

Entender para Atender

*The broadest portfolio of logistic services in Brazil*

# 3Q12 Results Presentation

# November 9, 2012

# Period Highlights 3Q12 – JSL Logística

JSL Logística – Reported Data – Comparisons with 3Q11

- **Record gross revenue from Services** of **R$ 806.5 million** (**+34.5%**)
- **EBITDA Record**[1] of **R$ 157.4 million** (**+35.1%**), with **margin** of **20.6%** (**+1.7 p.p.**)
- **Net income**[2] of **R$ 21.7 million** (**+20.1%**)
- **Synergies** with **Dealerships**: **46.3%** of **the light vehicles bought** and **45.5%** of the **light vehicles sold**
- After JSL was elected **one of the 20 most transparent companies** by ANEFAC / Fipecafi / Serasa Experian, we were also ranked **1st among companies with revenues of up to R$5 billion**
- JSL was the elected **champion** in **Transportation sector** at Época Negócios 360º Year Book, among more than 200 companies analyzed

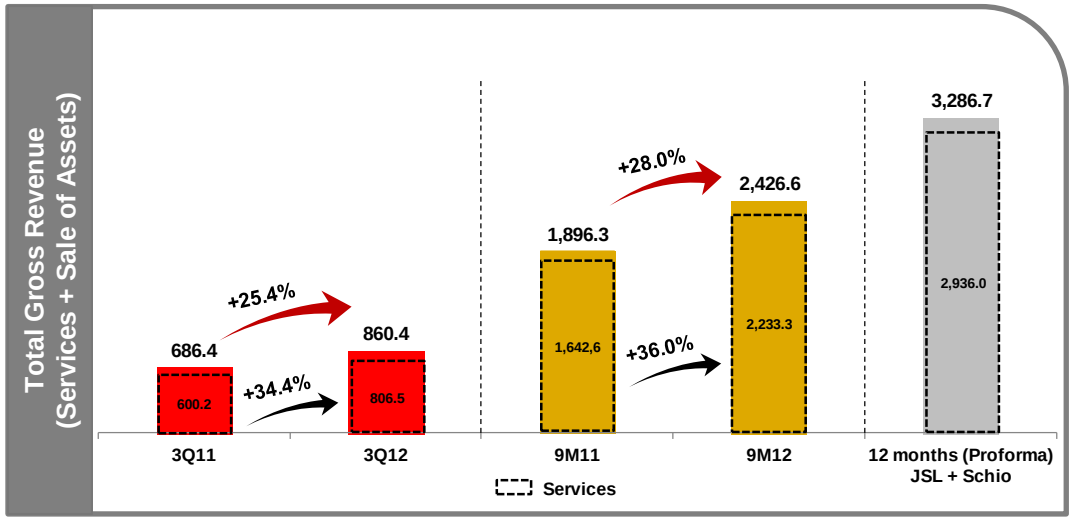
[1] Excluding the effects of non-recurring expenses related to the spending on the acquisitions of Schio and SIMPAR Concessionárias (current JSL Concessionárias) and their special projects, totaling R$ 0.9 million in 3Q11, R$ 6.4 million in 3Q12

[2] Excludes the impact from revenues and expenses detailed in item 1. Considers a rate of 34.0% for 0.9 million to 3Q11 and R$ 0.9 million in 3Q12

# Operating Highlights - JSL Logística

**(R$ million)**

JSL Logística – Reported Data – Comparisons with 3Q11




## Record gross revenue from Services

- **Management and Outsourcing** and **Dedicated Services** accounted for **79.1%** of the total (**+4.8 p.p.**)
- **Growth** of Revenue **from Same Contracts (RSC): 6.7% up** especially in **Management and Outsourcing**
- **New Contracts** contributed **R$ 79.2 million**

| *Guidance* for 2012 - Logistics (JSL + Schio) | 2011 Reported Base: Growth of Revenue from Services (%) | 2011 Reported Base: EBITDA (R$ million) |
|---|---|---|
| With current contract portfolio | +30% | 510 |
| Including new contracts | +39% | 600 |

## Operational flexibility in the Resale of assets

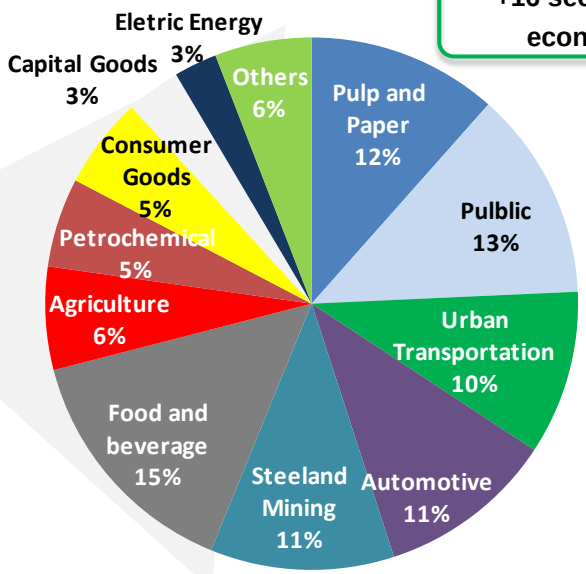
- **Low average age** of the fleet enables **managing** the **best moment for renewal**
- **We´ve maintained** a **lower volume** of **assets available** for **renewal** in 3Q12
- In this scenario, revenue from the **Usual Resale of Assets** came to **R$ 53.9 million**

# Breakdown of Gross Revenue from Services - JSL Logística

## By Economic Sector

JSL Logística

Breakdown of Gross Revenue from Services by Sector in 3Q12



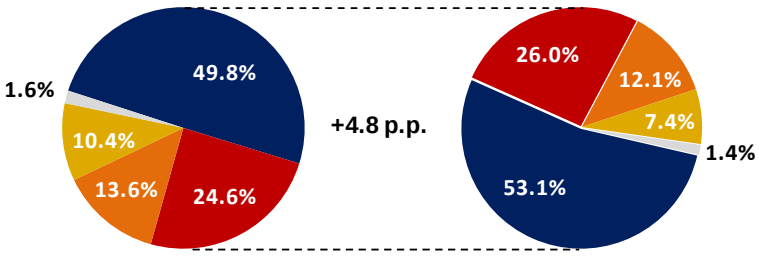

+16 sectors of economy

**Further Strategic Diversification of Portfolio and Sectors of Economy**

- More ***cross-selling*** **oportunities**
- **Risk mitigation advantage** in relation to the **macroeconomic scenario**
- **Increased** participation of various sectors, especially in **Food and beverage and Consumer Goods, further reducing sector exposure**

## By Business Line

Reported Data




79% of Dedicated Services + Management and Outsourcing

- Dedicated Services
- Management and Outsourcing
- Passenger Transportation
- General Cargo
- Others

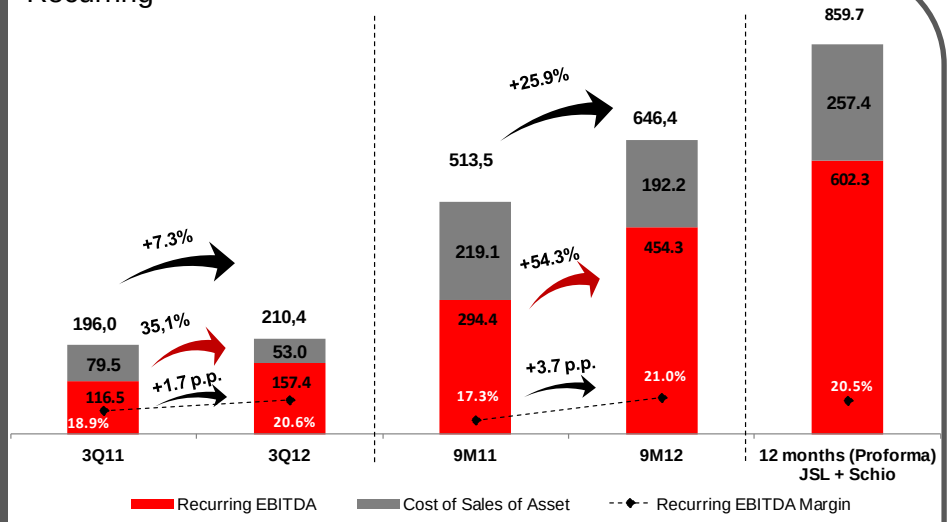
- Focus on **Logistics Services** with **higher value added**
- **Long-term contracts** that guarantee expected **minimum returns**

# Financial Results – JSL Logística
**(R$ millions)**

Comparison with 3Q11

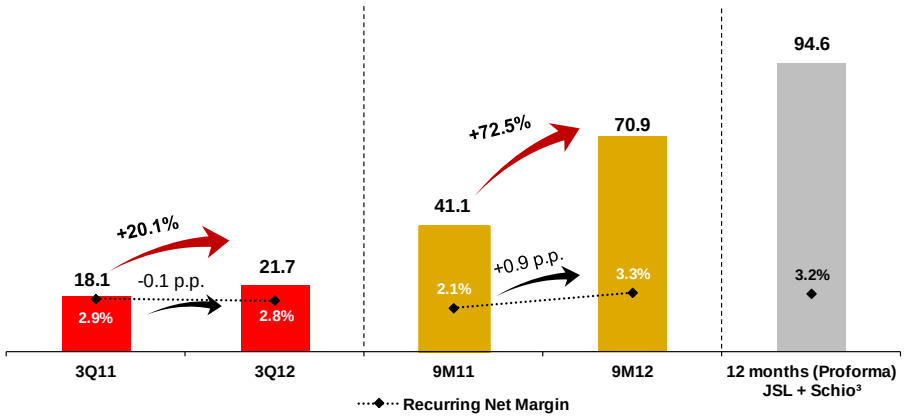
EBITDA-A

Recurring[1]




Net Income

Recurring[2]




**Improvement in EBITDA margin in 3Q12 (+1.7 p.p.):**

- **Increased Management and Outsourcing** in the mix (+1.4 p.p.), generally exhibit **higher margins**
- **Lower dilution** on **margin** due to lower asset sales

**Expansion of 20.1% in net income:**

- **Recurring Net Income** of **R$ 21,7 million**

**EBITDA and Net Income are below their potential, given that the investments in new projects have not yet generated revenue, but results are being impacted by pre-operational costs, asset depreciation and interest on financing**

[1]Excluding the effects of non-recurring expenses related to the spending on the acquisitions of Schio and SIMPAR Concessionárias (current JSL Concessionárias) and their special projects, REFIS program, and others, totaling R$ 0.9 million in 3Q11, R$ 8.2 million in 9M11, R$ 6.4 million in 3Q12,10.0 million in 9M12 and 21.4 million in LTM

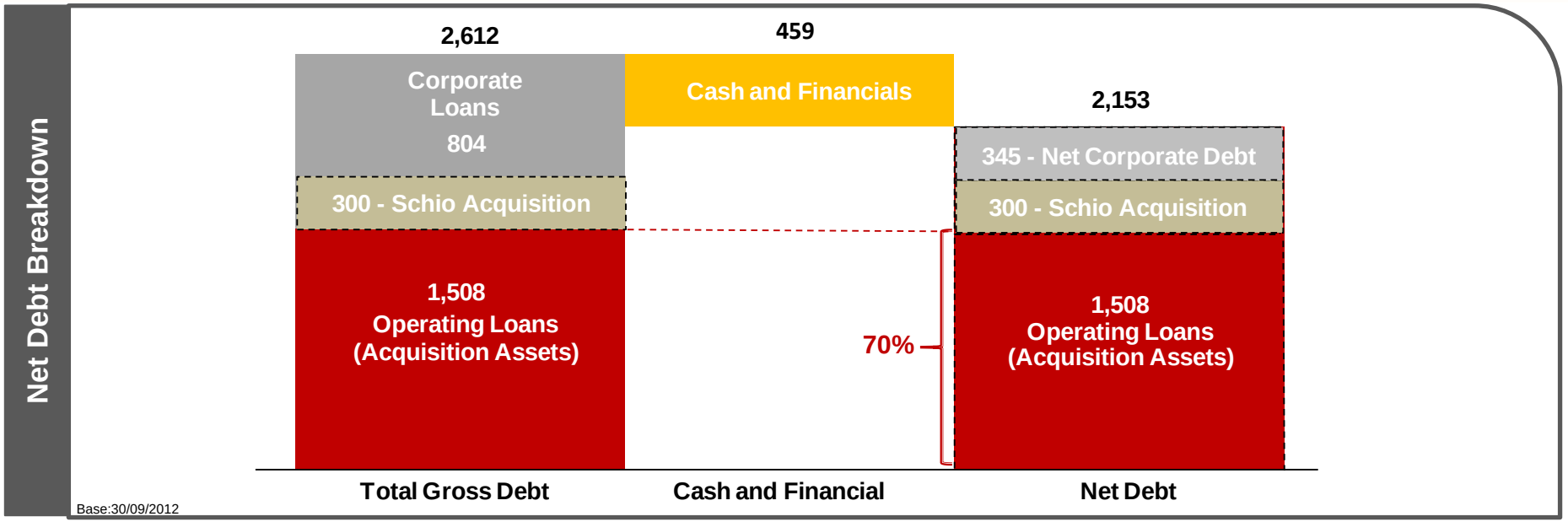
[2]Considering a rate of 34.0 for R$ 0.9 million in 3Q11, R$ 2.6 million in 2Q12, R$ 0.9 million in 3Q12, R$ (1.2) million in 9M11, R$ 0.9 million in 3Q12, R$ 4.5 million in 9M12 and R$ 15,9 million in LTM

[3]Excluding the impact of the reversal of deferred taxes totaling R$ 5.5 million related to the tax loss in Transportadora Grande ABC due to the merger with JSL in December 2011, in 4Q11

# Indebtedness - JSL Logística

(R$ million)

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- **64%** of **net debt** is linked to **TJLP/PRE-FIXED**
- **36%** of **net debt** is linked to **CDI**
- **Average cost of debt** in 3Q12 stood at **9.8%** and **9.3%** in 09/30.
- **70%** of **net debt** is linked to **operational assets**

## Leveraging Parameters

| | 3T12 Proforma [4] | Covenants |
|---|---|---|
| Net Debt[1]/ EBITDA-A[2] | 2.5x | Máx 3.0 x |
| EBITDA[2]/ Net Interest[2] | 4.3x | Mín 2.0 x |
| Cash and Investments[1]/Gross Debt ST[1] | 0.9x | N.A. |

[1]End of period; [2] recurrent last 12 months

[3]Fixed assets + Receivables and installment sales of Inventories (Sale of Assets with Management/CPC 06) + Used vehicles

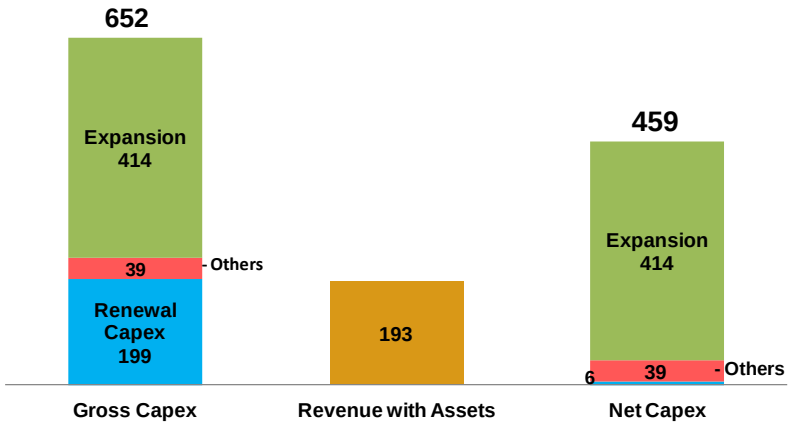
**EBITDA-A** or EBITDA Added - corresponds to EBITDA plus the residual accounting cost from the sale of fixed assets, which is non-cash, since it represents merely an accounting entry of the removal of assets from the balance sheet at the moment they are sold. Thus, the Company's management believes that EBITDA-A is a better measure of operating cash flow than traditional EBITDA, representing the Company's capacity to meet its financial obligations.

[4] Last 12 months JSL + Schio

# Investments - JSL Logística

(R$ million)

## 9M12 Capex




- **63%** on **business expansion**
- **81%** in **Dedicated Services** and **Management and Outsourcing**
- **67%** in **heavy vehicles** and **33%** in **light vehicles**

| Renew | 9M12R |
|---|---|
| **CAPEX** | 199 |
| Revenue with resale of assets | (193) |
| **Net renewal capex** | **6** |
| **Expansion** | |
| **Total Expansion** | **414** |
| **Others(IT,improvements,etc)** | 39 |
| **Net CAPEX** | **459** |

**Guidance of Net Capex: R$ 710 million**

**Flexibility in the management of Renewal Capex due to the low average fleet age, as well as Expansion Capex, which is linked to the execution of new contracts**

- **Expansion Capex contributes only partially to revenue and cash generation in the year in which it is executed, as it depends on the moment in which the new contracts come into effect, keeping in mind that they have an implementation period that ranges from 90 to 120 days (expenses without revenue)**
- **Full contributions from the contracts executed during a given year only take place in the following years, after a full year operating at their maturity**

# JSL Logística and JSL Concessionárias: Independent yet complementary businesses

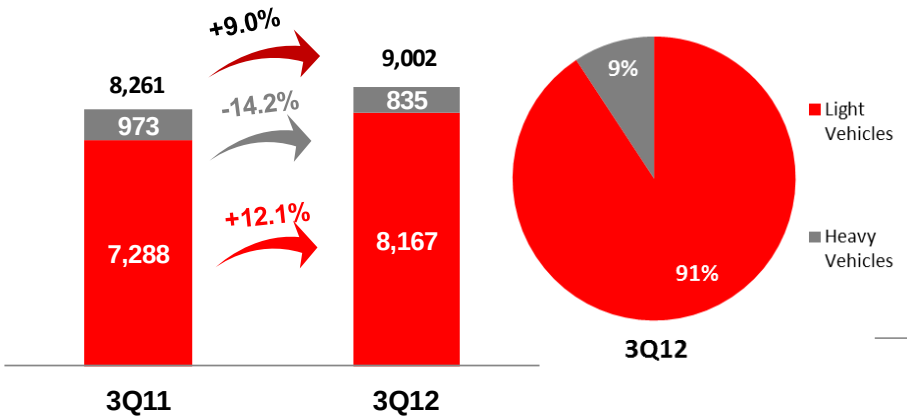
- Incorporation in 02/06/2012 (incorporation of the results into JSL from Feb/12)

## Synergy between JSL Logística and JSL Concessionárias (3Q12)

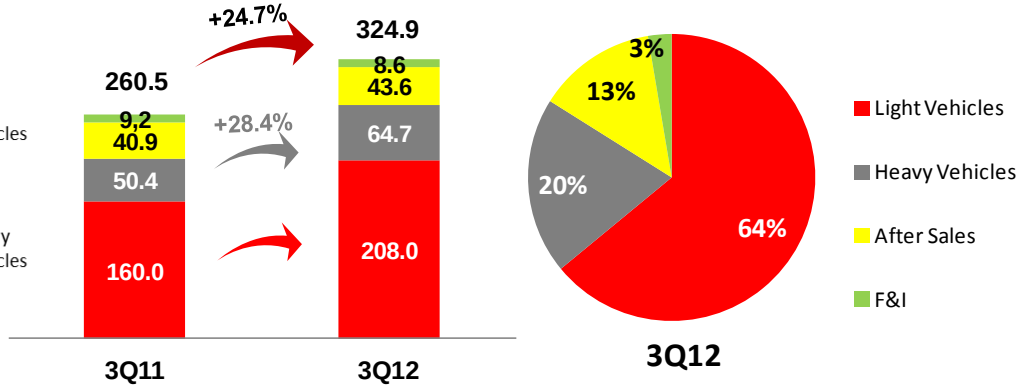
| | Total JSL Logística | JSL Concessionárias Channel | Synergy % do Total |
|---|---|---|---|
| Purchase of Light Vehicles (units) | 2,103 | 974 | 46.3% |
| Sales of Light Vehicles Used Vehicles (units) | 886 | 403 | 45.5% |

- Highlights from JSL Concessionárias (3Q12):

## Volume and Mix of Vehicles Sold (units)




## Gross Revenue and Revenue Mix (R$ million)




**Recurring EBITDA record of R$ 11.8 million and Net Profit of R$ 4.4 milion**

# Consolidated Results - JSL Consolidated 3Q12

| Consolidated JSL Results (R$ millions) | JSL Logística[1] | JSL Concessionárias | Exclusion/ Reclassification | JSL Consolidated |
|---|---|---|---|---|
| **Gross Revenue** | **860.4** | **324.9** | (6.6) | **1,178.7** |
| **Net Revenue** | **763.2** | **305.2** | (7,7)* | **1,060.7** |
| **Recurrent EBITDA** | **157.4** | **11.8** | - | **169.2** |
| *EBITDA Margin* | 20.6% | 3.9% | | 16.0% |
| **Recurrent EBITDA-A** | **210.4** | **11.8** | - | **222.2** |
| *EBITDA-A Margin* | 27.6% | 3.9% | | 20.9% |
| **Recurrent Net Income** | **21.7** | **4.4** | - | **26.1** |
| *Net Margin* | 2.8% | 1.4% | | 2.5% |

[1] Schio is included

*The difference of $ 1.1 million relates to reclassifications of 1H12 made in the 3Q12

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