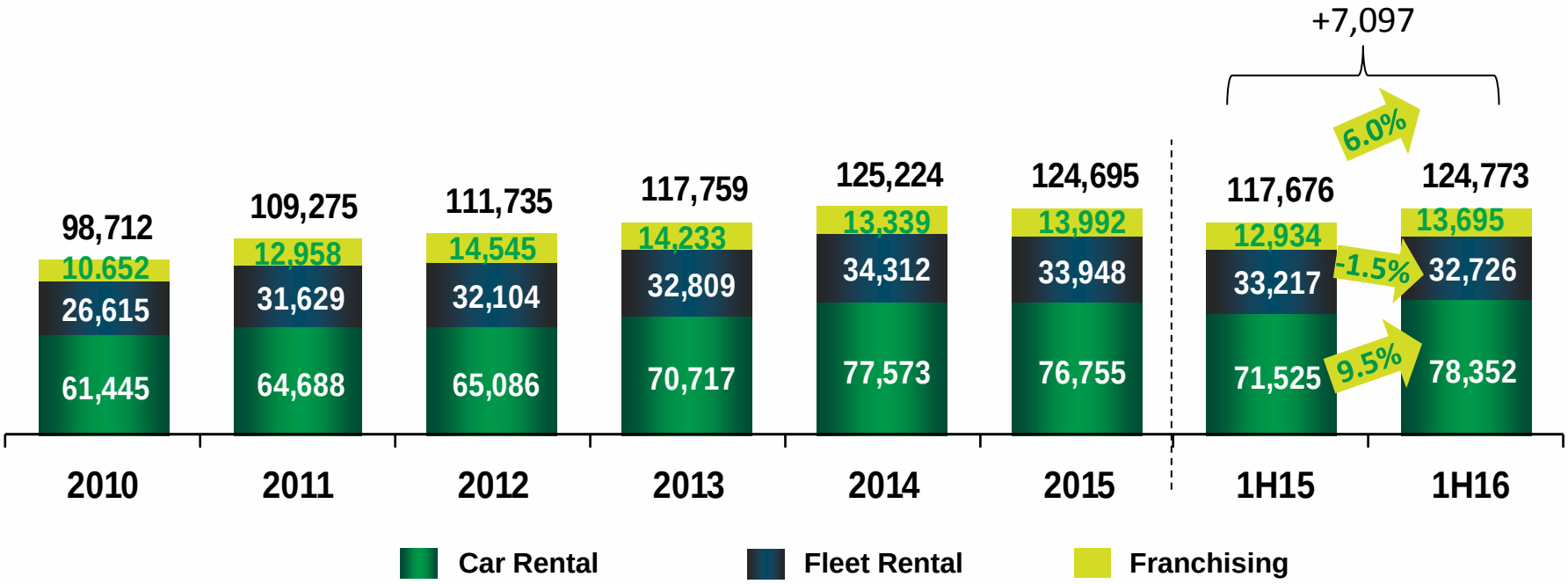
Average price of cars sold
In R$ thousand



9.8% increase in average prices of cars sold in 2Q16 x 2Q15, mainly due to change in fleet composition

Period-end fleet

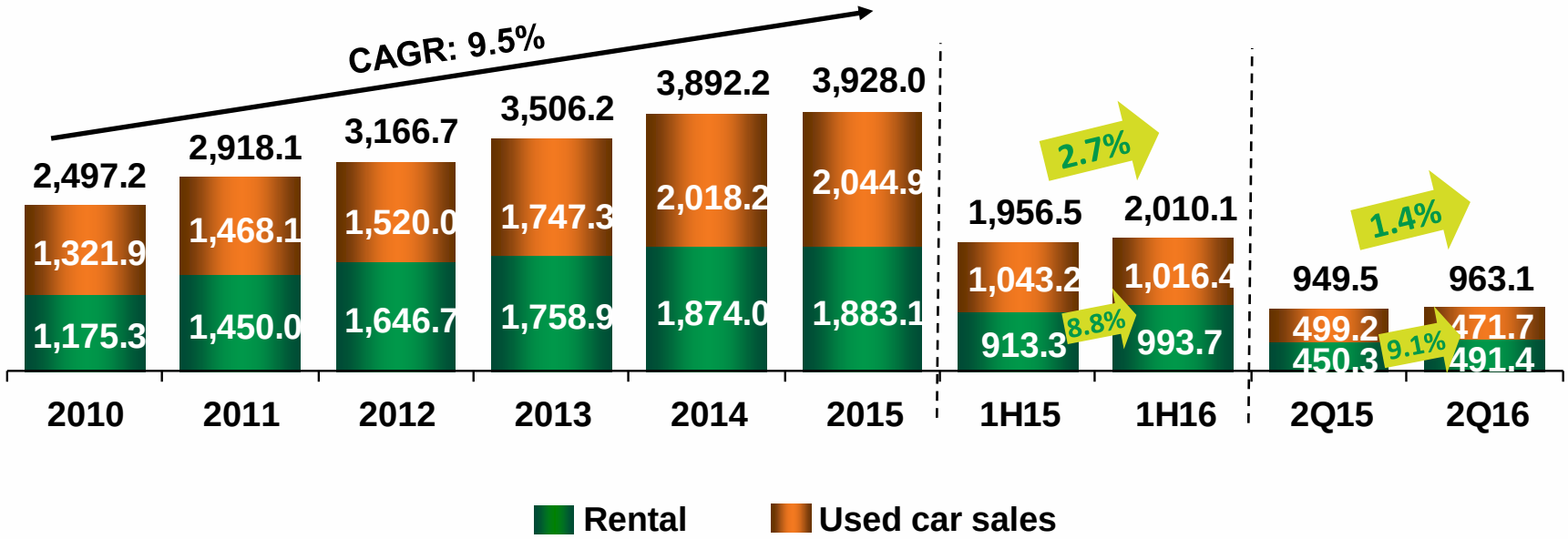
Quantity



Productivity gain:
Daily rental volume growth was greater than the fleet growth

Consolidated net revenues

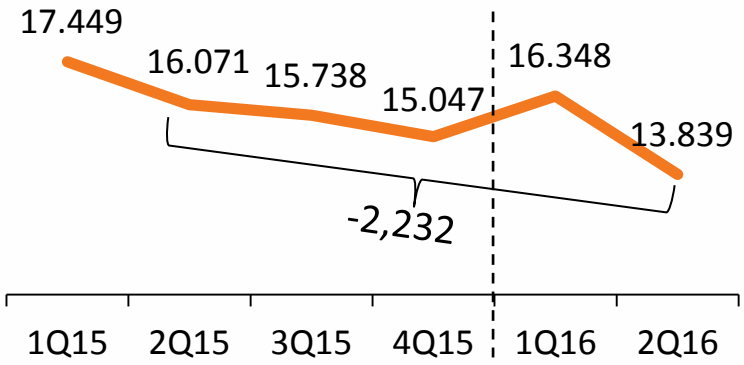
R$ million



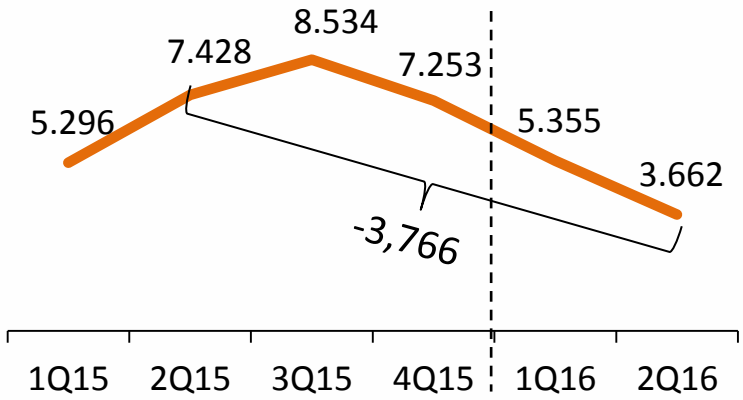
Rental revenues grew 9.1% in 2Q16

Car sales

Number of cars sold



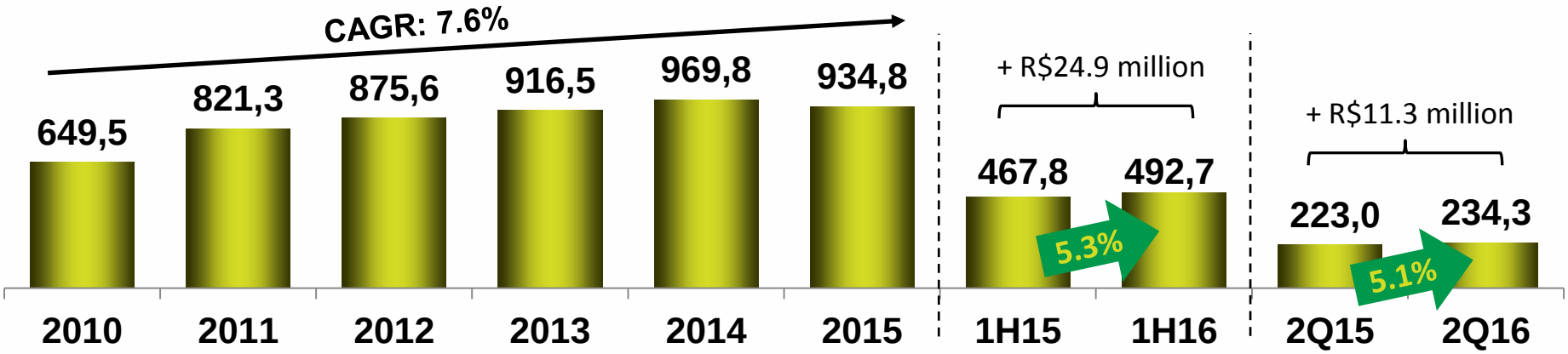
Cars in Seminovos stores (Average)



Car sales were impacted by the reduction of decommissioning cars for fleet renewal due to the car rental growth and delays in new cars deliveries

Consolidated EBITDA

R$ million



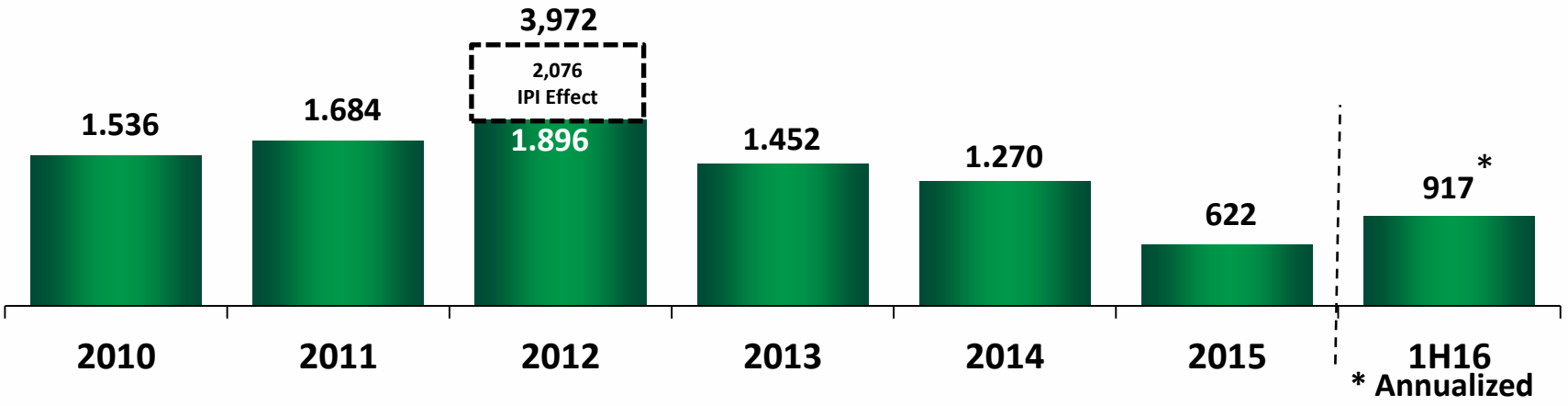
Divisions	2010*	2011*	2012	2013	2014**	2015	1H15	1H16	2Q15	2Q16
Car Rental	45.3%	46.9%	40.9%	36.8%	38.7%	31.8%	32.4%	33.1%	30.3%	31.6%
Fleet Rental	68.0%	68.6%	66.4%	65.5%	60.0%	62.2%	61.1%	64.8%	62.8%	65.0%
Rental Consolidated	52.3%	53.8%	49.3%	46.5%	45.3%	41.7%	41.9%	43.3%	41.3%	42.6%
Used Car Sales	2.6%	2.8%	4.2%	5.7%	6.0%	7.3%	8.2%	6.1%	7.5%	5.3%

(*)From 2012 onwards, accessories and freight of new cars have been accounted directly in the cost line, impacting EBITDA but reducing depreciation costs.
(**) It considers the new appropriation criteria of the overhead, which is also appropriated to Seminovos.

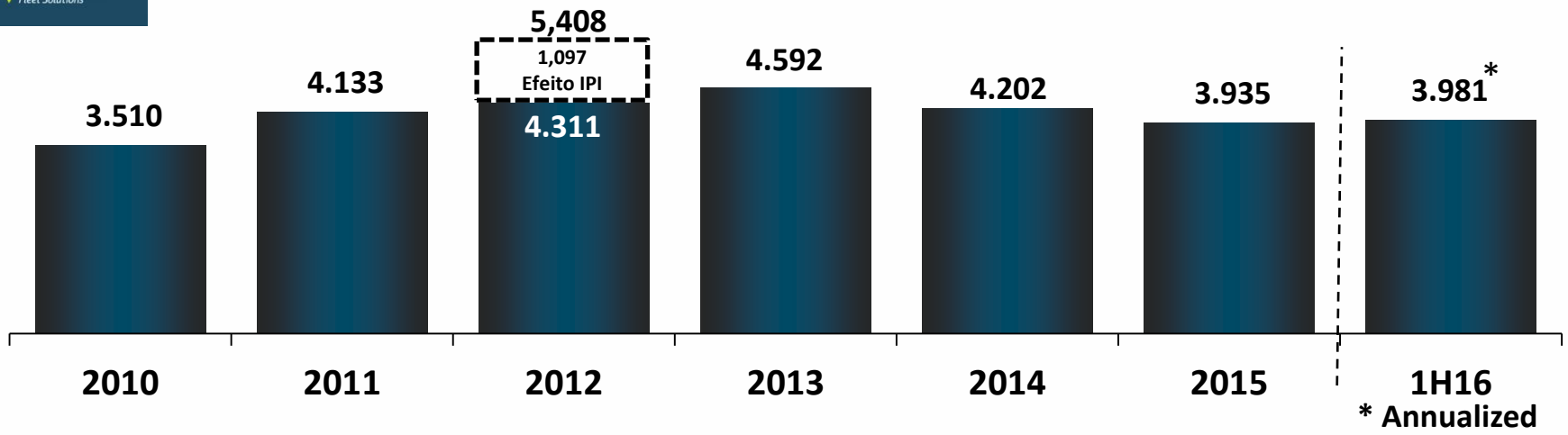
EBITDA grew R$11.3 million in the 2Q16 x 2Q15

Average depreciation per car (in R$)

Car Rental



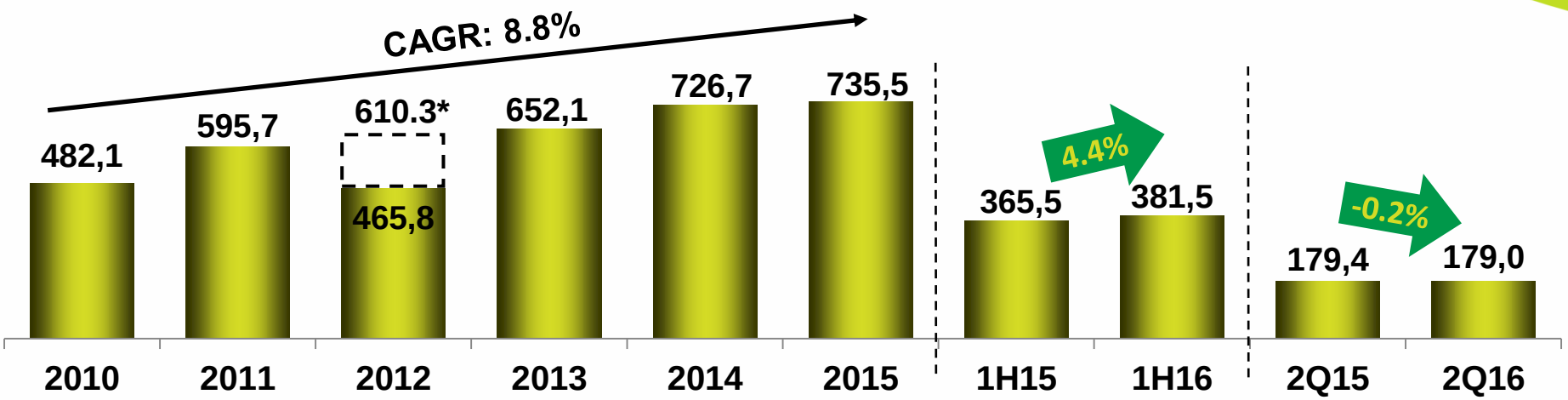
Fleet Rental



Depreciation in 2Q16 reflects new car prices that are rising below inflation.

Consolidated EBIT

R$ million



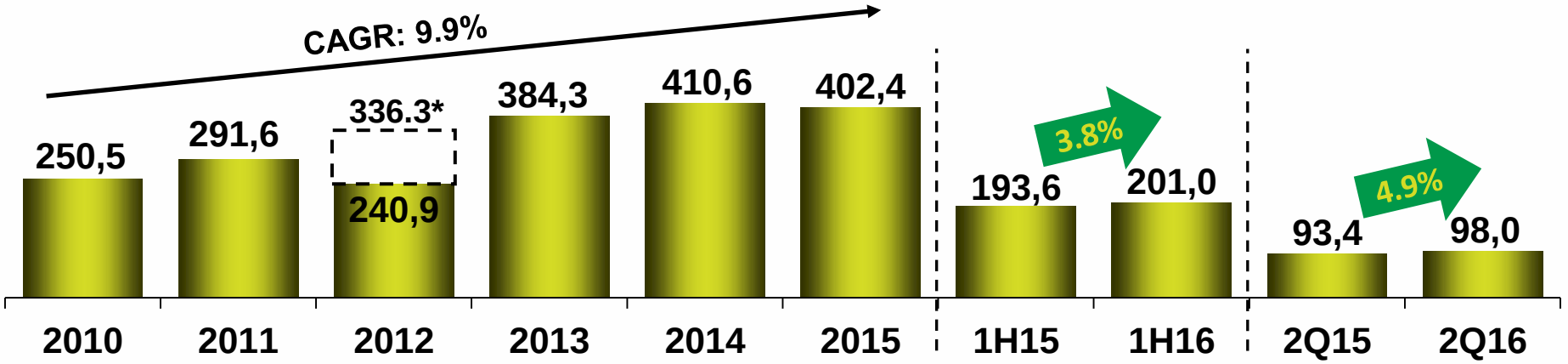
*2012 EBIT was impacted by R$144.5 million due to the additional depreciation related to the reduction in IPI (sales tax).

Divisions	2010	2011	2012	2013	2014	2015	1H15	1H16	2Q15	2Q16
Car Rental	38.5%	38.8%	23.7%	32.8%	36.2%	34.3%	36.5%	32.5%	34.3%	29.3%
Fleet Rental	46.2%	45.6%	36.9%	45.1%	44.3%	48.9%	47.1%	50.6%	50.7%	50.7%
Consolidated	41.0%	41.1%	28.3%	37.1%	38.8%	39.1%	40.0%	38.4%	39.8%	36.4%

The EBITDA increase was offset by higher depreciation, resulting in stable EBIT in 2Q16

Consolidated net income

R$ million



* Pro forma 2012 net income excluding additional depreciation related to the IPI tax reduction, net of income tax.

Reconciliation EBITDA x Net income	2010	2011	2012	2013	2014	2015	1H15	1H16	Var. R$	Var. %	2Q15	2Q16	Var. R$	Var. %
Consolidated EBITDA	649.5	821.3	875.6	916.5	969.8	934.8	467.8	492.7	24.9	5.3%	223.0	234.3	11.3	5.1%
Cars depreciation	(146.3)	(201.5)	(232.4)	(229.0)	(207.4)	(163.6)	(84.6)	(92.1)	(7.5)	8.9%	(34.7)	(45.8)	(11.1)	32.0%
Cars additional depreciation – IPI effect	-	-	(144.5)	-	-	-	-	-	-	-	-	-	-	-
Other property depreciation and amortization	(21.1)	(24.1)	(32.9)	(35.4)	(35.7)	(35.7)	(17.7)	(19.1)	(1.4)	7.9%	(8.9)	(9.5)	(0.6)	6.7%
Financial expenses, net	(130.1)	(179.0)	(138.7)	(110.6)	(151.1)	(202.7)	(99.4)	(117.2)	(17.8)	17.9%	(51.5)	(49.5)	2.0	-3.9%
Income tax and social contribution	(101.5)	(125.1)	(135.3)	(157.2)	(165.0)	(130.4)	(72.5)	(63.3)	9.2	-12.7%	(34.5)	(31.5)	3.0	-8.7%
Income tax and social contribution – IPI effect	-	-	49.1	-	-	-	-	-	-	-	-	-	-	-
Net income of the period	250.5	291.6	240.9	384.3	410.6	402.4	193.6	201.0	7.4	3.8%	93.4	98.0	4.6	4.9%

4.9% increase in 2Q16 net income

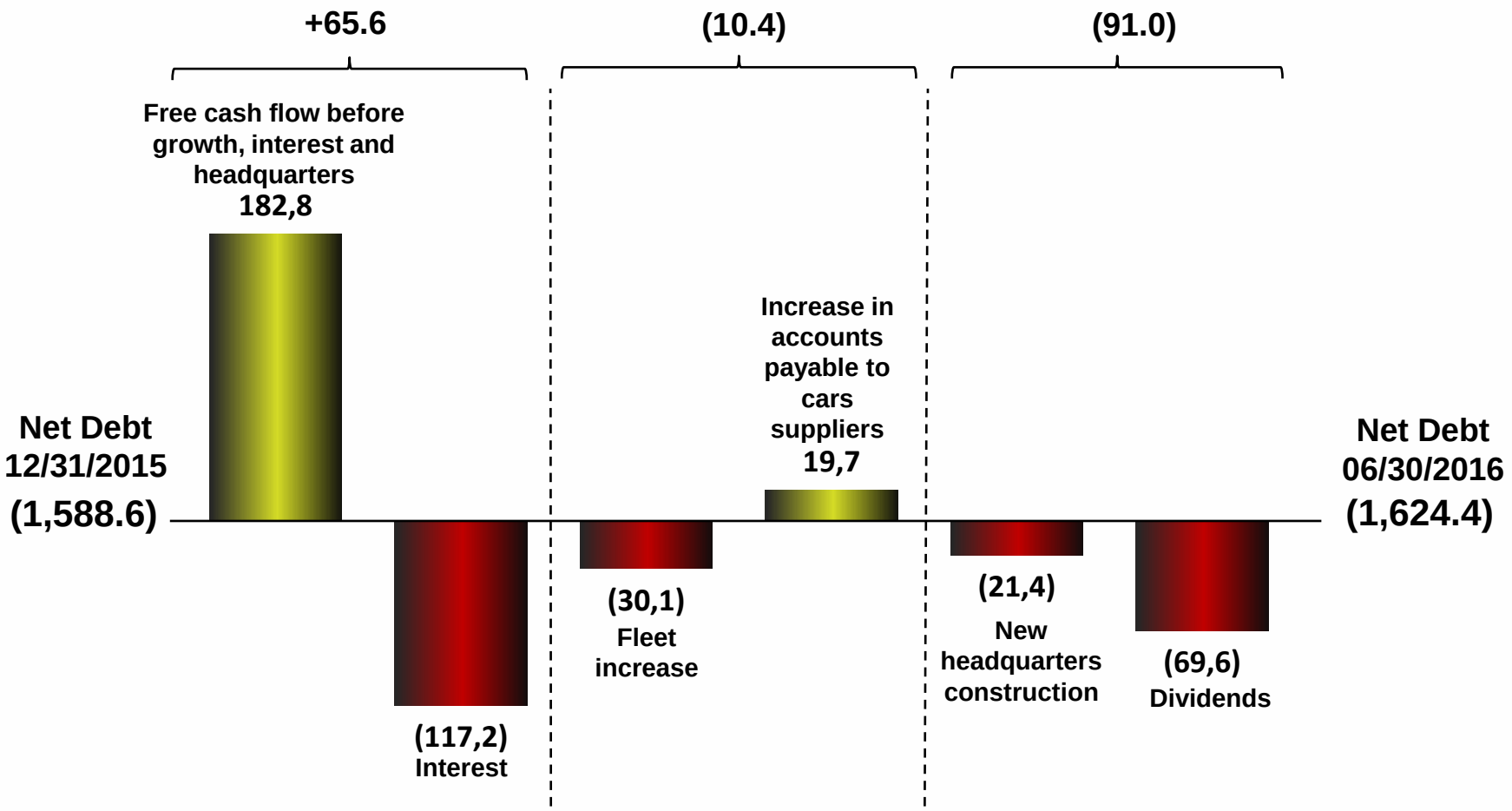
Free cash flow

	Free cash flow - R$ million	2010	2011	2012	2013	2014	2015	1H16
Operations	EBITDA	649.5	821.3	875.6	916.5	969.8	934.8	492.7
	Used car sale revenue, net from taxes	(1,321.9)	(1,468.1)	(1,520.0)	(1,747.3)	(2,018.2)	(2,044.9)	(1,016.4)
	Depreciated cost of cars sold (*)	1,203.2	1,328.6	1,360.2	1,543.8	1,777.0	1,769.1	901.4
	(-) Income tax and social contribution	(57.8)	(83.0)	(100.9)	(108.5)	(113.1)	(110.7)	(55.9)
	Change in working capital	54.5	(83.9)	37.1	2.9	(27.1)	(30.0)	(31.7)
	Cash generated by rental operations	527.5	514.9	652.0	607.4	588.4	518.3	290.1
Capex - Renewals	Used car sale revenue, net from taxes	1,321.9	1,468.1	1,520.0	1,747.3	2,018.2	2,036.3	1,016.4
	Fleet renewal investment	(1,370.1)	(1,504.5)	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(1,103.8)
	Net investment for fleet renewal	(48.2)	(36.4)	(43.3)	(72.4)	(179.5)	(242.1)	(87.4)
	Fleet renewal – quantity	47,285	50,772	56,644	62,641	70,621	64,032	30,187
	Investment, other property and intangibles investments	(50.6)	(59.9)	(77.8)	(47.5)	(46.3)	(29.7)	(19.9)
	Free cash flow from operations, net of fleet renewal capex	428.7	418.6	530.9	487.5	362.6	246.5	182.8
Capex - Growth	Fleet growth (investment)	(540.3)	(272.0)	(55.5)	(209.4)	(286.8)	8.6	(30.1)
	Change in accounts payable to car suppliers	111.3	32.7	(116.9)	89.7	334.4	(121.2)	19.7
	Fleet growth	(429.0)	(239.3)	(172.4)	(119.7)	47.6	(112.6)	(10.4)
	Fleet increase / (reduction) – quantity	18,649	9,178	2,011	7,103	9,183	(273)	822
	Free cash flow after growth, and before interest and new HQ	(0.3)	179.3	358.5	367.8	410.2	133.9	172.4
Capex – HQ	Investment in the construction of the new HQ	(0.5)	(3.1)	(2.4)	(6.5)	(55.7)	(123.3)	(21.4)
	Marketable securities – new HQ	-	-	-	-	(92.6)	92.6	-
	New headquarters construction	(0.5)	(3.1)	(2.4)	(6.5)	(148.3)	(30.7)	(21.4)
	Free cash flow before interest	(0.8)	176.2	356.1	361.3	261.9	103.2	151.0

(*) without the technical discounts reduction up to 2010

Changes in net debt

R$ million

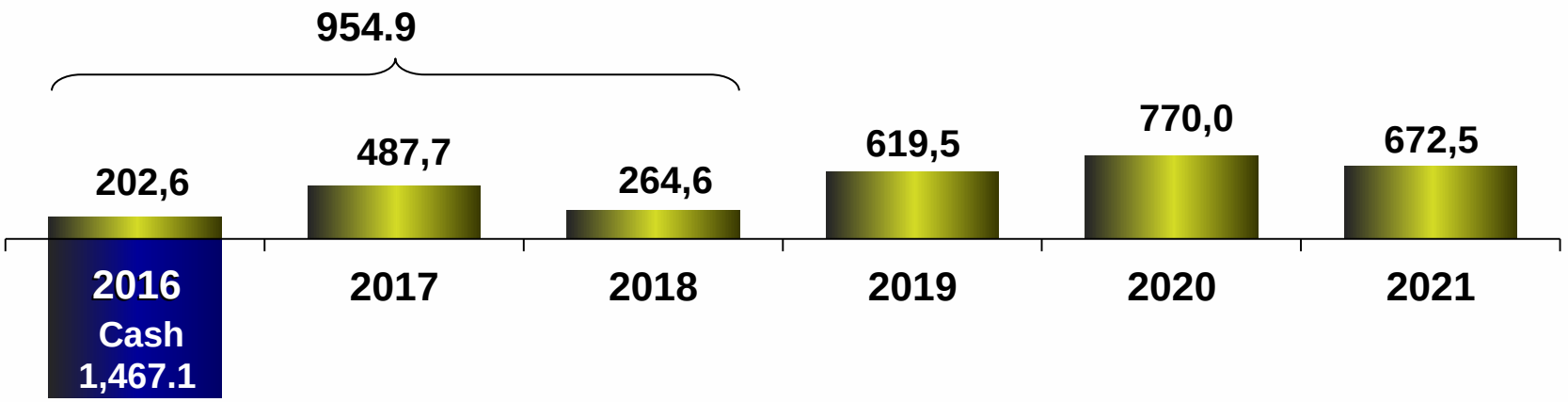


The increase of R$35.8 million in net debt was mainly due higher dividends distribution

Debt maturity profile (principal)

R$ million

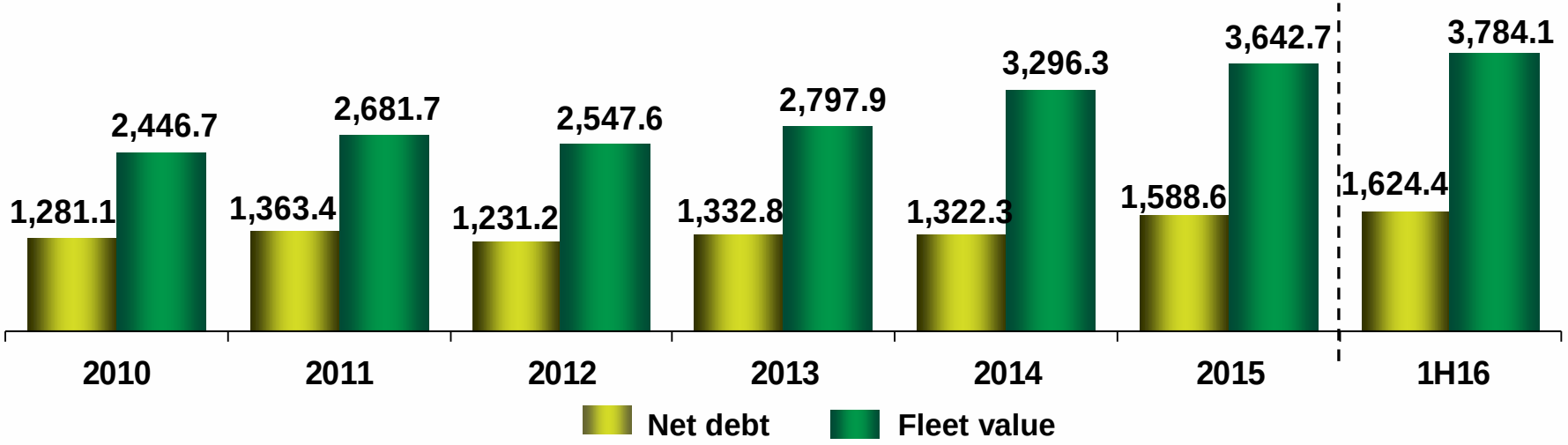
As of June 30, 2016



The Company is still presenting strong cash position and adequate debt profile for the current macro and growth landscape

Debt - ratios

Net debt vs. Fleet value

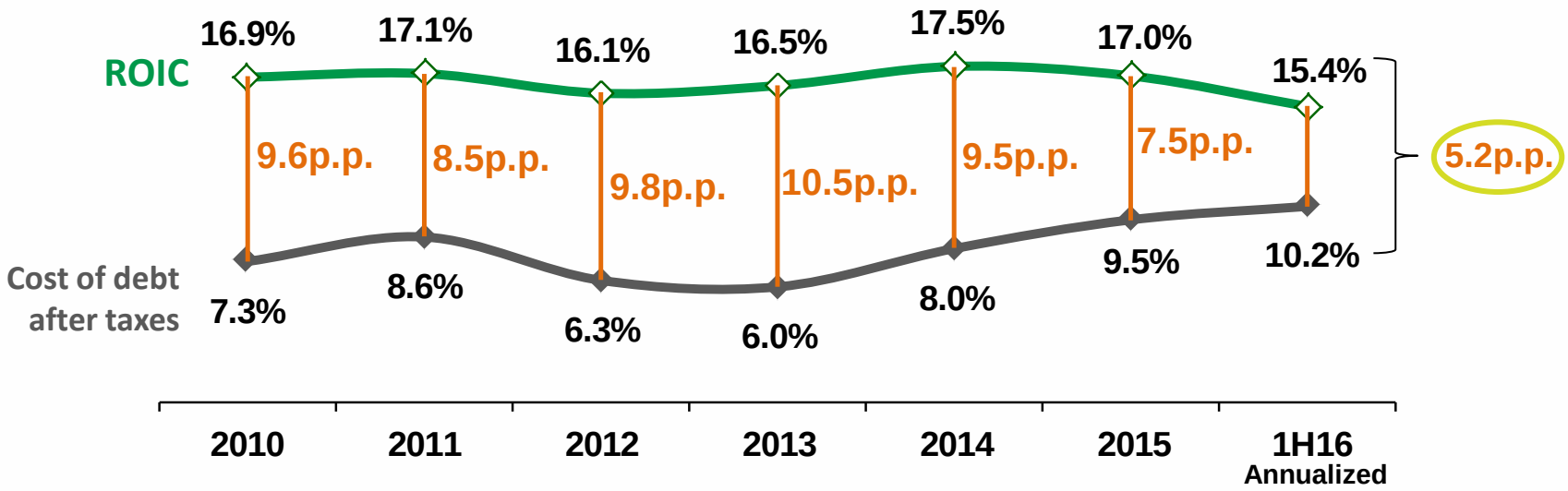


BALANCE AT THE END OF PERIOD	2010(*)	2011	2012	2013	2014	2015	1H16
Net debt / Fleet value	52%	51%	48%	48%	40%	44%	43%
Net debt / EBITDA(**)	2.0x	1.7x	1.4x	1.5x	1.4x	1.7x	1.6x
Net debt / Equity	1.4x	1.2x	0.9x	1.0x	0.8x	0.8x	0.8x
EBITDA / Net financial expenses	5.0x	4.6x	6.3x	8.3x	6.4x	4.6x	4.2x

(*) 2010 ratios based on USGAAP financial statements
(**) Annualized

Comfortable debt ratios

ROIC *versus* cost of debt after taxes



2010 to 2014 ROIC considered income tax rate of 30.0%
2015 and 2Q16 ROIC considered income tax rate of 24.5%

Spread of 5.2p.p.
despite the adverse scenario and high interest rates

Thank You!

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