

INTERIM FINANCIAL INFORMATION

September 30, 2017

Localiza Rent a Car S.A. – Corporate taxpayer's ID (CNPJ): 16.670.085/0001

Localiza Rent a Car S.A. – CNPJ nº 16.670.085/0001-55

2005

2016

Revenue
R\$



290

NUMBER OF CAR
LOCATIONS



TOTAL
FLEET

23.087

143.131

Some growth index
since the Company's IPO

Localiza Localiza

Contents

Company Information

Capital Structure	1
Cash Proceeds	2

Individual Interim Financial Information

Balance Sheet – Assets	3
Balance Sheet – Liabilities	4
Income Statement	6
Statement of Comprehensive Income	7
Statement of Cash Flows	8

Statement of Changes in Equity

Statement of Changes in Equity - 01/01/2017 to 09/30/2017	9
Statement of Changes in Equity - 01/01/2016 to 09/30/2016	10
Statement of Value Added	11

Consolidated Interim Financial Information

Balance Sheet – Assets	12
Balance Sheet – Liabilities	13
Income Statement	15
Statement of Comprehensive Income	16
Statement of Cash Flows	17

Statement of Changes in Equity

Statement of Changes in Equity - 01/01/2017 to 09/30/2017	18
Statement of Changes in Equity - 01/01/2016 to 09/30/2016	19
Statement of Value Added	20

Comments on Performance	21
Notes to the Interim Financial Information	48
Comments on the Performance of Business Projections	87
Other Information Considered Relevant by the Company	88

Opinions and Representations

Report on Review of Interim Financial Information – Unqualified	90
Management's Statement on the Financial Statements	92
Management's Statement on the Independent Auditor's Report	93

Company Information / Capital Structure

Number of Shares (Thousands)	Current Quarter 09/30/2017
Paid-In Capital	
Common Shares	222,383
Preferred Shares	0
Total	222,383
Treasury Shares	
Common Shares	2,320
Preferred Shares	0
Total	2,320

Company Information / Cash Proceeds

Event	Approval	Proceeds	Beginning of Payment	Type of Share	Class of Share	Earnings per Share (Brazilian Reais / Share)
Meeting of the Board of Directors	12/15/2016	Interest on Capital	02/08/2017	Common Shares		0.22446
Meeting of the Board of Directors	03/08/2017	Interest on Capital	05/02/2017	Common Shares		0.19161
Meeting of the Board of Directors	06/30/2017	Interest on Capital	08/24/2017	Common Shares		0.17862
Meeting of the Board of Directors	09/13/2017	Interest on Capital	11/07/2017	Common Shares		0.18648

Individual Financial Statements / Balance Sheet – Assets**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 09/30/2017	Prior Year 12/31/2016
1	Total Assets	8,107,507	6,019,436
1.01	Current Assets	2,167,855	1,565,255
1.01.01	Cash and Cash Equivalents	1,643,231	1,133,711
1.01.03	Accounts Receivable	372,105	336,457
1.01.03.01	Trade Receivables	372,105	336,457
1.01.06	Recoverable Taxes	11,698	14,702
1.01.06.01	Current Recoverable Taxes	11,698	14,702
1.01.07	Prepaid Expenses	22,729	5,134
1.01.08	Other Current Assets	118,092	75,251
1.01.08.01	Non-Current Assets Available for Sale	25,142	441
1.01.08.03	Other	92,950	74,810
1.01.08.03.01	Dividends Receivable	19,000	7,472
1.01.08.03.02	Other	73,950	65,128
1.01.08.03.03	Derivatives - Swap	0	2,210
1.02	Non-Current Assets	5,939,652	4,454,181
1.02.01	Long-Term Assets	52,294	39,005
1.02.01.08	Due from Related Parties	839	778
1.02.01.08.02	Receivables from Subsidiaries	839	778
1.02.01.09	Other Non-Current Assets	51,455	38,227
1.02.01.09.03	Escrow Deposits	51,372	38,144
1.02.01.09.04	Other	83	83
1.02.02	Investments	928,417	851,109
1.02.02.01	Ownership Interests	928,417	851,109
1.02.02.01.02	Investments in Subsidiaries	928,417	851,109
1.02.03	Property and Equipment	4,909,768	3,508,455
1.02.03.01	Property and Equipment in Use	4,901,428	3,499,877
1.02.03.02	Leased Property and Equipment	1,478	2,378
1.02.03.03	Constructions in Progress	6,862	6,200
1.02.04	Intangible Assets	49,173	55,612
1.02.04.01	Intangible Assets	49,173	55,612
1.02.04.01.02	Software in Service	49,091	55,453
1.02.04.01.03	Leased Software	82	159

Individual Financial Statements / Balance Sheet – Liabilities**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 09/30/2017	Prior Year 12/31/2016
2	Total Liabilities	8,107,507	6,019,436
2.01	Current Liabilities	1,926,535	1,441,522
2.01.01	Payroll and Related Taxes	76,249	73,224
2.01.01.01	Payroll Taxes	10,171	8,878
2.01.01.02	Related Taxes	66,078	64,346
2.01.02	Trade Payables	1,444,659	803,601
2.01.02.01	Domestic Suppliers	1,444,652	803,594
2.01.02.02	Foreign Suppliers	7	7
2.01.03	Taxes Payable	6,293	18,398
2.01.03.01	Federal Taxes Payable	4,030	16,905
2.01.03.01.01	Income Tax and Social Contribution Payable	0	8,530
2.01.03.01.02	Other Federal Taxes	4,030	8,375
2.01.03.03	Municipal Taxes Payable	2,263	1,493
2.01.04	Loans and Financing	267,963	407,425
2.01.04.01	Loans and Financing	0	228,154
2.01.04.01.02	In Foreign Currency	0	228,154
2.01.04.02	Debentures	267,732	178,328
2.01.04.03	Finance Lease	231	943
2.01.05	Other Payables	131,371	138,874
2.01.05.01	Payables to Related Parties	1,532	812
2.01.05.01.02	Payables to Subsidiaries	1,532	812
2.01.05.02	Other	129,839	138,062
2.01.05.02.01	Dividends and Interest on Capital Payable	34,929	39,749
2.01.05.02.04	Other Current Liabilities	94,910	98,313
2.02	Non-Current Liabilities	3,669,213	2,380,924
2.02.01	Loans and Financing	3,529,817	2,280,369
2.02.01.01	Loans and Financing	648,605	0
2.02.01.01.01	In Local Currency	648,605	0
2.02.01.02	Debentures	2,881,177	2,280,115
2.02.01.03	Finance Lease	35	254
2.02.02	Other Payables	6,014	5,973
2.02.02.02	Other	6,014	5,973
2.02.02.02.03	Other Non-Current Liabilities	6,014	5,973
2.02.03	Deferred Taxes	70,171	46,017
2.02.03.01	Deferred Income Tax and Social Contribution	70,171	46,017
2.02.04	Provisions	63,127	48,457
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	63,127	48,457
2.02.04.01.01	Provisions for Tax Risks	13,821	2,185
2.02.04.01.02	Provisions for Social Security and Labor Risks	32,752	30,048
2.02.04.01.04	Provisions for Civil Risks	16,554	16,224
2.02.06	Unearned Profit and Revenue	84	108
2.02.06.02	Unearned Revenue	84	108
2.03	Equity	2,511,759	2,196,990
2.03.01	Paid-In Capital	1,500,000	976,708
2.03.02	Capital Reserves	96,195	33,977
2.03.02.05	Treasury Shares	-55,526	-95,826

Individual Financial Statements / Balance Sheet – Liabilities**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 09/30/2017	Prior Year 12/31/2016
2.03.02.07	Share Issuance Premium and Stock Options Granted	151,721	129,803
2.03.04	Earnings Reserves	663,013	1,186,305
2.03.04.01	Legal Reserve	120,625	120,625
2.03.04.02	Statutory Reserve	305,495	828,787
2.03.04.05	Earnings Retention Reserve	236,893	236,893
2.03.05	Retained Earnings (Accumulated Losses)	252,551	0

Individual Financial Statements / Income Statement

(In Thousands of Brazilian Reais)

Code	Description	Current Quarter 07/01/2017 to 09/30/2017	Accumulated for the Current Year 01/01/2017 to 09/30/2017	Equal Quarter from Prior Year 07/01/2016 to 09/30/2016	Accumulated for the Prior Year 01/01/2016 to 09/30/2016
3.01	Revenue from Sales and/or Services	1,224,945	3,354,565	874,245	2,350,712
3.02	Cost of Sales and/or Services	-962,445	-2,590,553	-671,352	-1,755,036
3.03	Gross Profit	262,500	764,012	202,893	595,676
3.04	Operating Income (Expenses)	-76,779	-196,734	-50,830	-141,007
3.04.01	Selling Expenses	-95,966	-256,254	-72,669	-204,134
3.04.02	General and Administrative Expenses	-40,200	-103,495	-30,185	-93,291
3.04.05	Other Operating Expenses	-3,282	-3,494	-97	-75
3.04.06	Equity in the Earnings of Subsidiaries	62,669	166,509	52,121	156,493
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	185,721	567,278	152,063	454,669
3.06	Finance Income (Expenses)	-50,672	-156,163	-39,149	-129,428
3.06.01	Finance Income	38,148	110,438	46,220	119,230
3.06.02	Finance Expenses	-88,820	-266,601	-85,369	-248,658
3.07	Net Income Before Income Taxes	135,049	411,115	112,914	325,241
3.08	Income Tax and Social Contribution on Profit	-11,878	-38,406	-9,012	-20,323
3.08.01	Current	188	-14,252	-5,146	-13,605
3.08.02	Deferred	-12,066	-24,154	-3,866	-6,718
3.09	Net Income from Continuing Operations	123,171	372,709	103,902	304,918
3.11	Net Income for the Period	123,171	372,709	103,902	304,918
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share	0.56005	1.76017	0.49915	1.46451
3.99.01.01	Common Shares				
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.55835	1.74530	0.49766	1.46030

Individual Financial Statements / Statement of Comprehensive Income

(In Thousands of Brazilian Reais)

Code	Description	Current Quarter 07/01/2017 to 09/30/2017	Accumulated for the Current Year 01/01/2017 to 09/30/2017	Equal Quarter from Prior Year 07/01/2016 to 09/30/2016	Accumulated for the Prior Year 01/01/2016 to 09/30/2016
4.01	Net Income for the Period	123,171	372,709	103,902	304,918
4.03	Comprehensive Income for the Period	123,171	372,709	103,902	304,918

Individual Financial Statements / Statement of Cash Flows – Indirect Method**(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2017 to 09/30/2017	Prior Year 01/01/2016 to 09/30/2016
6.01	Net Cash Provided by Operating Activities	-510,969	-280,101
6.01.01	Cash Provided by Operations	2,277,442	1,455,296
6.01.01.01	Net Income for the Period	372,709	304,918
6.01.01.02	Depreciation and Amortization	114,236	83,580
6.01.01.03	Residual Value of Property and Equipment Written Off	1,896,656	1,209,798
6.01.01.04	Deferred Income Tax and Social Contribution	24,154	6,718
6.01.01.05	Equity in the Earnings of Subsidiaries	-166,509	-156,493
6.01.01.06	Other	36,196	6,775
6.01.02	Changes in Assets and Liabilities	-2,543,971	-1,475,472
6.01.02.01	Trade Receivables	-41,616	-43,219
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-2,722,109	-1,647,709
6.01.02.03	Escrow Deposits	-13,228	-807
6.01.02.04	Recoverable Taxes	3,445	-1,578
6.01.02.05	Prepaid Expenses	-17,595	-14,779
6.01.02.06	Other Current and Non-Current Assets	-7,075	-19,868
6.01.02.07	Trade Payables (Except Car Manufacturers)	-3,300	7,143
6.01.02.08	Payroll and Related Taxes	3,025	4,059
6.01.02.09	Income Tax and Social Contribution	14,252	13,605
6.01.02.10	Interest on Loans, Financing, Debentures and Fixed-Rate Swap	246,034	244,790
6.01.02.11	Insurance Premiums	4,259	-3,480
6.01.02.12	Other Current and Non-Current Liabilities	-10,063	-13,629
6.01.03	Other	-244,440	-259,925
6.01.03.01	Income Tax and Social Contribution Paid	-22,969	-13,922
6.01.03.02	Interest on Loans, Financing and Debentures Paid	-221,471	-246,003
6.02	Net Cash Provided by Investing Activities	8,691	163,148
6.02.01	Purchase of Other Property and Equipment	-65,609	-9,455
6.02.02	Purchase of Intangible Assets	-3,436	-4,697
6.02.03	Capital increase in subsidiary	-100,000	0
6.02.04	Dividends from Subsidiaries	177,736	177,300
6.03	Net Cash Provided by Financing Activities	1,011,798	16,119
6.03.01	Loans and Financing - Funding	648,605	0
6.03.02	Loans and Financing - Repayments	-219,544	-1,142
6.03.03	Debentures - Funding	696,072	197,413
6.03.04	Debentures - Repayments	-37,500	-75,000
6.03.05	Dividends	0	-1,042
6.03.06	Interest on Capital	-125,830	-105,401
6.03.09	Treasury Shares	2,083	0
6.03.10	Exercise of Stock Options with Treasury Shares, Net	47,912	1,291
6.05	Increase (Decrease) in Cash and Cash Equivalents	509,520	-100,834
6.05.01	Opening Balance of Cash and Cash Equivalents	1,133,711	881,659
6.05.02	Closing Balance of Cash and Cash Equivalents	1,643,231	780,825

Individual Financial Statements / Statement of Changes in Equity - 01/01/2017 to 09/30/2017

(In Thousands of Brazilian Reais)

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	976,708	33,977	1,186,305	0	0	2,196,990
5.03	Adjusted Opening Balances	976,708	33,977	1,186,305	0	0	2,196,990
5.04	Capital Transactions with Shareholders	523,292	62,218	-523,292	-120,158	0	-57,940
5.04.01	Capital Increases	523,292	0	-523,292	0	0	0
5.04.03	Stock Options Granted Recognized	0	12,223	0	0	0	12,223
5.04.05	Treasury shares sold	0	2,083	0	0	0	2,083
5.04.07	Interest on Capital	0	0	0	-120,158	0	-120,158
5.04.08	Exercise of Stock Options with Treasury Shares	0	47,912	0	0	0	47,912
5.05	Total Comprehensive Income	0	0	0	372,709	0	372,709
5.05.01	Net Income for the Period	0	0	0	372,709	0	372,709
5.07	Closing Balances	1,500,000	96,195	663,013	252,551	0	2,511,759

Individual Financial Statements / Statement of Changes in Equity - 01/01/2016 to 09/30/2016

(In Thousands of Brazilian Reais)

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity
5.01	Opening Balances	976,708	35,923	928,946	0	0	1,941,577
5.03	Adjusted Opening Balances	976,708	35,923	928,946	0	0	1,941,577
5.04	Capital Transactions with Shareholders	0	4,904	0	-105,248	0	-100,344
5.04.03	Stock Options Granted Recognized	0	3,613	0	0	0	3,613
5.04.07	Interest on Capital	0	0	0	-105,248	0	-105,248
5.04.08	Exercise of Stock Options with Treasury Shares	0	1,291	0	0	0	1,291
5.05	Total Comprehensive Income	0	0	0	304,918	0	304,918
5.05.01	Net Income for the Period	0	0	0	304,918	0	304,918
5.07	Closing Balances	976,708	40,827	928,946	199,670	0	2,146,151

Individual Financial Statements / Statement of Value Added**(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2017 to 09/30/2017	Prior Year 01/01/2016 to 09/30/2016
7.01	Revenues	3,402,988	2,391,124
7.01.01	Sales of Goods, Products and Services	3,400,164	2,391,278
7.01.03	Revenues Related to the Construction of Own Assets	8,792	4,341
7.01.04	Allowance for/Reversal of Doubtful Debts	-5,968	-4,495
7.02	Inputs Acquired from Third Parties	-2,288,798	-1,512,774
7.02.01	Cost of Products, Goods and Services Sold	-2,126,250	-1,388,005
7.02.02	Materials, Power, Third-Party Services and Other	-162,548	-124,769
7.03	Gross Value Added	1,114,190	878,350
7.04	Retentions	-114,236	-83,580
7.04.01	Depreciation, Amortization and Depletion	-114,236	-83,580
7.05	Net Wealth Created	999,954	794,770
7.06	Wealth Received in Transfer	276,947	275,723
7.06.01	Equity in the Earnings of Subsidiaries	166,509	156,493
7.06.02	Finance Income	110,438	119,230
7.07	Total Wealth for Distribution	1,276,901	1,070,493
7.08	Wealth Distributed	1,276,901	1,070,493
7.08.01	Personnel	312,280	251,788
7.08.01.01	Salaries and Wages	229,923	194,409
7.08.01.02	Benefits	52,652	40,554
7.08.01.03	Severance Pay Fund (FGTS)	17,305	13,212
7.08.01.04	Other	12,400	3,613
7.08.02	Taxes, Fees and Contributions	194,174	149,488
7.08.02.01	Federal	124,845	98,977
7.08.02.02	State	52,639	40,384
7.08.02.03	Municipal	16,690	10,127
7.08.03	Lenders and Lessors	397,738	364,299
7.08.03.01	Interest	266,601	248,658
7.08.03.02	Rentals	120,329	106,567
7.08.03.03	Other	10,808	9,074
7.08.03.03.01	Other Rentals	10,808	9,074
7.08.04	Shareholders	372,709	304,918
7.08.04.01	Interest on Capital	120,158	105,248
7.08.04.03	Retained Earnings (Loss for the Period)	252,551	199,670

Consolidated Financial Statements / Balance Sheet – Assets**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 09/30/2017	Prior Year 12/31/2016
1	Total Assets	10,001,916	7,417,255
1.01	Current Assets	2,680,114	2,242,761
1.01.01	Cash and Cash Equivalents	1,939,356	1,692,261
1.01.03	Accounts Receivable	507,067	424,528
1.01.03.01	Trade Receivables	507,067	424,528
1.01.06	Recoverable Taxes	26,578	31,539
1.01.06.01	Current Recoverable Taxes	26,578	31,539
1.01.07	Prepaid Expenses	32,727	5,134
1.01.08	Other Current Assets	174,386	89,299
1.01.08.01	Non-Current Assets Available for Sale	88,289	8,787
1.01.08.03	Other	86,097	80,512
1.01.08.03.01	Derivatives - Swap	0	2,210
1.01.08.03.02	Other	86,097	78,302
1.02	Non-Current Assets	7,321,802	5,174,494
1.02.01	Long-Term Assets	191,252	70,765
1.02.01.03	Accounts Receivable	2,930	3,169
1.02.01.03.01	Trade Receivables	2,930	3,169
1.02.01.06	Deferred Taxes	44,178	0
1.02.01.06.01	Deferred Income Tax and Social Contribution	44,178	0
1.02.01.09	Other Non-Current Assets	144,144	67,596
1.02.01.09.03	Escrow Deposits	82,687	60,127
1.02.01.09.04	Other	83	83
1.02.01.09.06	Derivatives - Swap	17,556	7,386
1.02.01.09.07	Investments in restricted accounts	40,000	0
1.02.01.09.08	Recoverable Taxes	3,818	0
1.02.03	Property and Equipment	7,038,022	5,020,596
1.02.03.01	Property and Equipment in Use	6,469,270	4,477,966
1.02.03.02	Leased Property and Equipment	561,890	536,430
1.02.03.03	Constructions in Progress	6,862	6,200
1.02.04	Intangible Assets	92,528	83,133
1.02.04.01	Intangible Assets	92,528	83,133
1.02.04.01.01	Concession Agreement	1,287	0
1.02.04.01.02	Goodwill on Acquisition of Investments	36,191	22,077
1.02.04.01.03	Software in Service	54,968	60,897
1.02.04.01.04	Leased Software	82	159

Consolidated Financial Statements / Balance Sheet – Liabilities**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 09/30/2017	Prior Year 12/31/2016
2	Total Liabilities	10,001,916	7,417,255
2.01	Current Liabilities	2,487,505	1,841,699
2.01.01	Payroll and Related Taxes	103,650	94,982
2.01.01.01	Payroll Taxes	13,578	11,918
2.01.01.02	Related Taxes	90,072	83,064
2.01.02	Trade Payables	1,652,649	910,901
2.01.02.01	Domestic Suppliers	1,652,642	910,894
2.01.02.02	Foreign Suppliers	7	7
2.01.03	Taxes Payable	39,534	36,589
2.01.03.01	Federal Taxes Payable	36,653	34,021
2.01.03.01.01	Income Tax and Social Contribution Payable	29,671	23,036
2.01.03.01.02	Other Federal Taxes	6,982	10,985
2.01.03.03	Municipal Taxes Payable	2,881	2,568
2.01.04	Loans and Financing	547,038	654,586
2.01.04.01	Loans and Financing	23,345	253,599
2.01.04.01.01	In Local Currency	23,345	25,445
2.01.04.01.02	In Foreign Currency	0	228,154
2.01.04.02	Debentures	288,412	181,596
2.01.04.03	Finance Lease	235,281	219,391
2.01.05	Other Payables	144,634	144,641
2.01.05.02	Other	144,634	144,641
2.01.05.02.01	Dividends and Interest on Capital Payable	34,929	39,749
2.01.05.02.04	Other Current Liabilities	103,091	104,892
2.01.05.02.05	Derivatives - Swaps	6,614	0
2.02	Non-Current Liabilities	5,002,652	3,378,566
2.02.01	Loans and Financing	4,632,534	3,131,303
2.02.01.01	Loans and Financing	1,168,903	520,174
2.02.01.01.01	In Local Currency	1,168,903	520,174
2.02.01.02	Debentures	3,380,929	2,530,072
2.02.01.03	Finance Lease	82,702	81,057
2.02.02	Other Payables	56,253	7,223
2.02.02.02	Other	56,253	7,223
2.02.02.02.03	Other Non-Current Liabilities	7,261	7,223
2.02.02.02.04	Derivatives - Swaps	8,992	0
2.02.02.02.05	Restricted obligations	40,000	0
2.02.03	Deferred Taxes	213,825	171,913
2.02.03.01	Deferred Income Tax and Social Contribution	213,825	171,913
2.02.04	Provisions	95,820	63,074
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	95,820	63,074
2.02.04.01.01	Provisions for Tax Risks	28,957	5,789
2.02.04.01.02	Provisions for Social Security and Labor Risks	45,674	39,228
2.02.04.01.04	Provisions for Civil Risks	21,189	18,057
2.02.06	Unearned Profit and Revenue	4,220	5,053
2.02.06.02	Unearned Revenue	4,220	5,053
2.03	Consolidated Equity	2,511,759	2,196,990
2.03.01	Paid-In Capital	1,500,000	976,708

Consolidated Financial Statements / Balance Sheet – Liabilities**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 09/30/2017	Prior Year 12/31/2016
2.03.02	Capital Reserves	96,195	33,977
2.03.02.05	Treasury Shares	-55,526	-95,826
2.03.02.07	Share Issuance Premium and Stock Options Granted	151,721	129,803
2.03.04	Earnings Reserves	663,013	1,186,305
2.03.04.01	Legal Reserve	120,625	120,625
2.03.04.02	Statutory Reserve	305,495	828,787
2.03.04.05	Earnings Retention Reserve	236,893	236,893
2.03.05	Retained Earnings (Accumulated Losses)	252,551	0

Consolidated Financial Statements / Income Statement**(In Thousands of Brazilian Reais)**

Code	Description	Current Quarter 07/01/2017 to 09/30/2017	Accumulated for the Current Year 01/01/2017 to 09/30/2017	Equal Quarter from Prior Year 07/01/2016 to 09/30/2016	Accumulated for the Prior Year 01/01/2016 to 09/30/2016
3.01	Revenue from Sales and/or Services	1,563,384	4,248,744	1,123,166	3,133,274
3.02	Cost of Sales and/or Services	-1,151,208	-3,083,885	-807,144	-2,190,409
3.03	Gross Profit	412,176	1,164,859	316,022	942,865
3.04	Operating Income (Expenses)	-169,865	-456,952	-128,264	-373,637
3.04.01	Selling Expenses	-115,032	-323,642	-91,390	-259,339
3.04.02	General and Administrative Expenses	-50,982	-129,224	-36,768	-114,184
3.04.05	Other Operating Expenses	-3,851	-4,086	-106	-114
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	242,311	707,907	187,758	569,228
3.06	Finance Income (Expenses)	-79,352	-221,347	-53,709	-170,867
3.06.01	Finance Income	51,881	159,504	58,951	158,881
3.06.02	Finance Expenses	-131,233	-380,851	-112,660	-329,748
3.07	Net Income Before Income Taxes	162,959	486,560	134,049	398,361
3.08	Income Tax and Social Contribution on Profit	-39,788	-113,851	-30,147	-93,443
3.08.01	Current	-29,720	-87,960	-19,939	-64,299
3.08.02	Deferred	-10,068	-25,891	-10,208	-29,144
3.09	Net Income from Continuing Operations	123,171	372,709	103,902	304,918
3.11	Net Income for the Period	123,171	372,709	103,902	304,918
3.11.01	Attributable to the Company's Owners	123,171	372,709	103,902	304,918
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share	0.56005	1.76017	0.49915	1.46451
3.99.01.01	Common Shares				
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.55835	1.7453	0.49766	1.46030

Consolidated Financial Statements / Statement of Comprehensive Income

(In Thousands of Brazilian Reais)

Code	Description	Current Quarter 07/01/2017 to 09/30/2017	Accumulated for the Current Year 01/01/2017 to 09/30/2017	Equal Quarter from Prior Year 07/01/2016 to 09/30/2016	Accumulated for the Prior Year 01/01/2016 to 09/30/2016
4.01	Consolidated Net Income for the Period	123,171	372,709	103,902	304,918
4.03	Consolidated Comprehensive Income for the Period	123,171	372,709	103,902	304,918
4.03.01	Attributable to the Company's Owners	123,171	372,709	103,902	304,918

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method**(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2017 to 09/30/2017	Prior Year 01/01/2016 to 09/30/2016
6.01	Net Cash Provided by Operating Activities	-539,351	-117,561
6.01.01	Cash Provided by Operations	2,819,128	1,955,939
6.01.01.01	Net Income for the Period	372,709	304,918
6.01.01.02	Depreciation and Amortization	198,498	175,527
6.01.01.03	Residual Value of Property and Equipment Written Off	2,178,810	1,438,375
6.01.01.04	Deferred Income Tax and Social Contribution	25,891	29,144
6.01.01.05	Other	43,220	7,975
6.01.02	Changes in Assets and Liabilities	-2,960,127	-1,668,431
6.01.02.01	Trade Receivables	-66,043	-9,130
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-3,291,339	-2,018,298
6.01.02.03	Escrow Deposits	-17,042	-3,242
6.01.02.04	Recoverable Taxes	3,026	-2,885
6.01.02.05	Prepaid Expenses	-23,137	19,768
6.01.02.06	Other Current and Non-Current Assets	-2,831	-26,403
6.01.02.07	Trade Payables (Except Car Manufacturers)	-5,139	7,121
6.01.02.08	Payroll and Related Taxes	1,933	3,126
6.01.02.09	Income Tax and Social Contribution	87,960	64,299
6.01.02.10	Interest on Loans, Financing, Debentures and Fixed-Rate Swap	363,308	321,194
6.01.02.11	Insurance Premiums	4,259	-3,480
6.01.02.12	Other Current and Non-Current Liabilities	-15,082	-20,501
6.01.03	Other	-398,352	-405,069
6.01.03.01	Income Tax and Social Contribution Paid	-81,658	-73,792
6.01.03.02	Interest on Loans, Financing and Debentures Paid	-316,694	-331,277
6.02	Net Cash Provided by Investing Activities	-492,434	-79,014
6.02.01	Purchase of Other Property and Equipment	-149,916	-72,714
6.02.02	Purchase of Intangible Assets	-4,830	-6,300
6.02.04	Acquisition of investment, net of acquired cash and cash equivalents	-337,688	0
6.03	Net Cash Provided by Financing Activities	1,278,880	-19,194
6.03.01	Loans and Financing - Funding	867,389	187,664
6.03.02	Loans and Financing - Repayments	-420,921	-224,119
6.03.03	Debentures - Funding	1,195,747	197,413
6.03.04	Debentures - Repayments	-287,500	-75,000
6.03.05	Dividends	0	-1,042
6.03.06	Interest on Capital	-125,830	-105,401
6.03.08	Treasury Shares	2,083	0
6.03.09	Exercise of Stock Options with Treasury Shares, Net	47,912	1,291
6.05	Increase (Decrease) in Cash and Cash Equivalents	247,095	-215,769
6.05.01	Opening Balance of Cash and Cash Equivalents	1,692,261	1,385,103
6.05.02	Closing Balance of Cash and Cash Equivalents	1,939,356	1,169,334

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2017 to 09/30/2017

(In Thousands of Brazilian Reais)

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	976,708	33,977	1,186,305	0	0	2,196,990	0	2,196,990
5.03	Adjusted Opening Balances	976,708	33,977	1,186,305	0	0	2,196,990	0	2,196,990
5.04	Capital Transactions with Shareholders	523,292	62,218	-523,292	-120,158	0	-57,940	0	-57,940
5.04.01	Capital Increases	523,292	0	-523,292	0	0	0	0	0
5.04.03	Stock Options Granted Recognized	0	12,223	0	0	0	12,223	0	12,223
5.04.05	Treasury shares sold	0	2,083	0	0	0	2,083	0	2,083
5.04.07	Interest on Capital	0	0	0	-120,158	0	-120,158	0	-120,158
5.04.08	Exercise of Stock Options with Treasury Shares	0	47,912	0	0	0	47,912	0	47,912
5.05	Total Comprehensive Income	0	0	0	372,709	0	372,709	0	372,709
5.05.01	Net Income for the Period	0	0	0	372,709	0	372,709	0	372,709
5.07	Closing Balances	1,500,000	96,195	663,013	252,551	0	2,511,759	0	2,511,759

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2016 to 09/30/2016

(In Thousands of Brazilian Reais)

Code	Description	Paid-In Capital	Capital Reserves, Stock Options Granted and Treasury Share	Earnings Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income	Equity	Noncontrolling Interests	Consolidated Equity
5.01	Opening Balances	976,708	35,923	928,946	0	0	1,941,577	0	1,941,577
5.03	Adjusted Opening Balances	976,708	35,923	928,946	0	0	1,941,577	0	1,941,577
5.04	Capital Transactions with Shareholders	0	4,904	0	-105,248	0	-100,344	0	-100,344
5.04.03	Stock Options Granted Recognized	0	3,613	0	0	0	3,613	0	3,613
5.04.07	Interest on Capital	0	0	0	-105,248	0	-105,248	0	-105,248
5.04.08	Exercise of Stock Options with Treasury Shares	0	1,291	0	0	0	1,291	0	1,291
5.05	Total Comprehensive Income	0	0	0	304,918	0	304,918	0	304,918
5.05.01	Net Income for the Period	0	0	0	304,918	0	304,918	0	304,918
5.07	Closing Balances	976,708	40,827	928,946	199,670	0	2,146,151	0	2,146,151

Consolidated Financial Statements / Statement of Value Added**(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2017 to 09/30/2017	Prior Year 01/01/2016 to 09/30/2016
7.01	Revenues	4,314,859	3,186,607
7.01.01	Sales of Goods, Products and Services	4,313,443	3,187,567
7.01.03	Revenues Related to the Construction of Own Assets	8,792	4,341
7.01.04	Allowance for/Reversal of Doubtful Debts	-7,376	-5,301
7.02	Inputs Acquired from Third Parties	-2,660,209	-1,821,416
7.02.01	Cost of Products, Goods and Services Sold	-2,481,970	-1,686,836
7.02.02	Materials, Power, Third-Party Services and Other	-178,239	-134,580
7.03	Gross Value Added	1,654,650	1,365,191
7.04	Retentions	-198,498	-175,527
7.04.01	Depreciation, Amortization and Depletion	-198,498	-175,527
7.05	Net Wealth Created	1,456,152	1,189,664
7.06	Wealth Received in Transfer	159,504	158,881
7.06.02	Finance Income	159,504	158,881
7.07	Total Wealth for Distribution	1,615,656	1,348,545
7.08	Wealth Distributed	1,615,656	1,348,545
7.08.01	Personnel	400,405	328,087
7.08.01.01	Salaries and Wages	302,680	258,003
7.08.01.02	Benefits	63,180	48,809
7.08.01.03	Severance Pay Fund (FGTS)	22,145	17,662
7.08.01.04	Other	12,400	3,613
7.08.02	Taxes, Fees and Contributions	325,025	267,740
7.08.02.01	Federal	231,159	196,439
7.08.02.02	State	71,767	57,442
7.08.02.03	Municipal	22,099	13,859
7.08.03	Lenders and Lessors	517,517	447,800
7.08.03.01	Interest	380,851	329,748
7.08.03.02	Rentals	125,476	108,596
7.08.03.03	Other	11,190	9,456
7.08.03.03.01	Other Rentals	11,190	9,456
7.08.04	Shareholders	372,709	304,918
7.08.04.01	Interest on Capital	120,158	105,248
7.08.04.03	Retained Earnings (Loss for the Period)	252,551	199,670

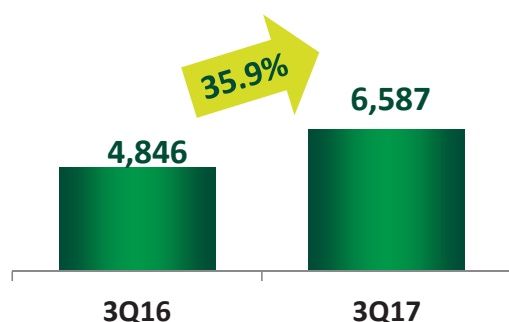
185,390 cars

Fleet as of 09/30/2017

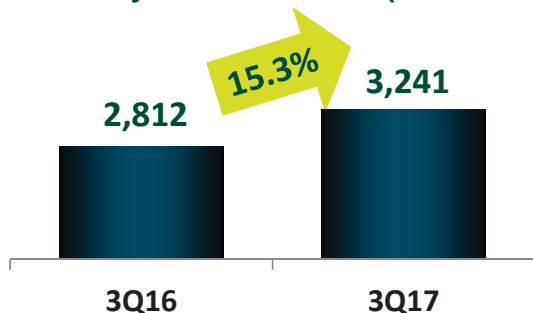
Localiza acquired Hertz Brasil in September and took over the operation of 17 franchised locations in the end of the first semester. In order to preserve the comparability of this quarter's financials to previous quarters, **we are presenting the financials for 3Q17 and 9M17 (EBITDA, EBIT and Net Income) adjusted by the one-time costs** incurred due to the events aforementioned.

Operational Highlights

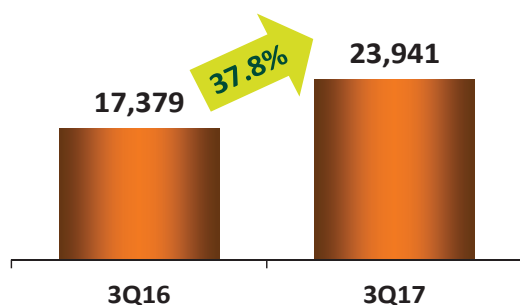
Rental days – Car Rental (thousands)



Rental days – Fleet Rental (thousands)

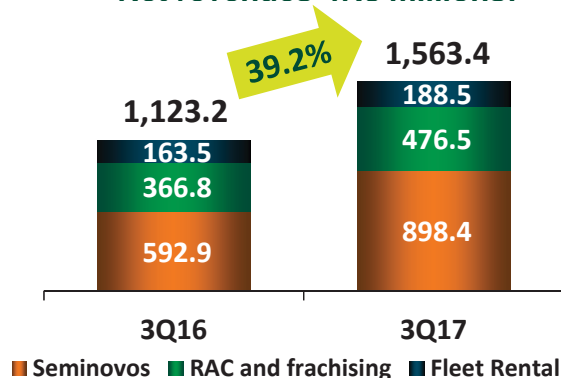


Cars Sold

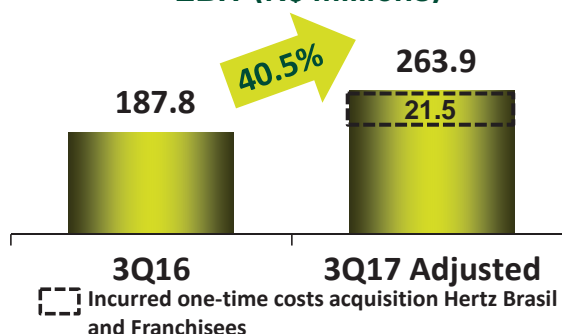


Financial Highlights

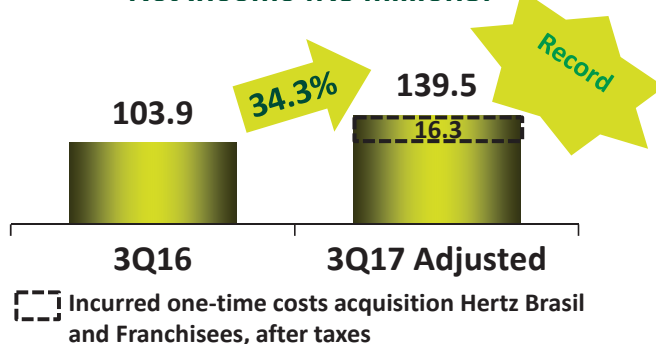
Net revenues (R\$ millions)



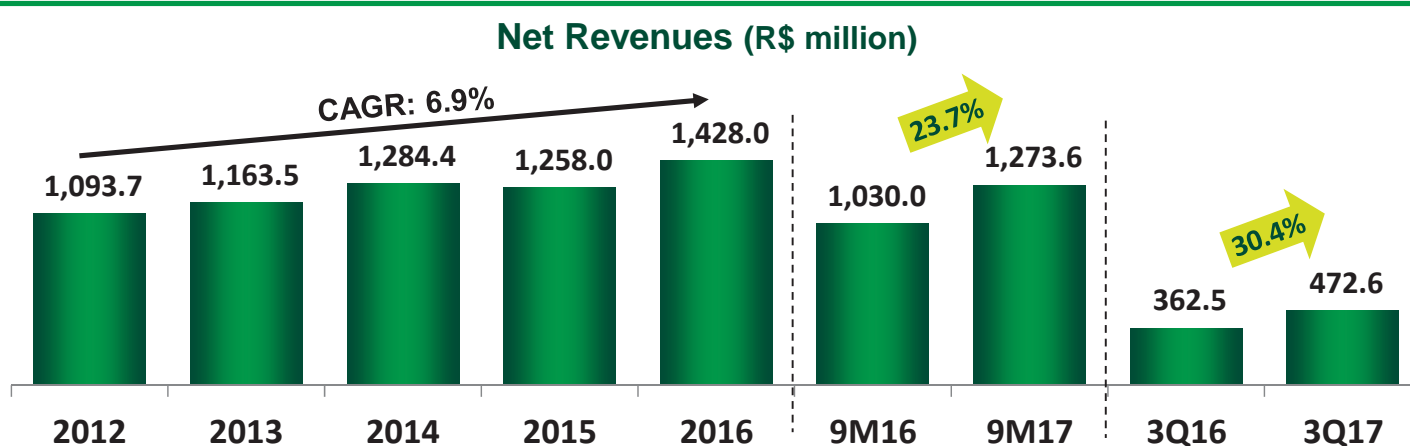
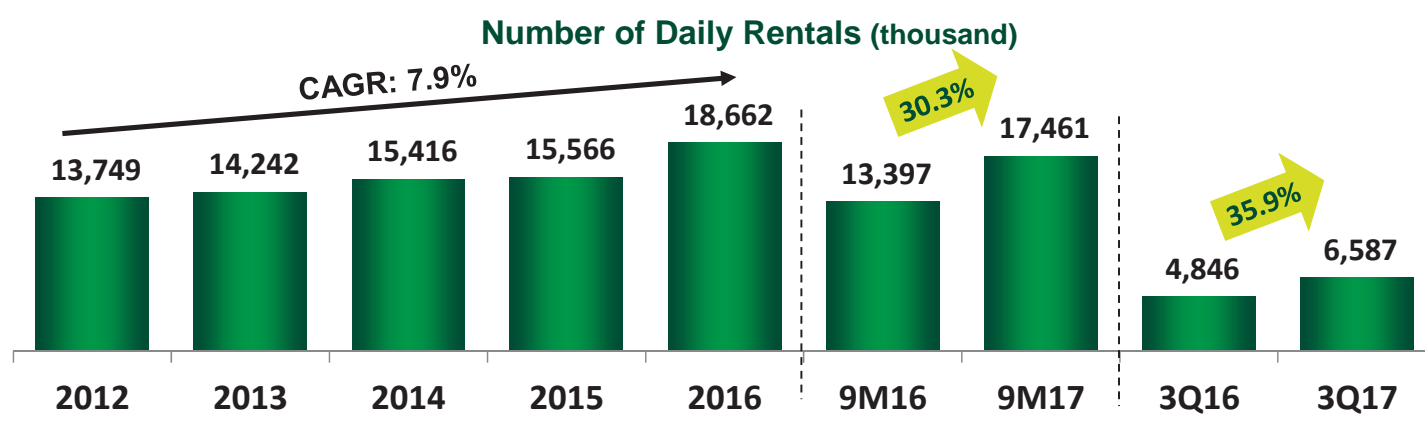
EBIT (R\$ millions)



Net Income (R\$ millions)



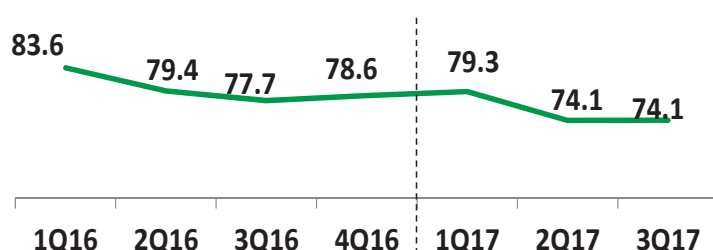
1 – Rent a Car



In 3Q17, daily rentals volume on the **Rent a Car Division** increased by 35.9% and net revenues increased by 30.4%, reflecting the 4.6% decrease in the average daily rate, when compared to 3Q16.

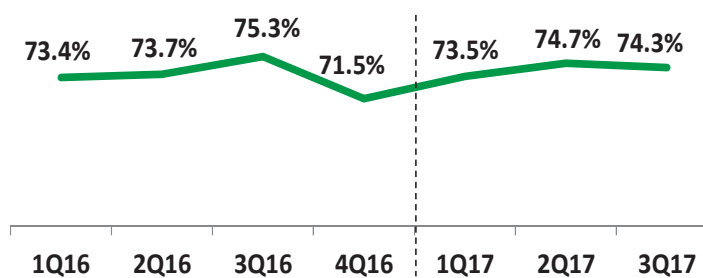
In 9M17, net revenues increased by 23.7% due to the 30.3% increase in the daily rentals volume, partially compensated by the 5.5% decrease in the average daily rate when compared to 9M16.

Average daily rental rate evolution Car Rental- In R\$



The average rental rate remained flat at R\$74.1 when compared with 2Q17.

Utilization Rate Evolution Car Rental



The utilization rate was 74.3%, flattish when compared with 2Q17, when it reached 74.7%.

Localiza's criteria to measure utilization rate includes the transportation period from the auto manufacturer to the rental location, as well as the rental period and the decommissioning of the cars.

1 – Rent a Car

Integration of Hertz Brasil and 17 Franchised Locations

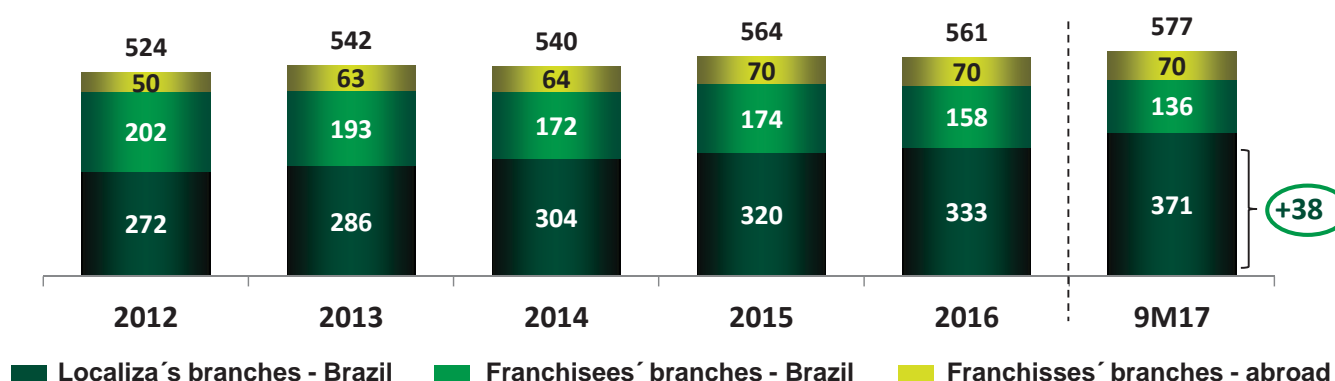
The integration of Hertz Brasil's operations occurred on September 1st, added 3,304 cars¹ to the **Rent a Car Division**, while other 1,317 cars¹ were decommissioned for sale for being over 12 months old. The absorption of the 3,304 cars represented 3.2% of the average operating fleet in September 2017. As of September 1st, Hertz's reservations started to be booked in Localiza's system and are incorporated to the quarter's growth figures.

Hertz Brasil's integration will involve one-time costs estimated in R\$68.8 million regarding expenses with publicity of the new brand Localiza Hertz and restructuring of the rental locations network aimed at capturing synergies. From the total estimated one-time costs, R\$8.8 million have already been incurred on 3Q17 and the remaining R\$60.0 million shall be incurred on 4Q17. The impact of Hertz Brasil's acquisition on revenues will be fully reflected as of the 4Q17.

The integration of 17 franchised locations in the end of the first semester represented an impact of R\$12.7 million on costs for the **Rent a Car Division** in 3Q17 and represented 1.4p.p. of the quarter's daily rentals growth.

1.1 – Distribution network

Number of car rental locations (Brazil and abroad)



In 9M17, the corporate branch network (excluding Hertz Brasil's network) grew by 38 branches, from 333 locations as of December 31, 2016 to 371 on September 30, 2017. The new branches added to the network include 17 franchised branches that were incorporated in June.

In the end of September, 2017, the Localiza System was composed by 577 branches, of which 507 are spread throughout Brazil and 70 are located on 6 other countries in South America.

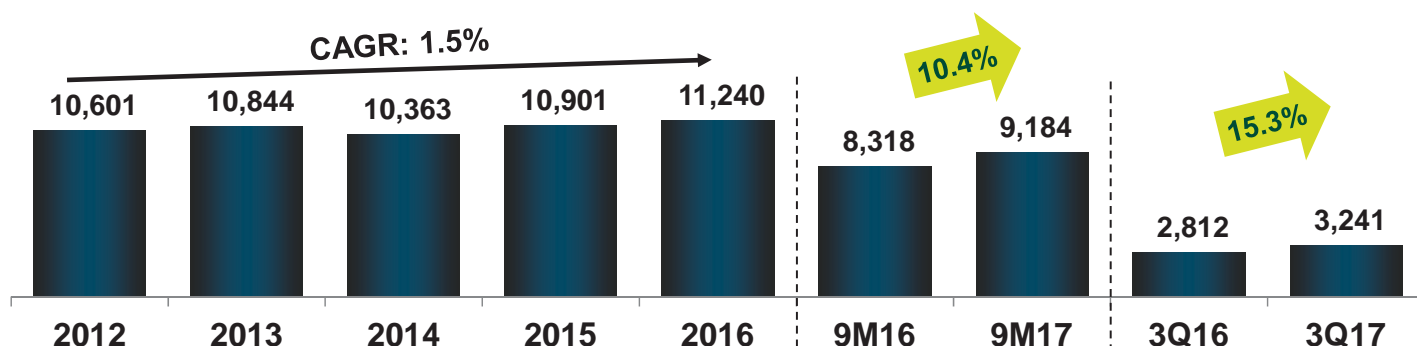
Integration of Hertz Brasil's Operations

Hertz Brasil owned, on the closing date, 15 branches in airports and 29 branches off-airports. In the end of the integration process, we expect to 7 branches that belonged to Hertz Brasil to remain operational.

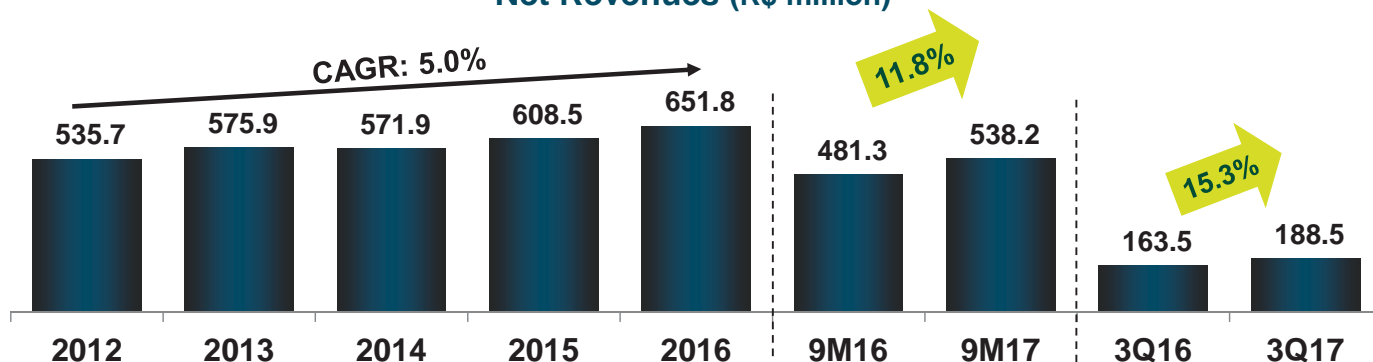
¹ The difference of 192 cars when compared to the 4,813 figure disclosed in the material fact released on August 31, 2017 refers to the stolen cars that were provisioned on Hertz Brasil's balance sheet and were written-off after the acquisition.

2 – Fleet Rental

Number of Daily Rentals (thousand)



Net Revenues (R\$ million)



In 3Q17, the **Fleet Rental Division** showed a 15.3% growth on daily rentals and revenues when compared to the previous year. In 9M17, net revenues on this Division increased by 11.8%, due to the 10.4% increase in daily rentals and 2.3% increase on the average rental rate.

The average rental rate on the **Fleet Rental Division** reflects the incoming of new contracts signed in a scenario of lower depreciation and interest rates.

Integration of Hertz Brasil's Operations

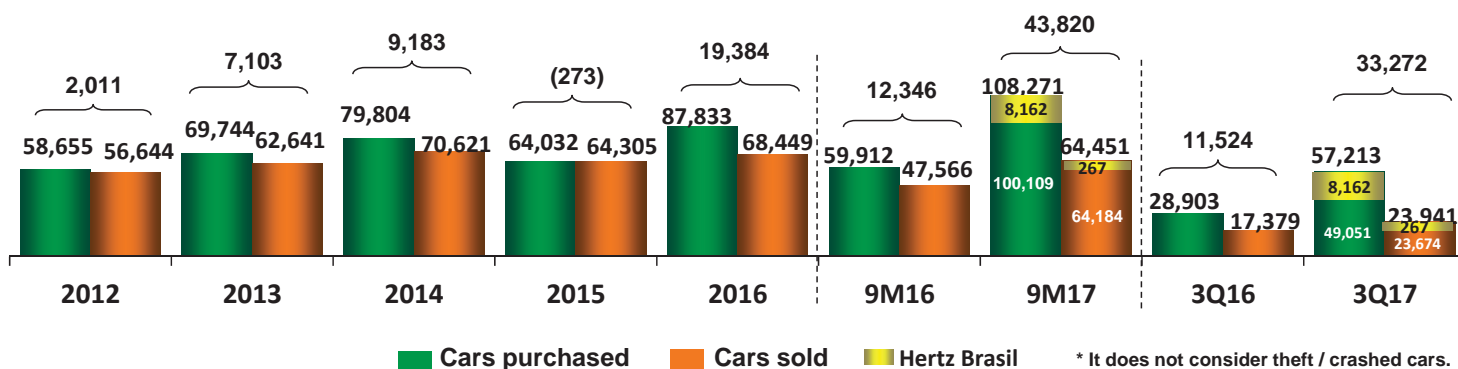
3Q17 financial results have been propelled, from the month of September onwards, by the integration of Hertz Brasil's operations to the **Fleet Rental Division**, which added 3,228 cars² to operations on this division, while other 313 cars² were decommissioned for sale due to the expiration of their respective contracts. The contracts inherited from Hertz Brasil have contributed with 2.8p.p. to 3T17 volume growth. The impact of Hertz Brasil's acquisition on revenues will be fully reflected as of the 4Q17.

² The difference of 32 cars when compared to the 3,573 figure disclosed in the material fact released on August 31, 2017 refers to the stolen cars that were provisioned on Hertz Brasil's balance sheet and were written-off after the acquisition.

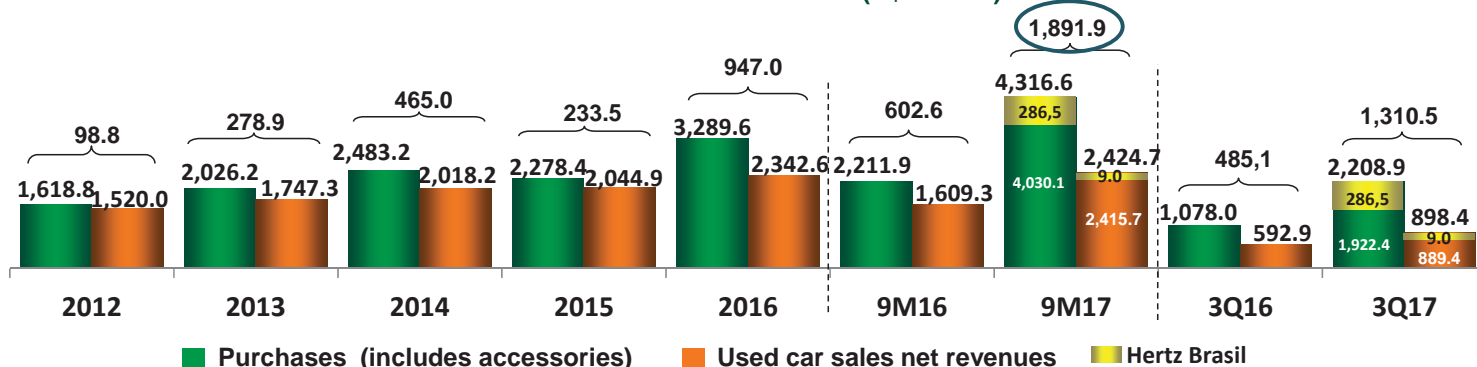
3 – Fleet

3.1 – Net investment in the fleet

Fleet Expansion (reduction)* (quantity)



Net Investment in Fleet (R\$ million)



In 3Q17, 57,213 cars were added to the fleet, of which 49,051 are cars purchased by the Company and 8,162 are cars inherited from Hertz Brasil. We sold 23,941 cars, resulting in a fleet increase of 33,272 cars. The net investment in fleet was of R\$1,310.5 million, of which R\$286.5 refer to the acquisition cost of Hertz Brasil's cars on the closing date. Year to date, the accretion to the fleet is of 43,820 cars, corresponding to a net investment of R\$1,891.9.

Integration of Hertz Brasil's Operations

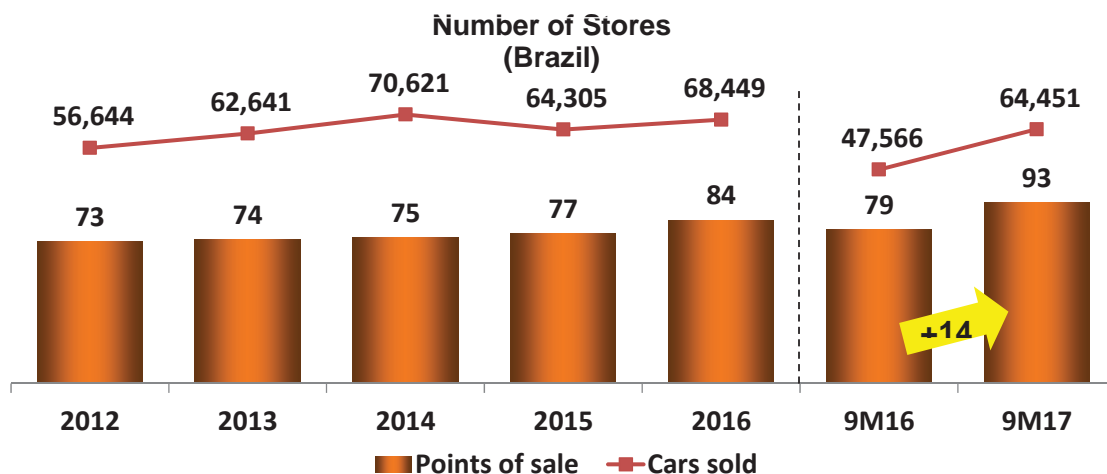
The acquisition of Hertz's operations in Brazil represented a total investment of R\$360.1 million, of which about R\$286.5 million refer to the acquisition cost of the 8,162 cars³ from Hertz's fleet.

From the cars incorporated by the **Rent a Car Division**, 3,304 cars were incorporated to the Localiza fleet and 1,317 were decommissioned for sale due to being over 12 months old. From the cars that were decommissioned, 252 have already been sold and are included in the numbers above.

From the cars incorporated by the **Fleet Rental Division**, 3,228 were incorporated to the Localiza fleet and 313 were decommissioned for sale. From the cars that were decommissioned, 15 have already been sold and are included in the numbers above.

³ The difference of 224 cars when compared to the 8,386 figure disclosed in the material fact released on August 31, 2017 refers to the stolen cars that were provisioned on Hertz Brasil's balance sheet and were written-off after the acquisition.

4 – Seminovos

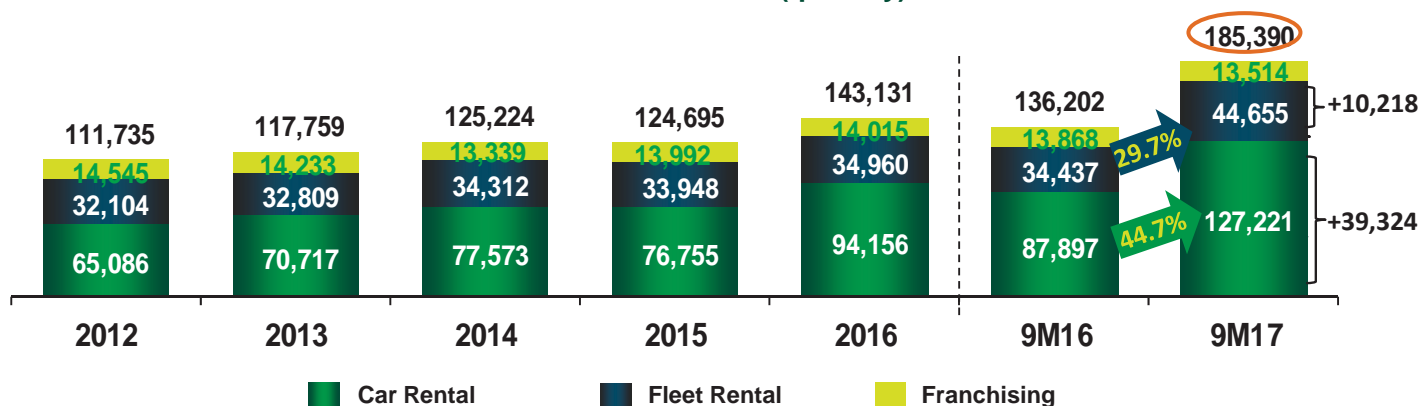


On 09/30/2017, the **Seminovos** car sale network was comprised of 93 stores distributed throughout 60 cities in Brazil.

Due to the strong growth perspectives for Localiza's two business divisions, new stores will be added to the **Seminovos** network in order to support fleet renewal.

5 – End of period fleet

End of Period Fleet (quantity)



On 09/30/2017, Localiza's fleet was comprised of 185,390 cars, including 13,514 cars owned by our franchisees.

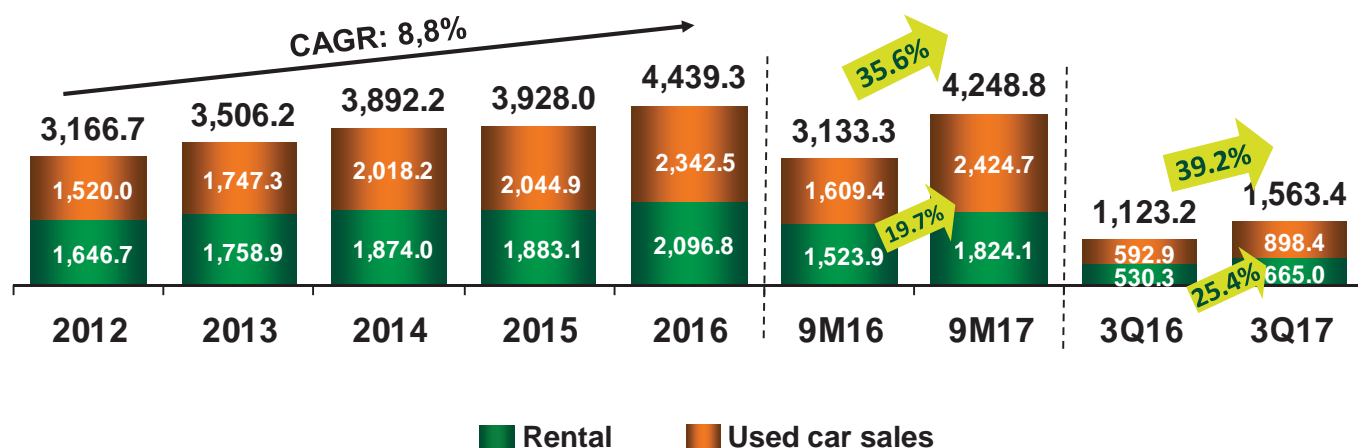
The **Rent a Car Division** fleet grew more than 39 thousand cars in the last 12 months, corresponding to a 44.7% growth.

More than 10 thousand cars were added to the **Fleet Rental Division** in the last 12 months, corresponding to a 29.7% growth.

On 09/30/2017, the fleet included the cars that were added as a result of the acquisition of Hertz's operations in Brazil, which are: (i) 3,304 cars incorporated to the **Rent a Car Division**; (ii) 3,228 cars incorporated to the **Fleet Rental Division**; and (iii) 1,363 available for sale.

6 – Net revenues - consolidated

Consolidated net revenues (R\$ million)



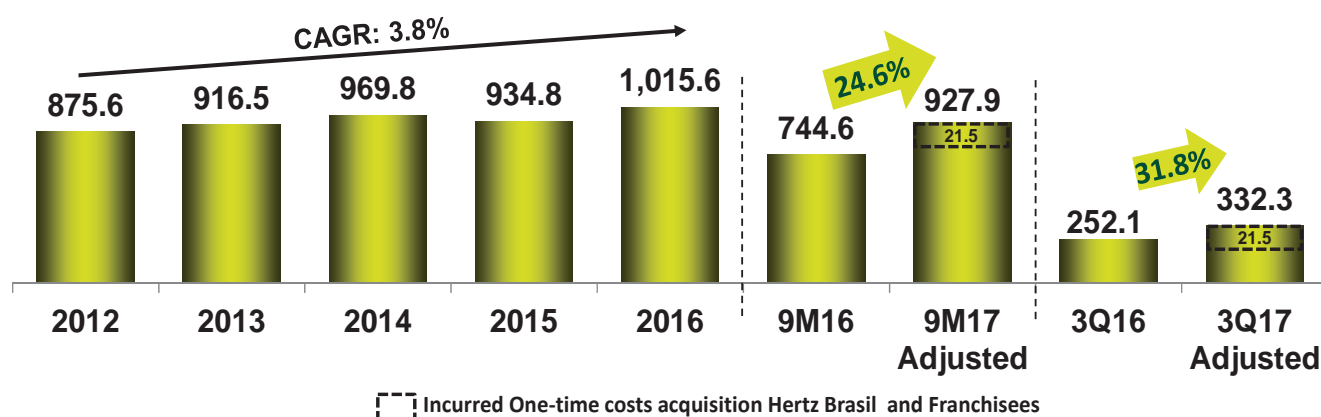
In 3Q17, consolidated net revenues grew 39.2% when compared to 3Q16. Net revenues from the rental divisions increased 25.4%, which reflects a 30.4% growth on the **Rent a Car Division** and 15.3% growth on the **Fleet Rental Division**.

Seminovos car sales saw its net revenues increase by 51.5% in 3Q17 when compared to 3Q16, due to 37.8% growth on the sales volume and 10.0% increase in the average price of cars sold.

In the 9M17, consolidated net revenues grew 35.6%, result of a 19.7% growth in the rental divisions and 50.7% growth in **Seminovos** revenues.

7 – EBITDA

Consolidated EBITDA (R\$ million)



EBITDA margin:

Divisions	2012	2013	2014*	2015	2016	9M16	9M17	3Q16	3Q17
Car Rental	40.9%	36.8%	38.7%	31.8%	32.3%	32.7%	34.2%**	31.9%	32.2%**
Fleet Rental	66.4%	65.5%	60.0%	62.2%	64.5%	64.7%	62.7%	64.5%	63.4%
Rental Consolidated	49.3%	46.5%	45.3%	41.7%	42.3%	42.9%	42.6%**	42.1%	41.0%**
Used Car Sales	4.2%	5.7%	6.0%	7.3%	5.5%	5.6%	6.2%	4.9%	6.6%

(*) From 2014 on, it considers the new appropriation criteria of the overhead, which is also appropriated to Seminovos.

(**) 3Q17 and 9M17 adjusted financials

In 3Q17, Localiza recorded R\$21.5 million in one-time costs due to the acquisition of Hertz's operations in Brazil and the integration of 17 franchised branches, which were accounted for in the **Rent a Car Division**. In order to preserve comparability, we hereby present 3Q17 EBITDA adjusted by the R\$21.5 million one-time costs.

In 3Q17, adjusted consolidated EBITDA totaled R\$332.3 million, a 31.8% increase over the same period last year.

The **Rent a Car Division** adjusted EBITDA margin was 32.2% in 3Q17, in line with 3Q16, even though it was impacted in this quarter by the concentration of mobilization costs due to the aggressive fleet growth and by the increase in marketing expenses.

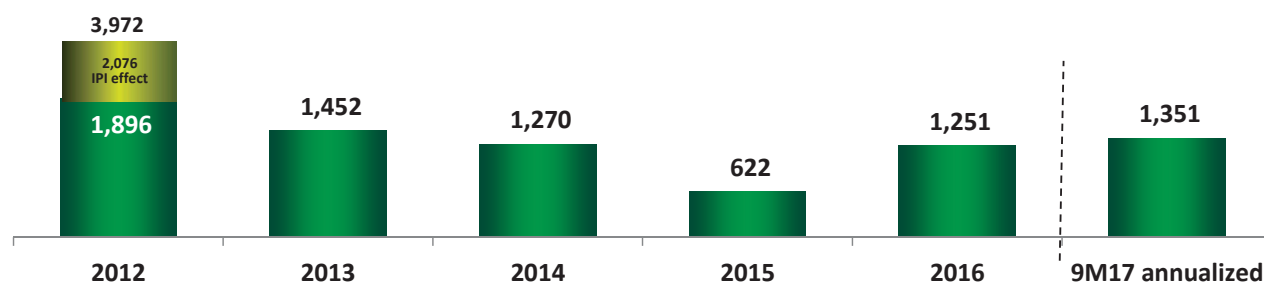
The **Fleet Rental Division** showed an EBITDA margin of 63.4% in 3Q17, lower in 1.1p.p. when compared to 3Q16. The lower EBITDA margin reflects the drop of interest rates as well as lower depreciation, which are passed on to the prices of the contracts of this division.

Seminovos showed an EBITDA margin of 6.6%, a 1.7p.p. increase over 3Q16.

8 – Depreciation

8.1 – Car Rental

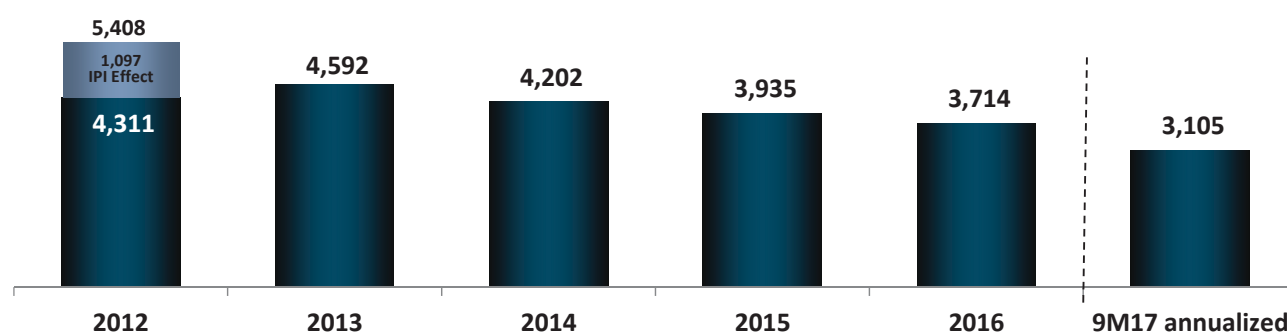
Average depreciation per car (R\$) – Car Rental



In 9M17, the **Rent a Car Division** showed an average annualized depreciation per car of R\$1,351.4, representing a R\$100.2 increase over the 2016 average. Depreciation reflects the Company's expectations regarding sale prices and selling costs.

8.2 – Fleet Rental

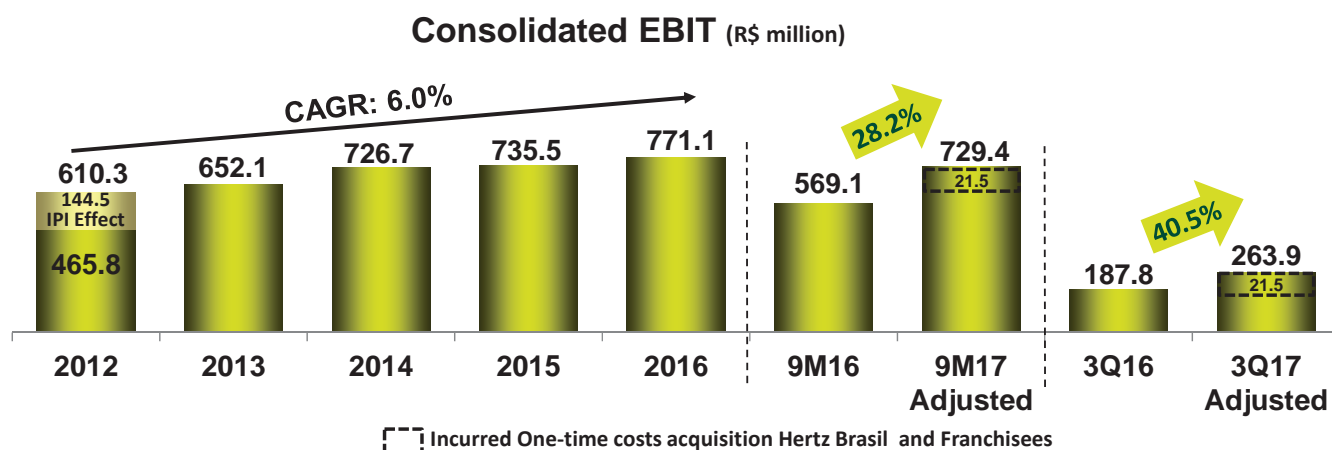
Average depreciation per car (R\$) – Fleet Rental



In 9M17, the **Fleet Rental Division** showed an average annualized depreciation per car of R\$3,105.1, representing a R\$608.9 decrease over the 2016 average.

Due to the longer operational cycle, car depreciation in this Division is benefited by the increases in new car prices throughout its operational life.

9 – EBIT



EBIT margin calculated over rental revenues:

Divisions	2012	2013	2014	2015	2016	9M16	9M17	3Q16	3Q17
Car Rental	23.7%	32.8%	36.2%	34.3%	30.2%	31.0%	34.8%*	28.1%	34.4%*
Fleet Rental	36.9%	45.1%	44.3%	48.9%	51.2%	50.8%	52.7%	51.4%	53.1%
Consolidated	28.3%	37.1%	38.8%	39.1%	36.8%	37.3%	40.0%*	35.4%	39.7%*

(*) 3Q17 and 9M17 adjusted financials

In 3Q17, Localiza recorded R\$21.5 million in one-time costs due to the acquisition of Hertz's operations in Brazil and the integration of 17 franchised branches, which were accounted for in the **Rent a Car Division**. In order to preserve comparability, we hereby present 3Q17 EBIT adjusted by the R\$21.5 million one-time costs.

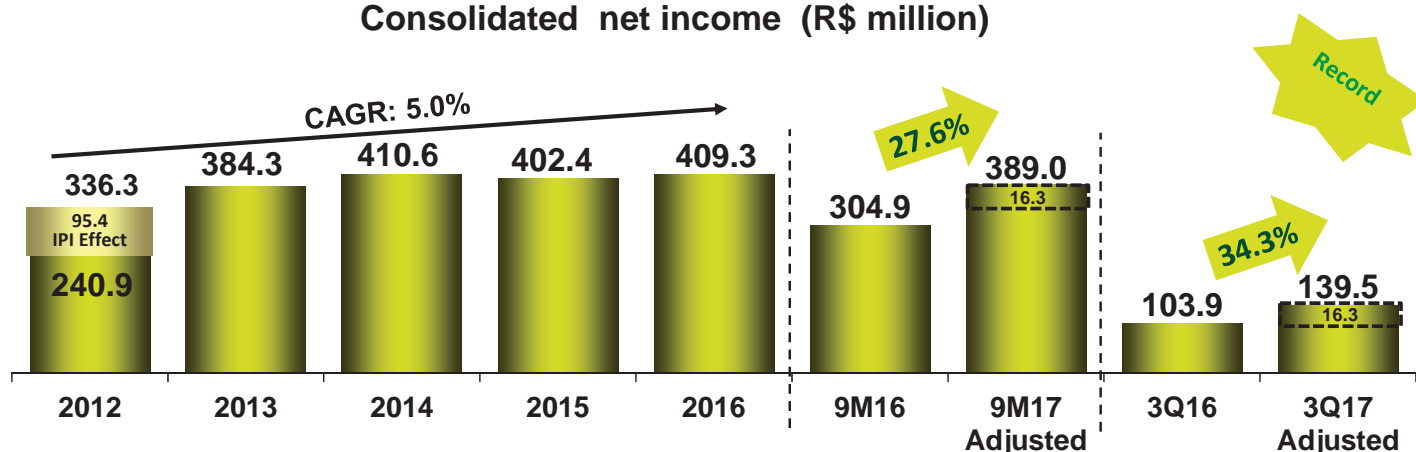
3Q17 adjusted consolidated EBIT reached R\$263.9 million, a 40.5% increase when compared with 2Q16.

The **Rent a Car Division** showed adjusted EBIT margin of 34.4%, which represents a 6.3p.p increase, reflecting lower depreciation per car over 3Q16.

The **Fleet Rental Division** showed EBIT margin of 53.1%, which represents a 1.7p.p increase, reflecting lower depreciation per car over 3Q16.

10 – Consolidated net income

Consolidated net income (R\$ million)



[] Incurred one-time costs acquisition Hertz Brasil and Franchisees, after taxes

Reconciliation EBITDA x Net income	2012	2013	2014	2015	2016	9M16	9M17*	Var. R\$	Var. %	3Q16	3Q17*	Var. R\$	Var. %
Consolidated EBITDA	875.6	916.5	969.8	934.8	1,015.6	744.6	927.9	183.3	24.6%	252.1	332.3	80.2	31.8%
Cars depreciation	(232.4)	(229.0)	(207.4)	(163.6)	(206.3)	(146.8)	(170.2)	(23.4)	15.9%	(54.7)	(58.2)	(3.5)	6.4%
Cars additional depreciation – IPI effect	(144.5)	-	-	-	-	-	-	-	-	-	-	-	-
Other property depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	(28.7)	(28.3)	0.4	-1.4%	(9.6)	(10.2)	(0.6)	6.3%
EBIT	465.8	652.1	726.7	735.5	771.1	569.1	729.4	160.3	28.2%	187.8	263.9	76.1	40.5%
Financial expenses, net	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	(170.8)	(221.3)	(50.5)	29.6%	(53.7)	(79.4)	(25.7)	47.9%
Income tax and social contribution	(135.3)	(157.2)	(165.0)	(130.4)	(118.3)	(93.4)	(119.1)	(25.7)	27.5%	(30.2)	(45.0)	(14.8)	49.0%
Income tax and social contribution – IPI effect	49.1	-	-	-	-	-	-	-	-	-	-	-	-
Net income of the period	240.9	384.3	410.6	402.4	409.3	304.9	389.0	84.1	27.6%	103.9	139.5	35.6	34.3%

(*) 3Q17 and 9M17 adjusted financials

In 3Q17, Localiza recorded R\$21.5 million in one-time costs due to the acquisition of Hertz's operations in Brazil and the integration of 17 franchised branches, which were accounted for in the **Rent a Car Division**. In order to preserve comparability, we hereby present 3Q17 net income, adjusted by R\$16.3 million one-time costs after tax.

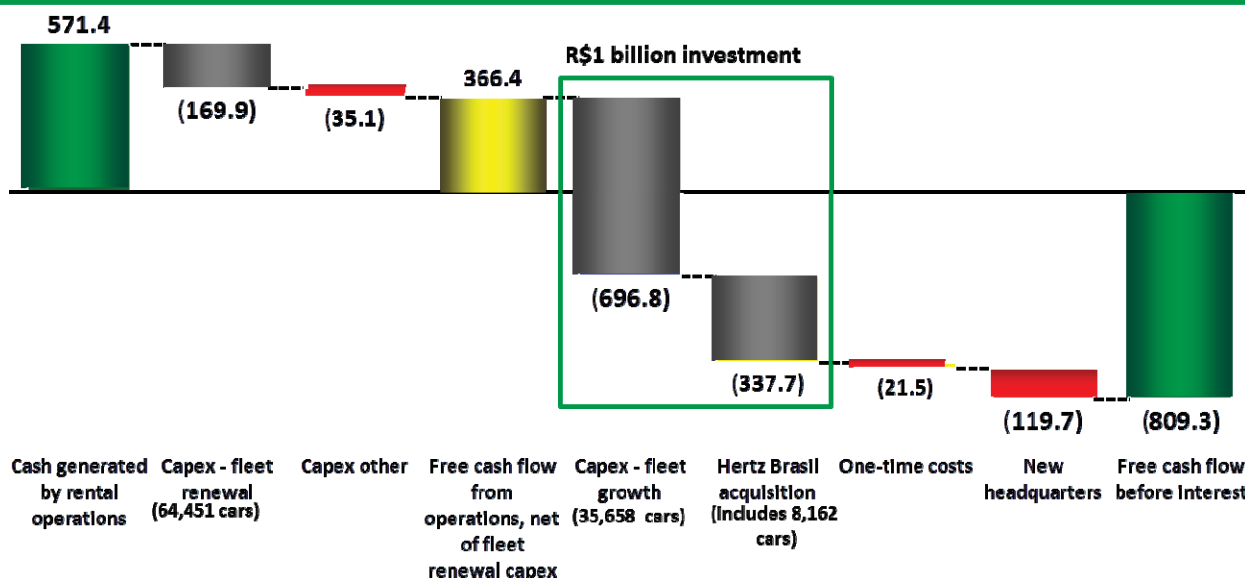
Adjusted net income of R\$139.5 million in the 3Q17, new quarterly record and a 34.3% increase over 3Q16, reflecting:

(+) R\$80.2 million increase in EBITDA;

(-) R\$25.7 million increase in net financial expense, due to the increase in average net debt, which derived mainly from: (i) investments in the purchase of 49,051 cars; and (ii) the R\$360.1 million acquisition price for Hertz Brasil. These effects have been partially compensated by the decrease in interest rates; and

(-) increase in income taxes and social contribution due to the increase in earnings before taxes.

11 – Free cash flow (FCF) – 9M17



Free cash flow - R\$ million		2012	2013	2014	2015	2016	9M17 Adjusted
Operations	EBITDA	875.6	916.5	969.8	934.8	1,015.6	927.9
	Used car sale revenue, net from taxes	(1,520.0)	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(2,424.7)
	Depreciated cost of cars sold	1,360.2	1,543.8	1,777.0	1,769.1	2,102.5	2,178.8
	(-) Income tax and social contribution	(100.9)	(108.5)	(113.1)	(110.7)	(93.3)	(81.7)
	Change in working capital	37.1	2.9	(27.1)	(30.0)	113.2	(28.9)
Cash generated by rental operations		652.0	607.4	588.4	518.3	795.5	571.4
Capex - renewal	Used car sale revenue, net from taxes	1,520.0	1,747.3	2,018.2	2,036.3	2,342.5	2,424.7
	Fleet renewal investment	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(2,594.6)
	Net investment for fleet renewal	(43.3)	(72.4)	(179.5)	(242.1)	(221.1)	(169.9)
	Fleet renewal – quantity	56,644	62,641	70,621	64,032	68,449	64,451
Investment, other property and intangibles investments		(77.8)	(47.5)	(46.3)	(29.7)	(42.2)	(35.1)
Free cash flow from operations, net of fleet renewal capex		530.9	487.5	362.6	246.5	532.2	366.4
Capex - Growth	Fleet growth (investment)	(55.5)	(209.4)	(286.8)	8.6	(726.0)	(1,435.5)
	Change in accounts payable to car suppliers	(116.9)	89.7	334.4	(121.2)	190.7	738.7
	Fleet growth	(172.4)	(119.7)	47.6	(112.6)	(535.3)	(696.8)
	Fleet increase / (reduction) – quantity	2,011	7,103	9,183	(273)	19,384	35,658
Free cash flow after growth, and before interest and new HQ		358.5	367.8	410.2	133.9	(3.1)	(330.4)
Capex - non-recurring	Aquisição Hertz líquida do caixa adquirido (R\$388,1 milhões - R\$22,4 de caixa)	-	-	-	-	-	(337.7)
	Efeito dos one-time costs incorridos	-	-	-	-	-	(21.5)
	New headquarters construction	(2.4)	(6.5)	(148.3)	(30.7)	(84.4)	(119.7)
Free cash flow before interest		356.1	361.3	261.9	103.2	(87.5)	(809.3)

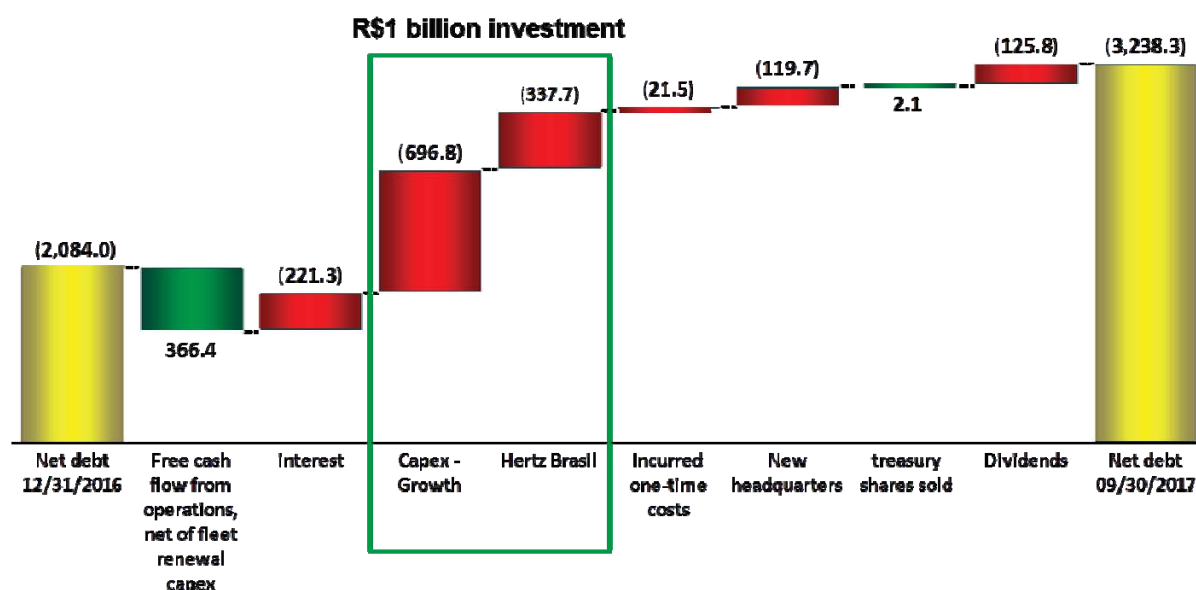
In 9M17, the Company continued to generate strong cash flows before growth in the amount of R\$366.4 million.

The free cash flow before growth, as well as part of the Company's cash, was invested in:

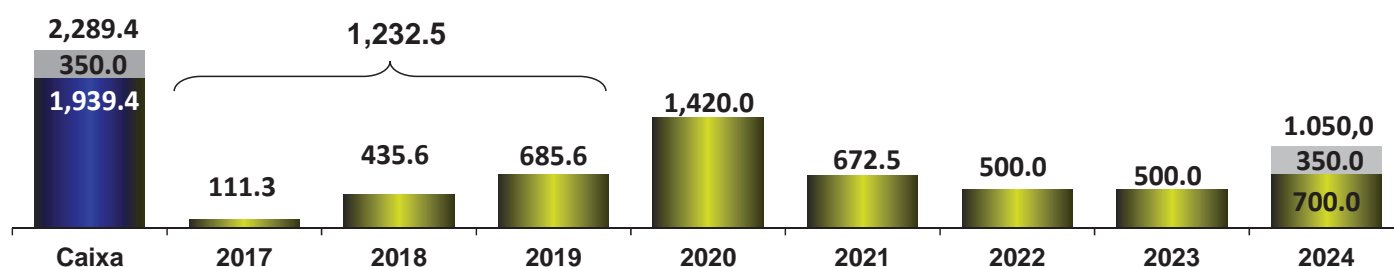
- Addition of 35,658 cars to the fleet (excluding Hertz), a net investment of R\$1,435.5 million, partially offset by the increase in accounts payable of R\$738.7 million;
- The acquisition of Hertz Brasil, which resulted in cash out of R\$337.7 million net of acquired cash;
- One-time costs in the amount of R\$21.5 million; and
- Construction and furniture for the new headquarters in the amount of R\$119.7 million.

12 – Debt

12.1 – Change in debt – R\$ million



12.2 – Debt maturity profile at September 30, 2017 – Principal – R\$ million



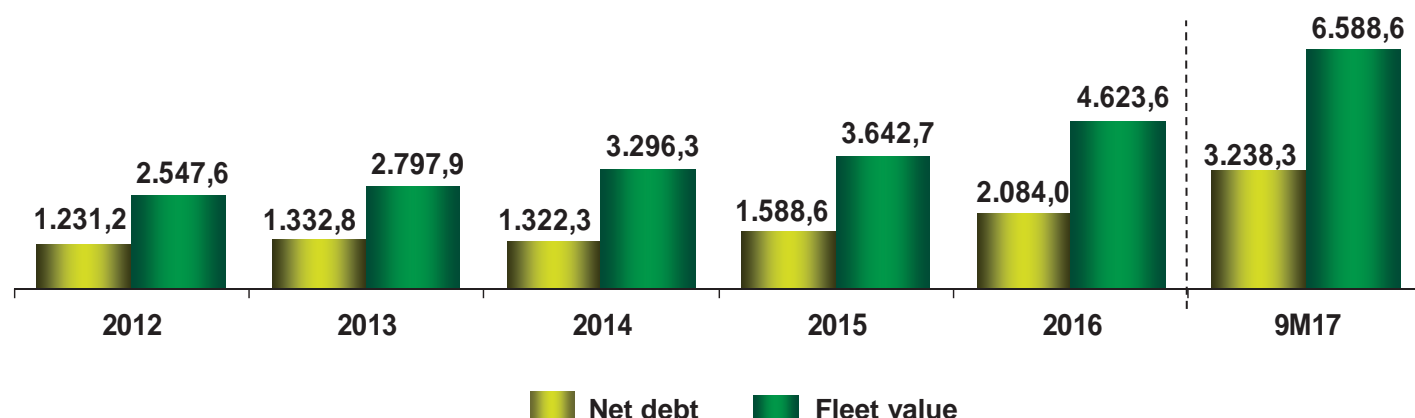
4th issuance of Localiza Fleet completed in October 2017

Debt	Contract rate	2017	2018	2019	2020	2021	2022	2023	2024	Total
Debentures 6th Issuance	CDI + 0.95% pa	30.0	120.0	120.0	-	-	-	-	-	270.0
Debentures 7th Issuance	110.95% CDI	-	75.0	75.0	100.0	100.0	-	-	-	350.0
Debentures 8th Issuance	109.5% CDI	-	-	250.0	250.0	-	-	-	-	500.0
Debentures 9th Issuance	113.2% CDI	-	-	50.0	150.0	300.0	-	-	-	500.0
Debentures 10th Issuance	113.9% CDI	-	-	-	100.0	100.0	-	-	-	200.0
Debentures 11th Issuance	111.5% CDI	-	-	-	-	-	500.0	-	-	500.0
Debentures 12th Issuance	107.25% CDI	-	-	-	-	-	-	-	700.0	700.0
Debentures 3rd Issuance of Localiza Fleet	107.0% CDI	-	-	-	-	-	-	500.0	-	500.0
Promissory notes 3th issuance	CDI + 0.40%	-	-	-	650.0	-	-	-	-	650.0
CCBI – New headquarters	98.8% CDI	-	-	47.5	95.0	47.5	-	-	-	190.0
Working Capital / Others	Several	81.3	240.6	143.1	75.0	125.0	-	-	-	665.0
Interest accrued and paid	-	152.7	-	-	-	-	-	-	-	152.7
Cash and cash equivalents on 09/30/2017	-	(1,939.4)	-	-	-	-	-	-	-	(1,939.4)
Net debt	-	(1,675.4)	435.6	685.6	1,420.0	672.5	500.0	500.0	700.0	3,238.3

Comfortable debt profile and cash position to support growth

12.4 – Debt ratios

Net debt vs. Fleet value

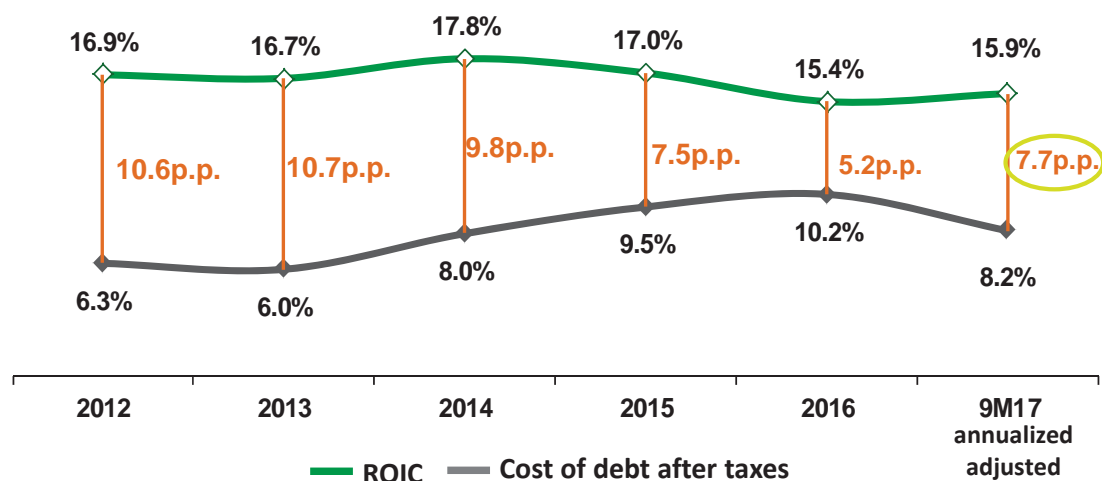


BALANCE AT THE END OF PERIOD	2012	2013	2014	2015	2016	9M17
Net debt / Fleet value	48%	48%	40%	44%	45%	49%
Net debt / EBITDA(*)	1.4x	1.5x	1.4x	1.7x	2.1x	2.6x
Net debt / Equity	0.9x	1.0x	0.8x	0.8x	0.9x	1.3x
EBITDA / Net financial expenses	6.3x	8.3x	6.4x	4.6x	4.2x	4.2x

The Company continues to present solid debt ratios.

13 – Spread (ROIC minus cost of debt after taxes) - Adjusted

SPREAD



ROIC considered effective income tax rate

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

ROIC improvement and decrease in interest rates have increased the spread

14 – Dividends and interest on capital (IOC)

2016 dividends and interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2016	03/17/2016	03/31/2016	05/12/2016	35.4	0.170149
IOC	2016	06/23/2016	06/30/2016	08/17/2016	36.8	0.176597
IOC	2016	09/29/2016	09/30/2016	11/23/2016	33.0	0.158655
Dividends	2015	04/29/2016	04/29/2016	05/20/2016	1.0	0.005004
IOC	2016	12/15/2016	12/22/2016	02/08/2017	46.7	0.224468
Total					152.9	

2017 interest on capital were approved as follow:

Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2017	03/08/2017	03/15/2017	05/02/2017	39.9	0.191612
IOC	2017	06/30/2017	07/06/2017	08/24/2017	39.2	0.178614
IOC	2017	09/13/2017	09/22/2017	11/07/2017	41.0	0.186484
Total					120.1	

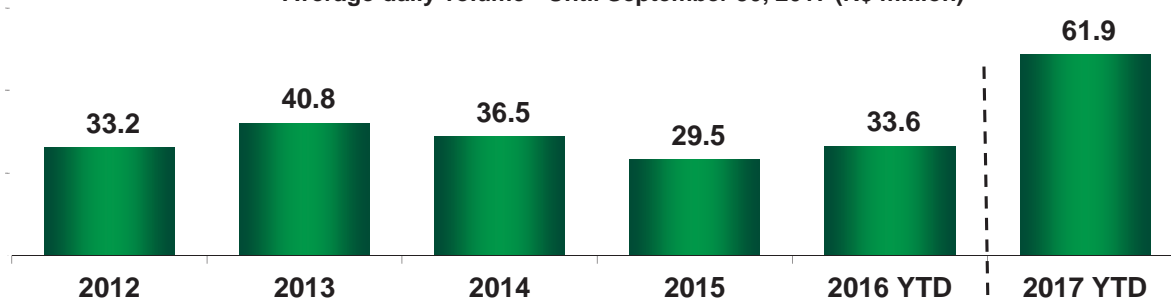
15 – RENT3

On 09/30/2017, the Company had 222,383,070 issued shares, 2,319,701 of which were treasury shares.

Within its ADR level I Program, the Company had 8,070,852 issued ADRs on 09/30/2017, compared to 6,868,001 on December 31, 2016.

In 9M17, RENT3 average daily trading volume was R\$61.9 million.

Average daily volume - Until September 30, 2017 (R\$ million)



About Localiza's financial information:

The financial information is audited and presented in millions of Brazilian Reais, unless where otherwise stated, and is based on financial information prepared in accordance with International Financial Reporting Standards (IFRS).

16 – Reconciliation of financial results

3Q17 financial results were impacted in R\$8.8 million by incurred one-time costs resulting from the acquisition of Hertz Brasil on 09/01/2017 and in an additional R\$12.7 million resulting from the integration of 17 franchised branches. In order to preserve the comparability of the quarter's financials to previous quarters, we have decided to present the 3Q17 and 9M17 financials (EBITDA, EBIT and Net Income) adjusted by the one-time costs incurred due to the events aforementioned.

We have indicated in the table below the one-time costs that have not yet been incurred, resulting from the acquisition of Hertz Brasil, in the amount of R\$60.0 million, which shall impact the financial results in 4Q17. We highlight that such non-incurred one-time costs were not provisioned in 3Q17 because, on 09/30/2017, such expenses were not bound to be regarded as provision according to the rules imposed by Technical Pronouncement CPC # 25 – Provisions, Contingent Liabilities and Contingent Assets.

ONE-TIME COSTS	3Q17 Incurred	4Q17 Estimated	Total Estimated
RAC Costs:			
Hertz rebrand, structure and networking reduction	(2.1)	(40.0)	(42.1)
Franchise integration	(12.7)		(12.7)
RAC - Total costs	(14.8)	(40.0)	(54.8)
SG&A			
Hertz structure and networking reduction	(6.7)	(20.0)	(26.7)
Total SG&A	(6.7)	(20.0)	(26.7)
Total One-time Costs	(21.5)	(60.0)	(81.5)

CONSOLIDATED RESULTS	3Q17 actual	One-off	3Q17 Adjusted
Net revenues	1,563.4		1,563.4
Total costs and expenses	(1,252.6)	21.5	(1,231.1)
EBITDA	310.8	21.5	332.3
Depreciation	(68.4)		(68.4)
EBIT	242.4	21.5	263.9
Financial expenses, net	(79.4)		(79.4)
Income tax and social contribution	(39.8)	(5.2)	(45.0)
Net income	123.2	16.3	139.5

17 – Results per division

17.1 –Table 1 – Car Rental adjusted – R\$ million

In order to preserve the comparability of this quarter's financials to previous quarters, we present the **Rent a Car Division** results with 3Q17 and 9M17 adjusted by the one-time costs (no-recurring costs and expenses related to the acquisition of Hertz Brasil on 09/01/2017 and the integration of 17 franchised branches).

CAR RENTAL RESULTS	2012	2013	2014	2015	2016	Var.	9M16	9M17 Adjusted	Var.	3Q16	3Q17 Adjusted	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	1,073.1	1,321.1	23.1%	376.3	488.0	29.7%
Taxes on revenues	(38.6)	(44.9)	(67.7)	(58.9)	(58.9)	0.0%	(43.1)	(47.5)	10.2%	(13.8)	(15.4)	11.6%
Car rental net revenues	1,093.7	1,163.5	1,284.4	1,258.0	1,428.0	13.5%	1,030.0	1,273.6	23.7%	362.5	472.6	30.4%
Car rental costs	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(508.3)	(618.7)	21.7%	(183.7)	(237.3)	29.2%
Gross profit	617.1	626.6	707.1	639.9	720.6	12.6%	521.7	654.9	25.5%	178.8	235.3	31.6%
Operating expenses (SG&A)	(170.2)	(197.9)	(209.7)	(239.9)	(258.8)	7.9%	(185.3)	(219.7)	18.6%	(63.1)	(83.1)	31.7%
Other assets depreciation and amortization	(19.9)	(22.2)	(22.2)	(22.3)	(23.9)	7.2%	(18.0)	(17.1)	-5.0%	(6.0)	(6.2)	-3.3%
Operating profit before financial results and taxes (EBIT)	427.0	406.5	475.2	377.7	437.9	15.9%	318.4	418.1	31.3%	109.7	146.0	33.1%
Financial expenses, net	(2.7)	(1.3)	(1.5)	(2.0)	(1.4)	-30.0%	(1.0)	(1.1)	10.0%	(0.3)	(0.3)	0.0%
Income tax and social contribution	(123.8)	(119.5)	(136.2)	(89.9)	(95.9)	6.7%	(73.7)	(97.5)	32.3%	(24.7)	(35.7)	44.5%
Net income for the period	300.5	285.7	337.5	285.8	340.6	19.2%	243.7	319.5	31.1%	84.7	110.0	29.9%
Net Margin	27.5%	24.6%	26.3%	22.7%	23.9%	1.2p.p.	23.7%	25.1%	1.4p.p.	23.4%	23.3%	-0.1p.p.
EBITDA	446.9	428.7	497.4	400.0	461.8	15.5%	336.4	435.2	29.4%	115.7	152.2	31.5%
EBITDA Margin	40.9%	36.8%	38.7%	31.8%	32.3%	0.5p.p.	32.7%	34.2%	1.5p.p.	31.9%	32.2%	0.3p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2012	2013	2014	2015	2016	Var.	9M16	9M17 Adjusted	Var.	3Q16	3Q17 Adjusted	Var.
Gross revenues (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	1,347.6	2,113.8	56.9%	517.5	771.1	49.0%
Taxes on revenues	(3.3)	(3.1)	(3.5)	(2.5)	(2.7)	8.0%	(1.6)	(3.1)	93.8%	(0.6)	(1.2)	100.0%
Net revenues	1,250.3	1,483.0	1,667.9	1,676.7	1,995.1	19.0%	1,346.0	2,110.7	56.8%	516.9	769.9	48.9%
Book value of cars sold	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(1,157.4)	(1,833.2)	58.4%	(450.1)	(667.6)	48.3%
Gross profit	181.8	211.1	239.5	280.4	267.6	-4.6%	188.6	277.5	47.1%	66.8	102.3	53.1%
Operating expenses (SG&A)	(125.6)	(138.7)	(160.7)	(178.8)	(176.8)	-1.1%	(125.4)	(157.5)	25.6%	(45.8)	(53.3)	16.4%
Cars depreciation	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(56.0)	(88.2)	57.5%	(26.4)	(29.7)	12.5%
Other assets depreciation and amortization	(11.5)	(11.7)	(11.3)	(8.8)	(9.1)	3.4%	(6.8)	(7.2)	5.9%	(2.3)	(2.5)	8.7%
Operating profit (loss) before financial results and taxes (EBIT)	(168.0)	(25.1)	(10.6)	53.9	(6.1)	-111.3%	0.4	24.6	6050.0%	(7.7)	16.8	-318.2%
Financial expenses, net	(92.6)	(76.6)	(106.3)	(138.4)	(174.4)	26.0%	(121.1)	(161.8)	33.6%	(37.7)	(57.6)	48.8%
Income tax and social contribution	83.1	30.3	33.2	17.6	37.2	111.4%	26.1	31.6	21.1%	10.4	10.1	-2.9%
Net loss for the period	(177.5)	(71.4)	(83.7)	(66.9)	(143.3)	114.2%	(94.6)	(105.6)	11.6%	(36.0)	(30.7)	-14.7%
Net Margin	-14.2%	-4.8%	-5.0%	-4.0%	-7.2%	-3.2p.p.	-7.0%	-5.0%	2.0p.p.	-7.0%	-4.0%	3.0p.p.
EBITDA	56.2	72.4	78.8	101.6	90.8	-10.6%	63.2	120.0	89.9%	21.0	49.0	133.3%
EBITDA Margin	4.5%	4.9%	4.7%	6.1%	4.6%	-1.5p.p.	4.7%	5.7%	1.0p.p.	4.1%	6.4%	2.3p.p.

CAR RENTAL TOTAL FIGURES	2012	2013	2014	2015	2016	Var.	9M16	9M17 Adjusted	Var.	3Q16	3Q17 Adjusted	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	1,073.1	1,321.1	23.1%	376.3	488.0	29.7%
Car sales for fleet renewal - gross revenues (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	1,347.6	2,113.8	56.9%	517.5	771.1	49.0%
Total gross revenues (*)	2,385.9	2,694.5	3,023.5	2,996.1	3,484.7	16.3%	2,420.7	3,434.9	41.9%	893.8	1,259.1	40.9%
Taxes on revenues	(38.6)	(44.9)	(67.7)	(58.9)	(58.9)	0.0%	(43.1)	(47.5)	10.2%	(13.8)	(15.4)	11.6%
Car rental revenues - net revenues	(3.3)	(3.1)	(3.5)	(2.5)	(2.7)	8.0%	(1.6)	(3.1)	93.8%	(0.6)	(1.2)	100.0%
Car sales for fleet renewal - net revenues	1,093.7	1,163.5	1,284.4	1,258.0	1,428.0	13.5%	1,030.0	1,273.6	23.7%	362.5	472.6	30.4%
Total net revenues	1,250.3	1,483.0	1,667.9	1,676.7	1,995.1	19.0%	1,346.0	2,110.7	56.8%	516.9	769.9	48.9%
Total net revenues	2,344.0	2,646.5	2,952.3	2,934.7	3,423.1	16.6%	2,376.0	3,384.3	42.4%	879.4	1,242.5	41.3%
Direct costs	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(508.3)	(618.7)	21.7%	(183.7)	(237.3)	29.2%
Car rental costs	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(1,157.4)	(1,833.2)	58.4%	(450.1)	(667.6)	48.3%
Gross profit	798.9	837.7	946.6	920.3	988.2	7.4%	710.3	932.4	31.3%	245.6	337.6	37.5%
Operating expenses (SG&A)	(170.2)	(197.9)	(209.7)	(239.9)	(258.8)	7.9%	(185.3)	(219.7)	18.6%	(63.1)	(83.1)	31.7%
Car rental expenses for fleet renewal	(125.6)	(138.7)	(160.7)	(178.8)	(176.8)	-1.1%	(125.4)	(157.5)	25.6%	(45.8)	(53.3)	16.4%
Cars depreciation	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(56.0)	(88.2)	57.5%	(26.4)	(29.7)	12.5%
Other assets depreciation and amortization	(19.9)	(22.2)	(22.2)	(22.3)	(23.9)	7.2%	(18.0)	(17.1)	-5.0%	(6.0)	(6.2)	-3.3%
Car rental expenses for fleet renewal	(11.5)	(11.7)	(11.3)	(8.8)	(9.1)	3.4%	(6.8)	(7.2)	5.9%	(2.3)	(2.5)	8.7%
Operating profit before financial results and taxes (EBIT)	259.0	381.4	464.6	431.6	431.8	0.0%	318.8	442.7	38.9%	102.0	162.8	59.6%
Financial expenses, net	(95.3)	(77.9)	(107.8)	(140.4)	(175.8)	25.2%	(122.1)	(162.9)	33.4%	(39.0)	(57.9)	48.5%
Income tax and social contribution	(40.7)	(89.2)	(103.0)	(72.3)	(58.7)	-18.8%	(47.6)	(65.9)	38.4%	(14.3)	(25.6)	79.0%
Net income for the period	123.0	214.3	253.8	218.9	197.3	-9.9%	149.1	213.9	43.5%	48.7	79.3	62.8%
Net margin	5.2%	8.1%	8.6%	7.5%	5.8%	-1.7p.p.	6.3%	6.3%	0.0p.p.	5.5%	6.4%	0.9p.p.
EBITDA	503.1	501.1	576.2	501.6	552.6	10.2%	399.6	555.2	38.9%	136.7	201.2	47.2%
EBITDA margin	21.5%	18.9%	19.5%	17.1%	16.1%	-1.0p.p.	16.8%	16.4%	-0.4p.p.	15.5%	16.2%	0.7p.p.

(*) Gross revenues from car rental and car sales for fleet renewal are net of discounts and cancellations.

17 – Results per division

17.1.1 –Table 1 – Car Rental – R\$ million

CAR RENTAL RESULTS	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	1,073.1	1,321.1	23.1%	376.3	488.0	29.7%
Taxes on revenues	(38.6)	(44.9)	(67.7)	(58.9)	(58.9)	0.0%	(43.1)	(47.5)	10.2%	(13.8)	(15.4)	11.6%
Car rental net revenues	1,093.7	1,163.5	1,284.4	1,258.0	1,428.0	13.5%	1,030.0	1,273.6	23.7%	362.5	472.6	30.4%
Car rental costs	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(508.3)	(633.5)	24.6%	(183.7)	(252.1)	37.2%
Gross profit	617.1	626.6	707.1	639.9	720.6	12.6%	521.7	640.1	22.7%	178.8	220.5	23.3%
Operating expenses (SG&A)	(170.2)	(197.9)	(209.7)	(239.9)	(258.8)	7.9%	(185.3)	(226.4)	22.2%	(63.1)	(89.8)	42.3%
Other assets depreciation and amortization	(19.9)	(22.2)	(22.2)	(22.3)	(23.9)	7.2%	(18.0)	(17.1)	-5.0%	(6.0)	(6.2)	3.3%
Operating profit before financial results and taxes (EBIT)	427.0	406.5	475.2	377.7	437.9	15.9%	318.4	396.6	24.6%	109.7	124.5	13.5%
Financial expenses, net	(2.7)	(1.3)	(1.5)	(2.0)	(1.4)	-30.0%	(1.0)	(1.1)	10.0%	(0.3)	(0.3)	0.0%
Income tax and social contribution	(123.8)	(119.5)	(136.2)	(89.9)	(95.9)	6.7%	(73.7)	(92.3)	25.2%	(24.7)	(30.5)	23.5%
Net income for the period	300.5	285.7	337.5	285.8	340.6	19.2%	243.7	303.2	24.4%	84.7	93.7	10.6%
Net Margin	27.5%	24.6%	26.3%	22.7%	23.9%	1.2p.p.	23.7%	23.8%	0.1p.p.	23.4%	19.8%	-3.6p.p.
EBITDA	446.9	428.7	497.4	400.0	461.8	15.5%	336.4	413.7	23.0%	115.7	130.7	13.0%
EBITDA Margin	40.9%	36.8%	38.7%	31.8%	32.3%	0.5p.p.	32.7%	32.5%	-0.2p.p.	31.9%	27.7%	-4.2p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Gross revenues (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	1,347.6	2,113.8	56.9%	517.5	771.1	49.0%
Taxes on revenues	(3.3)	(3.1)	(3.5)	(2.5)	(2.7)	8.0%	(1.6)	(3.1)	93.8%	(0.6)	(1.2)	100.0%
Net revenues	1,250.3	1,483.0	1,667.9	1,676.7	1,995.1	19.0%	1,346.0	2,110.7	56.8%	516.9	769.9	48.9%
Book value of cars sold	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(1,157.4)	(1,833.2)	58.4%	(450.1)	(667.6)	48.3%
Gross profit	181.8	211.1	239.5	280.4	267.6	-4.6%	188.6	277.5	47.1%	66.8	102.3	53.1%
Operating expenses (SG&A)	(125.6)	(138.7)	(160.7)	(178.8)	(176.8)	-1.1%	(125.4)	(157.5)	25.6%	(45.8)	(53.3)	16.4%
Cars depreciation	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(56.0)	(88.2)	57.5%	(26.4)	(29.7)	12.5%
Other assets depreciation and amortization	(11.5)	(11.7)	(11.3)	(8.8)	(9.1)	3.4%	(6.8)	(7.2)	5.9%	(2.3)	(2.5)	8.7%
Operating profit (loss) before financial results and taxes (EBIT)	(168.0)	(25.1)	(10.6)	53.9	(6.1)	-111.3%	0.4	24.6	6050.0%	(7.7)	16.8	-318.2%
Financial expenses, net	(92.6)	(76.6)	(106.3)	(138.4)	(174.4)	26.0%	(121.1)	(161.8)	33.6%	(38.7)	(57.6)	48.8%
Income tax and social contribution	83.1	30.3	33.2	17.6	37.2	111.4%	26.1	31.6	21.1%	10.4	10.1	-2.9%
Net loss for the period	(177.5)	(71.4)	(83.7)	(66.9)	(143.3)	114.2%	(94.6)	(105.6)	11.6%	(36.0)	(30.7)	-14.7%
Net Margin	-14.2%	-4.8%	-5.0%	-4.0%	-7.2%	-3.2p.p.	-7.0%	-5.0%	2.0p.p.	-7.0%	-4.0%	3.0p.p.
EBITDA	56.2	72.4	78.8	101.6	90.8	-10.6%	63.2	120.0	89.9%	21.0	49.0	133.3%
EBITDA Margin	4.5%	4.9%	4.7%	6.1%	4.6%	-1.5p.p.	4.7%	5.7%	1.0p.p.	4.1%	6.4%	2.3p.p.

CAR RENTAL TOTAL FIGURES	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	1,073.1	1,321.1	23.1%	376.3	488.0	29.7%
Car sales for fleet renewal - gross revenues (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	1,347.6	2,113.8	56.9%	517.5	771.1	49.0%
Total gross revenues (*)	2,385.9	2,694.5	3,023.5	2,996.1	3,484.7	16.3%	2,420.7	3,434.9	41.9%	893.8	1,259.1	40.9%
Taxes on revenues												
Car rental	(38.6)	(44.9)	(67.7)	(58.9)	(58.9)	0.0%	(43.1)	(47.5)	10.2%	(13.8)	(15.4)	11.6%
Car sales for fleet renewal	(3.3)	(3.1)	(3.5)	(2.5)	(2.7)	8.0%	(1.6)	(3.1)	93.8%	(0.6)	(1.2)	100.0%
Car rental revenues - net revenues	1,093.7	1,163.5	1,284.4	1,258.0	1,428.0	13.5%	1,030.0	1,273.6	23.7%	362.5	472.6	30.4%
Car sales for fleet renewal - net revenues	1,250.3	1,483.0	1,667.9	1,676.7	1,995.1	19.0%	1,346.0	2,110.7	56.8%	516.9	769.9	48.9%
Total net revenues	2,344.0	2,646.5	2,952.3	2,934.7	3,423.1	16.6%	2,376.0	3,384.3	42.4%	879.4	1,242.5	41.3%
Direct costs												
Car rental	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(508.3)	(633.5)	24.6%	(183.7)	(252.1)	37.2%
Car sales for fleet renewal	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(1,157.4)	(1,833.2)	58.4%	(450.1)	(667.6)	48.3%
Gross profit	798.9	837.7	946.6	920.3	988.2	7.4%	710.3	917.6	29.2%	245.6	322.8	31.4%
Operating expenses (SG&A)												
Car rental	(170.2)	(197.9)	(209.7)	(239.9)	(258.8)	7.9%	(185.3)	(226.4)	22.2%	(63.1)	(89.8)	42.3%
Car sales for fleet renewal	(125.6)	(138.7)	(160.7)	(178.8)	(176.8)	-1.1%	(125.4)	(157.5)	25.6%	(45.8)	(53.3)	16.4%
Cars depreciation	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(56.0)	(88.2)	57.5%	(26.4)	(29.7)	12.5%
Other assets depreciation and amortization												
Car rental	(19.9)	(22.2)	(22.2)	(22.3)	(23.9)	7.2%	(18.0)	(17.1)	-5.0%	(6.0)	(6.2)	3.3%
Car sales for fleet renewal	(11.5)	(11.7)	(11.3)	(8.8)	(9.1)	3.4%	(6.8)	(7.2)	5.9%	(2.3)	(2.5)	8.7%
Operating profit before financial results and taxes (EBIT)	259.0	381.4	464.6	431.6	431.8	0.0%	318.8	421.2	32.1%	102.0	141.3	38.5%
Financial expenses, net	(95.3)	(77.9)	(107.8)	(140.4)	(175.8)	25.2%	(122.1)	(162.9)	33.4%	(39.0)	(57.9)	48.5%
Income tax and social contribution	(40.7)	(89.2)	(103.0)	(72.3)	(58.7)	-18.8%	(47.6)	(60.7)	27.5%	(14.3)	(20.4)	42.7%
Net income for the period	123.0	214.3	253.8	218.9	197.3	-9.9%	149.1	197.6	32.5%	48.7	63.0	29.4%
Net margin	5.2%	8.1%	8.6%	7.5%	5.8%	-1.7p.p.	6.3%	5.8%	-0.5p.p.	5.5%	5.1%	-0.4p.p.
EBITDA	503.1	501.1	576.2	501.6	552.6	10.2%	399.6	533.7	33.6%	136.7	179.7	31.5%
EBITDA margin	21.5%	18.9%	19.5%	17.1%	16.1%	-1.0p.p.	16.8%	15.8%	-1.0p.p.	15.5%	14.5%	-1.0p.p.

OPERATING DATA	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Average operating fleet	53,548	59,094	61,525	62,513	70,185	12.3%	66,642	87,016	30.6%	70,586	97,187	37.7%
Average rented fleet	37,932	39,475	42,999	43,315	51,515	18.9%	49,437	64,536	30.5%	53,130	72,200	35.9%
Average operating fleet age (in months)	7.8	7.2	7.2	7.4	7.9	6.8%	8.3	6.7	-19.3%	7.6	6.4	-15.8%
End of period fleet	65,086	70,717	77,573	76,755	94,156	22.7%	87,897	127,221	44.7%	87,897	127,221	44.7%
Number of rental days - in thousands	13,748.8	14,241.7	15,416.0	15,566.1	18,662.4	19.9%	13,396.6	17,461.2	30.3%	4,846.4	6,587.2	35.9%
Average daily rental revenues per car (R\$)	82.36	84.85	87.71	84.56	79.67	-5.8%	80.10	75.66	-5.5%	77.65	74.09	-4.6%
Annualized average depreciation per car (R\$)	3,972.4	1,452.4	1,270.0	622.1	1,251.2	101.1%	1,120.7	1,351.4	20.6%	1,494.0	1,222.6	-18.2%
Utilization rate	70.8%	66.8%	69.9%	69.3%	73.4%	4.1p.p.	74.2%	74.2%	0.0p.p.	75.3%	74.3%	-1.0p.p.
Number of cars purchased	47,623	58,826	64,908	52,343	76,071	45.3%	50,932	84,681	66.3%	24,799	42,697	72.2%
Number of cars sold	46,115	52,759	57,578	52,508	57,596	9.7%	39,259	55,205	40.6%	15,043	20,246	34.6%
Average sold fleet age (in months)	15.7	15.3	14.4	14.9	16.8	12.8%	16.8	14.4	-14.3%	16.5	13.6	-17.6%
Average total fleet	60,773	68,251	70,982	72,169	80,765	11.9%	76,296	99,229	30.1%	83,606	115,381	38.0%
Average value of total fleet - R\$ million	1,595.9	1,776.8	1,963.8	2,205.9	2,790.2	26.5%	2,595.5	3,752.9	44.6%	2,906.4	4,474.7	54.0%
Average value per car in the period - R\$ thsd	26.3	26.0	27.7	30.6	34.5	12.7%	34.0	37.8	11.2%	34.8	38.8	11.5%

(*) Gross revenues from car rental and car sales for fleet renewal are net of discounts and cancellations.

17.2 – Table 2 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Fleet rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	489.8	551.2	12.5%	166.6	192.9	15.7%
Taxes on revenues	(16.7)	(16.9)	(17.6)	(11.1)	(12.3)	10.8%	(8.5)	(13.0)	52.9%	(3.1)	(4.4)	41.9%
Fleet rental net revenues	535.7	575.9	571.9	608.5	651.8	7.1%	481.3	538.2	11.8%	163.5	188.5	15.3%
Fleet rental costs	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(142.3)	(158.9)	11.7%	(49.1)	(53.2)	8.4%
Gross profit	389.4	414.8	381.1	419.2	458.1	9.3%	339.0	379.3	11.9%	114.4	135.3	18.3%
Operating expenses (SG&A)	(33.5)	(37.5)	(38.1)	(40.7)	(37.9)	-6.9%	(27.6)	(41.7)	51.1%	(8.9)	(15.8)	77.5%
Other assets depreciation and amortization	(1.1)	(1.1)	(1.1)	(2.2)	(2.9)	31.8%	(2.1)	(2.3)	9.5%	(0.8)	(1.0)	25.0%
Operating profit before financial results and taxes (EBIT)	354.8	376.2	341.9	376.3	417.3	10.9%	309.3	335.3	8.4%	104.7	118.5	13.2%
Financial expenses, net	(0.5)	(0.1)	(0.2)	(0.1)	(1.1)	1000.0%	(1.0)	(1.5)	0.50	(0.1)	(1.3)	1200.0%
Income tax and social contribution	(104.3)	(111.4)	(99.2)	(90.5)	(90.4)	-0.1%	(69.8)	(78.0)	11.7%	(23.7)	(28.7)	21.1%
Net income for the period	250.0	264.7	242.5	285.7	325.8	14.0%	238.5	255.8	7.3%	80.9	88.5	9.4%
Net Margin	46.7%	46.0%	42.4%	47.0%	50.0%	3.0p.p.	49.6%	47.5%	-2.1p.p.	49.5%	46.9%	-2.6p.p.
EBITDA	355.9	377.3	343.0	378.5	420.2	11.0%	311.4	337.6	8.4%	105.5	119.5	13.3%
EBITDA Margin	66.4%	65.5%	60.0%	62.2%	64.5%	2.3p.p.	64.7%	62.7%	-2.0p.p.	64.5%	63.4%	-1.1p.p.

USED CAR SALES RESULTS (SEMINOVOS)	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Gross revenues (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	263.6	314.2	19.2%	76.1	128.6	69.0%
Taxes on revenues	(0.5)	(0.3)	(0.5)	(0.4)	(0.4)	0.0%	(0.2)	(0.2)	0.0%	(0.1)	(0.1)	0.0%
Net revenues	269.7	264.3	350.3	368.2	347.4	-5.6%	263.4	314.0	19.2%	76.0	128.5	69.1%
Book value of cars sold	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(211.1)	(260.8)	23.5%	(61.2)	(110.2)	80.1%
Gross profit	32.4	50.2	74.0	81.5	68.0	-16.6%	52.3	53.2	1.7%	14.8	18.3	23.6%
Operating expenses (SG&A)	(25.1)	(23.4)	(32.6)	(33.6)	(31.0)	-7.7%	(24.7)	(21.9)	-11.3%	(6.8)	(7.8)	14.7%
Cars depreciation	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(90.8)	(82.0)	-9.7%	(28.3)	(28.5)	0.7%
Other assets depreciation and amortization	-	-	(0.6)	(2.0)	(1.8)	-10.0%	(1.4)	(1.2)	-14.3%	(0.4)	(0.4)	0.0%
Operating profit (loss) before financial results and taxes (EBIT)	(156.9)	(116.4)	(88.5)	(78.8)	(83.3)	5.7%	(64.6)	(51.9)	-19.7%	(20.7)	(18.4)	-11.1%
Financial expenses, net	(43.8)	(34.0)	(44.9)	(63.8)	(68.7)	7.7%	(49.3)	(58.3)	18.3%	(15.0)	(20.3)	35.3%
Income tax and social contribution	59.9	44.7	38.4	33.7	32.3	-4.2%	25.2	25.7	2.0%	8.1	9.5	17.3%
Net loss for the period	(140.8)	(105.7)	(95.0)	(108.9)	(119.7)	9.9%	(88.7)	(84.5)	-4.7%	(27.6)	(29.2)	5.8%
Net Margin	-52.2%	-40.0%	-27.1%	-29.6%	-34.5%	-4.9p.p.	-33.7%	-26.9%	6.8p.p.	-36.3%	-22.7%	13.6p.p.
EBITDA	7.3	26.8	41.4	47.9	37.0	-22.8%	27.6	31.3	13.4%	8.0	10.5	31.2%
EBITDA Margin	2.7%	10.1%	11.8%	13.0%	10.7%	-2.3p.p.	10.5%	10.0%	-0.5p.p.	10.5%	8.2%	-2.3p.p.

FLEET RENTAL TOTAL FIGURES	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Fleet rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	489.8	551.2	12.5%	166.6	192.9	15.8%
Car sales for fleet renewal - gross revenues (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	263.6	314.2	19.2%	76.1	128.6	69.0%
Total gross revenues (*)	822.6	857.4	940.3	988.2	1,011.9	2.4%	753.4	865.4	14.9%	242.7	321.5	32.5%
Taxes on revenues	(16.7)	(16.9)	(17.6)	(11.1)	(12.3)	10.8%	(8.5)	(13.0)	52.9%	(3.1)	(4.4)	41.9%
Fleet rental	(16.7)	(16.9)	(17.6)	(11.1)	(12.3)	10.8%	(8.5)	(13.0)	52.9%	(3.1)	(4.4)	41.9%
Car sales for fleet renewal	(0.5)	(0.3)	(0.5)	(0.4)	(0.4)	0.0%	(0.2)	(0.2)	0.0%	(0.1)	(0.1)	0.0%
Fleet rental - net revenues	535.7	575.9	571.9	608.5	651.8	7.1%	481.3	538.2	11.8%	163.5	188.5	15.3%
Car sales for fleet renewal - net revenues	269.7	264.3	350.3	368.2	347.4	-5.6%	263.4	314.0	19.2%	76.0	128.5	69.1%
Total net revenues (**)	805.4	840.2	922.2	976.7	999.2	2.3%	744.7	852.2	14.4%	239.5	317.0	32.4%
Direct costs	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(142.3)	(158.9)	11.7%	(49.1)	(53.2)	8.4%
Fleet rental	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(142.3)	(158.9)	11.7%	(49.1)	(53.2)	8.4%
Car sales for fleet renewal	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(211.1)	(260.8)	23.5%	(61.2)	(110.2)	80.1%
Gross profit	421.8	465.0	455.1	500.7	526.1	5.1%	391.3	432.5	10.5%	129.2	153.6	18.9%
Operating expenses (SG&A)	(33.5)	(37.5)	(38.1)	(40.7)	(37.9)	-6.9%	(27.6)	(41.7)	51.1%	(8.9)	(15.8)	77.5%
Fleet rental	(33.5)	(37.5)	(38.1)	(40.7)	(37.9)	-6.9%	(27.6)	(41.7)	51.1%	(8.9)	(15.8)	77.5%
Car sales for fleet renewal	(25.1)	(23.4)	(32.6)	(33.6)	(31.0)	-7.7%	(24.7)	(21.9)	-11.3%	(6.8)	(7.8)	14.7%
Cars depreciation	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(90.8)	(82.0)	-9.7%	(28.3)	(28.5)	0.7%
Other assets depreciation and amortization	(1.1)	(1.1)	(1.1)	(2.2)	(2.9)	31.8%	(2.1)	(2.3)	9.5%	(0.8)	(1.0)	25.0%
Fleet rental	(1.1)	(1.1)	(1.1)	(2.2)	(2.9)	31.8%	(2.1)	(2.3)	9.5%	(0.8)	(1.0)	25.0%
Car sales for fleet renewal	-	-	(0.6)	(2.0)	(1.8)	-10.0%	(1.4)	(1.2)	(0.1)	(0.4)	(0.4)	-
Operating profit before financial results and taxes (EBIT)	197.9	259.8	253.4	297.5	334.0	12.3%	244.7	283.4	15.8%	84.0	100.1	19.2%
Financial expenses, net	(44.3)	(34.1)	(45.1)	(63.9)	(69.8)	9.2%	(50.3)	(59.8)	18.9%	(15.1)	(21.6)	43.0%
Income tax and social contribution	(44.4)	(66.7)	(60.8)	(56.8)	(58.1)	2.3%	(44.6)	(52.3)	17.3%	(15.6)	(19.2)	23.1%
Net income for the period	109.2	159.0	147.5	176.8	206.1	16.6%	149.8	171.3	14.4%	53.3	59.3	11.3%
Net margin	13.6%	18.9%	16.0%	18.1%	20.6%	2.5p.p.	20.1%	20.1%	-0.0p.p.	22.3%	18.7%	-3.6p.p.
EBITDA	363.2	404.1	384.4	426.4	457.2	7.2%	339.0	368.9	8.8%	113.5	130.0	14.5%
EBITDA margin	45.1%	48.1%	41.7%	43.7%	45.8%	2.1p.p.	45.5%	43.3%	-2.2p.p.	47.4%	41.0%	-6.4p.p.

OPERATING DATA	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Average operating fleet	30,357	31,188	30,778	31,676	31,908	0.7%	31,546	35,216	11.6%	31,889	37,818	18.6%
Average rented fleet	29,444	30,121	28,787	30,280	31,222	3.1%	30,809	34,013	10.4%	31,242	36,009	15.3%
Average operating fleet age (in months)	16.8	18.6	18.0	16.7	18.0	7.8%	17.8	18.5	3.9%	18.1	17.5	-3.3%
End of period fleet												
Rented Fleet	32,104	32,809	34,312	33,948	34,960	3.0%	34,437	44,655	29.7%	34,437	44,655	29.7%
Managed Fleet	162	30	267	207	145	-30.0%	108	116	7.4%	108	116	7.4%
Number of rental days - in thousands	10,600.7	10,843.7	10,363.3	10,900.9	11,240.0	3.1%	8,318.4	9,183.5	10.4%	2,811.8	3,240.8	15.3%
Average daily rental revenues per car (R\$)	51.59	53.83	56.16	56.08	58.23	3.8%	58.03	59.35	2.3%	58.43	58.93	0.9%
Annualized average depreciation per car (R\$)	5,408.2	4,592.3	4,202.1	3,935.2	3,714.0	-5.6%	3,835.9	3,105.1	-19.1%	3,549.7	3,012.6	-15.1%
Utilization rate	97.0%	96.6%	93.5%	95.6%	97.9%	2.3p.p.	97.7%	96.6%	-1.1p.p.	98.0%	95.2%	-2.8p.p.
Number of cars purchased	11,032	10,918	14,896	11,689	11,762	0.6%	8,980	15,428	71.8%	4,104	6,354	54.8%
Number of cars sold	10,529	9,882	13,043	11,797	10,853	-8.0%	8,307	9,246	11.3%	2,336	3,695	58.2%
Average sold fleet age (in months)	31.8	32.4	35.1	33.4	31.4	-6.0%	31.4	31.5	0.3%	31.1	33.3	7.1%
Average total fleet	31,688	32,488	32,686	33,446	33,436	0.0%	33,011	37,907	14.8%	33,856	41,298	22.0%
Average value of total fleet - R\$ million	886.3	887.3	943.3	1,067.1	1,130.4	5.9%	1,107.3	1,361.2	22.9%	1,153.0	1,522.1	32.0%
Average value per car in the period - R\$ thsd	28.0	27.3	28.9	31.9	33.8	6.0%	33.5	35.9	7.2%	34.1	36.9	8.2%

(*) Gross revenues from fleet rental and car sales for fleet renewal are net of discounts and cancellations.

17.3 – Table 3 – *Franchising* – R\$ million

FRANCHISING RESULTS	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Gross revenues(*)	18.3	20.6	18.7	17.8	18.0	1.1%	13.5	13.1	-3.0%	4.5	4.1	-8.9%
Taxes on revenues	(1.0)	(1.1)	(1.0)	(1.2)	(1.0)	-16.7%	(0.9)	(0.8)	-11.1%	(0.2)	(0.2)	0.0%
Net revenues	17.3	19.5	17.7	16.6	17.0	2.4%	12.6	12.3	-2.4%	4.3	3.9	-9.3%
Costs	(7.9)	(8.1)	(7.8)	(9.2)	(9.7)	5.4%	(5.5)	(7.1)	29.1%	(2.0)	(2.4)	20.0%
Gross profit	9.4	11.4	9.9	7.4	7.3	-1.4%	7.1	5.2	-26.8%	2.3	1.5	-34.8%
Operating expenses (SG&A)	(0.1)	(0.1)	(0.7)	(0.6)	(1.5)	150.0%	(1.1)	(1.4)	0.27	(0.4)	(0.4)	0.0%
Other assets depreciation and amortization	(0.4)	(0.4)	(0.5)	(0.4)	(0.5)	25.0%	(0.4)	(0.5)	25.0%	(0.1)	(0.1)	0.0%
Operating profit before financial results and taxes (EBIT)	8.9	10.9	8.7	6.4	5.3	-17.2%	5.6	3.3	-41.1%	1.8	1.0	-44.4%
Financial expenses, net	0.9	1.4	1.8	1.6	2.1	31.3%	1.6	1.4	-12.5%	0.4	0.1	-75.0%
Income tax and social contribution	(1.1)	(1.3)	(1.2)	(1.3)	(1.5)	15.4%	(1.2)	(0.9)	-25.0%	(0.3)	(0.2)	-33.3%
Net income for the period	8.7	11.0	9.3	6.7	5.9	-11.9%	6.0	3.8	-36.7%	1.9	0.9	-52.6%
Net Margin	50.3%	56.4%	52.5%	40.4%	34.7%	-5.7p.p.	47.6%	30.9%	-16.7p.p.	44.2%	23.1%	-21.1p.p.
EBITDA	9.3	11.3	9.2	6.8	5.8	-14.7%	6.0	3.8	-36.7%	1.9	1.1	-42.1%
EBITDA Margin	53.8%	57.9%	52.0%	41.0%	34.1%	-6.9p.p.	47.6%	30.9%	-16.7p.p.	44.2%	28.2%	-16.0p.p.

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

17.4 – Table 4 – Consolidated adjusted – R\$ million

In order to preserve the comparability of this quarter's financials to previous quarters, we present below the consolidated results with the 3Q17 and 9M17 adjusted by the one-time costs (non-recurring costs and expenses related to the acquisition of Hertz Brasil on 09/01/2017 and the integration of 17 franchised branches).

CONSOLIDATED RESULTS	2012	2013	2014	2015	2016	Var.	9M16	9M17 Adjusted	Var.	3Q16	3Q17 Adjusted	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	1,073.1	1,321.1	23.1%	376.3	488.0	29.7%
Franchising gross revenues (*)	18.3	20.6	18.7	17.8	18.0	1.1%	13.5	13.1	-3.0%	4.5	4.1	-8.9%
Car Rental and Franchising total gross revenues (*)	1,150.6	1,229.0	1,370.8	1,334.7	1,504.9	12.8%	1,086.6	1,334.2	22.8%	380.8	492.1	29.2%
Fleet Rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	489.8	551.2	12.5%	166.6	192.9	15.8%
Car and Fleet Rentals and Franchising total gross revenues (*)	1,703.0	1,821.8	1,960.3	1,954.3	2,169.0	11.0%	1,576.4	1,885.4	19.6%	547.4	685.0	25.1%
Taxes on revenues - Car and Fleet Rentals and Franchising	(56.3)	(62.9)	(86.3)	(71.2)	(72.2)	1.4%	(52.5)	(61.3)	16.8%	(17.1)	(20.0)	17.0%
Car and Fleet Rentals and Franchising net revenues	1,646.7	1,758.9	1,874.0	1,883.1	2,096.8	11.3%	1,523.9	1,824.1	19.7%	530.3	665.0	25.4%
Car sales gross revenues												
Car sales for fleet renewal - Car Rental (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	1,347.6	2,113.8	56.9%	517.5	771.1	49.0%
Car sales for fleet renewal - Fleet Rental (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	263.6	314.2	19.2%	76.1	128.6	69.0%
Car sales for fleet renewal - total gross revenues (*)	1,523.8	1,750.7	2,022.2	2,047.8	2,345.6	14.5%	1,611.2	2,428.0	50.7%	593.6	899.7	51.6%
Taxes on revenues - Car sales for fleet renewal	(3.8)	(3.4)	(4.0)	(2.9)	(3.1)	6.9%	(1.8)	(3.3)	83.3%	(0.7)	(1.3)	85.7%
Car sales for fleet renewal - net revenues	1,520.0	1,747.3	2,018.2	2,044.9	2,342.5	14.6%	1,609.4	2,424.7	50.7%	592.9	898.4	51.5%
Total net revenues	3,166.7	3,506.2	3,892.2	3,928.0	4,439.3	13.0%	3,133.3	4,248.8	35.6%	1,123.2	1,563.4	39.2%
Direct costs and expenses:												
Car rental	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(508.3)	(618.7)	21.7%	(183.7)	(237.3)	29.2%
Franchising	(7.9)	(8.1)	(7.8)	(9.2)	(9.7)	5.4%	(5.5)	(7.1)	29.1%	(2.0)	(2.4)	20.0%
Total Car rental and Franchising	(484.5)	(545.0)	(585.1)	(627.3)	(717.1)	14.3%	(513.8)	(625.8)	21.8%	(185.7)	(239.7)	29.1%
Fleet Rental	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(142.3)	(158.9)	11.7%	(49.1)	(53.2)	8.4%
Total Car and Fleet Rentals and Franchising	(630.8)	(706.1)	(775.9)	(816.6)	(910.8)	11.5%	(656.1)	(784.7)	19.6%	(234.8)	(292.9)	24.7%
Car sales for fleet renewal - Car rental	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(1,157.4)	(1,833.2)	58.4%	(450.1)	(667.6)	48.3%
Car sales for fleet renewal - Fleet Rental	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(211.1)	(260.8)	23.5%	(61.2)	(110.2)	80.1%
Total Car sales for fleet renewal (book value)	(1,305.8)	(1,486.0)	(1,704.7)	(1,683.0)	(2,006.9)	19.2%	(1,368.5)	(2,094.0)	53.0%	(511.3)	(777.8)	52.1%
Total costs	(1,936.6)	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	16.7%	(2,024.6)	(2,878.7)	42.2%	(746.1)	(1,070.7)	43.5%
Gross profit	1,230.1	1,314.1	1,411.6	1,428.4	1,521.6	6.5%	1,108.7	1,370.1	23.6%	377.1	492.7	30.7%
Operating expenses												
Advertising, promotion and selling:												
Car rental	(93.3)	(103.5)	(117.8)	(127.9)	(148.6)	16.2%	(102.5)	(136.4)	33.1%	(36.7)	(51.6)	40.6%
Franchising	(0.1)	(0.1)	(0.8)	(0.6)	(0.6)	0.0%	(0.4)	(1.0)	1.50	(0.1)	(0.3)	200.0%
Total car rental and Franchising	(93.4)	(103.6)	(118.6)	(128.5)	(149.2)	16.1%	(102.9)	(137.4)	33.5%	(36.8)	(51.9)	41.0%
Fleet Rental	(11.6)	(14.4)	(15.1)	(18.2)	(14.0)	-23.1%	(10.5)	(13.4)	27.6%	(3.4)	(4.2)	23.5%
Car sales for fleet renewal	(150.6)	(162.1)	(172.3)	(191.1)	(191.6)	0.3%	(138.9)	(164.7)	18.6%	(48.8)	(55.3)	13.3%
Total advertising, promotion and selling	(255.6)	(280.1)	(306.0)	(337.8)	(354.8)	5.0%	(252.3)	(315.5)	25.0%	(89.0)	(111.4)	25.2%
General, administrative and other expenses	(98.9)	(117.5)	(135.8)	(155.8)	(151.2)	-3.0%	(111.8)	(126.7)	13.3%	(36.0)	(49.0)	36.1%
Total Operating expenses	(354.5)	(397.6)	(441.8)	(493.6)	(506.0)	2.5%	(364.1)	(442.2)	21.5%	(125.0)	(160.4)	28.3%
Depreciation expenses:												
Cars depreciation:												
Car rental	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(56.0)	(88.2)	57.5%	(26.4)	(29.7)	12.5%
Fleet Rental	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(90.8)	(82.0)	-9.7%	(28.3)	(28.5)	0.7%
Total cars depreciation expenses	(376.9)	(229.0)	(207.4)	(163.6)	(206.3)	26.1%	(146.8)	(170.2)	15.9%	(54.7)	(58.2)	6.4%
Other assets depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	7.0%	(28.7)	(28.3)	-1.4%	(9.6)	(10.2)	6.3%
Total depreciation and amortization expenses	(409.8)	(264.4)	(243.1)	(199.3)	(244.5)	22.7%	(175.5)	(198.5)	13.1%	(64.3)	(68.4)	6.4%
Operating profit before financial results and taxes (EBIT)	465.8	652.1	726.7	735.5	771.1	4.8%	569.1	729.4	28.2%	187.8	263.9	40.5%
Financial expenses, net:												
Expense	(199.3)	(187.1)	(276.4)	(370.1)	(445.5)	20.4%	(329.7)	(380.9)	15.5%	(112.7)	(131.3)	16.5%
Income	60.6	76.5	125.3	167.4	202.0	20.7%	158.9	159.6	0.4%	59.0	51.9	-12.0%
Financial (expenses) revenues, net	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	20.1%	(170.8)	(221.3)	29.6%	(53.7)	(79.4)	47.9%
Income before tax and social contribution	327.1	541.5	575.6	532.8	527.6	-1.0%	398.3	508.1	27.6%	134.1	184.5	37.6%
Income tax and social contribution	(86.2)	(157.2)	(165.0)	(130.4)	(118.3)	-9.3%	(93.4)	(119.1)	27.5%	(30.2)	(45.0)	49.0%
Net income for the period	240.9	384.3	410.6	402.4	409.3	1.7%	304.9	389.0	27.6%	103.9	139.5	34.3%
EBITDA	875.6	916.5	969.8	934.8	1,015.6	8.6%	744.6	927.9	24.6%	252.1	332.3	31.8%
EBIT	465.8	652.1	726.7	735.5	771.1	4.8%	569.1	729.4	28.2%	187.8	263.9	40.5%
Consolidated EBIT Margin	28.3%	37.1%	38.8%	39.1%	36.8%	-2.3p.p.	37.3%	40.0%	2.7p.p.	35.4%	39.7%	4.3p.p.
Car and Fleet Rentals and Franchising EBITDA	812.1	817.3	849.6	785.3	887.8	13.1%	653.8	776.6	18.8%	223.1	272.8	22.3%
EBITDA Margin	49.3%	46.5%	45.3%	41.7%	42.3%	0.6p.p.	42.9%	42.6%	-0.3p.p.	42.1%	41.0%	-1.1p.p.
Used Car Sales (Seminovos) EBITDA	63.5	99.2	120.2	149.5	127.7	-14.6%	90.8	151.3	66.6%	29.0	59.5	105.2%
EBITDA Margin	4.2%	5.7%	6.0%	7.3%	5.5%	-1.8p.p.	5.6%	6.2%	0.6p.p.	4.9%	6.6%	1.7p.p.

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

17.4.1 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Car rental gross revenues (*)	1,132.3	1,208.4	1,352.1	1,316.9	1,486.9	12.9%	1,073.1	1,321.1	23.1%	376.3	488.0	29.7%
Franchising gross revenues (*)	18.3	20.6	18.7	17.8	18.0	1.1%	13.5	13.1	-3.0%	4.5	4.1	-8.9%
Car Rental and Franchising total gross revenues (*)	1,150.6	1,229.0	1,370.8	1,334.7	1,504.9	12.8%	1,086.6	1,334.2	22.8%	380.8	492.1	29.2%
Fleet Rental gross revenues (*)	552.4	592.8	589.5	619.6	664.1	7.2%	489.8	551.2	12.5%	166.6	192.9	15.8%
Car and Fleet Rentals and Franchising total gross revenues (*)	1,703.0	1,821.8	1,960.3	1,954.3	2,169.0	11.0%	1,576.4	1,885.4	19.6%	547.4	685.0	25.1%
Taxes on revenues - Car and Fleet Rentals and Franchising	(56.3)	(62.9)	(86.3)	(71.2)	(72.2)	1.4%	(52.5)	(61.3)	16.8%	(17.1)	(20.0)	17.0%
Car and Fleet Rentals and Franchising net revenues	1,646.7	1,758.9	1,874.0	1,883.1	2,096.8	11.3%	1,523.9	1,824.1	19.7%	530.3	665.0	25.4%
Car sales gross revenues												
Car sales for fleet renewal - Car Rental (*)	1,253.6	1,486.1	1,671.4	1,679.2	1,997.8	19.0%	1,347.6	2,113.8	56.9%	517.5	771.1	49.0%
Car sales for fleet renewal - Fleet Rental (*)	270.2	264.6	350.8	368.6	347.8	-5.6%	263.6	314.2	19.2%	76.1	128.6	69.0%
Car sales for fleet renewal - total gross revenues (*)	1,523.8	1,750.7	2,022.2	2,047.8	2,345.6	14.5%	1,611.2	2,428.0	50.7%	593.6	899.7	51.6%
Taxes on revenues - Car sales for fleet renewal	(3.8)	(3.4)	(4.0)	(2.9)	(3.1)	6.9%	(1.8)	(3.3)	83.3%	(0.7)	(1.3)	85.7%
Car sales for fleet renewal - net revenues	1,520.0	1,747.3	2,018.2	2,044.9	2,342.5	14.6%	1,609.4	2,424.7	50.7%	592.9	898.4	51.5%
Total net revenues	3,166.7	3,506.2	3,892.2	3,928.0	4,439.3	13.0%	3,133.3	4,248.8	35.6%	1,123.2	1,563.4	39.2%
Direct costs and expenses:												
Car rental	(476.6)	(536.9)	(577.3)	(618.1)	(707.4)	14.4%	(508.3)	(633.5)	24.6%	(183.7)	(252.1)	37.2%
Franchising	(7.9)	(8.1)	(7.8)	(9.2)	(9.7)	5.4%	(5.5)	(7.1)	29.1%	(2.0)	(2.4)	20.0%
Total Car rental and Franchising	(484.5)	(545.0)	(585.1)	(627.3)	(717.1)	14.3%	(513.8)	(640.6)	24.7%	(185.7)	(254.5)	37.0%
Fleet Rental	(146.3)	(161.1)	(190.8)	(189.3)	(193.7)	2.3%	(142.3)	(158.9)	11.7%	(49.1)	(53.2)	8.4%
Total Car and Fleet Rentals and Franchising	(630.8)	(706.1)	(775.9)	(816.6)	(910.8)	11.5%	(656.1)	(799.5)	21.9%	(234.8)	(307.7)	31.0%
Car sales for fleet renewal - Car rental	(1,068.5)	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	23.7%	(1,157.4)	(1,833.2)	58.4%	(450.1)	(667.6)	48.3%
Car sales for fleet renewal - Fleet Rental	(237.3)	(214.1)	(276.3)	(286.7)	(279.4)	-2.5%	(211.1)	(260.8)	23.5%	(61.2)	(110.2)	80.1%
Total Car sales for fleet renewal (book value)	(1,305.8)	(1,486.0)	(1,704.7)	(1,683.0)	(2,006.9)	19.2%	(1,368.5)	(2,094.0)	53.0%	(511.3)	(777.8)	52.1%
Total costs	(1,936.6)	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	16.7%	(2,024.6)	(2,893.5)	42.9%	(746.1)	(1,085.5)	45.5%
Gross profit	1,230.1	1,314.1	1,411.6	1,428.4	1,521.6	6.5%	1,108.7	1,355.3	22.2%	377.1	477.9	26.7%
Operating expenses												
Advertising, promotion and selling:												
Car rental	(93.3)	(103.5)	(117.8)	(127.9)	(148.6)	16.2%	(102.5)	(138.2)	34.8%	(36.7)	(53.4)	45.5%
Franchising	(0.1)	(0.1)	(0.8)	(0.6)	(0.6)	0.0%	(0.4)	(1.0)	1.50	(0.1)	(0.3)	200.0%
Total car rental and Franchising	(93.4)	(103.6)	(118.6)	(128.5)	(149.2)	16.1%	(102.9)	(139.2)	35.3%	(36.8)	(53.7)	45.9%
Fleet Rental	(11.6)	(14.4)	(15.1)	(18.2)	(14.0)	-23.1%	(10.5)	(13.4)	27.6%	(3.4)	(4.2)	23.5%
Car sales for fleet renewal	(150.6)	(162.1)	(172.3)	(191.1)	(191.6)	0.3%	(138.9)	(164.7)	18.6%	(48.8)	(55.3)	13.3%
Total advertising, promotion and selling	(255.6)	(280.1)	(306.0)	(337.8)	(354.8)	5.0%	(252.3)	(317.3)	25.8%	(89.0)	(113.2)	27.2%
General, administrative and other expenses	(98.9)	(117.5)	(135.8)	(155.8)	(151.2)	-3.0%	(111.8)	(131.6)	17.7%	(36.0)	(53.9)	49.7%
Total Operating expenses	(354.5)	(397.6)	(441.8)	(493.6)	(506.0)	2.5%	(364.1)	(448.9)	23.3%	(125.0)	(167.1)	33.7%
Depreciation expenses:												
Cars depreciation:												
Car rental	(212.7)	(85.8)	(78.1)	(38.9)	(87.8)	125.7%	(56.0)	(88.2)	57.5%	(26.4)	(29.7)	12.5%
Fleet Rental	(164.2)	(143.2)	(129.3)	(124.7)	(118.5)	-5.0%	(90.8)	(82.0)	-9.7%	(28.3)	(28.5)	0.7%
Total cars depreciation expenses	(376.9)	(229.0)	(207.4)	(163.6)	(206.3)	26.1%	(146.8)	(170.2)	15.9%	(54.7)	(58.2)	6.4%
Other assets depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	7.0%	(28.7)	(28.3)	-1.4%	(9.6)	(10.2)	6.3%
Total depreciation and amortization expenses	(409.8)	(264.4)	(243.1)	(199.3)	(244.5)	22.7%	(175.5)	(198.5)	13.1%	(64.3)	(68.4)	6.4%
Operating profit before financial results and taxes (EBIT)	465.8	652.1	726.7	735.5	771.1	4.8%	569.1	707.9	24.4%	187.8	242.4	29.1%
Financial expenses, net:												
Expense	(199.3)	(187.1)	(276.4)	(370.1)	(445.5)	20.4%	(329.7)	(380.9)	15.5%	(112.7)	(131.3)	16.5%
Income	60.6	76.5	125.3	167.4	202.0	20.7%	158.9	159.6	0.4%	59.0	51.9	-12.0%
Financial (expenses) revenues, net	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	20.1%	(170.8)	(221.3)	29.6%	(53.7)	(79.4)	47.9%
Income before tax and social contribution	327.1	541.5	575.6	532.8	527.6	-1.0%	398.3	486.6	22.2%	134.1	163.0	21.6%
Income tax and social contribution	(86.2)	(157.2)	(165.0)	(130.4)	(118.3)	-9.3%	(93.4)	(113.9)	21.9%	(30.2)	(39.8)	31.8%
Net income for the period	240.9	384.3	410.6	402.4	409.3	1.7%	304.9	372.7	22.2%	103.9	123.2	18.6%
EBITDA	875.6	916.5	969.8	934.8	1,015.6	8.6%	744.6	906.4	21.7%	252.1	310.8	23.3%
EBIT	465.8	652.1	726.7	735.5	771.1	4.8%	569.1	707.9	24.4%	187.8	242.4	29.1%
Consolidated EBIT Margin	28.3%	37.1%	38.8%	39.1%	36.8%	-2.3p.p.	37.3%	38.8%	1.5p.p.	35.4%	36.5%	1.0p.p.
Car and Fleet Rentals and Franchising EBITDA	812.1	817.3	849.6	785.3	887.8	13.1%	653.8	695.1	6.3%	223.1	191.3	-14.3%
EBITDA Margin	49.3%	46.5%	45.3%	41.7%	42.3%	0.6p.p.	42.9%	38.1%	-4.8p.p.	42.1%	28.8%	-13.3p.p.
Used Car Sales (Seminovos) EBITDA	63.5	99.2	120.2	149.5	127.7	-14.6%	90.8	151.3	66.6%	29.0	59.5	105.2%
EBITDA Margin	4.2%	5.7%	6.0%	7.3%	5.5%	-1.8p.p.	5.6%	6.2%	0.6p.p.	4.9%	6.6%	1.7p.p.

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

17.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2012	2013	2014	2015	2016	Var.	9M16	9M17	Var.	3Q16	3Q17	Var.
Average operating fleet:												
Car Rental	53,548	59,094	61,525	62,513	70,185	12.3%	66,642	87,016	30.6%	70,586	97,187	37.7%
Fleet Rental	30,357	31,188	30,778	31,676	31,908	0.7%	31,546	35,216	11.6%	31,889	37,818	18.6%
Total	83,905	90,282	92,303	94,189	102,093	8.4%	98,188	122,232	24.5%	102,475	135,005	31.7%
Average rented fleet:												
Car Rental	37,932	39,475	42,999	43,315	51,515	18.9%	49,437	64,536	30.5%	53,130	72,200	35.9%
Fleet Rental	29,444	30,121	28,787	30,280	31,222	3.1%	30,809	34,013	10.4%	31,242	36,009	15.3%
Total	67,376	69,596	71,786	73,595	82,737	12.4%	80,246	98,549	22.8%	84,372	108,209	28.3%
Average age of operating fleet (months)												
Car Rental	7.8	7.2	7.2	7.4	7.9	6.8%	8.3	6.7	-19.3%	7.6	6.4	-15.8%
Fleet Rental	16.8	18.6	18.0	16.7	18.0	7.8%	17.8	18.5	3.9%	18.1	17.5	-3.3%
Average age of total operating fleet	11.0	11.1	10.0	10.6	11.0	3.8%	11.5	10.3	-10.4%	11.0	9.8	-10.9%
Fleet at end of period:												
Car Rental	65,086	70,717	77,573	76,755	94,156	22.7%	87,897	127,221	44.7%	87,897	127,221	44.7%
Fleet Rental	32,104	32,809	34,312	33,948	34,960	3.0%	34,437	44,655	29.7%	34,437	44,655	29.7%
Total	97,190	103,526	111,885	110,703	129,116	16.6%	122,334	171,876	40.5%	122,334	171,876	40.5%
Managed fleet at end period - Fleet Rental	162	30	267	207	145	-30.0%	108	116	7.4%	108	116	7.4%
Fleet investment (R\$ million)												
Car Rental	1,227.2	1,634.5	1,909.1	1,773.1	2,782.2	56.9%	1,830.9	3,366.5	83.9%	907.3	1,656.7	82.6%
Fleet Rental	386.4	389.7	571.2	502.0	503.4	0.3%	378.4	660.6	74.6%	169.6	264.3	55.8%
Total	1,613.6	2,024.2	2,480.3	2,275.1	3,285.6	44.4%	2,209.3	4,027.1	82.3%	1,076.9	1,921.0	78.4%
Number of rental days (In thousands):												
Car Rental - Total	13,886.3	14,414.7	15,696.2	15,815.8	18,864.8	19.3%	13,551.1	17,632.5	30.1%	4,887.3	6,638.9	35.8%
Rental days for Fleet Rental replacement service	(137.5)	(173.0)	(280.2)	(249.7)	(202.4)	-18.9%	(154.5)	(171.3)	10.9%	(40.9)	(51.7)	26.4%
Car Rental - Net	13,748.8	14,241.7	15,416.0	15,566.1	18,662.4	19.9%	13,396.6	17,461.2	30.3%	4,846.4	6,587.2	35.9%
Fleet Rental	10,600.7	10,843.7	10,363.3	10,900.9	11,240.0	3.1%	8,318.4	9,183.5	10.4%	2,811.8	3,240.8	15.3%
Total	24,349.5	25,085.4	25,779.3	26,467.0	29,902.4	13.0%	21,715.0	26,644.7	22.7%	7,658.2	9,828.0	28.3%
Annualized average depreciation per car (R\$)												
Car Rental	3,972.4	1,452.4	1,270.0	622.1	1,251.2	101.1%	1,120.7	1,351.4	20.6%	1,494.0	1,222.6	-18.2%
Fleet Rental	5,408.2	4,592.3	4,202.1	3,935.2	3,714.0	-5.6%	3,835.9	3,105.1	-19.1%	3,549.7	3,012.6	-15.1%
Total	4,491.9	2,537.1	2,247.7	1,736.3	2,020.9	16.4%	1,993.1	1,856.6	-6.8%	2,133.7	1,724.0	-19.2%
Average annual revenues per operating car (R\$ thousand)												
Car Rental	20.4	19.7	20.9	20.1	20.3	1.0%	20.6	19.6	-4.9%	20.4	19.3	-5.4%
Fleet Rental	17.5	18.2	18.3	18.9	20.1	6.3%	20.0	20.1	0.5%	20.2	19.7	-2.5%
Average daily rental (R\$)												
Car Rental (**)	82.36	84.85	87.71	84.56	79.67	-5.8%	80.10	75.66	-5.5%	77.65	74.09	-4.6%
Fleet Rental	51.59	53.83	56.16	56.08	58.23	3.8%	58.03	59.35	2.3%	58.43	58.93	0.9%
Utilization rate:												
Car Rental	70.8%	66.8%	69.9%	69.3%	73.4%	4.1p.p.	74.2%	74.2%	0.0p.p.	75.3%	74.3%	-1.0p.p.
Fleet Rental	97.0%	96.6%	93.5%	95.6%	97.9%	2.3p.p.	97.7%	96.6%	-1.1p.p.	98.0%	95.2%	-2.8p.p.
Number of cars purchased - consolidated	58,655	69,744	79,804	64,032	87,833	37.2%	59,912	100,109	67.1%	28,903	49,051	69.7%
Average price of cars purchased (R\$ thsd) - consolidated	27.51	29.02	31.08	35.53	37.41	5.3%	36.88	40.23	9.1%	37.26	39.16	5.1%
Numbers of cars sold - consolidated	56,644	62,641	70,621	64,305	68,449	6.4%	47,566	64,451	35.5%	17,379	23,941	37.8%
Average price of cars sold (R\$ thsd) (*) - consolidated	24.24	25.36	25.90	28.54	31.23	9.4%	30.72	34.89	13.6%	31.13	35.03	12.5%

(*) Net of SG&A expenses related to the sale of cars deactivated for fleet renewal.

(**) Not included the rentals for Fleet Rental Division.

18 – Consolidated financial statements – IFRS – R\$/million

ASSETS	2012	2013	2014	2015	2016	9M17
CURRENT ASSETS:						
Cash and cash equivalents	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,939.4
Trade accounts receivable	361.1	408.3	459.6	486.1	424.5	507.1
Derivative financial instruments - swap	-	-	-	-	2.2	-
Other current assets	50.0	57.9	94.6	102.6	115.0	145.3
Decommissioning cars to fleet renewal	13.3	16.5	18.3	31.8	8.8	88.3
Total current assets	1,248.3	1,493.4	1,962.7	2,005.6	2,242.8	2,680.1
NON CURRENT ASSETS:						
Long-term assets:						
Marketable securities	-	-	92.5	-	-	-
Derivative financial instruments - swap	-	-	-	45.6	7.4	17.6
Trade accounts receivable	4.0	7.1	3.2	4.7	3.2	2.9
Escrow deposit	23.0	38.1	41.9	52.9	60.1	82.7
Deferred income tax and social contribution	24.5	32.4	-	-	-	44.2
Investments in restricted accounts	-	-	-	-	-	40.0
Other non current assets	0.1	0.1	0.1	0.1	0.1	3.9
Total long-term assets	51.6	77.7	137.7	103.3	70.8	191.3
Property and equipment						
Cars	2,534.3	2,781.4	3,278.0	3,610.9	4,614.8	6,500.3
Other	171.0	166.1	203.9	314.1	405.8	537.7
Intangible:						
Software and others	36.2	47.3	60.3	67.1	61.1	56.3
Goodwill on acquisition of investments	4.5	12.3	22.0	22.0	22.0	36.2
Total non current assets	2,797.6	3,084.8	3,701.9	4,117.4	5,174.5	7,321.8
TOTAL ASSETS	4,045.9	4,578.2	5,664.6	6,123.0	7,417.3	10,001.9

LIABILITIES AND SHAREHOLDERS' EQUITY	2012	2013	2014	2015	2016	9M17
CURRENT LIABILITIES:						
Trade accounts payable	356.2	460.5	828.4	690.6	910.9	1,652.6
Social and labor obligations	53.2	73.9	86.3	85.6	95.0	103.7
Loans, financing and debentures	210.1	275.4	300.9	422.4	654.6	547.0
Derivative financial instruments - swap	-	-	-	-	-	6.6
Income tax and social contribution	26.0	35.2	41.3	28.3	23.0	29.7
Dividends and interest on own capital	18.7	53.1	59.2	29.3	39.7	34.9
Other current liabilities	70.0	78.6	82.3	99.9	118.5	113.0
Total current liabilities	734.2	976.7	1,398.4	1,356.1	1,841.7	2,487.5
NON CURRENT LIABILITIES:						
Loans, financing and debentures	1,845.0	2,068.1	2,411.6	2,596.9	3,131.3	4,632.5
Derivative financial instruments - swap	-	-	-	-	-	9.0
Provisions	35.2	50.9	69.9	68.3	63.1	95.8
Deferred income tax and social contribution	76.8	111.8	106.0	141.6	171.9	213.8
Restricted Obligations	-	-	-	-	-	40.0
Other non current liabilities	30.0	29.5	23.2	18.5	12.3	11.5
Total non current liabilities	1,987.0	2,260.3	2,610.7	2,825.3	3,378.6	5,002.6
Total liabilities	2,721.2	3,237.0	4,009.1	4,181.4	5,220.3	7,490.1
SHAREHOLDERS' EQUITY:						
Capital	601.7	976.7	976.7	976.7	976.7	1,500.0
Capital Reserves	48.0	30.2	40.4	35.9	34.0	96.2
Earnings Reserves	675.0	334.3	638.4	929.0	1,186.3	915.6
Total shareholders' equity	1,324.7	1,341.2	1,655.5	1,941.6	2,197.0	2,511.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,045.9	4,578.2	5,664.6	6,123.0	7,417.3	10,001.9

19 – Consolidated financial statements – Income statements and reconciliations - R\$/million

In order to preserve the comparability of this quarter's financials to previous quarters, we present below the consolidated financial statements with the 3Q17 and 9M17 adjusted by the one-time costs (non-recurring costs and expenses related to the acquisition of Hertz Brasil on 09/01/2017 and the integration of 17 franchised branches).

STATEMENT OF INCOME	2012	2013	2014	2015	2016	9M17	9M17 Adjusted
Total net revenues	3,166.7	3,506.2	3,892.2	3,928.0	4,439.3	4,248.8	4,248.8
COSTS AND EXPENSES:							
Direct costs	(1,936.6)	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(2,893.5)	(2,878.7)
Selling, general, administrative and other expenses	(354.5)	(397.6)	(441.8)	(493.6)	(506.0)	(448.9)	(442.2)
Cars depreciation	(376.9)	(229.0)	(207.4)	(163.6)	(206.3)	(170.2)	(170.2)
Other assets depreciation and amortization	(32.9)	(35.4)	(35.7)	(35.7)	(38.2)	(28.3)	(28.3)
Total costs and expenses	(2,700.9)	(2,854.1)	(3,165.5)	(3,192.5)	(3,668.2)	(3,540.9)	(3,519.4)
Income before financial results and taxes (EBIT)	465.8	652.1	726.7	735.5	771.1	707.9	729.4
FINANCIAL EXPENSES, NET	(138.7)	(110.6)	(151.1)	(202.7)	(243.5)	(221.3)	(221.3)
Income before taxes	327.1	541.5	575.6	532.8	527.6	486.6	508.1
INCOME TAX AND SOCIAL CONTRIBUTION							
Current	(106.5)	(130.1)	(139.5)	(94.8)	(88.0)	(88.0)	(93.2)
Deferred	20.3	(27.1)	(25.5)	(35.6)	(30.3)	(25.9)	(25.9)
	(86.2)	(157.2)	(165.0)	(130.4)	(118.3)	(113.9)	(119.1)
Net income	240.9	384.3	410.6	402.4	409.3	372.7	389.0

20 – Statements of Cash Flows – R\$/million

CONSOLIDATED CASH FLOW	2012	2013	2014	2015	2016	9M17	9M17 Adjusted
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net income	240.9	384.3	410.6	402.4	409.3	372.7	389.0
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:							
Depreciation and amortization	409.8	264.4	243.2	199.3	244.5	198.5	198.5
Net book value of vehicles written off	1,360.2	1,543.8	1,777.0	1,769.1	2,102.5	2,178.8	2,178.8
Deferred income tax and social contribution	(20.3)	27.1	25.5	35.6	30.3	25.9	25.9
Other	21.8	33.7	32.0	17.3	26.9	43.2	43.2
(Increase) decrease in assets:							
Trade receivable	(14.6)	(54.7)	(49.9)	(36.6)	56.8	(66.0)	(66.0)
Purchases of cars (see supplemental disclosure below)	(1,735.7)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(3,291.4)	(3,291.4)
Escrow deposits	0.7	(15.1)	(5.7)	(15.3)	(7.2)	(17.0)	(17.0)
Taxes recoverable	(11.4)	(20.3)	(43.4)	(5.2)	(6.0)	3.0	3.0
Prepaid expenses	0.0	0.0	0.0	0.0	0.0	(23.1)	(23.1)
Other assets	8.5	6.1	(5.7)	(1.3)	(3.6)	(2.8)	(2.8)
Increase (decrease) in liabilities:							
Accounts payable (except car manufacturers)	(15.6)	14.6	33.5	(16.7)	29.6	(5.1)	(5.1)
Social and labor obligations	(5.5)	20.7	12.4	(0.5)	9.4	1.9	1.9
Income tax and social contribution	106.5	130.1	139.5	94.8	88.0	88.0	93.2
Interest on loans, financing, debentures and swaps of fixed rates	195.9	181.6	281.7	406.6	438.1	363.3	363.3
Insurance premium	15.8	4.0	(0.6)	4.4	8.6	4.3	4.3
Other liabilities	16.0	1.1	(5.4)	5.9	(19.5)	(15.1)	(15.1)
Cash provided by (used in) operating activities	573.0	582.0	694.5	460.2	308.8	(140.9)	(119.4)
Income tax and social contribution paid	(100.9)	(108.5)	(113.1)	(110.7)	(93.3)	(81.7)	(81.7)
Interest on loans, financing and debentures paid(*)	(190.6)	(152.0)	(328.0)	(352.9)	(442.3)	(316.7)	(316.7)
Net cash provided by (used in) operating activities	281.5	321.5	253.4	(3.4)	(226.8)	(539.3)	(517.8)
CASH FLOWS FROM INVESTING ACTIVITIES:							
(Investments) withdraw in marketable securities	0.0	0.0	(92.6)	92.6	0.0	0.0	0.0
Acquisition of investment, goodwill and fair value surplus	0.0	(12.5)	(14.4)	0.0	0.0	(337.7)	(337.7)
Purchases of other property and equipment and addition of intangible assets	(80.8)	(41.5)	(87.3)	(153.0)	(126.6)	(154.8)	(154.8)
Net cash provided by (used in) investing activities	(80.8)	(54.0)	(194.3)	(60.4)	(126.6)	(492.5)	(492.5)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Loans and financings:							
Proceeds	125.9	112.6	499.1	747.1	266.3	867.4	867.4
Repayment	(359.9)	(129.4)	(490.4)	(368.4)	(297.9)	(420.9)	(420.9)
Debentures							
Proceeds	300.2	496.3	497.3	496.8	943.4	1,195.7	1,195.7
Repayment	(90.6)	(220.7)	(90.8)	(668.0)	(105.0)	(287.5)	(287.5)
Treasury shares (acquired)/ sold	0.0	(36.8)	0.0	(27.5)	(25.0)	2.1	2.1
Exercise of stock options with treasury shares, net	21.9	12.8	5.5	18.0	18.2	47.9	47.9
Dividends paid	(26.3)	(255.1)	(38.6)	(44.7)	(1.0)	0.0	0.0
Interest on own capital	(59.0)	(60.4)	(61.7)	(94.6)	(138.4)	(125.8)	(125.8)
Net cash provided by (used in) financing activities	(87.8)	(80.7)	320.4	58.7	660.6	1,278.9	1,278.9
NET CASH FLOW PROVIDED (USED) IN THE YEAR	112.9	186.8	379.5	(5.1)	307.2	247.1	268.6
Cash flow without incurred one-time costs Hertz and franchisees	0.0	0.0	0.0	0.0	0.0	0.0	(21.5)
NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS	112.9	186.8	379.5	(5.1)	307.2	247.1	247.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	711.0	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,692.3
CASH AND CASH EQUIVALENTS AT END OF YEAR	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,939.4	1,939.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	112.9	186.8	379.5	(5.1)	307.2	247.1	247.1
Supplemental disclosure of cash flow information:							
Cash paid during the period for cars acquisition							
Cars acquisition in the year/period - renewal	(1,563.3)	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(2,594.6)	(2,594.6)
Cars acquisition in the year/period - growth	(55.5)	(209.4)	(286.9)	0.0	(726.0)	(1,435.5)	(1,435.5)
Suppliers - automakers:							
Balance at the end of the year	288.4	378.1	712.5	591.3	782.0	1,520.8	1,520.8
Balance at the beginning of the year	(405.3)	(288.4)	(378.1)	(712.5)	(591.3)	(782.1)	(782.1)
Cash paid for cars purchased	(1,735.7)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(3,291.4)	(3,291.4)

(*) In 2014, R\$90.0 million interest was paid due to the settlement of one operation. The interest was accrued over many years.

21 – Glossary and other information

•**Adjusted:** financials have been recalculated to exclude the impact of incurred one-time costs related with the acquisition of Hertz Brasil and the integration of 17 franchised branches.

•**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.

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

•**CAPEX:** Capital expenditure.

•**Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of average discount and selling cost. 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.

•**One-time costs:** non-recurring costs and expenses related to the acquisition of Hertz's operations in Brazil and the integration of 17 franchised branches.

•**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.

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

LOCALIZA RENT A CAR S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

Localiza Rent a Car S.A. ("Localiza" or "Company"), headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, has been since May 2005 a Brazilian publicly-held company, listed in B3 S.A. - Brasil, Bolsa, Balcão ("B3") Novo Mercado, which characterizes the highest corporate governance level in Brazilian capital market. Localiza's shares are traded under the ticker symbol RENT3.

Localiza and its subsidiaries are mainly engaged in: 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 for the purchase of new cars.

On August 31, 2017, the closing of the acquisition of 100% of the quotas of Car Rental Systems do Brasil Locação de Veículos Ltda. ("Car Rental Systems") has occurred. By virtue of this acquisition, Localiza takes over a total fleet of 8,162 cars¹, which includes 3,541 cars in the fleet rental division and 4,621 cars in the car rental division. As part of the strategic alliance between the two companies, Localiza and The Hertz Corporation ("Hertz Corp.") established a global and long-term agreement. See further information in note 7.

As of September 30, 2017, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 577 car rental locations (not reviewed by the auditors and not including Car Rental Systems locations), being: (i) 507 locations in 358 cities in Brazil, 371 of which were operated by Localiza and 136 by franchisees; and (ii) 70 locations in 42 cities in 6 South American countries, all operated by franchisees.

As of September 30, 2017, Localiza's Platform fleet was comprised of 185,390 cars (not reviewed by the auditors and including Car Rental Systems cars), of which: (i) 171,876 belonged to the Company, including 127,221 of the Car Rental Division and 44,655 of the Fleet Rental Division; (ii) 8,017 belonged to its franchisees in Brazil; and (iii) 5,497 belonged to its franchisees abroad. Decommissioned cars are substantially sold to final consumers through 93 points of sale owned by the Company, located in 60 cities throughout Brazil, without intermediation costs, maximizing cash flow generation for fleet renewal and reducing the depreciation cost.

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

The Company's interim financial information comprises individual and consolidated interim financial information, identified as "Individual" and "Consolidated", 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. In turn, the accounting practices adopted in Brazil comprise those included in the Brazilian Corporate Law as well as the technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and disclose all relevant information that should be reported in the interim financial information, and only such information, which is consistent with the information used by Management in the performance of its duties.

The individual interim financial information discloses the measurement of investments in subsidiaries under the equity method of accounting, in accordance with the accounting practices adopted in Brazil and the IFRSs.

¹ The difference of 224 cars compared to the 8,386 disclosed in the material fact released on August 31, 2017 refers to the stolen cars that were provisioned on Car Rental Systems's balance sheet and were written-off after acquisition.

The other information on the basis of preparation, presentation of the interim financial information and summary of significant accounting policies, except business combination (note 7), has not significantly changed compared with that disclosed in note 2.7 and other notes to the annual financial statements for the year ended December 31, 2016 (hereinafter referred to as "financial statements for the year ended December 31, 2016"), published on February 5, 2017 through the websites www.cvm.gov.br, www.bmfbovespa.com.br and www.localiza.com/ri and disclosed on February 16, 2017 in the "Diário do Comércio de Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais Official Gazette) newspapers.

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting pronouncements and interpretations in this interim financial information have not significantly changed in relation to those disclosed in the financial statements for the year ended December 31, 2016.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Cash and banks (*)	10,168	2,781	14,755	5,222
Bank Certificates of Deposit ("CDB")	31,917	52,517	58,084	70,967
Short-term investments with repurchase guarantee (**)	24,354	237,228	26,003	301,014
Fixed-income investment fund units (***)	1,576,792	841,185	1,840,514	1,315,058
Total	1,643,231	1,133,711	1,939,356	1,692,261

(*) The increase in "cash and banks" refers to bank credit facilities shown in the bank statement on October 2, 2017 relating to car rental and fleet rental invoices falling due on September 29, 2017, which were written off from trade receivables on that date. The bank transfers the amounts received on the following business day only.

(**) As of March 31, 2017, Localiza has redeemed short-term investments with repurchase guarantee for settlement, with bank of Tokyo-Mitsubishi UFJ Brasil S.A., of a loan in the amount of US\$70,000 thousand, corresponding to R\$218,729 (note 12).

(***) The increase in fixed-income investment fund units refers to amounts invested in such category and derived from funds raised through the issues of debentures conducted in the 2Q17 and the issue of promissory notes in the 3Q17 (note 12), partially offset by the redemption for payment of the acquisition of Car Rental Systems in the amount of R\$360,063 (note 7).

As of September 30, 2017, investments in CDB, short-term investments with repurchase guarantee and fixed-income investment fund units posted weighted annual average yield of 106.1% of the Interbank Deposit Certificate ("CDI") rate fluctuation (104.2% as of December 31, 2016) and are highly liquid.

5. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Car rental	284,830	265,343	292,262	265,341
Fleet rental	-	-	105,433	75,743
Sale of decommissioned cars (*)	117,813	95,130	152,443	113,514
Franchising	1,388	1,942	9,245	10,193
	404,031	362,415	559,383	464,791
Allowance for doubtful debts (**)	(31,926)	(25,958)	(49,386)	(37,094)
Total	372,105	336,457	509,997	427,697
Current	372,105	336,457	507,067	424,528
Non-current	-	-	2,930	3,169

(*) The changes in trade receivables from sale of decommissioned cars refer to the increase in the volume of sales in the 3Q17 when compared to the 4Q16.

(**) The allowance for doubtful debts increased in 9M17 due to the increase in receivables.

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Current	314,545	288,456	432,477	350,351
Up to 30 days past-due	28,399	27,041	41,375	50,810
31 to 60 days past-due	14,064	9,954	17,213	13,129
61 to 90 days past-due	8,812	6,437	11,240	7,386
91 to 180 days past-due	14,862	11,675	19,830	13,306
Over 181 days past-due	23,349	18,852	37,248	29,809
Total	404,031	362,415	559,383	464,791
% provisioned on receivables over 90 days past-due	83.6%	85.0%	86.5%	86.0%

The balance of trade receivables includes past-due amounts at the end of the period/year, for which the allowance for doubtful debts was not recognized because these amounts are still considered recoverable. The aging list of past-due amounts not included in the allowance for doubtful debts is as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Up to 30 days past-due	27,485	25,667	40,436	49,175
31 to 60 days past-due	11,993	8,428	15,056	11,498
61 to 90 days past-due	7,045	5,242	9,393	6,097
91 to 180 days past-due	10,989	8,564	13,255	9,966
Over 181 days past-due	2,157	4,240	2,692	5,490
Total	59,669	52,141	80,832	82,226

The aging list of the allowance for doubtful debts is as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Current	(2,109)	(4,140)	(3,312)	(4,880)
Up to 30 days past-due	(914)	(1,374)	(939)	(1,635)
31 to 60 days past-due	(2,071)	(1,526)	(2,157)	(1,631)
61 to 90 days past-due	(1,767)	(1,195)	(1,847)	(1,289)
91 to 180 days past-due	(3,873)	(3,111)	(6,575)	(3,340)
Over 181 days past-due	(21,192)	(14,612)	(34,556)	(24,319)
Total	(31,926)	(25,958)	(49,386)	(37,094)

The variation in the allowance for doubtful debts is as follows:

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Balance at the beginning of the period	(25,958)	(20,157)	(37,094)	(30,773)
Opening balance - Car Rental Systems (*)	-	-	(4,916)	-
Recognition	(6,773)	(4,959)	(9,038)	(8,085)
Reversal	805	464	1,662	2,784
Balance at the end of the period	(31,926)	(24,652)	(49,386)	(36,074)

	Individual		Consolidated	
	3Q17	3Q16	3Q17	3Q16
Balance at the beginning of the period	(27,836)	(24,130)	(40,085)	(35,556)
Opening balance - Car Rental Systems (*)	-	-	(4,916)	-
Recognition	(4,252)	(1,144)	(5,203)	(1,866)
Reversal	162	622	818	1,348
Balance at the end of the period	(31,926)	(24,652)	(49,386)	(36,074)

(*) As of September 30, 2017, the consolidated balances include the carrying amounts of the allowance for doubtful debts acquired in the acquisition of Car Rental Systems.

6. OTHER CURRENT AND NON-CURRENT ASSETS

Other current and non-current assets are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Balances stated separately in current assets:				
Prepaid expenses (*)	22,729	5,134	32,727	5,134
Recoverable taxes	11,698	14,702	26,578	31,539
Derivative instruments – swap (note 12)	-	2,210	-	2,210
	34,427	22,046	59,305	38,883
Other current assets:				
Receivables from insurance company (**)	61,843	54,320	64,037	61,994
Other receivables – subsidiaries (note 7(b) (i))	692	1,329	-	-
Other current assets	11,415	9,479	22,060	16,308
	73,950	65,128	86,097	78,302
Total other current assets	108,377	87,174	145,402	117,185
Balances stated separately in non-current assets:				
Other receivables – subsidiaries (note 7(b) (i))	839	778	-	-
Recoverable taxes	-	-	3,818	-
Investments in restricted accounts (note 13)	-	-	40,000	-
Derivative instruments – swap (note 12)	-	-	17,556	7,386
Other non-current assets	83	83	83	83
Total other non-current assets	922	861	61,457	7,469
Total other current and non-current assets	109,299	88,035	206,859	124,654

(*) Basically refers to prepaid expenses on Vehicle Tax ("IPVA"), in the consolidated amount of R\$25,660, paid at the beginning of the year for fleet cars in use and monthly paid according to car purchases during the year, which are amortized in the year or based on the estimated useful life of each car, when the sale is expected to be made before December 31, 2017.

(**) Expenses incurred on claims, cost of stolen cars and receivables from the insurance company for insurance intermediation services (note 2.7.5 to the financial statements for the year ended December 31, 2016).

7. INVESTMENTS IN SUBSIDIARIES AND RELATED-PARTY TRANSACTIONS

(a) Information on subsidiaries

Car rental, fleet rental and franchising activities in Brazil and abroad are conducted by Localiza or its subsidiaries.

The operations of the main subsidiaries are as follows:

- **Localiza Fleet S.A. ("Localiza Fleet"):** Privately-held company engaged in fleet rental business.
- **Rental Brasil Administração e Participação S.A. ("Rental Brasil"):** Privately-held company engaged in managing and holding ownership interests in other entities, as a quotaholder or shareholder, and acquiring, selling and renting own properties and parking lots.
- **Localiza Serviços Prime S.A. ("Localiza Prime"):** Privately-held company mainly engaged in the intermediation of sales of decommissioned cars previously used by Localiza and Localiza Fleet.
- **Car Assistance Serviços de Administração de Sinistros S.A. ("Car Assistance"):** Privately-held company engaged in managing car-related claims for insurance companies, accrediting and negotiating with garages and other suppliers, regulating claims, approving budgets and services performed, managing information and supporting documentation on claims and managing indemnities.
- **Localiza Franchising Brasil S.A. ("Franchising Brasil"):** Privately-held company engaged in conducting the franchise business of "Localiza" brand in Brazil.

- **Localiza Franchising International S.R.L. (“LFI S.R.L.”):** Limited liability company engaged in managing Localiza’s franchises in Argentina.
- **Rental International LLC (“Rental International”):** Company’s wholly-owned subsidiary established to conduct financial activities abroad. It is currently dormant.
- **FR Assistance Serviços de Administração de Sinistros S.A. (“FR Assistance”):** Wholly-owned subsidiary of Franchising Brasil, currently dormant and engaged in managing car-related claims for insurance companies, accrediting and negotiating with garages and other suppliers, regulating claims, approving budgets and services performed, managing information and supporting documentation on claims and managing indemnities.
- **Car Rental Systems do Brasil Locação de Veículos Ltda. (“Car Rental Systems” or “Hertz Brasil”):** Subsidiary of Localiza Fleet, mainly engaged in car rental and fleet rental.

As disclosed in note 27 to the financial statements for the year ended December 31, 2016, on December 5, 2016 Localiza and Localiza Fleet entered into a Purchase and Sale Agreement with Hertz Corp. and some of its subsidiaries, whereby Localiza Fleet, after approval from the Brazilian Administrative Council for Economic Defense (“CADE”), would take over the Brazilian operations of Hertz Corp. through the acquisition of 99.99% of the quotas of Car Rental Systems and Localiza would acquire the remaining 0.01% of the quotas.

On July 13, 2017, the General Superintendence of CADE issued a final and unappealable decision approving Technical Opinion 22/2017/CGAA4/SGA1/SG/CADE, recommending the unrestricted approval of the Concentration Act 08700.001347/2017-41 on the acquisition of Car Rental Systems by Localiza Fleet and Localiza and the strategic alliance between Localiza and Hertz Corp..

On August 31, 2017, the closing of the acquisition of 100% of the quotas of Car Rental Systems has occurred at the amount of R\$360,063, corresponding to the equity of Car Rental Systems, calculated on a preliminary basis on that date. Within 90 days after the closing of the acquisition, a final balance sheet will be prepared with the closing date and any differences will be adjusted between the parties.

As part of the strategic alliance between Localiza and Hertz Corp., a long-term global agreement was established by entering into:

- Brand Cooperation Agreement that includes, among others, the use of the combined brand “Localiza Hertz” in Brazil and the use, by Hertz, of the brand “Localiza” in the main airports of the United States and Europe, considered as arrival destinations of Brazilian customers; and
- Referral Agreement that establishes the inbound and outbound rules of exchange of reservations between Localiza and Hertz Corp.. Through the Referral Agreement, Localiza customers will start to be globally served (except for South America) by the Hertz network and Hertz customers will start to be served in Brazil by the Localiza network.

The Brand Cooperation Agreement and the Referral Agreement will have a 20-year term and can be renewed for another 20-year period, at the discretion of the parties.

Business combination

The acquisition of Car Rental Systems was booked in the consolidated financial statements at the fair value of assets acquired and liabilities assumed by Localiza Fleet on the acquisition date, and the excess over the consideration paid was booked as goodwill.

The transaction costs incurred by the Company with regard to the acquisition are recognized in profit or loss, when incurred.

Net assets and liabilities assumed in the transaction

The acquisition price for 100% of the interest in Car Rental Systems was R\$360,063. Of this amount, R\$320,063

was paid in cash and one installment was deposited in the collateral account for adjustments amounting to R\$40,000. According to contractual clauses, Localiza Fleet will have 90 days, from the acquisition date, to prepare the closing balance sheet in accordance with accounting practices adopted in Brazil, expressly disclosing the final calculation of the purchase price, that will be adjusted.

The assets and liabilities acquired, measured by Management on a preliminary basis, are shown below at fair value and are being revised by a specialist firm for a definitive valuation of net assets. After the completion of technical studies, increases or decreases in provisional amounts recognized for an identifiable asset or assumed liability through increase or decrease in goodwill based on expected future earnings will be attested. Below are the provisional net assets:

Car Rental Systems	Fair value on 08/31/17
Assets	
Current assets	61,427
Non-current assets	
Long-term assets	28,156
Fixed and intangible assets	295,741
Total	385,324
Liabilities	
Current liabilities	24,316
Non-current liabilities	15,059
Equity	345,949
Total	385,324

Car Rental Systems	Fair value on 08/31/17
Consideration effectively transferred	360,063
Net fair value recognized of identifiable assets and liabilities	(345,949)
Preliminary goodwill identified in the acquisition	14,114

Net cash outflow in acquisition of subsidiary

Car Rental Systems	Fair value on 08/31/17
Considerations transferred in cash	360,063
(-) Balances of cash and cash equivalents acquired	(22,375)
Effects of acquisition presented in the cash flow statement	337,688

Impact of acquisition on consolidated profit or loss

The Company is still analyzing the impacts on profit or loss attributable to additional businesses generated by Car Rental Systems had this business combination been made on January 1, 2017.

Until September 30, 2017, the Company incurred one-time costs amounting to R\$8,862 in the process of integrating Car Rental Systems. Other costs of this nature will also be incurred in 4Q17.

Change in ownership interest

The Board of Directors' meeting held on September 13, 2017 resolved on the following: (i) the change of the corporate type of Car Rental Systems from limited liability company to privately-held company, including change of the registered office to the city of Belo Horizonte, state of Minas Gerais; and (ii) the transfer of the total interest held by Localiza, namely, one share in Car Rental Systems to Localiza Fleet, thus making Car Rental Systems a wholly-owned subsidiary of Localiza Fleet.

The interests in capital, equity and net income / (loss) of direct and indirect subsidiaries are as follows:

	Number of shares		In capital (%)		In equity		Interest		
	09/30/17	12/31/16	09/30/17	12/31/16	09/30/17	12/31/16	9M17	9M16	3Q16
Direct subsidiaries:									
Localiza Fleet	103,280,354	103,280,354	100.0	100.0	537,226	551,289	152,786	140,069	46,908
Rental Brasil (*)	15,000,000	15,000,000	100.0	100.0	256,337	150,107	6,230	(176)	(176)
Localiza Prime	15,000	15,000	100.0	100.0	88,897	104,208	(15,311)	(7,406)	(3,075)
Car Assistance	200,000	200,000	100.0	100.0	16,554	15,389	16,314	15,560	5,774
Franchising Brasil	399,069	399,069	100.0	100.0	6,778	7,869	6,175	8,534	2,667
LFI S.R.L.	131,078	131,078	98.0	98.0	548	170	378	(13)	48
Rental International	1,000	1,000	100.0	100.0	-	-	(63)	(75)	(25)
					906,340	829,032	166,509	156,493	52,121
Goodwill in the acquisition of investments:									
Goodwill (note 9(b))					22,077	22,077	-	-	-
Total					928,417	851,109	166,509	156,493	52,121
Indirect subsidiary:									
FR Assistance	150,000	150,000	100.0	100.0	150	150	-	-	-
Car Rental Systems (**)	603,876,785	-	100.0	-	346,380	-	431	-	431
					346,530	150	431	-	-
Goodwill in the acquisition of investments:									
Preliminary goodwill identified in the Car Rental Systems acquisition (note 9(b))					14,114	-	-	-	-
Total					360,644	150	431	-	-
Indirect interest:									
LFI S.R.L.	2,160	2,160	2.0	2.0	4	4	7	-	-

(*) The Board of Directors' Meeting held on September 13, 2017 approved the increase of R\$100,000 in Rental Brasil's capital by Localiza, which will be paid in with a balance of advance for future capital increase in the amount of R\$54,668 and R\$45,332 in cash. Such increase does not impact the consolidated financial statements.

(**) The Board of Directors' Meeting held on September 13, 2017 approved the increase of R\$100,000 in Car Rental Systems' capital by Localiza Fleet, which was paid in on October 6, 2017. Such increase does not impact the consolidated financial statements.

Variations in the balance of investments in subsidiaries are as follows:

	9M17	9M16
Balance at the beginning of the period	829,032	854,908
Capital increase in subsidiary	100,000	-
Equity in the earnings of subsidiaries	166,509	156,493
Dividends from subsidiaries (item (iii) below)	(189,264)	(166,661)
Provision for equity deficiency of subsidiary Rental International	63	75
Balance at the end of the period	906,340	844,815

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

(i) Balance sheets

09/30/17	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
Assets							
Current	364,017	53,720	89,798	17,807	11,105	1,136	18
Non-current							
Long-term assets	93,047	21,373	18,508	-	6,869	-	-
Investment	11	-	-	-	-	-	-
Property and equipment	1,738,065	389,833	356	-	-	-	-
Intangible assets	20,664	-	-	-	614	-	-
Total	2,215,804	464,926	108,662	17,807	18,588	1,136	18
Liabilities							
Current	559,815	9,601	11,965	1,231	3,973	558	-
Non-current	1,118,763	198,988	7,800	22	7,837	26	838
Equity	537,226	256,337	88,897	16,554	6,778	552	(820)
Total	2,215,804	464,926	108,662	17,807	18,588	1,136	18
12/31/16	Localiza Fleet	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
Assets							
Current	494,944	40,023	116,796	21,511	16,935	606	21
Non-current							
Long-term assets	15,488	7,386	8,956	-	6,748	-	-
Investment	4	-	-	-	-	-	-
Property and equipment	1,205,827	305,895	388	-	31	-	-
Intangible assets	4,583	-	-	-	861	-	-
Total	1,720,846	353,304	126,140	21,511	24,575	606	21
Liabilities							
Current	377,140	8,611	13,667	6,122	8,322	402	-
Non-current	792,417	194,586	8,265	-	8,384	30	778
Equity	551,289	150,107	104,208	15,389	7,869	174	(757)
Total	1,720,846	353,304	126,140	21,511	24,575	606	21

(ii) *Income statements*

	9M17	Localiza Fleet		Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
		Consolidated							
Net revenue		866,307		9,812	18,378	18,268	10,772	526	-
Gross profit		346,638		9,650	18,369	17,983	7,709	498	-
Net income / (loss) before income tax and social contribution		231,006		9,412	(25,620)	18,880	7,961	378	(63)
Net income / (loss)		152,786		6,230	(15,311)	16,314	6,175	378	(63)
	9M16	Localiza Fleet		Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
		Consolidated							
Net revenue		743,156		-	23,696	16,980	11,442	170	-
Gross profit		298,993		-	22,372	16,675	9,017	132	-
Net income / (loss) before income tax and social contribution		211,907		-	(10,770)	18,161	10,404	(13)	(75)
Net income / (loss)		140,069		(176)	(7,406)	15,560	8,534	(13)	(75)
	3Q17	Localiza Fleet		Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
		Consolidated							
Net revenue		331,675		9,812	7,600	6,009	3,353	184	-
Gross profit		123,863		9,650	7,600	5,924	2,461	178	-
Net income / (loss) before income tax and social contribution		76,211		9,412	(3,537)	6,083	2,293	137	(20)
Net income / (loss)		50,433		6,230	(1,222)	5,278	1,833	137	(20)
	3Q16	Localiza Fleet		Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Rental International
		Consolidated							
Net revenue		239,025		-	3,424	6,440	3,827	84	-
Gross profit		100,406		-	3,410	6,335	2,908	70	-
Net income / (loss) before income tax and social contribution		70,951		-	(7,659)	6,685	3,259	48	(25)
Net income / (loss)		46,908		(176)	(3,075)	5,774	2,667	48	(25)

(iii) *Dividends from subsidiaries*

9M17	Localiza Fleet Consolidated	Car Assistance	Franchising Brasil	Total
Dividends for 2016 (mandatory minimum)	-	5,050	2,422	7,472
Dividends in addition to the mandatory minimum for 2016	30,949	15,149	7,266	53,364
Prepaid dividends for 2017	135,900	-	-	135,900
Total approved dividends	166,849	20,199	9,688	196,736

9M16	Localiza Fleet	Localiza Prime	Car Assistance	Franchising Brasil	Rental Brasil	Total
Dividends for 2015	-	3,307	4,817	2,515	-	10,639
Prepaid dividends	106,000	-	-	-	-	106,000
Dividends in addition to the mandatory minimum for 2015	27,096	9,920	14,451	7,545	1,649	60,661
Total	133,096	13,227	19,268	10,060	1,649	177,300

(b) *Balances and transactions with related parties*

(i) *Balances and transactions with subsidiaries and other related parties*

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	09/30/17	12/31/16	09/30/17	12/31/16	09/30/17	12/31/16
Balances:						
Trade receivables	4,186	4,470	664	38	4,850	4,508
Dividends receivable	19,000	-	-	7,472	19,000	7,472
Other receivables (current and non-current) (note 6)	64	667	1,467	1,440	1,531	2,107
Trade payables	-	1,060	621	-	621	1,060
Other payables (note 13)	-	-	1,532	812	1,532	812

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	9M17	9M16	9M17	9M16	9M17	9M16
Transactions:						
Costs and expenses	24	-	12,103	-	12,127	-
Recoverable costs and expenses	24,561	12,682	3,912	4,217	28,473	16,899
Revenues	14,342	16,016	39	44	14,381	16,060

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16
Transactions:						
Costs and expenses	24	-	12,103	-	12,127	-
Recoverable costs and expenses	10,060	4,312	1,232	957	11,292	5,269
Revenues	4,691	7,049	-	8	4,691	7,057

	Consolidated					
	Localiza Fleet		Other subsidiaries		Total	
	09/30/17	12/31/16	09/30/17	12/31/16	09/30/17	12/31/16
Balances:						
Trade receivables	4,186	4,470	677	38	4,863	4,508
Dividends receivable	19,000	-	-	7,472	19,000	7,472
Other receivables (current and non-current)	79	667	1,579	1,440	1,658	2,107
Trade payables	-	1,060	621	-	621	1,060
Other payables	-	-	1,532	812	1,532	812

	Consolidated					
	Localiza Fleet		Other subsidiaries		Total	
	9M17	9M16	9M17	9M16	9M17	9M16
Transactions:						
Costs and expenses	24	-	12,103	-	12,127	-
Recoverable costs and expenses	24,561	12,682	3,912	4,217	28,473	16,899
Revenues	14,492	16,016	7,156	44	21,648	16,060

	Consolidated					
	Localiza Fleet		Other subsidiaries		Total	
	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16
Transactions:						
Costs and expenses	24	-	12,103	-	12,127	-
Recoverable costs and expenses	10,060	4,312	1,232	957	11,292	5,269
Revenues	4,841	7,049	7,117	8	11,958	7,057

As of September 30, 2017, there were collateral signatures related to guarantees for loans, financing and debentures amounting to: (i) R\$3,028,612 issued by Localiza Fleet to Localiza; (ii) R\$1,191,265 issued by Localiza to Localiza Fleet; and (iii) R\$190,603 issued by Localiza to Rental Brasil. There were also collateral signatures between companies when bank guarantees and guarantees insurances were issued for lawsuits totaling R\$72,452.

Additionally, the Company has guarantees insurances with J Malucelli Seguradora and Pottencial Seguradora, the latter being a company in which Salim Mattar and Eugênio Mattar, founding partners of Localiza, jointly hold 40% of the capital. In transactions with Pottencial Seguradora, made under normal market conditions, the amount of the accumulated premium paid through September 30, 2017 was R\$1,024 related to guarantees insurances in the current insured amount of R\$73,450.

The Company optimizes cash through a centralized management. Transactions are conducted based on conditions agreed upon between the parent company and its wholly-owned subsidiaries.

(ii) Key management compensation

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Compensation of the Board of Directors	10,293	10,334	10,293	10,334
Management and Executive Board				
Fees and compensation	13,838	9,623	20,969	16,594
Payroll taxes	3,440	2,627	5,029	4,321
Options granted recognized (*)	6,391	2,879	6,391	2,879
Supplementary pension plan (**)	2,416	63	3,127	97
Total	36,378	25,526	45,809	34,225

	Individual		Consolidated	
	3Q17	3Q16	3Q17	3Q16
Compensation of the Board of Directors	3,428	3,446	3,428	3,446
Management and Executive Board				
Fees and compensation	5,435	3,249	7,811	5,298
Payroll taxes	1,321	853	1,903	1,377
Options granted recognized (*)	4,086	832	4,086	832
Supplementary pension plan (**)	1,365	63	1,746	97
Total	15,635	8,443	18,974	11,050

(*) Change due to: (i) the increase, in 2017, of the exercise of stock options granted between 2011 and 2014, driven by the appreciation of RENT3 this year and the blackout period for trading on RENT3 during nearly all of 2016, due to the acquisition of Car Rental Systems, with trading allowed only in 2017, after the disclosure of the 2016 financial statements; (ii) the difference in the estimated number of options that would be exercised, related to the options granted under stock option programs between 2011 and 2014. The provision, calculated using the Black & Scholes method, estimated a turnover of 10% of eligible beneficiaries, which did not occurred with Management members.

(**) As of September 30, 2017, the Company offered a pension plan for Management, the contribution of which by the Company was suspended between January 1, 2016 and June 30, 2016 (further information in note 25). Except for this plan, the Company does not have other management retirement programs.

8. PROPERTY AND EQUIPMENT

Variations in cost, accumulated depreciation and net carrying amount of property and equipment in each period are as follows:

	Individual								
	Cars	Leasehold improve-ments	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
Cost:									
As of December 31, 2016	3,486,670	153,455	45,038	28,652	6,200	681	1,913	25,071	3,747,680
Additions	3,366,467	-	38,446	9,918	15,106	-	-	2,139	3,432,076
Write-offs/transfers (*)	(2,002,832)	(45,316)	(11,605)	(1,762)	(14,444)	-	-	(4,311)	(2,080,270)
As of September 30, 2017	4,850,305	108,139	71,879	36,808	6,862	681	1,913	22,899	5,099,486
Accumulated depreciation:									
As of December 31, 2016	(77,298)	(100,107)	(27,628)	(19,168)	-	-	(953)	(14,071)	(239,225)
Additions	(87,799)	(9,219)	(2,869)	(2,997)	-	-	(66)	(1,411)	(104,361)
Write-offs/transfers (*)	79,763	59,759	8,572	1,762	-	-	-	4,012	153,868
As of September 30, 2017	(85,334)	(49,567)	(21,925)	(20,403)	-	-	(1,019)	(11,470)	(189,718)
Net carrying amount:									
As of December 31, 2016	3,409,372	53,348	17,410	9,484	6,200	681	960	11,000	3,508,455
As of September 30, 2017	4,764,971	58,572	49,954	16,405	6,862	681	894	11,429	4,909,768
Cost:									
As of December 31, 2015	2,561,691	146,115	40,567	24,931	4,063	681	1,686	27,474	2,807,208
Additions	1,830,873	-	849	2,955	4,341	-	-	1,310	1,840,328
Write-offs/transfers (*)	(1,246,335)	6,248	-	(689)	(6,474)	-	226	(5,963)	(1,252,987)
As of September 30, 2016	3,146,229	152,363	41,416	27,197	1,930	681	1,912	22,821	3,394,549
Accumulated depreciation:									
As of December 31, 2015	(38,945)	(85,972)	(24,203)	(16,343)	-	-	(841)	(15,365)	(181,669)
Additions	(56,015)	(10,796)	(2,586)	(2,685)	-	-	(56)	(1,457)	(73,595)
Write-offs/transfers (*)	34,670	33	-	689	-	-	(33)	3,232	38,591
As of September 30, 2016	(60,290)	(96,735)	(26,789)	(18,339)	-	-	(930)	(13,590)	(216,673)
Net carrying amount:									
As of December 31, 2015	2,522,746	60,143	16,364	8,588	4,063	681	845	12,109	2,625,539
As of September 30, 2016	3,085,939	55,628	14,627	8,858	1,930	681	982	9,231	3,177,876

Consolidated									
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Construction of the new head office	Constructions in progress	Land	Property	Total
Cost:									
As of December 31, 2016	4,991,127	153,455	46,708	28,981	276,163	6,200	29,279	3,046	5,560,697
Opening balance - Car Rental Systems (**)	327,186	3,871	748	685	-	-	-	-	333,349
Additions	4,030,069	-	38,468	9,918	73,650	15,170	-	10,572	4,179,985
Write-offs/transfers (*)	(2,437,584)	(45,316)	(13,294)	(2,349)	(349,813)	(14,508)	63	349,813	(2,517,729)
As of September 30, 2017	6,910,798	112,010	72,630	37,235	-	6,862	29,342	363,431	7,556,302
Accumulated depreciation:									
As of December 31, 2016	(376,334)	(100,107)	(28,992)	(19,457)	-	-	-	(953)	(540,101)
Opening balance - Car Rental Systems (**)	(41,818)	(2,276)	(536)	(317)	-	-	-	-	(45,108)
Additions	(170,202)	(9,273)	(2,926)	(3,037)	-	-	-	(412)	(187,315)
Write-offs/transfers (*)	177,891	59,707	9,972	2,349	-	-	-	-	254,244
As of September 30, 2017	(410,463)	(51,949)	(22,482)	(20,462)	-	-	-	(1,365)	(518,280)
Net carrying amount:									
As of December 31, 2016	4,614,793	53,348	17,716	9,524	276,163	6,200	29,279	2,093	5,020,596
As of September 30, 2017	6,500,335	60,061	50,148	16,773	-	6,862	29,342	362,066	7,038,022
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Construction of the new head office	Constructions in progress	Land	Property	Total
Cost:									
As of December 31, 2015	3,924,542	146,115	42,237	25,232	191,754	4,126	19,503	1,686	4,383,057
Additions	2,211,851	-	849	2,982	52,108	4,278	9,776	-	2,284,565
Write-offs/transfers (*)	(1,525,292)	6,248	-	(689)	-	(6,474)	-	226	(1,531,944)
As of September 30, 2016	4,611,101	152,363	43,086	27,525	243,862	1,930	29,279	1,912	5,135,678
Accumulated depreciation:									
As of December 31, 2015	(313,623)	(85,972)	(25,501)	(16,603)	-	-	-	(841)	(458,030)
Additions	(146,772)	(10,796)	(2,635)	(2,705)	-	-	-	(57)	(164,467)
Write-offs/transfers (*)	106,114	33	-	689	-	-	-	(33)	110,035
As of September 30, 2016	(354,281)	(96,735)	(28,136)	(18,619)	-	-	-	(931)	(512,462)
Net carrying amount:									
As of December 31, 2015	3,610,919	60,143	16,736	8,629	191,754	4,126	19,503	845	3,925,027
As of September 30, 2016	4,256,820	55,628	14,950	8,906	243,862	1,930	29,279	981	4,623,216

(*) Include write-offs due to sale, robbery, damage and transfer of decommissioned cars for fleet renewal to assets for sale and the transfer in the 3Q17 of the expenses with the construction of the new corporate head office to "property".

(**) As of September 30, 2017, the consolidated balances include net carrying amounts of property and equipment acquired in the acquisition of Car Rental Systems.

As of September 30, 2017, the consolidated balances include the net carrying amounts of property and equipment items acquired as finance leases in the amount of R\$561,890 (R\$536,430 as of December 31, 2016). For further information on finance leases, see note 23. The other information on property and equipment (individual and consolidated) has not significantly changed in relation to that disclosed in note 8 to the financial statements for the year ended December 31, 2016.

(a) Decommissioned cars for fleet renewal

The cost, accumulated depreciation and net carrying amount of decommissioned cars for fleet renewal in each period are as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Cost	26,433	459	103,076	11,230
Accumulated depreciation	(1,291)	(18)	(14,787)	(2,443)
Net carrying amount (*)	25,142	441	88,289	8,787

(*) The increase of consolidated balance of decommissioned cars for fleet renewal is due to the decommission of: (i) 674 Localiza cars in the amount of R\$25,142; (ii) 427 Localiza Fleet cars in the amount of R\$15,461; and (iii) 1,363 cars from the car rental division of Car Rental Systems in the amount of R\$47,686, since they were over 12 months old.

(b) Company's new head office

Up to September 30, 2017, R\$360,385 (R\$276,163 up to December 31, 2016) was spent in the construction of the Company's new head office. On July 1, 2017, the Company's new head office was allocated to property and equipment, with the transfer of R\$349,813 from "constructions in progress" to "property" and R\$10,572 directly to this same account, upon the corresponding beginning of depreciation. The investment in the Company's new head office construction allowed: (i) reducing expenses on property rental; (ii) gaining productivity upon the centralization of administrative and back-office activities, which were previously exercised four rented buildings; (iii) supporting the Company's growth; (iv) integrating several areas; and (v) better central management location.

9. INTANGIBLE ASSETS

(a) Intangible assets (except goodwill in the acquisition of investments)

The variations in cost, accumulated amortization and net carrying amount of intangible assets in each period are as follows:

	Individual Software	
	9M17	9M16
Cost:		
At the beginning of the period	93,065	86,270
Additions	3,436	4,697
At the end of the period	96,501	90,967
Accumulated amortization:		
At the beginning of the period	(37,453)	(24,152)
Additions	(9,875)	(9,985)
At the end of the period	(47,328)	(34,137)
Net carrying amount:		
At the beginning of the period	55,612	62,118
At the end of the period	49,173	56,830

		Consolidated	
		Acquisition	
	Software	of franchises	Total
		and other	
Cost:			
As of December 31, 2016	102,652	-	102,652
Opening balance - Car Rental Systems	1,992	1,082	3,074
Additions	4,370	460	4,830
As of September 30, 2017	109,014	1,542	110,556
Accumulated amortization:			
As of December 31, 2016	(41,596)	-	(41,596)
Opening balance - Car Rental Systems	(1,200)	(240)	(1,440)
Additions	(11,168)	(15)	(11,183)
As of September 30, 2017	(53,964)	(255)	(54,219)
Net carrying amount:			
As of December 31, 2016	61,056	-	61,056
As of September 30, 2017	55,050	1,287	56,337

	Consolidated
	Software
Cost:	
As of December 31, 2015	93,862
Additions	6,300
As of September 30, 2016	100,162
Accumulated amortization:	
As of December 31, 2015	(26,819)
Additions	(11,060)
As of September 30, 2016	(37,879)
Net carrying amount:	
As of December 31, 2015	67,043
As of September 30, 2016	62,283

The other information on intangible assets (individual and consolidated) has not significantly changed in relation to that disclosed in note 9 to the financial statements for the year ended December 31, 2016.

(b) Goodwill in the acquisition of investments

Goodwill is broken down as follows:

	Consolidated	
	09/30/17	12/31/16
Goodwill on acquisition of interest in subsidiaries, net of amortization	4,508	4,508
Goodwill on acquisition of investments in companies	17,569	17,569
	22,077	22,077
Preliminary goodwill identified in the Car Rental Systems acquisition	14,114	-
Net carrying amount (note 7(a))	36,191	22,077

10. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Car manufacturers (*)	1,343,144	698,786	1,520,794	782,064
Insurance premiums	45,148	34,916	45,148	34,916
Maintenance services and parts	26,544	24,703	40,400	39,147
Rentals	12,745	12,923	12,745	12,923
IT services and other	17,078	32,273	33,562	41,851
Total	1,444,659	803,601	1,652,649	910,901

(*) The balance payable to car manufacturers refers to cars acquired at the end of each period, interest-free and with average payment term of approximately 45 days. The increase in line item refers to car purchases made in the 3Q17 to support the growth in the volume of daily rental fees of the Car Rental Division.

11. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Accrued vacation pay	27,724	25,825	39,754	32,812
Accrued profit sharing (*)	23,757	38,521	29,329	50,252
Accrued 13 th salary (**)	14,597	-	20,989	-
Social security contribution ("INSS")	6,455	5,342	8,446	7,105
Government Severance Indemnity Fund for Employees ("FGTS")	1,690	1,195	2,232	1,625
Other	2,026	2,341	2,900	3,188
Total	76,249	73,224	103,650	94,982

(*) The Company has a profit sharing program for employees as prescribed in Law 10101/00 based on profit recognized on an annual basis. The annual amount payable is defined through the combination of the Company's profit and performance indicators, which determine the maximum amount payable, in addition to the individual performance of each employee, which is mainly measured based on objective, measurable indicators and goals deriving from the management agreement and the annual budget approved by the Board of Directors. Localiza pays profit sharing in April and July, which is classified as "cost", "selling expenses" and "general, administrative and other expenses" in the income statement for the year, based on the function exercised by the respective employees.

(**) Accrued 13th salary accumulated during the year, which is usually paid by the Company in every November.

12. LOANS, FINANCING, DEBENTURES AND SWAP

Loans, financing, debentures and swap are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
In local currency				
Debentures - 6 th issue	282,736	277,399	282,736	277,399
Debentures - 7 th issue	407,364	438,591	407,364	438,591
Debentures - 8 th issue	500,999	520,233	500,999	520,233
Debentures - 9 th issue	520,248	509,732	520,248	509,732
Debentures - 10 th issue	202,851	212,685	202,851	212,685
Debentures - 11 th issue	511,859	499,803	511,859	499,803
Debentures - 12 th issue	722,852	-	722,852	-
Debentures of Localiza Fleet - 2 nd issue	-	-	-	253,225
Debentures of Localiza Fleet - 3 rd issue	-	-	520,432	-
Working capital	-	-	346,853	346,017
Real estate credit note ("CCBI")	-	-	196,790	195,063
Lease	266	1,197	317,983	300,448
Promissory notes - 6 th issue	648,605	-	648,605	-
Swap	-	-	-	4,539

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
In foreign currency				
Loan in US dollar	-	228,154	-	228,154
	3,797,780	2,687,794	5,179,572	3,785,889
Loans, financing and debentures				
Current liabilities	267,963	407,425	547,038	654,586
Non-current liabilities	3,529,817	2,280,369	4,632,534	3,131,303
	3,797,780	2,687,794	5,179,572	3,785,889
Derivatives – swap				
Current assets (note 6)	-	(2,210)	-	(2,210)
Non-current assets (note 6)	-	-	(17,556)	(7,386)
Current liabilities (note 13)	-	-	6,614	-
Non-current liabilities (note 13)	-	-	8,992	-
Total loans, financing and debentures, net of swap	3,797,780	2,685,584	5,177,622	3,776,293

On April 17, 2017, pursuant to CVM Instruction 476/09, Localiza and Localiza Fleet conducted, respectively, the 12th and 3rd issue of debentures in the amounts of R\$700,000 and R\$500,000, falling due on May 15, 2024 and May 5, 2023. Expenses incurred on issues, including fees, commissions and other costs, totaled R\$4,557 and R\$325, respectively, are classified in the related loan line item and are recognized in the total debt period.

Pursuant to CVM Instruction 476/09, on September 29, 2017, Localiza conducted the 6th issue of promissory notes in the amount of R\$650,000 over a final term of 3 years. Expenses incurred with the issue, including fees, commissions and other costs, totaled R\$1,395 and are classified in the related loan line item and are recognized in the total debt period.

On September 18, 2017, Localiza's Board of Directors approved the 4th issuance in the amount of R\$350,000 of Localiza Fleet's debentures, guaranteed by Localiza, for cash increase. The transaction was completed on October 2, 2017 and has a final term of 7 years. Such issue is subject to public distribution, with restricted distribution efforts, pursuant to CVM Instruction 476/09.

Variations in loans, financing and debentures, net of swap are as follows:

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Balance at the beginning of the period	2,685,584	2,084,488	3,776,293	2,973,696
Loans	1,344,677	197,413	2,063,136	385,077
Interest and finance charges (*)	246,034	244,790	363,308	321,194
Repayment of principal (**)	(257,044)	(76,142)	(708,421)	(299,119)
Interest amortization	(221,471)	(246,003)	(316,694)	(331,277)
Balance at the end of the period	3,797,780	2,204,546	5,177,622	3,049,571

(*) The consolidated balance of September 30, 2017 includes the net debt amount of R\$6,205 (net credit amount of R\$2,546 as of September 30, 2016) related to interest and mark-to-market on loans of Rental Brasil capitalized according to CPC 20 – Borrowing Costs until June 30, 2017. As from July 1, 2017, Rental Brasil started its operations and these effects were recognized in the income statement.

(**) On March 31, 2017, Localiza settled, with bank of Tokyo-Mitsubishi UFJ Brasil S.A., a loan in the amount of US\$70,000 thousand, corresponding to R\$218,729. Concurrently, the swap transaction (plain vanilla) was settled to mitigate the risk of exposure to foreign currency in the amount of R\$12,091. Additionally, in April 2017, a portion of funds raised by Localiza Fleet through the 3rd issue of debentures was used in the 2nd issue early settlement.

As of September 30, 2017, Localiza had seven issues of outstanding debentures, not convertible into shares, and one issue of promissory notes and Localiza Fleet had one issue of debentures, not convertible into shares. These issues have accelerated maturity events, including, without limitation: (i) filing for or adjudication of bankruptcy by the Issuer or third parties that is not duly eliminated within the legal term; (ii) matters related to the default in individual or aggregate amount equal to or above R\$25,000 (6th to 10th issue of debentures from Localiza) or 3% of the consolidated average equity calculated in the past three quarters (11th issue and 12th issue of debentures and 6th issue of promissory notes from Localiza and 3rd issue of debentures from Localiza Fleet); (iii) decrease of capital of Localiza and/or repurchase of its own shares for cancellation, other than if previously authorized by debenture holders; (iv)

Localiza's merger, consolidation or spin-off, except if, as set forth in article 231 of Law 6404/76, the spun-off portion or the company resulting from the transaction continues to be controlled by the Issuer; (v) failure to maintain financial ratios on a quarterly basis, based on the Company's consolidated financial statements; and (vi) the Company's downgrading, as follows:

Issue	Downgrading in national scale (*)
Debentures - 6 th issue	If the rating is downgraded to brA+ (BR, A, positive) by Standard & Poor's (**).
Debentures - 7 th issue	Corporate rating granted by Moody's, Standard & Poor's or Fitch Ratings to the Issuer for the following risk rating levels or less, in national scale: Aa3, AA- and AA- respectively.
Debentures - 8 th issue	Downgraded by two grades or more in relation to the rating brAAA (BR, triple A) by Standard & Poor's (**).
Debentures - 9 th issue	Downgraded by two grades or more by two corporate risk rating agencies in relation to the rating brAAA (BR, triple A) by Standard & Poor's and AAA (BR, triple A) by Fitch.
Debentures - 10 th , 11 th and 12 th issues	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).
Debentures of Localiza Fleet - 3 rd issue	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).
Promissory notes - 6 th issue	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch (**).

(*) Corporate credit ratings in national scale effective as of September 30, 2017: Standard & Poor's (brAA+/negative), Moody's (Aa1.br/stable) and Fitch Ratings (AAA(bra)/stable).

(**) Due to any change in the shareholding structure that results in loss, transfer or disposal of the "Controlling power" of the Issuer by the current controlling shareholders.

The financial covenants were met as of September 30, 2017 and December 31, 2016 as shown below:

Ratio	Limits	12-month period ended 09/30/17	12-month period ended 12/31/16
Net debt/ Adjusted EBITDA (*)	Below 4.00	2.67	2.04
Adjusted EBITDA/ Finance costs, net	Above 1.50	4.12	4.19

(*) EBITDA corresponds to the Issuer's net profit or loss, on a consolidated basis, relating to the 12 last months, before: (i) finance income (costs); (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issues, EBITDA is also adjusted by the costs on stock options, nonrecurring expenses and impairment.

Additionally, the Company has loans and financing that includes certain accelerated maturity events under conditions similar to those applicable to debentures. As of September 30, 2017, restrictive covenants applicable to loans, financing and debentures are met.

The other information on loans, financing, debentures and swap (individual and consolidated) has not significantly changed in relation to that disclosed in note 12 to the financial statements for the year ended December 31, 2016.

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities are broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Balances stated separately in current liabilities:				
Payables to related parties (note 7(b) (i))	1,532	812	-	-
Federal taxes withheld from third parties	4,030	8,375	6,982	10,985
Municipal taxes payable	2,263	1,493	2,881	2,568
Derivative instruments – swap (note 12)	-	-	6,614	-
	7,825	10,680	16,477	13,553

Other current liabilities:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Advances from car rental and decommissioned sale customers	36,970	43,536	38,311	44,297
Insurance premiums for transfer (*)	50,641	46,382	50,734	46,779
Deferred revenues	30	30	3,369	5,284
Other	7,269	8,365	10,677	8,532
	94,910	98,313	103,091	104,892
Total other current liabilities	102,735	108,993	119,568	118,445
Balances stated separately in non-current liabilities:				
Deferred revenues	84	108	4,220	5,053
Derivative instruments – swap (note 12)	-	-	8,992	-
Restricted obligations (**)	-	-	40,000	-
Other	6,014	5,973	7,261	7,223
Total other non-current liabilities	6,098	6,081	60,473	12,276
Total other current and non-current liabilities	108,833	115,074	180,041	130,721

(*) Premiums received from customers that took insurance for rented cars and which will be transferred by Localiza to the insurance company (note 2.7.5 to the financial statements for the year ended December 31, 2016).

(**) The restricted obligations refers to the amounts retained from the purchase price owed to Car Rental Systems' sellers, which shall be made available to them after compliance with specific provisions under the share purchase agreement. Restricted obligations are guaranteed by short-term investments carried out by the Company, with restricted access, and shall be made available for withdrawal on August 31, 2020 and 2024 (note 6).

14. PROVISIONS AND ESCROW DEPOSITS

(a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Tax (*)	13,821	2,185	28,957	5,789
Social security	7,833	8,137	9,571	9,667
Labor	24,919	21,911	36,103	29,561
Civil	16,554	16,224	21,189	18,057
Total	63,127	48,457	95,820	63,074

(*) The Company filed a request for injunction, whereby it has claimed the right to utilize taxes on revenue (PIS and COFINS) credits related to the depreciation of its rental cars, as permitted by article 3, VI, and article 15 of Law 10833/03, at the ratio of 1/48 per month, thus being subject to the general rule of 1/60 per month. Beginning April 2017, based on the favorable decision on such request for injunction, the Company started to utilize credits at the ratio of 1/48 per month and accrues the difference between said bases until a final decision is issued, which explains the increase in provisions for tax risks.

(b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Tax (*)	34,526	23,138	59,531	42,106
Social security	1,319	1,272	1,319	1,272
Labor	13,468	13,295	17,204	16,276
Civil	2,059	439	4,633	473
Total	51,372	38,144	82,687	60,127

(*) The change in tax-related escrow deposits was mainly due to inflation-adjusted escrow deposits totaling R\$12,901, made by Localiza and its wholly-owned subsidiary Localiza Fleet, in connection with litigations discussing the collection of IPVA in the State of São Paulo. These deposits are intended to suspend the payment of the tax and challenge those payments in court.

The other information on provisions and escrow deposits (individual and consolidated) has not significantly changed in relation to that disclosed in note 14 to the financial statements for the year ended December 31, 2016.

15. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

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

The breakdown of deferred income tax and social contribution as of September 30, 2017 and December 31, 2016 is as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Temporary differences in the deductibility of provisions:				
Legal and other provisions	20,704	15,737	28,122	16,977
Allowance for doubtful debts and other allowances	15,133	11,223	18,017	12,253
Provision of payment of services in progress and others (*)	16,300	20,956	24,769	25,547
Swap transaction with payment on a cash basis	-	425	5,306	1,968
Income tax and social contribution losses (**)	14,274	12,861	47,046	18,592
Total deferred income tax and social contribution assets	66,411	61,202	123,260	75,337
Car depreciation (***)	135,930	106,551	166,784	129,054
Leasing in the purchase of property and equipment (****)	652	668	123,621	118,196
Swap transactions with payment on a cash basis	-	-	1,373	-
Other	-	-	1,129	-
Total deferred income tax and social contribution liabilities	136,582	107,219	292,907	247,250
Total deferred income tax and social contribution, net	70,171	46,017	169,647	171,913
Non-current assets	-	-	(44,178)	-
Non-current liabilities	70,171	46,017	213,825	171,913

(*) Refers mainly to the deferred tax on temporary differences of the accrued loyalty program and other accruals.

(**) Refers mainly to deferred income tax and social contribution of Prime and Car Rental Systems in the amounts of R\$16,346 and R\$27,832, respectively, as a result of income tax and social contribution losses and temporary differences.

(***) Refers to the temporary difference in the calculation of depreciation and residual value, introduced by the adoption of IFRS. Localiza and Localiza Fleet calculate, for tax purposes, car depreciation expenses based on the depreciation criteria used through December 31, 2007, as prescribed by Law 12973/14. The difference as of December 31, 2014, in conformity with chapter IV, articles 64, 66 and 67 of Law 12973/14, is accounted for in asset-related sub-accounts, being added to the extent of their realization beginning January 1, 2015.

(****) Refers to the temporary difference arising from the deduction of leasing installments amortization on the acquisition of property and equipment items as a contra entry to the depreciation addition to the income tax and social contribution tax bases.

Based on expected future taxable income generation determined in a technical study approved by Management, the Company has recognized a balance, as of September 30, 2017, as tax credit on tax loss carryforwards of R\$14,274 (Individual) and R\$47,046 (Consolidated). This tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable income.

The realization of deferred income tax and social contribution credits, relating to temporary differences, is contingent upon 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 periods ended September 30, 2017 and 2016 is as follows:

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Net income before taxes	411,115	325,241	486,560	398,361
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(139,779)	(110,582)	(165,430)	(135,443)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	56,613	53,208	-	-
Effect of deduction of interest on capital	40,854	35,784	40,854	35,784
Income tax and social contribution due by subsidiaries (deemed income)	-	-	4,773	5,242
Other, net	3,906	1,267	5,952	974
Expense at effective rate	(38,406)	(20,323)	(113,851)	(93,443)
Current income tax and social contribution	(14,252)	(13,605)	(87,960)	(64,299)
Deferred income tax and social contribution	(24,154)	(6,718)	(25,891)	(29,144)

	Individual		Consolidated	
	3Q17	3Q16	3Q17	3Q16
Net income before taxes	135,049	112,914	162,959	134,049
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	(45,917)	(38,391)	(55,406)	(45,577)
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	21,307	17,722	-	-
Effect of deduction of interest on capital	13,953	11,234	13,953	11,234
Income tax and social contribution due by subsidiaries (deemed income)	-	-	1,582	1,879
Other, net	(1,221)	423	83	2,317
Expense at effective rate	(11,878)	(9,012)	(39,788)	(30,147)
Current income tax and social contribution	188	(5,146)	(29,720)	(19,939)
Deferred income tax and social contribution	(12,066)	(3,866)	(10,068)	(10,208)

16. EQUITY

(a) Capital

The Extraordinary Shareholder's Meeting held on April 25, 2017 approved the increase of the subscribed and paid-in capital in the amount of R\$523,292, from R\$976,708 to R\$1,500,000, upon the use of part of the balance of the Company's statutory reserve.

The capital increase was made based on stock bonus at the rate of 5% (five per cent), upon the issue of 10,589,670 book-entry new common shares, without par value, which were assigned to the holders of shares as bonus, at the ratio of 1 (one) new share, of the same class, for every 20 (twenty) shares held; treasury shares were also subject to bonus, and the stock options programs were adjusted proportionally.

As of September 30, 2017, the Company's capital was R\$1,500,000, comprised of 222,383,070 common shares. The ownership of capital and the related reconciliation of the number of outstanding shares are as follows:

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares – ON
Amount as of December 31, 2015	59,014,152	379,102	3,635,945	148,764,201	211,793,400
Acquisition (sale) of shares, net	-	(62,814)	-	62,814	-
Exercise of stock options with treasury shares	73,656	-	(117,044)	43,388	-
Renting of shares	(129,100)	(4,015)	-	133,115	-
Amount as of September 30, 2016	58,958,708	312,273	3,518,901	149,003,518	211,793,400

	Management				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares	Number of shares – ON
Amount as of December 31, 2016	59,028,084	337,778	3,692,636	148,734,902	211,793,400
Stock bonus	2,686,334	15,262	144,485	7,743,589	10,589,670
Acquisition (sale) of shares, net	(8,653,677)	(458,912)	-	9,112,589	-
Exercise of stock options with treasury shares	582,982	346,945	(1,438,995)	509,068	-
Sale of treasury shares (letter (e))	-	78,425	(78,425)	-	-
Renting of shares	364,622	-	-	(364,622)	-
Amount as of September 30, 2017	54,008,345	319,498	2,319,701	165,735,526	222,383,070

Pursuant to article 6 of the Bylaws, the Company is authorized to increase its capital stock up to the limit of 270,851,175 registered common shares, regardless of any amendment to the bylaws, so that an additional 48,468,105 registered common shares can be issued.

The Company participates in the Level I of the American Depositary Receipts (“ADR”) Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. As of September 30, 2017, the Company's position was 8,070,852 ADRs issued in the United States (6,868,001 as of December 31, 2016). Each ADR corresponds to 1 (one) Company's share.

(b) Interest on capital and dividends

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

9M17				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
03/08/17	39,891	0.19161	03/15/17	05/02/17
06/30/17	39,231	0.17862	07/06/17	08/24/17
09/13/17	41,036	0.18648	09/22/17	11/07/17
Total	120,158			

9M16				
Approval date	Total amount approved	Amount per share (R\$)	Shareholding position date	Payment date
03/17/16	35,423	0.17015	03/31/16	05/12/16
06/23/16	36,781	0.17660	06/30/16	08/17/16
09/29/16	33,044	0.15865	09/30/16	11/23/16
Total	105,248			

Dividends and interest on capital payable are broken down as follows:

	Consolidated	
	09/30/17	12/31/16
Proposed interest on capital in net income for the period	41,036	46,708
Withholding income tax on interest on capital	(6,107)	(6,959)
Total dividends and interest on capital payable	34,929	39,749

(c) **Capital reserves**

(i) **Granted Options recognition**

Due to the capital increase through stock bonus approved at the Extraordinary Shareholder's Meeting held on April 25, 2017, the exercise price decreased by 5%, whereas the number of options increased by 5%, pursuant to clauses 17 and 15 of the Second and Third Stock Option Plans approved by the Extraordinary Shareholder's Meetings held on April 26, 2006 and April 25, 2011, respectively.

The table below summarizes the fixed exercise price (in R\$) of stock options for each annual tranche based on the fair value of the share quoted at the year's closing previous to grant date, encompassing the effect from stock bonus granted; the amounts for each exercise price are set beginning April of each year:

Plan	Program	Year						
		2013	2014	2015	2016	2017	2018	2019
2 nd Plan	2010	22.05	23.04	24.05	23.96	-	-	-
	2011	-	32.62	34.09	35.62	35.45	-	-
3 rd Plan	2012	-	-	30.19	-	-	-	-
	2013	-	-	-	31.04	-	-	-
	2014	-	-	-	-	31.10	-	-
	2015	-	-	-	-	-	34.37	-
	2016	-	-	-	-	-	-	28.32

The Extraordinary Shareholder's Meeting held on July 12, 2017 approved the creation of three new long-term incentive plans, as detailed below:

- Fourth Stock Option Plan of Localiza Rent a Car S.A.;
- First Stock Purchase and Stock Matching Plan of Localiza Rent a Car S.A.; and
- First Deferred Stock Bonus Plan of Localiza Rent a Car S.A..

The Fourth Stock Option Plan sets the general terms and conditions for the long-term incentive plan by granting call options to purchase stock issued by the Company as per section 168, paragraph 3 of Federal Law 6,404/76 to the (i) statutory and other officers; (ii) senior officers or managers; (iii) high potential employees who are appointed by the Executive Board; and (iv) other employees who can hold the positions mentioned on items "i" and "ii" above in the future, at the Board of Directors' discretion, with the objective of attracting, motivating and retaining them, as well as aligning their interests with those of the Company and its shareholders. For each invested stock, the Company shall grant to the participant (3) three Stock Options. To settle the exercise of the Stock Options, the Company may, at the discretion of the Board of Directors: (a) issue new shares within the limit of the authorized capital; or (b) sell shares held in treasury. This Plan shall be limited to a maximum Reference Ownership Dilution of 2.0% (two percent) of the common shares issued by the Company.

The First Stock Purchase and Stock Matching Plan sets the general terms and conditions for the long-term incentive plan by means of the purchase of stocks and matching stocks, to (i) statutory and other officers; (ii) senior officers or managers; (iii) high potential employees who are appointed by the Executive Board; and (iv) other employees who can hold the positions mentioned on items "i" and "ii" above in the future and who will voluntarily adhere to the Plan, with the objective of attracting, motivating and retaining them, as well as aligning their interests with those of the Company and its shareholders. The term "Matching Share" means the onerous right to receive 1 (one) Share on a certain future date, strictly in accordance with the terms and conditions established in the Plan. The Company will sell to Participants, who shall purchase from it, in a commercial purchase and sale transaction, using the Shares held in treasury, the number of Shares equivalent to the number of Share Baskets acquired, and, for each 1 (one) Share, the Company shall sell jointly to the participant 2 (two) Matching Shares, if the requirements provided for in this Plan are complied with. The Plan shall be limited to a maximum Reference Ownership Dilution of 1.0% (one percent) of the common shares issued by the Company.

Finally, the First Deferred Stock Bonus Plan sets the general terms and conditions for the long-term incentive plan by granting Deferred Shares issued by the Company to employees of Localiza Group and new employees with high development potential, who are hired by the Company or its subsidiaries, with the objective of attracting, motivating

and retaining them, as well as aligning their interests with those of the Company and its shareholders. Each Deferred Share grants to its holder the right to receive 1 (one) common share issued by the Company on a certain future date, strictly in accordance with the terms and conditions established in this Plan, as a bonus (share bonus), therefore not being part of their salary. To settle the exercised options of Deferred Shares, the Company shall transfer the Shares held in treasury to Participants. This Plan shall be limited to a maximum Reference Ownership Dilution of 0.5% (zero point five percent) of the common shares issued by the Company.

Other information on the Stock Options Programs has not significantly changed in relation to that disclosed in note 16 to the financial statements for the year ended December 31, 2016.

(ii) Options exercised in 9M17

In 9M17, 1,438,995 stock options related to the Stock Options Programs from 2009 to 2014 were exercised, calculated at fair value in the amount of R\$17,352. All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

(d) Goodwill on share subscription

The goodwill reserve on share subscription refers to the remaining balance of goodwill arising on the primary offering of shares of Localiza in 2006 in the amount of R\$48,174. In addition, goodwill in the amount of R\$26,491 was generated upon the exercise of 1,438,995 stock options during the 9M17 and sale of 78,425 treasury shares. Between 2011 and 2016, goodwill in the amount of R\$71,070 was generated, resulting in a total accumulated balance of R\$145,735 as of September 30, 2017.

(e) Treasury shares

In July 2017, 78,425 treasury shares were sold in the amount of R\$2,083 to employees eligible to the First Stock Matching Plan, which was approved at the Extraordinary Shareholders Meeting held on July 12, 2017.

The number of treasury shares as of September 30, 2017 was 2,319,701 shares (3,518,901 as of September 30, 2016), acquired under the 1st, 4th, 6th, 7th and 8th Share Repurchase Programs, with fair value of R\$133,870 (quotation of R\$57.71 per share as of September 30, 2017).

Other information on the treasury shares has not significantly changed in relation to that disclosed in note 16 to the financial statements for the year ended December 31, 2016.

(f) Earnings retention

In order to raise funds for the fleet renewal in 2017, the Ordinary General Meeting held on April 25, 2017 approved the earnings retention in the amount of R\$236,893 relating to the remaining balance of 2016 earnings, after deduction of legal reserve and distribution of interest on capital. This reserve was recognized based on item (g), paragraph 2, article 24 of Localiza's Bylaws.

17. EARNINGS PER SHARE

The methods used to calculate 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, 2016.

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:

	Individual and Consolidated		Individual and Consolidated	
	9M17	9M16	3Q17	3Q16
Net income for the period	372,709	304,918	123,171	103,902
Basic earnings per share:				
Weighted average number of outstanding common shares (units) (*)	211,745,738	208,204,993	219,929,625	208,157,455
Basic earnings per share (R\$)	1.76017	1.46451	0.56005	0.49915
Diluted earnings per share:				
Weighted average number of outstanding common shares (units) (*)	211,745,738	208,204,993	219,929,625	208,157,455
Dilutive effect of stock options (units)	1,804,464	600,114	666,722	625,318
Total shares subject to dilution (units)	213,550,202	208,805,107	220,596,347	208,782,773
Diluted earnings per share (R\$)	1.74530	1.46030	0.55835	0.49766

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

18. DIVISION REPORTING

An operating division is a component of an entity that engages in business activities: (i) which can earn revenues and incur expenses; (ii) the results of operations of which are regularly reviewed by the chief operating decision maker regarding funds to be allocated to the division and for performance evaluation; and (iii) for which individual financial information is available.

Management has defined three operating divisions that are separately managed based on the reports used by the Board of Directors to make strategic decisions. The accounting policies of these operating divisions are the same as those described in note 2 or the notes of the respective captions of the financial statements for the year ended December 31, 2016.

- **Car Rental:** This division is responsible for car rentals in locations located inside and outside airports. Cars are rented by legal entities and individuals, in some cases through distribution channels. Given the need to renew the fleet, Localiza sells its cars after they have been used for 12 to 18 months. In order to reduce intermediation costs on the sale of decommissioned cars, roughly half of the cars is directly sold to the final consumers. Consequently, the Company maximizes the recoverable amount of these assets, by reducing the depreciation of cars and the net amount invested in fleet renewal, as the selling expense of the Company's own stores is smaller than the discount required by resellers.
- **Fleet Rental:** This division is responsible for fleet rental to legal entities for long periods, usually 24 to 36 months. Cars are purchased after contracts have been signed, according to the needs of each customer. The fleet rental division decommissions its cars at the end of the contract. On average, decommissioned cars are sold after 32 months of use directly to final consumers by means of a proprietary network of points of sale and also to car dealers.
- **Franchising:** This division is responsible for the management and establishment of franchises in geographically defined markets, including the transfer of the necessary know-how to operate the business and licensing of the right to use the Localiza brand.

(i) Consolidated assets and liabilities by operating division

PAGE: 73 of 93

(ii) Consolidated income statements per operating division

	Car Rental		Fleet Rental		Franchising		Deductions/ Reclassifications		Consolidated	
	9M17	9M16	9M17	9M16	9M17	9M16	9M17	9M16	9M17	9M16
Net revenue										
Costs	3,384,269	2,375,895	852,168	744,717	12,307	12,662	-	-	4,248,744	3,133,274
	(2,568,645)	(1,735,976)	(503,506)	(445,775)	(7,523)	(5,885)	(4,211)	(2,773)	(3,083,885)	(2,190,409)
Gross profit	815,624	639,919	348,662	298,942	4,784	6,777	(4,211)	(2,773)	1,164,859	942,865
Operating expenses:										
Selling expenses	(290,020)	(225,615)	(34,746)	(34,821)	(994)	(389)	2,118	1,486	(323,642)	(259,339)
General, administrative and other expenses	(104,435)	(95,510)	(30,496)	(19,395)	(472)	(680)	2,093	1,287	(133,310)	(114,298)
Profit (loss) before finance costs, net (EBIT)	421,169	318,794	283,420	244,726	3,318	5,708	-	-	707,907	569,228
Finance costs, net									(221,347)	(170,867)
Profit before income tax and social contribution									486,560	398,361
Income tax and social contribution									(113,851)	(93,443)
Net income									372,709	304,918

	Car Rental		Fleet Rental		Franchising		Deductions/ Reclassifications		Consolidated	
	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16
Net revenue										
Costs	1,242,476	879,422	317,018	239,512	3,890	4,232	-	-	1,563,384	1,123,166
	(954,254)	(664,995)	(192,677)	(139,128)	(2,542)	(2,114)	(1,735)	(907)	(1,151,208)	(807,144)
Gross profit	288,222	214,427	124,341	100,384	1,348	2,118	(1,735)	(907)	412,176	316,022
Operating expenses:										
Selling expenses	(103,927)	(81,753)	(11,677)	(9,987)	(286)	(144)	858	494	(115,032)	(91,390)
General, administrative and other expenses	(42,991)	(30,732)	(12,531)	(6,335)	(188)	(220)	877	413	(54,833)	(36,874)
Profit (loss) before finance costs, net (EBIT)	141,304	101,942	100,133	84,062	874	1,754	-	-	242,311	187,758
Finance costs, net									(79,352)	(53,709)
Profit before income tax and social contribution									162,959	134,049
Income tax and social contribution									(39,788)	(30,147)
Net income									123,171	103,902

The Company operates in Brazil and had, as of September 30, 2017, a network of franchisees in six South American countries (six as of December 31, 2016); its revenue is derived mainly from its operations in the Brazilian market. The consolidated net revenue, in Brazil and abroad, is broken down as follows:

	Consolidated		Consolidated	
	9M17	9M16	3Q17	3Q16
Revenue in Brazil	4,233,799	3,118,173	1,559,690	1,119,319
Exports revenue (*)	13,923	14,028	3,342	3,521
Royalties abroad	1,022	1,073	352	326
Net revenue	4,248,744	3,133,274	1,563,384	1,123,166

(*) Revenue from car rental in Brazil to customers resident and domiciled abroad.

(iii) Consolidated depreciation and amortization expenses per operating division

	Consolidated		Consolidated	
	9M17	9M16	3Q17	3Q16
Car Rental				
Car depreciation	88,189	56,015	29,704	26,363
Depreciation of other property and equipment and amortization of intangible assets	24,313	24,798	8,674	8,400
Fleet Rental				
Car depreciation	82,013	90,757	28,483	28,299
Depreciation of other property and equipment and amortization of intangible assets	3,536	3,585	1,428	1,114
Franchising				
Depreciation of other property and equipment and amortization of intangible assets	447	372	153	125
Total	198,498	175,527	68,442	64,301

19. NET REVENUES

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

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Gross revenue	3,404,234	2,395,212	4,327,264	3,200,452
Deductions:				
Discounts	(4,070)	(3,934)	(13,821)	(12,885)
Taxes (*)	(45,599)	(40,566)	(64,699)	(54,293)
Net revenue	3,354,565	2,350,712	4,248,744	3,133,274

	Individual		Consolidated	
	3Q17	3Q16	3Q17	3Q16
Gross revenue	1,240,839	888,989	1,590,442	1,144,633
Deductions:				
Discounts	(1,540)	(1,403)	(5,642)	(3,627)
Taxes (*)	(14,354)	(13,341)	(21,416)	(17,840)
Net revenue	1,224,945	874,245	1,563,384	1,123,166

(*) Refers to: (i) Service Tax ("ISSQN") and (ii) the taxes on revenue ("PIS" and "COFINS"), net of credits generated.

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

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Revenue from car rental	1,268,873	1,013,107	1,273,571	1,029,972
Revenue from fleet rental	-	-	538,180	481,322
Franchising	1,022	1,073	12,307	12,662
Cars sold for fleet renewal	2,084,670	1,336,532	2,424,686	1,609,318
Net revenue	3,354,565	2,350,712	4,248,744	3,133,274

	Individual		Consolidated	
	3Q17	3Q16	3Q17	3Q16
Revenue from car rental	470,647	360,466	472,623	362,542
Revenue from fleet rental	-	-	188,475	163,485
Franchising	352	326	3,890	4,232
Cars sold for fleet renewal	753,946	513,453	898,396	592,907
Net revenue	1,224,945	874,245	1,563,384	1,123,166

20. NATURE OF COSTS AND OPERATING EXPENSES

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

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
	9M17	9M16	9M17	9M16	9M17	9M16
Cost of cars sold	(1,814,612)	(1,157,389)	-	-	(1,814,612)	(1,157,389)
Car maintenance, IPVA and others	(264,599)	(196,812)	-	-	(264,599)	(196,812)
Car depreciation	(87,799)	(56,015)	-	-	(87,799)	(56,015)
Payroll, related taxes and benefits	(185,327)	(153,981)	(125,858)	(102,397)	(311,185)	(256,378)
Real estate rental	(84,447)	(72,873)	(35,882)	(33,694)	(120,329)	(106,567)
Third-party services	(38,276)	(16,281)	(49,692)	(45,768)	(87,968)	(62,049)
Profit sharing	(25,620)	(19,833)	(18,336)	(14,691)	(43,956)	(34,524)
Depreciation and amortization of other property and equipment and intangible assets	(14,446)	(15,127)	(11,991)	(12,438)	(26,437)	(27,565)
Water, electricity and telephone	(7,781)	(7,001)	(5,431)	(4,755)	(13,212)	(11,756)
Travel	(6,168)	(5,241)	(3,467)	(3,771)	(9,635)	(9,012)
Advertising	-	-	(33,372)	(21,684)	(33,372)	(21,684)
Commissions	-	-	(32,325)	(22,311)	(32,325)	(22,311)
Allowance for doubtful debts and write-off of uncollectible amounts	-	-	(21,798)	(18,759)	(21,798)	(18,759)
Other (*)	(61,478)	(54,483)	(25,091)	(17,232)	(86,569)	(71,715)
Total	(2,590,553)	(1,755,036)	(363,243)	(297,500)	(2,953,796)	(2,052,536)

(*) The balance of R\$61,478 in "other" includes the amount of R\$14,362 (R\$1,680 in 2Q17 and R\$12,682 in 3Q17) related to the amortization of indemnities to former franchisees whose car rental operations were assumed by Localiza beginning June 2017.

	Consolidated					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	9M17	9M16	9M17	9M16	9M17	9M16
Cost of cars sold	(2,079,724)	(1,368,466)	-	-	(2,079,724)	(1,368,466)
Car maintenance, IPVA and others	(379,875)	(294,659)	-	-	(379,875)	(294,659)
Car depreciation	(170,202)	(146,772)	-	-	(170,202)	(146,772)
Payroll, related taxes and benefits	(207,779)	(174,469)	(191,995)	(157,892)	(399,774)	(332,361)
Real estate rental	(88,820)	(73,959)	(36,656)	(34,637)	(125,476)	(108,596)
Third-party services	(45,004)	(20,287)	(55,123)	(49,029)	(100,127)	(69,316)
Profit sharing	(30,312)	(23,759)	(27,498)	(23,487)	(57,810)	(47,246)
Depreciation and amortization of other property and equipment and intangible assets	(16,021)	(16,293)	(12,275)	(12,462)	(28,296)	(28,755)
Water, electricity and telephone	(7,872)	(7,006)	(6,051)	(5,011)	(13,923)	(12,017)
Travel	(6,490)	(5,442)	(5,412)	(5,272)	(11,902)	(10,714)
Advertising	-	-	(34,412)	(22,339)	(34,412)	(22,339)
Commissions	-	-	(33,297)	(23,045)	(33,297)	(23,045)
Allowance for doubtful debts and write-off of uncollectible amounts	-	-	(23,814)	(19,634)	(23,814)	(19,634)
Other (*)	(51,786)	(59,297)	(30,419)	(20,829)	(82,205)	(80,126)
Total	(3,083,885)	(2,190,409)	(456,952)	(373,637)	(3,540,837)	(2,564,046)

(*) The balance of R\$51,786 in "other" includes the amount of R\$14,362 (R\$1,680 in 2Q17 and R\$12,682 in 3Q17) related to the amortization of indemnities to former franchisees whose car rental operations were assumed by Localiza beginning June 2017.

	Individual					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16
Cost of cars sold	(648,969)	(450,145)	-	-	(648,969)	(450,145)
Car maintenance, IPVA and others	(110,769)	(80,008)	-	-	(110,769)	(80,008)
Car depreciation	(29,314)	(26,363)	-	-	(29,314)	(26,363)
Payroll, related taxes and benefits	(66,191)	(57,066)	(51,915)	(34,935)	(118,106)	(92,001)
Real estate rental	(34,502)	(24,041)	(11,639)	(11,117)	(46,141)	(35,158)
Third-party services	(17,279)	(6,271)	(15,641)	(14,858)	(32,920)	(21,129)
Profit sharing	(7,054)	(7,108)	(5,927)	(5,588)	(12,981)	(12,696)
Depreciation and amortization of other property and equipment and intangible assets	(5,080)	(5,050)	(4,234)	(4,162)	(9,314)	(9,212)
Water, electricity and telephone	(2,815)	(2,318)	(1,799)	(1,409)	(4,614)	(3,727)
Travel	(2,581)	(1,913)	(1,722)	(1,759)	(4,303)	(3,672)
Advertising	-	-	(14,297)	(9,614)	(14,297)	(9,614)
Commissions	-	-	(11,642)	(7,095)	(11,642)	(7,095)
Allowance for doubtful debts and write-off of uncollectible amounts	-	-	(9,627)	(5,685)	(9,627)	(5,685)
Other (*)	(37,891)	(11,069)	(11,005)	(6,729)	(48,896)	(17,798)
Total	(962,445)	(671,352)	(139,448)	(102,951)	(1,101,893)	(774,303)

(*) The balance of R\$37,891 in "other" includes the amount of R\$12,682 related to the amortization of indemnities to former franchisees whose car rental operations were assumed by Localiza beginning June 2017.

	Consolidated					
	Selling, general, administrative and other					
	Costs		expenses		Total	
	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16
Cost of cars sold	(763,422)	(511,303)	-	-	(763,422)	(511,303)
Car maintenance, IPVA and others	(153,287)	(113,468)	-	-	(153,287)	(113,468)
Car depreciation	(58,187)	(54,662)	-	-	(58,187)	(54,662)
Payroll, related taxes and benefits	(75,013)	(63,635)	(73,859)	(53,673)	(148,872)	(117,308)
Real estate rental	(38,199)	(24,351)	(11,822)	(11,425)	(50,021)	(35,776)
Third-party services	(20,112)	(7,707)	(17,718)	(16,074)	(37,830)	(23,781)
Profit sharing	(8,298)	(8,349)	(6,371)	(8,513)	(14,669)	(16,862)
Depreciation and amortization of other property and equipment and intangible assets	(5,758)	(5,468)	(4,497)	(4,171)	(10,255)	(9,639)
Water, electricity and telephone	(2,856)	(2,319)	(2,190)	(1,486)	(5,046)	(3,805)
Travel	(2,714)	(1,991)	(2,430)	(2,299)	(5,144)	(4,290)
Advertising	-	-	(14,571)	(9,835)	(14,571)	(9,835)
Commissions	-	-	(12,206)	(7,318)	(12,206)	(7,318)
Allowance for doubtful debts and write-off of uncollectible amounts	-	-	(10,250)	(5,705)	(10,250)	(5,705)
Other (*)	(23,362)	(13,891)	(13,951)	(7,765)	(37,313)	(21,656)
Total	(1,151,208)	(807,144)	(169,865)	(128,264)	(1,321,073)	(935,408)

(*) The balance of R\$23,362 in "other" includes the amount of R\$12,682 related to the amortization of indemnities to former franchisees whose car rental operations were assumed by Localiza beginning June 2017.

21. FINANCIAL INCOME (EXPENSES)

Financial income (expenses) recognized in the income statement are as follows:

	Individual		Consolidated	
	9M17	9M16	9M17	9M16
Interest income on short-term investments	101,009	104,017	146,659	141,224
PIS/COFINS on finance income	(5,355)	(5,840)	(7,578)	(7,609)
Other interest income	14,784	21,053	20,423	25,266
Total financial income	110,438	119,230	159,504	158,881
Interest expenses on loans, financing, debentures and swap	(246,034)	(244,790)	(357,103)	(323,740)
Other interest expenses	(20,567)	(3,868)	(23,748)	(6,008)
Total financial expenses	(266,601)	(248,658)	(380,851)	(329,748)
Total financial income (expenses)	(156,163)	(129,428)	(221,347)	(170,867)

	Individual		Consolidated	
	3Q17	3Q16	3Q17	3Q16
Interest income on short-term investments	33,351	37,464	45,820	49,148
PIS/COFINS on finance income	(1,839)	(2,252)	(2,459)	(2,831)
Other interest income	6,636	11,008	8,520	12,634
Total financial income	38,148	46,220	51,881	58,951
Interest expenses on loans, financing, debentures and swap	(78,759)	(84,192)	(119,354)	(111,161)
Other interest expenses	(10,061)	(1,177)	(11,879)	(1,499)
Total financial expenses	(88,820)	(85,369)	(131,233)	(112,660)
Total financial income (expenses)	(50,672)	(39,149)	(79,352)	(53,709)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Financial assets				
Measured at amortized cost				
Cash and cash equivalents (note 4)	1,643,231	1,133,711	1,939,356	1,692,261
Trade receivables (note 5)	372,105	336,457	509,997	427,697
Escrow deposits (note 14)	51,372	38,144	82,687	60,127
Investments in restricted accounts (note 6)	-	-	40,000	-
Financial liabilities				
Measured at amortized cost				
Trade payables (note 10)	(1,444,659)	(803,601)	(1,652,649)	(910,901)
Loans, financing and debentures (note 12)	(3,797,780)	(2,687,794)	(5,179,572)	(3,781,350)
Restricted obligations (note 13)	-	-	(40,000)	-
Measured at fair value				
Swap (note 12)	-	2,210	1,950	5,057

(a) Risk management

In the normal course of 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 monitored by the Audit, Risk Management and Compliance Committee. In addition, the risk identification, analysis and monitoring is accompanied by the Board of Directors, which has the power to decide on the strategies to be adopted by the Company.

(i) Market risk

The market risk is managed 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 swap.

- **Interest rate risk** – Is the risk that the fair value or future cash flows of a certain financial instrument fluctuate due to market interest rate changes.

The Company uses cash from operating activities 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), which are mainly indexed to the CDI rate fluctuation. The inherent risk arises from the possibility of relevant increases in CDI rate, since the increase in interest rates can affect both the cost of loans raised by the Company and the debt cost, further increasing its finance costs.

As a strategy to manage interest rate risk, Management continuously monitors CDI in order to, if necessary, adjust car rental fees to mitigate such fluctuations. For fleet rentals, Localiza Fleet enters into fixed-rate loans and swaps floating interest rates for fixed interest rates, thus eliminating the risk of fluctuation in the benchmark interest rate in long-term contracts. In addition, all the Company's cash equivalents balance is also indexed to the CDI rate fluctuation, which is the same rate adopted for debts related to car rental.

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

o As of September 30, 2017, the Company's net debt totaled R\$3,238,266. Of this total, R\$853,981, with fixed cost at an average rate of 11.91% per year, was excluded, as it is related to the transactions contracted at a fixed-rate and amounts corresponding to the hedge from the swap transactions, changing the rates indexed to the CDI for fixed-rates, so that the net debt subject to the CDI fluctuation amounts to R\$2,384,285 as of September 30, 2017.

o The probable scenario for the next 12 months was estimated, according to information in the Focus Bulletin issued by the Central Bank of Brazil, based on an average CDI rate of 7.08% against the effective annual rate of 10.93% in the nine-month period ended September 30, 2017.

Description	Consolidated		
	Probable scenario (*)	Scenario I - 25% deterioration	Scenario II - 50% deterioration
Net debt as of September 30, 2017 (letter (b) (i))	3,238,266	3,238,266	3,238,266
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate (letter (d) (iii) and note 12)	(853,981)	(853,981)	(853,981)
Net debt subject to the CDI fluctuation	2,384,285	2,384,285	2,384,285
Effective average annual CDI rate for the nine-month period ended September 30, 2017	10.93%	10.93%	10.93%
Estimated average annual CDI rate, according to stress scenarios	7.08%	8.85%	10.62%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rates	(260,602)	(260,602)	(260,602)
- according to scenarios	(168,807)	(211,009)	(253,211)
Decrease in finance expenses for the next 12 months	91,795	49,593	7,391

(*) As required by IFRS 7 and based on the average rate of 7.08%, which is the projected scenario for the next 12 months, as reasonably as possible, based on market information in the Focus Bulletin issued by the Central Bank of Brazil on September 29, 2017.

• **Currency risk** – As stated in letter (d) and note 12(d), the Company is not exposed to currency risk since it enters into swap transactions tied to foreign currency-denominated loans. Additionally, the Company currently has no financial liabilities in foreign currency (note 12).

(iii) Credit risk

The credit risk is the risk that a counterparty does not comply with its contractual obligations, thereby causing the Company to incur financial losses. The Company's credit risk basically arises from trade receivables and cash and cash equivalents deposited/invested in banks and financial institutions, which include amounts invested in fixed-income investment fund units.

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

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Cash and cash equivalents:				
Short-term investments:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,633,063	1,130,930	1,924,601	1,687,039
Cash and banks	10,168	2,781	14,755	5,222
Total cash and cash equivalents (note 4)	1,643,231	1,133,711	1,939,356	1,692,261
Trade receivables – customers	357,641	292,927	492,200	382,765
Trade receivables – credit card:				
Aaa in the Moody's scale	4,206	16,946	4,264	17,144
Sundry	10,258	26,584	13,533	27,788
Total trade receivables (note 5)	372,105	336,457	509,997	427,697
Total	2,015,336	1,470,168	2,449,353	2,119,958

- **Cash and cash equivalents** – The credit risk in balances with banks and financial institutions is managed by the Company's Finance Department, according to policies defined by the Board of Directors, with the purpose of mitigating risk concentration and, therefore, minimizing financial losses 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 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 the equity of which is higher than R\$10.0 billion.

- **Trade receivables** – The management of the credit risk related to trade receivables is constantly monitored by the Company, which has established control policies.

The Company mitigates its credit risk by operating significantly with credit cards for car rentals, mainly in transactions with individuals under short-term agreements. The credit risk in transactions with legal entities for car rental and fleet rental is reduced by a credit limit granting policy, based on the analysis of the financial position of the customer, past experience and the position of past-due receivables. The financial position of customers is continuously monitored in order to assess and adjust, if necessary, the credit limit previously granted. The credit risk in the sale of decommissioned cars is mitigated through the use of financing and/or leasing companies with well-known financial and liquidity capacity. Cars are only released upon the confirmation of receivables payment in cash.

Additionally, the management of credit risk includes the periodic analysis of the impairment of trade receivables, in which the need to recognize an allowance for doubtful debts is analyzed in order to adjust receivables to their probable realizable values. This analysis, which is intended to assign a risk rating 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 past-due receivables. Therefore, according to the customer risk rating, receivables are adjusted to their probable realizable amounts through the recognition of an allowance for doubtful debts.

Credit risk concentration is limited because the customer basis is extensive. All significant transactions and customers are located in Brazil, and there is no customer that individually accounts for more than 10% of the Company's revenues.

(iii) **Liquidity risk**

Liquidity risk is the risk of the Company not having sufficient funds to settle its obligations. The liquidity risk management, conducted by the Finance Department, seeks to ensure that the Company has the necessary funds to settle its financial liabilities at the maturity dates, and is monitored by the Board of Directors and conducted considering funding requirements and liquidity management in the short, medium and long terms. The Company manages the liquidity risk by maintaining appropriate 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 by the corporate credit rating of Localiza according to the main market rating agencies.

The analysis of the maturities of undiscounted consolidated contractual cash flows of loans, financing, debentures and swap, based on the interest rate contracted for each transaction and a CDI rate of 8.14% as of September 30, 2017, is as follows:

	Individual								
	2017	2018	2019	2020	2021	2022	2023	2024	Total
Debentures – 6 th issue	37,192	139,622	128,809	-	-	-	-	-	305,623
Debentures – 7 th issue	47,840	102,533	96,146	113,246	104,389	-	-	-	464,154
Debentures – 8 th issue	12,915	43,418	287,228	265,648	-	-	-	-	609,209
Debentures – 9 th issue	14,716	44,921	92,404	181,515	308,794	-	-	-	642,350
Debentures – 10 th issue	5,947	18,082	18,303	109,461	100,193	-	-	-	251,986
Debentures – 11 th issue	14,564	44,232	44,774	44,412	44,398	501,394	-	-	693,774
Debentures – 12 th issue	19,544	59,515	60,245	59,743	59,750	59,765	59,287	722,242	1,100,091
Promissory notes – 6 th issue	13,071	56,372	61,930	698,904	-	-	-	-	830,277
Leases	87	196	-	-	-	-	-	-	283
Total	165,876	508,891	789,839	1,472,929	617,524	561,159	59,287	722,242	4,897,747
Consolidated									
	2017	2018	2019	2020	2021	2022	2023	2024	Total
Debentures – 6 th issue	37,192	139,622	128,809	-	-	-	-	-	305,623
Debentures – 7 th issue	47,840	102,533	96,146	113,246	104,389	-	-	-	464,154
Debentures – 8 th issue	12,915	43,418	287,228	265,648	-	-	-	-	609,209
Debentures – 9 th issue	14,716	44,921	92,404	181,515	308,794	-	-	-	642,350
Debentures – 10 th issue	5,947	18,082	18,303	109,461	100,193	-	-	-	251,986
Debentures – 11 th issue	14,564	44,232	44,774	44,412	44,398	501,394	-	-	693,774
Debentures – 12 th issue	19,544	59,515	60,245	59,743	59,750	59,765	59,287	722,242	1,100,091
Debentures of Localiza Fleet – 3 rd issue	13,904	42,404	42,930	42,578	42,583	42,588	514,505	-	741,492
Promissory notes – 6 th issue	13,071	56,372	61,930	698,904	-	-	-	-	830,277
Commercial Credit Note ("NCC")	27,296	77,849	99,550	86,960	126,332	-	-	-	417,987
Leases	81,678	233,655	76,183	-	-	-	-	-	391,516
CCBI new head office/with swap	5,402	18,434	64,780	104,238	48,647	-	-	-	241,501
Total	294,069	881,037	1,073,282	1,706,705	835,086	603,747	573,792	722,242	6,689,960

(b) Capital management

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

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

(i) Debt ratio

Capital is monitored based on the Company's debt ratio, which corresponds to net debt divided by 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 table below shows the Company's debt ratios as of September 30, 2017 and December 31, 2016:

	Consolidated	
	09/30/17	12/31/16
Short and long-term debts, net of the swap transactions classified in current and non-current assets and liabilities (note 12)	5,177,622	3,776,293
Cash and cash equivalents (note 4)	(1,939,356)	(1,692,261)
Net debt	3,238,266	2,084,032
Equity	2,511,759	2,196,990
Debt ratio (net debt / equity)	1.29	0.95
Fleet value (*)	6,588,624	4,623,580
Net debt / fleet value	0.49	0.45

(*) Cars and decommissioned cars for fleet renewal (note 8).

(c) Fair value of financial instruments

The estimated carrying amounts and fair values of loans, financing and debentures are calculated based on models that use observable inputs and future assumptions related to fixed and floating 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. 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. 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 indenture of each issuance.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in their entirety, as described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The summary of the consolidated fair values of the swap transactions recorded in line item "derivative instruments – swap" account is as follows:

	Level 2	
	09/30/17	12/31/16
Fixed-rate swap (letter (d) (iii))	(15,606)	(4,539)
U.S. dollar swap (letter (d) (i))	-	2,210
TR swap (letter (d) (ii))	17,556	7,386
Total	1,950	5,057

There are no financial instruments measured at fair value at the Levels 1 and 3 of the fair value hierarchy.

The fair value of financial liabilities recognized at amortized cost in the Company's balance sheet as of September 30, 2017 and December 31, 2016 and the categories of the data related to the respective liabilities are as follows:

	Individual			
	Carrying amount		Fair value	
	09/30/17	12/31/16	09/30/17	12/31/16
Financial liabilities – other financial liabilities:				
Loans, financing and debentures	(3,797,780)	(2,687,794)	(2,930,128)	(2,702,419)
	Consolidated			
	Carrying amount		Fair value	
	09/30/17	12/31/16	09/30/17	12/31/16
Financial liabilities – other financial liabilities:				
Loans, financing and debentures	(5,179,572)	(3,781,350)	(4,040,662)	(3,790,918)

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 individual 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 balance sheet date.

(d) Derivatives

(i) U.S. dollar x Brazilian real

As of March 31, 2017, Localiza settled with bank of Tokyo-Mitsubishi UFJ Brasil S.A. a loan in the amount of US\$70,000 thousand, corresponding to R\$218,729. Concurrently, the Company settled a swap transaction (plain vanilla) that was entered into only for purposes of mitigating the risk of exposure to foreign currency in the amount of R\$12,091.

(ii) TR x CDI

As of September 30, 2017, the subsidiary Rental Brasil had a current swap transaction (plain vanilla), with the sole purpose of hedging its loan in the form of CCBI, which transaction was 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:

Swap transaction	Contract date	Maturity date	Counterparty	Rates		Consolidated 09/30/17	
				Assets	Liabilities	Notional amount R\$ thousand	Payables/ receivables R\$ thousand
TR x CDI	06/25/14	06/15/21	Itaú Unibanco	TR fluctuation + coupon of 9.5% p.a.	98.8% of CDI fluctuation	190,000	17,556

Amounts receivable are recognized in line item “derivative instruments – swap” (notes 6 and 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 benchmark interest rates, Localiza Fleet has entered into swap transactions by swapping the CDI fluctuation for a fixed-rate in order to hedge against the risk of loss of profit on rental contracts and maintain its competitiveness.

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

Swap transaction	Contract date	Maturity date	Counterparty	Rates		Consolidated 09/30/17	
				Assets	Liabilities	Notional amount R\$ thousand	Payables/ receivables R\$ thousand
CDI x Fixed-rate	06/02/16	07/02/18	Sundry banks	107.7% of CDI fluctuation	10.8% p.a.	450,000(*)	(15,606)

(*) The swaps short-position (fixed-rate) corresponds to R\$535,998 as of September 30, 2017 (R\$451,486 as of December 31, 2016).

23. FINANCE LEASES

The net carrying amounts by category of assets acquired under finance leases as of September 30, 2017 and December 31, 2016 are as follows:

	Individual		Consolidated	
	09/30/17	12/31/16	09/30/17	12/31/16
Cars	-	-	560,412	534,052
Hardware	1,478	2,378	1,478	2,378
Total property and equipment	1,478	2,378	561,890	536,430
Software	82	159	82	159
Total intangible assets	82	159	82	159
Total	1,560	2,537	561,972	536,589

Other information on finance leases (individual and consolidated) has not significantly changed compared to that disclosed in note 23 to the financial statements for the year ended December 31, 2016.

24. RENTAL COMMITMENTS

The Company has property lease contracts for its car rental locations located in airports, off-airports (downtown locations), new head office, stores and parking lots.

Property rentals for the car rental locations in airports and shopping malls have a fixed and a variable portion, the latter linked to the location's revenue. Other property rentals for car rental locations, stores, new head office and parking lots do not have contingent payment clauses.

As from July 1, 2017, with the move to the new corporate head office to centralize its administrative and back-office activities, the Company returned the four previously buildings rented for its administrative activities (head office). On this date, the Company and Localiza Fleet signed a rental commitment of the new head office property with Rental Brasil in the monthly amount of R\$3,360.

Other information on rental commitments (individual and consolidated) has not significantly changed compared with that disclosed in note 24 to the financial statements for the year ended December 31, 2016.

25. SUPPLEMENTARY PENSION PLAN

Since August 2011, the Company offers a retirement benefit pension plan, through a supplementary pension plan, established as a "defined contribution" plan and 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. Under this plan's regulations, the cost is shared between the employer and the employees, where the Company matches the employee's contribution, which varies according to a contribution scale based on salary ranges of 1% to 5% of the employee's compensation.

As a result of the competitive environment and the political and economic recession in Brazil, in the first half of 2016, the contributions by the Company to the pension plans were suspended. However, on June 23, 2016, the Board of Directors approved the Company to resume contributing to the pension plan again beginning July 1, 2016.

In the 9M17, contributions made by the Company totaled R\$3,568 in the individual and R\$4,744 in the consolidated, which were allocated to line items "cost", "selling expenses" and "general, administrative and other expenses" in profit or loss.

Other information on pension plan has not changed compared with that disclosed in note 25 to the financial statements for the year ended December 31, 2016.

26. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This individual and consolidated interim financial information was approved and authorized for issue by the Executive Board on November 6, 2017.

27. EXTRAORDINARY SHAREHOLDERS MEETING

On October 20, 2017, the Company called the shareholders to the Extraordinary Shareholders Meeting to be held on November 22, 2017 at its head office. The agenda to be discussed at the meeting is: (i) approval of the share split at the ratio of 3 shares for each 1 existing share; (ii) approval of the Company's Bylaws in order to reflect such change and include a secondary complementary activity to the car rental division; (iii) approval of the proposal to consolidate the amendments to the previous items, as well as the adjustment to the address and ZIP code of the Company's head office in its Bylaws; and (iv) approval of the re-ratification of the Board of Directors' overall compensation for the 2017 fiscal year.

Comments on the Performance of Business Projections

The Company did not disclose any projections for 2017.

Other Information Considered Relevant by the Company

SOCIAL STATEMENT

The Company's Consolidated Social Statement (not reviewed by the auditors) for the nine-month periods ended September 30, 2017 and 2016 is as follows:

	Consolidated					
	9M17			9M16		
1. Calculation basis of social indicators						
Net revenue (“NR”)	4,248,744			3,133,274		
Earnings before taxes (“EBT”)	486,560			398,361		
Gross payroll (“GP”)	387,389			322,051		
2. Internal social indicators						
	9M17			9M16		
	Amount	% on	% on	Amount	% on	% on
	R\$ thousand	GP	NR	R\$ thousand	GP	NR
Meals	26,942	7%	1%	20,603	6%	1%
Compulsory payroll taxes	78,587	20%	2%	69,163	21%	2%
Health	25,757	7%	1%	23,241	7%	1%
Professional training and development	2,027	1%	0%	550	0%	0%
Daycare centers or childcare allowance	191	0%	0%	205	0%	0%
Profit sharing	57,810	15%	1%	47,426	15%	2%
Other	8,300	1%	0%	4,659	2%	0%
Total - internal social indicators	199,614	51%	5%	165,667	51%	6%
3. External social indicators						
	9M17			9M16		
	Amount	% on	% on	Amount	% on	% on
	R\$ thousand	EBT	NR	R\$ thousand	EBT	NR
Education	339	0%	0%	218	0%	0%
Culture	944	0%	0%	869	0%	0%
Other	314	0%	0%	217	0%	0%
Total contributions to society	1,597	0%	0%	1,304	0%	0%
Taxes (excluding payroll taxes)	230,674	48%	5%	219,890	55%	7%
Total - external social indicators	232,271	48%	5%	221,194	55%	7%
4. Staff indicators						
	09/30/17			09/30/16		
Nº of employees at the end of the period	6,646			6,328		
Nº of new hires during the period	478			416		
Nº . of third-party workers	270			114		
Nº of interns	64			20		
Nº of employees above 45 years old	760			758		
Nº of female employees	2,890			2,850		
% of lead positions held by female employees	49.61%			49.57%		
Nº of disabled employees	305			290		

Other Information Considered Relevant by the Company

	09/30/17	2017 goals
5. Relevant information on the exercise of corporate citizenship Highest wage to entry level wage ratio in the Company Total number of work accidents during the period	119.0 (*) 43	80.0 (*) -
- Social and environmental projects developed by the company were defined by	(x) directors () directors and managers	() directors and managers () all employees
- Safety and health in the work environment were defined by	() directors and managers () all employees	() all + Cipa employees () all + Cipa employees
- With respect to union freedom, the right of collective agreement and internal representation of employees, the company	() is not involved (x) 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
- Profit sharing contemplates	() directors	() directors and managers
- In the selection of suppliers, the same ethical and social and environmental responsibility standards adopted by the company	() are not considered	() will not be considered
- With respect to the participation of employees in voluntary work programs, the company	() is not involved () supports	() will not be involved () will support
- Total number of complaints and criticisms from consumers	In the Company (**) 333	In the Company (**) N/A
- % of complaints and criticisms settled or solved	In the Company (**) 61.0%	In court 58.6% In court N/A

(*) For the calculation of the highest wage to entry level wage ratio in the Company, the head office (Belo Horizonte) wages were used.

(**) The customer service area answers calls relating to mechanical problems, accidents, doubts in relation to the bill, as well as praises and complaints. The Company does not have information on the number of calls involving complaints only.

ILO – International Labor Organization
 Cipa – Internal Accident Prevention Committee
 Procon – Consumer Protection Agency

Opinions and Representations / Report on Review of Interim Financial Information – Unqualified

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of
Localiza Rent a Car S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Localiza Rent a Car S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2017, which comprises the balance sheet as at September 30, 2017 and the income statement and statement of comprehensive income for the three- and nine-month periods then ended, and the statement of changes in equity and statement of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 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 standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other Matters*Statements of value added*

We have also reviewed the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2017, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the interim financial information taken as a whole.

Opinions and Representations / Report on Review of Interim Financial Information – Unqualified

Corresponding figures audited or reviewed by the previous auditor

The audit of the individual and consolidated balance sheets as at December 31, 2016 and the review of individual and consolidated interim financial information for the nine-month period ended September 30, 2016, presented for purposes of comparison, were conducted by another auditor, who issued an unmodified audit report and review report, dated February 3, 2017 and October 20, 2016, respectively.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, November 6, 2017

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walmir Bolgheroni
Engagement Partner

Opinions and Representations / Management's Statement on the Financial Statements**MANAGEMENT'S STATEMENT ON THE INTERIM FINANCIAL INFORMATION**

By this instrument, the CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection II, paragraph 1, article 29 of CVM Instruction 480/09, hereby declare that they have:

i. reviewed, discussed and approved Localiza's and consolidated interim financial information for the nine-month period ended September 30, 2017.

Belo Horizonte, November 6, 2017.

Eugênio Pacelli Mattar
CEO

Roberto Antônio Mendes
CFO and Investor Relations Officer

Opinions and Representations / Management's Statement on the Independent Auditor's Report**MANAGEMENT'S STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT**

By this instrument, the CEO and CFO and Investor Relations Officer of Localiza Rent a Car S.A. ("Localiza"), a publicly-held company headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais State, Corporate Taxpayer No. 16.670.085/0001-55, in conformity with subsection II, paragraph 1, article 29 of CVM Instruction 480/09, hereby declare that they have:

i. reviewed, discussed and agreed with the opinions expressed in the Independent Auditor's Report of Deloitte Touche Tohmatsu Auditores Independentes on Localiza's and consolidated interim financial information for the nine-month period ended September 30, 2017.

Belo Horizonte, November 6, 2017.

Eugênio Pacelli Mattar
CEO

Roberto Antônio Mendes
CFO and Investor Relations Officer