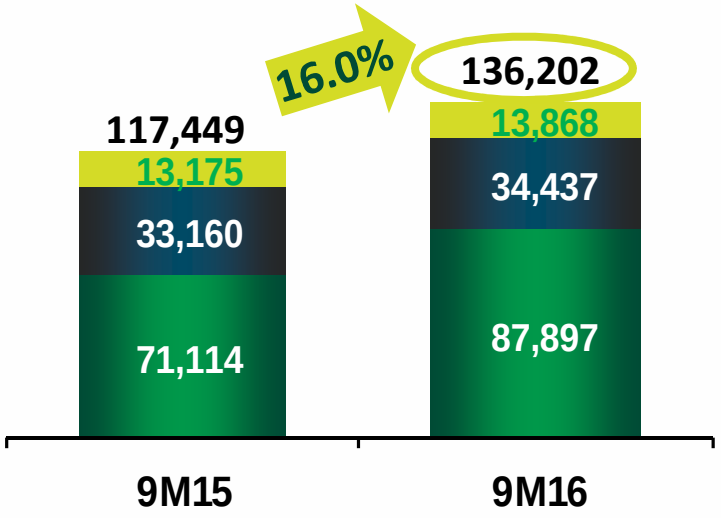
3Q16 Results

October 21, 2016

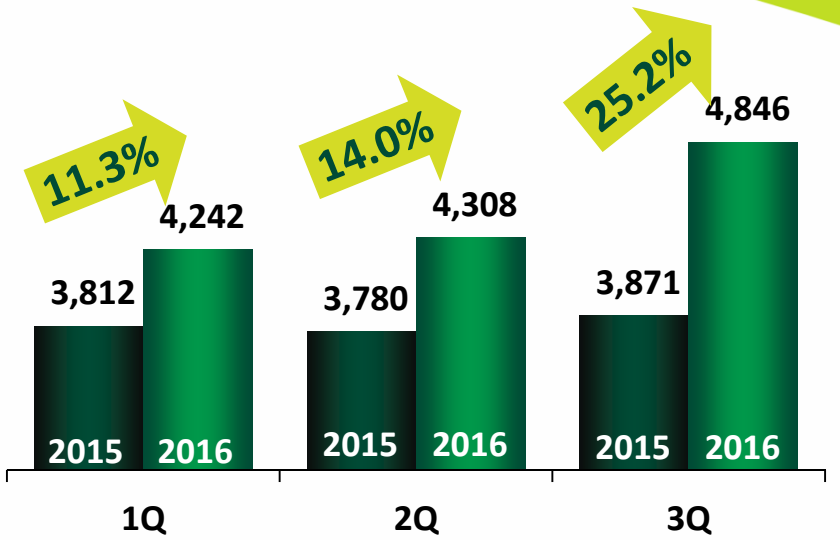


Operational Highlights

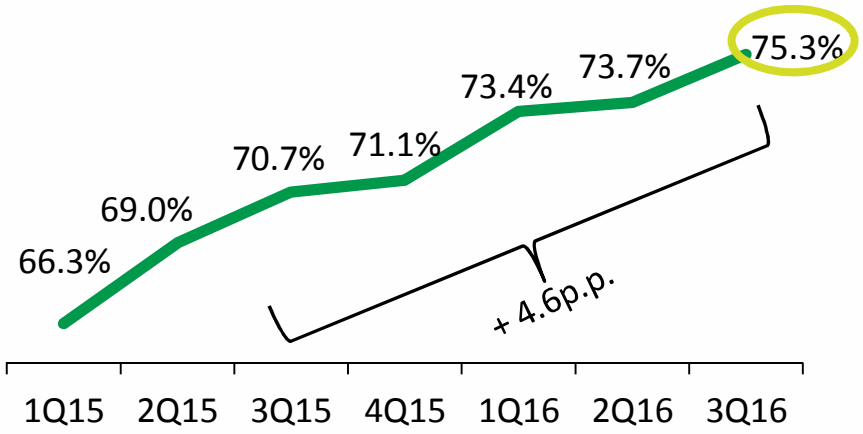
Fleet at end of period



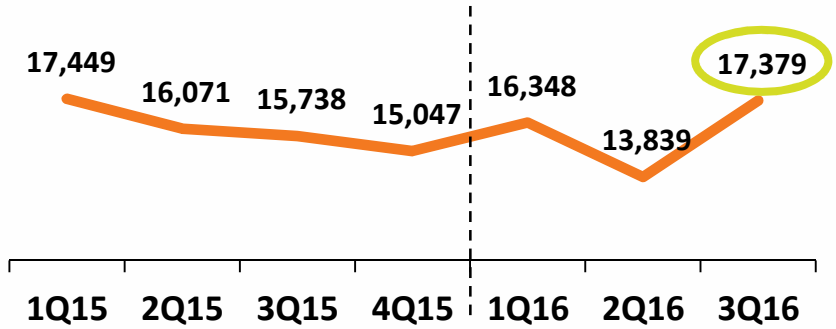
Rental days evolution (thousand)– Car Rental



Utilization Rate – Car Rental



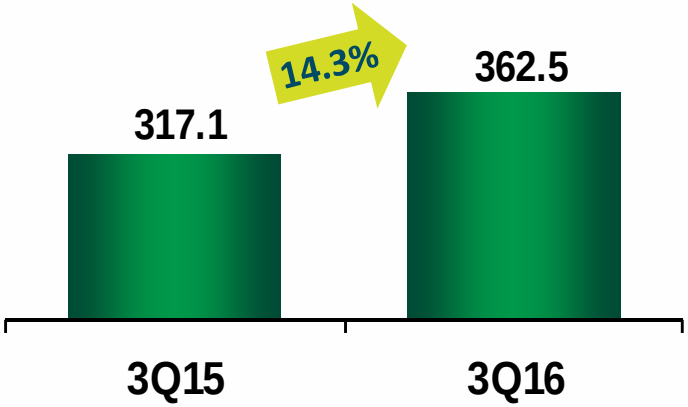
Cars sold– consolidated



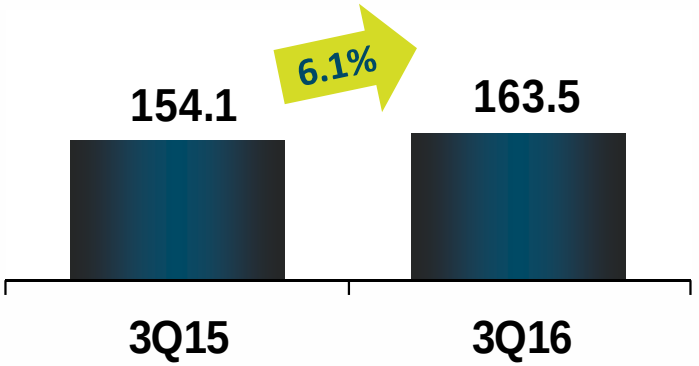
25.2% volume increase in Car Rental

Financial Highlights

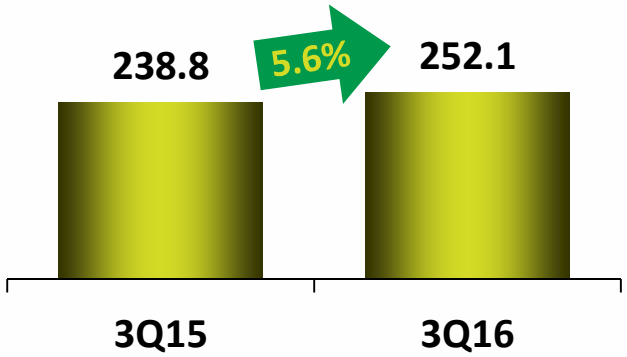
Net Revenues - Car Rental (R$ million)



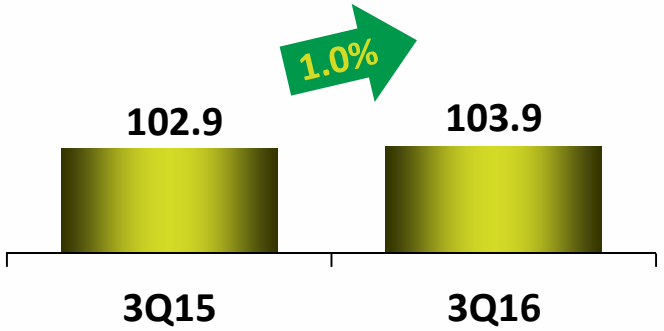
Net Revenues - Fleet Rental Division (R$ million)



Consolidated EBITDA (R$ million)



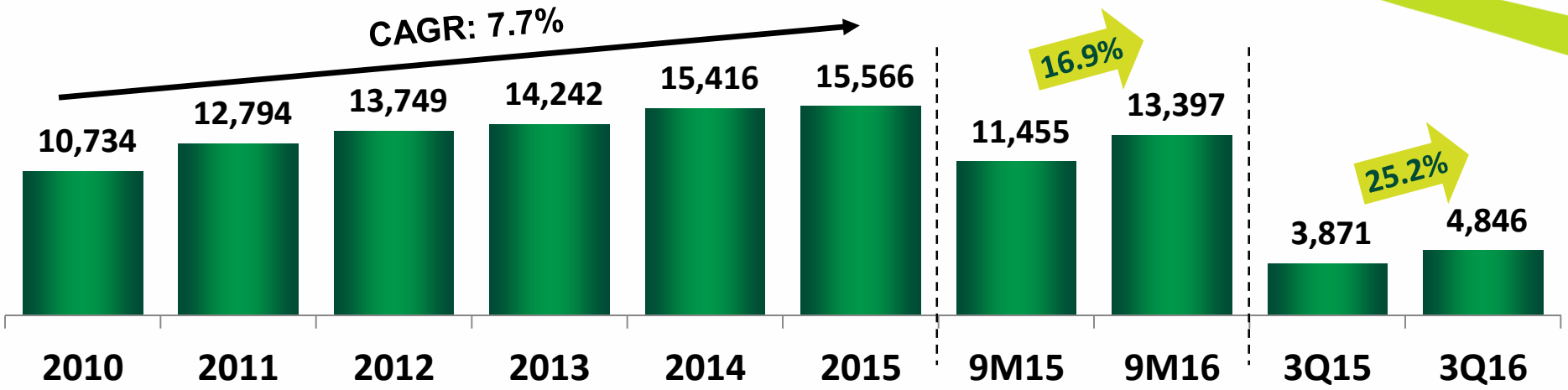
Consolidated Net Income (R$ million)



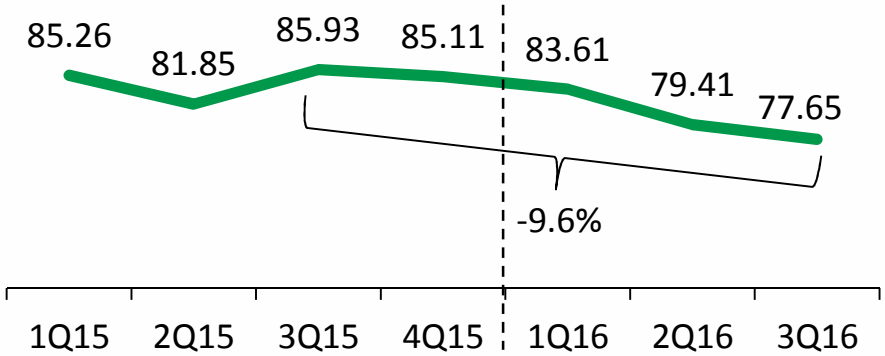
Growth from the top to the bottom line

Car Rental

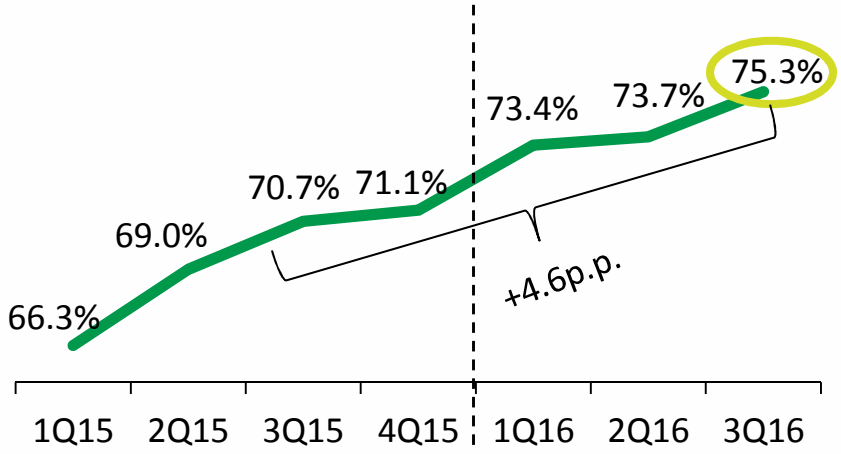
Number of Daily Rentals (thousand)



Average daily rental – In R$



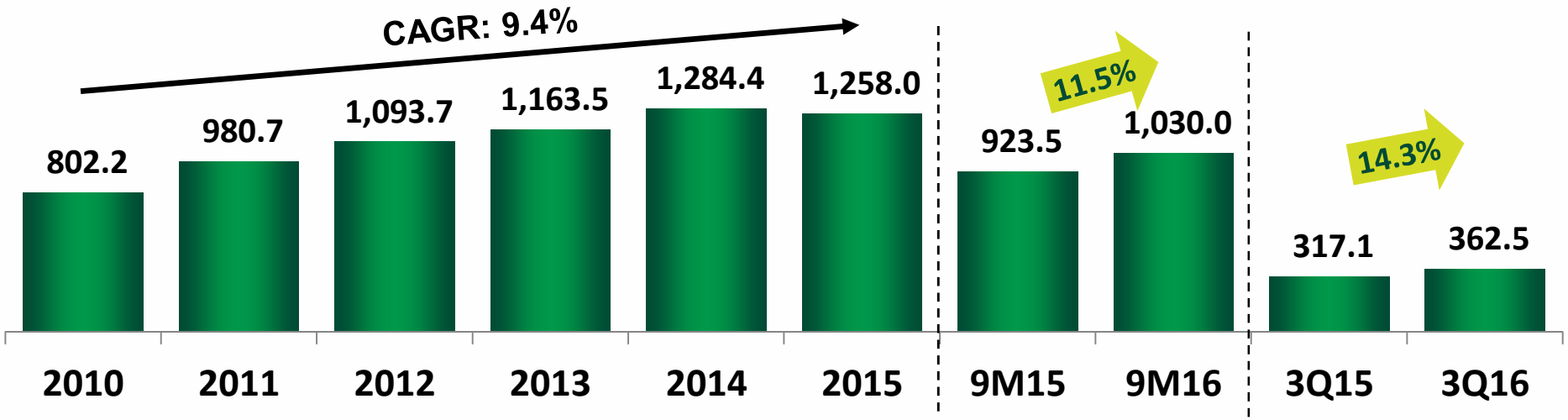
Utilization rate



25.2% volume increase in 3Q16

Car Rental

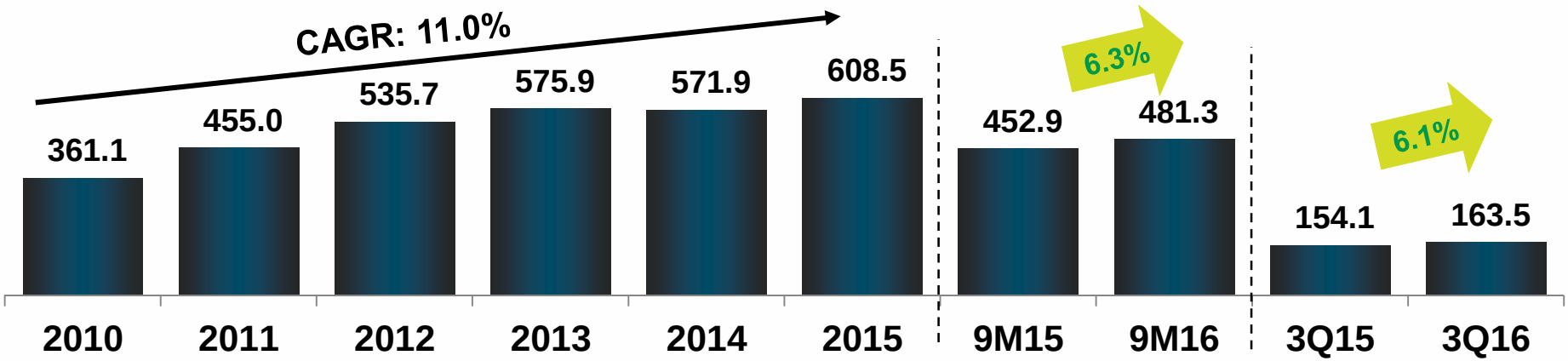
Net Revenues (R$ million)



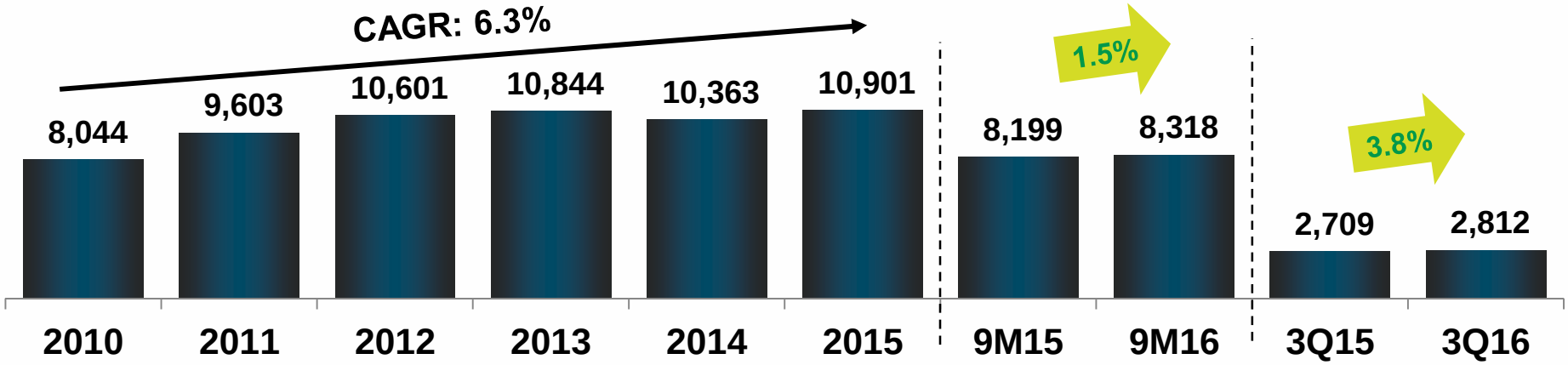
Car Rental revenues grew 14.3%

Fleet Rental

Net Revenues (R$ million)

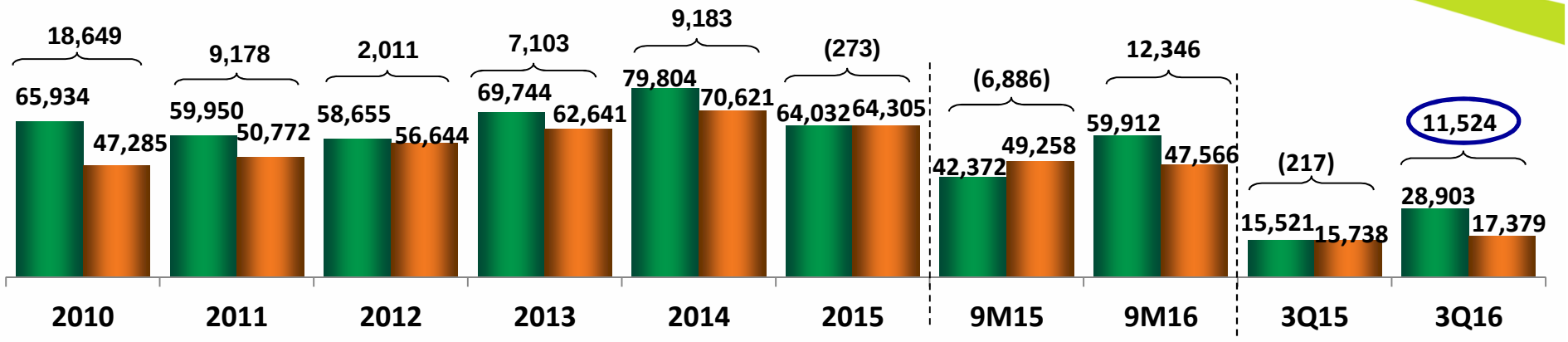


Number of Daily Rentals (thousand)



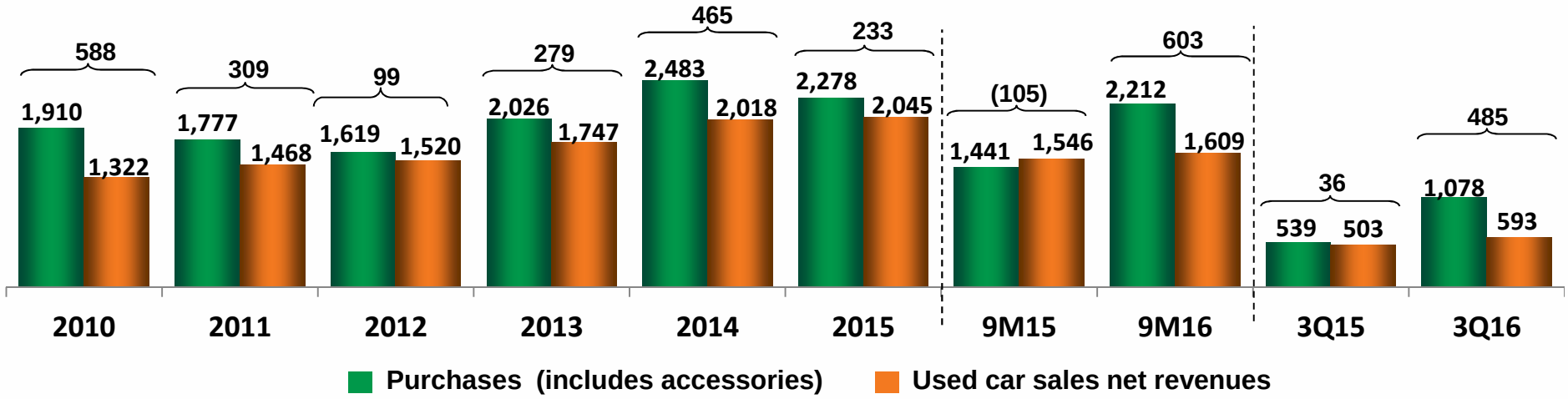
Net investment

Fleet Expansion* (quantity)



* It does not consider theft / crashed cars.

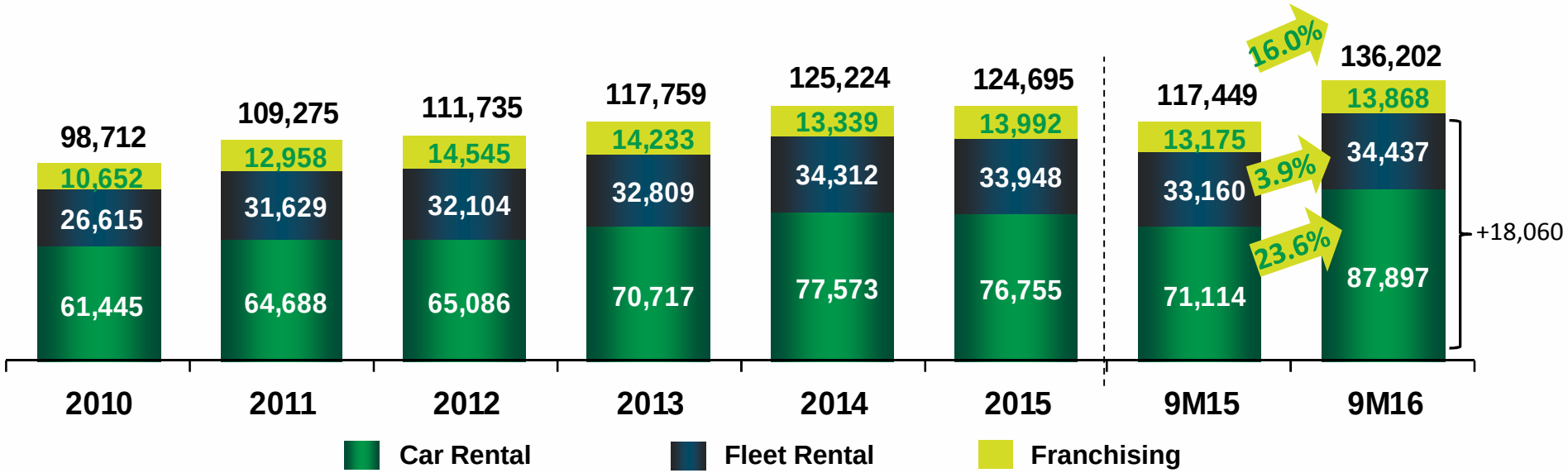
Net Investment in Fleet (R$ million)



11,524 cars increase to support Car Rental growth

Period-end fleet

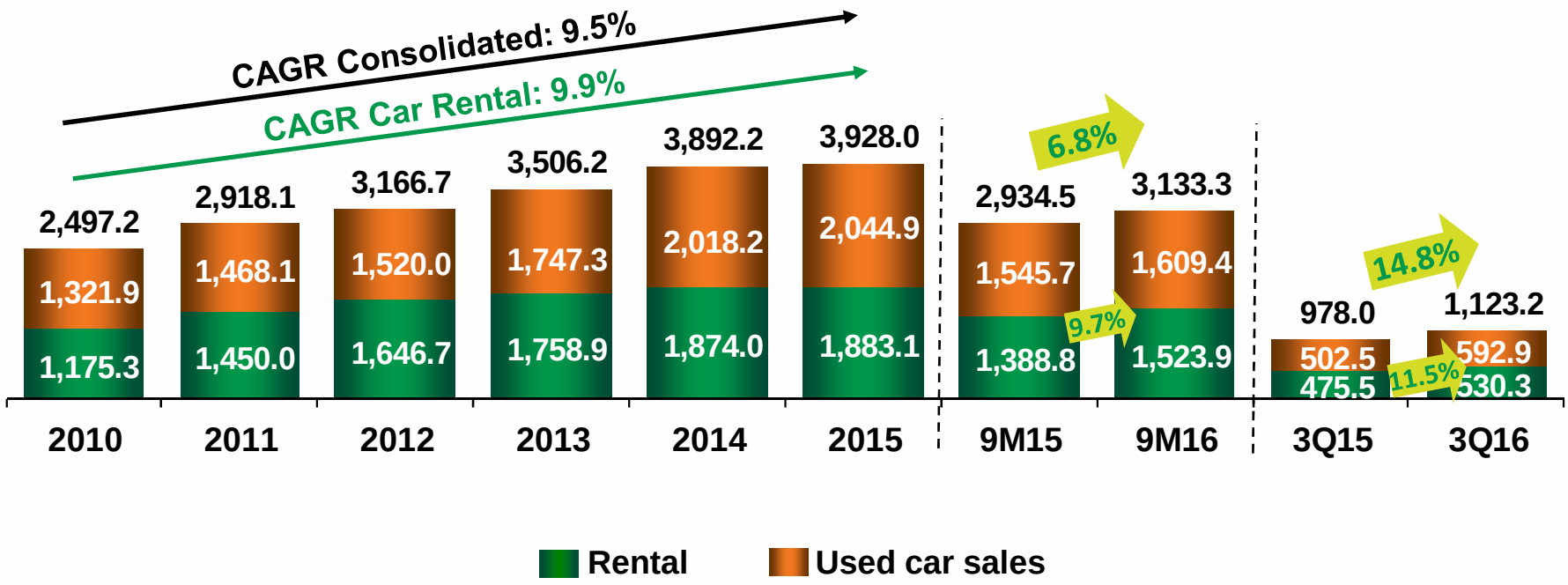
Quantity



The end of period fleet reached its peak of 136,202 cars in 9M16

Consolidated net revenues

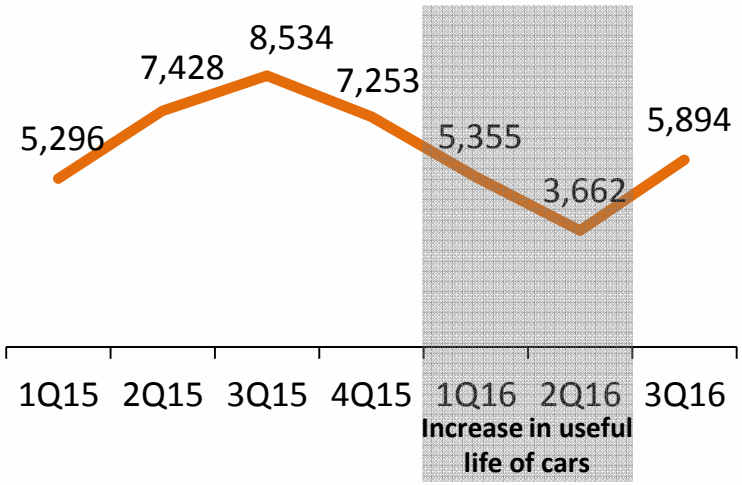
R$ million



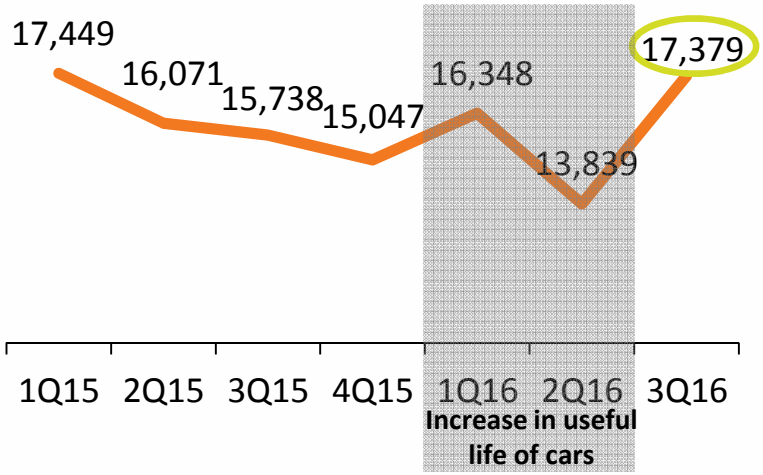
Rental revenues grew 11.5%

Car sales

Cars in Seminovos stores (Average)



Number of cars sold

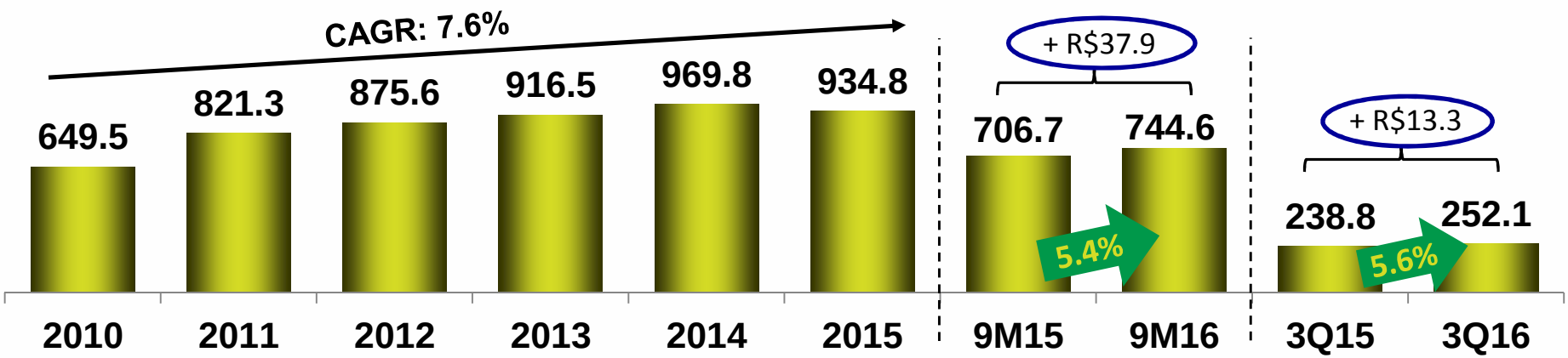


17,379 cars sold in 3Q16

The ordered cars delivery normalization from the OEMs allowed the retrieval of the fleet decommissioning

Consolidated EBITDA

R$ million



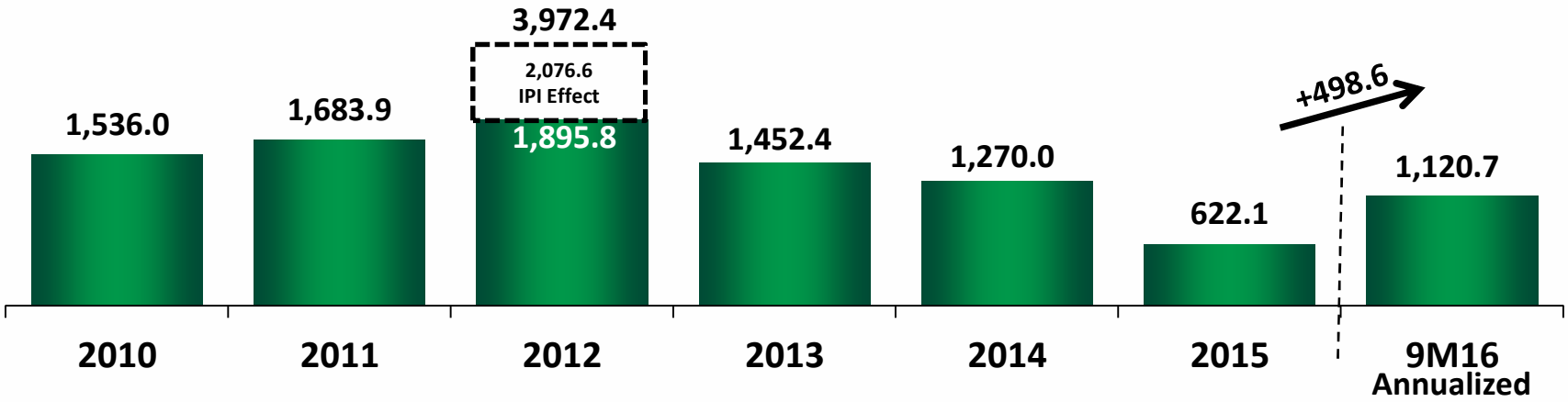
Divisions	2010*	2011*	2012	2013	2014**	2015	9M15	9M16	3Q15	3Q16
Car Rental	45.3%	46.9%	40.9%	36.8%	38.7%	31.8%	32.4%	32.7%	32.4%	31.9%
Fleet Rental	68.0%	68.6%	66.4%	65.5%	60.0%	62.2%	61.6%	64.7%	62.6%	64.5%
Rental Consolidated	52.3%	53.8%	49.3%	46.5%	45.3%	41.7%	42.0%	42.9%	42,3%	42.1%
Used Car Sales	2.6%	2.8%	4.2%	5.7%	6.0%	7.3%	8.0%	5.6%	7,5%	4.9%

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

R$13.3 million increase in 3Q16 and R$37.9 million in 9M16

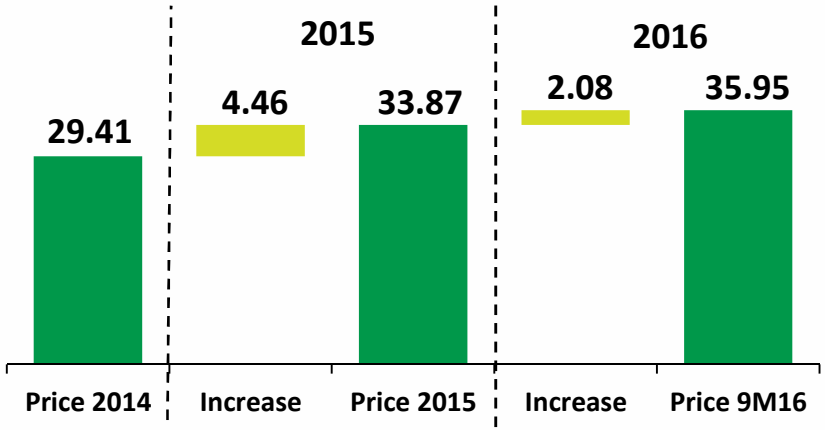
Average depreciation per car (in R$)

Localiza Rent a Car — Car Rental

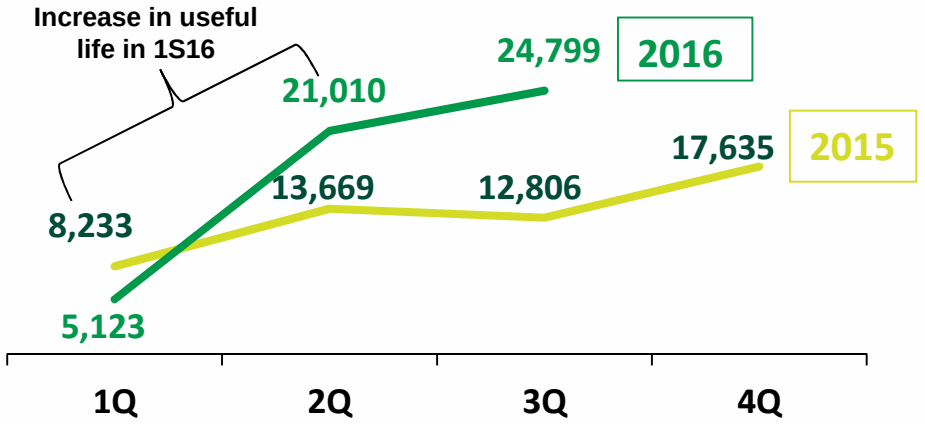


Average Price of cars purchased

In R$ Thousand



Cars Purchased

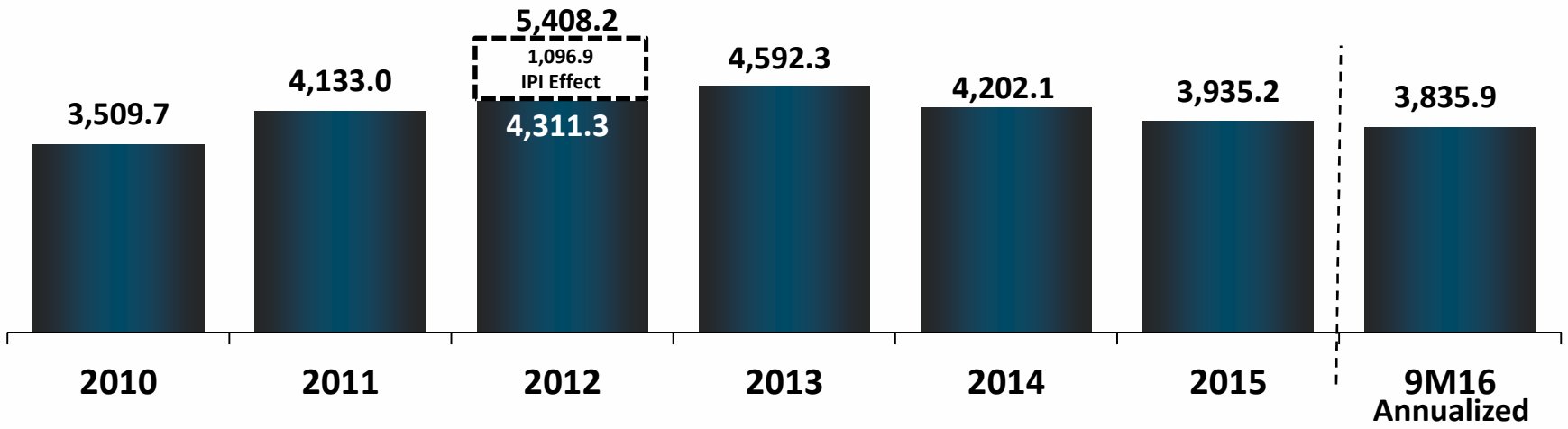


The average depreciation increase in Car Rental is due to:

- decelerated increase in new car prices
- acceleration of the renewal of fleet older than 12 months

Average depreciation per car (in R$)

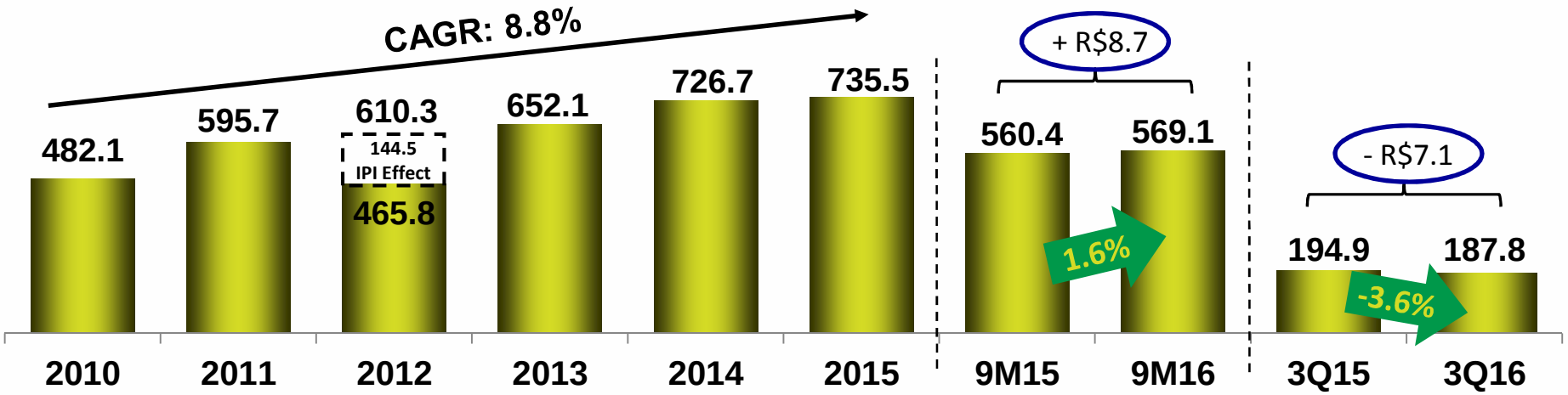
Fleet Rental



The drop in depreciation is due to a longer cycle

Consolidated EBIT

R$ million



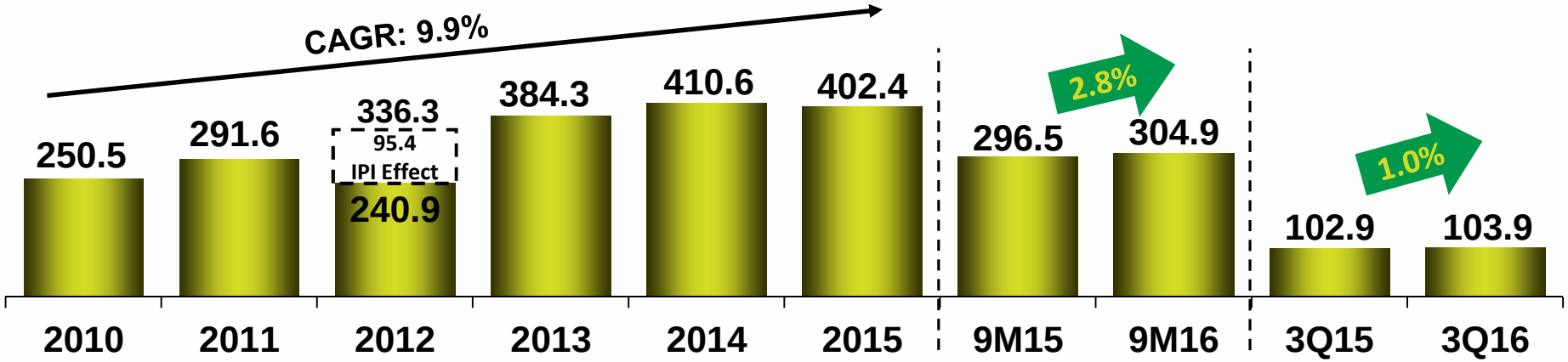
Divisions	2010	2011	2012	2013	2014	2015	9M15	9M16	3Q15	3Q16
Car Rental	38.5%	38.8%	23.7%	32.8%	36.2%	34.3%	36.3%	31.0%	36.0%	28.1%
Fleet Rental	46.2%	45.6%	36.9%	45.1%	44.3%	48.9%	48.5%	50.8%	51.3%	51.4%
Consolidated	41.0%	41.1%	28.3%	37.1%	38.8%	39.1%	40.4%	37.3%	41.0%	35.4%

R$7.1 million drop in EBIT is due to:

- **R$13.3 million EBITDA increase**
- **offset by R$20.4 million higher depreciation**

Consolidated net income

R$ million



Reconciliation EBITDA x Net income	2010	2011	2012	2013	2014	2015	9M15	9M16	Var. R$	Var. %	3Q15	3Q16	Var. R$	Var. %
Consolidated EBITDA	649.5	821.3	875.6	916.5	969.8	934.8	706.7	744.6	37.9	5.4%	238.8	252.1	13.3	5.6%
Cars depreciation	(146.3)	(201.5)	(232.4)	(229.0)	(207.4)	(163.6)	(119.5)	(146.8)	(27.3)	22.8%	(34.8)	(54.7)	(19.9)	57.2%
Cars additional depreciation – IPI effect	-	-	(144.5)	-	-	-	-	-	-	-	-	-	-	-
Other property depreciation and amortization	(21.1)	(24.1)	(32.9)	(35.4)	(35.7)	(35.7)	(26.8)	(28.7)	(1.9)	7.1%	(9.1)	(9.6)	(0.5)	5.5%
EBIT	482.1	595.7	465.8	652.1	726.7	735.5	560.4	569.1	8.7	1,6%	194.9	187.8	(7.1)	-3.6%
Financial expenses, net	(130.1)	(179.0)	(138.7)	(110.6)	(151.1)	(202.7)	(159.1)	(170.8)	(11.7)	7.4%	(59.7)	(53.7)	6.0	-10.1%
Income tax and social contribution	(101.5)	(125.1)	(135.3)	(157.2)	(165.0)	(130.4)	(104.8)	(93.4)	11.4	-10.9%	(32.3)	(30.2)	2.1	-6.5%
Income tax and social contribution – IPI effect	-	-	49.1	-	-	-	-	-	-	-	-	-	-	-
Net income of the period	250.5	291.6	240.9	384.3	410.6	402.4	296.5	304.9	8.4	2.8%	102.9	103.9	1.0	1.0%

The company is committed to the business profitability

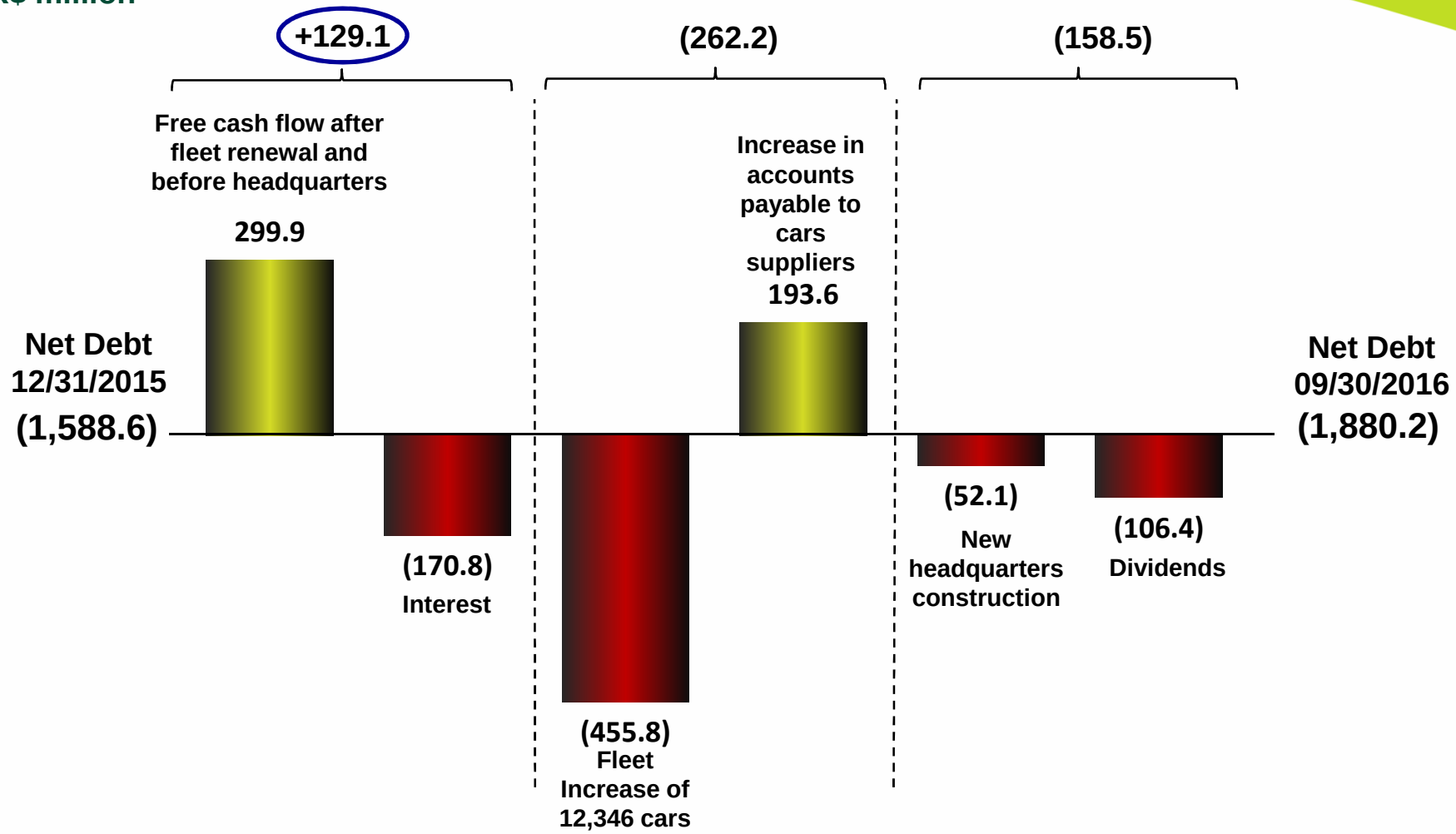
Free cash flow

	Free cash flow - R$ million	2010	2011	2012	2013	2014	2015	9M16
Operations	EBITDA	649.5	821.3	875.6	916.5	969.8	934.8	744.6
	Used car sale revenue, net from taxes	(1,321.9)	(1,468.1)	(1,520.0)	(1,747.3)	(2,018.2)	(2,044.9)	(1,609.4)
	Depreciated cost of cars sold (*)	1,203.2	1,328.6	1,360.2	1,543.8	1,777.0	1,769.1	1,438.4
	(-) Income tax and social contribution	(57.8)	(83.0)	(100.9)	(108.5)	(113.1)	(110.7)	(73.8)
	Change in working capital	54.5	(83.9)	37.1	2.9	(27.1)	(30.0)	(26.3)
	Cash generated by rental operations	527.5	514.9	652.0	607.4	588.4	518.3	473.5
Capex - Renewals	Used car sale revenue, net from taxes	1,321.9	1,468.1	1,520.0	1,747.3	2,018.2	2,036.3	1,609.4
	Fleet renewal investment	(1,370.1)	(1,504.5)	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(1,756.1)
	Net investment for fleet renewal	(48.2)	(36.4)	(43.3)	(72.4)	(179.5)	(242.1)	(146.7)
	Fleet renewal – quantity	47,285	50,772	56,644	62,641	70,621	64,032	47,566
	Investment, other property and intangibles investments	(50.6)	(59.9)	(77.8)	(47.5)	(46.3)	(29.7)	(26.9)
	Free cash flow from operations, net of fleet renewal capex	428.7	418.6	530.9	487.5	362.6	246.5	299.9
Capex - Growth	Fleet growth (investment)	(540.3)	(272.0)	(55.5)	(209.4)	(286.8)	8.6	(455.8)
	Change in accounts payable to car suppliers	111.3	32.7	(116.9)	89.7	334.4	(121.2)	193.6
	Fleet growth	(429.0)	(239.3)	(172.4)	(119.7)	47.6	(112.6)	(262.2)
	Fleet increase / (reduction) – quantity	18,649	9,178	2,011	7,103	9,183	(273)	12,346
	Free cash flow after growth, and before interest and new HQ	(0.3)	179.3	358.5	367.8	410.2	133.9	37.7
	New headquarters construction	(0.5)	(3.1)	(2.4)	(6.5)	(148.3)	(30.7)	(52.1)
	Free cash flow before interest	(0.8)	176.2	356.1	361.3	261.9	103.2	(14.4)

(*) without the technical discounts reduction up to 2010

Changes in net debt

R$ million

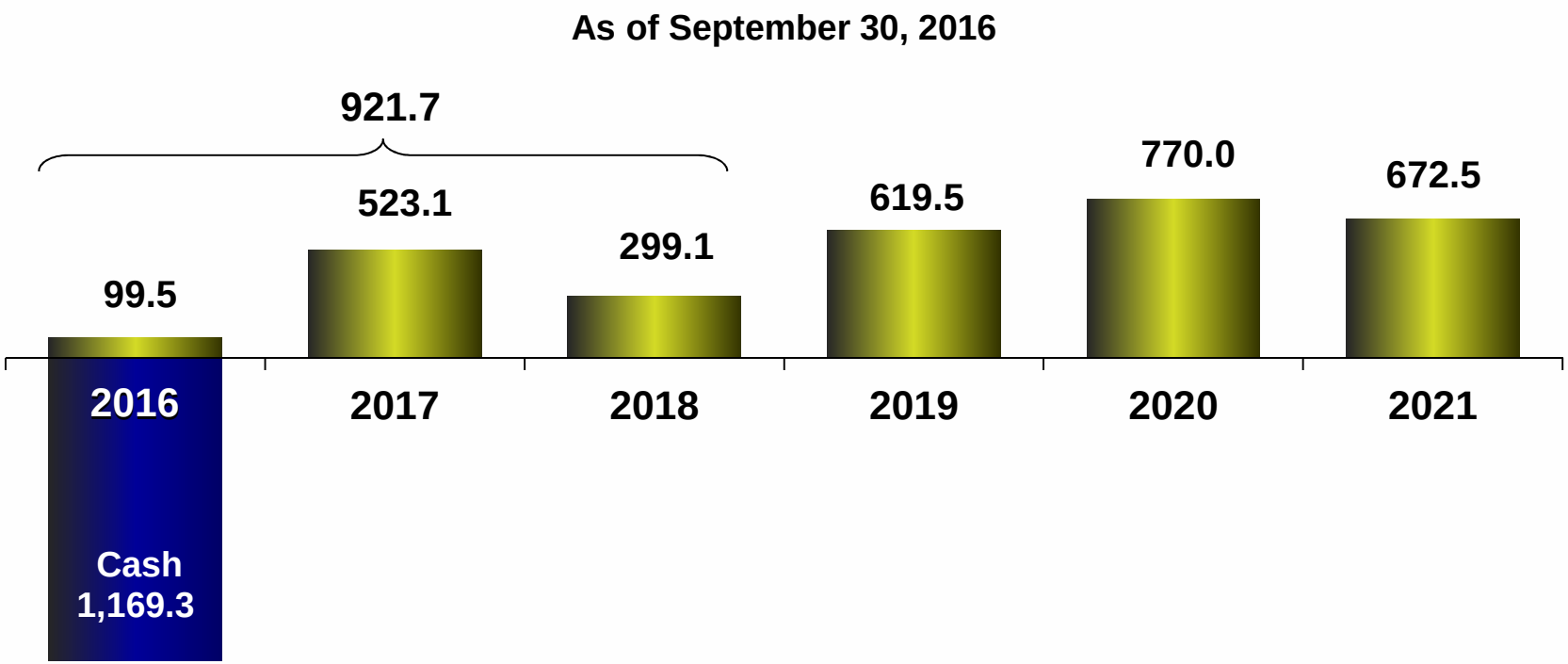


The increase of R$291.8 million in net debt was mainly due to fleet increase

The debt was impacted by R$248.0 million in anticipated payments to suppliers which were due after 3Q16

Debt maturity profile (principal)

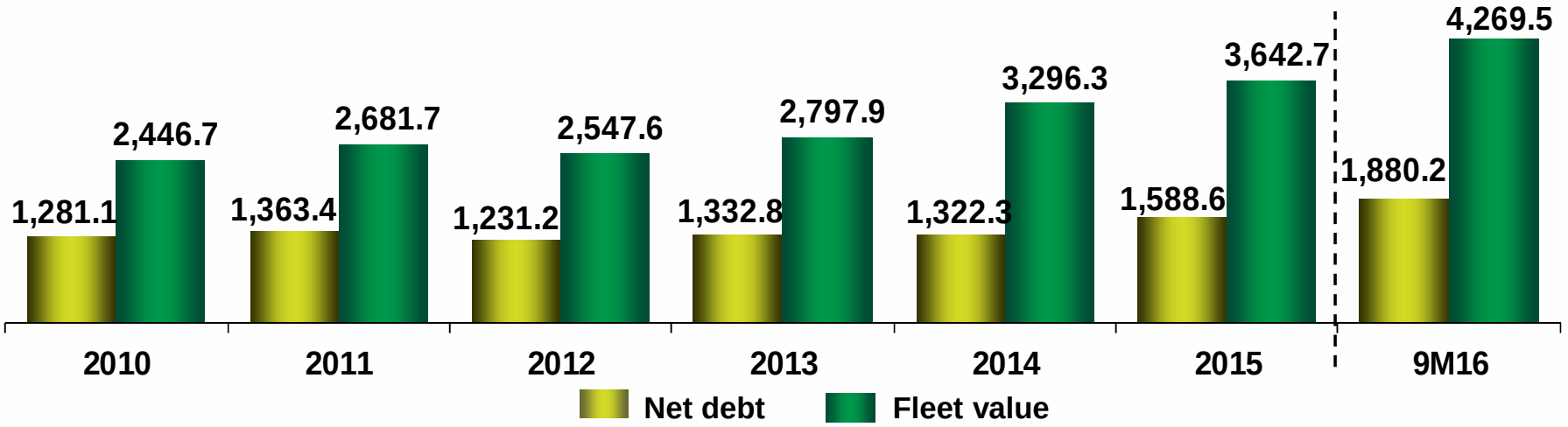
R$ million



Confortable cash position and debt profile

Debt - ratios

Net debt vs. Fleet value

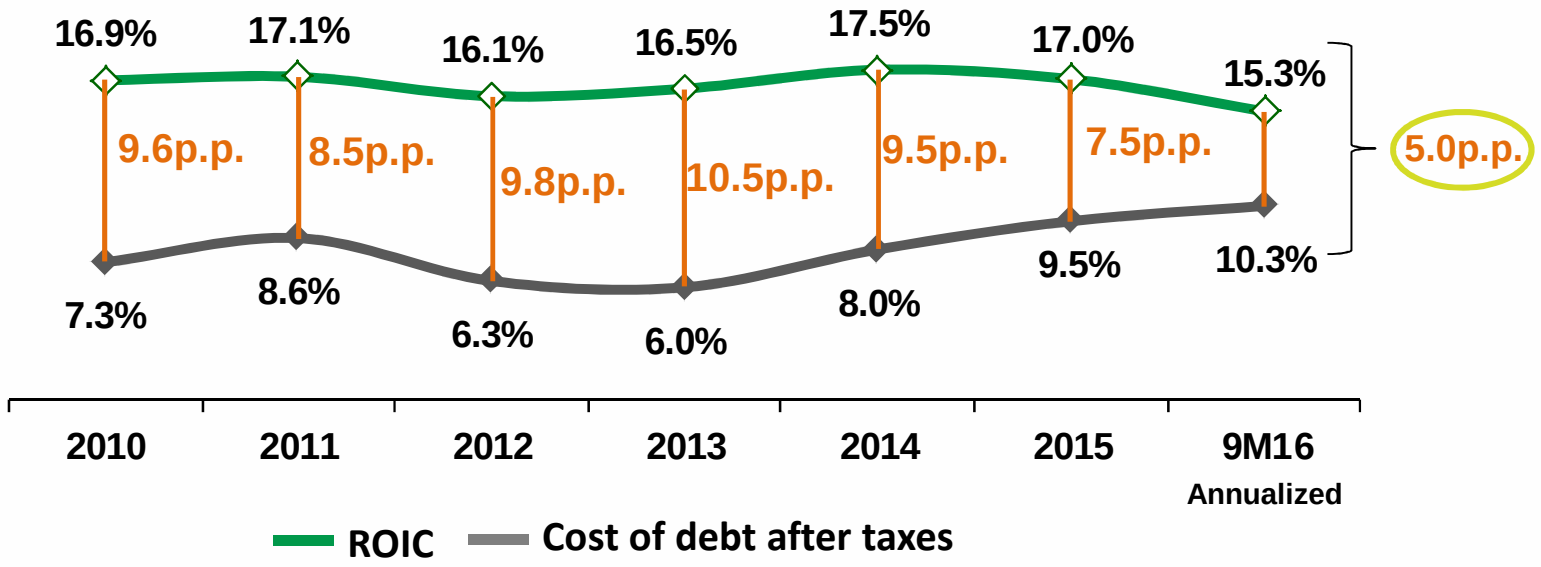


BALANCE AT THE END OF PERIOD	2010(*)	2011	2012	2013	2014	2015	9M16
Net debt / Fleet value	52%	51%	48%	48%	40%	44%	44%
Net debt / EBITDA(**)	2.0x	1.7x	1.4x	1.5x	1.4x	1.7x	1.9x
Net debt / Equity	1.4x	1.2x	0.9x	1.0x	0.8x	0.8x	0.9x
EBITDA / Net financial expenses	5.0x	4.6x	6.3x	8.3x	6.4x	4.6x	4.4x

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

Comfortable debt ratios

ROIC *versus* cost of debt after taxes



2010 to 2014 ROIC considered income tax rate of 30% and 24.5% from 2015 on

ROIC was impacted by -0.3 p.p due to antecipated payments to suppliers

Spread of 5.0p.p. despite the adverse scenario and high interest rates

Thank You!

Disclaimer

The material presented is a presentation of general background information about LOCALIZA as of the date of the presentation. It is information in summary form and does not purport to be complete. It is not intended to be relied upon as advice to potential investors. No representation or warranty, express or implied, is made concerning, and no reliance should be placed on, the accuracy, fairness, or completeness of the information presented herein.

This presentation contains statements that are forward-looking within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are only projections and are not guarantees of future performance. Investors are cautioned that any such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of LOCALIZA and its subsidiaries that may cause the actual results of the companies to be materially different from any future results expressed or implied in such forward-looking statements.

Although LOCALIZA believes that the expectations and assumptions reflected in the forward-looking statements are reasonable based on information currently available to LOCALIZA's management, LOCALIZA cannot guarantee future results or events. LOCALIZA expressly disclaims a duty to update any of the forward-looking statement.

Securities may not be offered or sold in the United States unless they are registered or exempt from registration under the Securities Act of 1933.

This presentation does not constitute an offer, invitation or solicitation of an offer to subscribe to or purchase any securities. Neither this presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever.

www.localiza.com/ri
Email: ri@localiza.com
Tel: 55 31 3247-7024