

Localiza

4Q10 Results

R$ million, USGAAP

February 2nd, 2011

4Q10 Highlights

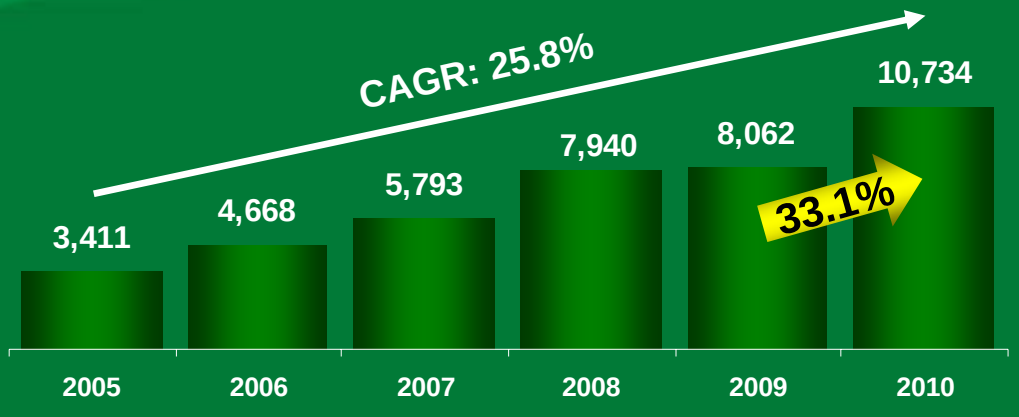
R$ millions	2009	2010	Var.	4Q09	4Q10	Var.
Consolidated net revenue	1,856.3	2,551.3	37.4%	551.1	738.2	34.0%
Net rental revenues	931.8	1,225.3	31.5%	252.2	354.8	40.7%
EBITDA	469.7	649.5	38.3%	128.9	188.3	46.1%
Net income	116.3	250.5	115.4%	38.4	69.4	80.7%
Net income / Net rental revenues	12.5%	20.4%	7.9p.p.	15.2%	19.6%	4.4p.p.

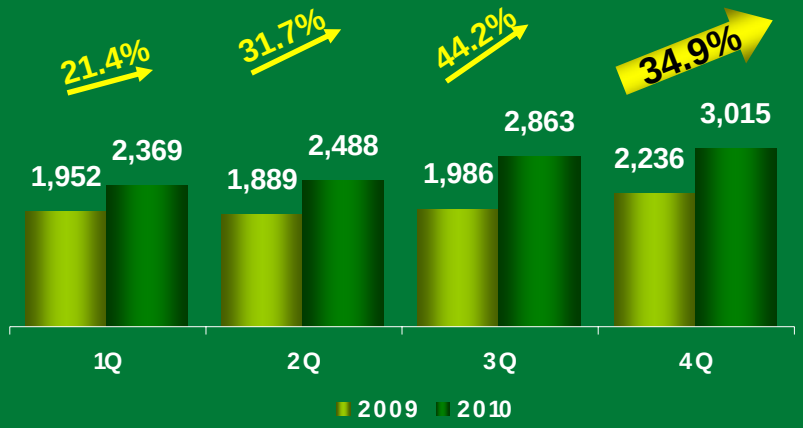
Quantity	2009	2010	Var.	4Q09	4Q10	Var.
End of period fleet	70,295	88,060	25.3%	70,295	88,060	25.3%
Utilizatin rate – Car rental	68.8%	69.1%	0.3p.p.	64.5%	66.3%	1.8p.p.
Cars sold	34,519	47,285	37.0%	11,335	12,799	12.9%

Localiza continues presenting a superior performance.

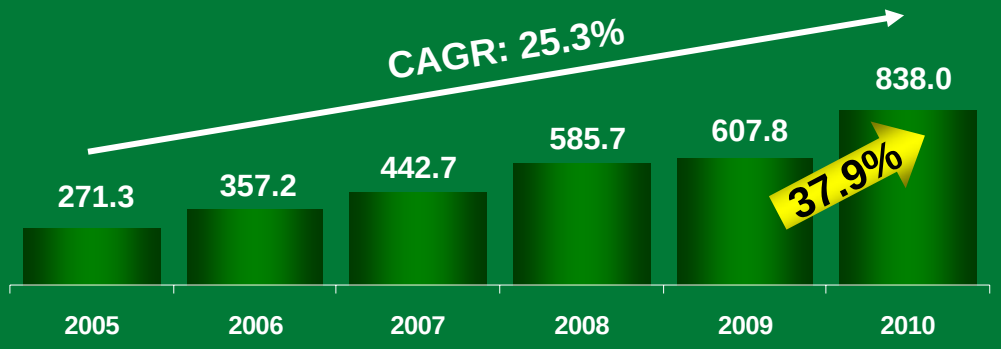
Car Rental Division

daily rentals (thousand)





Net revenue (R$ million)

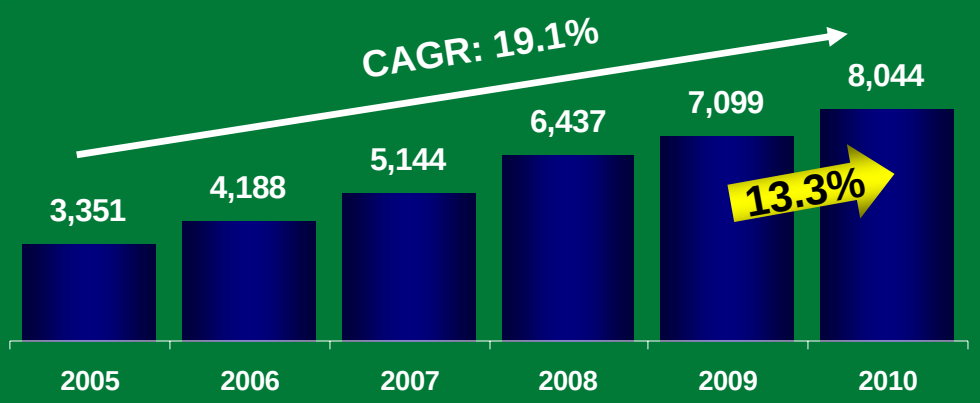


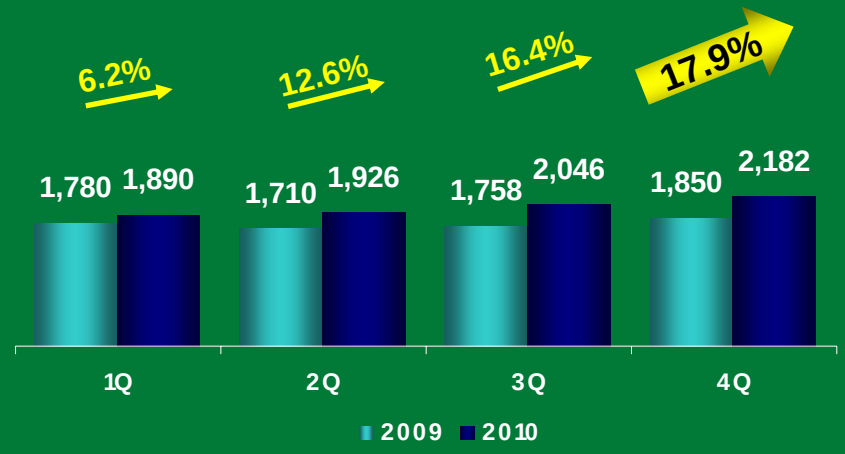


Car Rental Division presented a strong growth in volume with daily rental rates increase.

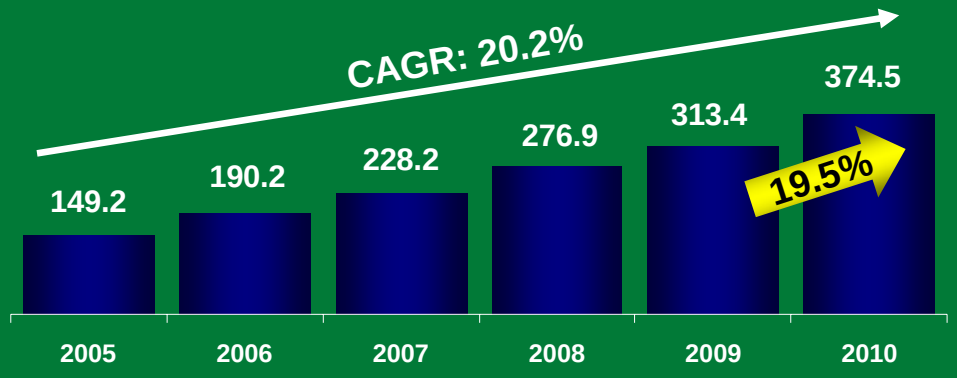
Fleet Rental Division

daily rentals (thousand)





Net revenue (R$ million)

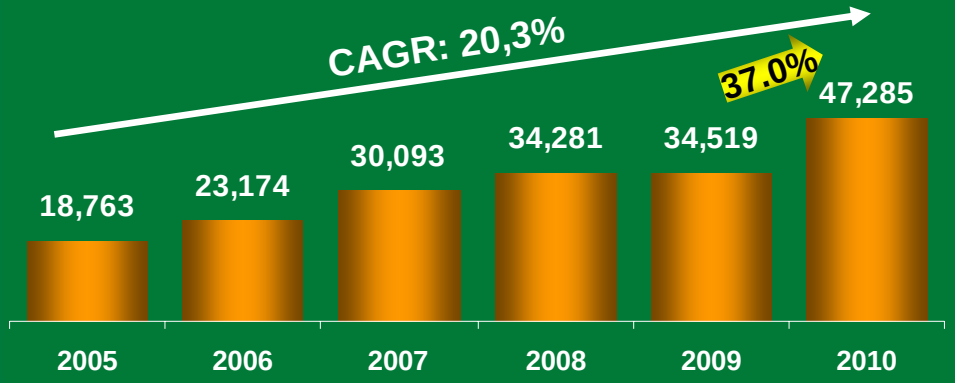




Fleet Rental Division had also presented strong growth.

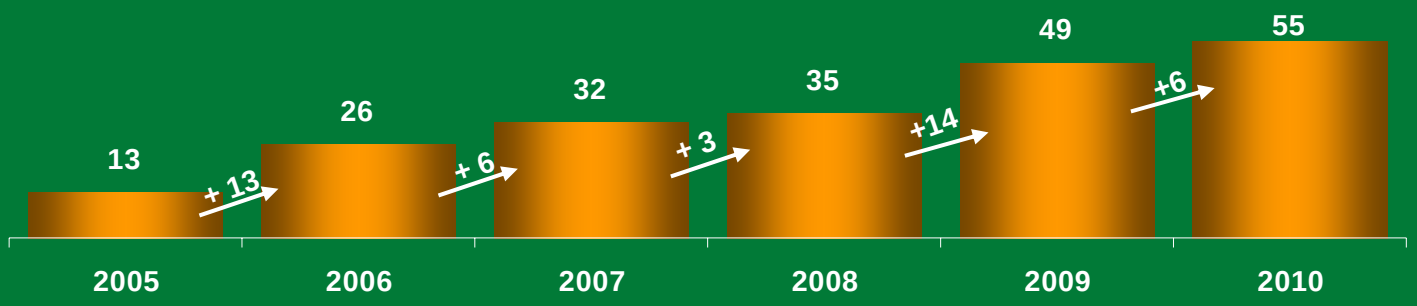
Used car sales

of sold cars



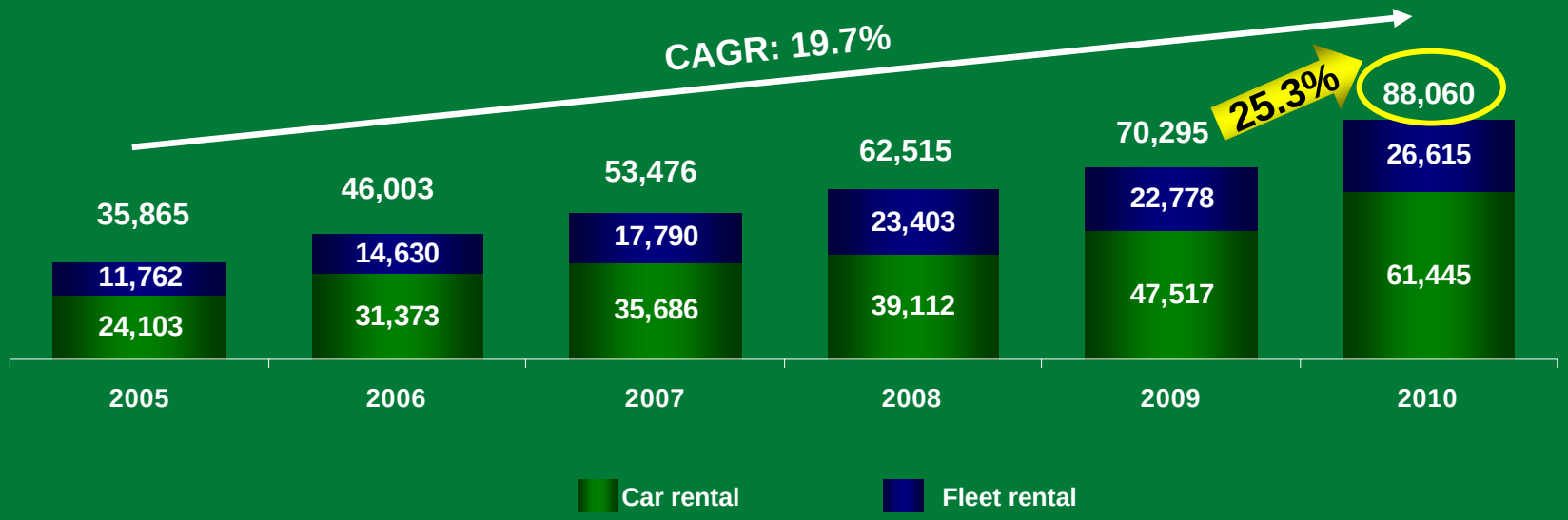


of stores



Considering the Company's growth perspective and the needs of fleet renewal, Seminovos network is being expanded to sell a larger volume of used cars.

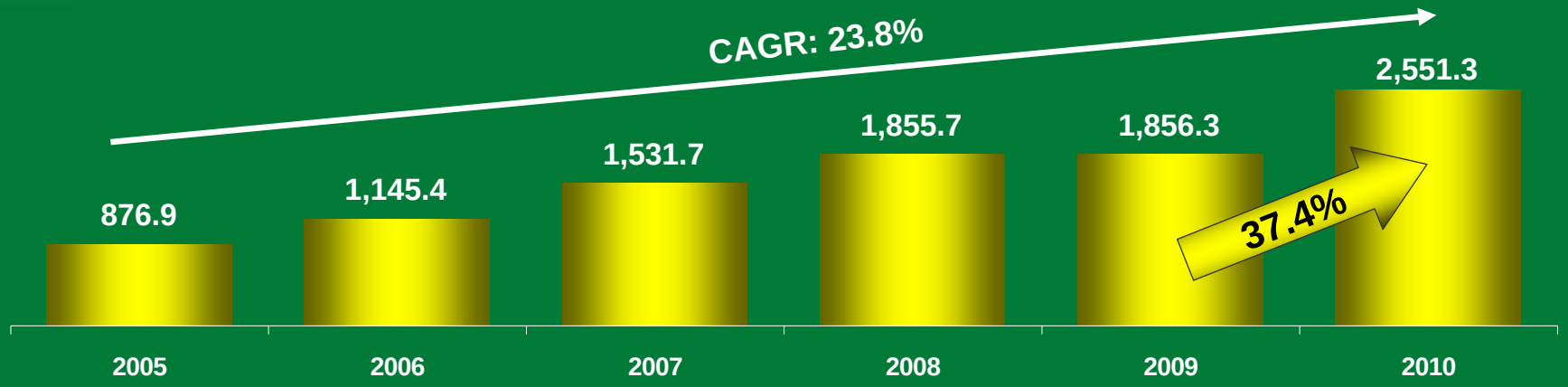
End of period fleet



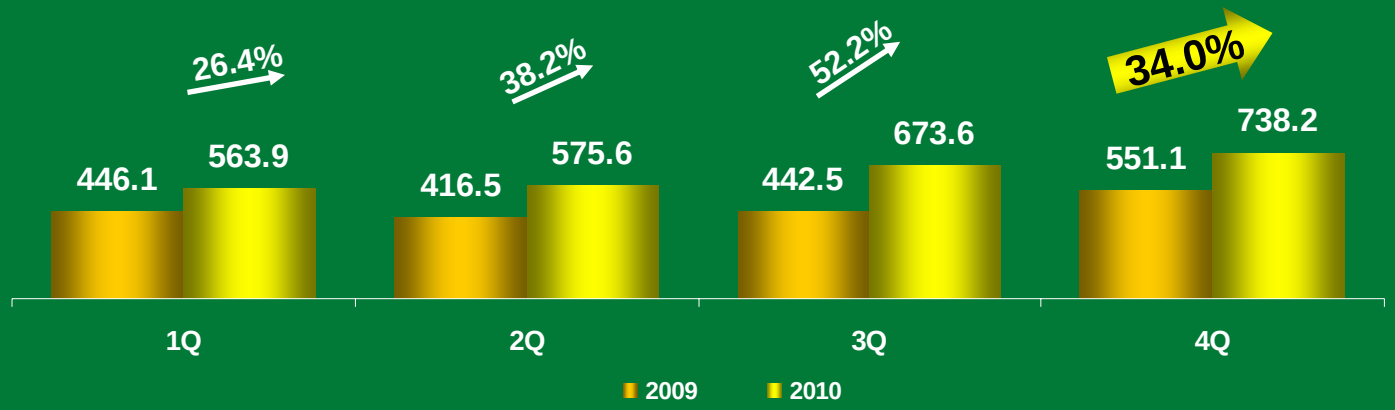
17,765 cars were added to the fleet in 2010.

Consolidated net revenues

R$ million



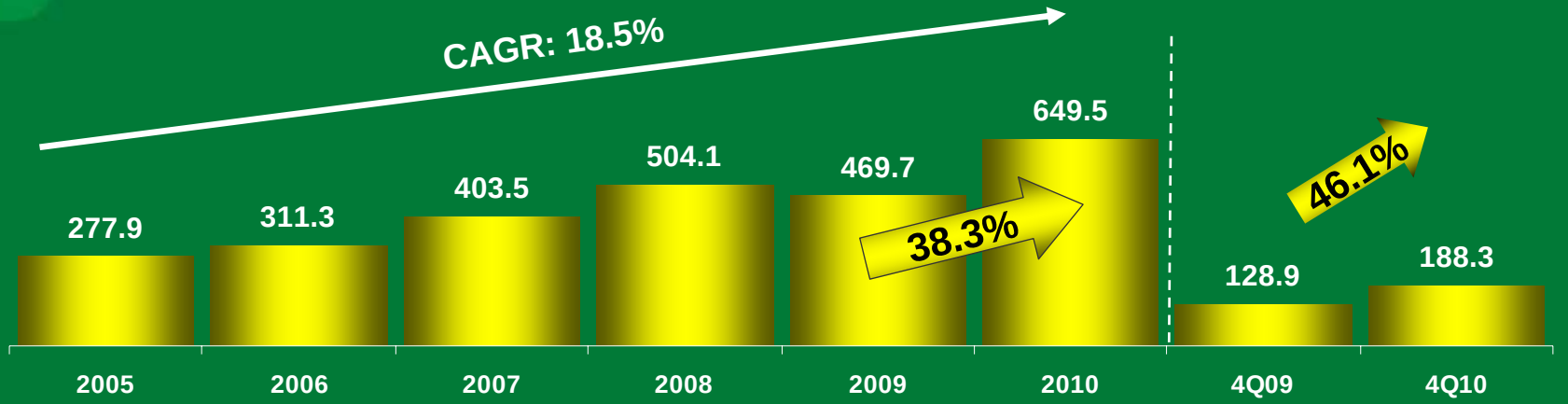
Quarterly evolution



In 2010, consolidated net revenue had the highest growth since the IPO.

EBITDA

R$ million



Divisions	2005	2006	2007	2008	2009	2010	4Q09	4Q10
Car rental	45.3%	42.0%	44.5%	44.3%	40.3%	43.4%	43.0%	41.8%
Fleet rental	62.3%	69.1%	68.7%	67.0%	66.5%	65.6%	65.9%	67.2%
Rentals consolidated	51.0%	51.2%	52.6%	51.5%	49.3%	50.2%	50.6%	49.4%
Used car sales	13.2%	4.6%	5.4%	5.5%	1.1%	2.6%	0.4%	3.4%

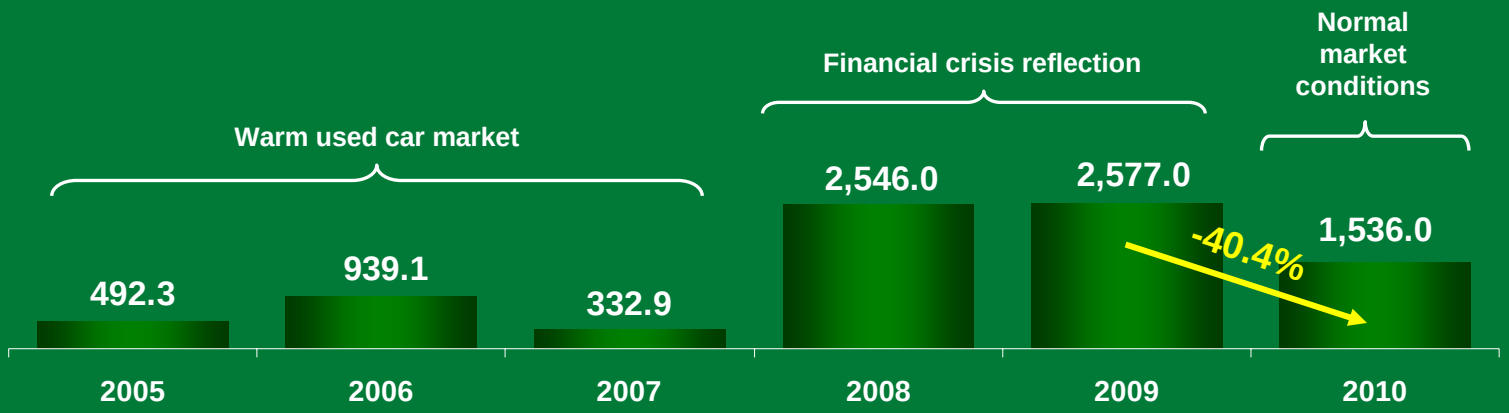
Consistent EBITDA margins.

In 2010, EBITDA growth was also the highest since the IPO.

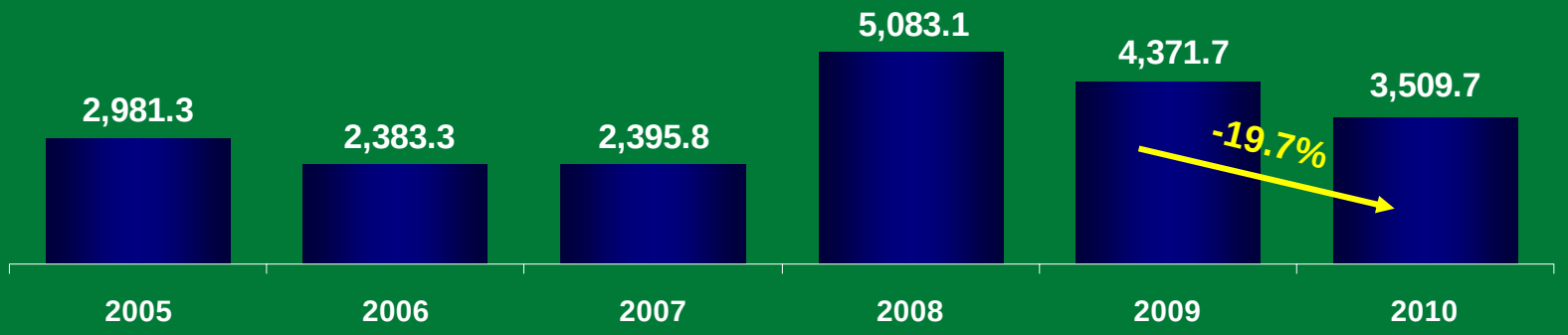
Average depreciation per car

R$

Car rental



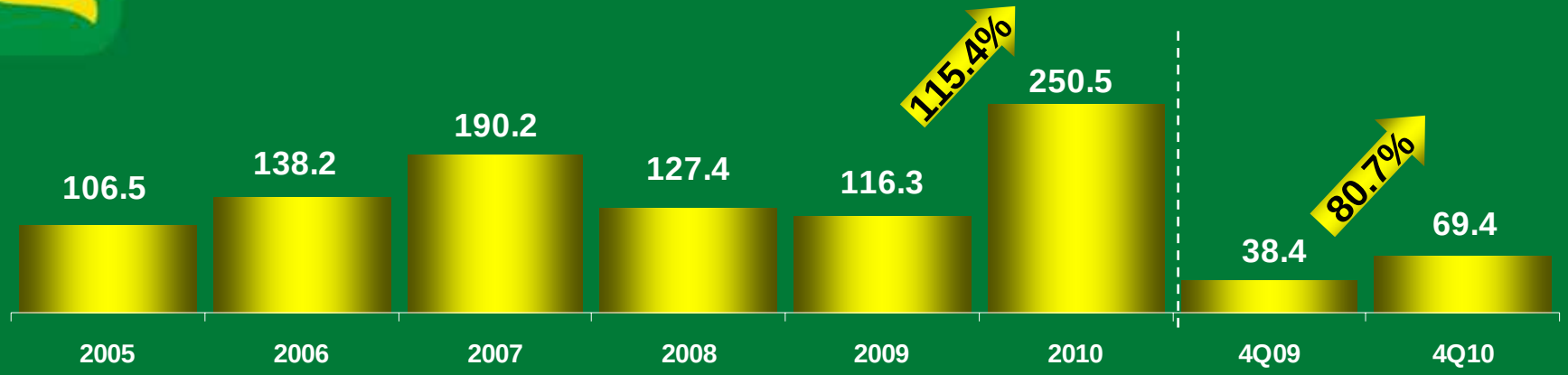
Fleet rental



Depreciation presented a significant drop in 2010.

Consolidated net income

R$ million



Net income per division (*)	2005	2006	2007	2008	2009	2010	4Q09	4Q10
Car rental	77.3	74.6	119.6	96.2	52.2	149.2	17.9	42.8
Fleet rental	27.1	61.7	68.0	26.9	60.1	95.6	19.4	24.9
Franchising	2.1	1.9	2.6	4.3	4.0	5.7	1.1	1.7
Consolidated	106.5	138.2	190.2	127.4	116.3	250.5	38.4	69.4
Margin over rental revenue	24.8%	24.9%	28.0%	14.6%	12.5%	20.4%	15.2%	19.6%

* Used cars sales result is allocated in the rental divisions

The strategies adopted by the Company resulted in a substantial increase of net income.

Free cash flow - FCF

Free cash flow - R$ millions	2005	2006	2007	2008	2009	2010
EBITDA	277.9	311.3	403.5	504.1	469.7	649.5
Used car sales revenues	(448.2)	(590.3)	(853.2)	(983.2)	(924.5)	(1,326.0)
Cost of used car sales (*)	361.2	530.4	760.0	874.5	855.1	1,203.2
(-) Income tax and social contribution	(32.7)	(42.7)	(63.4)	(52.8)	(49.0)	(57.8)
Working capital variation	(24.2)	(4.8)	13.3	(44.8)	(11.5)	54.5
Cash provided before capex	134.0	203.9	260.2	297.8	339.8	523.4
Used car sales revenues	448.2	590.3	853.2	983.2	924.5	1,326.0
Capex of car – renewal	(496.0)	(643.3)	(839.0)	(1,035.4)	(963.1)	(1,370.1)
Change in amounts payable to car suppliers (capex)	-	-	-	-	15.2	-
Net capex for renewal	(47.8)	(53.0)	14.2	(52.2)	(23.4)	(44.1)
Capex - Property and equipment, net	(28.0)	(32.7)	(23.7)	(39.9)	(21.0)	(51.1)
Free cash flow before growth and interest	**58.2**	**118.2**	**250.7**	**205.7**	**295.4**	**428.2**
Capex of car – growth	(194.0)	(287.0)	(221.9)	(299.9)	(241.1)	(540.3)
Change in amounts payable to car suppliers (capex)	(25.5)	222.0	(51.0)	(188.9)	241.1	111.3
Free cash flow before interest	(161.3)	53.2	(22.2)	(283.1)	295.4	(0.8)

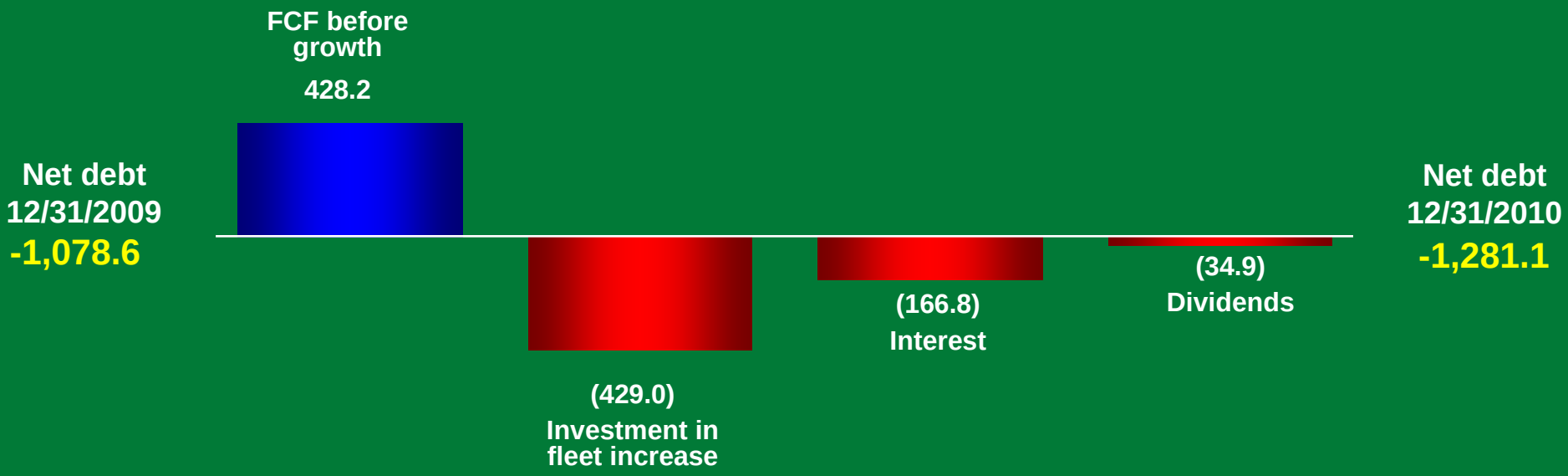
Fleet increase (quantity)	7,342	10,346	7,957	9,930	8,642	18,649

45.0% increase in cash generation before growth and interest.

(*) without technical discount deduction

Net debt reconciliation

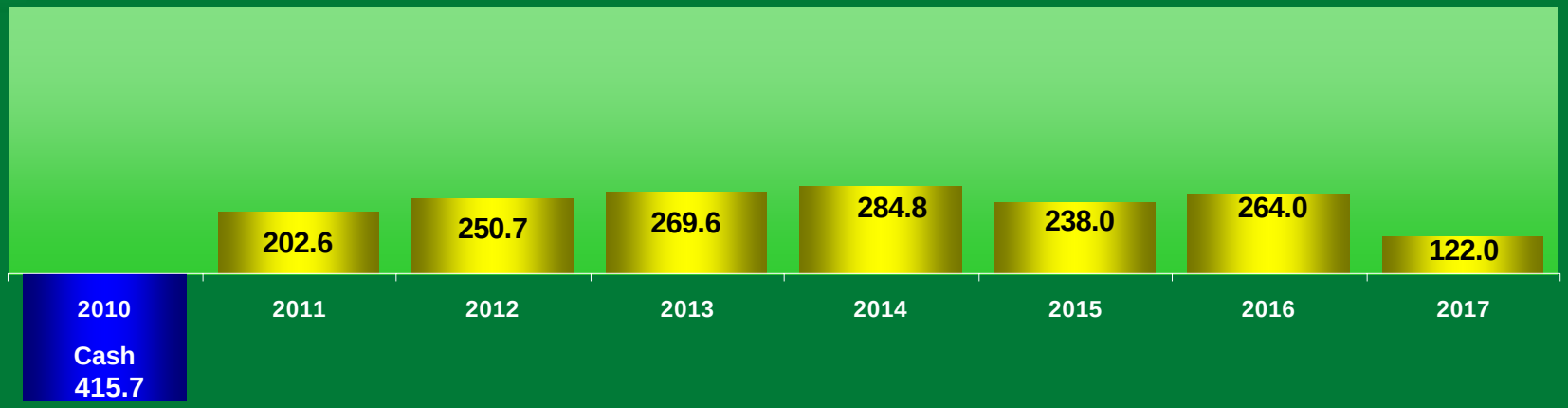
R$ million



Net debt grew 18.8% or R$202.5 million that were invested in the fleet expansion.

Debt – profile and costs

R$ million

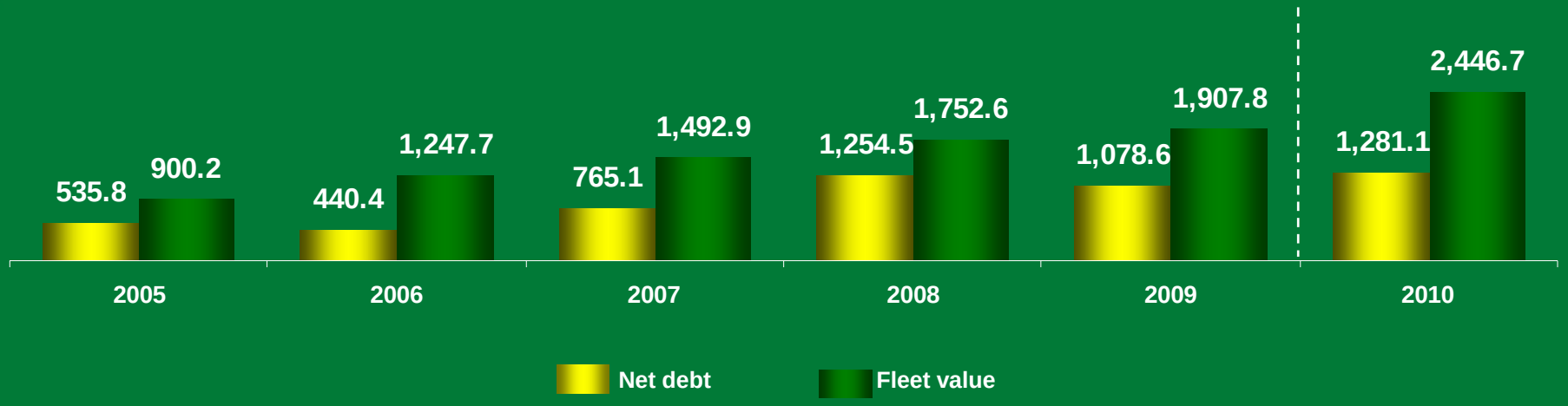


	Cost	2010	2011	2012	2013	2014	2015	2016	2017	Total
Working capital	111.1% to115.0% of CDI and CDI + 1.5%pa	-	-	58.0	78.0	55.0	75.0	190.0	-	456.0
Debenture 2nd Issuance	CDI + 0.6%pa	-	-	66.6	66.6	66.8	-	-	-	200.0
Debenture 4th Issuance	114.2% of CDI	-	-	24.0	24.0	63.0	63.0	74.0	122.0	370.0
Debenture 1st Issuance: Total Fleet	CDI + 2.0%pa	-	-	100.0	100.0	100.0	100.0	-	-	400.0
Commercial Papers 5th Issuance	108.0% of CDI	-	200.0	-	-	-	-	-	-	200.0
Other	TJLP + 3.8%pa / CDI + 2.3%pa	-	2.6	2.1	1.0	-	-	-	-	5.7
Interests accrued until 12/31/2010, net of interest paid	-	65.1	-	-	-	-	-	-	-	65.1
Cash and equivalents on 12/31/2010	-	(415.7)		-	-	-	-	-	-	(415.7)
Net debt	-	(350.6)	202.6	250.7	269.6	284.8	238.0	264.0	122.0	1,281.1

Debt amortization profile has improved substantially.

Debt – *ratios*

R$ million



BALANCES AT THE END OF THE PERIOD	2005	2006	2007	2008	2009	2010
Net debt / Fleet value (USGAAP)	60%	36%	51%	72%	57%	52%
Net debt / EBITDA (USGAAP)	1.9x	1.4x	1.9x	2.5x	2.3x	2.0x
Net debt / Equity (USGAAP)	1.4x	0.7x	1.3x	2.0x	1.5x	1.4x

Indebtedness ratios improved even further in 2010.

Spread



	2005	2006	2007	2008	2009	2010
Average capital investment - R$ millions	606.3	986.2	1,137.5	1,642.3	1,702.3	1,984.6
NOPAT margin (over rental revenue)	35.2%	33.4%	35.6%	32.1%	21.1%	27.4%
Turnover of average capital investment (over rental revenue)	0.71x	0.56x	0.60x	0.53x	0.55x	0.62x
ROIC	24.8%	18.7%	21.3%	17.0%	11.5%	16.9%
Interest on debt after tax	13.6%	10.9%	8.4%	8.2%	7.8%	7.8%
Spread (ROIC – Interest after tax) - p.p.	11.2	7.8	12.9	8.8	3.7	9.1

Localiza continues presenting an exceptional performance.

Thank you!

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