


# Interim Financial Information

## September 30, 2015

*Localiza Rent a Car S.A.*

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

**LOCALIZA.**
**32nd MOST VALUABLE BRAND IN BRAZIL.***

*The value of a company is the reflection of its own values. Ethics, zeal for the image and search of excellence are some of the principles that keep Localiza on the right track. That's how we grow and generate value.*

*Ranking of IstoÉ Dinheiro magazine.

(A free translation of the original in Portuguese)

# Localiza Rent a Car S.A.

## Interim financial information (ITR) at September 30, 2015 and report on review of quarterly information

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# Report on review of quarterly information

To the Board of Directors and Stockholders
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., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2015, 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 and consolidated interim accounting information in accordance with accounting standard CPC 21, Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

Localiza Rent a Car S.A.

**Conclusion on the interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and 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, 2015. 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 22, 2015

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

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

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## 1. General Information

| | |
|---|---|
| **Corporate name** | LOCALIZA RENT A CAR S.A. |
| **Date of adoption of the corporate name** | 10/2/1995 |
| **Type** | Publicly-held corporation |
| **Previous corporate name** | LOCALIZA RENT A CAR LTDA. |
| **Date of establishment** | 9/28/1973 |
| **Federal Corporate Taxpayers' Registration Number (CNPJ)** | 16.670.085/0001-55 |
| **Brazilian Securities Commission (CVM) code** | 1973-9 |
| **CVM registration date** | 5/6/2005 |
| **CVM registration status** | Active |
| **Date of effectiveness of status** | 5/6/2005 |
| **Home country** | Brazil |
| **Country in which the securities are held in custody** | Brazil |

**Other countries in which the securities can be traded**

| Country | Date of admission |
|---|---|

| | |
|---|---|
| **Activity sector** | Transportation and Logistics Services |
| **Description of activities** | Car and fleet rental |
| **Issuer category** | Category A |
| **Date of registration in the current category** | 1/1/2010 |
| **Issuer status** | Operating phase |
| **Date of effectiveness of status** | 5/6/2005 |
| **Type of ownership control** | Private |
| **Date of last change in ownership control** | 5/22/2013 |
| **Date of last change of the fiscal year** | |
| **Month/day of the end of the fiscal year** | 12/31 |
| **Issuer's website on the Internet** | www.localiza.com |

**Newspapers in which the issuer discloses its information**

| Name of newspapers in which the issuer discloses its information | State |
|---|---|
| Diário Oficial de Minas Gerais (Minas Gerais Official Gazette) | MG |
| Jornal Diário do Comércio | MG |
| Online Portal - "Rede Divulgação" - www.rededivulgacao.com.br | BR |

## 2. Address

| | |
|---|---|
| **Mail address** | Av Bernardo Monteiro, 1563, Funcionários, Belo Horizonte, MG, Brasil, CEP 30150-902, Telephone (31) 32477040, Fax (31) 32477755, E-mail controladoria@localiza.com |
| **Headquarters' address** | Av Bernardo Monteiro, 1563, Funcionários, Belo Horizonte, MG, Brasil, CEP 30150-902, Telephone (31) 32477040, Fax (31) 32477755, E-mail controladoria@localiza.com |

## 3. Securities

**Shares**

| | | Trading | | | Listing | |
|---|---|---|---|---|---|---|
| **Market** | **Managing entity** | **Beginning** | **End** | **Trading segment** | **Beginning** | **End** |
| Stock exchange | BM&FBOVESPA | 5/6/2005 | | New Market | 5/23/2005 | |

**Debentures**

| | | Trading | | | Listing | |
|---|---|---|---|---|---|---|
| **Market** | **Managing entity** | **Beginning** | **End** | **Trading segment** | **Beginning** | **End** |
| Stock exchange | BM&FBOVESPA | 7/2/2007 | | Traditional | 7/10/2007 | |
| Organized OTC | CETIP | 5/5/2010 | | Traditional | 5/10/2010 | |

**Commercial notes**

| | | Trading | | | Listing | |
|---|---|---|---|---|---|---|
| **Market** | **Managing entity** | **Beginning** | **End** | **Trading segment** | **Beginning** | **End** |
| Organized OTC | CETIP | 12/29/2010 | | Traditional | 12/29/2010 | |

## 4. Auditor

| | |
|---|---|
| **Does the Issuer have an auditor?** | YES |
| **CVM code** | 287-9 |
| **Type of auditor** | Brazilian Firm |
| **Name/Corporate name** | PricewaterhouseCoopers Auditores Independentes |
| **Individual Taxpayers' Registration Number (CPF)/ Federal Corporate Taxpayers' Registration Number (CNPJ)** | 61.562.112/0005-54 |
| **Period of services** | 3/26/2012 |

| Partner responsible | Period of services | CPF |
|---|---|---|
| Guilherme Campos e Silva | 3/26/2012 | 714.114.966-04 |

## 5. Share Registrar

| | |
|---|---|
| **Does the Company have a service provider?** | YES |
| **Corporate name** | Banco Bradesco S.A. |
| **CNPJ** | 60.746.948/0001-12 |
| **Period of services** | 5/6/2005 |
| **Service address** | Av. Yara, Prédio Amarelo, s/n, Cidade de Deus, São Paulo, SP, Brasil, CEP 06029-900,<br>Telephone (31) 36849441, Fax (31) 36842094,<br>E-mail 4010.acoes@bradesco.com.br |

## 6. Investor Relations Officer or Equivalent

| | |
|---|---|
| **Name** | Roberto Antônio Mendes<br><br>Investor Relations Officer |
| **CPF/CNPJ** | 137.768.946-87 |
| **Mail address** | Av. Bernardo Monteiro, 1563, Funcionários, Belo Horizonte, MG, Brasil, CEP 30150-902,<br>Telephone (31) 32477040, Fax (31) 32477755,<br>E-mail ri@localiza.com |
| **Date when the person assumed the position** | 1/3/2005 |
| **Date when the person left the position** | |

## 7. Shareholders' Department

| | |
|---|---|
| **CONTACT** | **Nora Mascarenhas Lanari** |
| **Date when the person assumed the position** | **11/8/2012** |
| **Date when the person left the position** | |
| **Mail address** | Av Bernardo Monteiro, 1563, Funcionários, Belo Horizonte, MG, Brasil, CEP 30150-902, Telephone (31) 32477040, Fax (31) 32477755, E-mail ri@localiza.com |

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## Company information / capital structure

| Number of shares (In thousands) | Current quarter 9/30/2015 |
|---|---|
| **Paid-up capital** | |
| **Common shares** | 211,793 |
| **Preferred shares** | 0 |
| **Total** | 211,793 |
| **Treasury shares** | |
| **Common shares** | 3,640 |
| **Preferred shares** | 0 |
| **Total** | 3,640 |

## 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 | 12/11/2014 | Interest on capital | 1/30/2015 | Common | | 0.08157 |
| Board of Directors' Meeting | 3/19/2015 | Interest on capital | 5/14/2015 | Common | | 0.10709 |
| Board of Directors' Meeting | 6/25/2015 | Interest on capital | 8/20/2015 | Common | | 0.12340 |
| Board of Directors' Meeting | 9/30/2015 | Interest on capital | 11/19/2015 | Common | | 0.14182 |
| Ordinary and Extraordinary General Meeting | 4/28/2015 | Dividend | 5/21/2015 | Common | | 0.21403 |

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## Parent company financial statements / balance sheet - assets

## (In thousands of Brazilian reais)

| Code | Description | Current quarter 9/30/2015 | Prior year 12/31/2014 |
|---|---|---|---|
| 1 | Total assets | 4,755,190 | 4,842,894 |
| 1.01 | Current assets | 1,277,520 | 1,289,566 |
| 1.01.01 | Cash and cash equivalents | 872,941 | 810,911 |
| 1.01.03 | Accounts receivable | 337,993 | 373,632 |
| 1.01.03.01 | Trade receivables | 337,993 | 373,632 |
| 1.01.06 | Recoverable taxes | 16,785 | 7,410 |
| 1.01.06.01 | Current recoverable taxes | 16,785 | 7,410 |
| 1.01.07 | Prepaid expenses | 9,616 | 213 |
| 1.01.08 | Other current assets | 40,185 | 97,400 |
| 1.01.08.01 | Non-current assets for sale | 2,453 | 3,377 |
| 1.01.08.03 | Other | 37,732 | 94,023 |
| 1.01.08.03.01 | Dividends receivable | 0 | 52,301 |
| 1.01.08.03.02 | Other | 37,732 | 41,722 |
| 1.02 | Non-current assets | 3,477,670 | 3,553,328 |
| 1.02.01 | Long-term assets | 125,359 | 52,263 |
| 1.02.01.06 | Deferred taxes | 37,178 | 27,371 |
| 1.02.01.06.01 | Deferred income tax and social contribution | 37,178 | 27,371 |
| 1.02.01.08 | Receivables from related parties | 661 | 603 |
| 1.02.01.08.02 | Receivables from subsidiaries | 661 | 603 |
| 1.02.01.09 | Other non-current assets | 87,520 | 24,289 |
| 1.02.01.09.03 | Escrow deposits | 34,293 | 24,206 |
| 1.02.01.09.04 | Other | 83 | 83 |
| 1.02.01.09.05 | Derivative instruments - swap | 53,144 | 0 |
| 1.02.02 | Investments | 988,385 | 1,086,372 |
| 1.02.02.01 | Equity interests | 988,385 | 1,086,372 |
| 1.02.02.01.02 | Interests in subsidiaries | 988,385 | 1,086,372 |
| 1.02.03 | Property and equipment | 2,304,800 | 2,358,607 |
| 1.02.03.01 | Property and equipment in service | 2,297,326 | 2,350,124 |
| 1.02.03.02 | Property and equipment leased | 4,349 | 5,051 |
| 1.02.03.03 | Property and equipment in progress | 3,125 | 3,432 |
| 1.02.04 | Intangible assets | 59,126 | 56,086 |
| 1.02.04.01 | Intangible assets | 59,126 | 56,086 |
| 1.02.04.01.02 | Software | 59,126 | 56,086 |

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## Parent company financial statements / balance sheet - liabilities and equity

## (In thousands of Brazilian reais)

| Code | Description | Current quarter 9/30/2015 | Prior year 12/31/2014 |
|---|---|---|---|
| 2 | Total liabilities and equity | 4,755,190 | 4,842,894 |
| 2.01 | Current liabilities | 730,081 | 1,034,126 |
| 2.01.01 | Social and labor obligations | 65,911 | 63,099 |
| 2.01.01.01 | Social obligations | 7,519 | 7,656 |
| 2.01.01.02 | Labor obligations | 58,392 | 55,443 |
| 2.01.02 | Trade payables | 457,298 | 712,154 |
| 2.01.02.01 | Domestic trade payables | 457,238 | 712,154 |
| 2.01.02.02 | Foreign trade payables | 60 | 0 |
| 2.01.03 | Tax obligations | 10,066 | 17,957 |
| 2.01.03.01 | Federal tax obligations | 9,394 | 17,182 |
| 2.01.03.01.01 | Income tax and social contribution payable | 0 | 11,434 |
| 2.01.03.01.02 | Other federal taxes | 9,394 | 5,748 |
| 2.01.03.03 | Municipal tax obligations | 672 | 775 |
| 2.01.04 | Loans and financing | 128,897 | 114,150 |
| 2.01.04.01 | Loans and financing | 0 | 40,683 |
| 2.01.04.01.02 | In foreign currency | 0 | 40,683 |
| 2.01.04.02 | Debentures | 127,169 | 71,465 |
| 2.01.04.03 | Finance leases | 1,728 | 2,002 |
| 2.01.05 | Other obligations | 67,909 | 126,766 |
| 2.01.05.01 | Payables to related parties | 709 | 4,323 |
| 2.01.05.01.02 | Payables to subsidiaries | 709 | 4,323 |
| 2.01.05.02 | Other | 67,200 | 122,443 |
| 2.01.05.02.01 | Dividends and interest on capital payable | 25,138 | 59,229 |
| 2.01.05.02.04 | Other current liabilities | 29,425 | 63,214 |
| 2.01.05.02.05 | Derivative instruments - swap | 12,637 | 0 |
| 2.02 | Non-current liabilities | 2,156,655 | 2,153,264 |
| 2.02.01 | Loans and financing | 1,997,511 | 2,018,979 |
| 2.02.01.01 | Loans and financing | 278,103 | 79,253 |
| 2.02.01.01.02 | In foreign currency | 278,103 | 79,253 |
| 2.02.01.02 | Debentures | 1,717,925 | 1,937,774 |
| 2.02.01.03 | Finance leases | 1,483 | 1,952 |
| 2.02.02 | Other obligations | 7,275 | 7,092 |
| 2.02.02.01 | Payables to related parties | 818 | 988 |
| 2.02.02.01.01 | Payables to associates | 818 | 988 |
| 2.02.02.02 | Other | 6,457 | 6,104 |
| 2.02.02.02.03 | Other non-current liabilities | 6,457 | 6,104 |
| 2.02.03 | Deferred taxes | 93,942 | 71,964 |
| 2.02.03.01 | Deferred income tax and social contribution | 93,942 | 71,964 |
| 2.02.04 | Provisions | 57,873 | 55,174 |
| 2.02.04.01 | Tax, social security, labor and civil provisions | 57,873 | 55,174 |
| 2.02.04.01.01 | Tax provisions | 2,977 | 2,425 |
| 2.02.04.01.02 | Social security and labor provisions | 43,177 | 43,834 |
| 2.02.04.01.04 | Civil provisions | 11,719 | 8,915 |
| 2.02.06 | Deferred revenues | 54 | 55 |
| 2.02.06.02 | Deferred revenues | 54 | 55 |
| 2.03 | Equity | 1,868,454 | 1,655,504 |
| 2.03.01 | Share capital | 976,708 | 976,708 |
| 2.03.02 | Capital reserves | 34,468 | 40,428 |
| 2.03.02.01 | Share premium | 99,262 | 82,513 |
| 2.03.02.04 | Options granted | 13,232 | 18,083 |
| 2.03.02.05 | Treasury shares | -78,026 | -60,168 |
| 2.03.04 | Revenue reserves | 638,368 | 638,368 |
| 2.03.04.01 | Legal reserve | 80,037 | 80,037 |
| 2.03.04.02 | Statutory reserve | 558,331 | 558,331 |
| 2.03.05 | Retained earnings | 218,910 | 0 |

## Parent company financial statements / income statement

## (In thousands of Brazilian reais, unless otherwise indicated)

| 1 - Code | 2 - Description | Current quarter 7/1/2015 to 9/30/2015 | Accumulated - current year 1/1/2015 to 9/30/2015 | Same quarter of prior year 7/1/2014 to 9/30/2014 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|---|---|
| 3.01 | Revenue from sale of goods and/or services | 704,819 | 2,153,035 | 768,850 | 2,126,577 |
| 3.02 | Cost of goods and/or services sold | -523,197 | -1,577,990 | -574,548 | -1,559,789 |
| 3.03 | Gross profit | 181,622 | 575,045 | 194,302 | 566,788 |
| 3.04 | Operating income/expenses | -22,595 | -103,557 | -33,611 | -85,725 |
| 3.04.01 | Selling expenses | -59,962 | -194,667 | -62,620 | -181,763 |
| 3.04.02 | General and administrative expenses | -33,374 | -90,254 | -27,335 | -75,822 |
| 3.04.05 | Other operating expenses | 193 | -919 | 2,305 | 2,079 |
| 3.04.06 | Equity in results of investees | 70,548 | 182,283 | 54,039 | 169,781 |
| 3.05 | Result from operations before finance result and taxes | 159,027 | 471,488 | 160,691 | 481,063 |
| 3.06 | Financial result | -54,290 | -154,005 | -43,122 | -125,389 |
| 3.06.01 | Financial income | 34,694 | 87,315 | 13,334 | 48,668 |
| 3.06.02 | Financial expenses | -88,984 | -241,320 | -56,456 | -174,057 |
| 3.07 | Net income before taxes on income | 104,737 | 317,483 | 117,569 | 355,674 |
| 3.08 | Income tax and social contribution | -1,847 | -20,963 | -15,644 | -47,331 |
| 3.08.01 | Current | -1 | -8,792 | -10,880 | -32,694 |
| 3.08.02 | Deferred | -1,846 | -12,171 | -4,764 | -14,637 |
| 3.09 | Net income from continuing operations | 102,890 | 296,520 | 101,925 | 308,343 |
| 3.11 | Net income for the period | 102,890 | 296,520 | 101,925 | 308,343 |
| 3.99 | Earnings per share - (real/share) | | | | |
| 3.99.01 | Basic earnings per share | | | | |
| 3.99.01.01 | Common shares | 0.49243 | 1.41888 | 0.48932 | 1.48093 |
| 3.99.02 | Diluted earnings per share | | | | |
| 3.99.02.01 | Common shares | 0.49332 | 1.42145 | 0.48711 | 1.46802 |

## Parent company financial statements / statement of comprehensive income

## (In thousands of Brazilian reais)

| 1 - Code | 2 - Description | Current quarter 7/1/2015 to 9/30/2015 | Accumulated - current year 1/1/2015 to 9/30/2015 | Same quarter of prior year 7/1/2014 to 9/30/2014 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|---|---|
| 4.01 | Net income for the period | 102,890 | 296,520 | 101,925 | 308,343 |
| 4.03 | Comprehensive income for the period | 102,890 | 296,520 | 101,925 | 308,343 |

(A free translation of the original in Portuguese)



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

## (In thousands of Brazilian reais)

| Code | Description | Accumulated - current year 1/1/2015 to 9/30/2015 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|
| 6.01 | Net cash provided by (used in) operating activities | -59,686 | 56,221 |
| 6.01.01 | Cash flows provided by operating activities | 1,291,540 | 1,339,159 |
| 6.01.01.01 | Net income | 296,520 | 308,343 |
| 6.01.01.02 | Depreciation and amortization | 51,693 | 84,932 |
| 6.01.01.03 | Residual value of property and equipment disposals | 1,097,424 | 1,081,772 |
| 6.01.01.04 | Deferred income tax and social contribution | 12,171 | 14,637 |
| 6.01.01.05 | Equity in results of investees | -182,283 | -169,781 |
| 6.01.01.06 | Other | 16,015 | 19,256 |
| 6.01.02 | Variation in assets and liabilities | -1,122,830 | -1,027,720 |
| 6.01.02.01 | Trade receivables | 29,622 | -5,743 |
| 6.01.02.02 | Acquisition of cars, net of changes in balances with car manufacturers | -1,328,254 | -1,150,766 |
| 6.01.02.03 | Escrow deposits | -12,777 | 1,114 |
| 6.01.02.04 | Recoverable taxes | -43,157 | -13,263 |
| 6.01.02.05 | Other assets | 4,370 | -5,614 |
| 6.01.02.06 | Trade payables - other | -15,486 | -28,951 |
| 6.01.02.07 | Social and labor obligations | 2,800 | 3,686 |
| 6.01.02.08 | Taxes payable | 8,792 | 32,694 |
| 6.01.02.09 | Interest on loans, financing, debentures and other liabilities | 236,573 | 171,064 |
| 6.01.02.10 | Insurance premiums to transfer | -15,619 | -5,023 |
| 6.01.02.11 | Other liabilities | 10,306 | -26,918 |
| 6.01.03 | Other | -228,396 | -255,218 |
| 6.01.03.01 | Income tax and social contribution paid | -13,819 | -32,848 |
| 6.01.03.02 | Interest paid | -214,577 | -222,370 |
| 6.02 | Net cash provided by investing activities | 310,324 | 60,593 |
| 6.02.01 | Purchase of other property and equipment | -6,870 | -5,635 |
| 6.02.02 | Purchases of intangible assets | -10,078 | -11,403 |
| 6.02.03 | Payment of capital in subsidiaries | -109 | -109,078 |
| 6.02.04 | Dividends of subsidiaries | 327,381 | 198,080 |
| 6.02.06 | Acquisition of investment, goodwill and fair value increment | 0 | -15,895 |
| 6.02.07 | Merger - investment in subsidiaries | 0 | 4,578 |
| 6.02.08 | Other | 0 | -54 |
| 6.03 | Net cash used in financing activities | -188,608 | 8,962 |
| 6.03.01 | Loans and financing - proceeds | 226,504 | 570 |
| 6.03.02 | Loans and financing - repayments | -124,500 | -321,399 |
| 6.03.03 | Debentures - proceeds | 496,772 | 498,668 |
| 6.03.04 | Debentures - repayments | -668,000 | -90,800 |
| 6.03.05 | Dividends | -44,660 | -38,612 |
| 6.03.06 | Interest on capital | -65,082 | -44,890 |
| 6.03.09 | Treasury shares | -27,451 | 0 |
| 6.03.10 | Other | 17,809 | 5,425 |
| 6.05 | Increase (decrease) in cash and cash equivalents | 62,030 | 125,776 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 810,911 | 621,518 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 872,941 | 747,294 |

## Parent company financial statements / statement of changes in equity - 1/1/2015 to 9/30/2015

## (In thousands of Brazilian 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 | 40,428 | 638,368 | 0 | 0 | 1,655,504 |
| 5.03 | Adjusted opening balances | 976,708 | 40,428 | 638,368 | 0 | 0 | 1,655,504 |
| 5.04 | Capital transactions with shareholders | 0 | -5,960 | 0 | -77,610 | 0 | -83,570 |
| 5.04.03 | Options granted recognized | 0 | 3,682 | 0 | 0 | 0 | 3,682 |
| 5.04.04 | Treasury shares acquired | 0 | -27,451 | 0 | 0 | 0 | -27,451 |
| 5.04.05 | Treasury shares sold | 0 | 17,809 | 0 | 0 | 0 | 17,809 |
| 5.04.07 | Interest on capital | 0 | 0 | 0 | -77,610 | 0 | -77,610 |
| 5.05 | Total comprehensive income | 0 | 0 | 0 | 296,520 | 0 | 296,520 |
| 5.05.01 | Net income | 0 | 0 | 0 | 296,520 | 0 | 296,520 |
| 5.07 | Closing balances | 976,708 | 34,468 | 638,368 | 218,910 | 0 | 1,868,454 |

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

## (In thousands of Brazilian 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 | 0 | 0 | 0 | 308,343 | 0 | 308,343 |
| 5.07 | Closing balances | 976,708 | 39,294 | 334,320 | 263,453 | 0 | 1,613,775 |

(A free translation of the original in Portuguese)



## Parent company financial statements / statement of value added

## (In thousands of Brazilian reais)

| Code | Description | Accumulated - current year 1/1/2015 to 9/30/2015 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|
| 7.01 | Revenue | 2,187,193 | 2,176,240 |
| 7.01.01 | Sale of goods and services | 2,189,748 | 2,172,296 |
| 7.01.03 | Revenues related to the construction of own assets | 3,462 | 2,729 |
| 7.01.04 | Provision/reversal for impairment of trade receivables | -6,017 | 1,215 |
| 7.02 | Inputs acquired from third parties | -1,396,370 | -1,343,475 |
| 7.02.01 | Cost of products, goods and services sold | -1,280,973 | -1,247,401 |
| 7.02.02 | Materials, energy, third-party services and other | -115,397 | -96,074 |
| 7.03 | Gross value added | 790,823 | 832,765 |
| 7.04 | Retentions | -51,693 | -84,932 |
| 7.04.01 | Depreciation, amortization and depletion | -51,693 | -84,932 |
| 7.05 | Net value added | 739,130 | 747,833 |
| 7.06 | Value added received through transfer | 269,598 | 218,449 |
| 7.06.01 | Equity in results of investees | 182,283 | 169,781 |
| 7.06.02 | Financial income | 87,315 | 48,668 |
| 7.07 | Total net value added for distribution | 1,008,728 | 966,282 |
| 7.08 | Distribution of value added | 1,008,728 | 966,282 |
| 7.08.01 | Personnel | 233,321 | 223,214 |
| 7.08.01.01 | Salaries and wages | 183,734 | 178,775 |
| 7.08.01.02 | Benefits | 34,312 | 29,677 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 11,941 | 11,073 |
| 7.08.01.04 | Other | 3,334 | 3,689 |
| 7.08.02 | Taxes, charges and contributions | 138,077 | 163,689 |
| 7.08.02.01 | Federal | 95,245 | 125,848 |
| 7.08.02.02 | State | 34,533 | 30,557 |
| 7.08.02.03 | Municipal | 8,299 | 7,284 |
| 7.08.03 | Remuneration of third parties' capital | 340,810 | 271,036 |
| 7.08.03.01 | Interest | 241,320 | 174,057 |
| 7.08.03.02 | Rentals | 99,490 | 96,979 |
| 7.08.04 | Remuneration of own capital | 296,520 | 308,343 |
| 7.08.04.01 | Interest on capital | 77,610 | 44,890 |
| 7.08.04.03 | Retained earnings | 218,910 | 263,453 |

(A free translation of the original in Portuguese)



## Consolidated financial statements / balance sheet - assets

## (In thousands of Brazilian reais)

| Code | Description | Current quarter 9/30/2015 | Prior year 12/31/2014 |
|---|---|---|---|
| 1 | Total assets | 5,647,628 | 5,697,454 |
| 1.01 | Current assets | 1,877,939 | 1,962,658 |
| 1.01.01 | Cash and cash equivalents | 1,287,245 | 1,390,189 |
| 1.01.03 | Accounts receivables | 428,830 | 459,576 |
| 1.01.03.01 | Trade receivables | 428,830 | 459,576 |
| 1.01.06 | Recoverable taxes | 26,797 | 17,599 |
| 1.01.06.01 | Current recoverable taxes | 26,797 | 17,599 |
| 1.01.07 | Prepaid expenses | 14,391 | 276 |
| 1.01.08 | Other current assets | 120,676 | 95,018 |
| 1.01.08.01 | Non-current assets for sale | 32,509 | 18,306 |
| 1.01.08.03 | Other | 88,167 | 76,712 |
| 1.01.08.08.01 | Derivative instruments - swap | 1,481 | 0 |
| 1.01.08.03.02 | Other | 86,686 | 76,712 |
| 1.02 | Non-current assets | 3,769,689 | 3,734,796 |
| 1.02.01 | Long-term assets | 153,396 | 170,604 |
| 1.02.01.03 | Accounts receivable | 1,602 | 3,176 |
| 1.02.01.03.01 | Trade receivables | 1,602 | 3,176 |
| 1.02.01.06 | Deferred taxes | 43,707 | 32,855 |
| 1.02.01.06.01 | Deferred income tax and social contribution | 43,707 | 32,855 |
| 1.02.01.09 | Other non-current assets | 108,087 | 134,573 |
| 1.02.01.09.03 | Escrow deposits | 53,189 | 41,938 |
| 1.02.01.09.04 | Other | 83 | 83 |
| 1.02.01.09.05 | Investments in marketable securities | 0 | 92,552 |
| 1.02.01.09.06 | Derivative instruments - swap | 54,815 | 0 |
| 1.02.03 | Property and equipment | 3,530,469 | 3,481,858 |
| 1.02.03.01 | Property and equipment in service | 2,968,219 | 3,008,207 |
| 1.02.03.02 | Property and equipment leased | 559,125 | 470,219 |
| 1.02.03.03 | Property and equipment in progress | 3,125 | 3,432 |
| 1.02.04 | Intangible assets | 85,824 | 82,334 |
| 1.02.04.01 | Intangible assets | 85,824 | 82,334 |
| 1.02.04.01.02 | Goodwill on acquisition of investments | 22,077 | 22,077 |
| 1.02.04.01.03 | Software | 63,747 | 60,257 |

(A free translation of the original in Portuguese)



## Consolidated financial statements / balance sheet - liabilities and equity

## (In thousands of Brazilian reais)

| Code | Description | Current quarter 9/30/2015 | Prior year 12/31/2014 |
|---|---|---|---|
| 2 | Total liabilities and equity | 5,647,628 | 5,697,454 |
| 2.01 | Current liabilities | 1,140,430 | 1,398,380 |
| 2.01.01 | Social and labor obligations | 86,389 | 86,274 |
| 2.01.01.01 | Social obligations | 9,918 | 10,945 |
| 2.01.01.02 | Labor obligations | 76,471 | 75,329 |
| 2.01.02 | Trade payables | 552,761 | 828,421 |
| 2.01.02.01 | Domestic trade payables | 552,701 | 828,421 |
| 2.01.02.02 | Foreign trade payables | 60 | 0 |
| 2.01.03 | Tax obligations | 38,770 | 53,645 |
| 2.01.03.01 | Federal tax obligations | 35,314 | 50,908 |
| 2.01.03.01.01 | Income tax and social contribution payable | 23,005 | 41,279 |
| 2.01.03.01.02 | Other federal taxes | 12,309 | 9,629 |
| 2.01.03.03 | Municipal tax obligations | 3,456 | 2,737 |
| 2.01.04 | Loans and financing | 368,669 | 300,891 |
| 2.01.04.01 | Loans and financing | 3,609 | 41,668 |
| 2.01.04.01.01 | In local currency | 3,609 | 985 |
| 2.01.04.01.02 | In foreign currency | 0 | 40,683 |
| 2.01.04.02 | Debentures | 127,169 | 71,465 |
| 2.01.04.03 | Finance leases | 237,891 | 187,758 |
| 2.01.05 | Other obligations | 93,841 | 129,149 |
| 2.01.05.02 | Other | 93,841 | 129,149 |
| 2.01.05.02.01 | Dividends and interest on capital payable | 25,138 | 59,229 |
| 2.01.05.02.04 | Other current liabilities | 35,747 | 69,920 |
| 2.01.05.02.05 | Derivative instruments - swap | 32,956 | 0 |
| 2.02 | Non-current liabilities | 2,638,744 | 2,643,570 |
| 2.02.01 | Loans and financing | 2,367,623 | 2,411,575 |
| 2.02.01.01 | Loans and financing | 562,412 | 359,998 |
| 2.02.01.01.01 | In local currency | 284,309 | 280,745 |
| 2.02.01.01.02 | In foreign currency | 278,103 | 79,253 |
| 2.02.01.02 | Debentures | 1,717,925 | 1,937,774 |
| 2.02.01.03 | Finance leases | 87,286 | 113,803 |
| 2.02.02 | Other obligations | 9,307 | 13,766 |
| 2.02.02.01 | Payables to related parties | 818 | 988 |
| 2.02.02.01.01 | Payables to associates | 818 | 988 |
| 2.02.02.02 | Other | 8,489 | 12,778 |
| 2.02.02.02.03 | Other non-current liabilities | 8,489 | 12,778 |
| 2.02.03 | Deferred taxes | 181,269 | 138,870 |
| 2.02.03.01 | Deferred income tax and social contribution | 181,269 | 138,870 |
| 2.02.04 | Provisions | 73,949 | 69,874 |
| 2.02.04.01 | Tax, social security, labor and civil provisions | 73,949 | 69,874 |
| 2.02.04.01.01 | Tax provisions | 6,127 | 4,934 |
| 2.02.04.01.02 | Social security and labor provisions | 54,064 | 54,046 |
| 2.02.04.01.04 | Civil provisions | 13,758 | 10,894 |
| 2.02.06 | Deferred revenues | 6,596 | 9,485 |
| 2.02.06.02 | Deferred revenues | 6,596 | 9,485 |
| 2.03 | Consolidated equity | 1,868,454 | 1,655,504 |
| 2.03.01 | Share capital | 976,708 | 976,708 |
| 2.03.02 | Capital reserves | 34,468 | 40,428 |
| 2.03.02.01 | Share premium | 99,262 | 82,513 |
| 2.03.02.04 | Options granted | 13,232 | 18,083 |
| 2.03.02.05 | Treasury shares | -78,026 | -60,168 |
| 2.03.04 | Revenue reserves | 638,368 | 638,368 |
| 2.03.04.01 | Legal reserve | 80,037 | 80,037 |
| 2.03.04.02 | Statutory reserve | 558,331 | 558,331 |
| 2.03.05 | Retained earnings | 218,910 | 0 |

## Consolidated financial statements / income statement

## (In thousands of Brazilian reais, unless otherwise stated)

| 1 - Code | 2 - Description | Current quarter 7/1/2015 to 9/30/2015 | Accumulated - current year 1/1/2015 to 9/30/2015 | Same quarter of prior year 7/1/2014 to 9/30/2014 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|---|---|
| 3.01 | Revenue from sale of goods and/or services | 978,094 | 2,934,525 | 1,007,404 | 2,857,028 |
| 3.02 | Cost of goods and/or services sold | -664,915 | -2,011,729 | -711,923 | -1,982,334 |
| 3.03 | Gross profit | 313,179 | 922,796 | 295,481 | 874,694 |
| 3.04 | Operating income (expenses) | -118,251 | -362,347 | -112,025 | -321,925 |
| 3.04.01 | Selling expenses | -78,859 | -253,107 | -80,206 | -229,726 |
| 3.04.02 | General and administrative expenses | -39,583 | -108,232 | -33,892 | -93,856 |
| 3.04.05 | Other operating expenses | 191 | -1,008 | 2,073 | 1,657 |
| 3.05 | Results from operations before finance result and taxes | 194,928 | 560,449 | 183,456 | 552,769 |
| 3.06 | Financial result | -59,714 | -159,137 | -42,465 | -119,413 |
| 3.06.01 | Financial income | 43,893 | 126,472 | 23,769 | 79,696 |
| 3.06.02 | Financial expenses | -103,607 | -285,609 | -66,234 | -199,109 |
| 3.07 | Net income before taxes on income | 135,214 | 401,312 | 140,991 | 433,356 |
| 3.08 | Income tax and social contribution | -32,324 | -104,792 | -39,066 | -125,013 |
| 3.08.01 | Current | -21,840 | -73,245 | -28,786 | -94,444 |
| 3.08.02 | Deferred | -10,484 | -31,547 | -10,280 | -30,569 |
| 3.09 | Net income from continuing operations | 102,890 | 296,520 | 101,925 | 308,343 |
| 3.11 | Consolidated net income for the period | 102,890 | 296,520 | 101,925 | 308,343 |
| 3.11.01 | Attributable to shareholders of the Parent company | 102,890 | 296,520 | 101,925 | 308,343 |
| 3.99 | Earnings per share - (real/share) | | | | |
| 3.99.01 | Basic earnings per share | | | | |
| 3.99.01.01 | Common shares | 0.49243 | 1.41888 | 0.48932 | 1.48093 |
| 3.99.02 | Diluted earnings per share | | | | |
| 3.99.02.01 | Common shares | 0.49332 | 1.42145 | 0.48711 | 1.46802 |

(A free translation of the original in Portuguese)



## Consolidated financial statements / statement of comprehensive income

## (In thousands of Brazilian reais)

| 1 - Code | 2 - Description | Current quarter 7/1/2015 to 9/30/2015 | Accumulated - current year 1/1/2015 to 9/30/2015 | Same quarter of prior year 7/1/2014 to 9/30/2014 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|---|---|
| 4.01 | Consolidated net income for the period | 102,890 | 296,520 | 101,925 | 308,343 |
| 4.03 | Consolidated comprehensive income for the period | 102,890 | 296,520 | 101,925 | 308,343 |
| 4.03.01 | Attributable to shareholders of the Parent company | 102,890 | 296,520 | 101,925 | 308,343 |

(A free translation of the original in Portuguese)



## Consolidated financial statements / statement of cash flows - indirect method

## (In thousands of Brazilian reais)

| 1 - Code | 2 - Description | Accumulated - current year 1/1/2015 to 9/30/2015 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|
| 6.01 | Net cash provided by operating activities | 73,238 | 197,820 |
| 6.01.01 | Cash flows provided by operating activities | 1,817,718 | 1,837,409 |
| 6.01.01.01 | Net income | 296,520 | 308,343 |
| 6.01.01.02 | Depreciation and amortization | 146,304 | 179,422 |
| 6.01.01.03 | Residual value of property and equipment disposals | 1,322,524 | 1,294,500 |
| 6.01.01.04 | Deferred income tax and social contribution | 31,547 | 30,569 |
| 6.01.01.05 | Other | 20,823 | 24,575 |
| 6.01.02 | Variation in assets and liabilities | -1,401,773 | -1,303,158 |
| 6.01.02.01 | Trade receivables | 23,206 | -15,208 |
| 6.01.02.02 | Acquisition of cars, net of changes in balances with car manufacturers | -1,698,244 | -1,485,313 |
| 6.01.02.03 | Escrow deposits | -14,498 | -2,143 |
| 6.01.02.04 | Recoverable taxes | -65,267 | -30,656 |
| 6.01.02.05 | Other assets | -12,999 | -10,141 |
| 6.01.02.06 | Trade payables - other | -18,071 | -23,647 |
| 6.01.02.07 | Social and labor obligations | 265 | 2,436 |
| 6.01.02.08 | Taxes payable | 73,245 | 94,444 |
| 6.01.02.09 | Interest on loans, financing, debentures and other liabilities | 315,674 | 200,540 |
| 6.01.02.10 | Insurance premiums to transfer | -15,619 | -5,023 |
| 6.01.02.11 | Other liabilities | 10,535 | -28,447 |
| 6.01.03 | Other | -342,707 | -336,431 |
| 6.01.03.01 | Income tax and social contribution paid | -72,491 | -89,852 |
| 6.01.03.02 | Interest paid | -270,216 | -246,579 |
| 6.02 | Net cash used in investing activities | -11,826 | -154,871 |
| 6.02.01 | Purchases of other property and equipment | -93,142 | -37,690 |
| 6.02.02 | Purchases of intangible assets | -11,236 | -12,748 |
| 6.02.03 | Investment in marketable securities | 0 | -89,980 |
| 6.02.04 | Acquisition of investment, goodwill and fair value increment | 0 | -14,453 |
| 6.02.05 | Redemption of investment in marketable securities | 92,552 | 0 |
| 6.03 | Net cash provided by financing activities | -164,356 | 237,715 |
| 6.03.01 | Loans and financing - proceeds | 425,228 | 359,865 |
| 6.03.02 | Loans and financing - repayments | -298,972 | -450,574 |
| 6.03.03 | Debentures - proceeds | 496,772 | 497,301 |
| 3.03.04 | Debentures - repayments | -668,000 | -90,800 |
| 6.03.05 | Dividends | -44,660 | -38,612 |
| 6.03.06 | Interest on capital | -65,082 | -44,890 |
| 6.03.08 | Treasury shares | -27,451 | 0 |
| 6.03.09 | Other | 17,809 | 5,425 |
| 6.05 | Increase (decrease) in cash and cash equivalents | -102,944 | 280,664 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 1,390,189 | 1,010,740 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 1,287,245 | 1,291,404 |

## Consolidated financial statements / statement of changes in equity - 1/1/2015 to 9/30/2015

## (In thousands of Brazilian 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 | 40,428 | 638,368 | 0 | 0 | 1,655,504 | 0 | 1,655,504 |
| 5.03 | Adjusted opening balances | 976,708 | 40,428 | 638,368 | 0 | 0 | 1,655,504 | 0 | 1,655,504 |
| 5.04 | Capital transactions with shareholders | 0 | -5,960 | 0 | -77,610 | 0 | -83,570 | 0 | -83,570 |
| 5.04.03 | Options granted recognized | 0 | 3,682 | 0 | 0 | 0 | 3,121 | 0 | 3,682 |
| 5.04.04 | Treasury shares acquired | 0 | -27,451 | 0 | 0 | 0 | -27,540 | 0 | -27,451 |
| 5.04.05 | Treasury shares sold | 0 | 17,809 | 0 | 0 | 0 | 18,459 | 0 | 17,809 |
| 5.04.07 | Interest on capital | 0 | 0 | 0 | -77,610 | 0 | -77,610 | 0 | -77,610 |
| 5.05 | Total comprehensive income | 0 | 0 | 0 | 296,520 | 0 | 296,520 | 0 | 296,520 |
| 5.05.01 | Net income | 0 | 0 | 0 | 296,520 | 0 | 296,520 | 0 | 296,520 |
| 5.07 | Closing balances | 976,708 | 34,468 | 638,368 | 218,910 | 0 | 1,868,454 | 0 | 1,868,454 |

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

## (In thousands of Brazilian 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 | 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 |

## Comments on company performance

(A free translation of the original in Portuguese)



## Consolidated financial statements / statement of value added

## (In thousands of Brazilian reais)

| Code | Description | Accumulated - current year 1/1/2015 to 9/30/2015 | Accumulated - prior year 1/1/2014 to 9/30/2014 |
|---|---|---|---|
| 7.01 | Revenue | 2,984,249 | 2,927,430 |
| 7.01.01 | Sale of goods and services | 2,989,901 | 2,924,748 |
| 7.01.03 | Revenues related to the construction of own assets | 3,462 | 2,729 |
| 7.01.04 | Recognition/reversal of provision for impairment of trade receivables | -9,114 | -47 |
| 7.02 | Inputs acquired from third parties | -1,701,801 | -1,644,352 |
| 7.02.01 | Cost of products, goods and services sold | -1,573,223 | -1,534,353 |
| 7.02.02 | Materials, energy, third-party services and other | -128,578 | -109,999 |
| 7.03 | Gross value added | 1,282,448 | 1,283,078 |
| 7.04 | Retentions | -146,304 | -179,422 |
| 7.04.01 | Depreciation, amortization and depletion | -146,304 | -179,422 |
| 7.05 | Net value added | 1,136,144 | 1,103,656 |
| 7.06 | Value added received through transfer | 126,472 | 79,696 |
| 7.06.02 | Financial income | 126,472 | 79,696 |
| 7.07 | Total value added to be distributed | 1,262,616 | 1,183,352 |
| 7.08 | Distribution of value added | 1,262,616 | 1,183,352 |
| 7.08.01 | Personnel | 307,795 | 288,338 |
| 7.08.01.01 | Salaries and wages | 245,779 | 233,421 |
| 7.08.01.02 | Benefits | 42,228 | 36,239 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 16,106 | 14,989 |
| 7.08.01.04 | Other | 3,682 | 3,689 |
| 7.08.02 | Taxes, charges and contributions | 270,911 | 289,078 |
| 7.08.02.01 | Federal | 208,313 | 234,789 |
| 7.08.02.02 | State | 51,295 | 44,177 |
| 7.08.02.03 | Municipal | 11,303 | 10,112 |
| 7.08.03 | Remuneration of third parties' capital | 387,390 | 297,593 |
| 7.08.03.01 | Interest | 285,609 | 199,109 |
| 7.08.03.02 | Rentals | 101,781 | 98,484 |
| 7.08.04 | Remuneration of own capital | 296,520 | 308,343 |
| 7.08.04.01 | Interest on capital | 77,610 | 44,890 |
| 7.08.04.03 | Retained earnings | 218,910 | 263,453 |

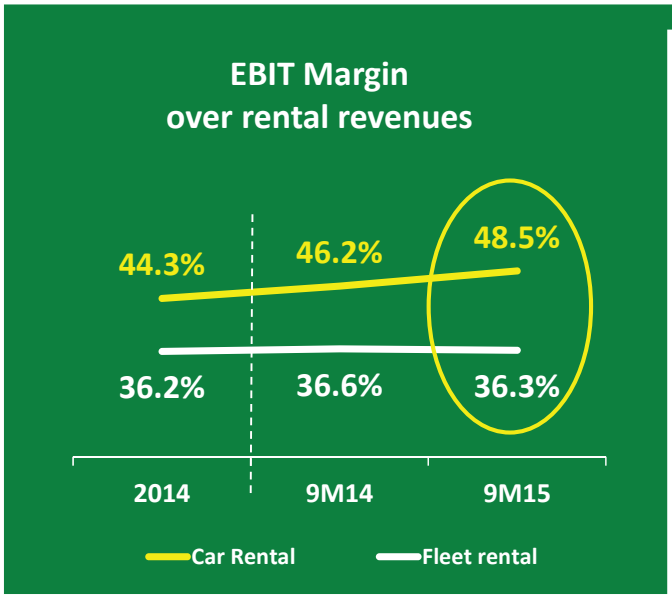
**Comments on company performance**

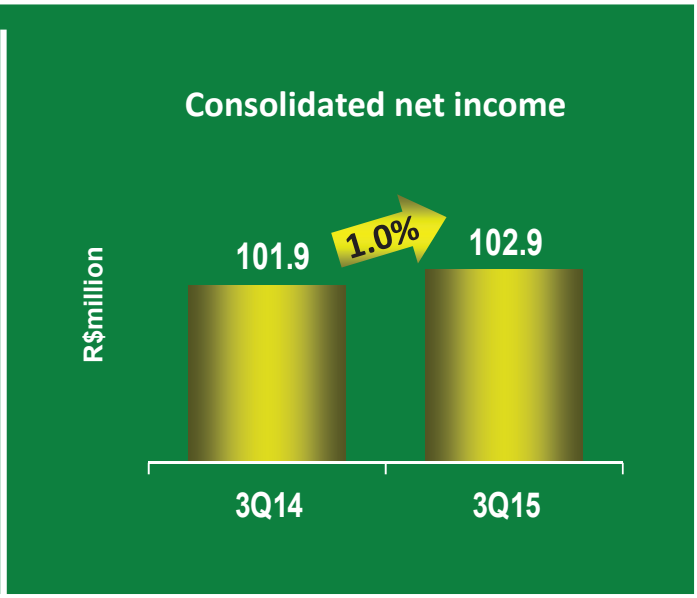
The financial information is presented in millions of Brazilian Reais, unless where otherwise stated, and from 2011 on, is based on the audited financial information prepared in accordance with International Financial Reporting Standards (IFRS), with reconciliation to the financial information in USGAAP. The financial information from 2010 is presented in accordance with USGAAP and, for the purpose of comparison with IFRS figures, net revenues are presented net of taxes on revenue.

# Highlights

## Investment grade reaffirmed by S&P and Fitch.

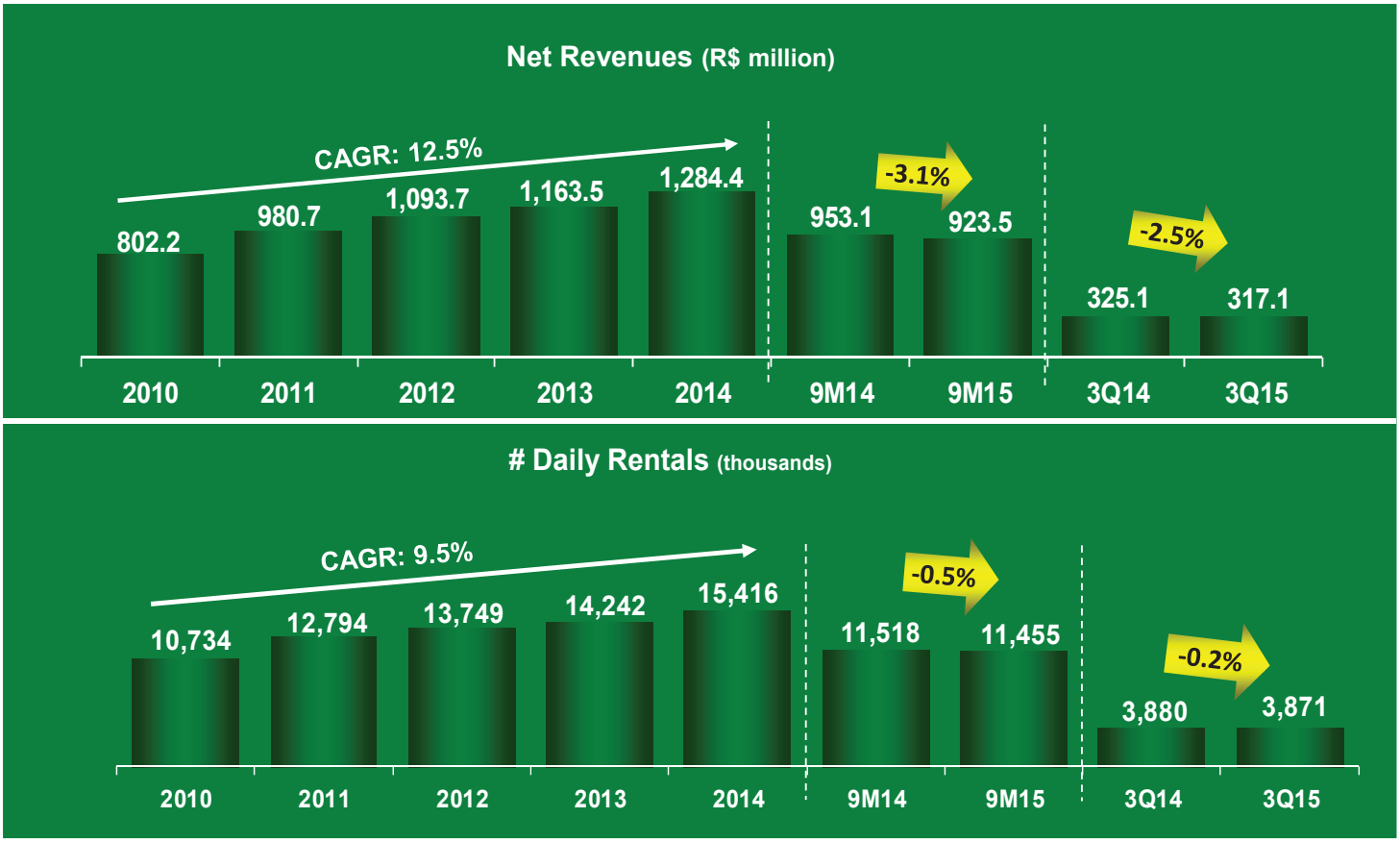
| Agency | National Scale (Brazil) | Global Scale |
|---|---|---|
| Standard & Poor's | brAAA / Negative | BBB- / Negative |
| Fitch Ratings | AAA(bra) / Stable | BBB / Negative |
| Moody's | Aa1.br / Stable | Baa3 / Stable |



**Comments on company performance**

## 1 – Car Rental





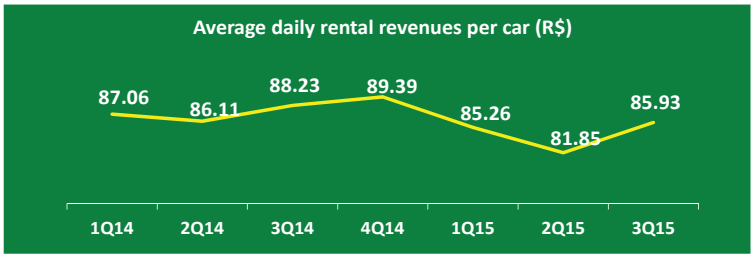


The investments in business intelligence contributed to capture demand in specific segments, offsetting reduced volumes in those segments sensitive to the adverse scenario and to a decrease in GDP estimated at 2.97% in 2015 (Bulletin Focus 10/09/2015).

**Car Rental Division**'s net revenues decreased 2.5% in 3Q15, when compared with 3Q14 mainly due to a reduction of 2.6% in the average rental rate. Volume remained practically stable when compared to the same period last year.

In 9M15, net revenues were 3.1% lower due to a decrease of 0.5% in the daily rental volume and 3.1% in the average rental rate, when compared with 9M14.

The need to stimulate demand with promotional rates in the current macroeconomic and competitive scenario resulted in a lower average rental rate in the year when compared to same period last year.

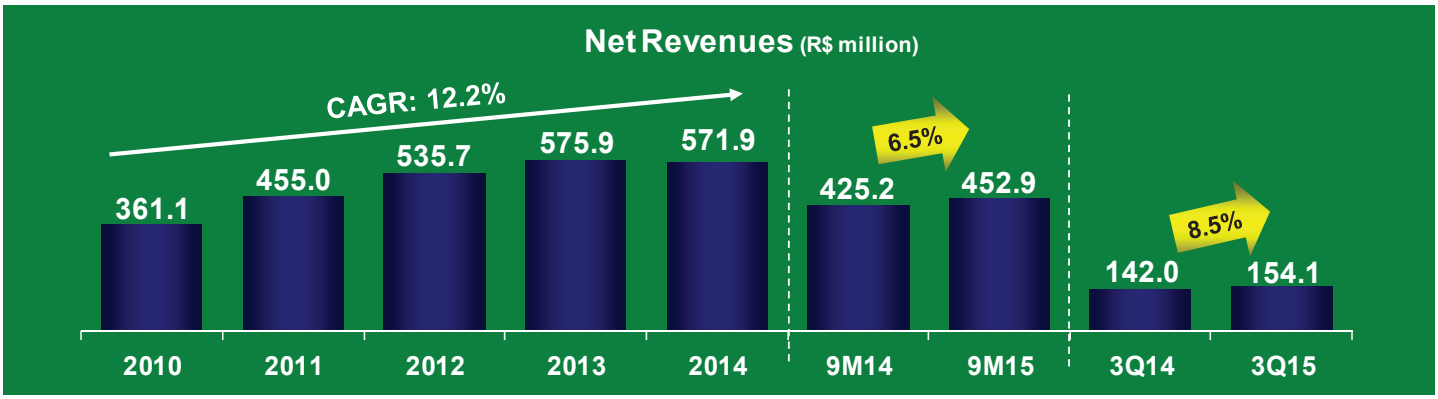


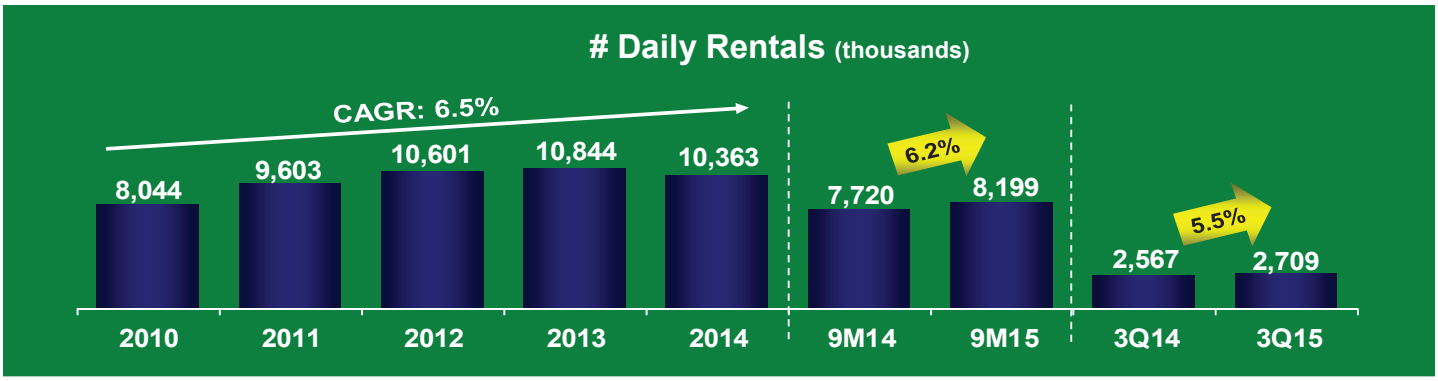
**Comments on company performance**

The increase in the average rate in 3Q15 when compared to 2Q15 is mainly due to the increase in the share of segments with higher rate in the mix even with the promotional initiatives.

The average rate shown above is calculated before taxes on sales and does not include premiums of insurance sold, since this is transferred to the insurance company.

## 2 – Fleet Rental

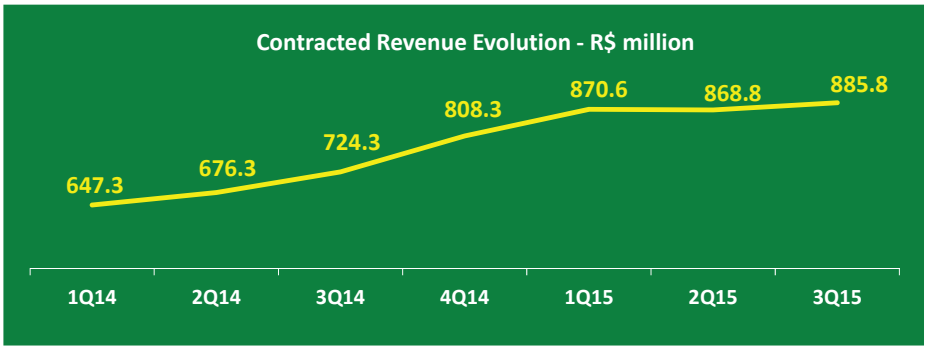



In 3Q15, net revenues in the **Fleet Rental Division** grew 8.5% when compared with 3Q14, due to an increase of 5.5% in daily rental volume and 1.4% in the average daily rental rate.

In 9M15, net revenues grew 6.5%, due to an increase of 6.2% in daily rental volume and a reduction of 0.6% in the average daily rental rate when compared with 9M14. The lower average rate is mainly due to the extension of the contracts that tend to have lower rates without compromising the expected profitability.

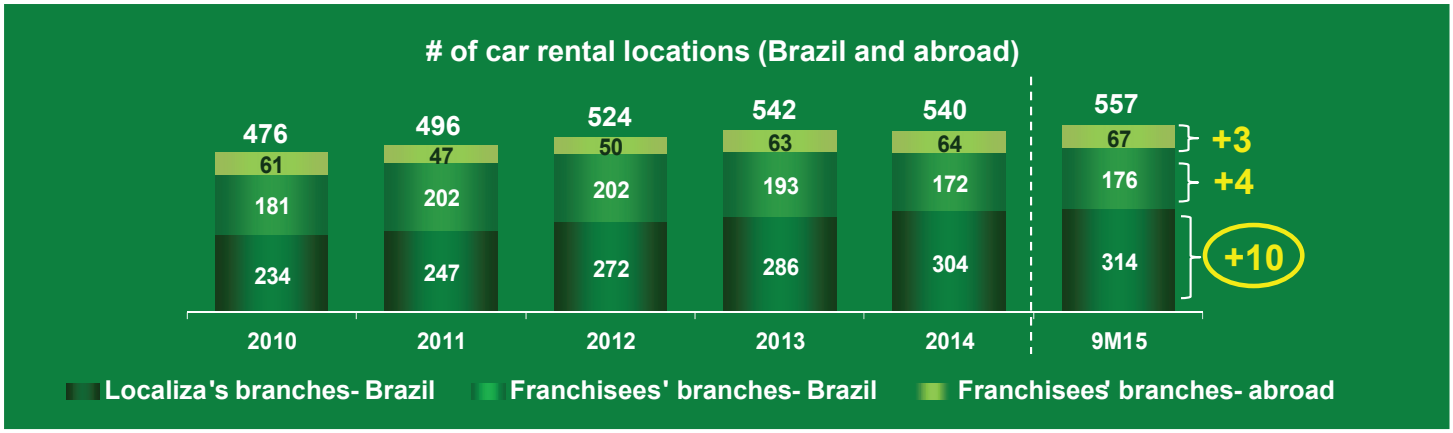
The presented growth reflects the commercial intelligence, platform synergies and exploitation of market opportunities which is reflecting in the contracted revenue.



**Comments on company performance**

# 3 – Distribution network

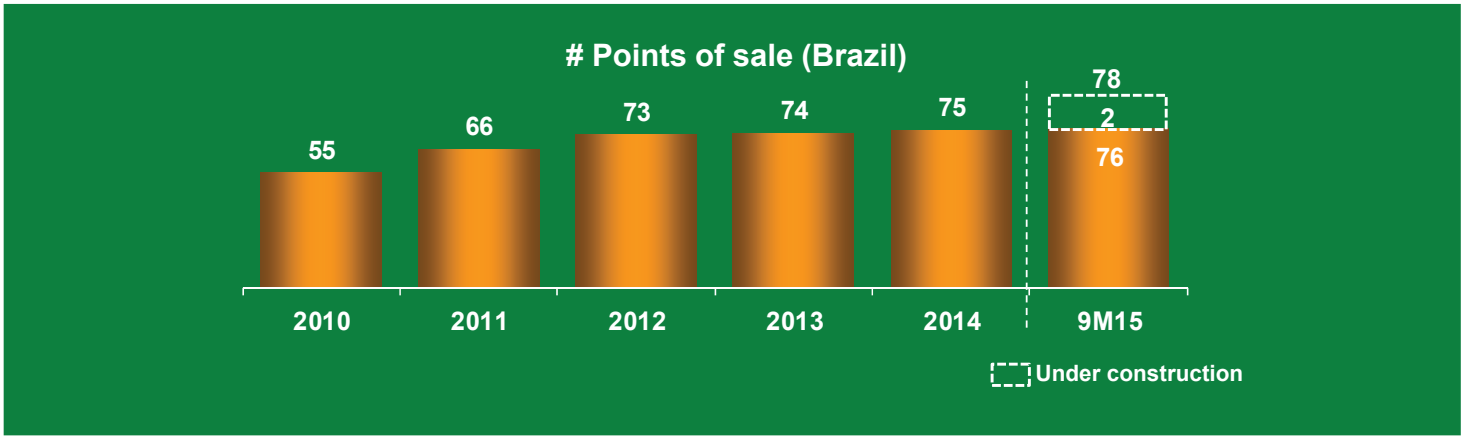
## 3.1 – Car rental




In 9M15 the number of owned branches was increased by 10 locations, from 304 at the end of 2014 to 314. The franchised network also increased in the period, 4 new franchised locations were opened in Brazil and 3 in foreign countries.

Therefore, by September 30, 2015, Localiza's system totaled 557 branches in Brazil and in 7 other South American countries.

## 3.2 – Seminovos



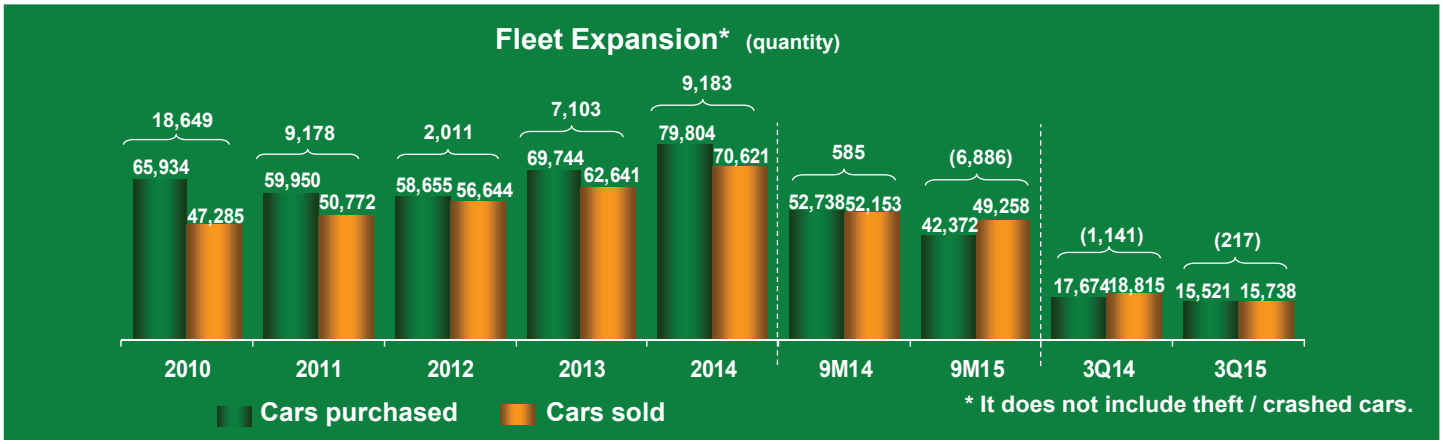

In 9M15, the **Seminovos** network was expanded by 1 store and at September 30 it was comprised of 76 operating stores and 2 under construction.

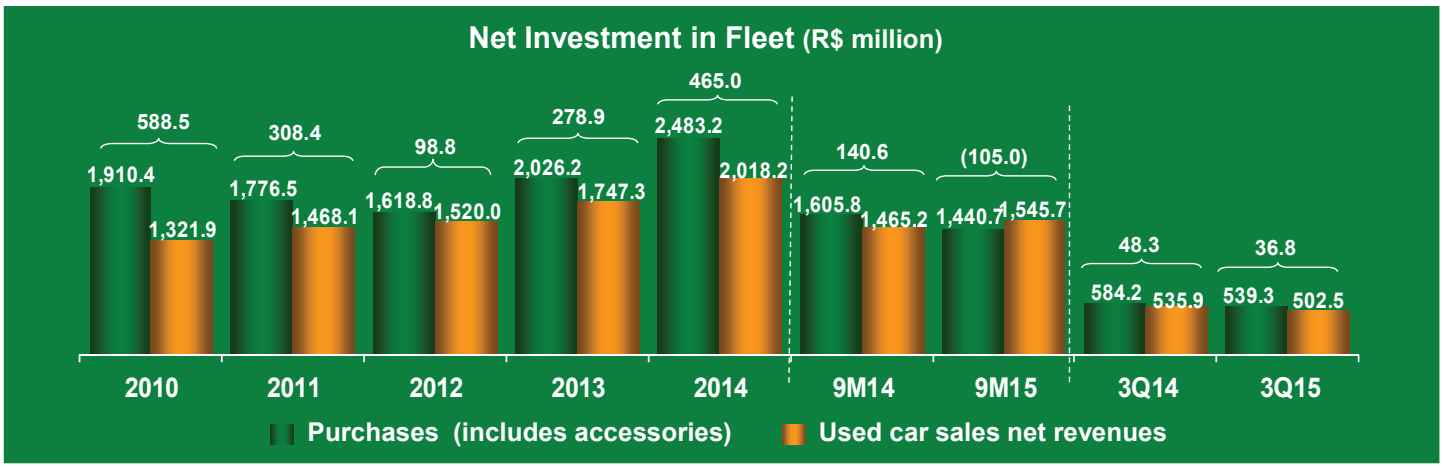
Year to date, the average age of cars sold was 14.5 months in the **Car Rental Division** and 34.1 months in the **Fleet Rental Division**.

**Comments on company performance**

# 4 – Fleet

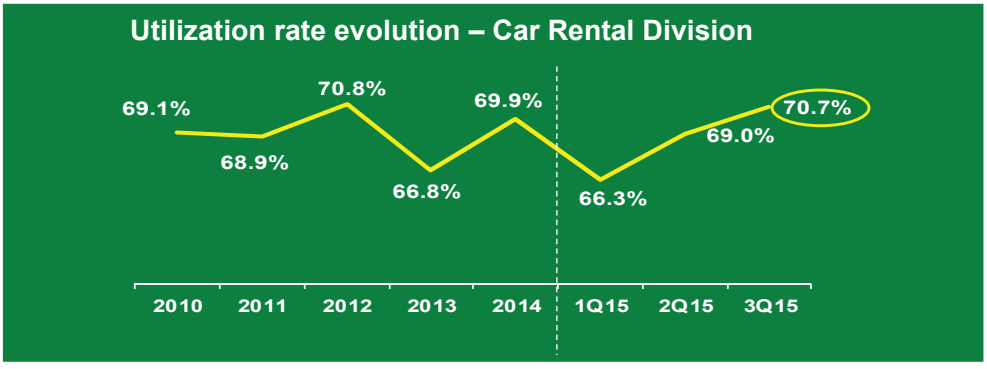
## 4.1 – Net investment in the fleet



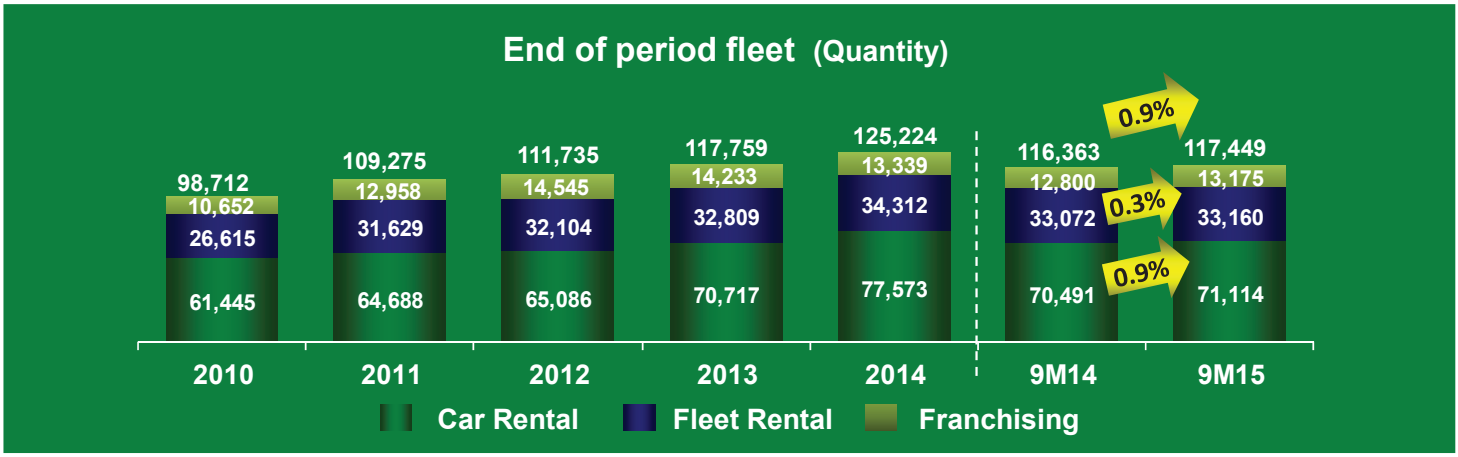




In 3Q15, 15,521 cars were bought and 15,738 were sold. Even with the reduction of 217 cars in the quarter, R$ 36.8 million were invested due to a mix change, mainly in the **Fleet Rental Division.**

In 3Q15, the utilization rate in the **Car Rental Division** was 70.7%, 2.0p.p. above the 3Q14 rate and 1.7p.p. in 2Q15, reinforcing the commitment of the Company in productivity and efficient capital allocation.

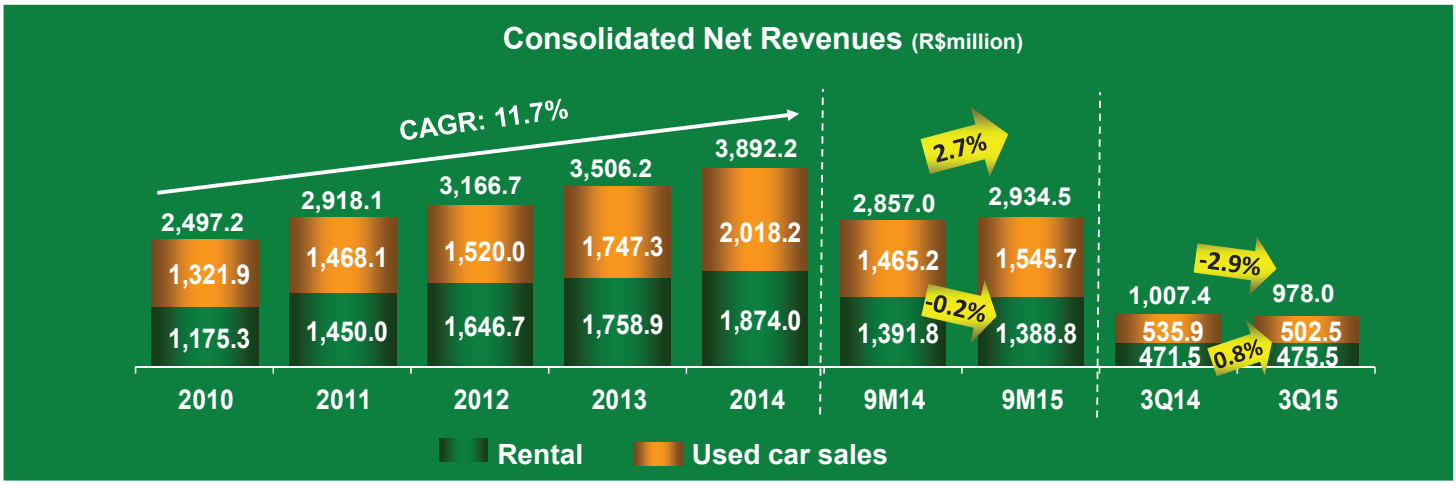


## 4.2 – End of period fleet




At the end of 3Q15, the fleet totaled 117,449 cars, being 104,274 owned by the Company and 13,175 owned by its franchisees.

## 5 – Net revenues - consolidated




In 3Q15, net rental revenues grew 0.8% when compared to 3Q14, due to 2.5% decrease in the **Car Rental Division** revenues and 8.5% growth in the **Fleet Rental Division**.

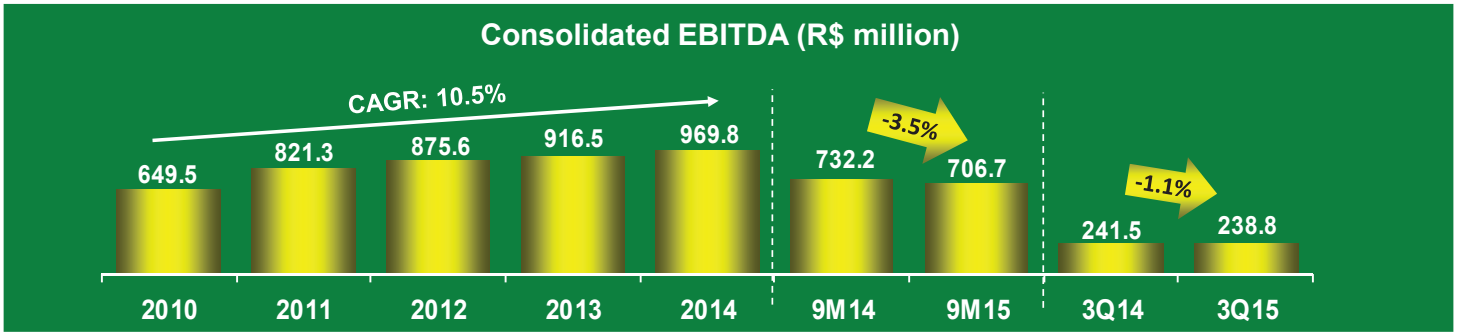
**Seminovos** net revenues fell 6.2% in 3Q15 when compared with 3Q14, mainly due to a reduction of 16.4% in number of cars sold, partially offset by an increment of 12.1% in the average sales price.

In 9M15, net rental revenues were stable as a result of a decrease of 3.1% in the **Car Rental Division** revenues compensated by an increase of 6.5% growth in the **Fleet Rental Division**.

**Seminovos** net revenues grew 5.5% in 9M15 when compared with 9M14, due to an increase in the average sales price of 11.6% and a reduction of 5.6% in volume.

**Comments on company performance**

## 6 – EBITDA




| Divisions | 2010* | 2011* | 2012 | 2013 | 2014** | 9M14 | 9M15 | 3Q14 | 3Q15 |
|---|---|---|---|---|---|---|---|---|---|
| Car Rental | 45.3% | 46.9% | 40.9% | 36.8% | 38.7% | 39.3% | 32.4% | 39.6% | 32.4% |
| Fleet Rental | 68.0% | 68.6% | 66.4% | 65.5% | 60.0% | 61.5% | 61.6% | 61.1% | 62.6% |
| Rental Consolidated | 52.3% | 53.8% | 49.3% | 46.5% | 45.3% | 46.3% | 42.0% | 46.3% | 42.3% |
| Used Car Sales | 2.6% | 2.8% | 4.2% | 5.7% | 6.0% | 6.0% | 8.0% | 4.4% | 7.5% |

(*) Up to 2011, accessories and freight of new cars were recorded as permanent assets and depreciated over the cars' useful life. From 2012 on, such values have been registered directly in the cost line, reducing EBITDA and depreciation costs.
(**) It considers the new appropriation criteria of the overhead, which is also appropriated to Seminovos.

Consolidated EBITDA totaled R$238.8 million in 3Q15, 1.1% below that in 3Q14.

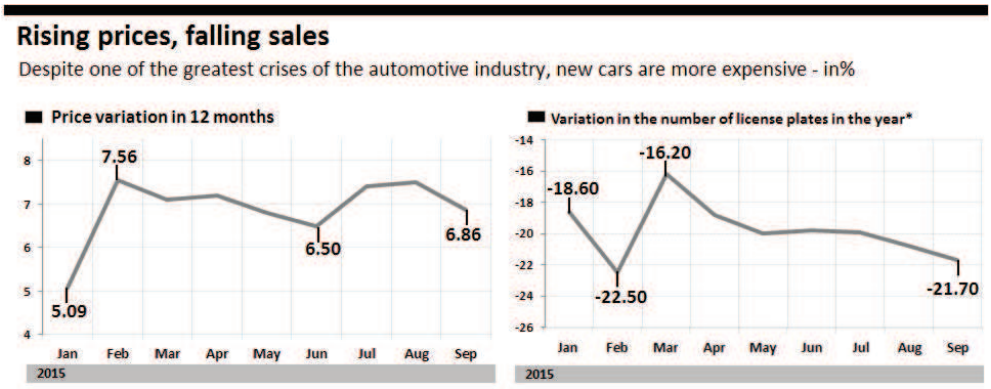
In the **Car Rental Division**, EBITDA margin was 32.4% in 3Q15, an increase of 2.1p.p when compared to 2Q15. The SG&A of this Division was positively impacted in 3Q14 by R$7.0 million due to the new appropriation criteria of the overhead of 1H14, which is now also allocated to **Seminovos**. Excluding this effect, the drop in the margin in 3Q15 compared with 3Q14 would be 5p.p. due to the 2.5% reduction in revenues coupled with higher costs and expenses resulting from inflation.

The EBITDA reduction in this division was compensated by lower depreciation expense.

In the **Fleet Rental Division**, EBITDA margin was 62.6% in 3Q15, an increase of 1.5p.p. when compared with 3Q14.

The EBITDA margin of **Seminovos** was 7.5% in 3Q15. This margin is a result of the higher price of cars sold due to the recent new car price increase that reflects in the used car price.

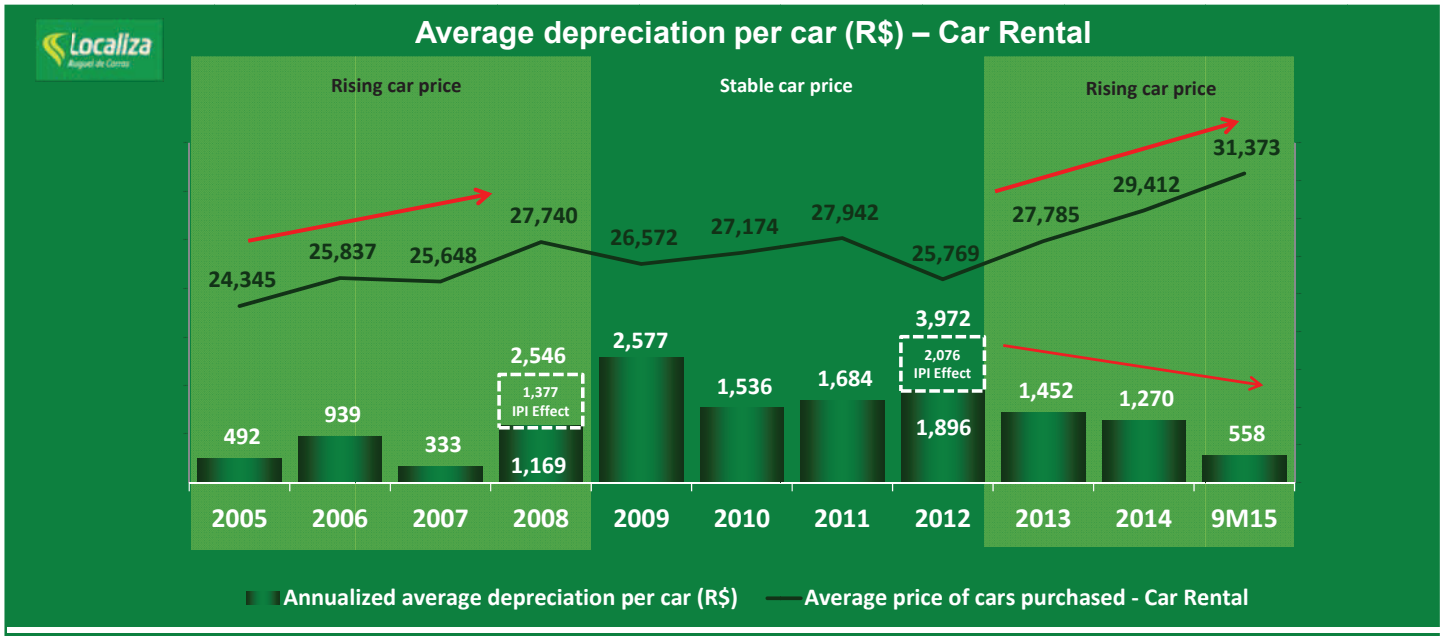
Despite the sharp drop in new car sales, OEMs have chosen to preserve profitability, passing through the production costs' increases to the sales price and adjusting production to demand, to avoid higher levels of inventories.

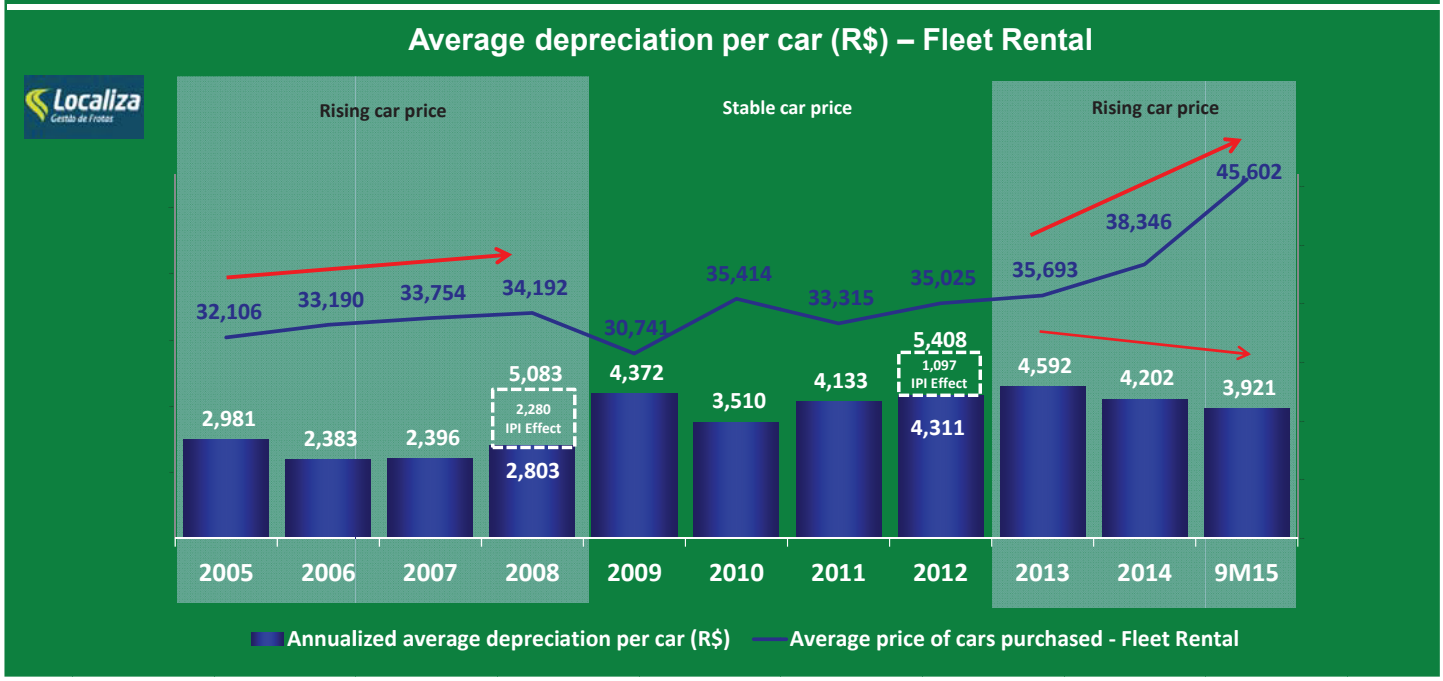



Source: IBGE and Anfavea. * among light vehicles, compared with accumulated figures in the same period 2014

**Comments on company performance**

## 7 – Depreciation



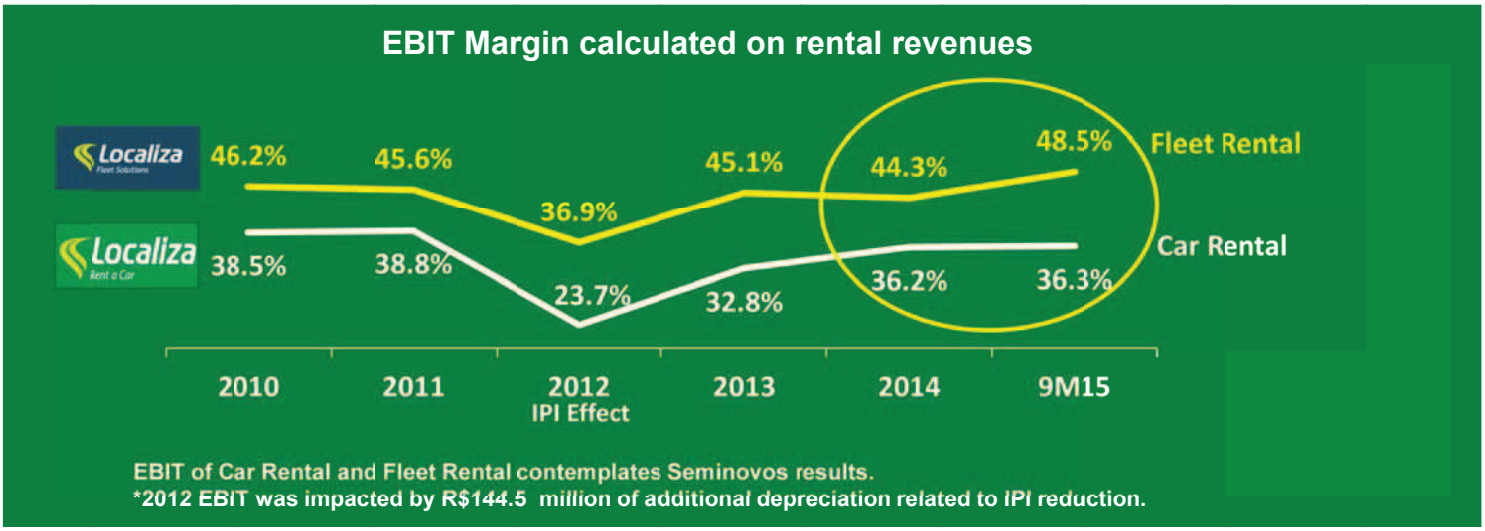

In 9M15, the annualized depreciation per car in the **Car Rental Division** was R$557.9, compared to R$1,270.0 in 2014.

In the **Fleet Rental Division** annualized depreciation per car in the 9M15 was R$3,920.9, a decrease of 6.7% comparing with 2014 depreciation.

The reduction of depreciation expense is a result of the increase in new cars prices due to inflation, end of the IPI tax exemption and the increase of industry costs which ends up reflecting in a higher used car price.

**Comments on company performance**

## 8 – EBIT




| EBIT Divisions | 2010 | 2011 | 2012 | 2013 | 2014 | 9M14 | 9M15 | 3Q14 | 3Q15 |
|---|---|---|---|---|---|---|---|---|---|
| Car Rental | 309.2 | 380.8 | 259.0 | 381.4 | 464.6 | 348.7 | 335.7 | 116.7 | 114.2 |
| Franchising | 6.2 | 7.2 | 8.9 | 10.9 | 8.7 | 7.6 | 4.9 | 2.6 | 1.7 |
| Fleet Rental | 166.7 | 207.7 | 197.9 | 259.8 | 253.4 | 196.5 | 219.8 | 64.1 | 79.0 |
| Consolidated | 482.1 | 595.7 | 465.8 | 652.1 | 726.7 | 552.8 | 560.4 | 183.4 | 194.9 |
| Consolidated Margin | 41.0% | 41.1% | 28.3% | 37.1% | 38.8% | 39.7% | 40.4% | 38.9% | 41.0% |

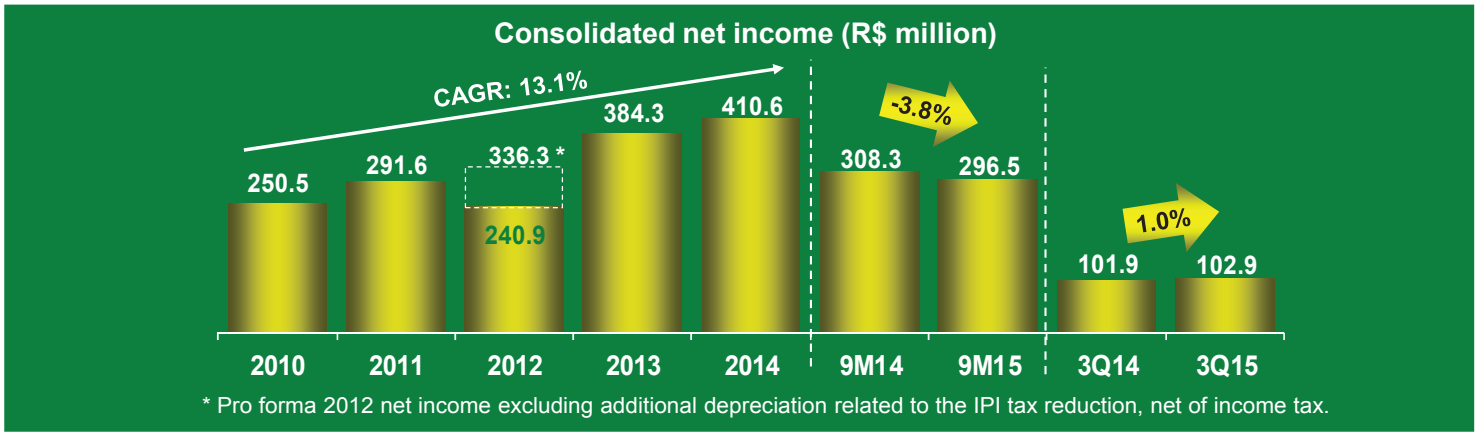
Even in the 2015 adverse scenario Localiza presented a growth of R$11.5 million in EBIT in 3Q15.

The decrease of R$2.7 million in EBITDA was more than offset by the R$14.2 million reduction in depreciation expenses.

In 9M15 EBIT margin in **Car Rental** was 36.3% and 48.5% in **Fleet Rental**.

**Comments on company performance**

## 9 – Consolidated net income

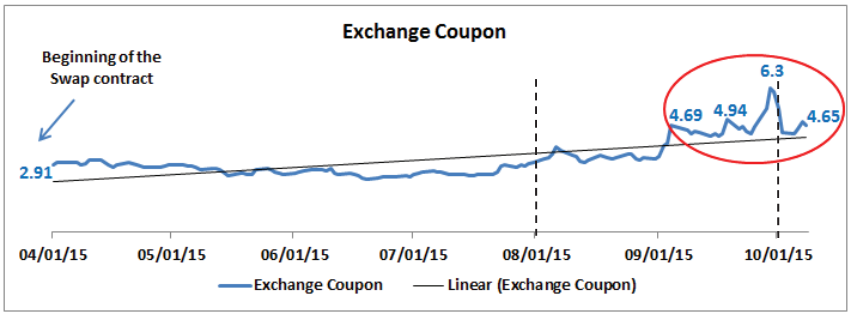



| Reconciliation EBITDA x Net income | 2010 | 2011 | 2012 | 2013 | 2014 | Var. R$ | Var. % | 9M14 | 9M15 | Var. R$ | Var. % | 3Q14 | 3Q15 | Var. R$ | Var. % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Consolidated EBITDA | 649.5 | 821.3 | 875.6 | 916.5 | 969.8 | 53.3 | 5.8% | 732.2 | 706.7 | (25.5) | -3.5% | 241.5 | 238.8 | (2.7) | -1.1% |
| Cars depreciation | (146.3) | (201.5) | (232.4) | (229.0) | (207.4) | 21.6 | -9.4% | (152.7) | (119.5) | 33.2 | -21.7% | (49.3) | (34.8) | 14.5 | -29.4% |
| Cars additional depreciation – IPI effect | - | - | (144.5) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets depreciation and amortization | (21.1) | (24.1) | (32.9) | (35.4) | (35.7) | (0.3) | 0.8% | (26.7) | (26.8) | (0.1) | 0.4% | (8.8) | (9.1) | (0.3) | 3.4% |
| EBIT | 482.1 | 595.7 | 465.8 | 652.1 | 726.7 | 74.6 | 11.4% | 552.8 | 560.4 | 7.6 | 1.4% | 183.4 | 194.9 | 11.5 | 6.3% |
| Financial expenses, net | (130.1) | (179.0) | (138.7) | (110.6) | (151.1) | (40.5) | 36.6% | (119.4) | (159.1) | (39.7) | 33.2% | (42.4) | (59.7) | (17.3) | 40.8% |
| Income tax and social contribution | (101.5) | (125.1) | (135.3) | (157.2) | (165.0) | (7.8) | 5.0% | (125.1) | (104.8) | 20.3 | -16.2% | (39.1) | (32.3) | 6.8 | -17.4% |
| Income tax and social contribution – IPI effect | - | - | 49.1 | - | - | - | - | - | - | - | - | - | - | - | - |
| Net income of the period | 250.5 | 291.6 | 240.9 | 384.3 | 410.6 | 26.3 | 6.8% | 308.3 | 296.5 | -11.8 | -3.8% | 101.9 | 102.9 | 1.0 | 1.0% |

Net income reached R$102.9 million in 3Q15, 1.0% increase compared to 3Q14, due to:

- 6.3% growth in EBIT in the amount of R$11.5 million.

- Increase in the financial expenses of R$17.3 million, mainly due to:
(i) the increase of CDI rate (basic interest) that went from 11.00% in 3Q14 to 14.25% in 3Q15;
(ii) R$ 2.1 million of PIS/COFINS on interest income; and
(iii) R$10.0 million of mark to market negative effect regarding Swap contract contracted in April/2015 to protect dollar loan. Due to the instability in the political and economical environment, exchange coupon is presenting strong volatility since the beginning of the contract, moving from 2.91%pa to around 6.0%pa, mostly after the lowering of the sovereign rating by Standard & Poor's (investment grade loss). The Company will not incur in this additional expense of R$12.6 million (R$10.0 million in 3Q15 and R$2.6 million in 2Q15) since the swap will be settled at maturity with a cost of 102.7% of CDI, in which the market value will converge to the same value of the contract.

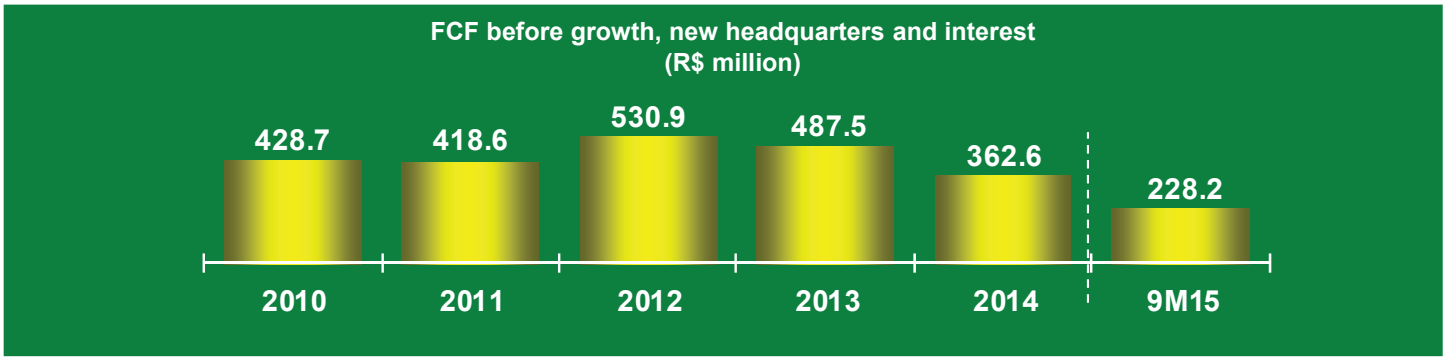



Source: Bloomberg

- Reduction of R$ 6.8 million in income taxes. The effective rate of income tax of 3Q15 was 23.9% due to increased TJLP (long term interest rate) which impacted the amount of interest on own capital.

**Comments on company performance**

## 10 – Free cash flow (FCF)



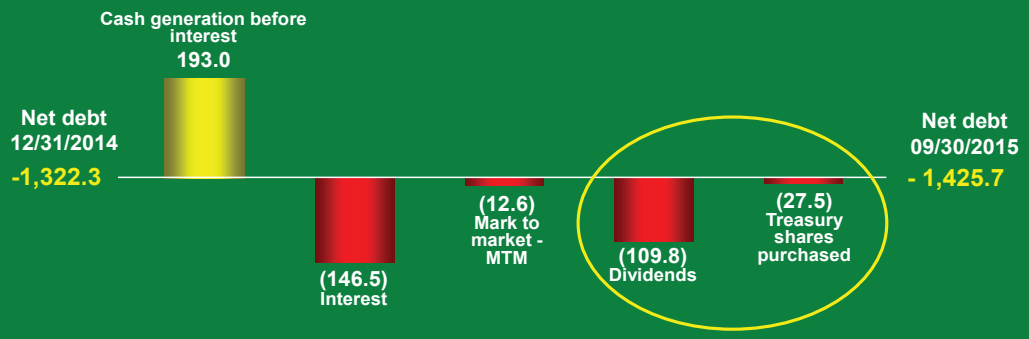

| | Freecash flow - R$ million | 2010 | 2011 | 2012 | 2013 | 2014 | 9M15 |
|---|---|---|---|---|---|---|---|
| Operations | EBITDA | 649.5 | 821.3 | 875.6 | 916.5 | 969.8 | 706.7 |
| | Used car sale revenue,net of taxes | (1,321.9) | (1,468.1) | (1,520.0) | (1,747.3) | (2,018.2) | (1,545.7) |
| | Depreciatedcost of car sold (*) | 1,203.2 | 1,328.6 | 1,360.2 | 1,543.8 | 1,777.0 | 1,322.5 |
| | (-) Incometax and social contribution | (57.8) | (83.0) | (100.9) | (108.5) | (113.1) | (72.5) |
| | Changein working capital | 54.5 | (83.9) | 37.1 | 2.9 | (27.1) | (53.7) |
| | Cash provided by rentaloperations | 527.5 | 514.9 | 652.0 | 607.4 | 588.4 | 357.3 |
| Capex - Renewals | Used car sale revenue,net of taxes | 1,321.9 | 1,468.1 | 1,520.0 | 1,747.3 | 2,018.2 | 1,329.7 |
| | Fleetrenewalinvestment | (1,370.1) | (1,504.5) | (1,563.3) | (1,819.7) | (2,197.7) | (1,440.7) |
| | Net investment for fleetrenewal | (48.2) | (36.4) | (43.3) | (72.4) | (179.5) | (111.0) |
| | Fleet renewal– quantity | 47,285 | 50,772 | 56,644 | 62,641 | 70,621 | 42,372 |
| | Investment, other property and intangibles investments | (50.6) | (59.9) | (77.8) | (47.5) | (46.3) | (18.1) |
| | Free cash flow beforegrowth, newheadquarters and interest | 428.7 | 418.6 | 530.9 | 487.5 | 362.6 | 228.2 |
| Capex - Growth | Fleetgrowth investment | (540.3) | (272.0) | (55.5) | (209.4) | (286.8) | - |
| | Cash generatedby fleetreduction | - | - | - | - | - | 216.0 |
| | Changein accounts payableto car suppliers | 111.3 | 32.7 | (116.9) | 89.7 | 334.4 | (257.6) |
| | Fleetgrowth | (429.0) | (239.3) | (172.4) | (119.7) | 47.6 | (41.6) |
| | Fleet increase/ (reduction) – quantity | 18,649 | 9,178 | 2,011 | 7,103 | 9,183 | (6,886) |
| | Free cash flow after growth, and before interest and before new headquarters | (0.3) | 179.3 | 358.5 | 367.8 | 410.2 | 186.6 |
| Capex - HQ | Investment in the construction of the new headquarters | (0.5) | (3.1) | (2.4) | (6.5) | (55.7) | (86.2) |
| | Marketable securities– new headquarters | - | - | - | - | (92.6) | 92.6 |
| | New headquarters construction | (0.5) | (3.1) | (2.4) | (6.5) | (148.3) | 6.4 |
| | Free cash flow before interest | (0.8) | 176.2 | 356.1 | 361.3 | 261.9 | 193.0 |

(*) without the technical discounts reduction up to 2010 (see Glossary)

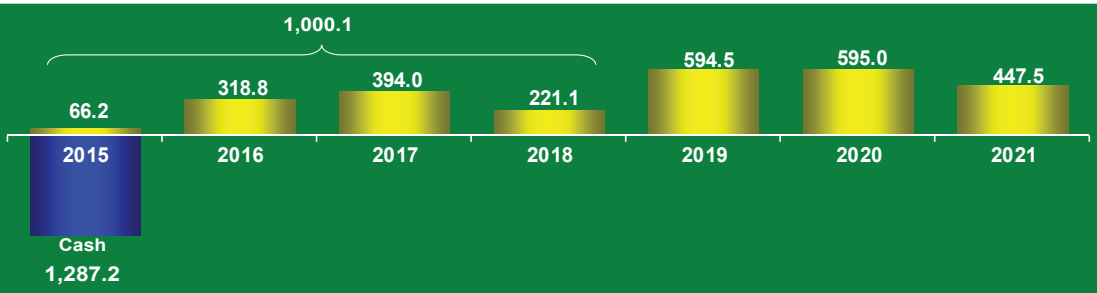
**Comments on company performance**

# 11 – Debt

## 11.1 – Change in debt – R$ million




## 11.2 – Debt maturity profile at September 30, 2015 – Principal – R$ million



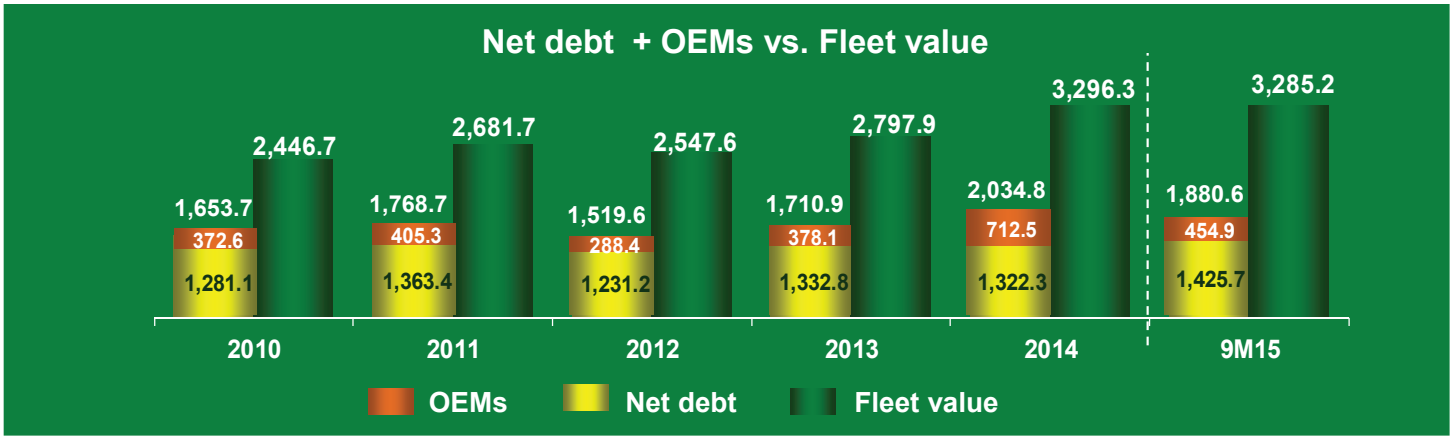

| | Contract rate | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|
| Debentures 6th Issuance | CDI + 0.95%pa | - | 30.0 | 30.0 | 120.0 | 120.0 | - | - | 300.0 |
| Debentures 7th Issuance | 110.95% CDI | - | 75.0 | 75.0 | 75.0 | 75.0 | 100.0 | 100.0 | 500.0 |
| Debentures 8th Issuance | 109.5% CDI | - | - | - | - | 250.0 | 250.0 | - | 500.0 |
| Debentures 9th Issuance | 109.2% and 113.2%* CDI | - | - | - | - | 50.0 | 150.0 | 300.0 | 500.0 |
| CCBI – New headquarters | 98.8% CDI | - | - | - | - | 47.5 | 95.0 | 47.5 | 190.0 |
| Foreign currency loan with SWAP | 98.5% and 105.5%** CDI | - | - | 225.0 | - | - | - | - | 225.0 |
| Working capital/others | Several | 66.2 | 213.8 | 64.0 | 26.1 | 52.0 | - | - | 422.1 |
| MTM foreign currency loan with SWAP | - | 12.6 | | - | - | - | - | - | 12.6 |
| Interest accrued and paid on 09/30/2015 | - | 63.2 | - | - | - | - | - | - | 63.2 |
| Cash and cash equivalents on 09/30/2015 | - | (1,287.2) | - | - | - | - | - | - | (1,287.2) |
| Net debt | - | (1,145.2) | 318.8 | 394.0 | 221.1 | 594.5 | 595.0 | 447.5 | 1,425.7 |

* From 11/01/2017, the rate of return is 113.2% of CDI.
** From 04/01/2016, the rate of return is 105.5%% of CDI.

**The Company is still presenting strong cash position and comfortable debt profile.**

**Comments on company performance**

## 11.3 – Debt ratios

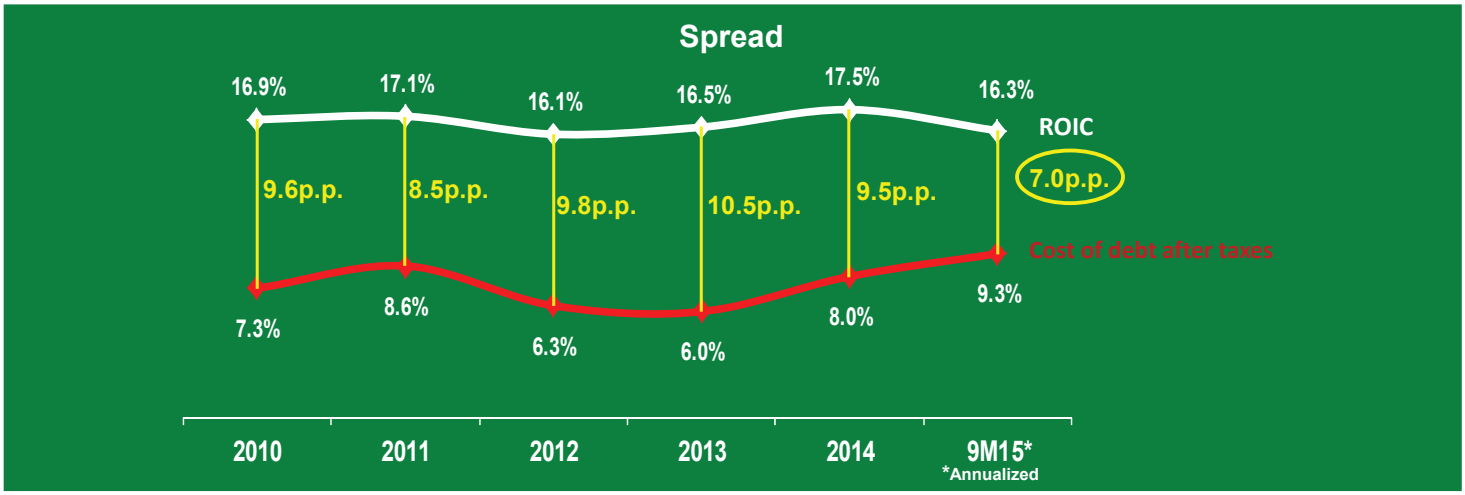



| BALANCE AT THE END OF PERIOD | 2010(*) | 2011 | 2012 | 2013 | 2014 | 9M15 |
|---|---|---|---|---|---|---|
| Net debt + OEMs / Fleet value | 68% | 66% | 60% | 61% | 62% | 57% |
| Net debt / Fleet value | 52% | 51% | 48% | 48% | 40% | 43% |
| Net debt / EBITDA** | 2.0x | 1.7x | 1.4x | 1.5x | 1.4x | 1.5x |
| Net debt / Equity | 1.4x | 1.2x | 0.9x | 1.0x | 0.8x | 0.8x |
| EBITDA / Net financial expenses | 5.0x | 4.6x | 6.3x | 8.3x | 6.4x | 4.4x |

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

**Comfortable debt ratios.**

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




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

## 13 – Dividends and interest on own capital (IOC)

2014 dividends and interest on equity were approved as follows:

| Nature | Approval date | Shareholding position date | Payment date | Amount (R$ million) | Amount per share (R$) |
|---|---|---|---|---|---|
| IOC | 03/19/2014 | 03/31/2014 | 05/14/2014 | 13.9 | 0.066900 |
| IOC | 06/30/2014 | 07/01/2014 | 08/28/2014 | 15.0 | 0.072000 |
| IOC | 09/25/2014 | 09/30/2014 | 11/19/2014 | 16.0 | 0.076619 |
| IOC | 12/11/2014 | 12/30/2014 | 01/30/2015 | 17.0 | 0.081568 |
| Dividends | 04/29/2014 | 04/30/2014 | 05/16/2014 | 38.6 | 0.185377 |
| | | | **Total** | **100.5** | |

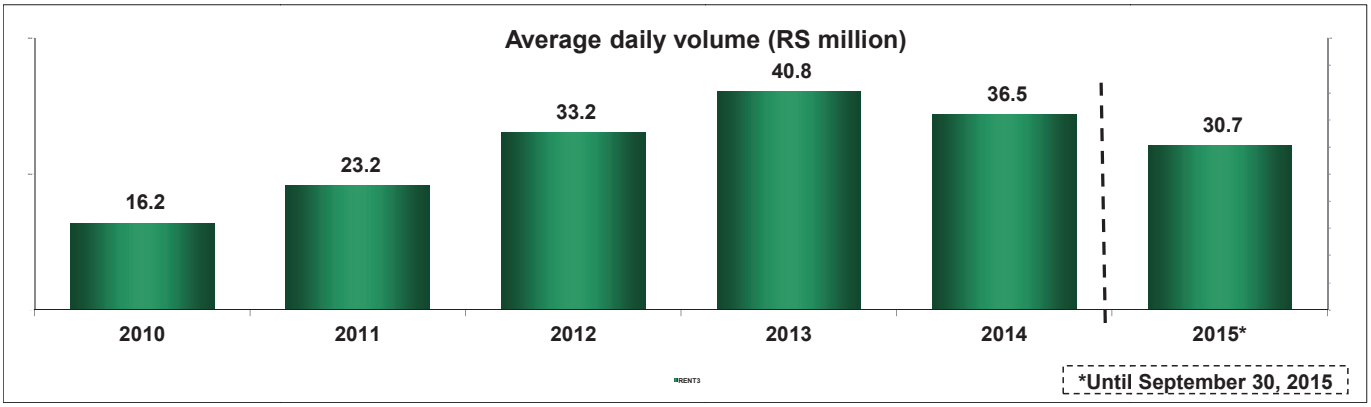
2015 dividends and interest on equity were approved as follows:

| Nature | Approval date | Shareholding position date | Payment date | Amount (R$ million) | Amount per share (R$) |
|---|---|---|---|---|---|
| IOC | 03/19/2015 | 03/31/2015 | 05/14/2015 | 22.3 | 0.107094 |
| IOC | 06/25/2015 | 06/30/2015 | 08/20/2015 | 25.8 | 0.123396 |
| IOC | 09/30/2015 | 09/30/2015 | 11/19/2015 | 29,5 | 0.141816 |
| Dividends | 04/28/2015 | 04/30/2015 | 05/21/2015 | 44.7 | 0.214031 |
| | | | **Total** | **122.3** | |

## 14 – RENT3

On September 30, 2015, the Company had 211,793,400 issued shares, being 3,639,673 held in treasury. 280,800 shares were bought back in June at an average price of R$32.11 and 792,700 shares were bought back in September at an average price of R$ 23.35.

On the same date, there were 7,775,277 level 1 ADRs issued, compared with 6,260,819 on December 31, 2014.




In 9M15 RENT3 average daily trading volume reached R$30.7 million.

**Comments on company performance**

# 15 – Results per division

## 15 – Table 1 – Car Rental – R$ million

| CAR RENTAL RESULTS | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Car rental gross revenues (*) | 838.0 | 1,019.4 | 1,132.3 | 1,208.4 | 1,352.1 | 11.9% | 1,003.6 | 967.0 | -3.6% | 342.3 | 332.6 | -2.8% |
| Taxes on revenues | (35.8) | (38.7) | (38.6) | (44.9) | (67.7) | 50.8% | (50.5) | (43.5) | -13.9% | (17.2) | (15.5) | -9.9% |
| **Car rental net revenues (**)** | **802.2** | **980.7** | **1,093.7** | **1,163.5** | **1,284.4** | **10.4%** | **953.1** | **923.5** | **-3.1%** | **325.1** | **317.1** | **-2.5%** |
| Car rental costs | (317.8) | (382.7) | (476.6) | (536.9) | (577.3) | 7.5% | (430.9) | (454.8) | 5.5% | (151.8) | (159.6) | 5.1% |
| **Gross profit** | **484.4** | **598.0** | **617.1** | **626.6** | **707.1** | **12.8%** | **522.2** | **468.7** | **-10.2%** | **173.3** | **157.5** | **-9.1%** |
| Operating expenses (SG&A) | (121.1) | (137.7) | (170.2) | (197.9) | (209.7) | 6.0% | (147.7) | (169.7) | 14.9% | (44.6) | (54.8) | 22.9% |
| Other assets depreciation and amortization | (15.2) | (17.0) | (19.9) | (22.2) | (22.2) | 0.0% | (16.6) | (16.7) | 0.6% | (5.2) | (5.6) | 7.7% |
| **Operating profit before financial results and taxes (EBIT)** | **348.1** | **443.3** | **427.0** | **406.5** | **475.2** | **16.9%** | **357.9** | **282.3** | **-21.1%** | **123.5** | **97.1** | **-21.4%** |
| Financial expenses, net | (1.0) | (1.9) | (2.7) | (1.3) | (1.5) | 15.4% | (0.9) | (1.3) | 44.4% | (0.3) | (0.6) | 100.0% |
| Income tax and social contribution | (101.0) | (135.4) | (123.8) | (119.5) | (136.2) | 14.0% | (102.9) | (71.6) | -30.4% | (33.6) | (22.1) | -34.2% |
| **Net income for the period** | **246.1** | **306.0** | **300.5** | **285.7** | **337.5** | **18.1%** | **254.1** | **209.4** | **-17.6%** | **89.6** | **74.4** | **-17.0%** |
| **Net Margin** | **30.7%** | **31.2%** | **27.5%** | **24.6%** | **26.3%** | **1.7p.p.** | **26.7%** | **22.7%** | **-4,0p.p.** | **27.6%** | **23.5%** | **-4,1p.p.** |
| **EBITDA** | **363.3** | **460.3** | **446.9** | **428.7** | **497.4** | **16.0%** | **374.5** | **299.0** | **-20.2%** | **128.7** | **102.7** | **-20.2%** |
| **EBITDA Margin** | **45.3%** | **46.9%** | **40.9%** | **36.8%** | **38.7%** | **1.9p.p.** | **39.3%** | **32.4%** | **-6,9p.p.** | **39.6%** | **32.4%** | **-7,2p.p.** |

| USED CAR SALES RESULTS (SEMINOVOS) | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross revenues (*) | 1,104.7 | 1,244.7 | 1,253.6 | 1,486.1 | 1,671.4 | 12.5% | 1,215.2 | 1,282.0 | 5.5% | 455.7 | 416.4 | -8.6% |
| Taxes on revenues | (3.6) | (3.6) | (3.3) | (3.1) | (3.5) | 12.9% | (2.6) | (1.9) | -26.9% | (0.7) | (0.6) | -14.3% |
| **Net revenues (**)** | **1,101.1** | **1,241.1** | **1,250.3** | **1,483.0** | **1,667.9** | **12.5%** | **1,212.6** | **1,280.1** | **5.6%** | **455.0** | **415.8** | **-8.6%** |
| Book value of cars sold | (980.0) | (1,092.0) | (1,068.5) | (1,271.9) | (1,428.4) | 12.3% | (1,038.2) | (1,062.0) | 2.3% | (391.8) | (346.5) | -11.6% |
| **Gross profit** | **121.1** | **149.1** | **181.8** | **211.1** | **239.5** | **13.5%** | **174.4** | **218.1** | **25.1%** | **63.2** | **69.3** | **9.7%** |
| Operating expenses (SG&A) | (89.0) | (119.1) | (125.6) | (138.7) | (160.7) | 15.9% | (114.5) | (132.0) | 15.3% | (47.5) | (42.8) | -9.9% |
| Cars depreciation | (65.9) | (86.4) | (212.7) | (85.8) | (78.1) | -9.0% | (60.1) | (26.0) | -56.7% | (19.3) | (7.1) | -63.2% |
| Other assets depreciation and amortization | (5.1) | (6.1) | (11.5) | (11.7) | (11.3) | -3.4% | (9.0) | (6.7) | -25.6% | (3.2) | (2.3) | -28.1% |
| **Operating profit (loss) before financial results and taxes (EBIT)** | **(38.9)** | **(62.5)** | **(168.0)** | **(25.1)** | **(10.6)** | **-57.8%** | **(9.2)** | **53.4** | **-680.4%** | **(6.8)** | **17.1** | **-351.5%** |
| Financial expenses, net | (86.1) | (121.9) | (92.6) | (76.6) | (106.3) | 38.8% | (84.8) | (108.4) | 27.8% | (29.8) | (40.6) | 36.2% |
| Income tax and social contribution | 28.1 | 58.0 | 83.1 | 30.3 | 33.2 | 9.6% | 26.4 | 11.0 | -58.3% | 9.3 | 3.4 | -63.4% |
| **Net loss for the period** | **(96.9)** | **(126.4)** | **(177.5)** | **(71.4)** | **(83.7)** | **17.2%** | **(67.6)** | **(44.0)** | **-34.9%** | **(27.3)** | **(20.1)** | **-26.4%** |
| **Net Margin** | **-8.8%** | **-10.2%** | **-14.2%** | **-4.8%** | **-5.0%** | **-0.2p.p.** | **-5.6%** | **-3.4%** | **2,2p.p.** | **-6.0%** | **-4.8%** | **1,2p.p.** |
| **EBITDA** | **32.1** | **30.0** | **56.2** | **72.4** | **78.8** | **8.8%** | **59.9** | **86.1** | **43.7%** | **15.7** | **26.5** | **68.8%** |
| **EBITDA Margin** | **2.9%** | **2.4%** | **4.5%** | **4.9%** | **4.7%** | **-0.2p.p.** | **4.9%** | **6.7%** | **1,8p.p.** | **3.5%** | **6.4%** | **2,9p.p.** |

| CAR RENTAL TOTAL FIGURES | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Car rental gross revenues (*) | 838.0 | 1,019.4 | 1,132.3 | 1,208.4 | 1,352.1 | 11.9% | 1,003.6 | 967.0 | -3.6% | 342.3 | 332.6 | -2.8% |
| Car sales for fleet renewal - gross revenues (*) | 1,104.7 | 1,244.7 | 1,253.6 | 1,486.1 | 1,671.4 | 12.5% | 1,215.2 | 1,282.0 | 5.5% | 455.7 | 416.4 | -8.6% |
| Total gross revenues (*) | 1,942.7 | 2,264.1 | 2,385.9 | 2,694.5 | 3,023.5 | 12.2% | 2,218.8 | 2,249.0 | 1.4% | 798.0 | 749.0 | -6.1% |
| Taxes on revenues | | | | | | | | | | | | |
| Car rental | (35.8) | (38.7) | (38.6) | (44.9) | (67.7) | 50.8% | (50.5) | (43.5) | -13.9% | (17.2) | (15.5) | -9.9% |
| Car sales for fleet renewal | (3.6) | (3.6) | (3.3) | (3.1) | (3.5) | 12.9% | (2.6) | (1.9) | -26.9% | (0.7) | (0.6) | -14.3% |
| Car rental revenues - net revenues (**) | 802.2 | 980.7 | 1,093.7 | 1,163.5 | 1,284.4 | 10.4% | 953.1 | 923.5 | -3.1% | 325.1 | 317.1 | -2.5% |
| Car sales for fleet renewal - net revenues (**) | 1,101.1 | 1,241.1 | 1,250.3 | 1,483.0 | 1,667.9 | 12.5% | 1,212.6 | 1,280.1 | 5.6% | 455.0 | 415.8 | -8.6% |
| **Total net revenues (**)** | **1,903.3** | **2,221.8** | **2,344.0** | **2,646.5** | **2,952.3** | **11.6%** | **2,165.7** | **2,203.6** | **1.8%** | **780.1** | **732.9** | **-6.1%** |
| Direct costs | | | | | | | | | | | | |
| Car rental | (317.8) | (382.7) | (476.6) | (536.9) | (577.3) | 7.5% | (430.9) | (454.8) | 5.5% | (151.8) | (159.6) | 5.1% |
| Car sales for fleet renewal | (980.0) | (1,092.0) | (1,068.5) | (1,271.9) | (1,428.4) | 12.3% | (1,038.2) | (1,062.0) | 2.3% | (391.8) | (346.5) | -11.6% |
| **Gross profit** | **605.5** | **747.1** | **798.9** | **837.7** | **946.6** | **13.0%** | **696.6** | **686.8** | **-1.4%** | **236.5** | **226.8** | **-4.1%** |
| Operating expenses (SG&A) | | | | | | | | | | | | |
| Car rental | (121.1) | (137.7) | (170.2) | (197.9) | (209.7) | 6.0% | (147.7) | (169.7) | 14.9% | (44.6) | (54.8) | 22.9% |
| Car sales for fleet renewal | (89.0) | (119.1) | (125.6) | (138.7) | (160.7) | 15.9% | (114.5) | (132.0) | 15.3% | (47.5) | (42.8) | -9.9% |
| Cars depreciation | (65.9) | (86.4) | (212.7) | (85.8) | (78.1) | -9.0% | (60.1) | (26.0) | -56.7% | (19.3) | (7.1) | -63.2% |
| Other assets depreciation and amortization | | | | | | | | | | | | |
| Car rental | (15.2) | (17.0) | (19.9) | (22.2) | (22.2) | 0.0% | (16.6) | (16.7) | 0.6% | (5.2) | (5.6) | 7.7% |
| Car sales for fleet renewal | (5.1) | (6.1) | (11.5) | (11.7) | (11.3) | -3.4% | (9.0) | (6.7) | -25.6% | (3.2) | (2.3) | -28.1% |
| **Operating profit before financial results and taxes (EBIT)** | **309.2** | **380.8** | **259.0** | **381.4** | **464.6** | **21.8%** | **348.7** | **335.7** | **-3.7%** | **116.7** | **114.2** | **-2.1%** |
| Financial expenses, net | (87.1) | (123.8) | (95.3) | (77.9) | (107.8) | 38.4% | (85.7) | (109.7) | 28.0% | (30.1) | (41.2) | 36.9% |
| Income tax and social contribution | (72.9) | (77.4) | (40.7) | (89.2) | (103.0) | 15.5% | (76.5) | (60.6) | -20.8% | (24.3) | (18.7) | -23.0% |
| **Net income for the period** | **149.2** | **179.6** | **123.0** | **214.3** | **253.8** | **18.4%** | **186.5** | **165.4** | **-11.3%** | **62.3** | **54.3** | **-12.8%** |
| **Net margin** | **7.8%** | **8.1%** | **5.2%** | **8.1%** | **8.6%** | **0.5p.p.** | **8.6%** | **7.5%** | **-1,1p.p.** | **8.0%** | **7.4%** | **-0,6p.p.** |
| **EBITDA** | **395.4** | **490.3** | **503.1** | **501.1** | **576.2** | **15.0%** | **434.4** | **385.1** | **-11.3%** | **144.4** | **129.2** | **-10.5%** |
| **EBITDA margin** | **20.8%** | **22.1%** | **21.5%** | **18.9%** | **19.5%** | **0.6p.p.** | **20.1%** | **17.5%** | **-2,6p.p.** | **18.5%** | **17.6%** | **-0,9p.p.** |

| OPERATING DATA | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Average operating fleet | 42,903 | 51,285 | 53,548 | 59,094 | 61,525 | 4.1% | 60,844 | 62,093 | 2.1% | 62,622 | 60,393 | -3.6% |
| Average rented fleet | 29,646 | 35,348 | 37,932 | 39,475 | 42,999 | 8.9% | 42,881 | 42,661 | -0.5% | 43,016 | 42,709 | -0.7% |
| Average operating fleet age (in months) | 6.3 | 6.8 | 7.8 | 7.2 | 7.2 | 0.0% | 7.4 | 7.2 | -2.7% | 7.3 | 7.5 | 2.7% |
| End of period fleet | 61,445 | 64,688 | 65,086 | 70,717 | 77,573 | 9.7% | 70,491 | 71,114 | 0.9% | 70,491 | 71,114 | 0.9% |
| Number of rental days - in thousands | 10,734.3 | 12,794.3 | 13,748.8 | 14,241.7 | 15,416.0 | 8.2% | 11,517.9 | 11,455.2 | -0.5% | 3,879.5 | 3,871.1 | -0.2% |
| Average daily rental revenues per car (R$) | 78.07 | 79.68 | 82.36 | 84.85 | 87.71 | 3.4% | 87.14 | 84.42 | -3.1% | 88.23 | 85.93 | -2.6% |
| Annualized average depreciation per car (R$) | 1,536.0 | 1,683.9 | 3,972.4 | 1,452.4 | 1,270.0 | -12.6% | 1,316.6 | 557.9 | -57.6% | 1,231.6 | 473.2 | -61.6% |
| Utilization rate | 69.1% | 68.9% | 70.8% | 66.8% | 69.9% | 3.1p.p. | 70.5% | 68.7% | -1,8p.p. | 68.7% | 70.7% | 2,0p.p. |
| Number of cars purchased | 54,320 | 46,746 | 47,623 | 58,826 | 64,908 | 10.3% | 42,599 | 34,708 | -18.5% | 13,231 | 12,806 | -3.2% |
| Number of cars sold | 39,658 | 42,843 | 46,115 | 52,759 | 57,578 | 9.1% | 42,559 | 40,664 | -4.5% | 15,763 | 13,043 | -17.3% |
| Average sold fleet age (in months) | 15.0 | 13.7 | 15.7 | 15.3 | 14.4 | -5.9% | 14.3 | 14.5 | 1.4% | 14.3 | 15.1 | 5.6% |
| Average total fleet | 49,950 | 59,678 | 60,773 | 68,251 | 70,982 | 4.0% | 69,460 | 70,939 | 2.1% | 71,877 | 70,326 | -2.2% |
| Average value of total fleet - R$ million | 1,344.2 | 1,620.9 | 1,595.9 | 1,776.8 | 1,963.8 | 10.5% | 1,895.6 | 2,120.0 | 11.8% | 2,008.7 | 2,158.3 | 7.4% |
| Average value per car in the period - R$ thsd | 26.9 | 27.2 | 26.3 | 26.0 | 27.7 | 6.3% | 27.3 | 29.9 | 9.5% | 27.9 | 30.7 | 10.0% |

(*) Gross revenues from car rental and car sales for fleet renewal are net of discounts and cancellations.
(**) For comparability with the financial information presented in accordance with IFRS from 2011 on, net revenues from car rental and car sales for fleet renewal of 2010, which are presented in USGAAP, are net of taxes on revenues.

## Comments on company performance

# 15.2 – Table 2 – Fleet Rental – R$ million

| FLEET RENTAL RESULTS | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fleet rental gross revenues (*) | 374.5 | 472.9 | 552.4 | 592.8 | 589.5 | -0.6% | 438.6 | 461.6 | 5.2% | 146.3 | 156.8 | 7.2% |
| Taxes on revenues | (13.4) | (17.9) | (16.7) | (16.9) | (17.6) | 4.1% | (13.4) | (8.7) | -35.1% | (4.3) | (2.7) | -37.2% |
| **Fleet rental net revenues (**)** | **361.1** | **455.0** | **535.7** | **575.9** | **571.9** | **-0.7%** | **425.2** | **452.9** | **6.5%** | **142.0** | **154.1** | **8.5%** |
| Fleet rental costs | (94.7) | (117.8) | (146.3) | (161.1) | (190.8) | 18.4% | (136.1) | (143.9) | 5.7% | (47.3) | (47.6) | 0.6% |
| **Gross profit** | **266.4** | **337.2** | **389.4** | **414.8** | **381.1** | **-8.1%** | **289.1** | **309.0** | **6.9%** | **94.7** | **106.5** | **12.5%** |
| Operating expenses (SG&A) | (20.8) | (25.1) | (33.5) | (37.5) | (38.1) | 1.6% | (27.5) | (30.0) | 9.1% | (8.0) | (10.1) | 26.3% |
| Other assets depreciation and amortization | (0.7) | (0.7) | (1.1) | (1.1) | (1.1) | 0.0% | (0.7) | (1.7) | 142.9% | (0.3) | (0.6) | 100.0% |
| **Operating profit before financial results and taxes (EBIT)** | **244.9** | **311.4** | **354.8** | **376.2** | **341.9** | **-9.1%** | **260.9** | **277.3** | **6.3%** | **86.4** | **95.8** | **10.9%** |
| Financial expenses, net | (0.4) | (0.7) | (0.5) | (0.1) | (0.2) | 100.0% | (0.2) | (0.1) | (0.50) | (0.1) | - | 100.0% |
| Income tax and social contribution | (71.3) | (95.8) | (104.3) | (111.4) | (99.2) | -11.0% | (76.1) | (69.2) | -9.1% | (23.9) | (19.9) | -16.7% |
| **Net income for the period** | **173.2** | **214.9** | **250.0** | **264.7** | **242.5** | **-8.4%** | **184.6** | **208.0** | **12.7%** | **62.4** | **75.9** | **21.6%** |
| **Net Margin** | **48.0%** | **47.2%** | **46.7%** | **46.0%** | **42.4%** | **-3.6p.p** | **43.4%** | **45.9%** | **2,5p.p.** | **43.9%** | **49.3%** | **5,4p.p.** |
| **EBITDA** | **245.6** | **312.1** | **355.9** | **377.3** | **343.0** | **-9.1%** | **261.6** | **279.0** | **6.7%** | **86.7** | **96.4** | **11.2%** |
| **EBITDA Margin** | **68.0%** | **68.6%** | **66.4%** | **65.5%** | **60.0%** | **-5.5p.p.** | **61.5%** | **61.6%** | **0,1p.p.** | **61.1%** | **62.6%** | **1,5p.p.** |

| USED CAR SALES RESULTS (SEMINOVOS) | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross revenues (*) | 221.3 | 227.7 | 270.2 | 264.6 | 350.8 | 32.6% | 253.0 | 265.9 | 5.1% | 81.0 | 86.8 | 7.2% |
| Taxes on revenues | (0.5) | (0.7) | (0.5) | (0.3) | (0.5) | 66.7% | (0.4) | (0.3) | -25.0% | (0.1) | (0.1) | 0.0% |
| **Net revenues (**)** | **220.8** | **227.0** | **269.7** | **264.3** | **350.3** | **32.5%** | **252.6** | **265.6** | **5.1%** | **80.9** | **86.7** | **7.2%** |
| Book value of cars sold | (201.4) | (197.5) | (237.3) | (214.1) | (276.3) | 29.1% | (200.5) | (205.7) | 2.6% | (64.0) | (67.5) | 5.5% |
| **Gross profit** | **19.4** | **29.5** | **32.4** | **50.2** | **74.0** | **47.4%** | **52.1** | **59.9** | **15.0%** | **16.9** | **19.2** | **13.6%** |
| Operating expenses (SG&A) | (17.1) | (18.1) | (25.1) | (23.4) | (32.6) | 39.3% | (23.9) | (22.5) | -5.9% | (9.2) | (7.8) | -15.2% |
| Cars depreciation | (80.4) | (115.1) | (164.2) | (143.2) | (129.3) | -9.7% | (92.6) | (93.5) | 1.0% | (30.0) | (27.7) | -7.7% |
| Other assets depreciation and amortization | (0.1) | - | - | - | (0.6) | 100.0% | - | (1.4) | -100.0% | - | (0.5) | -100.0% |
| **Operating profit (loss) before financial results and taxes (EBIT)** | **(78.2)** | **(103.7)** | **(156.9)** | **(116.4)** | **(88.5)** | **-24.0%** | **(64.4)** | **(57.5)** | **-10.7%** | **(22.3)** | **(16.8)** | **-24.7%** |
| Financial expenses, net | (43.0) | (56.3) | (43.8) | (34.0) | (44.9) | 32.1% | (34.9) | (50.4) | 44.4% | (12.6) | (18.9) | 50.0% |
| Income tax and social contribution | 43.6 | 49.0 | 59.9 | 44.7 | 38.4 | -14.1% | 28.7 | 26.0 | -9.4% | 9.5 | 6.7 | -29.5% |
| **Net loss for the period** | **(77.6)** | **(111.0)** | **(140.8)** | **(105.7)** | **(95.0)** | **-10.1%** | **(70.6)** | **(81.9)** | **16.0%** | **(25.4)** | **(29.0)** | **14.2%** |
| **Net Margin** | **-35.1%** | **-48.9%** | **-52.2%** | **-40.0%** | **-27.1%** | **12.9p.p.** | **-27.9%** | **-30.8%** | **-2,9p.p.** | **-31.4%** | **-33.4%** | **-2,0p.p.** |
| **EBITDA** | **2.3** | **11.4** | **7.3** | **26.8** | **41.4** | **54.5%** | **28.2** | **37.4** | **32.6%** | **7.7** | **11.4** | **48.1%** |
| **EBITDA Margin** | **1.0%** | **5.0%** | **2.7%** | **10.1%** | **11.8%** | **1.7p.p.** | **11.2%** | **14.1%** | **2,9p.p.** | **9.5%** | **13.1%** | **3,6p.p.** |

| FLEET RENTAL TOTAL FIGURES | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fleet rental gross revenues (*) | 374.5 | 472.9 | 552.4 | 592.8 | 589.5 | -0.6% | 438.6 | 461.6 | 5.2% | 146.3 | 156.8 | 7.2% |
| Car sales for fleet renewal - gross revenues (*) | 221.3 | 227.7 | 270.2 | 264.6 | 350.8 | 32.6% | 253.0 | 265.9 | 5.1% | 81.0 | 86.8 | 7.2% |
| Total gross revenues (*) | 595.8 | 700.6 | 822.6 | 857.4 | 940.3 | 9.7% | 691.6 | 727.5 | 5.2% | 227.3 | 243.6 | 7.2% |
| Taxes on revenues | | | | | | | | | | | | |
| Fleet rental | (13.4) | (17.9) | (16.7) | (16.9) | (17.6) | 4.1% | (13.4) | (8.7) | -35.1% | (4.3) | (2.7) | -37.2% |
| Car sales for fleet renewal | (0.5) | (0.7) | (0.5) | (0.3) | (0.5) | 66.7% | (0.4) | (0.3) | -25.0% | (0.1) | (0.1) | 0.0% |
| Fleet rental - net revenues (**) | 361.1 | 455.0 | 535.7 | 575.9 | 571.9 | -0.7% | 425.2 | 452.9 | 6.5% | 142.0 | 154.1 | 8.5% |
| Car sales for fleet renewal - net revenues (**) | 220.8 | 227.0 | 269.7 | 264.3 | 350.3 | 32.5% | 252.6 | 265.6 | 5.1% | 80.9 | 86.7 | 7.2% |
| **Total net revenues (**)** | **581.9** | **682.0** | **805.4** | **840.2** | **922.2** | **9.8%** | **677.8** | **718.5** | **6.0%** | **222.9** | **240.8** | **8.0%** |
| Direct costs | | | | | | | | | | | | |
| Fleet rental | (94.7) | (117.8) | (146.3) | (161.1) | (190.8) | 18.4% | (136.1) | (143.9) | 5.7% | (47.3) | (47.6) | 0.6% |
| Car sales for fleet renewal | (201.4) | (197.5) | (237.3) | (214.1) | (276.3) | 29.1% | (200.5) | (205.7) | 2.6% | (64.0) | (67.5) | 5.5% |
| **Gross profit** | **285.8** | **366.7** | **421.8** | **465.0** | **455.1** | **-2.1%** | **341.2** | **368.9** | **8.1%** | **111.6** | **125.7** | **12.6%** |
| Operating expenses (SG&A) | | | | | | | | | | | | |
| Fleet rental | (20.8) | (25.1) | (33.5) | (37.5) | (38.1) | 1.6% | (27.5) | (30.0) | 9.1% | (8.0) | (10.1) | 26.3% |
| Car sales for fleet renewal | (17.1) | (18.1) | (25.1) | (23.4) | (32.6) | 39.3% | (23.9) | (22.5) | -5.9% | (9.2) | (7.8) | -15.2% |
| Cars depreciation | (80.4) | (115.1) | (164.2) | (143.2) | (129.3) | -9.7% | (92.6) | (93.5) | 1.0% | (30.0) | (27.7) | -7.7% |
| Other assets depreciation and amortization | | | | | | | | | | | | |
| Fleet rental | (0.7) | (0.7) | (1.1) | (1.1) | (1.1) | 0.0% | (0.7) | (1.7) | 142.9% | (0.3) | (0.6) | 100.0% |
| Car sales for fleet renewal | (0.1) | - | - | - | (0.6) | 100.0% | - | (1.4) | (1.0) | - | (0.5) | (1.0) |
| **Operating profit before financial results and taxes (EBIT)** | **166.7** | **207.7** | **197.9** | **259.8** | **253.4** | **-2.5%** | **196.5** | **219.8** | **11.9%** | **64.1** | **79.0** | **23.2%** |
| Financial expenses, net | (43.4) | (57.0) | (44.3) | (34.1) | (45.1) | 32.3% | (35.1) | (50.5) | 43.9% | (12.7) | (18.9) | 48.8% |
| Income tax and social contribution | (27.7) | (46.8) | (44.4) | (66.7) | (60.8) | -8.8% | (47.4) | (43.2) | -8.9% | (14.4) | (13.2) | -8.3% |
| **Net income for the period** | **95.6** | **103.9** | **109.2** | **159.0** | **147.5** | **-7.2%** | **114.0** | **126.1** | **10.6%** | **37.0** | **46.9** | **26.8%** |
| **Net margin** | **16.4%** | **15.2%** | **13.6%** | **18.9%** | **16.0%** | **-2.9p.p.** | **16.8%** | **17.6%** | **0,8p.p.** | **16.6%** | **19.5%** | **2,9p.p.** |
| **EBITDA** | **247.9** | **323.5** | **363.2** | **404.1** | **384.4** | **-4.9%** | **289.8** | **316.4** | **9.2%** | **94.4** | **107.8** | **14.2%** |
| **EBITDA margin** | **42.6%** | **47.4%** | **45.1%** | **48.1%** | **41.7%** | **-6.4p.p.** | **42.8%** | **44.0%** | **1,2p.p.** | **42.4%** | **44.8%** | **2,4p.p.** |

| OPERATING DATA | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Average operating fleet | 22,916 | 27,858 | 30,357 | 31,188 | 30,778 | -1.3% | 30,452 | 31,800 | 4.4% | 30,347 | 31,496 | 3.8% |
| Average rented fleet | 22,343 | 26,676 | 29,444 | 30,121 | 28,787 | -4.4% | 28,591 | 30,366 | 6.2% | 28,518 | 30,095 | 5.5% |
| Average operating fleet age (in months) | 15.9 | 15.8 | 16.8 | 18.6 | 18.0 | -3.2% | 18.4 | 16.7 | -9.2% | 17.9 | 16.8 | -6.1% |
| End of period fleet | | | | | | | | | | | | |
| Rented Fleet | 26,615 | 31,629 | 32,104 | 32,809 | 34,312 | 4.6% | 33,072 | 33,160 | 0.3% | 33,072 | 33,160 | 0.3% |
| Managed Fleet | 331 | 234 | 162 | 30 | 267 | 790.0% | 274 | 204 | -25.5% | 274 | 204 | -25.5% |
| Number of rental days - in thousands | 8,043.8 | 9,603.4 | 10,600.7 | 10,843.7 | 10,363.3 | -4.4% | 7,719.5 | 8,198.7 | 6.2% | 2,566.6 | 2,708.5 | 5.5% |
| Average daily rental revenues per car (R$) | 46.27 | 48.83 | 51.59 | 53.83 | 56.16 | 4.3% | 56.03 | 55.67 | -0.6% | 56.34 | 57.13 | 1.4% |
| Annualized average depreciation per car (R$) | 3,509.7 | 4,133.0 | 5,408.2 | 4,592.3 | 4,202.1 | -8.5% | 4,054.8 | 3,920.9 | -3.3% | 3,954.0 | 3,520.3 | -11.0% |
| Utilization rate | 97.5% | 95.8% | 97.0% | 96.6% | 93.5% | -3.1p.p. | 93.9% | 95.5% | 1,6p.p. | 94.0% | 95.6% | 1,6p.p. |
| Number of cars purchased | 11,614 | 13,204 | 11,032 | 10,918 | 14,896 | 36.4% | 10,139 | 7,664 | -24.4% | 4,443 | 2,715 | -38.9% |
| Number of cars sold | 7,627 | 7,929 | 10,529 | 9,882 | 13,043 | 32.0% | 9,594 | 8,594 | -10.4% | 3,052 | 2,695 | -11.7% |
| Average sold fleet age (in months) | 28.4 | 32.8 | 31.8 | 32.4 | 35.1 | 8.3% | 35.4 | 34.1 | -3.7% | 35.4 | 33.5 | -5.4% |
| Average total fleet | 24,049 | 29,308 | 31,688 | 32,488 | 32,686 | 0.6% | 32,163 | 33,273 | 3.5% | 32,301 | 33,182 | 2.7% |
| Average value of total fleet - R$ million | 696.7 | 842.2 | 886.3 | 887.3 | 943.3 | 6.3% | 912.8 | 1,050.9 | 15.1% | 944.3 | 1,075.4 | 13.9% |
| Average value per car in the period - R$ thsd | 29.0 | 28.7 | 28.0 | 27.3 | 28.9 | 5.9% | 28.4 | 31.6 | 11.3% | 29.2 | 32.4 | 11.0% |

(*) Gross revenues from fleet rental and car sales for fleet renewal are net of discounts and cancellations.
(**) For comparability with the financial information presented in accordance with IFRS from 2011 on, net revenues from fleet rental and car sales for fleet renewal of 2010, which are presented in USGAAP, are net of taxes on revenues.

**Comments on company performance**

## 15.3 – Table 3 – Franchising – R$ million

| FRANCHISING RESULTS | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross revenues(*) | 12.8 | 15.1 | 18.3 | 20.6 | 18.7 | -9.2% | 14.3 | 13.3 | -7.0% | 4.6 | 4.6 | 0.0% |
| Taxes on revenues | (0.8) | (0.8) | (1.0) | (1.1) | (1.0) | -9.1% | (0.8) | (0.9) | 12.5% | (0.2) | (0.3) | 50.0% |
| **Net revenues (**)** | **12.0** | **14.3** | **17.3** | **19.5** | **17.7** | **-9.2%** | **13.5** | **12.4** | **-8.1%** | **4.4** | **4.3** | **-2.3%** |
| Costs | (5.5) | (6.8) | (7.9) | (8.1) | (7.8) | -3.7% | (5.4) | (6.7) | 24.1% | (1.7) | (2.3) | 35.3% |
| **Gross profit** | **6.5** | **7.5** | **9.4** | **11.4** | **9.9** | **-13.2%** | **8.1** | **5.7** | **-29.6%** | **2.7** | **2.0** | **-25.9%** |
| Operating expenses (SG&A) | (0.3) | - | (0.1) | (0.1) | (0.7) | 600.0% | (0.1) | (0.5) | 4.00 | - | (0.2) | -100.0% |
| Other assets depreciation and amortization | - | (0.3) | (0.4) | (0.4) | (0.5) | 25.0% | (0.4) | (0.3) | -25.0% | (0.1) | (0.1) | 0.0% |
| **Operating profit before financial results and taxes (EBIT)** | **6.2** | **7.2** | **8.9** | **10.9** | **8.7** | **-20.2%** | **7.6** | **4.9** | **-35.5%** | **2.6** | **1.7** | **-34.6%** |
| Financial expenses, net | 0.4 | 1.8 | 0.9 | 1.4 | 1.8 | 28.6% | 1.4 | 1.1 | -21.4% | 0.4 | 0.4 | 0.0% |
| Income tax and social contribution | (0.9) | (0.9) | (1.1) | (1.3) | (1.2) | -7.7% | (1.2) | (1.0) | -16.7% | (0.4) | (0.4) | 0.0% |
| **Net income for the period** | **5.7** | **8.1** | **8.7** | **11.0** | **9.3** | **-15.5%** | **7.8** | **5.0** | **-35.9%** | **2.6** | **1.7** | **-34.6%** |
| **Net Margin** | **47.5%** | **56.6%** | **50.3%** | **56.4%** | **52.5%** | **-4.2p.p.** | **57.8%** | **40.3%** | **-17,5p.p.** | **59.1%** | **39.5%** | **-19,6p.p.** |
| **EBITDA** | **6.2** | **7.5** | **9.3** | **11.3** | **9.2** | **-18.6%** | **8.0** | **5.2** | **-35.0%** | **2.7** | **1.8** | **-33.3%** |
| **EBITDA Margin** | **51.7%** | **52.4%** | **53.8%** | **57.9%** | **52.0%** | **-5.9p.p.** | **59.3%** | **41.9%** | **-17,4p.p.** | **61.4%** | **41.9%** | **-19,5p.p.** |

(*) Gross revenues are net of discounts and cancellations.
(**) For comparability with the financial information presented in accordance with IFRS from 2011 on, net revenues of 2010, which are presented in USGAAP, are net of taxes on revenues.

## Comments on company performance

## 15.4 – Table 4 – Consolidated – R$ million

| CONSOLIDATED RESULTS | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Car rental gross revenues (*) | 838.0 | 1,019.4 | 1,132.3 | 1,208.4 | 1,352.1 | 11.9% | 1,003.6 | 967.0 | -3.6% | 342.3 | 332.6 | -2.8% |
| Franchising gross revenues (*) | 12.8 | 15.1 | 18.3 | 20.6 | 18.7 | -9.2% | 14.3 | 13.3 | -7.0% | 4.6 | 4.6 | 0.0% |
| Car Rental and Franchising total gross revenues (*) | 850.8 | 1,034.5 | 1,150.6 | 1,229.0 | 1,370.8 | 11.5% | 1,017.9 | 980.3 | -3.7% | 346.9 | 337.2 | -2.8% |
| Fleet Rental gross revenues (*) | 374.5 | 472.9 | 552.4 | 592.8 | 589.5 | -0.6% | 438.6 | 461.6 | 5.2% | 146.3 | 156.8 | 7.2% |
| Car and Fleet Rentals and Franchising total gross revenues (*) | 1,225.3 | 1,507.4 | 1,703.0 | 1,821.8 | 1,960.3 | 7.6% | 1,456.5 | 1,441.9 | -1.0% | 493.2 | 494.0 | 0.2% |
| Taxes on revenues - Car and Fleet Rentals and Franchising | (50.0) | (57.4) | (56.3) | (62.9) | (86.3) | 37.2% | (64.7) | (53.1) | -17.9% | (21.7) | (18.5) | -14.7% |
| **Car and Fleet Rentals and Franchising net revenues (**)** | **1,175.3** | **1,450.0** | **1,646.7** | **1,758.9** | **1,874.0** | **6.5%** | **1,391.8** | **1,388.8** | **-0.2%** | **471.5** | **475.5** | **0.8%** |
| Car sales gross revenues | | | | | | | | | | | | |
| Car sales for fleet renewal - Car Rental (*) | 1,104.7 | 1,244.7 | 1,253.6 | 1,486.1 | 1,671.4 | 12.5% | 1,215.2 | 1,282.0 | 5.5% | 455.7 | 416.4 | -8.6% |
| Car sales for fleet renewal - Fleet Rental (*) | 221.3 | 227.7 | 270.2 | 264.6 | 350.8 | 32.6% | 253.0 | 265.9 | 5.1% | 81.0 | 86.8 | 7.2% |
| Car sales for fleet renewal - total gross revenues (*) | 1,326.0 | 1,472.4 | 1,523.8 | 1,750.7 | 2,022.2 | 15.5% | 1,468.2 | 1,547.9 | 5.4% | 536.7 | 503.2 | -6.2% |
| Taxes on revenues - Car sales for fleet renewal | (4.1) | (4.3) | (3.8) | (3.4) | (4.0) | 17.6% | (3.0) | (2.2) | -26.7% | (0.8) | (0.7) | -12.5% |
| **Car sales for fleet renewal - net revenues (**)** | **1,321.9** | **1,468.1** | **1,520.0** | **1,747.3** | **2,018.2** | **15.5%** | **1,465.2** | **1,545.7** | **5.5%** | **535.9** | **502.5** | **-6.2%** |
| **Total net revenues (**)** | **2,497.2** | **2,918.1** | **3,166.7** | **3,506.2** | **3,892.2** | **11.0%** | **2,857.0** | **2,934.5** | **2.7%** | **1,007.4** | **978.0** | **-2.9%** |
| Direct costs and expenses: | | | | | | | | | | | | |
| Car rental | (317.8) | (382.7) | (476.6) | (536.9) | (577.3) | 7.5% | (430.9) | (454.8) | 5.5% | (151.8) | (159.6) | 5.1% |
| Franchising | (5.5) | (6.8) | (7.9) | (8.1) | (7.8) | -3.7% | (5.4) | (6.7) | 24.1% | (1.7) | (2.3) | 35.3% |
| Total Car rental and Franchising | (323.3) | (389.5) | (484.5) | (545.0) | (585.1) | 7.4% | (436.3) | (461.5) | 5.8% | (153.5) | (161.9) | 5.5% |
| Fleet Rental | (94.7) | (117.8) | (146.3) | (161.1) | (190.8) | 18.4% | (136.1) | (143.9) | 5.7% | (47.3) | (47.6) | 0.6% |
| Total Car and Fleet Rentals and Franchising | (418.0) | (507.3) | (630.8) | (706.1) | (775.9) | 9.9% | (572.4) | (605.4) | 5.8% | (200.8) | (209.5) | 4.3% |
| Car sales for fleet renewal - Car rental | (980.0) | (1,092.0) | (1,068.5) | (1,271.9) | (1,428.4) | 12.3% | (1,038.2) | (1,062.0) | 2.3% | (391.8) | (346.5) | -11.6% |
| Car sales for fleet renewal - Fleet Rental | (201.4) | (197.5) | (237.3) | (214.1) | (276.3) | 29.1% | (200.5) | (205.7) | 2.6% | (64.0) | (67.5) | 5.5% |
| Total Car sales for fleet renewal (book value) | (1,181.4) | (1,289.5) | (1,305.8) | (1,486.0) | (1,704.7) | 14.7% | (1,238.7) | (1,267.7) | 2.3% | (455.8) | (414.0) | -9.2% |
| Total costs | (1,599.4) | (1,796.8) | (1,936.6) | (2,192.1) | (2,480.6) | 13.2% | (1,811.1) | (1,873.1) | 3.4% | (656.6) | (623.5) | -5.0% |
| **Gross profit** | **897.8** | **1,121.3** | **1,230.1** | **1,314.1** | **1,411.6** | **7.4%** | **1,045.9** | **1,061.4** | **1.5%** | **350.8** | **354.5** | **1.1%** |
| Operating expenses | | | | | | | | | | | | |
| Advertising, promotion and selling: | | | | | | | | | | | | |
| Car rental | (62.6) | (79.5) | (93.3) | (103.5) | (117.8) | 13.8% | (86.1) | (92.6) | 7.5% | (30.6) | (26.8) | -12.4% |
| Franchising | (0.3) | (0.1) | (0.1) | (0.1) | (0.8) | 700.0% | (0.1) | (0.4) | 3.00 | - | (0.2) | -100.0% |
| Total car rental and Franchising | (62.9) | (79.6) | (93.4) | (103.6) | (118.6) | 14.5% | (86.2) | (93.0) | 7.9% | (30.6) | (27.0) | -11.8% |
| Fleet Rental | (9.8) | (10.5) | (11.6) | (14.4) | (15.1) | 4.9% | (12.1) | (14.8) | 22.3% | (4.4) | (4.9) | 11.4% |
| Car sales for fleet renewal | (98.1) | (129.0) | (150.6) | (162.1) | (172.3) | 6.3% | (124.6) | (139.0) | 11.6% | (42.8) | (44.7) | 4.4% |
| Total advertising, promotion and selling | (170.8) | (219.1) | (255.6) | (280.1) | (306.0) | 9.2% | (222.9) | (246.8) | 10.7% | (77.8) | (76.6) | -1.5% |
| General, administrative and other expenses | (77.5) | (80.9) | (98.9) | (117.5) | (135.8) | 15.6% | (90.8) | (107.9) | 18.8% | (31.5) | (39.1) | 24.1% |
| Total Operating expenses | (248.3) | (300.0) | (354.5) | (397.6) | (441.8) | 11.1% | (313.7) | (354.7) | 13.1% | (109.3) | (115.7) | 5.9% |
| Depreciation expenses: | | | | | | | | | | | | |
| Cars depreciation: | | | | | | | | | | | | |
| Car rental | (65.9) | (86.4) | (212.7) | (85.8) | (78.1) | -9.0% | (60.1) | (26.0) | -56.7% | (19.3) | (7.1) | -63.2% |
| Fleet Rental | (80.4) | (115.1) | (164.2) | (143.2) | (129.3) | -9.7% | (92.6) | (93.5) | 1.0% | (30.0) | (27.7) | -7.7% |
| Total cars depreciation expenses | (146.3) | (201.5) | (376.9) | (229.0) | (207.4) | -9.4% | (152.7) | (119.5) | -21.7% | (49.3) | (34.8) | -29.4% |
| Other assets depreciation and amortization | (21.1) | (24.1) | (32.9) | (35.4) | (35.7) | 0.8% | (26.7) | (26.8) | 0.4% | (8.8) | (9.1) | 3.4% |
| Total depreciation and amortization expenses | (167.4) | (225.6) | (409.8) | (264.4) | (243.1) | -8.1% | (179.4) | (146.3) | -18.5% | (58.1) | (43.9) | -24.4% |
| **Operating profit before financial results and taxes (EBIT)** | **482.1** | **595.7** | **465.8** | **652.1** | **726.7** | **11.4%** | **552.8** | **560.4** | **1.4%** | **183.4** | **194.9** | **6.3%** |
| Financial expenses, net: | | | | | | | | | | | | |
| Expense | (168.3) | (239.3) | (199.3) | (187.1) | (276.4) | 47.7% | (199.1) | (287.7) | 44.5% | (66.2) | (105.7) | 59.7% |
| Income | 38.2 | 60.3 | 60.6 | 76.5 | 125.3 | 63.8% | 79.7 | 128.6 | 61.4% | 23.8 | 46.0 | 93.3% |
| Monetary and exchange variation - assets and liabilities, net | - | - | - | - | - | - | - | - | - | - | - | - |
| Gains (losses) on derivative | - | - | - | - | - | - | - | - | - | - | - | - |
| Financial (expenses) revenues, net | (130.1) | (179.0) | (138.7) | (110.6) | (151.1) | 36.6% | (119.4) | (159.1) | 33.2% | (42.4) | (59.7) | 40.8% |
| **Income before tax and social contribution** | **352.0** | **416.7** | **327.1** | **541.5** | **575.6** | **6.3%** | **433.4** | **401.3** | -7.4% | **141.0** | **135.2** | -4.1% |
| Income tax and social contribution | (101.5) | (125.1) | (86.2) | (157.2) | (165.0) | 5.0% | (125.1) | (104.8) | -16.2% | (39.1) | (32.3) | -17.4% |
| **Net income for the period** | **250.5** | **291.6** | **240.9** | **384.3** | **410.6** | **6.8%** | **308.3** | **296.5** | **-3.8%** | **101.9** | **102.9** | **1.0%** |
| EBITDA | 649.5 | 821.3 | 875.6 | 916.5 | 969.8 | 5.8% | 732.2 | 706.7 | -3.5% | 241.5 | 238.8 | -1.1% |
| **Consolidated EBITDA Margin** | **26.0%** | **28.1%** | **27.7%** | **26.1%** | **24.9%** | **-1.2p.p.** | **25.6%** | **24.1%** | **-1,5p.p.** | **24.0%** | **24.4%** | **-0,4p.p.** |
| Car and Fleet Rentals and Franchising EBITDA | 615.1 | 779.9 | 812.1 | 817.3 | 849.6 | 4.0% | 644.1 | 583.2 | -9.5% | 218.1 | 200.9 | -7.9% |
| **EBITDA Margin** | **52.3%** | **53.8%** | **49.3%** | **46.5%** | **45.3%** | **-1.2p.p.** | **46.3%** | **42.0%** | **-4,3p.p.** | **46.3%** | **42.3%** | **-4,0p.p.** |
| Used Car Sales (Seminovos) EBITDA | 34.4 | 41.4 | 63.5 | 99.2 | 120.2 | 21.2% | 88.1 | 123.5 | 40.2% | 23.4 | 37.9 | 62.0% |
| **EBITDA Margin** | **2.6%** | **2.8%** | **4.2%** | **5.7%** | **6.0%** | **0.3p.p.** | **6.0%** | **8.0%** | **2,0p.p.** | **4.4%** | **7.5%** | **3,1p.p.** |

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

(**) For comparability with the financial information presented in accordance with IFRS from 2011 on, net revenues of 2010, which are presented in USGAAP, are net of taxes on revenues.

## Comments on company performance

# 15.5 – Table 5 – Operating data

| SELECTED OPERATING DATA | 2010 | 2011 | 2012 | 2013 | 2014 | Var. | 9M14 | 9M15 | Var. | 3Q14 | 3Q15 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Average operating fleet:** | | | | | | | | | | | | |
| Car Rental | 42,903 | 51,285 | 53,548 | 59,094 | 61,525 | 4.1% | 60,844 | 62,093 | 2.1% | 62,622 | 60,393 | -3.6% |
| Fleet Rental | 22,916 | 27,858 | 30,357 | 31,188 | 30,778 | -1.3% | 30,452 | 31,800 | 4.4% | 30,347 | 31,496 | 3.8% |
| Total | 65,819 | 79,143 | 83,905 | 90,282 | 92,303 | 2.2% | 91,296 | 93,893 | 2.8% | 92,969 | 91,889 | -1.2% |
| **Average rented fleet:** | | | | | | | | | | | | |
| Car Rental | 29,646 | 35,348 | 37,932 | 39,475 | 42,999 | 8.9% | 42,881 | 42,661 | -0.5% | 43,016 | 42,709 | -0.7% |
| Fleet Rental | 22,343 | 26,676 | 29,444 | 30,121 | 28,787 | -4.4% | 28,591 | 30,366 | 6.2% | 28,518 | 30,095 | 5.5% |
| Total | 51,989 | 62,024 | 67,376 | 69,596 | 71,786 | 3.1% | 71,472 | 73,027 | 2.2% | 71,534 | 72,804 | 1.8% |
| **Average age of operating fleet (months)** | | | | | | | | | | | | |
| Car Rental | 6.3 | 6.8 | 7.8 | 7.2 | 7.2 | 0.0% | 7.4 | 7.2 | -2.7% | 7.3 | 7.5 | 2.7% |
| Fleet Rental | 15.9 | 15.8 | 16.8 | 18.6 | 18.0 | -3.2% | 18.4 | 16.7 | -9.2% | 17.9 | 16.8 | -6.1% |
| Average age of total operating fleet | 9.6 | 9.9 | 11.0 | 11.1 | 10.0 | -9.6% | 9.9 | 10.7 | 8.1% | 10.9 | 10.8 | -0.9% |
| **Fleet at end of period:** | | | | | | | | | | | | |
| Car Rental | 61,445 | 64,688 | 65,086 | 70,717 | 77,573 | 9.7% | 70,491 | 71,114 | 0.9% | 70,491 | 71,114 | 0.9% |
| Fleet Rental | 26,615 | 31,629 | 32,104 | 32,809 | 34,312 | 4.6% | 33,072 | 33,160 | 0.3% | 33,072 | 33,160 | 0.3% |
| Total | 88,060 | 96,317 | 97,190 | 103,526 | 111,885 | 8.1% | 103,563 | 104,274 | 0.7% | 103,563 | 104,274 | 0.7% |
| Managed fleet at end period - Fleet Rental | 331 | 234 | 162 | 30 | 267 | 790.0% | 274 | 204 | -25.5% | 274 | 204 | -25.5% |
| **Fleet investment (R$ million)** | | | | | | | | | | | | |
| Car Rental | 1,476.1 | 1,306.2 | 1,227.2 | 1,634.5 | 1,909.1 | 16.8% | 1,222.1 | 1,088.9 | -10.9% | 418.0 | 414.8 | -0.8% |
| Fleet Rental | 411.3 | 439.9 | 386.4 | 389.7 | 571.2 | 46.6% | 381.7 | 349.5 | -8.4% | 165.4 | 123.4 | -25.4% |
| Total | 1,887.4 | 1,746.1 | 1,613.6 | 2,024.2 | 2,480.3 | 22.5% | 1,603.8 | 1,438.4 | -10.3% | 583.4 | 538.2 | -7.7% |
| **Number of rental days (In thousands):** | | | | | | | | | | | | |
| Car Rental - Total | 10,818.8 | 12,907.7 | 13,886.3 | 14,414.7 | 15,696.2 | 8.9% | 11,707.3 | 11,649.6 | -0.5% | 3,956.8 | 3,929.4 | -0.7% |
| Rental days for Fleet Rental replacement service | (84.6) | (113.4) | (137.5) | (173.0) | (280.2) | 62.0% | (189.4) | (194.4) | 2.6% | (77.3) | (58.3) | -24.6% |
| Car Rental - Net | 10,734.3 | 12,794.3 | 13,748.8 | 14,241.7 | 15,416.0 | 8.2% | 11,517.9 | 11,455.2 | -0.5% | 3,879.5 | 3,871.1 | -0.2% |
| Fleet Rental | 8,043.8 | 9,603.4 | 10,600.7 | 10,843.7 | 10,363.3 | -4.4% | 7,719.5 | 8,198.7 | 6.2% | 2,566.6 | 2,708.5 | 5.5% |
| Total | 18,778.1 | 22,397.7 | 24,349.5 | 25,085.4 | 25,779.3 | 2.8% | 19,237.4 | 19,653.9 | 2.2% | 6,446.1 | 6,579.6 | 2.1% |
| **Annualized average depreciation per car (R$)** | | | | | | | | | | | | |
| Car Rental | 1,536.0 | 1,683.9 | 3,972.4 | 1,452.4 | 1,270.0 | -12.6% | 1,316.6 | 557.9 | -57.6% | 1,231.6 | 473.2 | -61.6% |
| Fleet Rental | 3,509.7 | 4,133.0 | 5,408.2 | 4,592.3 | 4,202.1 | -8.5% | 4,054.8 | 3,920.9 | -3.3% | 3,954.0 | 3,520.3 | -11.0% |
| Total | 2,223.2 | 2,546.0 | 4,491.9 | 2,537.1 | 2,247.7 | -11.4% | 2,229.9 | 1,696.9 | -23.9% | 2,130.3 | 1,517.7 | -28.8% |
| **Average annual revenues per operating car (R$ thousand)** | | | | | | | | | | | | |
| Car Rental | 19.5 | 19.1 | 20.4 | 19.7 | 20.9 | 6.1% | 20.9 | 19.9 | -4.8% | 20.6 | 20.8 | 1.0% |
| Fleet Rental | 16.2 | 16.2 | 17.5 | 18.2 | 18.3 | 0.5% | 18.3 | 18.7 | 2.2% | 18.5 | 19.3 | 4.3% |
| **Average daily rental (R$)** | | | | | | | | | | | | |
| Car Rental (**) | 78.07 | 79.68 | 82.36 | 84.85 | 87.71 | 3.4% | 87.14 | 84.42 | -3.1% | 88.23 | 85.93 | -2.6% |
| Fleet Rental | 46.27 | 48.83 | 51.59 | 53.83 | 56.16 | 4.3% | 56.03 | 55.67 | -0.6% | 56.34 | 57.13 | 1.4% |
| **Utilization rate:** | | | | | | | | | | | | |
| Car Rental | 69.1% | 68.9% | 70.8% | 66.8% | 69.9% | 3.1p.p. | 70.5% | 68.7% | -1,8p.p. | 68.7% | 70.7% | 2,0p.p. |
| Fleet Rental | 97.5% | 95.8% | 97.0% | 96.6% | 93.5% | -3.1p.p. | 93.9% | 95.5% | 1,6p.p. | 94.0% | 95.6% | 1,6p.p. |
| **Number of cars purchased - consolidated** | 65,934 | 59,950 | 58,655 | 69,744 | 79,804 | 14.4% | 52,738 | 42,372 | -19.7% | 17,674 | 15,521 | -12.2% |
| **Average price of cars purchased (R$ thsd) - consolidated** | 28.63 | 29.13 | 27.51 | 29.02 | 31.08 | 7.1% | 30.41 | 33.95 | 11.6% | 33.01 | 34.67 | 5.0% |
| **Numbers of cars sold - consolidated** | 47,285 | 50,772 | 56,644 | 62,641 | 70,621 | 12.7% | 52,153 | 49,258 | -5.6% | 18,815 | 15,738 | -16.4% |
| **Average price of cars sold (R$ thsd) (*) - consolidated** | 25.80 | 26.30 | 24.24 | 25.36 | 25.90 | 2.1% | 25.50 | 28.29 | 10.9% | 25.51 | 28.76 | 12.7% |

(*) Recalculated as from 2010 to include additional revenues, net of SG&A expenses related to the sale of cars decommissioned for fleet renewal.
(**) Not included the rentals for Fleet Rental Division

**Comments on company performance**

## 16 – Consolidated financial statements – IFRS – R$/million

| ASSETS | 2010 | 2011 | 2012 | 2013 | 2014 | 9M15 |
|---|---|---|---|---|---|---|
| **CURRENT ASSETS:** | | | | | | |
| Cash and cash equivalents | 415.7 | 711.0 | 823.9 | 1,010.7 | 1,390.2 | 1,287.2 |
| Marketable securities | | | | | | - |
| Trade accounts receivable | 274.8 | 353.4 | 361.1 | 408.3 | 459.6 | 428.8 |
| Derivative financial instruments - swap | - | - | - | - | - | 1.5 |
| Other current assets | 40.7 | 54.1 | 50.0 | 57.9 | 94.6 | 127.9 |
| Decommissioned cars for fleet renewal | 20.1 | 29.0 | 13.3 | 16.5 | 18.3 | 32.5 |
| **Total current assets** | **751.3** | **1,147.5** | **1,248.3** | **1,493.4** | **1,962.7** | **1,877.9** |
| **NON CURRENT ASSETS:** | | | | | | |
| Long-term assets: | | | | | | |
| Marketable securities | - | - | - | - | 92.60 | - |
| Derivative financial instruments - swap | - | - | - | - | - | 54.8 |
| Trade accounts receivable | - | - | 4.0 | 7.1 | 3.2 | 1.6 |
| Escrow deposits | 24.8 | 25.0 | 23.0 | 38.1 | 41.9 | 53.2 |
| Deferred income tax and social contribution | 24.0 | 19.8 | 24.5 | 32.4 | 32.8 | 43.7 |
| Other non current assets | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| **Total long-term assets** | **48.9** | **44.9** | **51.6** | **77.7** | **170.6** | **153.4** |
| Property and equipment | | | | | | |
| Cars | 2,427.4 | 2,652.7 | 2,534.3 | 2,781.4 | 3,278.0 | 3,252.7 |
| Other | 114.9 | 141.7 | 171.0 | 166.1 | 203.9 | 277.8 |
| Intangible: | | | | | | |
| Software | 7.7 | 18.3 | 36.2 | 47.3 | 60.3 | 63.8 |
| Goodwill on acquisition of investments | 4.5 | 4.5 | 4.5 | 12.3 | 22.0 | 22.0 |
| **Total non current assets** | **2,603.4** | **2,862.1** | **2,797.6** | **3,084.8** | **3,734.8** | **3,769.7** |
| **TOTAL ASSETS** | **3,354.7** | **4,009.6** | **4,045.9** | **4,578.2** | **5,697.5** | **5,647.6** |

| LIABILITIES AND SHAREHOLDERS' EQUITY | 2010 | 2011 | 2012 | 2013 | 2014 | 9M15 |
|---|---|---|---|---|---|---|
| **CURRENT LIABILITIES:** | | | | | | |
| Trade accounts payable | 443.0 | 488.7 | 356.2 | 460.5 | 828.4 | 552.8 |
| Social and labor obligations | 58.0 | 58.7 | 53.2 | 73.9 | 86.3 | 86.4 |
| Loans, financing and debentures | 233.7 | 130.9 | 210.1 | 275.4 | 300.9 | 368.7 |
| Derivative financial instruments - swap | - | - | - | - | - | 32.9 |
| Income tax and social contribution | 22.7 | 32.5 | 26.0 | 35.2 | 41.3 | 23.0 |
| Dividends and interest on capital | 40.2 | 38.3 | 18.7 | 53.1 | 59.2 | 25.1 |
| Other current liabilities | 36.1 | 44.7 | 70.0 | 78.6 | 82.3 | 51.6 |
| **Total current liabilities** | **833.7** | **793.8** | **734.2** | **976.7** | **1,398.4** | **1,140.5** |
| **NON CURRENT LIABILITIES:** | | | | | | |
| Loans, financing and debentures | 1,463.1 | 1,943.5 | 1,845.0 | 2,068.1 | 2,411.6 | 2,367.6 |
| Provisions | 42.5 | 30.1 | 35.2 | 50.9 | 69.9 | 73.9 |
| Deferred income tax and social contribution | 81.6 | 92.4 | 76.8 | 111.8 | 138.9 | 181.3 |
| Other non current liabilities | 35.1 | 29.2 | 30.0 | 29.5 | 23.2 | 15.9 |
| **Total non current liabilities** | **1,622.3** | **2,095.2** | **1,987.0** | **2,260.3** | **2,643.6** | **2,638.7** |
| **Total liabilities** | **2,456.0** | **2,889.0** | **2,721.2** | **3,237.0** | **4,042.0** | **3,779.2** |
| **SHAREHOLDERS' EQUITY:** | | | | | | |
| Capital | 601.7 | 601.7 | 601.7 | 976.7 | 976.7 | 976.7 |
| Capital Reserves | 12.0 | 19.0 | 48.0 | 30.2 | 40.4 | 34.5 |
| Earnings Reserves | 273.9 | 499.8 | 675.0 | 334.3 | 638.4 | 857.2 |
| Valuation adjustments to equity | 11.1 | 0.1 | - | - | - | - |
| **Total shareholders' equity** | **898.7** | **1,120.6** | **1,324.7** | **1,341.2** | **1,655.5** | **1,868.4** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **3,354.7** | **4,009.6** | **4,045.9** | **4,578.2** | **5,697.5** | **5,647.6** |

## Comments on company performance

### 17 – Consolidated financial statements – Income statements and reconciliations - R$/million

| STATEMENT OF INCOME | 2010 USGAAP | 2011 IFRS | 2012 IFRS | 2013 IFRS | 2014 IFRS | 9M15 IFRS | Reclassifications | 9M15 IFRS |
|---|---|---|---|---|---|---|---|---|
| **Total net revenues** | **2,497.2** | **2,918.1** | **3,166.7** | **3,506.2** | **3,892.2** | **2,989.8** | **(55.3)** (a) | **2,934.5** |
| COSTS AND EXPENSES: | | | | | | | | |
| Direct costs | (1,599.4) | (1,796.8) | (1,936.6) | (2,192.1) | (2,480.6) | (1,873.1) | - | (1,873.1) |
| Taxes on revenues | - | - | - | - | - | (55.3) | 55.3 (a) | - |
| Selling, general, administrative and other expenses | (248.3) | (300.0) | (354.5) | (397.6) | (441.8) | (354.7) | - | (354.7) |
| Cars depreciation | (146.3) | (201.5) | (376.9) | (229.0) | (207.4) | (119.5) | - | (119.5) |
| Other assets depreciation and amortization | (21.1) | (24.1) | (32.9) | (35.4) | (35.7) | (26.8) | - | (26.8) |
| Total costs and expenses | (2,015.1) | (2,322.4) | (2,700.9) | (2,854.1) | (3,165.5) | (2,429.4) | 55.3 | (2,374.1) |
| **Income before financial results and taxes (EBIT)** | **482.1** | **595.7** | **465.8** | **652.1** | **726.7** | **560.4** | **-** | **560.4** |
| FINANCIAL EXPENSES, NET | (130.1) | (179.0) | (138.7) | (110.6) | (151.1) | (159.1) | - | (159.1) |
| **Income before taxes** | **352.0** | **416.7** | **327.1** | **541.5** | **575.6** | **401.3** | **-** | **401.3** |
| INCOME TAX AND SOCIAL CONTRIBUTION | | | | | | | | |
| Current | (80.2) | (106.2) | (106.5) | (130.1) | (139.5) | (73.3) | - | (73.3) |
| Deferred | (21.3) | (18.9) | 20.3 | (27.1) | (25.5) | (31.5) | - | (31.5) |
| | (101.5) | (125.1) | (86.2) | (157.2) | (165.0) | (104.8) | - | (104.8) |
| **Net income** | **250.5** | **291.6** | **240.9** | **384.3** | **410.6** | **296.5** | **-** | **296.5** |

(a) Refers to reclassification of taxes on revenues to specific account.

| Shareholders' equity Reconciliation | Dec 31, 2014 | September 30, 2015 |
|---|---|---|
| **Shareholders' equity - IFRS** | **1,655.5** | **1,868.4** |
| Dividends proposed | 44.7 | - |
| Goodwill, net of income tax and social contribution | 21.8 | 21.8 |
| **Shareholders' equity - USGAAP** | **1,722.0** | **1,890.2** |

**Comments on company performance**

## 18 – Statements of Cash flows – R$/million

| CONSOLIDATED CASH FLOW | 2010 USGAAP | 2011 IFRS | 2012 IFRS | 2013 IFRS | 2014 IFRS | 9M15 IFRS |
|---|---|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | |
| Net income | 250.5 | 291.6 | 240.9 | 384.3 | 410.6 | 296.5 |
| Adjustments to reconcile net income and cash and cash equivalents provided by operating activities: | | | | | | |
| Depreciation and amortization | 167.4 | 225.6 | 409.8 | 264.4 | 243.2 | 146.3 |
| Net book value of vehicles written off | 1,214.3 | 1,328.6 | 1,360.2 | 1,543.8 | 1,777.0 | 1,322.5 |
| Deferred income tax and social contribution | 21.3 | 18.9 | (20.3) | 27.1 | 25.5 | 31.5 |
| Other | 6.7 | 2.7 | 21.8 | 33.7 | 32.0 | 20.9 |
| (Increase) decrease in assets: | | | | | | |
| Trade receivable | (63.3) | (81.3) | (14.6) | (54.7) | (49.9) | 23.2 |
| Purchases of cars (see supplemental disclosure below) | (1,799.1) | (1,743.8) | (1,735.7) | (1,939.4) | (2,150.2) | (1,698.3) |
| Escrow deposits | (1.6) | 0.6 | 0.7 | (15.1) | (5.7) | (14.5) |
| Taxes recoverable | (7.0) | (15.9) | (11.4) | (20.3) | (43.4) | (65.3) |
| Other assets | (4.2) | 10.7 | 8.5 | 6.1 | (5.7) | (13.0) |
| Increase (decrease) in liabilities: | | | | | | |
| Accounts payable (except car manufacturers) | 39.2 | 13.0 | (15.6) | 14.6 | 33.5 | (18.1) |
| Social and labor obligations | 27.9 | 0.7 | (5.5) | 20.7 | 12.4 | 0.3 |
| Income tax and social contribution | 78.3 | 106.2 | 106.5 | 130.1 | 139.5 | 73.3 |
| Interest on loans, financing, debentures and swaps of fixed rates | 161.4 | 231.0 | 195.9 | 181.6 | 281.7 | 315.6 |
| Insurance premiums | (10.0) | 2.6 | 15.8 | 4.0 | (0.6) | (15.6) |
| Other liabilities | 20.8 | (17.0) | 16.0 | 1.1 | (5.4) | 10.6 |
| **Cash provided by operating activities** | **102.6** | **374.2** | **573.0** | **582.0** | **694.5** | **415.9** |
| Income tax and social contribution paid | (57.8) | (83.0) | (100.9) | (108.5) | (113.1) | (72.5) |
| Interest on loans, financing and debentures paid | (169.6) | (237.0) | (190.6) | (152.0) | (328.0) | (270.2) |
| **Net cash provided by (used in) operating activities** | **(124.8)** | **54.2** | **281.5** | **321.5** | **253.4** | **73.2** |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | |
| Investments in marketable securities | - | - | - | - | (92.6) | 92.6 |
| Acquisition of investment, goodwill and fair value surplus | - | - | - | (12.5) | (14.4) | - |
| Purchases of other property and equipment and addition to intangible assets | (51.1) | (63.0) | (80.8) | (41.5) | (87.3) | (104.3) |
| **Net cash provided by (used in) investing activities** | **(51.1)** | **(63.0)** | **(80.8)** | **(54.0)** | **(194.3)** | **(11.7)** |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | | |
| Loans and financings: | | | | | | |
| Proceeds | 427.9 | 288.1 | 125.9 | 112.6 | 499.1 | 425.2 |
| Repayment | (408.9) | (404.5) | (359.9) | (129.4) | (490.4) | (299.0) |
| Debentures | | | | | | |
| Proceeds | 370.0 | 500.0 | 300.2 | 496.3 | 497.3 | 496.8 |
| Repayment | (222.1) | - | (90.6) | (220.7) | (90.8) | (668.0) |
| Treasury shares acquired | - | - | - | (36.8) | - | (27.5) |
| Exercise of stock options with treasury shares, net | - | - | 21.9 | 12.8 | 5.5 | 17.8 |
| Dividends paid | (6.1) | (23.3) | (26.3) | (255.1) | (38.6) | (44.7) |
| Interest on capital | (28.8) | (56.2) | (59.0) | (60.4) | (61.7) | (65.1) |
| **Net cash provided by (used in) financing activities** | **132.0** | **304.1** | **(87.8)** | **(80.7)** | **320.4** | **(164.5)** |
| **NET CASH FLOW PROVIDED (USED) IN THE YEAR** | **(43.9)** | **295.3** | **112.9** | **186.8** | **379.5** | **(103.0)** |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR / PERIOD | 459.6 | 415.7 | 711.0 | 823.9 | 1,010.7 | 1,390.2 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR / PERIOD | 415.7 | 711.0 | 823.9 | 1,010.7 | 1,390.2 | 1,287.2 |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **(43.9)** | **295.3** | **112.9** | **186.8** | **379.5** | **(103.0)** |
| Supplemental disclosure of cash flow information: | | | | | | |
| Cash paid during the period to: | | | | | | |
| Statement of the cash paid for cars acquisition | | | | | | |
| Cars acquisition in the year/period - renewal | (1,370.1) | (1,504.5) | (1,563.3) | (1,819.7) | (2,197.7) | (1,440.7) |
| Cars acquisition in the year/period - growth | (540.3) | (272.0) | (55.5) | (209.4) | (286.9) | - |
| Suppliers - automakers: | | | | | | |
| Balance at the end of the year / period | 372.6 | 405.3 | 288.4 | 378.1 | 712.5 | 454.9 |
| Balance at the beginning of the year / period | (261.3) | (372.6) | (405.3) | (288.4) | (378.1) | (712.5) |
| Cash paid for cars purchased | (1,799.1) | (1,743.8) | (1,735.7) | (1,939.4) | (2,150.2) | (1,698.3) |

## 19 – Glossary and other information

• **CAGR:** Compounded average growth rate.

• **CAPEX:** Capital expenditure.

• **Car depreciation:** the amount to be depreciated is the positive difference between the acquisition price of the vehicle and its estimated residual value. Depreciation is calculated as long as the assets' estimated residual value does not exceed its accounting value. Depreciation is recognized during the estimated life cycle of each asset. In the Car Rental Division, depreciation method used is linear. In the Fleet Rental Division, depreciation is recorded according to the sum of the years' digits (SOYD) method, which better reflects the consumption pattern of the economic benefits that decrease during the cars' useful life. The residual value is the estimated sale price net of the estimated selling expense.

• **Depreciated cost of used cars sales (book value):** consists of the acquisition value of vehicles, depreciated up to the date of sale, less the technical discount. The **technical discount** is the discount given to the buyer for any required repairs that were not made. These repair costs are recorded as a charge to operating costs and as a credit to cost of cars sold.

• **EBITDA:** EBITDA is the net income of the period, added by the income tax, net financial expenses, depreciation, amortization and exhaustions, as defined by CVM instruction 527/12.

• **EBITDA Margin:** EBITDA divided by the net revenues.

• **EBIT:** EBIT is the net income of the period added by the income tax and net financial expenses.

• **EBIT Margin:** EBIT divided by the net revenues.

• **IPI tax:** Tax over industrialized products. In May, 2012 Government announced an IPI tax exemption valid initially up to August, 2012, however, successively extended in 2012. In 2013 IPI tax for compact cars was increased to 2% and was kept at this level until December 2014. On January 1, 2015 the tax was fully reinstated. Those measures aim at incentivizing the automotive industry by stimulating demand, since the tax reduction tends to be passed on to the final consumer.

• **Net debt:** Short and long term debts minus cash and cash equivalents. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.

• **Net (Divestment) Investment in cars:** capital investment in cars acquisition, net of the revenues from selling decommissioned cars.

• **NOPAT:** Net operating profit after tax.

• **Average Rented Fleet:** In the car rental division it is the number of daily rentals in the period divided by the number of days in the period.

• **Operating Fleet:** Operating fleet is comprised by the cars that are at the rental locations, either rented or not, under maintenance, as well as cars in transit from OEMs to car rental locations and those being prepared for sale, and not yet delivered to the Seminovos stores.

• **Utilization Rate:** It is the number of rental days of the period divided by the operating fleet. It is a Company's measure and cannot be compared with similar terms used by other companies.

• **ROIC:** Return on invested capital.

# LOCALIZA RENT A CAR S.A. AND SUBSIDIARIES

**Notes to the interim financial information**
**for the period ended September 30, 2015**
**All amounts in thousands of reais unless otherwise stated**

## 1. OPERATIONS

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 (São Paulo Securities, Commodities and Futures Exchange) Novo Mercado, which characterizes the highest Corporate Governance level in the Brazilian capital market. Localiza's shares are traded under the ticker symbol RENT3.

The main activities of Localiza and its subsidiaries ("Company") comprise car rental, fleet rental and franchising. In order to renew the fleet, Localiza and its subsidiary Localiza Fleet S.A. ("Localiza Fleet") sell their decommissioned cars, thereby generating cash to pay the vehicle manufacturers that provide the new cars.

On September 30, 2015, the Localiza Platform, including its franchisees in Brazil and abroad, comprised 557 car rental branches, being: (i) 490 branches in 357 cities in Brazil, 314 of which were operated by Localiza and the others by its franchisees; and (ii) 67 branches in 39 cities in 7 South American countries, all operated by franchisees.

The fleet of the Localiza Platform was comprised of 117,449 cars, on September 30, 2015, being: (i) 104,274 belonging to the Company, including 33,160 of the Fleet Rental Division; (ii) 8,629 belonging to its franchisees in Brazil; and (iii) 4,546 belonging to franchisees abroad. Decommissioned cars are substantially sold to final consumers through 76 sales points, located in 46 cities throughout Brazil, thereby avoiding intermediation costs, maximizing cash flow generation for fleet renewal and reducing the depreciation cost.

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

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

The Company's interim financial information comprises parent company and consolidated interim information and is prepared and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil, being identified as "Parent company" and "Consolidated".

The accounting practices adopted in Brazil include those established in the Corporate Law as well as the 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 information discloses investments in subsidiaries under the equity method of accounting, in accordance with prevailing legislation and in conformity with IFRS.

The Company does not have other comprehensive income in the current and prior quarters.

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 2.6 and other notes to the annual financial statements for the year ended December 31, 2014 (hereinafter referred to as "Financial Statements for the year ended December 31, 2014"), published on March 24, 2015 in the newspapers "Diário Oficial de Minas Gerais" (Minas Gerais Official Gazette), "Diário do Comércio Minas Gerais", and available through the following websites: www.cvm.gov.br and www.bmfbovespa.com.br.

## 3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting standards and interpretations that were in effect on December 31, 2014, as disclosed in the financial statements for December 31, 2014, were not significantly different from those in effect for this quarterly financial information.

The accounting standards and interpretations that became effective as from January 1, 2015, as disclosed in the financial statements for December 31, 2014, 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 | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Cash and banks | 3,657 | 7,905 | 18,977 | 23,249 |
| Bank Deposit Certificates (CDB) | 54,400 | 59,731 | 73,019 | 68,603 |
| Financial investments with guarantee of repurchase | 140,391 | 178,975 | 306,769 | 445,204 |
| Fixed-income investment funds | 674,493 | 564,300 | 786,768 | 853,133 |
| Investment in financial bills (*) | - | - | 101,712 | - |
| **Total** | **872,941** | **810,911** | **1,287,245** | **1,390,189** |

(*) This line item refers to the "Investment in financial bills" balance of wholly-owned subsidiary Rental Brasil, amounting to R$ 101,712 and invested on June 25, 2014. This amount corresponds to a portion of the loan of R$ 190,000, obtained under the Bank Credit Note Property modality (note 12(b)(ii) to the financial statements for the year ended December 31, 2014). As of June 30, 2015, this investment was recorded as "Investments in marketable securities" due to the redemption restrictions imposed by the loan agreement. These restrictions ended on September 30, 2015, when the investment started to have immediate liquidity and it was therefore reclassified to the "Cash and cash equivalents" group.

As of September 30, 2015, investments in Bank Deposit Certificates (CDB), financial investments, investment in financial bills and investment fund quotas had an average yield of 104.0% of the Interbank Deposit Certificates (CDI) (103.6% as of December 31, 2014) and have immediate liquidity.

## 5. TRADE RECEIVABLES

The breakdown of trade accounts receivable is as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Car rental | 254,354 | 295,384 | 251,742 | 290,773 |
| Fleet rental | - | - | 69,408 | 67,429 |
| Sale of decommissioned cars | 101,411 | 91,130 | 132,028 | 117,411 |
| Franchising | 2,568 | 1,441 | 8,634 | 9,405 |
| | **358,333** | **387,955** | **461,812** | **485,018** |
| Provision for impairment of trade receivables | (20,340) | (14,323) | (31,380) | (22,266) |
| **Total** | **337,993** | **373,632** | **430,432** | **462,752** |
| | | | | |
| **Current** | **337,993** | **373,632** | **428,830** | **459,576** |
| **Non-current** | **-** | **-** | **1,602** | **3,176** |

The provision for impairment of trade receivables increased in 9M15 due to the increased risk of default resulting from the current macroeconomic scenario.

Other information on trade receivables (parent company and consolidated) was not significantly altered compared with that disclosed in note 5 to the financial statements for the year ended December 31, 2014.

## 6. OTHER CURRENT AND NON-CURRENT ASSETS

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Balances stated separately in current assets: | | | | |
| Prepayments (*) | 9,616 | 213 | 14,391 | 276 |
| Recoverable taxes (**) | 16,785 | 7,410 | 26,797 | 17,599 |
| | 26,401 | 7,623 | 41,188 | 17,875 |
| Other current assets: | | | | |
| Amounts receivable from insurance company (***) | 33,003 | 34,054 | 69,703 | 64,663 |
| Other receivables - subsidiaries (note 7(b)) | 537 | 1,273 | - | - |
| Other | 4,192 | 6,395 | 16,983 | 12,049 |
| | 37,732 | 41,722 | 86,686 | 76,712 |
| **Total in current assets** | **64,133** | **49,345** | **127,874** | **94,587** |
| Balances stated separately in non-current assets: | | | | |
| Other receivables - subsidiaries (note 7(b)) | 661 | 603 | - | - |
| Investments in marketable securities | - | - | - | 92,552 |
| Other non-current assets | 83 | 83 | 83 | 83 |
| **Total in non-current assets** | **744** | **686** | **83** | **92,635** |
| **Total in other current and non-current assets** | **64,877** | **50,031** | **127,957** | **187,222** |

(*) Basically refers to prepaid expenses with the renewal of the Car Tax (IPVA), which are amortized in the year and based on the estimated useful life of each vehicle, when the expected sale is prior to December 31, 2015.
(**) Changes in the "Recoverable taxes" account basically refers to the prepaid balance of Corporate Income Tax (IRPJ) arising from taxes withheld on financial investment redemptions amounting to R$ 6,737 (Parent company) and R$ 6,991 (Consolidated).
(***) Expenses incurred on claims, cost of stolen cars and amounts receivable from the insurance company due to insurance intermediation services (note 2.6.5 to the financial statements for the year ended December 31, 2014).

## 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 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-owned corporation mainly operating in the intermediation of sales of decommissioned cars previously used by Localiza and Localiza Fleet and in the rendering of services and negotiation with repair shops and other suppliers, assessment of claims, approval of budgets and services carried out, management of information and claims evidencing documents.

The other subsidiaries of the Company, Rental Brasil Administração e Participação S.A., Rental International LLC, Car Assistance Serviços de Administração de Sinistros S.A., Localiza Franchising International S.R.L. and FR Assistance Serviços de Administração de Sinistros S.A. are also wholly-owned subsidiaries and privately-held corporations.

# LOCALIZA RENT A CAR S.A. AND SUBSIDIARIES

## Notes to the interim financial information for the period ended September 30, 2015

**All amounts in thousands of reais unless otherwise stated**

The Ordinary and Extraordinary General Meeting held on April 28, 2015 approved the merger of Localiza Cuiabá Aluguel de Carros Ltda., wholly-owned subsidiary of the Company, with transfer of the full amount of assets, liabilities and equity to the Company, amounting to R$ 4,674. This merger is justified by the strategic guidelines of Localiza for the administrative and financial simplification and streamlining, as well as developing directly all the car rental activities in one sole company.

The Meeting of the Board of Directors held on June 25, 2015 approved the increase of capital in Localiza Franchising International S.R.L. by Localiza, with receivables amounting to R$ 109. With this increase of capital, the participation in the capital of Localiza Franchising International S.R.L., held by Localiza and Localiza Fleet, changed to 97% and 3%, respectively.

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

| | | | Participation | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of shares | | In capital (%) | | In equity | | In results | |
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9M15 | 9M14 |
| **Direct subsidiaries:** | | | | | | | | |
| Localiza Fleet | 103,280,354 | 103,280,354 | 100.0 | 100.0 | 675,106 | 801,409 | 149,124 | 140,584 |
| Rental Brasil | 15,000,000 | 15,000,000 | 100.0 | 100.0 | 151,557 | 150,196 | 1,361 | - |
| Localiza Serviços Prime | 15,000 | 15,000 | 100.0 | 100.0 | 116,220 | 106,666 | 9,554 | 4,548 |
| Localiza Cuiabá (*) | - | 4,730,000 | - | 100.0 | - | 4,748 | (74) | 287 |
| Localiza Franchising Brasil | 399,069 | 399,069 | 100.0 | 100.0 | 8,250 | 604 | 7,646 | 10,018 |
| Rental International (**) | 1,000 | 1,000 | 100.0 | 100.0 | - | - | (50) | (99) |
| Car Assistance | 200,000 | 200,000 | 100.0 | 100.0 | 15,082 | 240 | 14,842 | 11,696 |
| LFI SRL | 73,377 | 23,750 | 97.0 | 95.0 | 41 | 52 | (120) | (18) |
| Localiza JF (***) | - | - | - | - | - | - | - | (58) |
| Localiza Car Rental (***) | - | - | - | - | - | - | - | 2,823 |
| | | | | | **966,256** | **1,063,915** | **182,283** | **169,781** |
| **Goodwill and fair value increment in the acquisition of investments:** | | | | | | | | |
| Appreciation of property and equipment items net of the realizations | | | | | 52 | 380 | - | - |
| Goodwill | | | | | 22,077 | 22,077 | - | - |
| **Total** | | | | | **988,385** | **1,086,372** | **182,283** | **169,781** |
| **Indirect subsidiary:** | | | | | | | | |
| FR Assistance | 150,000 | 150,000 | 100.0 | 100.0 | 150 | 150 | - | - |
| **Indirect holding:** | | | | | | | | |
| LFI SRL | 2,160 | 1,250 | 3.0 | 5.0 | 4 | 4 | - | - |

(*) Wholly owned subsidiary merged on April 30, 2015, as approved at the Ordinary and Extraordinary General Meeting of April 28, 2015.
(**) In 9M15, Localiza recognized in its liabilities a provision for deficiency in net assets related to the subsidiary Rental International.
(***) Wholly owned subsidiaries merged on April 30, 2014, as approved at the Ordinary and Extraordinary General Meeting of April 29, 2014.

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

| | |
|---|---|
| **On December 31, 2014** | **1,086,372** |
| Increase of capital in subsidiary | 109 |
| Realization of the appreciation of assets | (328) |
| Merger of subsidiary | (4,674) |
| Equity in the results of investees | 182,283 |
| Dividends from subsidiaries (item (iii) below) | (275,427) |
| Provision for net capital deficiency of subsidiary Rental International | 50 |
| **On September 30, 2015** | **988,385** |

# LOCALIZA RENT A CAR S.A. AND SUBSIDIARIES

## Notes to the interim financial information for the period ended September 30, 2015

**All amounts in thousands of reais unless otherwise stated**

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:

*(i) Balance sheets*

| 9/30/15 | Localiza Fleet | Localiza Franchising Brasil | Localiza Serviços Prime | Rental International | Car Assistance | Rental Brasil | LFI SRL |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Current | 239,990 | 17,551 | 142,579 | 26 | 16,817 | 189,504 | 319 |
| Non-current: | | | | | | | |
| Long-term receivables | 19,064 | 2,968 | 3,393 | - | - | 1,671 | - |
| Investment | 4 | - | - | - | - | - | - |
| Property and equipment | 1,052,035 | 46 | - | - | - | 173,536 (*) | - |
| Intangible assets | 3,466 | 1,155 | - | - | - | - | - |
| **Total** | **1,314,559** | **21,720** | **145,972** | **26** | **16,817** | **364,711** | **319** |
| | | | | | | | |
| **Liabilities and equity** | | | | | | | |
| Current | 365,382 | 4,599 | 19,210 | - | 1,735 | 24,610 | 213 |
| Non-current | 274,071 | 8,871 | 10,542 | 662 | - | 188,544 | 61 |
| Equity | 675,106 | 8,250 | 116,220 | (636) | 15,082 | 151,557 | 45 |
| **Total** | **1,314,559** | **21,720** | **145,972** | **26** | **16,817** | **364,711** | **319** |

| 12/31/14 | Localiza Fleet | Localiza Franchising Brasil | Localiza Serviços Prime | Rental International | Car Assistance | Rental Brasil | LFI SRL | Localiza Cuiabá |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Current | 413,776 | 14,934 | 137,045 | 17 | 2,417 | 167,954 | 103 | 3,842 |
| Non-current: | | | | | | | | |
| Long-term receivables | 17,046 | 2,484 | 3,686 | - | - | 92,552 | - | - |
| Investment | 4 | - | - | - | - | - | - | - |
| Property and equipment | 1,034,105 | 77 | - | - | - | 87,264 (*) | - | 1,425 |
| Intangible assets | 2,903 | 1,268 | - | - | - | - | - | - |
| **Total** | **1,467,834** | **18,763** | **140,731** | **17** | **2,417** | **347,770** | **103** | **5,267** |
| | | | | | | | | |
| **Liabilities and equity** | | | | | | | | |
| Current | 383,349 | 7,654 | 22,840 | - | 2,177 | 12,118 | 3 | 519 |
| Non-current | 283,076 | 10,505 | 11,225 | 603 | - | 185,456 | 44 | - |
| Equity | 801,409 | 604 | 106,666 | (586) | 240 | 150,196 | 56 | 4,748 |
| **Total** | **1,467,834** | **18,763** | **140,731** | **17** | **2,417** | **347,770** | **103** | **5,267** |

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

*(ii) Income statements*

| 9M15 | Localiza Fleet | Localiza Franchising Brasil | Localiza Serviços Prime | Rental International | Car Assistance | Rental Brasil | LFI SRL | Localiza Cuiabá |
|---|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | | |
| Net revenue | 716,769 | 11,197 | 52,257 | - | 16,780 | - | - | - |
| Gross result | 275,654 | 8,230 | 47,634 | - | 16,464 | - | - | (69) |
| Net income (loss) before income tax and social contribution | 224,956 | 9,334 | 12,729 | (50) | 17,008 | 2,328 | (120) | (73) |
| **Net income (loss)** | **149,124** | **7,646** | **9,554** | **(50)** | **14,842** | **1,361** | **(120)** | **(74)** |

| 9M14 | Localiza Fleet | Localiza Franchising Brasil | Localiza Serviços Prime | Localiza Car Rental | Rental International | Car Assistance | LFI SRL | Localiza JF | Localiza Cuiabá |
|---|---|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | | | |
| Net revenue | 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 |
| Net income (loss) before income tax and social contribution | 213,067 | 11,950 | 4,789 | 3,992 | (99) | 13,424 | (18) | (58) | 415 |
| **Net income (loss)** | **140,584** | **10,018** | **4,548** | **2,823** | **(99)** | **11,696** | **(18)** | **(58)** | **287** |

*(iii) Dividends from subsidiaries*

| 9M15 | Localiza Fleet | Localiza Franchising Brasil | Car Assistance | Rental Brasil | Total |
|---|---|---|---|---|---|
| Dividends for 2014 | 43,476 | 2,733 | 2,016 | 3,729 | 51,954 |
| Prepaid dividends for 2015 | 145,000 | - | - | - | 145,000 |
| Dividends proposed and paid in 2015 | 130,427 | - | - | - | 130,427 |
| **Total** | **318,903** | **2,733** | **2,016** | **3,729** | **327,381** |

| 2014 | Localiza Fleet | Localiza Franchising Brasil | Car Assistance | Rental Brasil | Localiza Cuiabá | Total |
|---|---|---|---|---|---|---|
| Dividends for 2013 | 43,912 | 3,677 | 4,357 | - | - | 51,946 |
| Prepaid dividends for 2014 | 131,735 | 10,018 | 10,184 | - | - | 151,937 |
| Proposed dividends for 2014 | 43,476 | 2,733 | 2,016 | 3,729 | 347 | 52,301 |
| **Total** | **219,123** | **16,428** | **16,557** | **3,729** | **347** | **256,184** |

## (b) Balances and transactions with related parties

*(i) Balances and transactions with subsidiaries*

| | Localiza Fleet | | Other | | Total | |
|---|---|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| **Balances:** | | | | | | |
| Trade receivables | 4,151 | 6,507 | 1 | 55 | 4,152 | 6,562 |
| Dividends receivable | - | 43,476 | - | 8,825 | - | 52,301 |
| Other receivables (current and non-current) (note 6) | 335 | 490 | 863 | 1,386 | 1,198 | 1,876 |
| Payables | - | 1,293 | - | - | - | 1,293 |
| Other payables (note 13) | - | - | 709 | 4,323 | 709 | 4,323 |

| | Localiza Fleet | | Other | | Total | |
|---|---|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 | 9M15 | 9M14 |
| **Transactions:** | | | | | | |
| Costs and expenses | - | - | - | (5,773) | - | (5,773) |
| Recovery of costs and expenses | 11,596 | 14,457 | 3,552 | 2,336 | 15,148 | 16,793 |
| Revenue from car rentals | 15,638 | 14,431 | 14 | 3,152 | 15,652 | 17,583 |

As of September 30, 2015, there are collateral signatures related to guarantees for loans and financing, amounting to R$ 1,359,551 (R$ 1,227,687 on December 31, 2014), between Localiza, Localiza Fleet and Rental Brasil. There are also collateral signatures between companies when bank guarantees and guarantee insurances were contracted for lawsuits totaling R$ 24,976 (R$ 17,401 on December 31, 2014). Additionally, the Company has a guarantee-insurance with Pottencial Seguradora, a company whose 40% of share capital is jointly held by Salim Mattar and Eugenio Mattar, the founding partners of Localiza. In transactions made under normal market conditions, the amount of the accumulated premium paid by September 30, 2015 was R$ 779 (R$ 269 on December 31, 2014) related to surety bonds in the current insured value of R$ 35,521 (R$ 14,023 on December 31, 2014). The increase in the guarantee insurance amounts is due to the replacement of the letters of guarantee presented in tax lawsuits, a procedure that was adopted by the Company for the purpose of reducing the costs of contracting financial guarantees.

This procedure was made possible by the new wording that Law 13,043, of November 13, 2014, gave to the provisions of Law 6,830, of September 22, 1980 ("Tax Foreclosure Law"), which started to allow the presentation of insurance policies as a guarantee for tax foreclosure.

The Company optimizes cash through a centralized administration and the concept of sole cash funds. Related parties receivables and payables do not have defined maturity and settlement dates and depend on the companies' cash flows. Transactions are based on conditions agreed upon between the Parent company and its wholly-owned subsidiaries.

*(ii) Transactions with other related parties*

- Key management compensation

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 |
| Compensation of the Board of Directors | 9,176 | 7,798 | 9,176 | 7,798 |
| Statutory and Executive Board: | | | | |
| Fees and compensation | 7,603 | 6,775 | 12,603 | 9,642 |
| Social charges | 2,236 | 2,305 | 3,696 | 3,329 |
| Options granted recognized | 3,073 | 2,753 | 3,073 | 2,753 |
| Supplementary pension plan | 1,413 | 1,150 | 2,559 | 2,032 |
| **Total** | **23,501** | **20,781** | **31,107** | **25,554** |

The Company offers a Pension Plan for management (see details in note 25 to the financial statements for the year ended December 31, 2014). 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 book value of property and equipment in each of the periods are as follows:

| | Parent company | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | Cars | Other property and equipment | Total | Cars | Other property and equipment | Total |
| **Cost:** | | | | | | |
| **On December 31, 2014** | **2,302,717** | **233,647** | **2,536,364** | **3,620,026** | **323,239** | **3,943,265** |
| Additions | 1,088,884 | 6,870 | 1,095,754 | 1,440,655 | 93,142 | 1,533,797 |
| Write-offs/transfers | (1,151,898) | (62) | (1,151,960) | (1,495,235) (*) | (181) | (1,495,416) |
| **On September 30, 2015** | **2,239,703** | **240,455** | **2,480,158** | **3,565,446** | **416,200** | **3,981,646** |
| **Accumulated depreciation:** | | | | | | |
| **On December 31, 2014** | **(59,872)** | **(117,885)** | **(177,757)** | **(341,985)** | **(119,422)** | **(461,407)** |
| Additions | (25,956) | (18,699) | (44,655) | (119,497) | (19,061) | (138,558) |
| Write-offs/transfers | 47,199 | (145) | 47,054 | 148,683 (*) | 105 | 148,788 |
| **On September 30, 2015** | **(38,629)** | **(136,729)** | **(175,358)** | **(312,799)** | **(138,378)** | **(451,177)** |
| **Net book value:** | | | | | | |
| **On December 31, 2014** | **2,242,845** | **115,762** | **2,358,607** | **3,278,041** | **203,817** | **3,481,858** |
| **On September 30, 2015** | **2,201,074** | **103,726** | **2,304,800** | **3,252,647** | **277,822** | **3,530,469** |

(*) Includes write-offs due to car sale, robbery, damage and transfer of decommissioned cars for renewal to non-current assets for sale.

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Leasehold improvements | 62,208 | 69,820 | 62,208 | 69,820 |
| Furniture and fittings | 16,399 | 18,397 | 16,791 | 18,973 |
| IT equipment | 8,444 | 9,344 | 8,491 | 9,415 |
| Property and equipment in progress: | | | | |
| New headquarters | - | - | 148,449 | 62,177 |
| Other | 3,125 | 3,432 | 9,390 | 9,697 |
| Land | 681 | 681 | 19,503 | 19,503 |
| Other | 12,869 | 14,088 | 12,990 | 14,232 |
| **Total** | **103,726** | **115,762** | **277,822** | **203,817** |

As of September 30, 2015, the consolidated balances of "Cars" and "Other property and equipment" include the net book values of property and equipment items acquired as finance leases in the amount of R$ 559,125 (R$ 470,219 as of December 31, 2014). For further details on finance leases, see note 23 of the financial statements for the year ended December 31, 2014.

Decommissioned cars for fleet renewal

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Cost | 2,578 | 3,589 | 44,439 | 25,547 |
| Accumulated depreciation | (125) | (212) | (11,930) | (7,241) |
| **Net book value** | **2,453** | **3,377** | **32,509** | **18,306** |

Cars depreciation

The depreciation per car in 9M15 decreased as a result of the increased residual value of the car at the end of its useful life, which derives from the current scenario of higher prices for new cars, due to inflation, the reinstatement of the IPI tax rate, and the higher manufacture costs, which consequently results in the increased price of used cars. In the years prior to 2013, the prices of new cars remained stable, even within an inflationary environment.

Construction of the new headquarters of the Company

The expected investment for construction of the new headquarters amounts to approximately R$ 236,000, at current price levels. This investment will permit: (i) the reduction of expenses from property rentals in the future; (ii) productivity gain with the centralization of administration and support activities, which are currently located in four buildings; and (iii) support of the growth of the Company permitting the integration and same location of the central management. Up to September 30, 2015, R$ 148,449 of the approved investment was spent (R$ 62,177 up to December 31, 2014).

On June 18, 2014, Rental Brasil, the subsidiary that owns the land and is building the new headquarters, obtained a loan of R$ 190,000 from Itaú Unibanco S.A. to finance the construction. Financed at rates applicable in the related industry, this loan has the following guarantees: (i) surety provided by Localiza and (ii) first degree mortgage of the property owned by Rental Brasil, registered under number 43,989 in the Real Estate Registry Book number 2, in the Real Estate 5th Registry Office of Belo Horizonte, State of Minas Gerais.

## 9. INTANGIBLE ASSETS

### (a) Software

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

| | Parent company | Consolidated |
|---|---|---|
| **Cost** | | |
| **On December 31, 2014** | **70,552** | **76,364** |
| Additions | 10,078 | 11,236 |
| **On September 30, 2015** | **80,630** | **87,600** |
| | | |
| **Accumulated amortization** | | |
| **On December 31, 2014** | **(14,466)** | **(16,107)** |
| Additions | (7,038) | (7,746) |
| **On September 30, 2015** | **(21,504)** | **(23,853)** |
| | | |
| **Net book value of software** | | |
| **On December 31, 2014** | **56,086** | **60,257** |
| **On September 30, 2015** | **59,126** | **63,747** |

Other information on intangible assets - software (parent company and consolidated) was not significantly changed compared with that disclosed in note 9 to the financial statements for the year ended December 31, 2014.

### (b) Goodwill on acquisition of investments

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

| | Consolidated | |
|---|---|---|
| | 9/30/15 | 12/31/14 |
| Goodwill on acquisition of non-controlling interest in subsidiaries, net of amortization | 4,508 | 4,508 |
| Goodwill on acquisition of investments in franchisee (note 7(a) to the financial statements for December 31, 2014) | 17,569 | 17,569 |
| **Net book value** | **22,077** | **22,077** |

## 10. TRADE PAYABLES

Trade payables are comprised as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Car manufacturers | 377,878 | 617,248 | 454,896 | 712,485 |
| Maintenance services and parts | 15,995 | 25,914 | 29,076 | 39,945 |
| Rentals | 9,160 | 6,759 | 9,160 | 6,759 |
| Insurance premiums | 42,815 | 52,083 | 42,854 | 52,141 |
| Other | 11,450 | 10,150 | 16,775 | 17,091 |
| **Total** | **457,298** | **712,154** | **552,761** | **828,421** |

The decrease in trade payables basically refers to the payment, to the car manufacturers, of the advanced purchase of about 7,600 cars that the Company made in 4Q14, which was expected to take place in 1Q15 and was anticipated to avoid an increase in the price of new cars due to the reinstatement of the IPI tax, which occurred on January 1, 2015. Balances payable to car manufacturers refer to cars purchased at the end of each period bearing no financial charges.

## 11. SOCIAL AND LABOR OBLIGATIONS

Payroll and related charges are comprised as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Vacation provision | 23,232 | 21,268 | 30,183 | 28,431 |
| Provision for 13th month salary (*) | 11,895 | - | 15,532 | - |
| Provision for employee profit sharing | 23,265 | 30,775 | 30,756 | 41,914 |
| Social security contribution (INSS) | 4,700 | 5,078 | 6,152 | 7,232 |
| Government Severance Indemnity Fund for Employees (FGTS) | 1,123 | 1,045 | 1,453 | 1,433 |
| Other | 1,696 | 4,933 | 2,313 | 7,264 |
| **Total** | **65,911** | **63,099** | **86,389** | **86,274** |

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

Localiza makes profit sharing payments for employees, in April and July, 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

Loans, financing and debentures are broken down as follows:

| | Parent company | | Consolidated | | | |
|---|---|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | Maturity | Average effective interest rate |
| **In Brazilian currency** | | | | | | |
| Debentures - 4th issue | - | 170,749 | - | 170,749 | 5/5/14 to 5/5/17 | 114.2% of CDI |
| Debentures - 5th issue | - | 503,496 | - | 503,496 | 5/30/16 to 5/30/17 | 114.5% of CDI |
| Debentures - 6th issue | 318,968 | 306,833 | 318,968 | 306,833 | 10/15/16 to 10/15/19 | CDI + 1.07% p.a. |
| Debentures - 7th issue | 497,506 | 512,384 | 497,506 | 512,384 | 3/30/16 to 9/30/21 | 113.6% of CDI |
| Debentures - 8th issue | 501,787 | 515,777 | 501,787 | 515,777 | 9/10/19 to 9/10/20 | 110.9% of CDI |
| Debentures - 9th issue | 526,833 | - | 526,833 | - | 4/30/19 to 4/30/21 | 111.7% of CDI |
| Working capital and other (**) | 3,211 | (795) | 613,095 (*) | 578,542 | 10/1/15 to 6/15/21 | Equivalent to CDI+ 0.6% p.a. |
| **In foreign currency** | | | | | | |
| Foreign currency loan - U.S. dollar (**) | 278,103 | 124,685 | 278,103 | 124,685 | 3/31/17 | 102.7% of CDI |
| | **2,126,408** | **2,133,129** | **2,736,292** | **2,712,466** | | |
| **Derivative instruments - swap (**):** | | | | | | |
| Current assets | - | - | (1,481) | - | | |
| Non-current assets | (53,144) | - | (54,815) | - | | |
| Current liabilities | 12,637 | - | 32,956 | - | | |
| | **(40,507)** | **-** | **(23,340)** | **-** | | |
| **Total** | **2,085,901** | **2,133,129** | **2,712,952** | **2,712,466** | | |
| **Loans, financing and debentures:** | | | | | | |
| Current liabilities | 128,897 | 114,150 | 368,669 | 300,891 | | |
| Non-current liabilities | 1,997,511 | 2,018,979 | 2,367,623 | 2,411,575 | | |

(*) Within the total of R$ 613,095, the amount of R$ 321,966 refers to Localiza Fleet's debt agreements, subject to an average rate of 14.50% p.a., and the amount of R$ 3,211 refers to Localiza's debt agreements, subject to an average rate of 13.46% p.a..
(**) On December 31, 2014, "Loans, financing and debentures" were recorded net of the swap transaction, in current and non-current liabilities. As of March 31, 2015, the swap transactions were segregated to the line of "derivative instruments - swap".

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| **Opening balance** | **2,133,129** | **2,096,871** | **2,712,466** | **2,343,539** |
| Proceeds | 723,276 | 500,078 | 922,000 | 996,429 |
| Interest and financial charges (*) | 236,573 | 235,569 | 315,674 | 280,967 |
| Repayment of principal | (792,500) | (412,884) | (966,972) | (581,192) |
| Interest amortization | (214,577) | (284,840) | (270,216) | (327,978) |
| Swap - fixed | - | (1,665) | - | 701 |
| **Closing balance** | **2,085,901** | **2,133,129** | **2,712,952** | **2,712,466** |

(*) Includes, in the consolidated balance, R$ 36,561 referring to the interest on loans and financing of subsidiary Rental Brasil, capitalized as per CPC 20.

As of September 30, 2015, Localiza had four outstanding debenture issues, all non-convertible into shares. Localiza's debentures are subject to early maturity in the event of: (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) Localiza capital decrease and/or repurchase of its own shares for cancellation, except if previously authorized by the debenture holders; (iv) incorporation, 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 company resulting from the incorporation or merger remains in the current Controlling Group of the issuer; (v) non-maintenance of quarterly financial ratios, based on the Company's consolidated financial statements and decrease of the Company's rating, as follows: (i) 4.0 the upper limit for net debt/adjusted EBITDA (*) and (ii) 1.5 the minimum limit for adjusted EBITDA/Net Financial Expenses for all debenture issues and downgrading of the Company's rating, as follows:

| Issue | Downgrading of the rating, in the national scale (***) |
|---|---|
| 6th issue | If rating is downgraded to brA+ (BR, A, positive) by Standard & Poor's (**). |
| 7th issue | Corporate rating granted by Moody's, Standard & Poor's or Fitch Ratings to the Issuer for the following levels of classification of risks or less, in national scale: Aa3, AA- and AA- respectively. |
| 8th issue | In two or more notches in relation to the rating brAAA (BR, triple A) by Standard & Poor's (**). |
| 9th issue | In two or more notches, by two corporate rating agencies in relation to the rating BrAAA (BR, triple A) by Standard & Poor´s and AAA (BR, triple A) by Fitch. |

(*) EBITDA corresponds to the issuer's net income or loss, on a consolidated basis, for the last 12-month period, before (i) financial expense (income), net; (ii) income tax and social contribution; (iii) depreciation and amortization expenses. For the 6th, 7th, 8th and 9th issues, EBITDA is also adjusted by (i) stock option costs; (ii) non-recurring expenses and (iii) 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.
(***) Ratings of corporate credit in national scale in force on September 30, 2015: Standard & Poor's (br.AAA/negative); Moody's (Aa1.br/stable); and Fitch Ratings (AAA(bra)/stable).

**Compliance with financial covenants:**

| Covenants | Limits | 12-month period ended 9/30/15 |
|---|---|---|
| Net debt/adjusted EBITDA | Lower than 4.0 | 1.61 |
| Adjusted EBITDA/net financial expenses | Greater than 1.5 | 4.97 |

On May 5, 2015, Localiza made an advanced settlement of the full number of its 4th debentures issue, amounting to R$ 168,000, issued on May 5, 2010 and maturing in 2015, 2016 and 2017.

On May 8, 2015, Localiza made the 9th issue of debentures, under the terms of CVM Instruction 476/09, amounting to R$ 500,000, for a final term of 6 years. On the same date, the Company made an advanced settlement of the full number of its 5th debentures issue, amounting to R$ 500,000, issued on May 30, 2011 and maturing in 2016 and 2017. The debentures are subject to certain accelerated maturity events, which include the maintenance, by the Company, of quarterly financial ratios that are identical to those required for the 6th, 7th and 8th issue of debentures, based on the consolidated financial statements. Expenses incurred on the issuance, including taxes, commissions and other costs, which totalled R$ 3,848, are classified under the same caption as the respective loan and are recognized over the total debt period.

In April 2015, Localiza obtained a loan of US$ 70,000 thousand, with maturity of principal due in March 2017. Simultaneously, a swap transaction (plain vanilla) was contracted to eliminate the foreign exchange exposure risk. In May 2015, Localiza made an advanced settlement of the full amount of the foreign currency-denominated loan of US$ 75,000 thousand, maturing in 2015, 2016 and 2017. Simultaneously, the swap transaction (plain vanilla), which had been contracted to eliminate the foreign exchange exposure risk, was also settled. More information in note 22(d)(i).

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, 2015.

The other information on loans, financing and debentures (parent company and consolidated) was not significantly changed compared with that disclosed in note 12 to the financial statements for the year ended December 31, 2014.

## 13. OTHER CURRENT AND NON-CURRENT LIABILITIES

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Balances stated separately in current liabilities: | | | | |
| Payables to related parties (note 7(b)(i)) | 709 | 4,323 | - | - |
| Federal taxes withheld from third parties | 9,394 | 5,748 | 12,309 | 9,629 |
| Municipal tax obligations | 672 | 775 | 3,456 | 2,737 |
| | 10,775 | 10,846 | 15,765 | 12,366 |
| Other current liabilities: | | | | |
| Advances from car rental and decommissioned sale customers | 9,488 | 27,809 | 9,896 | 28,976 |
| Insurance premiums to transfer (*) | 17,898 | 33,517 | 18,238 | 33,803 |
| Deferred revenue (**) | 49 | 35 | 5,442 | 5,522 |
| Other | 1,990 | 1,853 | 2,171 | 1,619 |
| | 29,425 | 63,214 | 35,747 | 69,920 |
| **Total other current liabilities** | **40,200** | **74,060** | **51,512** | **82,286** |
| Balances stated separately in non-current liabilities: | | | | |
| Deferred revenue (**) | 54 | 55 | 6,596 | 9,485 |
| Other | 7,275 | 7,092 | 9,307 | 13,766 |
| **Total other non-current liabilities** | **7,329** | **7,147** | **15,903** | **23,251** |
| **Total current and non-current liabilities** | **47,529** | **81,207** | **67,415** | **105,537** |

(*) Premiums received from customers that hired insurance for rented cars and which are transferred by Localiza to the insurance company (note 2.6.5 to the financial statements for the year ended December 31, 2014).
(**) Basically refers to flat fee revenue billed to franchisees for granting the right to use Localiza's brand. This revenue is recognized in the income statement during the contract terms (usually 60 months).

## 14. PROVISIONS AND ESCROW DEPOSITS

### (a) Provisions constituted

The composition of provisions for contingencies is as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Tax | 2,977 | 2,425 | 6,127 | 4,934 |
| Social security and labor | 43,177 | 43,834 | 54,064 | 54,046 |
| Civil | 11,719 | 8,915 | 13,758 | 10,894 |
| **Total** | **57,873** | **55,174** | **73,949** | **69,874** |

### (b) Escrow deposits

Escrow deposits are comprised as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Tax (*) | 21,090 | 11,644 | 36,798 | 25,728 |
| Social security and labor | 12,042 | 10,544 | 15,192 | 14,095 |
| Civil | 1,161 | 2,018 | 1,199 | 2,115 |
| **Total** | **34,293** | **24,206** | **53,189** | **41,938** |

(*) The changes in the tax-related amounts result from escrow deposits totalling R$ 10,103, made by Localiza and its wholly-owned subsidiary Localiza Fleet, in connection with litigations involving the payment of Car Tax (IPVA) in the State of São Paulo. These deposits have the purpose of suspending the payments of the tax and challenging those payments in court, based on the fact that the Company pays the aforementioned tax in its tax domicile, the State of Minas Gerais, where its headquarters are located.

Other information on provisions and escrow deposits (parent company and consolidated) has not significantly changed compared with that disclosed in note 14 to the financial statements for the year ended December 31, 2014.

## 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 | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Temporary differences in the deductibility of provisions: | | | | |
| Provision for payables to suppliers and others | 3,797 | 5,064 | 6,476 | 8,104 |
| Provisions for contingencies | 19,314 | 18,781 | 20,640 | 20,090 |
| Provision for impairment of trade receivables | 4,928 | 3,526 | 7,423 | 4,632 |
| Swap transaction with payment on a cash basis | 4,368 | - | 4,368 | - |
| Income tax and social contribution losses | 4,771 | - | 4,800 | 29 |
| **Total deferred income tax and social contribution assets - non-current** | **37,178** | **27,371** | **43,707** | **32,855** |
| | | | | |
| Car depreciation (*) | 92,458 | 69,309 | 112,825 | 92,607 |
| Leasing in the purchase of property and equipment | 1,484 | 1,500 | 68,294 | 45,108 |
| Swap transaction with payment on a cash basis | - | 1,155 | 150 | 1,155 |
| **Total deferred income tax and social contribution liabilities - non-current** | **93,942** | **71,964** | **181,269** | **138,870** |

(*) 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 calculate, for tax purposes, car depreciation expenses based on the depreciation criteria used on December 31, 2007, pursuant to Law 12,973/14. Temporary differences are realized and the tax is paid at the end of the useful lives of cars, when they are written off.

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

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

The reconciliation between the statutory and effective rates for the nine-month periods ended September 30, 2015 and 2014 is as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 |
| Net income before taxes | 317,483 | 355,674 | 401,312 | 433,356 |
| Standard rate | 34% | 34% | 34% | 34% |
| **Expense at statutory rate** | **(107,944)** | **(120,929)** | **(136,446)** | **(147,341)** |
| Adjustments to expense at statutory rate: | | | | |
| Equity in results of subsidiaries | 61,961 | 57,725 | - | - |
| Effect of deduction of interest on capital | 26,387 | 15,262 | 26,387 | 15,262 |
| Other, net | (1,367) | 611 | 5,267 | 7,066 |
| **Expense at effective rate** | **(20,963)** | **(47,331)** | **(104,792)** | **(125,013)** |

The reconciliation between the statutory and effective rates for the quarters ended September 30, 2015 and 2014 is as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3Q15 | 3Q14 | 3Q15 | 3Q14 |
| Net income before taxes | 104,737 | 117,569 | 135,214 | 140,991 |
| Standard rate | 34% | 34% | 34% | 34% |
| **Expense at statutory rate** | **(35,610)** | **(39,973)** | **(45,973)** | **(47,937)** |
| Adjustments to expense at statutory rate: | | | | |
| Equity in results of subsidiaries | 23,971 | 18,373 | - | - |
| Effect of deduction of interest on capital | 10,036 | 5,426 | 10,036 | 5,426 |
| Other, net | (244) | 530 | 3,613 | 3,445 |
| **Expense at effective rate** | **(1,847)** | **(15,644)** | **(32,324)** | **(39,066)** |

### (c) Income tax and social contribution payable

Localiza and its subsidiaries calculate income tax and social contribution under the quarterly taxation regime.

Franchising Brasil and Car Assistance accrued, through 9M15, income tax and social contribution under the deemed income regime in the amounts of R$ 1,688 (R$ 1,932 in 9M14) and R$ 2,166 (R$ 1,728 in 9M14), respectively. Car Rental accrued in 9M14 income tax and social contribution under the deemed income regime in the amount of R$ 1,169, and was merged on April 30, 2014. For this reason, these companies do not record deferred taxes.

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

On September 30, 2015 and December 31, 2014, the Company's share capital was R$ 976,708, divided into 211,793,400 common shares. The ownership of capital and the related reconciliation of the number of outstanding shares were as follows:

| | Management | | | | |
|---|---|---|---|---|---|
| | Founding partners | Board of Directors and Statutory Board | Treasury shares | Shares outstanding in the market | Number of shares - ON |
| **On December 31, 2014** | **58,874,596** | **274,456** | **3,495,429** | **149,148,919** | **211,793,400** |
| Acquisition (disposal) of shares, net | 1,676 | (229,643) | 1,073,500 | (845,533) | - |
| Exercise of stock options with treasury shares | 137,880 | 334,289 | (929,256) | 457,087 | - |
| **On September 30, 2015** | **59,014,152** | **379,102** | **3,639,673** | **148,760,473** | **211,793,400** |

The Company participates in the Level I American Depositary Receipts (ADR) Program since the approval by the Brazilian Securities Commission (CVM) on May 22, 2012 and begun trading on June 5, 2012. As of September 30, 2015, the Company's position was 7,775,277 ADRs issued in the United States (6,260,819 on December 31, 2014).

### (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:

| 9M14 | | | | |
|---|---|---|---|---|
| Approval date | Total amount paid | Amount per share (in R$) | Shareholding position 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** | | | |

| 9M15 | | | | |
|---|---|---|---|---|
| Approval date | Total amount paid | Amount per share (in R$) | Shareholding position date | Payment date |
| 3/19/2015 | 22,308 | 0.10709 | 3/31/2015 | 5/14/2015 |
| 6/25/2015 | 25,783 | 0.12340 | 6/30/2015 | 8/20/2015 |
| 9/30/2015 | 29,519 (*) | 0.14182 | 9/30/2015 | 11/19/2015 |
| **Total 2015** | **77,610** | | | |

(*) This interest on capital had not been paid to shareholders as of September 30, 2015.

On January 30, 2015, the Company paid interest on capital approved by the Board of Directors at the meeting held on December 11, 2014, totaling R$ 16,991, with amount per share of R$ 0.08157.

The Ordinary and Extraordinary General Meeting held on April 28, 2015 approved the payment of dividends to the shareholders in order to complete the minimum mandatory dividend of 25% on the adjusted profit, as follows:

| 2015 | | | | |
|---|---|---|---|---|
| Approval date | Total amount paid | Amount per share (in R$) | Shareholding position date | Payment date |
| 4/28/2015 | 44,660 | 0.21403 | 4/30/2015 | 5/21/2015 |
| **Total 2015** | **44,660** | | | |

## (c) Capital Reserve

*(i) Share options exercised in 9M15*

In 9M15, 929,256 stock options related to the Stock Option Programs from 2007 to 2012 were exercised, using treasury shares. The weighted average exercise price 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 | Fair value | Calculation by the fair value (R$) | Weighted average exercise price | Weighted average market price |
|---|---|---|---|---|---|
| 2007 Program | 10,570 | R$ 7.09 | 78 | R$ 25.46 | R$ 34.74 |
| 2008 Program | 242,849 | R$ 0.88 | 283 | R$ 24.59 | R$ 34.81 |
| 2009 Program | 342,990 | R$ 12.21 | 4,292 | R$ 8.79 | R$ 34.73 |
| 2010 Program | 255,507 | R$ 12.10 | 3,071 | R$ 23.82 | R$ 34.77 |
| 2011 Program | 50,292 | R$ 11.12 | 462 | R$ 33.36 | R$ 34.72 |
| 2012 Program | 27,048 | R$ 12.82 | 347 | R$ 31.70 | R$ 34.26 |
| **Total** | **929,256** | | **8,533** | | |

All options were exercised using treasury shares, and therefore no new Localiza shares were issued.

*(ii) Treasury shares*

The number of treasury shares on September 30, 2015 was 3,639,673 shares (3,495,429 on December 31, 2014), acquired under the 1st, 4th, 6th and 7th Share Repurchase Programs approved in the Board of Directors' meetings held on December 18, 2007, July 19, 2012, July 25, 2014 and July 23, 2015, respectively.

At the Board of Directors' meetings held on July 23, 2015, the Company was authorized to purchase the maximum number of 12,000,000 shares, through the 7th Share Repurchase Program. This transaction may be carried out in up to 365 days, as from the date of approval to July 22, 2016.

The cost of acquisition of the treasury shares, including related costs, on September 30, 2015, was as follows:

| Program | Opening balance 12/31/2014 | | Purchases | | Disposal/realization | | Closing balance 9/30/2015 | | Cost | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Minimum | Medium | Maximum |
| 1st program | 2,402,119 | 23,386 | - | - | (929,256) | (9,593) | 1,472,863 | 13,793 | 5.15 | 10.32 | 16.55 |
| 4th program | 1,093,310 | 36,782 | - | - | - | - | 1,093,310 | 36,782 | 33.52 | 33.64 | 33.78 |
| 6th program | - | - | 280,800 | 9,027 | - | - | 280,800 | 9,027 | 31.91 | 32.11 | 32.39 |
| 7th program | - | - | 792,700 | 18,424 | - | - | 792,700 | 18,424 | 22.80 | 23.35 | 23.69 |
| **Total** | **3,495,429** | **60,168** | **1,073,500** | **27,451** | **(929,256)** | **(9,593)** | **3,639,673** | **78,026** | | | |

The market value of the 3,639,673 treasury shares was R$ 88,954 on September 30, 2015, (quotation of R$ 24.44 per share on September 30, 2015).

## (d) Statutory reserve and profit retention

The Ordinary and Extraordinary General Meeting held on April 28, 2015 approved the constitution of the Statutory Reserve, denominated Investment Reserve, of R$ 283,519.

## 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, 2014.

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 and Consolidated | | Parent company and Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 3Q15 | 3Q14 |
| **Net income for the period** | **296,520** | **308,343** | **102,890** | **101,925** |
| **Basic earnings per share (*):** | | | | |
| Weighted average of outstanding common shares (in units) | 208,982,169 | 208,208,915 | 208,945,371 | 208,298,979 |
| **Basic earnings per share (in R$)** | **1.41888** | **1.48093** | **0.49243** | **0.48932** |
| **Diluted earnings per share (*):** | | | | |
| Weighted average of outstanding common shares (in units) | 208,982,169 | 208,208,915 | 208,945,371 | 208,298,979 |
| Dilutive effect of stock options (in units) | (377,760) | 1,830,738 | (377,362) | 944,018 |
| Shares applicable to dilution (in units) | 208,604,409 | 210,039,653 | 208,568,009 | 209,242,997 |
| **Diluted earnings per share (in R$)** | **1.42145** | **1.46802** | **0.49332** | **0.48711** |

(*) 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, 2014.

- Car rental: division responsible for car rentals in branches located inside and outside airports. Cars are rented to individuals, to business or leisure travel and to corporations, including insurance companies and car manufacturers. Cars are standardized and acquired to meet the expected demand. As part of its fleet renewal program in order to renew the fleets, 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, reducing depreciation.

- Fleet rental: division responsible for fleet rental to legal entities for long periods, usually 24 to 36 months. Cars are purchased after contracts are signed, according to the needs of each customer. The Fleet Rental Division decommissions its cars when the contract expires. Decommissioned cars are sold to the final consumers by means of a proprietary network of points of sale and also car dealers.

- Franchising: division responsible for the management and licensing of the right to use the Localiza brand, including the transfer of the know-how necessary to operate the business.

## (a) Operating segment financial information

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

| | Car rental | | Fleet rental | | Franchising | | Unallocated balances | | Eliminations/reclassifications | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| **Assets** | | | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | - | 1,287,245 | 1,390,189 | - | - | 1,287,245 | 1,390,189 |
| Trade receivables | 341,990 | 378,434 | 86,527 | 82,861 | 6,067 | 8,019 | - | - | (4,152) | (6,562) | 430,432 | 462,752 |
| Decommissioned cars for fleet renewal | 2,453 | 3,377 | 30,056 | 14,929 | - | - | - | - | - | - | 32,509 | 18,306 |
| Property and equipment | 2,478,388 | 2,447,676 | 1,052,035 | 1,034,105 | 46 | 77 | - | - | - | - | 3,530,469 | 3,481,858 |
| Other assets | 319,017 | 342,713 | 43,135 | 33,140 | 6,095 | 4,280 | - | - | (1,274) | (35,784) | 366,973 | 344,349 |
| **Total assets** | **3,141,848** | **3,172,200** | **1,211,753** | **1,165,035** | **12,208** | **12,376** | **1,287,245** | **1,390,189** | **(5,426)** | **(42,346)** | **5,647,628** | **5,697,454** |
| **Liabilities** | | | | | | | | | | | | |
| Trade payables | 460,533 | 716,198 | 96,315 | 118,486 | 65 | 246 | - | - | (4,152) | (6,509) | 552,761 | 828,421 |
| Loans, financing and debentures | - | - | - | - | - | - | 2,736,292 | 2,712,466 | - | - | 2,736,292 | 2,712,466 |
| Other liabilities | 351,392 | 380,146 | 126,959 | 161,457 | 13,679 | 17,960 | - | - | (1,909) | (58,500) | 490,121 | 501,063 |
| **Total liabilities** | **811,925** | **1,096,344** | **223,274** | **279,943** | **13,744** | **18,206** | **2,736,292** | **2,712,466** | **(6,061)** | **(65,009)** | **3,779,174** | **4,041,950** |
| **Equity** | **-** | **-** | **-** | **-** | **-** | **-** | **1,868,454** | **1,655,504** | **-** | **-** | **1,868,454** | **1,655,504** |
| **Total liabilities and equity** | **811,925** | **1,096,344** | **223,274** | **279,943** | **13,744** | **18,206** | **4,604,746** | **4,367,970** | **(6,061)** | **(65,009)** | **5,647,628** | **5,697,454** |

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

| | Car rental | | Fleet rental | | Franchising | | Eliminations/ reclassifications | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 | 9M15 | 9M14 | 9M15 | 9M14 | 9M15 | 9M14 |
| **Net revenue** | 2,203,586 | 2,165,768 | 718,519 | 677,742 | 12,420 | 13,518 | - | - | 2,934,525 | 2,857,028 |
| **Costs** | (1,556,947) | (1,542,321) | (444,460) | (429,778) | (6,989) | (5,810) | (3,333) | (4,425) | (2,011,729) | (1,982,334) |
| **Gross profit** | **646,639** | **623,447** | **274,059** | **247,964** | **5,431** | **7,708** | **(3,333)** | **(4,425)** | **922,796** | **874,694** |
| **Operating expenses:** | | | | | | | | | | |
| Selling | (218,350) | (198,869) | (36,144) | (32,968) | (407) | (78) | 1,794 | 2,189 | (253,107) | (229,726) |
| General, administrative and other expenses | (92,624) | (75,732) | (18,146) | (18,702) | (9) | (1) | 1,539 | 2,236 | (109,240) | (92,199) |
| **Result before financial expenses, net** | **335,665** | **348,846** | **219,769** | **196,294** | **5,015** | **7,629** | **-** | **-** | **560,449** | **552,769** |
| Financial expenses, net | | | | | | | | | (159,137) | (119,413) |
| **Earnings before taxes** | | | | | | | | | **401,312** | **433,356** |
| Income tax and social contribution | | | | | | | | | (104,792) | (125,013) |
| **Net income** | | | | | | | | | **296,520** | **308,343** |

| | Car rental | | Fleet rental | | Franchising | | Eliminations/ reclassifications | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 3Q15 | 3Q14 | 3Q15 | 3Q14 | 3Q15 | 3Q14 | 3Q15 | 3Q14 | 3Q15 | 3Q14 |
| **Net revenue** | 732,983 | 780,050 | 240,777 | 222,958 | 4,334 | 4,396 | - | - | 978,094 | 1,007,404 |
| **Costs** | (518,043) | (567,200) | (143,317) | (141,476) | (2,435) | (1,861) | (1,120) | (1,386) | (664,915) | (711,923) |
| **Gross profit** | **214,940** | **212,850** | **97,460** | **81,482** | **1,899** | **2,535** | **(1,120)** | **(1,386)** | **313,179** | **295,481** |
| **Operating expenses:** | | | | | | | | | | |
| Selling | (67,113) | (70,522) | (12,124) | (10,382) | (235) | (36) | 613 | 734 | (78,859) | (80,206) |
| General, administrative and other expenses | (33,626) | (25,643) | (6,273) | (6,828) | - | - | 507 | 652 | (39,392) | (31,819) |
| **Result before financial expenses, net** | **114,201** | **116,685** | **79,063** | **64,272** | **1,664** | **2,499** | **-** | **-** | **194,928** | **183,456** |
| Financial expenses, net | | | | | | | | | (59,714) | (42,465) |
| **Earnings before taxes** | | | | | | | | | **135,214** | **140,991** |
| Income tax and social contribution | | | | | | | | | (32,324) | (39,066) |
| **Net income** | | | | | | | | | **102,890** | **101,925** |

The Company operates in Brazil and has a network of franchisees in seven 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 | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 3Q15 | 3Q14 |
| Brazilian operations | 2,923,793 | 2,845,063 | 974,854 | 1,003,831 |
| Export revenue (*) | 9,509 | 11,227 | 2,758 | 3,296 |
| Royalties abroad | 1,223 | 738 | 482 | 277 |
| **Net revenue** | **2,934,525** | **2,857,028** | **978,094** | **1,007,404** |

(*) Revenue from car rental to clients resident and domiciled abroad.

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

| | Consolidated | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 3Q15 | 3Q14 |
| Car rental: | | | | |
| Car depreciation | 25,983 | 60,077 | 7,144 | 19,281 |
| Depreciation of other property and equipment and amortization of intangible assets | 23,380 | 25,516 | 7,920 | 8,370 |
| Fleet rental: | | | | |
| Car depreciation | 93,514 | 92,607 | 27,719 | 29,997 |
| Depreciation of other property and equipment and amortization of intangible assets | 3,089 | 816 | 1,058 | 278 |
| Franchising: | | | | |
| Depreciation of other property and equipment and amortization of intangible assets | 338 | 406 | 117 | 125 |
| **Total depreciation and amortization expenses** | **146,304** | **179,422** | **43,958** | **58,051** |

## 19. NET REVENUE

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 |
| Gross revenue | 2,193,890 | 2,181,029 | 3,004,317 | 2,948,831 |
| Deductions | | | | |
| Discounts | (4,142) | (8,733) | (14,416) | (24,083) |
| Taxes on revenues (*) | (36,713) | (45,719) | (55,376) | (67,720) |
| **Net revenue** | **2,153,035** | **2,126,577** | **2,934,525** | **2,857,028** |

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3Q15 | 3Q14 | 3Q15 | 3Q14 |
| Gross revenue | 716,561 | 787,752 | 999,572 | 1,041,861 |
| Deductions | | | | |
| Discounts | (13) | (3,256) | (2,287) | (11,965) |
| Taxes on revenues (*) | (11,729) | (15,646) | (19,191) | (22,492) |
| **Net revenue** | **704,819** | **768,850** | **978,094** | **1,007,404** |

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

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 |
| Revenue from car rental | 883,072 | 925,499 | 923,455 | 953,128 |
| Revenue from fleet rental | - | - | 452,897 | 425,173 |
| Franchising | 1,223 | 738 | 12,420 | 13,518 |
| Cars sold for fleet renewal | 1,268,740 | 1,200,340 | 1,545,753 | 1,465,209 |
| **Net revenue** | **2,153,035** | **2,126,577** | **2,934,525** | **2,857,028** |

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3Q15 | 3Q14 | 3Q15 | 3Q14 |
| Revenue from car rentals | 291,861 | 318,259 | 317,090 | 325,058 |
| Revenue from fleet rental | - | - | 154,030 | 142,105 |
| Franchising | 482 | 277 | 4,334 | 4,396 |
| Cars sold for fleet renewal | 412,476 | 450,314 | 502,640 | 535,845 |
| **Net revenue** | **704,819** | **768,850** | **978,094** | **1,007,404** |

## 20. INFORMATION ON THE NATURE OF COSTS AND OPERATING EXPENSES RECOGNIZED IN THE INCOME STATEMENT

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

| | Costs | | | | Selling, general and administrative and other | | | |
|---|---|---|---|---|---|---|---|---|
| | Parent company | | Consolidated | | Parent company | | Consolidated | |
| | 9M15 | 9M14 | 9M15 | 9M14 | 9M15 | 9M14 | 9M15 | 9M14 |
| Cost of cars sold | (1,062,021) | (1,038,187) | (1,267,673) | (1,238,640) | - | - | - | - |
| Car depreciation | (25,956) | (58,907) | (119,497) | (152,684) | - | - | - | - |
| Car maintenance, car tax (IPVA) and other | (155,332) | (155,805) | (255,698) | (239,654) | - | - | - | - |
| Depreciation and amortization of other property and equipment and intangible assets | (15,000) | (13,403) | (15,862) | (14,117) | (10,737) | (12,621) | (10,945) | (12,621) |
| Salaries and social charges | (134,811) | (129,054) | (157,959) | (150,543) | (99,757) | (97,797) | (151,687) | (142,380) |
| Profit sharing | (18,986) | (16,279) | (23,232) | (20,313) | (17,081) | (14,984) | (24,857) | (20,836) |
| Third-party services | (22,408) | (14,660) | (27,309) | (17,683) | (43,809) | (38,664) | (46,967) | (35,708) |
| Rentals | (64,835) | (67,763) | (66,619) | (67,019) | (33,633) | (35,433) | (34,199) | (35,433) |
| Commissions | - | - | - | - | (18,264) | (20,229) | (18,989) | (20,846) |
| Publicity | - | - | - | - | (25,022) | (21,429) | (25,642) | (21,686) |
| Other | (78,641) | (65,731) | (77,880) | (81,681) | (37,537) (*) | (14,349) | (49,061) (*) | (32,415) |
| | **(1,577,990)** | **(1,559,789)** | **(2,011,729)** | **(1,982,334)** | **(285,840)** | **(255,506)** | **(362,347)** | **(321,925)** |

| | Costs | | | | Selling, general and administrative and other | | | |
|---|---|---|---|---|---|---|---|---|
| | Parent company | | Consolidated | | Parent company | | Consolidated | |
| | 3Q15 | 3Q14 | 3Q15 | 3Q14 | 3Q15 | 3Q14 | 3Q15 | 3Q14 |
| Cost of cars sold | (346,549) | (391,829) | (414,018) | (455,826) | - | - | - | - |
| Car depreciation | (7,145) | (18,937) | (34,863) | (49,278) | - | - | - | - |
| Car maintenance, car tax (IPVA) and other | (51,905) | (57,546) | (85,785) | (86,469) | - | - | - | - |
| Depreciation and amortization of other property and equipment and intangible assets | (5,001) | (4,385) | (5,304) | (4,630) | (3,685) | (4,143) | (3,791) | (4,143) |
| Salaries and social charges | (46,583) | (46,179) | (54,291) | (53,333) | (33,326) | (33,780) | (51,111) | (48,665) |
| Profit sharing | (6,362) | (5,555) | (7,821) | (6,788) | (5,547) | (4,828) | (7,762) | (7,119) |
| Third-party services | (8,033) | (5,413) | (10,380) | (6,700) | (16,063) | (14,434) | (17,906) | (14,824) |
| Rentals | (22,533) | (27,230) | (23,107) | (23,617) | (11,160) | (12,393) | (11,430) | (12,393) |
| Commissions | - | - | - | - | (2,190) | (6,722) | (2,432) | (6,938) |
| Publicity | - | - | - | - | (9,662) | (8,496) | (9,941) | (8,620) |
| Other | (29,086) | (17,474) | (29,346) | (25,282) | (11,510) | (2,854) | (13,878) | (9,323) |
| | **(523,197)** | **(574,548)** | **(664,915)** | **(711,923)** | **(93,143)** | **(87,650)** | **(118,251)** | **(112,025)** |

(*) Includes R$ 6,017 of provision for impairment of trade receivables of the Car Rental Division.

## 21. FINANCIAL INCOME (EXPENSES)

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9M15 | 9M14 | 9M15 | 9M14 |
| **Financial income** | | | | |
| Interest income from financial investments | 79,142 | 42,209 | 115,065 | 71,956 |
| Other interest income, net of reversals | 8,173 | 6,459 | 11,407 | 7,740 |
| | **87,315** | **48,668** | **126,472** | **79,696** |
| **Financial expenses** | | | | |
| Interest expense from loans, financing, debentures and swap | (236,573) | (171,064) | (279,113) | (195,015) |
| Other interest expenses | (4,747) | (2,993) | (6,496) | (4,094) |
| | **(241,320)** | **(174,057)** | **(285,609)** | **(199,109)** |
| **Financial expenses, net** | **(154,005)** | **(125,389)** | **(159,137)** | **(119,413)** |

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 3Q15 | 3Q14 | 3Q15 | 3Q14 |
| **Financial income** | | | | |
| Interest income from financial investments | 32,496 | 11,803 | 40,663 | 21,630 |
| Other interest income, net of reversals | 2,198 | 1,531 | 3,230 | 2,139 |
| | **34,694** | **13,334** | **43,893** | **23,769** |
| **Financial expenses** | | | | |
| Interest expense from loans, financing, debentures and swap | (87,669) | (55,517) | (101,820) | (64,852) |
| Other interest expenses | (1,315) | (939) | (1,787) | (1,382) |
| | **(88,984)** | **(56,456)** | **(103,607)** | **(66,234)** |
| **Financial expenses, net** | **(54,290)** | **(43,122)** | **(59,714)** | **(42,465)** |

## 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| **Financial assets:** | | | | |
| Loans and receivables measured at amortized cost: | | | | |
| Cash and cash equivalents (note 4) | 872,941 | 810,911 | 1,287,245 | 1,390,189 |
| Trade receivables (note 5) | 337,993 | 373,632 | 430,432 | 462,752 |
| Escrow deposits (note 14(b)) | 34,293 | 24,206 | 53,189 | 41,938 |
| **Financial liabilities:** | | | | |
| Other financial liabilities measured at amortized cost: | | | | |
| Trade payables (note 10) | 457,298 | 712,154 | 552,761 | 828,421 |
| Loans, financing, debentures and swap (note 12) | 2,085,901 | 2,133,129 | 2,712,952 | 2,712,466 |

### (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 conducted by the Audit, Risk Management and Compliance Committee. Additionally, the process of identification, analysis and monitoring of risks is performed by the Board of Directors, which has powers to make decisions about the strategies to be adopted by the Company.

#### *(i) Market risk*

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. The 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, debentures and fixed rate swaps.

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

The Company uses cash from operations to conduct its daily business activities, and finance its fleet renewal and part of its growth. To supplement its cash requirements for growth, the Company obtains loans and financing from major financial institutions in Brazil, and issues debt securities (debentures and promissory notes), that are mostly indexed to the CDI rate. The inherent risk arises from the possibility of significant increases in CDI.

As a strategy to manage interest rate risk, management continuously monitors the CDI in order to, if necessary, adjust car rental fees to mitigate such fluctuations. For the fleet rentals, the wholly-owned subsidiary Localiza Fleet contracts interest rate swaps to exchange the floating rate risk for the fixed rate, thus eliminating the risk of fluctuation in the basic interest rate in long-term contracts. In addition, almost the totality of the Company's cash and cash equivalents balance is indexed to the CDI rate, which is the same index adopted for debts related to car rental.

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

- On September 30, 2015, the Company's net debt totaled R$ 1,425,707. Of this total, R$ 513,060, with fixed cost at an average rate of 14.88% 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 therefore totaled R$ 912,647 on September 30, 2015.

- Market expectation for the base date of September 30, 2015, according to data from the Focus Bulletin issued by the Brazilian Central Bank, is an estimated effective average CDI rate of 14.06%, for the following 12 months, against the effective rate of 12.96% in the nine-month period ended September 30, 2015.

| Description | Consolidated | | |
|---|---|---|---|
| | Probable scenario (*) | Scenario I - 25% deterioration | Scenario II - 50% deterioration |
| **Net debt on September 30, 2015** (letter (b) item (i)) | **1,425,707** | **1,425,707** | **1,425,707** |
| (-) Debt at a fixed rate and amounts hedged with swap to a fixed rate (note 12 and note 22(d)(iii)) | (513,060) | (513,060) | (513,060) |
| **Net debt subject to the CDI variation** | **912,647** | **912,647** | **912,647** |
| Effective average annualized CDI rate for the nine-month period ended September 30, 2015 | 12.96% | 12.96% | 12.96% |
| Estimated average annual CDI rate, according to stress scenarios | 14.06% | 17.58% | 21.09% |
| Effect on financial expenses subject to the CDI rate: | | | |
| - according to effective rates | (118,279) | (118,279) | (118,279) |
| - according to scenarios | (128,318) | (160,443) | (192,477) |
| **(Increase) in financial expenses for 12 months** | **(10,039)** | **(42,164)** | **(74,198)** |

(*) As required by IFRS 7, Management understands that the 14.06% rate corresponds to the fairly likely scenario for the next 12 months, according to the market projection (Focus Bulletin of the Brazilian Central Bank, issued on September 30, 2015).

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

### *(ii) Credit risk*

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

The maximum exposure to credit risk, based on the net book value of the underlying financial assets, is as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| Loans and receivables | | | | |
| Cash and cash equivalents: | | | | |
| Financial investments: | | | | |
| - Aaa in the Moody's scale | 869,261 | 803,006 | 1,268,245 | 1,366,940 |
| - Aa1 in the Moody's scale | 23 | - | 23 | - |
| Cash and banks | 3,657 | 7,905 | 18,977 | 23,249 |
| **Total cash and cash equivalents** | **872,941** | **810,911** | **1,287,245** | **1,390,189** |
| Trade receivables - customers | 203,989 | 223,766 | 284,319 | 305,631 |
| Trade receivables - credit cards: | | | | |
| - Aaa in the Fitch Ratings scale | 56,072 | 61,488 | 61,304 | 64,991 |
| - Baa2 in the Moody's scale | 65,594 | 75,969 | 71,115 | 80,024 |
| - Sundry | 12,338 | 12,409 | 13,694 | 12,106 |
| **Total trade receivables** | **337,993** | **373,632** | **430,432** | **462,752** |
| | **1,210,934** | **1,184,543** | **1,717,677** | **1,852,941** |

- **Cash and cash equivalents** - the credit risk in balances with banks and other financial institutions is managed by the Company's Financial 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.

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

available funds must be allocated only in the financial institutions that are listed in the Investment, Indebtedness, Derivatives and Guarantees Policy and whose equity is higher than R$ 10,0 billion.

- **Accounts receivable** - the management of the credit risk related to trade receivables 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, 2015, two of the largest credit card companies represented 16.5% and 14.2%, individually, of the Company's trade receivables balance. The credit risk in transactions with legal entities for the car rental and fleet rental is reduced by a credit limit granting policy, based on the analysis of the financial position of the customer, past experience and the position of overdue bills. 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 and/or leasing companies with well-known financial and liquidity capacities.

  Additionally, the management of credit risk includes the periodic analysis of the recoverability of trade receivables, 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 has the purpose of assigning 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. Therefore, according to the customer risk classification, receivables are adjusted to their likely realizable amounts through the recognition of a provision for impairment of trade receivable, and may be applied both to overdue bills and current bills, depending on the risk classification assigned to the customer.

  Credit risk concentration is limited because the customer base is broad. All significant 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***

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 seeks to ensure that the Company has the necessary funds to settle its financial liabilities at the maturity dates.

The management of the liquidity risk is carried out by the Finance Department and 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 continuous monitoring of estimated and realized cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Management also considers that the access to third party credit is facilitated, 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/Negative | BBB-/Negative |
| Fitch Ratings (*) | AAA(bra)/Stable | BBB/Negative |
| Moody's | Aa1.br/Stable | Baa3/Stable |

(*) Updated on October 15, 2015.

Localiza is assigned an investment grade by three rating agencies, Standard & Poor's, Fitch Ratings and Moody's.

The analysis of the undiscounted consolidated contractual cash flows of loans, financing and debentures, using the interest rate contracted for each transaction and a CDI rate of 14.13% as of September 30, 2015, is as follows:

| | Parent company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
| Debentures - 6th issue | 21,358 | 74,027 | 69,299 | 154,788 | 137,611 | - | - | **457,083** |
| Debentures - 7th issue | - | 148,151 | 136,519 | 124,718 | 113,620 | 126,594 | 111,286 | **760,888** |
| Debentures - 8th issue | - | 75,043 | 74,425 | 74,117 | 313,816 | 307,339 | - | **844,740** |
| Debentures - 9th issue | 36,839 | 74,522 | 74,214 | 77,034 | 123,695 | 207,871 | 301,531 | **895,706** |
| Leases | 629 | 1,699 | 1,039 | 191 | - | - | - | **3,558** |
| Foreign currency loans/with swap | 7,442 | 23,291 | 240,790 | - | - | - | - | **271,523** |
| **Total** | **66,268** | **396,733** | **596,286** | **430,848** | **688,742** | **641,804** | **412,817** | **3,233,498** |

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
| Debentures - 6th issue | 21,358 | 74,027 | 69,299 | 154,788 | 137,611 | - | - | **457,083** |
| Debentures - 7th issue | - | 148,151 | 136,519 | 124,718 | 113,620 | 126,594 | 111,286 | **760,888** |
| Debentures - 8th issue | - | 75,043 | 74,425 | 74,117 | 313,816 | 307,339 | - | **844,740** |
| Debentures - 9th issue | 36,839 | 74,522 | 74,214 | 77,034 | 123,695 | 207,871 | 301,531 | **895,706** |
| Commercial Credit Note (NCC) | 7,348 | 14,260 | 30,701 | 34,594 | 57,566 | - | - | **144,469** |
| Localiza swap | - | 513 | - | - | - | - | - | **513** |
| Leases | 65,837 | 214,634 | 46,484 | 191 | - | - | - | **327,146** |
| Foreign currency loans/with swap | 7,442 | 23,291 | 240,790 | - | - | - | - | **271,523** |
| Bank Credit Note Property (CCBI) – new headquarters/with swap | 6,233 | 24,834 | 24,834 | 24,735 | 71,107 | 107,841 | 49,277 | **308,861** |
| **Total** | **145,057** | **649,275** | **697,266** | **490,177** | **817,415** | **749,645** | **462,094** | **4,010,929** |

## (b) Capital management

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

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

### *(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, including the positive or negative balances of the swap transactions entered into to hedge these debts, less cash and cash equivalents. The Company's overall capital management strategy has remained unchanged over the last two years.

The table below shows the Company's debt ratios as of September 30, 2015 and December 31, 2014:

| | Consolidated | |
|---|---|---|
| | 9/30/15 | 12/31/14 |
| Short and long-term debts, net of the swap transactions classified in assets (note 12) | 2,712,952 | 2,712,466 |
| Cash and cash equivalents (note 4) | (1,287,245) | (1,390,189) |
| **Net debt** | **1,425,707** | **1,322,277** |
| Equity | 1,868,454 | 1,655,504 |
| **Debt ratio** | **0.76** | **0.80** |
| **Value of the fleet (*)** | **3,285,156** | **3,296,347** |
| **Net debt/value of the fleet** | **0.43** | **0.40** |

(*) Property and equipment, cars and decommissioned cars for fleet renewal.

### (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 recorded in the "derivative instruments - swap" account is as follows:

| | Level 2 (*) |
|---|---|
| Fixed rate swap (letter (d) item (iii)) | 442 |
| U.S. dollar swap (letter (d) item (i)) | 40,507 |
| TR swap (letter (d) item (ii)) | (17,609) |
| | **23,340** |

(*) The fair values were calculated based on models that use observable inputs and future assumptions about interest rates, among other applicable variables, by counterparty financial institutions in the respective transactions. The Company makes a reasonable analysis of the calculations presented by these financial institutions by comparing them with similar calculations made by other parties for the same applicable period. There are no financial instruments measured at fair value in hierarchical 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, 2015 and the categories of the data related to the respective liabilities.

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

| | Parent company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | Fair value | | Carrying amount | | Fair value | |
| | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 | 9/30/15 | 12/31/14 |
| **Financial liabilities - other financial liabilities:** | | | | | | | | |
| Loans, financing and debentures | 2,085,901 | 2,133,129 | 2,098,205 | 2,145,689 | 2,712,952 | 2,712,466 | 2,725,122 | 2,722,463 |
| Swap transactions | 40,507 | 79,725 | 40,507 | 77,709 | 23,340 | 78,947 | 23,340 | 76,931 |

Management understands that the carrying amounts of other financial instruments, such as cash and cash equivalents, trade receivables and trade payables, which are recognized in the 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

#### *(i) U.S. dollar x Real*

As of September 30, 2015, the Company was party to a swap transaction (plain vanilla) only for purposes of protection against the respective foreign currency-denominated loans. The transaction was entered into with major financial institutions.

As of April 2, 2015, Localiza borrowed US$ 70,000 thousand from Banco de Tokyo-Mitsubishi UFJ Brasil S.A., with maturity of the principal amount due on March 31, 2017. This amount was translated into Brazilian reais at the rate of R$ 3.21 for each US$ 1.00, which amounted to R$ 224,959. Simultaneously, a swap transaction (plain vanilla) was contracted to eliminate the foreign currency exposure risk, exchanging foreign exchange variation plus spread for 98.5% and 105.5% of CDI variation.

As of May 8, 2015, Localiza made an advanced payment of the full amount of the foreign currency-denominated loan of US$ 75,000 thousand, obtained from the Merrill Lynch bank, translated into Brazilian reais at the rate of R$ 3.04 for each US$ 1.00, which totaled a settled amount of R$ 228,000, with maturity dates due in 2015, 2016 and 2017. Simultaneously, the swap transaction (plain vanilla), which had been contracted to eliminate the foreign exchange exposure risk, was also settled.

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

| | | | | Parent company and Consolidated | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 9/30/15 | | | | |
| | | | | Rates | | Notional value | | (Payables)/ receivables |
| Swap transaction | Contract date | Maturity | Counterparty | Assets | Liabilities | R$ thousand | US$ thousand | R$ thousand |
| U.S. dollar x Reais | 4/2/15 | 3/31/17 | Banco de Tokyo | Foreign exchange variations of the U.S. dollar + 2.20% p.a. coupon and foreign exchange variations of the U.S. dollar + 2.30% p.a. coupon | 98.5% and 105.5% of CDI variation | 224,959 | 70,000 | 40,507 |

### *(ii) TR x CDI*

As of September 30, 2015, the Company had a current swap operation (plain vanilla), which has an exclusive purpose of protection for its loan in the form of CCBI - Bank Credit Note Property, and this is a loan agreement contracted with a major financial institution.

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

| | | | | Parent company and Consolidated | | | |
|---|---|---|---|---|---|---|---|
| | | | | 9/30/15 | | | |
| | | | | Rates | | Notional value | (Payables)/ receivables |
| Swap transaction | Contract date | Maturity | Counterparty | Assets | Liabilities | R$ thousand | R$ thousand |
| TR x CDI | 6/25/14 | 6/15/21 | Itaú Unibanco | TR variation + 9.5% p.a. coupon | 98.8% of CDI variation | 190,000 | (17,609) |

The amounts payable/receivable are presented in the "derivative instruments - swap" account (see note 12).

### *(iii) CDI x Fixed rate*

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

As of June 9, 2015, the Company settled in advance the six fixed-rate derivative contracts with a total notional amount of R$ 375,000.

As of June 29, 2015 Localiza Fleet entered into three swap derivative transactions (plain vanilla), by exchanging the CDI variation for a fixed rate, with a total notional amount of R$ 181,000.

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

| | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|
| | | | | 9/30/15 | | | |
| | | | | Rates | | Notional value | (Payables)/ receivables |
| Swap transaction | Contract date | Maturity | Counterparty | Assets | Liabilities | R$ thousand | R$ thousand |
| CDI x Fixed rate | 6/29/15 | 4/4/16 | Various banks | 109.5% of CDI variation | 15.5% p.a. | 181,000 (*) | 442 |

(*) The swaps short-position (fixed rate) corresponds to R$ 187,883 on September 30, 2015.

## 23. FINANCE LEASES

Information on finance leases (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, 2014.

## 24. RENTAL COMMITMENTS

Information on rental commitments (parent company and consolidated) has not significantly changed compared with that disclosed in note 24 to the financial statements for the year ended December 31, 2014.

## 25. PENSION PLAN

Since August 2011, the Company has had a Pension Plan to supplement official social security benefits. This plan is established in a "defined contribution" manner and is managed by a major independent pension fund manager. There are no actuarial and investment risks to be assumed by the Company as its sponsor; consequently, no actuarial valuation is required and there is no possibility of recognizing actuarial gains or losses.

Other information on 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, 2014.

## 26. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This parent company and consolidated interim financial information was approved and authorized for disclosure by the Directors on October 19, 2015.

## Comments on the behavior of business projections

For 2015, the Company disclosed through a Material Fact on December 11, 2014, the approval of the Car Purchase and Sale Program with the acquisition of about 74,000 cars to renew the fleet of the Car Rental and Fleet Rental Divisions. The estimated investment for fleet renewal is R$ 2.3 billion, considering the market conditions on that date. Acquisitions for fleet expansion will occur in accordance with the Company's demand and operating needs in 2015. The main source for the investment is the sale of decommissioned cars for fleet renewal.

Of the total estimated for the purchase of cars in 2015, the purchase of about 7,600 cars, which was expected to happen in 1Q15, was anticipated in December 2014 and, in 9M15, 42,372 cars had been acquired, totaling 49,972 cars. The number of cars already purchased is about 10% short of the initial expectations, in line with the purchase flexibility negotiated with manufacturers.

## Other information considered relevant by the Company

### 1. SOCIAL REPORT

**The Company's Consolidated Social Report for the nine-month periods ended September 30, 2015 and 2014 is as follows:**

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| **1. Calculation basis for social indicators** | **9M15** | | | **9M14** | | |
| Net Revenue (NR) | 2,934,525 | | | 2,857,028 | | |
| Earnings before taxes (EBT) | 401,312 | | | 433,356 | | |
| Gross payroll (GP) | 310,066 | | | 289,918 | | |
| **2. Internal social indicators** | **9M15** | | | **9M14** | | |
| | **Amount** | **% on GP** | **% on NR** | **Amount** | **% on GP** | **% on NR** |
| Meals | 15,762 | 5% | 1% | 12,830 | 4% | 0% |
| Compulsory social charges | 66,061 | 21% | 2% | 59,763 | 21% | 2% |
| Health care | 19,093 | 6% | 1% | 16,738 | 6% | 1% |
| Training and professional development | 2,362 | 1% | 0% | 3,945 | 1% | 0% |
| Day care center or child care allowance | 208 | 0% | 0% | 238 | 0% | 0% |
| Profit sharing | 48,089 | 16% | 2% | 41,149 | 14% | 2% |
| Other | 6,373 | 2% | 0% | 4,115 | 2% | 0% |
| **Total - internal social indicators** | **157,948** | **51%** | **6%** | **138,778** | **48%** | **5%** |
| **3. External social indicators** | **9M15** | | | **9M14** | | |
| | **Amount** | **% on EBT** | **% on NR** | **Amount** | **% on EBT** | **% on NR** |
| Education | 206 | 0% | 0% | 304 | 0% | 0% |
| Culture | 1,171 | 0% | 0% | 1,212 | 1% | 0% |
| Other | 286 | 0% | 0% | 304 | 0% | 0% |
| **Total contributions to society** | **1,663** | **0%** | **0%** | **1,821** | **1%** | **0%** |
| Taxes (excluding social charges) | 219,269 | 55% | 7% | 241,447 | 55% | 8% |
| **Total - external social indicators** | **220,932** | **55%** | **7%** | **243,267** | **56%** | **8%** |

| **4. Personnel indicators** | **9/30/15** | **9/30/14** |
|---|---|---|
| Headcount at the end of the period | 6,032 | 5,768 |
| Number of employees hired during the period | 377 | 354 |
| Number of outsourced employees | 237 | 267 |
| Number of interns | 30 | 8 |
| Number of employees above age 45 | 685 | 593 |
| Number of women working in the company | 2,748 | 2,656 |
| % of supervisory positions held by women | 49.23% | 48.51% |
| Number of blacks working in the company | 4,857 | 4,450 |
| % of supervisory positions held by blacks | 56.95% | 54.13% |
| Number of people with disability or special needs | 227 | 125 |

## Other information considered relevant by the Company

| | 9/30/15 | | | Goals 2015 | | |
|---|---|---|---|---|---|---|
| **5. Relevant information regarding corporate citizenship** | | | | | | |
| Highest/lowest remuneration ratio | | | 77.85(*) | | | 80.00(*) |
| Total number of occupational accidents during the period | | | 16 | | | - |
| - 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 |
| - The safety and health standards in the workplace were established by | ( ) directors and managers | ( ) all employees | (x) all + 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 | ( ) will not be 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 221 | In court 1,465 | In the company (**) | In Procon NA | In court NA |
| - % of complaints and criticisms from customers handled or solved | In the company (**) | In Procon 86.43% | In court 69.08% | 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 utilized (Belo Horizonte).
(**) The customer assistance area 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.

Key:
CIPA: Internal Accident Prevention Committee
Procon: Consumer Protection Agency

**Report on special review - without exceptions**

# Report on review of the 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., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2015, 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 and consolidated interim accounting information in accordance with accounting standard CPC 21, Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

## Report on special review - without exceptions

### Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and 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, 2015. 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 22, 2015

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

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