

Interim Financial Information

September 30, 2014

Localiza Rent a Car S.A.

Corporate Taxpayer's ID (CNPJ)16.670.085/0001-55

Localiza

Localiza Rent a Car S.A.

Interim financial information (ITR) at September 30, 2014 and report on review of interim financial information

Report on review of quarterly information

To the Board of Directors and Shareholders
Localiza Rent a Car S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Localiza Rent a Car S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2014, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2014. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted 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 have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, October 23, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG

Guilherme Campos e Silva
Contador CRC 1SP218254/O-1 "S" MG

Contents

Company information
Capital structure 1
Cash dividends 2
Parent company financial information
Balance sheet - assets 3
Balance sheet - liabilities and equity 4
Income statement 5
Statement of comprehensive income 6
Statement of cash flows - indirect method 7
Statement of changes in equity
1/1/2014 to 9/30/2014 8
1/1/2013 to 9/30/2013 9
Statement of value added 10
Consolidated financial information
Balance sheet - assets 11
Balance sheet - liabilities and equity 12
Income statement 13
Statement of comprehensive income 14
Statement of cash flows - indirect method 15
Statement of changes in equity
1/1/2014 to 9/30/2014 16
1/1/2013 to 9/30/2013 17
Statement of value added 18
Comments on company performance 19
Notes to the interim financial information 22
Comments on the behavior of business projections 57
Other information considered relevant by the Company 58
Reports
Report on review of quarterly information - unqualified 60

(A free translation of the original in Portuguese)

Company information / capital structure

Number of shares (In thousand)	Current quarter 9/30/2014
Paid-up capital	
Common shares	211,793
Preferred shares	0
Total	211,793
Treasury shares	
Common shares	3,496
Preferred shares	0
Total	3,496

Company information/cash dividends

Event	Approval	Description	Initial date of payment	Type of share	Class of share	Earnings per share (Real/share)
Board of Directors' Meeting	3/19/2014	Interest on capital	5/14/2014	Common		0,06690
Board of Directors' Meeting	12/18/2013	Interest on capital	2/10/2014	Common		0,08077
Shareholders' Ordinary and Extraordinary General Meeting	4/29/2014	Dividend	5/16/2014	Common		0,18538
Board of Directors' Meeting	6/30/2014	Interest on capital	8/28/2014	Common		0,07200
Board of Directors' Meeting	9/25/2014	Interest on capital	11/19/2014	Common		0,07661

(A free translation of the original in Portuguese)

Parent company financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current period 9/30/2014	Prior period 12/31/2013
1	Total assets	4,431,151	4,123,317
1.01	Current assets	1,152,980	1,054,049
1.01.01	Cash and cash equivalents	747,294	621,518
1.01.03	Trade receivables	344,381	333,231
1.01.03.01	Trade receivables - customers	344,381	333,231
1.01.06	Taxes recoverable	6,340	6,372
1.01.06.01	Current recoverable taxes	6,340	6,372
1.01.07	Prepaid expenses	8,979	244
1.01.08	Other current assets	45,986	92,684
1.01.08.01	Non-current assets for sale	484	119
1.01.08.03	Other	45,502	92,565
1.01.08.03.01	Dividends receivable	0	54,496
1.01.08.03.02	Other	45,502	38,069
1.02	Non-current assets	3,278,171	3,069,268
1.02.01	Long-term receivables	45,574	52,695
1.02.01.06	Deferred taxes	21,914	28,033
1.02.01.06.01	Deferred income tax and social contribution	21,914	28,033
1.02.01.08	Receivables from related parties	587	487
1.02.01.08.02	Receivables from subsidiaries	587	487
1.02.01.09	Other non-current assets	23,073	24,175
1.02.01.09.03	Escrow deposits	22,990	24,092
1.02.01.09.04	Other	83	83
1.02.02	Investments	1,082,846	948,849
1.02.02.01	Equity interests	1,082,846	948,849
1.02.02.01.02	Interests in subsidiaries	1,082,846	948,849
1.02.03	Property and equipment	2,098,244	2,023,369
1.02.03.01	Property and equipment in service	2,087,211	2,013,663
1.02.03.02	Property and equipment leased	8,328	7,663
1.02.03.03	Property and equipment in progress	2,705	2,043
1.02.04	Intangible assets	51,507	44,355
1.02.04.01	Intangible assets	51,507	44,355
1.02.04.01.02	Software	51,507	44,355

(A free translation of the original in Portuguese)

Parent company financial statements / balance sheet - liabilities and equity

(All amounts in thousands of reais)

Code	Description	Current period 9/30/2014	Prior period 12/31/2013
2	Total liabilities and equity	4,431,151	4,123,317
2.01	Current liabilities	672,588	749,233
2.01.01	Social and labor obligations	57,160	53,559
2.01.01.01	Social obligations	6,589	6,779
2.01.01.02	Labor obligations	50,571	46,780
2.01.02	Trade payables	429,381	386,954
2.01.02.01	Domestic trade payables	429,381	386,954
2.01.03	Tax obligations	19,617	26,389
2.01.03.01	Federal tax obligations	19,110	25,380
2.01.03.01.01	Income tax and social contribution payable	10,583	16,630
2.01.03.01.02	Other federal taxes	8,527	8,750
2.01.03.03	Municipal tax obligations	507	1,009
2.01.04	Loans and financing	113,006	172,514
2.01.04.01	Loans and financing	41,549	54,502
2.01.04.01.01	In local currency	41,549	54,502
2.01.04.02	Debentures	69,438	116,149
2.01.04.03	Finance leases	2,019	1,863
2.01.05	Other obligations	53,424	109,817
2.01.05.01	Payables to related parties	2,576	772
2.01.05.01.02	Payables to subsidiaries	2,576	772
2.01.05.02	Other	50,848	109,045
2.01.05.02.01	Dividends and interest on capital payable	13,845	53,076
2.01.05.02.04	Other current liabilities	37,003	55,969
2.02	Non-current liabilities	2,144,788	2,032,876
2.02.01	Loans and financing	2,019,598	1,924,357
2.02.01.01	Loans and financing	80,566	461,289
2.02.01.01.01	In local currency	80,566	461,289
2.02.01.02	Debentures	1,937,259	1,461,681
2.02.01.03	Finance leases	1,773	1,387
2.02.02	Other obligations	6,992	10,171
2.02.02.01	Liabilities with related parties	962	0
2.02.02.01.01	Debts with associates	962	0
2.02.02.02	Other	6,030	10,171
2.02.02.02.03	Other non-current liabilities	6,030	10,171
2.02.03	Deferred taxes	67,173	58,655
2.02.03.01	Deferred income tax and social contribution	67,173	58,655
2.02.04	Provisions	50,968	39,611
2.02.04.01	Tax, social security, labor and civil provisions	50,968	39,611
2.02.04.01.01	Tax provisions	3,589	3,526
2.02.04.01.02	Social security and labor provisions	37,804	28,146
2.02.04.01.04	Civil provisions	9,575	7,939
2.02.06	Deferred revenues	57	82
2.02.06.02	Deferred revenues	57	82
2.03	Equity	1,613,775	1,341,208
2.03.01	Share capital	976,708	976,708
2.03.02	Capital reserves	39,294	30,180
2.03.02.01	Share premium	82,489	77,636
2.03.02.04	Options granted	16,981	15,428
2.03.02.05	Treasury shares	-60,176	-62,884
2.03.04	Revenue reserves	334,320	334,320
2.03.04.01	Legal reserve	59,508	59,508
2.03.04.02	Statutory reserve	274,812	274,812
2.03.05	Retained earnings	263,453	0

(A free translation of the original in Portuguese)

Parent company financial statements / income statement

(All amounts in thousands of reais)

1 - Code	2 - Description	Current quarter 7/1/2014 to 9/30/2014	Accumulated - current year 1/1/2014 to 9/30/2014	Same quarter of prior year 7/1/2013 to 9/30/2013	Accumulated - prior year 1/1/2013 to 9/30/2013
3.01	Revenues from sale of goods and/or services	768,850	2,126,577	699,099	1,855,123
3.02	Cost of goods and/or services sold	-574,548	-1,559,789	-530,483	-1,382,835
3.03	Gross profit	194,302	566,788	168,616	472,288
3.04	Operating income/expenses	-33,611	-85,725	-21,218	-61,852
3.04.01	Selling expenses	-62,620	-181,763	-58,511	-165,982
3.04.02	General and administrative expenses	-27,335	-75,822	-20,405	-63,433
3.04.05	Other operating expenses	2,305	2,079	-226	-355
3.04.06	Equity in the results of subsidiaries	54,039	169,781	57,924	167,918
3.05	Result from operations before financial income (expenses) and taxes	160,691	481,063	147,398	410,436
3.06	Financial income (expenses)	-43,122	-125,389	-29,285	-72,074
3.06.01	Financial income	13,334	48,668	12,817	38,380
3.06.02	Financial expenses	-56,456	-174,057	-42,102	-110,454
3.07	Profit before taxes on income	117,569	355,674	118,113	338,362
3.08	Income tax and social contribution	-15,644	-47,331	-16,021	-44,013
3.08.01	Current	-10,880	-32,694	-18,871	-33,445
3.08.02	Deferred	-4,764	-14,637	2,850	-10,568
3.09	Profit from continuing operations	101,925	308,343	102,092	294,349
3.11	Net income for the period	101,925	308,343	102,092	294,349
3.99	Earnings per share - (Real /share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0,48932	1,48093	0,49110	1,45810
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0,48711	1,46802	0,48979	1,45281

(A free translation of the original in Portuguese)

Parent company financial statements / statement of comprehensive income

(All amounts in thousands of reais)

1 - Code	2 - Description	Current quarter 7/1/2014 to 9/30/2014	Accumulated - current year 1/1/2014 to 9/30/2014	Same quarter of prior year 7/1/2013 to 9/30/2013	Accumulated - prior year 1/1/2013 to 9/30/2013
4.01	Net income for the period	101,925	308,343	102,092	294,349
4.03	Comprehensive income for the period	101,925	308,343	102,092	294,349

(A free translation of the original in Portuguese)

Parent company financial statements / statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	Accumulated - current period 1/1/2014 to 9/30/2014	Accumulated - prior period 1/1/2013 to 9/30/2013
6.01	Net cash provided by (used in) operating activities	56,221	-25,643
6.01.01	Cash flows from operating activities	1,339,159	1,167,702
6.01.01.01	Net income for the period	308,343	294,349
6.01.01.02	Depreciation and amortization	84,932	83,190
6.01.01.03	Residual value of property and equipment disposals	1,081,772	927,167
6.01.01.04	Deferred income tax and social contribution	14,637	10,568
6.01.01.05	Equity in the results of subsidiaries	-169,781	-167,918
6.01.01.06	Other	19,256	20,346
6.01.02	Changes in assets and liabilities	-1,027,720	-1,098,521
6.01.02.01	Trade receivables - customers	-5,743	-16,008
6.01.02.02	Acquisition of cars, net of changes in balances with car makers	-1,150,766	-1,203,651
6.01.02.03	Escrow deposits	1,114	-2,402
6.01.02.04	Taxes recoverable	-13,263	-7,411
6.01.02.05	Other assets	-5,614	-8,992
6.01.02.06	Trade payables - other	-28,951	3,932
6.01.02.07	Social and labor obligations	3,686	14,071
6.01.02.08	Taxes payable	32,694	50,248
6.01.02.09	Interest on loans and financing, debentures and other payables	171,064	105,648
6.01.02.10	Insurance premiums to be transferred	-5,023	-14,311
6.01.02.11	Other liabilities	-26,918	-19,645
6.01.03	Other	-255,218	-94,824
6.01.03.01	Income tax and social contribution paid	-32,848	-33,604
6.01.03.02	Interest paid	-222,370	-61,220
6.02	Net cash provided by investing activities	60,593	19,662
6.02.01	Purchases of other property and equipment	-5,635	-15,051
6.02.02	Additions to intangible assets	-11,403	-8,810
6.02.03	Payment of capital in subsidiary	-109,078	0
6.02.04	Dividends of subsidiaries	198,080	59,090
6.02.06	Acquisition of investment, goodwill and fair value increment	-15,895	-12,556
6.02.07	Merger of balance of investments in subsidiaries	4,578	-3,011
6.02.08	Other	-54	0
6.03	Net cash provided by (used in) financing activities	8,962	-171,389
6.03.01	Loans and financing - proceeds	570	2,253
6.03.02	Loans and financing - repayments	-321,399	-97,622
6.03.03	Debentures - proceeds	498,668	0
6.03.04	Debentures - repayments	-90,800	0
6.03.05	Dividends	-38,612	-5,143
6.03.06	Interest on capital	-44,890	-45,887
6.03.09	Treasury shares	0	-36,782
6.03.10	Other	5,425	11,792
6.05	Increase (decrease) in cash and cash equivalents	125,776	-177,370
6.05.01	Cash and cash equivalents at the beginning of the period	621,518	713,017
6.05.02	Cash and cash equivalents at the end of the period	747,294	535,647

Parent company financial statements / statement of changes in equity - 1/1/2014 to 9/30/2014

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity
5.01	Opening balances	976,708	30,180	334,320	0	0	1,341,208
5.03	Adjusted opening balances	976,708	30,180	334,320	0	0	1,341,208
5.04	Capital transactions with shareholders	0	9,114	0	-44,890	0	-35,776
5.04.03	Options granted recognized	0	3,689	0	0	0	3,689
5.04.05	Treasury shares sold	0	5,425	0	0	0	5,425
5.04.07	Interest on capital	0	0	0	-44,890	0	-44,890
5.05	Total comprehensive income	0	0	0	308,343	0	308,343
5.05.01	Net income for the period	0	0	0	308,343	0	308,343
5.07	Closing balances	976,708	39,294	334,320	263,453	0	1,613,775

Parent company financial statements / statement of changes in equity - 1/1/2013 to 9/30/2013

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity
5.01	Opening balances	601,708	48,067	674,978	0	0	1,324,753
5.03	Adjusted opening balances	601,708	48,067	674,978	0	0	1,324,753
5.04	Capital transactions with shareholders	375,000	-20,386	-375,000	-44,587	0	-64,973
5.04.01	Capital increase	375,000	0	-375,000	0	0	0
5.04.03	Options granted recognized	0	4,604	0	0	0	4,604
5.04.04	Treasury shares purchased	0	-36,782	0	0	0	-36,782
5.04.05	Treasury shares sold	0	11,792	0	0	0	11,792
5.04.07	Interest on capital	0	0	0	-44,587	0	-44,587
5.05	Total comprehensive income	0	0	0	294,349	0	294,349
5.05.01	Net income for the period	0	0	0	294,349	0	0
5.07	Closing balances	976,708	27,681	299,978	249,762	0	1,554,129

(A free translation of the original in Portuguese)

Parent company financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	Accumulated - current period 1/1/2014 to 9/30/2014	Accumulated - prior period 1/1/2013 to 9/30/2013
7.01	Revenues	2,176,240	1,890,326
7.01.01	Sale of goods and services	2,172,296	1,879,069
7.01.02	Other revenues	0	3,019
7.01.03	Revenues related to the construction of own assets	2,729	10,357
7.01.04	Recognition/Reversal of provision for impairment of trade receivables	1,215	-2,119
7.02	Inputs acquired from third parties	-1,343,475	-1,178,989
7.02.01	Cost of products, goods and services sold	-1,247,401	-1,098,031
7.02.02	Materials, energy, third-party services and other	-96,074	-80,958
7.03	Gross value added	832,765	711,337
7.04	Retentions	-84,932	-83,190
7.04.01	Depreciation, amortization and depletion	-84,932	-83,190
7.05	Net value added	747,833	628,147
7.06	Value added received through transfer	218,449	206,298
7.06.01	Equity in results of subsidiaries	169,781	167,918
7.06.02	Financial income	48,668	38,380
7.07	Total net value added for distribution	966,282	834,445
7.08	Distribution of value added	966,282	834,445
7.08.01	Personnel	223,214	204,854
7.08.01.01	Salaries and wages	178,775	159,206
7.08.01.02	Benefits	29,677	30,612
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	11,073	10,432
7.08.01.04	Other	3,689	4,604
7.08.02	Taxes, charges and contributions	163,689	139,446
7.08.02.01	Federal	125,848	103,751
7.08.02.02	State	30,557	28,777
7.08.02.03	Municipal	7,284	6,918
7.08.03	Remuneration of third parties' capital	271,036	195,796
7.08.03.01	Interest	174,057	110,454
7.08.03.02	Rentals	96,979	85,342
7.08.04	Remuneration of own capital	308,343	294,349
7.08.04.01	Interest on capital	44,890	44,587
7.08.04.03	Retained earnings	263,453	249,762

(A free translation of the original in Portuguese)

Consolidated financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current period 9/30/2014	Prior period 12/31/2013
1	Total assets	5,185,078	4,578,200
1.01	Current assets	1,816,977	1,493,420
1.01.01	Cash and cash equivalents	1,291,404	1,010,740
1.01.03	Trade receivables	426,607	408,262
1.01.03.01	Trade receivables - customers	426,607	408,262
1.01.06	Taxes recoverable	11,887	9,544
1.01.06.01	Current recoverable taxes	11,887	9,544
1.01.07	Prepaid expenses	12,354	244
1.01.08	Other current receivables	74,725	64,630
1.01.08.01	Non-current assets for sale	12,492	16,520
1.01.08.03	Other	62,233	48,110
1.02	Non-current assets	3,368,101	3,084,780
1.02.01	Long-term receivables	161,448	77,661
1.02.01.03	Trade receivables - customers	3,959	7,143
1.02.01.03.01	Trade receivables - customers	3,959	7,143
1.02.01.06	Deferred taxes	27,207	32,359
1.02.01.06.01	Deferred income tax and social contribution	27,207	32,359
1.02.01.09	Other non-current assets	130,282	38,159
1.02.01.09.03	Investments in marketable securities	89,980	0
1.02.01.09.04	Escrow deposits	40,219	38,076
1.02.01.09.05	Other	83	83
1.02.03	Property and equipment	3,129,290	2,947,474
1.02.03.01	Property and equipment in service	2,752,501	2,722,060
1.02.03.02	Property and equipment leased	374,084	223,131
1.02.03.03	Property and equipment in progress	2,705	2,283
1.02.04	Intangible assets	77,363	59,645
1.02.04.01	Intangible assets	77,363	59,645
1.02.04.01.02	Goodwill on acquisition of investments	22,077	12,354
1.02.04.01.03	Software	55,286	47,291

(A free translation of the original in Portuguese)

Consolidated financial statements / balance sheet - liabilities and equity

(All amounts in thousands of reais)

Code	Description	Current period 9/30/2014	Prior period 12/31/2013
2	Total liabilities and equity	5,185,078	4,578,200
2.01	Current liabilities	982,053	976,658
2.01.01	Social and labor obligations	76,325	73,904
2.01.01.01	Social obligations	9,089	9,400
2.01.01.02	Labor obligations	67,236	64,504
2.01.02	Trade payables	558,679	460,482
2.01.02.01	Domestic trade payables	558,679	460,482
2.01.03	Tax obligations	42,293	48,761
2.01.03.01	Federal tax obligations	40,329	46,882
2.01.03.01.01	Income tax and social contribution payable	29,050	35,238
2.01.03.01.02	Other federal taxes	11,279	11,644
2.01.03.03	Municipal tax obligations	1,964	1,879
2.01.04	Loans and financing	245,865	275,394
2.01.04.01	Loans and financing	44,931	65,665
2.01.04.01.01	In local currency	44,931	65,665
2.01.04.02	Debentures	69,438	116,149
2.01.04.03	Finance leases	131,496	93,580
2.01.05	Other obligations	58,891	118,117
2.01.05.02	Other	58,891	118,117
2.01.05.02.01	Dividends and interest on capital payable	13,845	53,076
2.01.05.02.04	Other current liabilities	45,046	65,041
2.02	Non-current liabilities	2,589,250	2,260,334
2.02.01	Loans and financing	2,367,427	2,068,145
2.02.01.01	Loans and financing	360,588	575,448
2.02.01.01.01	In local currency	360,588	575,448
2.02.01.02	Debentures	1,937,259	1,461,681
2.02.01.03	Finance leases	69,580	31,016
2.02.02	Other obligations	9,046	14,115
2.02.02.01	Liabilities with related parties	962	0
2.02.02.01.01	Debts with associates	962	0
2.02.02.02	Other	8,084	14,115
2.02.02.02.03	Other non-current liabilities	8,084	14,115
2.02.03	Deferred taxes	138,292	111,795
2.02.03.01	Deferred income tax and social contribution	138,292	111,795
2.02.04	Provisions	63,538	50,933
2.02.04.01	Tax, social security, labor and civil provisions	63,538	50,933
2.02.04.01.01	Tax provisions	6,011	5,675
2.02.04.01.02	Social security and labor provisions	46,586	34,742
2.02.04.01.04	Civil provisions	10,941	10,516
2.02.06	Deferred revenues	10,947	15,346
2.02.06.02	Deferred revenues	10,947	15,346
2.03	Equity	1,613,775	1,341,208
2.03.01	Share capital	976,708	976,708
2.03.02	Capital reserves	39,294	30,180
2.03.02.01	Share premium	82,489	77,636
2.03.02.04	Options granted	16,981	15,428
2.03.02.05	Treasury shares	-60,176	-62,884
2.03.04	Revenue reserves	334,320	334,320
2.03.04.01	Legal reserve	59,508	59,508
2.03.04.02	Statutory reserve	274,812	274,812
2.03.05	Retained earnings	263,453	0

(A free translation of the original in Portuguese)

Consolidated financial statements / income statement

(All amounts in thousands of reais)

1 - Code	2 - Description	Current quarter 7/1/2014 to 9/30/2014	Accumulated - current year 1/1/2014 to 9/30/2014	Same quarter of prior year 7/1/2013 to 9/30/2013	Accumulated - prior year 1/1/2013 to 9/30/2013
3.01	Revenues from sale of goods and/or services	1,007,404	2,857,028	935,939	2,542,369
3.02	Cost of goods and/or services sold	-711,923	-1,982,334	-660,321	-1,765,945
3.03	Gross profit	295,481	874,694	275,618	776,424
3.04	Operating income (expenses)	-112,025	-321,925	-101,305	-289,159
3.04.01	Selling expenses	-80,206	-229,726	-75,398	-210,391
3.04.02	General and administrative expenses	-33,892	-93,856	-25,672	-78,322
3.04.05	Other operating expenses	2,073	1,657	-235	-446
3.05	Results from operations before financial income (expenses) and taxes	183,456	552,769	174,313	487,265
3.06	Financial income (expenses)	-42,465	-119,413	-28,089	-72,197
3.06.01	Financial income	23,769	79,696	17,703	49,421
3.06.02	Financial expenses	-66,234	-199,109	-45,792	-121,618
3.07	Profit before taxes on income	140,991	433,356	146,224	415,068
3.08	Income tax and social contribution	-39,066	-125,013	-44,132	-120,719
3.08.01	Current	-28,786	-94,444	-38,882	-93,458
3.08.02	Deferred	-10,280	-30,569	-5,250	-27,261
3.09	Profit from continuing operations	101,925	308,343	102,092	294,349
3.11	Net income for the period	101,925	308,343	102,092	294,349
3.11.01	Attributable to the Company's owners	101,925	308,343	102,092	294,349
3.99	Earnings per share - (Real / share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0,48932	1,48093	0,49110	1,45810
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0,48932	1,46802	0,48979	1,45281

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of comprehensive income

(All amounts in thousands of reais)

1 - Code	2 - Description	Current quarter 7/1/2014 to 9/30/2014	Accumulated - current year 1/1/2014 to 9/30/2014	Same quarter of prior year 7/1/2013 to 9/30/2013	Accumulated - prior year 1/1/2013 to 9/30/2013
4.01	Consolidated net income for the period	101,925	308,343	102,092	294,349
4.03	Consolidated comprehensive income for the period	101,925	308,343	102,092	294,349
4.03.01	Attributable to shareholders of the parent company	101,925	308,343	102,092	294,349

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of cash flows - indirect method

(All amounts in thousands of reais)

1 - Code	2 - Description	Accumulated - current period 1/1/2014 to 9/30/2014	Accumulated - prior period 1/1/2013 to 9/30/2013
6.01	Net cash provided by operating activities	197,820	147,803
6.01.01	Cash flows from operating activities	1,837,409	1,631,597
6.01.01.01	Net income for the period	308,343	294,349
6.01.01.02	Depreciation and amortization	179,422	193,227
6.01.01.03	Residual value of property and equipment disposals	1,294,500	1,091,664
6.01.01.04	Deferred income tax and social contribution	30,569	27,261
6.01.01.05	Other	24,575	25,096
6.01.02	Changes in assets and liabilities	-1,303,158	-1,319,461
6.01.02.01	Trade receivables - customers	-15,208	-21,174
6.01.02.02	Acquisition of cars, net of changes in balances with car makers	-1,485,313	-1,486,277
6.01.02.03	Escrow deposits	-2,143	-3,479
6.01.02.04	Taxes recoverable	-30,656	-19,651
6.01.02.05	Other assets	-10,141	897
6.01.02.06	Trade payables - other	-23,647	9,941
6.01.02.07	Social and labor obligations	2,436	16,490
6.01.02.08	Taxes payable	94,444	93,462
6.01.02.09	Interest on loans and financing, debentures and other liabilities	200,540	115,211
6.01.02.10	Insurance premiums	-5,023	-14,311
6.01.02.11	Other liabilities	-28,447	-10,570
6.01.03	Other	-336,431	-164,333
6.01.03.01	Income tax and social contribution paid	-89,852	-73,249
6.01.03.02	Interest paid	-246,579	-91,084
6.02	Net cash used in investing activities	-154,871	-39,342
6.02.01	Purchases of other property and equipment	-37,690	-16,692
6.02.02	Additions to intangible assets	-12,748	-10,110
6.02.03	Investment in marketable securities	-89,980	0
6.02.04	Acquisition of investment, goodwill and fair value increment	-14,453	-12,556
6.02.05	Other	0	16
6.03	Net cash provided by (used in) financing activities	237,715	-141,319
6.03.01	Loans and financing - proceeds	359,865	81,843
6.03.02	Loans and financing - repayments	-450,574	-147,142
6.03.03	Debentures - proceeds	497,301	0
6.03.04	Debentures - repayments	-90,800	0
6.03.05	Dividends	-38,612	-5,143
6.03.06	Interest on capital	-44,890	-45,887
6.03.07	Other	5,425	0
6.03.08	Treasury shares	0	-36,782
6.03.09	Other	0	11,792
6.05	Increase (decrease) in cash and cash equivalents	280,664	-32,858
6.05.01	Cash and cash equivalents at the beginning of the period	1,010,740	823,866
6.05.02	Cash and cash equivalents at the end of the period	1,291,404	791,008

Consolidated financial statements / statement of changes in equity - 1/1/2014 to 9/30/2014

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	976,708	30,180	334,320	0	0	1,341,208	0	1,341,208
5.03	Adjusted opening balances	976,708	30,180	334,320	0	0	1,341,208	0	1,341,208
5.04	Capital transactions with shareholders	0	9,114	0	-44,890	0	-35,776	0	-35,776
5.04.03	Options granted recognized	0	3,689	0	0	0	3,689	0	3,689
5.04.05	Treasury shares sold	0	5,425	0	0	0	5,425	0	5,425
5.04.07	Interest on capital	0	0	0	-44,890	0	-44,890	0	-44,890
5.05	Total comprehensive income	0	0	0	308,343	0	308,343	0	308,343
5.05.01	Net income for the period	0	0	0	308,343	0	308,343	0	308,343
5.07	Closing balances	976,708	39,294	334,320	263,453	0	1,613,775	0	1,613,775

Consolidated financial statements / statement of changes in equity - 1/1/2013 to 9/30/2013

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	601,708	48,067	674,978	0	0	1,324,753	0	1,324,753
5.03	Adjusted opening balances	601,708	48,067	674,978	0	0	1,324,753	0	1,324,753
5.04	Capital transactions with shareholders	375,000	-20,386	-375,000	-44,587	0	-64,973	0	-64,973
5.04.01	Capital increases	375,000	0	-375,000	0	0	0	0	0
5.04.03	Options granted recognized	0	4,604	0	0	0	4,604	0	4,604
5.04.04	Treasury shares purchased	0	-36,782	0	0	0	-36,782	0	-36,782
5.04.05	Treasury shares sold	0	11,792	0	0	0	11,792	0	11,792
5.04.07	Interest on capital	0	0	0	-44,587	0	-44,587	0	-44,587
5.05	Total comprehensive income	0	0	0	294,349	0	294,349	0	294,349
5.05.01	Net income for the period	0	0	0	294,349	0	294,349	0	294,349
5.07	Closing balances	976,708	27,681	299,978	249,762	0	1,554,129	0	1,554,129

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	Accumulated - current period 1/1/2014 to 9/30/2014	Accumulated - prior period 1/1/2013 to 9/30/2013
7.01	Revenues	2,927,430	2,597,125
7.01.01	Sale of goods and services	2,924,748	2,570,863
7.01.02	Other revenues	0	19,660
7.01.03	Revenues related to the construction of own assets	2,729	10,357
7.01.04	Recognition/Reversal of provision for impairment of trade receivables	-47	-3,755
7.02	Inputs acquired from third parties	-1,644,352	-1,424,009
7.02.01	Cost of products, goods and services sold	-1,534,353	-1,331,525
7.02.02	Materials, energy, third-party services and other	-109,999	-92,484
7.03	Gross value added	1,283,078	1,173,116
7.04	Retentions	-179,422	-193,227
7.04.01	Depreciation, amortization and depletion	-179,422	-193,227
7.05	Net value added	1,103,656	979,889
7.06	Value added received through transfer	79,696	49,421
7.06.02	Financial income	79,696	49,421
7.07	Total value added to be distributed	1,183,352	1,029,310
7.08	Distribution of value added	1,183,352	1,029,310
7.08.01	Personnel	288,338	265,945
7.08.01.01	Salaries and wages	233,421	209,374
7.08.01.02	Benefits	36,239	38,168
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	14,989	13,799
7.08.01.04	Other	3,689	4,604
7.08.02	Taxes, charges and contributions	289,078	261,077
7.08.02.01	Federal	234,789	210,051
7.08.02.02	State	44,177	41,510
7.08.02.03	Municipal	10,112	9,516
7.08.03	Remuneration of third parties' capital	297,593	207,939
7.08.03.01	Interest	199,109	121,618
7.08.03.02	Rentals	98,484	86,321
7.08.04	Remuneration of own capital	308,343	294,349
7.08.04.01	Interest on capital	44,890	44,587
7.08.04.03	Retained earnings	263,453	249,762

Comments on company performance

R$ million

1 - Car rental	3Q13	% of net revenues	3Q14	% of net revenues	Var. %	9M13	% of net revenues	9M14	% of net revenues	Var. %
Net revenues	717.0	100.0%	780.1	100.0%	**8.8%**	1,905.3	100.0%	2,165.8	100.0%	**13.7%**
Costs	(526.6)	-73.4%	(567.2)	-72.7%	**7.7%**	(1,370.6)	-71.9%	(1,542.3)	-71.2%	**12.5%**
Operating expenses (SG&A):							-			
Selling	(66.5)	-9.3%	(70.6)	-9.1%	**6.2%**	(184.7)	-9.7%	(198.9)	-9.2%	**7.7%**
General, administrative and other expenses	(21.1)	-2.9%	(25.6)	-3.3%	**21.3%**	(65.0)	-3.4%	(75.7)	-3.5%	**16.5%**
Earnings Before Interest and Taxes (EBIT)	**102.8**	14.3%	**116.7**	15.0%	**13.5%**	**285.0**	15.0%	**348.9**	**16.1%**	**22.4%**

2 - Fleet rental	3Q13	% of net revenues	3Q14	% of net revenues	Var. %	9M13	% of net revenues	9M14	% of net revenues	Var. %
Net revenues	214.0	100.0%	223.0	100.0%	**4.2%**	622.6	100.0%	677.7	100.0%	**8.8%**
Costs	(130.2)	-60.8%	(141.5)	-63.5%	**8.7%**	(384.8)	-61.8%	(429.8)	-63.4%	**11.7%**
Operating expenses (SG&A):										
Selling	(9.5)	-4.4%	(10.4)	-4.7%	**9.5%**	(27.6)	-4.4%	(33.0)	-4.9%	**19.6%**
General, administrative and other expenses	(5.6)	-2.6%	(6.8)	-3.0%	**21.4%**	(15.9)	-2.6%	(18.7)	-2.8%	**17.6%**
Earnings Before Interest and Taxes (EBIT)	**68.7**	32.1%	**64.3**	28.8%	**-6.4%**	**194.3**	**31.2%**	**196.2**	**29.0%**	**1.0%**

3 - Franchising	3Q13	% of net revenues	3Q14	% of net revenues	Var. %	9M13	% of net revenues	9M14	% of net revenues	Var. %
Net revenues	4.9	100.0%	4.3	100.0%	**-12.2%**	14.4	100.0%	13.5	100.0%	**-6.3%**
Costs	(2.1)	-42.9%	(1.8)	-41.9%	**-14.3%**	(6.3)	-43.8%	(5.8)	-43.0%	**-7.9%**
Operating expenses (SG&A):										
Selling	-	-	-	-	-	(0.1)	-0.7%	(0.1)	-0.7%	-
General, administrative and other expenses	-	-	-	-	-	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT)	**2.8**	**57.1%**	**2.5**	**58.1%**	**-10.7%**	**8.0**	**55.6%**	**7.6**	**56.3%**	**-5.0%**

4 - Consolidated	3Q13	% of net revenues	3Q14	% of net revenues	Var. %	9M13	% of net revenues	9M14	of net revenues	Var. %
Net revenues	935.9	100.0%	1,007.4	100.0%	**7.6%**	2,542.4	100.0%	2,857.0	100.0%	**12.4%**
Costs (*)	(660.3)	-70.6%	(711.9)	-70.7%	**7.8%**	(1,765.9)	-69.5%	(1,982.3)	-69.4%	**12.3%**
Operating expenses (SG&A) (*):										
Selling	(75.3)	-8.0%	(80.2)	-8.0%	**6.5%**	(210.4)	-8.3%	(229.8)	-8.0%	**9.2%**
General, administrative and other expenses	(26.0)	-2.8%	(31.8)	-3.2%	**22.3%**	(78.8)	-3.1%	(92.2)	-3.2%	**17.0%**
EBIT (CR + FM + FR)	**174.3**	18.6%	**183.5**	18.2%	**5.3%**	**487.3**	**19.2%**	**552.7**	**19.3%**	**13.4%**
Financial expenses, net	(28.1)	-3.0%	(42.5)	-4.2%	**51.2%**	(72.2)	-2.8%	(119.4)	-4.2%	**65.4%**
Operating Income	**146.2**	15.6%	**141.0**	14.0%	**-3.6%**	**415.1**	**16.3%**	**433.3**	**15.2%**	**4.4%**
Income tax and social contribution	(44.1)	-4.7%	(39.1)	-3.9%	**-11.3%**	(120.7)	-4.7%	(125.0)	-4.4%	**3.6%**
Net income for the period	**102.1**	10.9%	**101.9**	10.1%	**-0.2%**	**294.4**	**11.6%**	**308.3**	**10.8%**	**4.7%**
% on net revenues	10.9%		10.1%			11.6%		10.8%		

(*) The consolidated balance includes reclassifications of R$1.4 million between the accounts of costs and operating expenses in 3Q14 (R$1.4 million in 3Q13) and R$ 4.4 million in 9M14 (R$ 4.2 million in 9M13).

Comments on company performance

Net revenues

The Company's consolidated net revenues in 9M14 increased 12.4%, basically due to:

- Increase of 13.7% in the net revenues from the Car Rental Division (includes revenues from the sale of decommissioned cars for the fleet renewal), reflecting the growth of 11.7% in net revenues from car rentals, due to: (i) increase of 9.4% in the volume of daily car rentals and 3.7% in the average rate. Revenues from sales of decommissioned cars for the renewal of the fleet of this division increased 15.3% due to the increase of 13.0% in the number of cars sold and of 2.0% in the average price of cars sold.

- Increase of 8.8% in the net revenues from Fleet Rental Division (includes revenues from the sale of decommissioned cars for the fleet renewal), reflecting the increase of 33.2% in the revenues from sales of decommissioned cars for the renewal of the fleet of this division due to the increase of 37.7% in the number of cars sold, partially offset by the decrease of 3.3% in the average price of the cars sold. The net revenues from the fleet rental division decreased 1.8% due to the decrease of 5.6% in the volume of daily car rentals, partially offset by the increase of 4.5% in the average daily rate.

Revenues from franchising decreased R$ 0.9 million.

The Company's consolidated net revenues in 3Q14 increased 7.6%, basically due to:

- Increase of 8.8% in the net revenues from the Car Rental Division (includes revenues from the sale of decommissioned cars for the fleet renewal), reflecting the growth of 12.3% in revenues from car rentals, due to: (i) increase of 7.5% in the volume of daily car rentals and 6.0% in the average rate. The average tariff of R$ 88.23 in this quarter exceeded by 1.9% the average of R$ 86.58 for 1H14. The additional demand due to the electoral campaign in 3Q14 was immaterial when compared to previous elections. Net revenues from sales of decommissioned cars for the renewal of the fleet of this division increased 6.5% due to the increase of 1.8% in the number of cars sold and of 4.5% in the average price of cars sold.

- Increase of 4.2% in the net revenues from Fleet Rental Division (includes revenues from the sale of decommissioned cars for the fleet renewal), reflecting the increase of 15.7% in the revenues from sales of decommissioned cars for the renewal of the fleet of this division due to the increase of 19.3%% in the number of cars sold, partially offset by the decrease of 3.1% in the average price of the cars sold. The net revenues from the fleet rental division decreased 1.5% due to the decrease of 4.9% in the volume of daily rentals, partially offset by the increase of 4.2% in the average daily rate.

- Revenues from franchising decreased R$ 0.6 million.

Costs

Consolidated costs increased 12.3% in 9M14, basically reflecting: (i) the increase of 17.9% in the costs of cars sold due to the increase of 16.8% in the number of decommissioned cars for fleet renewal; (ii) 5.7% in the costs of salaries and charges due to the employees' progression and promotion programs which take place in May, and additions to the labor provision; (iii) 13.1% in the real estate rental costs, affected by the inflation and market and by the establishment of 16 new branches; and (iv) increase in the car maintenance costs, offset by the decrease of 8.5% in car fleet depreciation.

Comments on company performance

In 3Q14, the costs increased 7.8% reflecting: (i) 7.3% in the costs of cars sold due to the increase of 4.3% in the number of decommissioned cars for fleet renewal; (ii) 8.4% increase in the costs of salaries and charges due to the employees' progression and promotion programs which take place in May, and additions to the labor provision; (iii) 14.2% in the real estate rental costs, affected by the inflation and market; and (iv) increase in the maintenance costs, partially offset by the decrease of 10.4% in car fleet depreciation.

As a percentage of consolidated net revenues, consolidated costs remained almost unchanged, at around 70.0% in the nine-month periods under analysis.

Operating expenses

The consolidated operating expenses increased 11.3% in 9M14. This increase was mainly caused by: (i) expenses with outsourced strategic consulting, and (ii) increase in expenses of salaries and payroll charges due to the employees' progression and promotion programs which take place in May, and the increase of the provision for labor litigation. Operating expenses remained stable in relation to net revenues, about 11.0%.

Financial expenses, net

Net financial costs increased R$ 14.4 million in 3Q14 (R$ 47.2 million in 9M14) basically due to: (i) the increase in the Basic Interest Rate (SELIC) rate from 8.0% to 11.0%; and (ii) anticipated payment of Tax on Financial Transactions (IOF) of R$ 1.2 million and bank commission due to the anticipated payment of working capital loans with a principal amount of R$ 173.0 million.

Income tax and social contribution

The income tax and social contribution expenses increased 3.6% in 9M14 due to the increase in the net income generated in the period. The effective income tax and social contribution rate did not change significantly, going from 29.1% in 9M13 to 28.8% in 9M14.

1. OPERATION

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

The main activities of Localiza and its subsidiaries ("Company") comprise car rental, fleet rental and franchising. As part of its fleet renewal program, Localiza and its subsidiary Localiza Fleet S.A. ("Localiza Fleet") sell their decommissioned cars for the renewal of the rental fleet.

On September 30, 2014, the Localiza System, including franchisees in Brazil and abroad, were comprised of 534 car rental locations, of which: i) 470 locations in 341 cities in Brazil, being 302 operated by Localiza and the remaining by franchisees, and ii) 64 locations in 38 cities in 8 South American countries, all operated by franchisees.

The fleet of the Localiza System comprised 116,363 cars, on September 30, 2014, being: i) 103,563 belonging to the Company, including 33,072 of the Fleet Rental Division; ii) 9,204 belonging to franchisees in Brazil and iii) 3,596 belonging to franchisees abroad. After being utilized in rental activities, cars are sold in order to generate cash for the fleet renewal. Decommissioned cars are substantially sold to final consumers through 74 sales points, located in 44 cities throughout Brazil, thereby avoiding intermediation costs.

Localiza's direct and indirect subsidiaries are summarized in Note 7(a).

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

The Company's interim financial information includes:

- The parent company interim financial information prepared and presented in accordance with the Accounting Standard CPC 21 (R1) - Interim Financial Reporting and the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR), identified as "Parent company - BR GAAP "; and

- The consolidated interim financial information prepared and presented in accordance with the Accounting Standard CPC 21 (R1) - Interim Financial Reporting and the International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and consistent with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (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 Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM).

The parent company interim financial information discloses investments in subsidiaries under the equity method of accounting, in accordance with prevailing Brazilian legislation. The accounting practices adopted in Brazil applied to the parent company interim financial information differ from IFRS applicable to the interim financial information only with respect to the measurement of investments in subsidiaries under the equity method, whereas, for IFRS purposes, these investments would be measured at cost or fair value.

The Company did not have other comprehensive income in current and prior periods.

The other information on the basis of preparation and presentation of the interim financial information and the summary of significant accounting policies is the same as that disclosed in Note 2 to the annual financial statements for the year ended December 31, 2013 (hereinafter referred to as "Financial statements for the year ended December 31, 2013"), published on March 21, 2014 in the newspapers "Diário Oficial de Minas Gerais" (Minas Gerais Official Gazette), "Diário do Comércio Minas Gerais", "Valor Econômico" (condensed form), and available through the following websites: www.cvm.gov.br, www.bmfbovespa.com.br and www.localiza.com/ri.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting standards and interpretations that were in effect on December 31, 2013, as disclosed in Note 3 to the financial statements for the year ended December 31, 2013, were not significantly different from those in effect for this financial information.

The accounting standards and interpretations that became effective as from January 1, 2014, as disclosed in Note 3 to the financial statements for the year ended December 31, 2013, do not significantly affect the Company and subsidiaries.

4. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Cash and banks	3,089	7,511	20,538	22,307
Bank Deposit Certificates (CDBs)	75,134	164,957	94,150	240,479
Financial investments with guarantee of repurchase	106,708	449,050	335,132	747,954
Fixed-income investment funds	562,363	-	841,584	-
Total	**747,294**	**621,518**	**1,291,404**	**1,010,740**

As of September 30, 2014, investments in Bank Deposit Certificates (CDB), financial investments and investment fund quotas yield an average of 105.3% of the CDI variation rate (101.9% as of December 31, 2013) and have immediate liquidity (repurchase guarantee).

5. TRADE RECEIVABLES - CUSTOMERS

The composition of trade receivables - customers is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Car rental	260,216	259,732	257,671	258,720
Fleet rental	-	-	65,160	53,938
Sale of decommissioned cars	94,125	85,123	116,944	107,538
Franchising	1,823	1,374	10,586	14,957
	356,164	**346,229**	**450,361**	**435,153**
Provision for impairment of trade receivables	(11,783)	(12,998)	(19,795)	(19,748)
Total	**344,381**	**333,231**	**430,566**	**415,405**
Current	**344,381**	**333,231**	**426,607**	**408,262**
Non-current	**-**	**-**	**3,959**	**7,143**

The other information on trade receivables-customers (parent company and consolidated) was not significantly altered compared to that disclosed in Note 5 to the financial statements for the year ended December 31, 2013.

6. OTHER CURRENT AND NON-CURRENT ASSETS

The composition of other current and non-current assets is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Balances stated separately in current assets:				
Prepayments (*)	8,979	244	12,354	244
Recoverable taxes and other	6,340	6,372	11,887	9,544
	15,319	6,616	24,241	9,788
Other current assets:				
Amounts receivable from insurance company (**)	38,900	29,819	54,853	42,915
Other receivables - subsidiaries (Note 7(b))	1,669	4,933	-	-
Other	4,933	3,317	7,380	5,195
	45,502	38,069	62,233	48,110
Total in current assets	60,821	44,685	86,474	57,898
Balances stated separately in non-current assets:				
Other receivables - subsidiaries (Note 7(b))	587	487	-	-
Investments in marketable securities (***)	-	-	89,980	-
Other non-current assets	83	83	83	83
	670	570	90,063	83
Total in current and non-current assets	**61,491**	**45,255**	**176,537**	**57,981**

(*) Basically refers to prepaid expenses with the renewal of the Car Tax (IPVA), which are amortized based on the estimated useful life of the vehicles.

(**) Expenses incurred 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, 2013).

(***) Refers to the marketable securities of the wholly-owned subsidiary Rental Brasil, invested in Financial Bills on June 25, 2014. This amount corresponds to the portion of the Real Estate Credit Note borrowing obtained of R$ 190,000. This investment is remunerated at 103.5% of the CDI variation, has final maturity in two years and is invested in escrow account. It will be released to the extent the construction works of the Company's new headquarters are executed.

7. INVESTMENTS AND RELATED-PARTY TRANSACTIONS

(a) Information on subsidiaries

The businesses of car rental, fleet rental and franchises in Brazil and abroad are conducted by Localiza or by one of its subsidiaries.

The operations of the main subsidiaries are as follows:

Localiza Fleet S.A.: privately-held corporation engaged in the fleet rental business.

Localiza Franchising Brasil S.A.: privately-held corporation operating in the franchise business of the "Localiza" brand in Brazil.

Localiza Serviços Prime S.A. ("Prime"): privately-held corporation operating in the intermediation of decommissioned cars sales, previously used by Localiza and Localiza Fleet. Its corporate purposes are: (i) intermediation of business and services in general; (ii) preparation of projects, technical support, consultancy and development of systems; (iii) outsourced labor; and (iv) rendering of services and negotiation with repair shops and other suppliers, regulation of claims, approval of budgets and services carried out, management of information and claims evidencing documents.

Rental Brasil Administração e Participação S.A.: privately-held corporation, whose corporate purpose is the management and participation as quotaholder or shareholder in other companies.

Localiza Cuiabá Aluguel de Carros Ltda.: limited liability company, former franchisee of the Localiza brand, with car rental business in the cities of Cuiabá, Várzea Grande, Cáceres and Tangará da Serra in the state of Mato Grosso. It was acquired by the Company on April 30, 2014 (see item b(ii) below).

The other subsidiaries of the Company, Rental International LLC, Car Assistance Serviços de Administração de Sinistros S.A., Localiza Franchising International SRL and FR Assistance Serviços de Administração de Sinistros S.A. are wholly-owned subsidiaries and limited liability corporations.

The Shareholders' Ordinary and Extraordinary General Meeting held on April 29, 2014 approved the merger of the companies Localiza Car Rental S.A. and Localiza JF Aluguel de Carros Ltda., wholly-owned subsidiaries of the Company, with transfer of all the assets, liabilities and equity to the Company. This merger is justified for meeting the strategic guidelines of Localiza for administrative and financial simplification and streamlining, as well as developing directly all the car rental activities in one sole company. The merged balances are summarized as follows:

LOCALIZA RENT A CAR S.A. AND SUBSIDIARIES

Notes to the interim financial information for the period ended September 30, 2014

All amounts in thousands of Reais unless otherwise stated

Localiza Car Rental S.A.

Assets on April 30, 2014		Liabilities and equity on April 30, 2014	
Current assets:		**Current liabilities:**	
Cash and banks	4,480	Dividends payable to the parent company	2,506
Trade receivables - customers	4,117	Other current liabilities	405
Other current assets	1,290		
Total current assets	**9,887**	**Total current liabilities**	**2,911**
Non-current assets:			
Escrow deposits	12		
Total non-current assets	**12**	**Equity**	**6,988**
Total assets	**9,899**	**Total liabilities and equity**	**9,899**

Localiza JF Aluguel de Carros Ltda.

Assets on April 30, 2014		Liabilities and equity on April 30, 2014	
Current assets:		**Current liabilities:**	
Cash and banks	98	Salaries and social charges	6
Trade receivables - customers	117	Dividends payable to the parent company	44
Other current assets	4,148		
Total current assets	**4,363**	**Total current liabilities**	**50**
Non-current assets:		**Non-current liabilities:**	
Property and equipment	1,648	Loan	1,308
Total non-current assets	**1,648**	**Total non-current liabilities**	**1,308**
		Equity	**4,653**
Total assets	**6,011**	**Total liabilities and equity**	**6,011**

LOCALIZA RENT A CAR S.A. AND SUBSIDIARIES

Notes to the interim financial information for the period ended September 30, 2014

All amounts in thousands of Reais unless otherwise stated

The Company's interest in the capital, equity and results of direct and indirect subsidiaries was as follows:

	Number of shares		interest In capital (%)		In equity		In the income statement	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9M14	9M13
Direct subsidiaries:								
Localiza Fleet	103,280,354	103,280,354	100.0	100.0	802,413	793,564	140,584	139,752
Rental Brasil	15,000,000	15,000,000	100.0	100.0	150,000	40,922	-	-
Localiza Serviços Prime	15,000	15,000	100.0	100.0	94,290	89,742	4,548	(697)
Localiza Cuiabá	4,730,000	-	100.0	-	5,017	-	287	-
Car Assistance	200,000	200,000	100.0	100.0	4,251	240	11,696	12,012
Localiza Franchising Brasil	399,069	399,069	100.0	100.0	3,908	604	10,018	10,429
LFI SRL	23,750	23,750	95.0	95.0	50	68	(18)	(8)
Localiza Car Rental	-	1,339,961	-	100.0	-	4,165	2,823	6,495
Localiza JF	-	4,709,202	-	100.0	-	4,711	(58)	6
Rental International (*)	1,000	1,000	100.0	100.0	-	-	(99)	(71)
					1,059,929	**934,016**	**169,781**	**167,918**
Goodwill and fair value increment in the acquisition of investments								
Appreciation of property and equipment items					840	2,479	-	-
Goodwill					22,077	12,354	-	-
Total					**1,082,846**	**948,849**	**169,781**	**167,918**
Indirect subsidiary:								
FR Assistance	150,000	150,000	100.0	100.0	150	150	-	-
Indirect interest:								
LFI SRL	1,250	1,250	5.0	5.0	4	4	-	-

(*) In 9M14, Localiza recognized in its liabilities a provision for capital deficiency related to the subsidiary Rental International.

The changes in investments in subsidiaries, including goodwill, are as follows:

On December 31, 2013	**948,849**
Capital contribution in subsidiary (*)	109,078
Acquisition of franchisee, goodwill and fair value increment of assets (**)	12,814
Merger of subsidiaries	(11,641)
Equity in the results of subsidiaries	169,781
Dividends from subsidiaries (item (iii) below)	(146,134)
Provision for net capital deficiency (***)	99
On September 30, 2014	**1,082,846**

(*) On March 7, 2014, a capital increase of R$ 109,078 to R$ 150,000, was paid in cash to the wholly-owned subsidiary Rental Brasil Administração e Participação S.A., as approved in the meeting of the Board of Directors.
(**) Refers to investment, appreciation of property and equipment items net of the realizations and goodwill on the acquisition in April 2014 of Localiza Cuiabá (see Note 7 (a)).
(***) Rental International.

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

LOCALIZA RENT A CAR S.A. AND SUBSIDIARIES

Notes to the interim financial information for the period ended September 30, 2014

All amounts in thousands of Reais unless otherwise stated

(i) Balance sheets

9/30/2014	Localiza Fleet	Localiza Franchising Brasil	Localiza Serviços Prime	Rental International	Car Assistance	Rental Brasil	LFI SRL	Localiza Cuiabá
Assets								
Current assets	351,165	16,783	116,533	16	4,951	185,732	92	1,218
Non-current assets								
Long-term receivables	16,183	2,397	3,942	-	-	89,980	-	-
Investment	4	-	-	-	-	-	-	-
Property and equipment	965,693	89	-	-	-	(*) 60,465	-	3,959
Intangible assets	2,522	1,257	-	-	-	-	-	-
Total	**1,335,567**	**20,526**	**120,475**	**16**	**4,951**	**336,177**	**92**	**5,177**
Liabilities and equity								
Current liabilities	295,159	5,456	15,755	-	700	1,338	-	160
Non-current liabilities	237,995	11,162	10,430	587	-	184,839	38	-
Equity	802,413	3,908	94,290	(571)	4,251	150,000	54	5,017
Total	**1,335,567**	**20,526**	**120,475**	**16**	**4,951**	**336,177**	**92**	**5,177**

12/31/2013	Localiza Fleet	Localiza Franchising Brasil	Localiza Serviços Prime	Localiza Car Rental	Rental International	Car Assistance	Rental Brasil	LFI SRL	Localiza JF
Assets									
Current assets	351,831	22,193	110,209	15,301	15	5,357	12,709	116	538
Non-current assets									
Long-term receivables	13,718	2,123	2,453	16	-	-	-	-	-
Investment	4	-	-	-	-	-	-	-	-
Property and equipment	884,046	124	-	-	-	-	(*) 28,612	-	8,844
Intangible assets	1,764	1,172	-	-	-	-	-	-	-
Total	**1,251,363**	**25,612**	**112,662**	**15,317**	**15**	**5,357**	**41,321**	**116**	**9,382**
Liabilities and equity									
Current liabilities	256,347	10,346	12,888	11,152	-	5,117	399	-	3,402
Non-current liabilities	201,452	14,662	10,032	-	487	-	-	44	1,269
Equity	793,564	604	89,742	4,165	(472)	240	40,922	72	4,711
Total	**1,251,363**	**25,612**	**112,662**	**15,317**	**15**	**5,357**	**41,321**	**116**	**9,382**

(*) Includes the amounts of the land transferred by Localiza to Rental Brasil S.A. as capital increase and expenditures incurred with construction.

(ii) Statements of income

9M14	Localiza Fleet	Localiza Franchising Brazil	Localiza Serviços Prime	Localiza Car Rental	Rental International	Car Assistance	LFI SRL	Localiza JF	Localiza Cuiabá
Income statement									
Net revenues	675,849	12,779	42,276	9,830	-	13,221	-	521	1,595
Gross result	247,303	10,563	37,222	3,915	-	12,915	-	(20)	508
Profit (loss) before income tax and social contribution	213,067	11,950	4,789	3,992	(99)	13,424	(18)	(58)	415
Profit (loss) for the period	**140,584**	**10,018**	**4,548**	**2,823**	**(99)**	**11,696**	**(18)**	**(58)**	**287**

9M13	Localiza Fleet	Localiza Franchising Brazil	Localiza Serviços Prime	Localiza Car Rental	Rental International	Car Assistance	LFI SRL	Localiza JF	
Income statement									
Net revenues	620,978	13,928	39,480	17,106	-	13,634	-	612	
Gross result	237,085	11,400	33,921	8,361	-	13,366	-	3	
Result before Income Tax (IR) and Social Contribution (CS)	210,646	12,341	(536)	8,495	(71)	13,750	(8)	8	
Profit (loss) for the period	**139,752**	**10,429**	**(697)**	**6,495**	**(71)**	**12,012**	**(8)**	**6**	

(iii) Dividends from subsidiaries

2014	Localiza Fleet	Localiza Franchising Brasil	Car Assistance	Total
2013 proposed dividends	43,912	3,677	4,357	51,946
Dividends proposed and paid in 2014	131,735	-	-	131,735
Prepaid dividends for 2014	-	6,714	7,685	14,399
Total	**175,647**	**10,391**	**12,042**	**198,080**

2013	Localiza Fleet	Localiza Franchising Brazil	Localiza Car Rental	Car Assistance	Total
Dividends for 2012	29,929	3,324	2,297	4,166	39,716
Prepaid dividends for 2013	-	10,429	6,495	12,013	28,937
Total	**29,929**	**13,753**	**8,792**	**16,179**	**68,653**

(b) Balances and transactions with related parties

(i) Balances and transactions with subsidiaries

	Localiza Fleet		Other		Total	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Balances:						
Trade receivables - customers	4,718	2,966	9	7,882	4,727	10,848
Dividends receivable from subsidiaries	-	43,912	-	10,584	-	54,496
Other receivables (current and non-current) (Note 6)	1,602	1,213	654	4,206	2,256	5,420
Net capital deficiency in subsidiaries (Note 13)	-	-	571	472	571	472
Payables to subsidiaries (Note 13)	-	-	2,005	300	2,005	300

	Localiza Fleet		Other		Total	
	9M14	9M13	9M14	9M13	9M14	9M13
Transactions:						
Costs and expenses	-	-	(5,773)	-	(5,773)	-
Recovery of expenses and costs	14,457	5,504	2,336	2,423	16,793	7,927
Revenues from car rentals	14,431	6,616	3,152	4,381	17,583	10,997

As of September 30, 2014, there were sureties related to guarantees for loans and financing, totaling R$ 613,956 (R$ 651,322 on December 31, 2013), between Localiza and Localiza Fleet. Out of the total amount on September 30, 2014, R$ 190,843 refers to the sureties between Localiza and Rental Brasil. There were also sureties between companies in connection with bank guarantees and guarantee insurances contracted for lawsuits totaling R$ 32,383 (R$ 11,443 on December 31, 2013).

The Company optimizes cash through a centralized administration and the concept of sole cash funds.

Intercompany receivables and payables do not have defined maturity and settlement dates and depend on the companies' cash flows. Transactions are conducted based on conditions agreed upon between Localiza and its wholly-owned subsidiaries.

(ii) Localiza Cuiabá Aluguel de Carros Ltda.

The Shareholders' Ordinary and Extraordinary General Meeting held on April 29, 2014 approved the acquisition of all the quotas of Localiza Cuiabá Aluguel de Carros Ltda., a franchisee of Localiza which conducted the car rental business in the cities of Cuiabá, Várzea Grande, Cáceres and Tangará da Serra in the state of Mato Grosso. On April 30, 2014, a contract for purchase and sale totaling R$ 15,895 was signed, generating an investment of R$ 4,730, goodwill of R$ 9,723 due to the future projected profitability allocated to the Car Rental Division and a fair value adjustment of property and equipment (cars) of R$ 1,442. The net assets acquired by the Company comprised the following balance sheet accounts:

Localiza Cuiabá Aluguel de Carros Ltda.			
Assets on April 30, 2014		**Liabilities and equity on April 30, 2014**	
Current assets:		**Current and non-current liabilities:**	
Cash and banks	3	Salaries and social charges	75
		Borrowings	5,418
		Loan	2,949
Total current assets	**3**	**Total in current and non-current liabilities**	**8,442**
Non-current assets:			
Property and equipment	13,169		
Total non-current assets	**13,169**	**Equity**	**4,730**
Total assets	**13,172**	**Total liabilities and equity**	**13,172**

(iii) Transactions with other related parties

- Key management compensation

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9M14	**9M13**	**9M14**	**9M13**
Compensation of Board of Directors	(*) 7,798	5,403	(*) 7,798	5,403
Management and Executive Board:				
Fees and remuneration	6,775	8,460	9,642	14,913
Social charges	2,305	2,247	3,329	3,725
Options granted recognized	2,753	3,135	2,753	3,135
Supplementary pension plan (**)	1,150	1,565	2,032	2,552
Total	**20,781**	**20,810**	**25,554**	**29,728**

(*) In the first quarter of 2013, the Chairman of the Board of Directors accumulated the role of chief executive officer of the Company, therefore, there was no remuneration as Chairman of the Board of Directors. As of April 2013, the Chairman of the Board of Directors no longer accumulated the role of chief executive officer of the Company, starting to receive fees as Chairman of the Board of Directors, which explains the increase in the remuneration of the Board of Directors in 9M14 in relation to 2013.
(**) The Company offers a Pension Plan for management (see details in Note 25 to the financial statements for the year ended December 31, 2013). Except for this Plan, the Company does not have other programs for the granting of severance benefits to Management.

8. PROPERTY AND EQUIPMENT

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

	Parent company(BR GAAP)			Consolidated(IFRS and BR GAAP)		
	Cars	Other property and equipment	Total	Cars	Other property and equipment	Total
Cost:						
On December 31, 2013	**1,952,104**	**229,044**	**2,181,148**	**3,152,469**	**260,313**	**3,412,782**
Additions	1,222,144	5,635	1,227,779	1,607,157	37,690	1,644,847
Write offs/transfers (*)	(1,132,063)	(3,927)	(1,135,990)	(1,459,178)	(4,463)	(1,463,641)
On September 30, 2014	**2,042,185**	**230,752**	**2,272,937**	**3,300,448**	**293,540**	**3,593,988**
Accumulated depreciation:						
On December 31, 2013	**(64,863)**	**(92,916)**	**(157,779)**	**(371,078)**	**(94,230)**	**(465,308)**
Additions	(58,907)	(21,754)	(80,661)	(152,684)	(21,965)	(174,649)
Write offs/transfers (*)	59,714	4,033	63,747	171,173	4,086	175,259
On September 30, 2014	**(64,056)**	**(110,637)**	**(174,693)**	**(352,589)**	**(112,109)**	**(464,698)**

(*) Include write-offs due to car sales, robbery, damage and transfer of decommissioned cars for fleet renewal to non-current assets for sale, and the property and equipment balances referring to the acquisition of the franchisee of Cuiabá (further details in Note 7b (ii)).

Net carrying value:						
On December 31, 2013	**1,887,241**	**136,128**	**2,023,369**	**2,781,391**	**166,083**	**2,947,474**
On September 30, 2014	**1,978,129**	**120,115**	**2,098,244**	**2,947,859**	**181,431**	**3,129,290**

The composition of the main classes of assets under "Other property and equipment", as well as their net carrying values, is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Leasehold improvements (*)	73,369	86,538	73,369	86,574
Furniture and fittings	19,032	21,666	19,652	22,380
IT equipment	10,234	10,660	10,314	10,800
Property and equipment in progress	2,705	2,043	44,349	15,074
Land	681	681	19,503	16,503
Other	14,094	14,540	14,244	14,752
Total	**120,115**	**136,128**	**181,431**	**166,083**

(*) The period of leasehold improvements amortization considers the expectation of renewal of property rental contracts, in accordance with the terms of the contract.

As of September 30, 2014, the accounts "Cars" and "Other property and equipment" include the values of property and equipment items accounted for as finance leases in the amount of R$ 374,487 (R$ 223,131 as of December 31, 2013) (See Note 23).

Effect of the IPI tax for new cars

At the end of 2013, the Brazilian Government had announced the maintenance of the IPI increase for new cars as from January 2014. The return of the IPI tax rates to the original levels was expected for July 2014. At the end of June 2014, however, the Government opted for a new extension of this discount, which will probably be extended up to December 31, 2014. These measures are being implemented as an incentive to the automobile industry by stimulating the demand, considering that the decrease in the tax rate will probably be transferred to the final consumer.

Decommissioned cars for fleet renewal

These are presented at the lower of fair value less estimated cost to sell and residual book value, which includes acquisition cost net of accumulated depreciation through the date cars are classified as "decommissioning cars for fleet renewal" in the "non-current assets for sale" account. The balances in each year are as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Cost	523	135	18,459	25,636
Accumulated depreciation	(39)	(16)	(5,967)	(9,116)
Carrying value	**484**	**119**	**12,492**	**16,520**

Construction of the new headquarters of the Company

In June, 2013, the Board of Directors approved the construction of the new headquarters of the Company. This investment will allow: (i) the reduction of expenses from property rentals in the future; (ii) a productivity gain with the centralization of administration and support, which are currently located in five buildings; and (iii) support for the growth of the Company allowing the integration and same location of the central management.

The land of 30 thousand m² was purchased in 2008 and is currently owned by Rental Brasil Administração e Participação S.A., a fully-owned subsidiary of Localiza, with expenditures of R$ 22,087 on the land, projects and approvals of municipal authorities. In 9M14, R$ 28,853 was spent (R$ 6,525 up to December 31, 2013). All of the current furniture and equipment will be used in the new facilities.

9. INTANGIBLE ASSETS

(a) *Computer software*

The gross book value, the accumulated amortization and the net carrying value of software are as follows:

	Parent company (BR GAAP)	Consolidated (IFRS and BR GAAP)
Cost		
On December 31, 2013	**57,941**	**61,824**
Additions	11,403	12,748
Write offs/transfers	(4,840)	(4,840)
On September 30, 2014	**64,504**	**69,732**
Accumulated amortization		
On December 31, 2013	**(13,586)**	**(14,533)**
Additions	(4,271)	(4,773)
Write offs/transfers	4,860	4,860
On September 30, 2014	**(12,997)**	**(14,446)**
Net carrying value of software		
On December 31, 2013	**44,355**	**47,291**
On September 30, 2014	**51,507**	**55,286**

The other information on intangible assets - software (parent company and consolidated) was not significantly changed compared to that disclosed in Note 9 to the financial statements for the year ended December 31, 2013.

(b) Goodwill on the acquisition of investments

The gross book value, the accumulated amortization and the net carrying value of goodwill are as follows:

	Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013
Goodwill on acquisition of non-controlling interest in subsidiaries	4,918	4,918
Goodwill on acquisition of investments in franchisees (Note 7 b(ii))	17,569	7,846
Accumulated amortization	(410)	(410)
Net carrying value	**22,077**	**12,354**

Under CVM Resolution 565/08, goodwill on the acquisition of a non-controlling interest in subsidiaries, allocated to the Car Rental Division, is no longer amortized beginning on January 1, 2009 but it is tested for impairment at least annually.

Goodwill of R$ 17,569 on the acquisition of franchisees, allocated to the Car Rental Division, will not be amortized and will be tested for impairment at least annually.

10. TRADE PAYABLES

Trade payables are comprised as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Car manufacturers	389,610	318,232	499,946	378,102
Maintenance services and parts	4,687	22,897	19,305	35,949
Rentals	205	6,727	205	6,727
Insurance policies	26,052	12,561	26,090	12,540
Other	8,827	26,537	13,133	27,164
Total	**429,381**	**386,954**	**558,679**	**460,482**

Balances payable to car manufacturers refer to cars purchased at the end of each period bearing no financial charges and average mature of 60 days after the purchase.

11. SOCIAL AND LABOR OBLIGATIONS

Payroll and related taxes are comprised as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Provision for vacation pay	20,859	19,066	27,452	24,994
Provision for 13th month salary (*)	10,836	-	14,298	-
Provision for employee profit sharing	18,876	26,142	25,486	36,366
National Institute of Social Security fund (INSS)	4,203	4,393	5,765	5,992
Government Severance Indemnity Fund for Employees (FGTS)	1,024	918	1,326	1,249
Other	1,362	3,040	1,998	5,303
Total	**57,160**	**53,559**	**76,325**	**73,904**

(*) Provision for employees' 13th month salary accumulated during the year, which is usually paid by the Company in November of each year.

Localiza makes semi-annual profit sharing payments to employees, based on their categories and performance evaluation, classified as "Cost", "Selling expenses" and "General, administrative and other expenses", in the income statement, according to the functional allocation of the respective employees.

12. LOANS, FINANCING AND DEBENTURES

The composition of loans, financing and debentures is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)			
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	Maturity	Effective interest rate
In local currency						
Debentures - 2nd issuance	-	66,707	-	66,707	7/2/2014	CDI + 0.6% p.a.
Debentures - 4th issuance	175,888	194,432	175,888	194,432	5/5/2014 to 5/5/2017	114.2% of CDI
Debentures - 5th issuance	518,327	501,859	518,327	501,859	5/30/2016 to 5/30/2017	114.5% of CDI
Debentures - 6th issuance	315,155	305,583	315,155	305,583	10/15/2016 to 10/15/2019	CDI + 1.07% p.a.
Debentures - 7th issuance	496,892	509,249	496,892	509,249	3/30/2016 to 9/30/2021	113.6% of CDI
Debentures - 8th issuance	500,435	-	500,435	-	9/10/2019 and 9/10/2020	110.9% of CDI
Working capital and other	3,792	152,529	(*) 484,480	401,563	7/1/2014 to 6/25/2021	Equivalent to CDI + 1.06% p.a.
Fixed Swap	(2,489)	(3,084)	(2,489)	(5,450)	-	*Swap* - CDI for fixed rate
In foreign currency						
Foreign currency loans - U.S. dollars	124,604	369,596	124,604	369,596	8/17/2015 to 8/16/2017	108.4% and 114.7% of the CDI
Total	**2,132,604**	**2,096,871**	**2,613,292**	**2,343,539**		
Current liabilities	**113,006**	**172,514**	**245,865**	**275,394**		
Non-current liabilities	**2,019,598**	**1,924,357**	**2,367,427**	**2,068,145**		

(*) R$ 291,061 of the total of R$ 484,480 was contracted as debt by Localiza Fleet, with an average fixed rate of 12.85% p.a. (R$ 93,712, at the average rate of 10.28% p.a., on December 31, 2013).

The changes in loans, financing and debentures are as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Opening balance	**2,096,871**	**1,822,574**	**2,343,539**	**2,055,091**
Proceeds	499,238	498,530	857,166	608,842
Interest and financial charges	170,469	166,192	197,579	187,044
Amortization	(412,199)	(258,218)	(541,374)	(349,941)
Interest payment	(222,370)	(129,123)	(246,579)	(152,047)
Fixed Swap	595	(3,084)	2,961	(5,450)
Closing balance	**2,132,604**	**2,096,871**	**2,613,292**	**2,343,539**

As of September 30, 2014, Localiza had five outstanding debentures issued, all non-convertible into shares. Localiza's debentures are subject to certain restrictive covenants, as follows: **(i)** request or declaration of bankruptcy by the issuer or third parties that is not duly resolved within the legal term; **(ii)** default of individual or aggregate amount equal to or higher than R$ 25,000; **(iii)** a reduction in Localiza's capital and/or repurchase of its own shares for cancellation, except if previously authorized by the debenture holders; **(iv)** amalgamation, merger or spin-off of Localiza, except if under the terms of Article 231 of the Brazilian Corporate Law or if the spun-off portion or the entity resulting from the amalgamation or merger remain in the current Controlling Group of the issuer; and **(v)** non-maintenance of quarterly financial ratios,

based on the Company's consolidated financial statements, and downgrading of the Company's rating, as follows:

Issuance	Adjusted net debt/ EBITDA(*) (maximum limit)	Adjusted EBITDA (*)/Net financial expenses (minimum limit)	Downgrading of the rating, on the national scale (***)
2nd issuance	3.25	2.00	In two notes or more in relation to the rating brAA- (BR, double A, negative) by Standard & Poor's (**)
4th issuance	4.00	1.50	In two notes or more in relation to the rating brAA- (BR, double A, negative) by Standard & Poor's (**)
5th issuance	4.00	1.50	In two notes or more in relation to the rating brAA- (BR, double A) by Standard & Poor's (**)
6th issuance	4.00	1.50	If rating is downgraded to brA+ (BR,A,positive) by Standard & Poor's (**)
7th issuance	4.00	1.50	Corporate credit rating granted by Moody's, Standard&Poor's or Fitch Ratings to the Issuer for the following levels of classification of risks, or less, on the national scale: Aa3, AA- and AA- respectively
8th issuance	4.00	1.50	In two notes or more in relation to the rating brAAA (BR, triple A) by Standard & Poor's (**).

(*) Adjusted EBITDA corresponds to the issuer's net income or loss, on a consolidated basis, for the last 12-month period, before (i) financial expenses (income), net; (ii) income tax and social contribution; (iii) depreciation and amortization expenses for the 4th issuance. For the 5th issuance, EBITDA is also adjusted for (i) stock option costs and (ii) non-recurring expenses. For the 6th, 7th and 8th issuances, EBITDA is also adjusted by impairment.
(**) Due to any change in shareholding structure that results in the loss, transfer or disposal of the Company's controlling power by the current controlling shareholders, and the fourth issuance includes the direct downgrading.
(***) Ratings of corporate credit on the national scale in force on September 30, 2014: Standard &Poor's (br.AAA/stable); Moody's (Aa1.br/stable); Fitch Ratings (AAA(bra)/stable).

Localiza Rent a Car completed the 8th issuance of debentures on September 10, 2014, in accordance with the CVM Instruction 476/09, totaling R$ 500,000, for the final period of 6 years. On this same date, the Company settled in advance working capital loans with principal amounts of R$ 173,000, maturing in 2014, 2015 and 2016. The loan is subject to certain accelerated maturity events which include compliance by the Company with financial ratios calculated on a quarterly basis, based on the consolidated financial statements, identical to the ratios required in the 6th and 7th debenture issuances. Expenses incurred on the issuance, including taxes, commissions and other costs, totaled R$ 2,699, and are classified in the same account as the respective borrowings to be recognized as expenses over the total debt period.

Additionally, the Company has loans and financing that include certain accelerated maturity events under conditions similar to those applicable to debentures. The Company's management understands that the restrictive clauses applicable to loans, financing and debentures were being complied with on September 30, 2014.

The other information on loans, financing and debentures (parent company and consolidated) was not significantly changed compared to that disclosed in Note 12 to the financial statements for the year ended December 31, 2013.

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities are comprised as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Amounts stated separately in current liabilities:				
Accounts payable and net capital deficiency of subsidiaries (Note 7(b))	2,576	772	-	-
Other federal taxes	8,527	8,750	11,279	11,644
Municipal tax obligations	507	1,009	1,964	1,879
	11,610	10,531	13,243	13,523
Other current liabilities:				
Advances from car rental customers	6,293	19,601	7,547	21,539
Insurance premiums for transfer (*)	29,143	34,166	29,497	34,344
Deferred revenues (**)	36	36	5,713	6,840
Other	1,531	2,166	2,289	2,318
	37,003	55,969	45,046	65,041
Total other current liabilities	48,613	66,500	58,289	78,564
Other non-current liabilities				
Deferred revenues (**)	57	82	10,947	15,346
Other	6,030	10,171	8,084	14,115
	6,087	10,253	19,031	29,461
Total in current and non-current liabilities	**54,700**	**76,753**	**77,320**	**108,025**

(*) Premiums received from customers that contracted insurance for rented cars and that were transferred by Localiza to the insurance company (Note 2.7.11 to the financial statements for the year ended December 31, 2013).
(**) Basically refers to flat fee revenue billed to franchisees for the granting of the right to use Localiza's brand. This revenue is recognized in the income statement during the life of the contract (usually 60 months).

14. PROVISIONS AND ESCROW DEPOSITS

(a) Provisions constituted

The composition of provisions for contingencies is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Tax	3,589	3,526	6,011	5,675
Social security and labor (*)	37,804	28,146	46,586	34,742
Civil	9,575	7,939	10,941	10,516
Total	**50,968**	**39,611**	**63,538**	**50,933**

(*) Changes in the social security and labor provisions were mainly a result of an increase of 220 labor proceedings in 9M14.

(b) Escrow deposits

Escrow deposits are comprised as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Tax	15,659	15,180	28,923	26,500
Social security and labor	5,371	6,487	9,188	9,014
Civil	1,960	2,425	2,108	2,562
Total	**22,990**	**24,092**	**40,219**	**38,076**

The other information on Provisions and Escrow Deposits (parent company and consolidated) has not significantly changed compared to that disclosed in Note 14 to the financial statements for the year ended December 31, 2013.

15. TAXES ON INCOME - INCOME TAX AND SOCIAL CONTRIBUTION

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

The composition of deferred income tax and social contribution is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Temporary differences in the deductibility of provisions:				
Provision for payables to suppliers and others	3,019	1,776	6,128	2,198
Provisions for litigation	16,816	12,893	17,881	13,974
Provision for impairment of trade receivables	2,079	2,688	3,169	5,482
Swap transaction taxable on a cash basis	-	10,676	-	10,676
Income tax and social contribution losses	-	-	29	29
Total deferred income tax and social contribution assets - non-current	**21,914**	**28,033**	**27,207**	**32,359**
Cars depreciation (*)	65,333	57,232	92,493	86,969
Finance leasing of property and equipment	1,427	1,423	45,386	24,826
Swap transactions taxable on a cash basis	413	-	413	-
Total deferred income tax and social contribution liabilities - non-current	**67,173**	**58,655**	**138,292**	**111,795**

(*) Refers to the temporary difference in the calculation of depreciation and residual value, introduced by the new accounting practices (adoption of IFRS). Localiza and its subsidiary Localiza Fleet continue to calculate, for tax purposes, car depreciation expenses using the depreciation criteria as of December 31, 2007. Temporary differences are realized at the end of the useful lives of cars, when they are derecognized.

Deferred income tax and social contribution credits, referring to temporary differences, depend on future events that will make the provision that gave rise to them deductible, as provided for by prevailing tax legislation.

Provisional Measure(MP) 627/13 was issued in November 2013. It changes the federal tax legislation regarding the Corporate Income Tax (IRPJ), the Social Contribution on Net Income (CSLL), the contribution to the Social Integration Program/Public Services Employee Savings Program (PIS/PASEP) and the Social Contribution on Revenues (COFINS). This MP revokes the Transition Tax System (RTT), introduced by Law 11,941, of May 27, 2009 and also deals with the taxation of subsidiaries and associates abroad, based on the

universal system. The Provisional Measure was converted to Law 12,973 on May 15, 2014, and will be effective as of January 1, 2015. The taxpayer may choose to accelerate its effects to January 1, 2014. The Company is assessing, together with its legal advisors, the changes, inclusions and/or exclusions and the effects introduced by Law 12,973/14, and does not expect significant effects on its financial statements.

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

The reconciliation between statutory and effective rates for the nine-month periods ended September 30, 2014 and 2013 is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9M14	9M13	9M14	9M13
Profit before taxes	355,674	338,362	433,356	415,068
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	**(120,929)**	**(115,043)**	**(147,341)**	**(141,123)**
Adjustments to expense at statutory rate:				
Equity in the results of subsidiaries	57,725	57,092	-	-
Effect of deduction of interest on capital	15,262	15,160	15,262	15,160
Other, net	611	(1,222)	7,066	5,244
Expense at effective rate	**(47,331)**	**(44,013)**	**(125,013)**	**(120,719)**

The reconciliation between the statutory and effective rates for the quarters ended September 30, 2014 and 2013 is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	3Q14	3Q13	3Q14	3Q13
Profit before taxes	117,569	118,113	140,991	146,224
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	**(39,973)**	**(40,158)**	**(47,937)**	**(49,716)**
Adjustments to expense at statutory rate:				
Equity in the results of subsidiaries	18,373	19,694	-	-
Effect of deduction of interest on capital	5,426	4,948	5,426	4,948
Other, net	530	(505)	(*) 3,445	636
Expense at effective rate	**(15,644)**	**(16,021)**	**(39,066)**	**(44,132)**

(*) This balance includes R$ 1,311 related to the recognition of deferred income tax and social contribution in Localiza Serviços Prime, a wholly-owned subsidiary of Localiza, due to the use of the income tax and social contribution loss to amortize debt under the REFIS Program.

Franchising Brasil, Car Rental and Car Assistance calculated, through 9M14, income tax and social contribution under the deemed profit regime in the amounts of R$ 1,932 (R$ 1,912 in 9M13), R$ 1,169 (R$ 2,000 in 9M13) and R$ 1,728 (R$ 1,738 in 9M14), respectively. For this reason, these companies do not record deferred taxes.

(c) Income tax and social contribution payable

Localiza and its subsidiaries calculate income tax and social contribution under the quarterly taxation regime. The outstanding balance relating to the computation period of the last quarter of each year is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Income tax and social contribution payable	10,583	16,630	29,050	35,238

Income tax returns are open to review by the tax authorities for a period of five years. Other taxes, rates and contributions are also subject to review, according to applicable legislation.

16. EQUITY

(a) Share capital

The shareholdings as of September 30, 2014 and December 31, 2013, and the related reconciliation of the number of outstanding shares after the approved capital increase were as follows:

	Management				
	Founding partners	Board of Directors and Board of Executive officers	Treasury shares	Shares outstanding in the market	Number of shares - ON
On December 31, 2013	**61,874,593**	**243,070**	**3,758,577**	**145,917,160**	**211,793,400**
Acquisition (disposal) of shares, net	(2,999,997)	(12,577)	-	3,012,574	-
Exercise of stock options with treasury shares	-	43,963	(262,371)	218,408	-
On September 30, 2014	**58,874,596 (*)**	**274,456 (**)**	**3,496,206**	**149,148,142**	**211,793,400**

(*) Includes 1,000,977 leased shares.
(**) Includes 115,616 leased shares.

In a meeting held on December 15, 2011, the Board of Directors approved the launching of the Company's Level I American Depositary Receipts (ADRs) ("ADR Program"). This program did not result in an increase in the Company's share capital or the issuance of new shares. Its purpose is to broaden the ways foreign investors can reach the Company, as well as to increase the liquidity of the Company's shares. The Program was approved by CVM - Brazilian Securities Commission - on May 22, 2012 and trading began on June 5, 2012. As of September 30, 2014, the Company's position was 6,821,644 ADRs issued in the United States.

(b) Interest on capital and dividends

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

9M13				
Approval date	Total amount paid	Amount per share (in R$)	Ownership interest date	Payment date
3/8/2013	14,567	0.07336	3/20/2013	5/3/2013
6/20/2013	15,468	0.07441	6/28/2013	8/14/2013
9/30/2013	14,552	0.06996	9/30/2013	11/14/2013
Total 2013	**44,587**			

9M14				
Approval date	Total amount paid	Amount per share (in R$)	Ownership interest date	Payment date
3/19/2014	13,934	0.06690	3/31/2014	5/14/2014
6/30/2014	14,997	0.07200	7/1/2014	8/28/2014
9/25/2014	(*) 15,959	0.07661	9/30/2014	11/19/2014
Total 2014	**44,890**			

(*) This interest on capital had not been paid to shareholders as of September 30, 2014.

On February 10, 2014, the Company paid interest on capital approved by the Board of Directors in the meeting held on December 18, 2013, totaling R$ 16,803, with amount per share of R$ 0.08077.

The Shareholders' Ordinary and Extraordinary General Meeting held on April 29, 2014 approved the payment of dividends to the shareholders in order to complete the minimum mandatory dividend of 25% on the adjusted profit, as follows:

Approval date	Total amount paid	Amount per share (in R$)	Ownership interest date	Payment date
4/29/2014	38,612	0.18538	4/30/2014	5/16/2014
Total 2014	**38,612**			

(c) Capital reserve

(i) Options exercised up to September 30, 2014

In 2014, 262,371 stock options related to the Stock Option Programs from 2007 to 2011 were exercised. The weighted average exercise prices of options, as well as the weighted average fair value of Localiza's shares on the exercise date, were as follows:

Program	Number of options exercised	Cost on the grant date	Realization amount at cost	Weighted average exercise price	Weighted average market price
2007 Program	95,835	R$ 7.09	714	R$ 25.24	R$ 31.57
2008 Program	52,519	R$ 0.88	63	R$ 24.59	R$ 36.92
2009 Program	63,607	R$ 12.21	787	R$ 8.69	R$ 37.97
2010 Program	48,819	R$ 12.10	558	R$ 25.44	R$ 37.88
2011 Program	1,591	R$ 11.12	14	R$ 32.62	R$ 37.27
Total	**262,371**		**2,136**		

All options were exercised using treasury shares, and therefore there was no issuance of new Localiza's shares.

(ii) Treasury shares

The number of treasury shares on September 30, 2014 was 3,496,206 shares (3,758,577 on December 31, 2013), acquired under the 1st and 4th repurchase programs approved in the Board of Directors' meetings held on December 18, 2007 and July 19, 2012, respectively.

The market value of the 3,496,206 shares was R$ 124,080 on September 30, 2014, (quotation of R$ 35.49 per share on September 30, 2014).

The cost of acquisition of the treasury shares, including related costs, on September 30, 2014, was as follows:

1st Share Buy-Back Program: R$ 23,394, net of realizations of R$ 2,708 and an average unit cost of R$ 10.32 (minimum R$ 5.15 and maximum R$ 16.55).

4th Share Buy-Back Program: Under this program, 1,072,200 shares (1,093,310 shares with the effect of stock dividends) were acquired, totaling an acquisition cost of R$ 36,782, and the average unit cost is R$ 33.64 (minimum of R$ 33.52 and maximum of R$ 33.78).

6th Share Buy-Back Program: At the Board of Directors' meeting of July 25, 2014, the Company was authorized to purchase up to 10,000,000 shares. This transaction is effective for up to 365 days as from the date of its approval up to July 24, 2015. The Company had not repurchased shares under this program up to September 30, 2014.

(d) Statutory reserve and profit retention

The Shareholders' Ordinary and Extraordinary General Meeting held on April 29, 2014 approved the constitution of the Statutory Reserve denominated Investment Reserve of R$ 265,127.

17. EARNINGS PER SHARE

The methods of calculating basic and diluted earnings per share are the same as those disclosed in Note 17 to the financial statements for the year ended December 31, 2013.

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

	Parent company (BR GAAP) and Consolidated (IFRS and BR GAAP)		Parent company (BR GAAP) and Consolidated (IFRS and BR GAAP)	
	9M14	9M13	3Q14	3Q13
Net income for the period	**308,343**	**294,349**	**101,925**	**102,092**
Basic earnings per share (*):				
Weighted average of outstanding shares (in units)	208,208,915	201,870,998	208,298,979	207,883,887
Basic earnings per share (in R$)	**1.48093**	**1.45810**	**0.48932**	**0.49110**
Diluted earnings per share (*):				
Weighted average of outstanding shares (in units)	208,208,915	201,870,998	208,298,979	207,883,887
Dilutive effect of stock options (in units)	1,830,738	736,301	944,018	558,145
Shares applicable to dilution (in units)	210,039,653	202,607,299	209,242,997	208,442,032
Diluted earnings per share (in R$)	**1.46802**	**1.45281**	**0.48711**	**0.48979**

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

18. SEGMENT REPORTING

Operating segments are defined as business areas: (i) which can earn revenues and incur expenses; ii) whose operating results are regularly reviewed by the chief operating decision maker on funds to be allocated to the segment and for the evaluation of its performance; and iii) for which individual financial information is available.

Management has defined the operating segments based on the reports used by the Board of Directors to make strategic decisions. Three operating segments subject to information disclosure were identified, which are separately managed through reports that support the decision-making process. The accounting policies of these operating segments are the same as those described in Note 2 to the financial statements for the year ended December 31, 2013.

- Car rental division: responsible for car rentals in branches located inside and outside airports. Cars are rented to individuals for business or leisure travel and to corporations, including insurance companies and car makers. As part of its fleet renewal program, the Car Rental Division decommissions its cars after 12 months of use in rental. The major portion of decommissioned cars is sold directly to the final consumer, by means of a proprietary network of points of sale, since this is the less expensive alternative in relation to the discounts requested by other sales intermediation channels.

- Fleet rental division: responsible for managing fleet rental for entities for long periods, usually 24 to 36 months. As part of its fleet renewal program, the Fleet Rental Division decommissions its cars by the end of the contract entered into with the customer. Decommissioned cars are sold to the final consumers by means of a proprietary network of points of sale and car retailers.

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

(a) Operating segment financial information

(i) Consolidated assets and liabilities by operating segment are as follows:

	Car rentals		Flee rental		Franchising		Unallocated balances		Eliminations/Reclassifications		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Assets												
Cash and cash equivalents	-	-	-	-	-	-	1,291,404	1,010,740	-	-	1,291,404	1,010,740
Trade receivables - customers	349,030	346,312	77,499	65,661	8,812	13,644	-	-	(4,775)	(10,212)	430,566	415,405
Decommissioned cars for fleet renewal	484	119	12,008	16,401	-	-	-	-	-	-	12,492	16,520
Property and equipment	2,163,508	2,063,304	965,693	884,046	89	124	-	-	-	-	3,129,290	2,947,474
Other assets	290,772	224,781	30,782	21,242	4,119	4,069	-	-	(4,347)	(62,031)	321,326	188,061
Total assets	**2,803,794**	**2,634,516**	**1,085,982**	**987,350**	**13,020**	**17,837**	**1,291,404**	**1,010,740**	**(9,122)**	**(72,243)**	**5,185,078**	**4,578,200**
Liabilities and Equity												
Trade payables	430,771	392,268	132,483	77,712	217	415	-	-	(4,792)	(9,913)	558,679	460,482
Loans, financing and debentures	-	-	-	-	-	-	2,613,292	2,343,539	-	-	2,613,292	2,343,539
Other liabilities	278,364	334,099	109,429	137,036	16,439	24,636	-	-	(4,900)	(62,800)	399,332	432,971
Total liabilities	**709,135**	**726,367**	**241,912**	**214,748**	**16,656**	**25,051**	**2,613,292**	**2,343,539**	**(9,692)**	**(72,713)**	**3,571,303**	**3,236,992**
Equity:	-	-	-	-	-	-	**1,613,775**	**1,341,208**	-	-	**1,613,775**	**1,341,208**
Total liabilities and equity	**709,135**	**726,367**	**241,912**	**214,748**	**16,656**	**25,051**	**4,227,067**	**3,684,747**	**(9,692)**	**(72,713)**	**5,185,078**	**4,578,200**

(ii) Consolidated income statements by operating segment are as follows:

	Car rental		Flee rental		Franchising		Eliminations/Reclassifications		Consolidated (IFRS and BR GAAP)	
	9M14	9M13	9M14	9M13	9M14	9M13	9M14	9M13	9M14	9M13
Net revenues	2,165,768	1,905,323	677,742	622,626	13,518	14,420	-	-	2,857,028	2,542,369
Cost	(1,542,321)	(1,370,660)	(429,778)	(384,795)	(5,810)	(6,348)	(4,425)	(4,142)	(1,982,334)	(1,765,945)
Gross profit	**623,447**	**534,663**	**247,964**	**237,831**	**7,708**	**8,072**	**(4,425)**	**(4,142)**	**874,694**	**776,424**
Operating expenses										
Selling	(198,869)	(184,654)	(32,968)	(27,604)	(78)	(70)	2,189	1,937	(229,726)	(210,391)
General, administrative and other expenses	(75,732)	(65,047)	(18,702)	(15,926)	(1)		2,236	2,205	(92,199)	(78,768)
Result before financial expenses, net	**348,846**	**284,962**	**196,294**	**194,301**	**7,629**	**8,002**	**-**	**-**	**552,769**	**487,265**
Financial expenses, net									(119,413)	(72,197)
Earnings before taxes									**433,356**	**415,068**
Income tax and social contribution									(125,013)	(120,719)
Net income for the period									**308,343**	**294,349**

	Car rental		Flee rental		Franchising		Eliminations/Reclassifications		Consolidated (IFRS and BR GAAP)	
	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13
Net revenues	780,050	717,004	222,958	213,992	4,396	4,943	-	-	1,007,404	935,939
Cost	(567,200)	(526,568)	(141,476)	(130,214)	(1,861)	(2,110)	(1,386)	(1,429)	(711,923)	(660,321)
Gross profit	**212,850**	**190,436**	**81,482**	**83,778**	**2,535**	**2,833**	**(1,386)**	**(1,429)**	**295,481**	**275,618**
Operating expenses										
Selling	(70,522)	(66,525)	(10,382)	(9,505)	(36)	(21)	734	653	(80,206)	(75,398)
General, administrative and other expenses	(25,643)	(21,084)	(6,828)	(5,599)	-	-	652	776	(31,819)	(25,907)
Income before financial expenses, net	**116,685**	**102,827**	**64,272**	**68,674**	**2,499**	**2,812**	**-**	**-**	**183,456**	**174,313**
Financial expenses, net									(42,465)	(28,089)
Earnings before taxes									**140,991**	**146,224**
Income tax and social contribution									(39,066)	(44,132)
Net income for the period									**101,925**	**102,092**

The Company operates in Brazil and in another eight South American countries; its revenues derive mainly from its operations in the Brazilian market. The composition of consolidated net revenues, in Brazil and abroad, is as follows:

	Consolidated (IFRS and BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9M14	9M13	3Q14	3Q13
Brazilian operations	2,845,063	2,534,318	1,003,831	933,692
Export revenues (*)	11,227	7,552	3,296	2,073
Abroad	738	499	277	174
Net revenues	**2,857,028**	**2,542,369**	**1,007,404**	**935,939**

(*) Revenues from car rental in Brazil arising as a result of rental to customers resident and domiciled abroad.

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

	Consolidated(IFRS and BR GAAP)			
	9M14	9M13	3Q14	3Q13
Car rental:				
Cars depreciation	60,077	57,723	19,281	22,043
Depreciation of other property and equipment and amortization of intangible assets	25,516	25,265	8,370	8,504
Fleet rental:				
Cars depreciation	92,607	109,100	29,997	32,932
Depreciation of other property and equipment and amortization of intangible assets	816	808	278	290
Franchising:				
Depreciation of other property and equipment and amortization of intangible assets	406	331	125	110
Total depreciation and amortization expenses	**179,422**	**193,227**	**58,051**	**63,879**

19. REVENUES

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

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9M14	9M13	9M14	9M13
Gross Revenues	2,181,029	1,890,656	2,948,831	2,606,911
Deductions:				
Discounts	(8,733)	(8,568)	(24,083)	(16,388)
Taxes (*)	(45,719)	(26,965)	(67,720)	(48,154)
Net revenues	**2,126,577**	**1,855,123**	**2,857,028**	**2,542,369**

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	3Q14	3Q13	3Q14	3Q13
Gross revenues	787,752	711,075	1,041,861	956,745
Deductions				
Discounts	(3,256)	(2,959)	(11,965)	(5,022)
Taxes (*)	(15,646)	(9,017)	(22,492)	(15,784)
Net revenues	**768,850**	**699,099**	**1,007,404**	**935,939**

(*) Taxes levied on revenues: Services Tax (ISSQN), Social Integration Program (PIS) and Social Contribution on Revenues (COFINS).

The composition of net revenues recognized in each significant category is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9M14	9M13	9M14	9M13
Revenues from car rentals	925,499	816,370	953,128	853,179
Revenues from fleet rental	-	-	425,173	432,913
Franchising	738	492	13,518	14,420
Cars sold for fleet renewal	1,200,340	1,038,261	1,465,209	1,241,857
Net revenues	**2,126,577**	**1,855,123**	**2,857,028**	**2,542,369**

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	3Q14	3Q13	3Q14	3Q13
Revenues from car rentals	318,259	277,482	325,058	289,611
Revenues from fleet rental	-	-	142,105	144,082
Franchising	277	174	4,396	4,943
Cars sold for fleet renewal	450,314	421,443	535,845	497,303
Net revenues	**768,850**	**699,099**	**1,007,404**	**935,939**

20. INFORMATION ON THE NATURE OF COSTS, OPERATING EXPENSES, DEPRECIATION AND AMORTIZATION RECOGNIZED IN THE INCOME STATEMENT

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

	Cost				Selling, general and administrative and other			
	Parent company(BR GAAP)		Consolidated(IFRS and BR GAAP)		Parent company(BR		Consolidated(IFRS and BR	
	9M14	9M13	9M14	9M13	9M14	9M13	9M14	9M13
Cost of cars sold	(1,038,187)	(897,144)	(1,238,640)	(1,050,441)	-	-	-	-
Cars depreciation	(58,907)	(57,293)	(152,684)	(166,823)	-	-	-	-
Car maintenance, car tax (IPVA) and other	(155,805)	(147,784)	(239,654)	(225,817)	-	-	-	-
Depreciation and amortization of other property and equipment and intangible assets	(13,403)	(12,527)	(14,117)	(13,034)	(12,621)	(13,370)	(12,621)	(13,370)
Salaries and social charges	(129,054)	(121,240)	(150,543)	(142,417)	(97,797)	(88,266)	(142,380)	(128,991)
Profit sharing	(16,279)	(14,865)	(20,313)	(18,632)	(14,984)	(13,168)	(20,836)	(18,591)
Third-party services	(14,660)	(15,260)	(17,683)	(17,499)	(38,664)	(24,556)	(35,708)	(25,089)
Property rental and others	(133,494)	(116,722)	(*) (148,700)	(131,282)	(49,782)	(49,841)	(67,848)	(61,948)
Commission	-	-	-	-	(20,229)	(19,464)	(20,846)	(20,055)
Publicity	-	-	-	-	(21,429)	(21,105)	(21,686)	(21,115)
	(1,559,789)	**(1,382,835)**	**(1,982,334)**	**(1,765,945)**	**(255,506)**	**(229,770)**	**(321,925)**	**(289,159)**

	Cost				Selling, general and administrative and other			
	Parent company(BR GAAP)		Consolidated(IFRS and BR		Parent company(BR		Consolidated(IFRS and BR	
	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13
Cost of cars sold	(391,829)	(368,560)	(455,826)	(424,956)	-	-	-	-
Cars depreciation	(18,937)	(21,613)	(49,278)	(54,975)	-	-	-	-
Car maintenance, car tax (IPVA) and other	(57,546)	(43,879)	(86,469)	(70,165)	-	-	-	-
Depreciation and amortization of other property and equipment and intangible assets	(4,385)	(4,187)	(4,630)	(4,389)	(4,143)	(4,532)	(4,143)	(4,515)
Salaries and social charges	(46,179)	(41,762)	(53,333)	(49,199)	(33,780)	(32,017)	(48,665)	(47,147)
Profit sharing	(5,555)	(4,937)	(6,788)	(6,122)	(4,828)	(4,349)	(7,119)	(6,468)
Third-party services	(5,413)	(5,451)	(6,700)	(6,234)	(14,434)	(9,115)	(14,824)	(9,365)
Property rental and others	(44,704)	(40,094)	(48,899)	(44,281)	(15,247)	(14,581)	(21,716)	(19,076)
Commission	-	-	-	-	(6,722)	(6,208)	(6,938)	(6,385)
Publicity	-	-	-	-	(8,496)	(8,340)	(8,620)	(8,349)
	(574,548)	**(530,483)**	**(711,923)**	**(660,321)**	**(87,650)**	**(79,142)**	**(112,025)**	**(101,305)**

(*) Includes non-recurring cost of R$ 6,248 due to indemnification of franchisees that left the network.

21. FINANCIAL INCOME (EXPENSES)

Financial income (expenses) in the income statement is as follows:

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9M14	9M13	9M14	9M13
Financial income				
Interest income from financial investments	42,209	35,156	71,956	44,909
Other interest income, net of reversals	6,459	3,224	7,740	4,512
	48,668	**38,380**	**79,696**	**49,421**
Financial expenses				
Interest expenses on loans, financing and debentures	(171,064)	(105,648)	(195,015)	(115,211)
Other interest expenses	(2,993)	(4,806)	(4,094)	(6,407)
	(174,057)	**(110,454)**	**(199,109)**	**(121,618)**
Financial expenses, net	**(125,389)**	**(72,074)**	**(119,413)**	**(72,197)**

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	3Q14	3Q13	3Q14	3Q13
Financial income				
Interest income from financial investments	11,803	11,656	21,630	15,893
Other interest income, net of reversals	1,531	1,161	2,139	1,810
	13,334	**12,817**	**23,769**	**17,703**
Financial expenses				
Interest expenses on loans, financing and debentures	(55,517)	(39,178)	(64,852)	(42,279)
Other interest expenses	(939)	(2,924)	(1,382)	(3,513)
	(56,456)	**(42,102)**	**(66,234)**	**(45,792)**
Financial expenses, net	**(43,122)**	**(29,285)**	**(42,465)**	**(28,089)**

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Financial assets:				
Loans and receivables measured at amortized cost:				
Cash and cash equivalents (Note 4)	747,294	621,518	1,291,404	1,010,740
Marketable securities (Note 6)	-	-	89,980	-
Trade receivables - customers (Note 5)	344,381	333,231	430,566	415,405
Escrow deposits (Note 14(b))	22,990	24,092	40,219	38,076
Financial liabilities				
Other financial liabilities measured at amortized cost:				
Trade payables (Note 10)	429,381	386,954	558,679	460,482
Loans, financing and debentures (Note 12)	2,132,604	2,096,871	2,613,292	2,343,539

(a) Risk management

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

The Company's risk management is carried out by the Audit and Risk Management Committee, a body created in 2007 by the Board of Directors, which is responsible for identifying and monitoring the Company's main risk factors. Additionally, the process of identification, analysis and monitoring of risks is performed by the Board of Directors, which has powers to make decisions on the strategies to be adopted by the Company.

i) Market risk

The market risk is the risk that the fair value or future cash flows of a certain financial instrument fluctuates due to variations in interest rates, as defined in CPC 40. Market risk management is carried out in order to ensure that the Company is exposed only to risk levels considered acceptable in the context of its operations.

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

- **Interest rate risk** - interest rate risk is the risk that the fair value or future cash flows of a certain financial instrument fluctuates due to market interest rate variations.

The Company uses cash from operations to conduct its daily business activities, and finance its fleet renewal and at least part of its growth. To complement its cash requirements for growth, or to settle debts and improve the debt profile, the Company obtains financing from major financial institutions in Brazil, and issues debt securities, which are mostly indexed to the CDI rate or a fixed rate. The inherent risk arises from the possibility of significant increases in the CDI.

Management continuously monitors CDI in order to, if necessary, adjust car rental fees to mitigate the impact of such increases. For the Fleet Rental Division, the wholly-owned subsidiary Localiza Fleet contracts interest rate swaps to exchange the floating rate risk for a fixed rate, thus eliminating the risk of increase in the basic interest rate and the risk of its impact on the profitability of long-term contracts. In addition, almost the totality of the Company's cash and cash equivalents balance is also indexed to the CDI, which is the same index adopted for debts related to car rental.

As required by CVM 475/08, the Company made sensitivity tests for adverse scenarios (deterioration of the CDI rate by 25% or 50% higher than the probable scenario), considering the following assumptions:

- On September 30, 2014, the Company's net debt totaled R$ 1,321,888, of which R$ 580,027, with fixed cost at an average rate of 12.54% per annum, is excluded, as it refers to the transactions contracted at a fixed rate and the amounts corresponding to the hedge realized in the contracting of swap transactions, changing the rates indexed to the CDI for fixed rates. The net debt subject to the CDI rate variation therefore totaling R$ 741,861 on September 30, 2014.

- Market expectation for the base date of September 29, 2014, according to data from the Focus Bulletin issued by the Brazilian Central Bank, is an estimated effective average CDI rate of 11.27% for the next 12 months, against the actual rate of 10.63% in the quarter ended on September 30, 2014.

Description	Consolidated(IFRS and BR GAAP) Probable Scenario (*)	Scenario I - 25% deterioration	Scenario II - 50% deterioration
Net debt on September 30, 2014 (letter (b) item (i))	**1,321,888**	**1,321,888**	**1,321,888**
(-) Debt at a fixed rate and amounts hedged with swap to a fixed rate (Note 12 and Note 22 item (d))	(580,027)	(580,027)	(580,027)
Net debt subject to the CDI variation	**741,861**	**741,861**	**741,861**
Effective annualized CDI rate for the nine-month period ended September 30, 2014	10.63%	10.63%	10.63%
Estimated annual CDI rate, according to stress scenarios	11.27%	14.09%	16.91%
Effect on financial exoenses subject to CDI:			
- according to effective rates	(78,860)	(78,860)	(78,860)
- according to scenarios	(83,608)	(104,528)	(125,449)
(Increase) in financial costs for 12 months	**(4,748)**	**(25,668)**	**(46,589)**

(*) As required by IFRS 7, Management understands that the 11.27% rate corresponds to the likely scenario for the next 12 months, according to the market projection (Focus Bulletin of the Brazilian Central Bank issued on September 29, 2014).

- **Foreign exchange risk** - as stated in Note 22(d), the Company is not exposed to foreign exchange risk since it enters into swap transactions tied to foreign currency denominated loans.

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

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

	Parent company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Loans and receivables				
Cash and cash equivalents:				
Financial investments				
Aaa.br (Moody's scale)	744,205	614,007	1,270,866	988,433
Cash and banks	3,089	7,511	20,538	22,307
Total cash and cash equivalents	**747,294**	**621,518**	**1,291,404**	**1,010,740**
Trade Receivables - customers	219,977	196,904	299,357	271,831
Trade receivables - credit card:				
- A3 (Moody's scale)	57,628	56,458	60,593	59,724
- Baa2 (Moody's scale)	66,776	69,229	70,323	72,467
- Sundry	-	10,640	293	11,383
Total trade receivables	**344,381**	**333,231**	**430,566**	**415,405**
	1,091,675	**954,749**	**1,721,970**	**1,426,145**

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

According to the limits established by the Board of Directors, financial investments exceeding 20% of the available funds can be made with financial institutions with equity higher than R$ 10 billion, and the maximum investment limit by bank is 40% of the total funds available for investment.

Accounts receivable - the management of the credit risk related to trade receivables - customers is constantly monitored by the Company, which has established control policies.

The Company reduces its credit risk by operating significantly with credit cards for car rentals, mainly in transactions with individuals. As of September 30, 2014, two of the largest credit card companies represented 16.3% and 14.1%, individually, of the Company's trade receivables - customers balance. The credit risk in transactions with legal entities for car rental and fleet rental is reduced by a credit limit granting policy, based on the analysis of the financial position of the customer and on past experience. The financial position of customers is continuously monitored in order to evaluate and adjust, if necessary, the credit limit previously granted. The credit risk in the sale of decommissioned cars is reduced through the utilization of financing companies with well-known financial and liquidity capacities.

Additionally, the management of credit risk includes the periodic analysis of the recoverability of trade receivables - customers, in which the need to constitute a provision for impairment of trade receivables is analyzed in order to adjust the receivables to their probable realizable values. This analysis, which purpose is to assign a risk classification to the customer according to internal criteria defined by management, takes into consideration the current financial position of the customer, past experience and the position of overdue bills as well as guarantees received. Therefore, based on customer risk, credits are adjusted to their likely realization through the recognition of a provision for impairment of trade receivables, which may be applied both to overdue bills and current bills. More information about the provision for impairment of trade receivables and overdue receivables is given in Note 5.

Credit risk concentration is limited because the customer basis is broad. All operations and customers are located in Brazil, and there is no customer that individually represents more than 10% of the Company's revenues.

iii) Liquidity risk

The liquidity risk is the risk of the Company not having enough funds to settle its obligations as they fall due. The management of the liquidity risk is carried out to ensure that the Company has the necessary funds to settle its financial liabilities on the maturity dates.

The Finance Department is responsible for managing the liquidity risk and is monitored by the Board of Directors. Liquidity risk management is conducted considering funding requirements and liquidity management in the short, medium and long terms. The Company manages the liquidity risk by maintaining adequate financial resources available in cash and cash equivalents and by means of credit

facilities, based on the monitoring of estimated and realized cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Also, management considers that the access to third party credit is facilitated, considering the corporate credit rating of Localiza according to the main market rating agencies, as follows:

Rating agency	National scale (Brazil)	Global scale
Standard & Poor's	brAAA / Stable	BBB- / Stable
Fitch Ratings	AAA(bra) / Stable	BBB / Stable
Moody's	Aa1.br / Stable	Baa3 / Stable

Localiza is assigned an investment grade by the three rating agencies mentioned.

The analysis of the undiscounted contractual cash flows of loans, financing and debentures, in the table below, considers the interest rate contracted for each transaction and the maintenance of the CDI at 10.80% p.a.

	Parent company (BRGAAP)								
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
Debentures - 4th issuance	10,534	42,610	62,413	101,643	-	-	-	-	**217,200**
Debentures - 5th issuance	30,527	59,113	294,213	264,657	-	-	-	-	**648,510**
Debentures - 6th issuance	17,432	34,450	64,591	60,878	147,334	133,836	-	-	**458,521**
Debentures - 7th issuance	-	58,594	131,344	122,387	113,299	104,749	120,484	108,694	**759,551**
Debentures - 8th issuance	-	57,810	57,807	57,335	57,100	305,416	293,615	-	**829,083**
Swap Localiza	-	460	985	-	-	-	-	-	**1,445**
Leases	722	1,999	1,040	457	-	-	-	-	**4,218**
Foreign currency - loans/with swap	6,766	52,880	48,632	44,278	-	-	-	-	**152,556**
Total	**65,981**	**307,916**	**661,025**	**651,635**	**317,733**	**544,001**	**414,099**	**108,694**	**3,071,084**

	Consolidated (IFRS and BRGAAP)								
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
Debentures - 4th issuance	10,534	42,610	62,413	101,643	-	-	-	-	**217,200**
Debentures - 5th issuance	30,527	59,113	294,213	264,657	-	-	-	-	**648,510**
Debentures - 6th issuance	17,432	34,450	64,591	60,878	147,334	133,836	-	-	**458,521**
Debentures - 7th issuance	-	58,594	131,344	122,387	113,299	104,749	120,484	108,694	**759,551**
Debentures - 8th issuance	-	57,810	57,807	57,335	57,100	305,416	293,615	-	**829,083**
Commercial Credit Notes - NCC	6,695	11,144	11,190	30,190	34,961	57,999	-	-	**152,179**
Swap Localiza	-	460	985	-	-	-	-	-	**1,445**
Leases	42,364	135,802	46,986	457	-	-	-	-	**225,609**
Foreign currency - loans/with swap	6,766	52,880	48,632	44,278	-	-	-	-	**152,556**
Real Estate Bank Credit Notes - new headquarters/ with swap	4,990	19,187	19,264	19,264	19,187	65,811	104,961	48,878	**301,542**
Total	**119,308**	**472,050**	**737,425**	**701,089**	**371,881**	**667,811**	**519,060**	**157,572**	**3,746,196**

(b) Capital management

The Company's business requires intensive long-term capital to finance the fleet, in order to implement its expansion strategy. The main objectives of capital management are to:

- ensure the operational continuity of the Company;
- ensure a strong credit rating;
- maximize the return to shareholders, and
- guarantee the Company's competitive edge in fund raising.

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

The Company is subject to external capital requirements, according to the accelerated maturity relating to its debenture issuances that require the maintenance of certain financial ratios. See Note 12(a) to the financial statements for the year ended December 31, 2013.

(i) Debt ratio

Capital is monitored based on the Company's indebtedness level, which corresponds to the ratio of net debt to equity. Net debt, in turn, is defined by the Company as short- and long-term debts less cash and cash equivalents.

The table below provides the Company's debt ratios:

	Consolidated (IFRS and BR GAAP)	
	9/30/2014	**12/31/2013**
Short- and long-term debts (Note 12)	2,613,292	2,343,539
Cash and cash equivalents (Note 4)	(1,291,404)	(1,010,740)
Net debt	**1,321,888**	**1,332,799**
Equity	1,613,775	1,341,208
Debt ratio	**0.82**	**0.99**
Value of the fleet	**2,960,351**	**2,797,911**
Net debt x value of the fleet	**0.45**	**0.48**

(c) Fair value of financial instruments:

In transactions involving financial instruments, differences were identified between the carrying amounts and the fair values of loans, financing and debentures, as these instruments have extended payment terms and differentiated costs in relation to the rates practiced for similar contracts at the reporting dates.

The summary of the fair values of the swap transactions is as follows.

	Level 2 (*)
Swap fixed (classified in loans and financing)	2,489
U.S. dollar swap (classified in loans and financing)	59,599
TR swap (classified in loans and financing)	(5,109)
Total swaps at fair value	**56,979**

(*) The fair values were calculated based on models that use observable inputs and assumptions about future interest rates, among other applicable variables, by counterparty financial institutions in the respective transactions. The Company makes a reasonableness analysis of the calculations presented by these financial institutions by comparing them with similar calculations made by other parties for the same period. There are no financial instruments measured at fair value in levels 1 and 3.

The table below shows the financial liabilities measured at fair value in the Company's balance sheet as of September 30, 2014 and the categories of the data related to the respective liabilities.

The carrying amounts and fair values of loans, financing and debentures are calculated based on models that use observable inputs and assumptions about future interest rates, among other variables. The rates used are obtained from financial institutions for transactions with similar conditions or based on market information, when available. Fair values are calculated by projecting the future flows of transactions based on the projection of the interest rate curves, discounted to present value utilizing indicative data on prices and benchmark rates available in the market or based on payment conditions in the case of early optional redemption established in the debenture deed of each issue. Estimated fair values are as follows:

	Parent company(BR GAAP)				Consolidated(IFRS and BR GAAP)			
	Carrying amount		Fair value		Carrying amount		Fair value	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Financial liabilities - other financial liabilities								
Loans, financing and debentures	2,132,604	2,096,871	2,134,814	2,112,509	2,613,292	2,343,539	2,618,652	2,361,215
Swap transactions	62,111	81,485	62,088	93,263	62,450	86,935	56,979	93,263

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

(d) Derivatives

As of September 30, 2014, the Company was party to two swap transactions (plain vanilla) only for purposes of protection against the respective loans, one of which is in a foreign currency and the other is indexed to the TR (reference rate). Both transactions were entered into with major financial institutions.

The specific characteristics of each swap transaction, as well as their respective notional amounts, are as follows:

						Parent company (BR GAAP)and Consolidated(IFRS and BR GAAP)		
						9/30/2014		
				Rates		Notional amount		(Payables) receivables
Swap transaction	Contract date	Maturity	Counterparty	Assets	Liabilities	R$ thousand	US$ thousand	R$ thousand
US dollar x Reais	11/16/2011	8/16/2017	*Bank of America*	Dollar exchange variation + coupon of 1.6% p.a. + LIBOR 3M	102.5% of the CDI variation	123,000	75,000	59,622
Referential Rate (TR) x CDI	6/25/2014	6/15/2021	*Itaú Unibanco*	TR variation + coupon of 9.5% p.a.	98.8% of CDI	190,000	-	339

The amounts payable/receivable are presented together with the balances of the respective loans (Note 12).

CDI X Fixed Rate

Fleet rental major contracts vary from 24 to 36 months and include an annual adjustment clause based on the inflation rate. As the rental contracts cannot be adjusted based on the basic interest rate variation, Localiza Fleet contracted swap operations exchanging the CDI rate for a fixed rate in order to protect itself from the risk of losing profitability on rental contracts and maintain its competitiveness.

On June 1 and June 30, 2014, the Company entered into 6 swap transactions with a notional amount of R$ 375,000, exchanging the CDI for a fixed rate, with maturities between July 2015 and January 2016.

On September 29, 2014, the Company settled in advance 6 fixed swap contracts with maturities in 2016, totaling the notional amount of R$ 330,000.

These transactions resulted in a decrease equivalent to 1% p.a. in the swap short position.

						Parent company (BR GAAP)and Consolidated(IFRS and BR GAAP)	
						9/30/2014	
				Rates		Notional amount	(Payables) receivables
Swap transaction	Contract date	Maturity	Counterparty	Assets	Liabilities	R$ thousand	R$ thousand
CDI X Fixed rate	7/1/2014 and 7/30/2014	7/1/2015 and 1/5/2016	Various Banks	111.4% and 112.0% of the variation of CDI	12.1% p.a. to 12.4% p.a.	375,000 (*)	2,489

(*) The swaps short-position (fixed rate) corresponds to R$ 383,963 on September 30, 2014.

23. FINANCE LEASES

On September 30, 2014, the fleet of the wholly-owned subsidiary Localiza Fleet included 11,935 cars acquired under finance leases (7,379 on December 31, 2013).

The other information on rental commitments (parent company and consolidated) has not significantly changed compared with that disclosed in Note 23 to the financial statements for the year ended December 31, 2013.

24. RENTAL COMMITMENTS

The information on rental commitments (parent company and consolidated) has not significantly changed compared to that disclosed in Note 24 to the financial statements for the year ended December 31, 2013.

25. PENSION PLAN

The Pension Plan was established as a defined contribution plan and, therefore, there are no actuarial and investment risks to be assumed by the Company as its sponsor. Consequently, no actuarial valuation is required and there is no possibility of recognizing actuarial gains or losses. Under this plan's regulations, the cost is shared between the employer and the employees, where the Company matches the employee's contribution, which was 5%, up to December 2013, and started to be 3% as from January 2014, of the monthly remuneration (base salary and additional remuneration for length of service). This change in the percentage was validated by the Committee of Personnel Management at a meeting held on March 19, 2014 and approved by the Board of Directors on the same date.

The other information on the pension plan (parent company and consolidated) has not significantly changed compared with that disclosed in Note 25 to the financial statements for the year ended December 31, 2013.

26. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This parent company and consolidated interim financial information were approved and authorized for issuance by the Board of Directors on October 22, 2014.

* * *

Comments on the behavior of business projections

The Company did not disclose projections.

1. SOCIAL REPORT

The Company's Consolidated Social Report for the nine-month period ended September 30, 2014 and 2013 is as follows:

	Consolidated					
1. Calculation basis for social indicators	**9/30/14**			**9/30/13**		
Net revenues (NR)	2,857,028			2,542,369		
Earnings before taxes (EBT)	433,356			415,068		
Gross payroll (GP)	289,918			266,552		
2. Internal social indicators	**9/30/14**			**9/30/13**		
	Amount	**% on GP**	**% on NR**	**Amount**	**% on GP**	**% on NR**
Meals	12,830	4%	0%	15,584	6%	1%
Compulsory social charges	59,763	21%	2%	56,500	21%	2%
Health care	16,738	6%	1%	13,524	5%	1%
Training and professional development	3,945	1%	0%	5,833	2%	0%
Day care center or child care allowance	238	0%	0%	291	0%	0%
Profit sharing	41,149	14%	2%	37,223	14%	1%
Other	4,115	2%	0%	7,233	3%	0%
Total - Internal social indicators	**138,778**	**48%**	**5%**	**136,188**	**51%**	**5%**
3. External social indicators	**9/30/14**			**9/30/13**		
	Amount	**% on EBT**	**% on NR**	**Amount**	**% on EBT**	**% on NR**
Education	304	0%	0%	310	0%	0%
Culture	1,212	1%	0%	1,439	1%	0%
Other	304	0%	0%	75	0%	0%
Total contributions to society	1,821	1%	0%	1,824	1%	0%
Taxes (excluding social charges)	241,447	55%	8%	217,252	52%	9%
Total - External social indicators	**243,267**	**56%**	**8%**	**219,076**	**53%**	**9%**

4. Personnel indicators	**9/30/14**	**9/30/13**
Headcount at the end of the period	5,768	5,762
Number of employees hired during the period	354	331
Number of outsourced employees	267	219
Number of interns	8	31
Number of employees above age 45	593	496
Number of women working in the company	2,656	2,648
% of supervisory positions held by women	48.51%	46.98%
Number of Afro-Brazilians working at the company	4,450	4,222
% of management positions held by Afro-Brazilians	54.13%	50.46%
Number of people with disability or special needs	125	42

	9/30/14			Goals 2014		
5. Significant information regarding corporate citizenship						
Highest/lowest remuneration ratio			73.41(*)			80.00(*)
Total number of work accidents during the period			32			-
- The social and environmental projects developed by the Company were established by	(x) directors	( ) directors and managers	( ) all employees	(x) directors	( ) directors and managers	( ) all employees
- Training and professional	( ) directors and managers	( ) all employees	(x) all + Internal Accident Prevention Committee (CIPA)	( ) 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	( ) are not considered	( ) are suggested	(x) are required	( ) are not considered	( ) will be suggested	(x) 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 137	In court 1,401	In the company (**)	In Procon NA	In court NA
- % of complaints and criticisms from customers handled or solved	In the company (**)	In Procon 24.09%	In court 43.83%	In the company (**)	In Procon NA	In court NA

(*) To calculate the ratio between the highest and lowest remuneration paid by the Company, the head office salaries were used (Belo Horizonte).
(**) The customer assistance attends calls referring to mechanical problems, accidents, doubts about billings, as well as praises and complaints. The Company does not have a record of the number of calls concerning complaints only.