

# INTERIM FINANCIAL INFORMATION

September 30, 2018



 **Localiza**

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**Company Information / Capital Structure**

<b>Number of Shares (Thousands)</b>	<b>Current Quarter 09/30/2018</b>
<b>Paid-In Capital</b>	
<b>Common Shares</b>	667,149
<b>Preferred Shares</b>	0
<b>Total</b>	667,149
<b>Treasury Shares</b>	
<b>Common Shares</b>	5,267
<b>Preferred Shares</b>	0
<b>Total</b>	5,267

**Company Information / Cash Proceeds**

<b>Event</b>	<b>Approval</b>	<b>Proceeds</b>	<b>Beginning of Payment</b>	<b>Type of Share</b>	<b>Class of Share</b>	<b>Earnings per Share (Brazilian Reais / Share)</b>
Meeting of the Board of Directors	12/07/2017	Interest on Capital	01/31/2018	Common Shares		0.06475
Meeting of the Board of Directors	03/22/2018	Interest on Capital	05/16/2018	Common Shares		0.06356
Meeting of the Board of Directors	06/21/2018	Interest on Capital	08/16/2018	Common Shares		0.06496
Meeting of the Board of Directors	09/21/2018	Interest on Capital	11/16/2018	Common Shares		0.06738

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2018</b>	<b>Prior Year 12/31/2017</b>
1	Total Assets	10,222,099	9,001,774
1.01	Current Assets	2,600,881	2,597,692
1.01.01	Cash and Cash Equivalents	1,817,946	829,737
1.01.02	Financial Assets	0	1,158,867
1.01.02.01	Financial Assets at fair value through profit or loss	0	532,407
1.01.02.03	Financial Assets at amortized cost	0	626,460
1.01.03	Accounts Receivable	591,399	441,364
1.01.03.01	Trade Receivables	591,399	441,364
1.01.06	Recoverable Taxes	19,429	14,820
1.01.06.01	Current Recoverable Taxes	19,429	14,820
1.01.07	Prepaid Expenses	29,545	7,051
1.01.08	Other Current Assets	142,562	145,853
1.01.08.01	Non-Current Assets Available for Sale	41,082	27,033
1.01.08.03	Other	101,480	118,820
1.01.08.03.01	Dividends Receivable	0	39,812
1.01.08.03.02	Other	101,480	79,008
1.02	Non-Current Assets	7,621,218	6,404,082
1.02.01	Long-Term Assets	75,248	51,799
1.02.01.10	Other Non-Current Assets	75,248	51,799
1.02.01.10.03	Escrow Deposits	54,453	51,716
1.02.01.10.04	Derivative instruments – swap	20,712	0
1.02.01.10.05	Other	83	83
1.02.02	Investments	1,037,101	949,169
1.02.02.01	Ownership Interests	1,037,101	949,169
1.02.02.01.02	Investments in Subsidiaries	1,037,101	949,169
1.02.03	Property and Equipment	6,466,670	5,356,734
1.02.03.01	Property and Equipment in Use	6,458,586	5,350,728
1.02.03.02	Ongoing Right of Use	596	1,204
1.02.03.02.01	Leased Property and Equipment	596	1,204
1.02.03.03	Constructions in Progress	7,488	4,802
1.02.04	Intangible Assets	42,199	46,380
1.02.04.01	Intangible Assets	42,199	46,380
1.02.04.01.02	Software in Service	42,155	46,308
1.02.04.01.03	Leased Software	44	72

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2018</b>	<b>Prior Year 12/31/2017</b>
2	Total Liabilities	10,222,099	9,001,774
2.01	Current Liabilities	2,079,594	1,697,465
2.01.01	Payroll and Related Taxes	106,708	91,323
2.01.01.01	Payroll Taxes	10,592	17,190
2.01.01.02	Related Taxes	96,116	74,133
2.01.02	Trade Payables	1,321,812	1,157,954
2.01.02.01	Domestic Suppliers	1,321,804	1,156,679
2.01.02.02	Foreign Suppliers	8	1,275
2.01.03	Taxes Payable	14,066	11,767
2.01.03.01	Federal Taxes Payable	12,172	10,225
2.01.03.01.01	Income Tax and Social Contribution Payable	8,002	1,973
2.01.03.01.02	Other Federal Taxes	4,170	8,252
2.01.03.03	Municipal Taxes Payable	1,894	1,542
2.01.04	Loans and Financing	427,617	237,790
2.01.04.01	Loans and Financing	1,136	0
2.01.04.01.02	In Foreign Currency	1,136	0
2.01.04.02	Debentures	426,481	237,636
2.01.04.03	Finance Lease	0	154
2.01.05	Other Payables	209,391	198,631
2.01.05.01	Payables to Related Parties	4,435	4,534
2.01.05.01.02	Payables to Subsidiaries	4,435	4,534
2.01.05.02	Other	204,956	194,097
2.01.05.02.01	Dividends and Interest on Capital Payable	37,961	36,384
2.01.05.02.04	Other Current Liabilities	152,542	157,684
2.01.05.02.05	Derivative instruments – swap	942	0
2.01.05.02.06	Unearned Revenue	13,511	29
2.02	Non-Current Liabilities	5,183,249	4,703,584
2.02.01	Loans and Financing	4,936,733	4,527,539
2.02.01.01	Loans and Financing	1,015,481	660,785
2.02.01.01.01	In Local Currency	694,745	660,785
2.02.01.01.02	In Foreign Currency	320,736	0
2.02.01.02	Debentures	3,921,252	3,866,719
2.02.01.03	Finance Lease	0	35
2.02.02	Other Payables	15,010	6,239
2.02.02.02	Other	15,010	6,239
2.02.02.02.03	Other Non-Current Liabilities	6,236	6,239
2.02.02.02.04	Derivative instruments – swap	8,774	0
2.02.03	Deferred Taxes	123,269	79,941
2.02.03.01	Deferred Income Tax and Social Contribution	123,269	79,941
2.02.04	Provisions	103,966	89,784
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	103,966	89,784
2.02.04.01.01	Provisions for Tax Risks	50,980	39,353
2.02.04.01.02	Provisions for Social Security and Labor Risks	34,685	33,559
2.02.04.01.04	Provisions for Civil Risks	18,301	16,872
2.02.06	Unearned Profit and Revenue	4,271	81
2.02.06.02	Unearned Revenue	4,271	81
2.03	Equity	2,959,256	2,600,725
2.03.01	Paid-In Capital	1,500,000	1,500,000

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2018</b>	<b>Prior Year 12/31/2017</b>
2.03.02	Capital Reserves	121,186	94,939
2.03.02.05	Treasury Shares	-41,124	-53,696
2.03.02.07	Share Issuance Premium and Stock Options Granted	162,310	148,635
2.03.04	Earnings Reserves	1,005,786	1,005,786
2.03.04.01	Legal Reserve	145,908	145,908
2.03.04.02	Statutory Reserve	622,985	622,985
2.03.04.05	Earnings Retention Reserve	236,893	236,893
2.03.05	Retained Earnings (Accumulated Losses)	332,284	0

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

Code	Description	Current Quarter 07/01/2018 to 09/30/2018	Accumulated for the Current Year 01/01/2018 to 09/30/2018	Equal Quarter from Prior Year 07/01/2017 to 09/30/2017	Accumulated for the Prior Year 01/01/2017 to 09/30/2017
3.01	Revenue from Sales and/or Services	1,692,997	4,416,931	1,224,945	3,354,565
3.02	Cost of Sales and/or Services	-1,345,705	-3,368,056	-962,445	-2,590,553
3.03	Gross Profit	347,292	1,048,875	262,500	764,012
3.04	Operating Income (Expenses)	-111,428	-318,051	-76,779	-196,734
3.04.01	Selling Expenses	-134,692	-387,252	-95,966	-256,254
3.04.02	General and Administrative Expenses	-38,777	-112,144	-40,200	-103,495
3.04.05	Other Operating Expenses	-4,016	-13,816	-3,282	-3,494
3.04.06	Equity in the Earnings of Subsidiaries	66,057	195,161	62,669	166,509
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	235,864	730,824	185,721	567,278
3.06	Finance Income (Expenses)	-50,212	-177,920	-50,672	-156,163
3.06.01	Finance Income	22,098	78,300	38,148	110,438
3.06.02	Finance Expenses	-72,310	-256,220	-88,820	-266,601
3.07	Net Income Before Income Taxes	185,652	552,904	135,049	411,115
3.08	Income Tax and Social Contribution on Profit	-25,800	-75,140	-11,878	-38,406
3.08.01	Current	-7,883	-23,983	188	-14,252
3.08.02	Deferred	-17,917	-51,157	-12,066	-24,154
3.09	Net Income from Continuing Operations	159,852	477,764	123,171	372,709
3.11	Net Income for the Period	159,852	477,764	123,171	372,709
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.24151	0.72263	0.18668	0.56687
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.24103	0.72074	0.18639	0.56437

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 07/01/2018 to 09/30/2018</b>	<b>Accumulated for the Current Year 01/01/2018 to 09/30/2018</b>	<b>Equal Quarter from Prior Year 07/01/2017 to 09/30/2017</b>	<b>Accumulated for the Prior Year 01/01/2017 to 09/30/2017</b>
4.01	Net Income for the Period	159,852	477,764	123,171	372,709
4.03	Comprehensive Income for the Period	159,852	477,764	123,171	372,709

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
6.01	Net Cash Provided by Operating Activities	459,301	-510,969
6.01.01	Cash Provided by Operations	3,225,308	2,532,607
6.01.01.01	Net Income for the Period	477,764	372,709
6.01.01.02	Depreciation and Amortization	116,039	114,236
6.01.01.03	Residual Value of Property and Equipment Written Off	2,450,314	1,896,656
6.01.01.04	Deferred Income Tax and Social Contribution	51,157	24,154
6.01.01.05	Equity in the Earnings of Subsidiaries	-195,161	-166,509
6.01.01.06	Other provisions	60,834	30,657
6.01.01.07	Provisions for contingencies	14,182	14,670
6.01.01.08	Interest on Loans, Financing, Debentures and Swap	250,179	246,034
6.01.02	Changes in Assets and Liabilities	-3,727,763	-2,799,136
6.01.02.01	Trade Receivables	-207,902	-49,790
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-3,523,647	-2,722,109
6.01.02.03	Escrow Deposits	-2,737	-13,228
6.01.02.04	Recoverable Taxes	127	3,445
6.01.02.05	Prepaid Expenses	-22,494	-17,595
6.01.02.06	Other Current and Non-Current Assets	-43,129	-8,032
6.01.02.07	Trade Payables (Except Car Manufacturers)	29,878	-3,300
6.01.02.08	Payroll and Related Taxes	15,385	3,025
6.01.02.09	Income Tax and Social Contribution	23,983	14,252
6.01.02.11	Insurance Premiums	5,347	4,259
6.01.02.12	Other Current and Non-Current Liabilities	-2,574	-10,063
6.01.03	Other	961,756	-244,440
6.01.03.01	Income Tax and Social Contribution Paid	-18,076	-22,969
6.01.03.02	Interest on Loans, Financing and Debt Paid	-179,035	-221,471
6.01.03.03	Short-term financial assets	1,158,867	0
6.02	Net Cash Provided by Investing Activities	121,257	8,691
6.02.01	Purchase of Other Property and Equipment	-20,410	-65,609
6.02.02	Purchase of Intangible Assets	-4,661	-3,436
6.02.03	Capital increase in subsidiary	0	-100,000
6.02.04	Dividends from Subsidiaries	146,328	177,736
6.03	Net Cash Provided by Financing Activities	407,651	1,011,798
6.03.01	Loans and Financing - Funding	300,024	648,605
6.03.02	Loans and Financing - Repayments	-188	-219,544
6.03.03	Debentures - Funding	994,545	696,072
6.03.04	Debentures - Repayments	-777,500	-37,500
6.03.06	Interest on Capital	-127,718	-125,830
6.03.09	Treasury Shares	987	2,083
6.03.10	Exercise of Stock Options with Treasury Shares, Net	17,501	47,912
6.05	Increase (Decrease) in Cash and Cash Equivalents	988,209	509,520
6.05.01	Opening Balance of Cash and Cash Equivalents	829,737	1,133,711
6.05.02	Closing Balance of Cash and Cash Equivalents	1,817,946	1,643,231

**Individual Financial Statements / Statement of Changes in Equity - 01/01/2018 to 09/30/2018****(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	1,500,000	94,939	1,005,786	0	0	2,600,725
5.02	Prior year adjustments	0	0	0	-15,911	0	-15,911
5.02.01	Effect of initial adoption of IFRS 9	0	0	0	-15,911	0	-15,911
5.03	Adjusted Opening Balances	1,500,000	94,939	1,005,786	-15,911	0	2,584,814
5.04	Capital Transactions with Shareholders	0	26,247	0	-129,569	0	-103,322
5.04.03	Stock Options Granted Recognized	0	7,759	0	0	0	7,759
5.04.05	Treasury shares sold	0	987	0	0	0	987
5.04.07	Interest on Capital	0	0	0	-129,569	0	-129,569
5.04.08	Exercise of Stock Options with Treasury Shares	0	17,501	0	0	0	17,501
5.05	Total Comprehensive Income	0	0	0	477,764	0	477,764
5.05.01	Net Income for the Period	0	0	0	477,764	0	477,764
5.07	Closing Balances	1,500,000	121,186	1,005,786	332,284	0	2,959,256

**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 Value Added****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
7.01	Revenues	4,437,018	3,402,988
7.01.01	Sales of Goods, Products and Services	4,453,051	3,400,164
7.01.03	Revenues Related to the Construction of Own Assets	8,873	8,792
7.01.04	Allowance for/Reversal of Doubtful Debts	-24,906	-5,968
7.02	Inputs Acquired from Third Parties	-3,032,235	-2,288,798
7.02.01	Cost of Products, Goods and Services Sold	-2,799,785	-2,126,250
7.02.02	Materials, Power, Third-Party Services and Other	-232,450	-162,548
7.03	Gross Value Added	1,404,783	1,114,190
7.04	Retentions	-116,039	-114,236
7.04.01	Depreciation, Amortization and Depletion	-116,039	-114,236
7.05	Net Wealth Created	1,288,744	999,954
7.06	Wealth Received in Transfer	273,461	276,947
7.06.01	Equity in the Earnings of Subsidiaries	195,161	166,509
7.06.02	Finance Income	78,300	110,438
7.07	Total Wealth for Distribution	1,562,205	1,276,901
7.08	Wealth Distributed	1,562,205	1,276,901
7.08.01	Personnel	389,779	312,280
7.08.01.01	Salaries and Wages	295,006	229,923
7.08.01.02	Benefits	65,559	52,652
7.08.01.03	Severance Pay Fund (FGTS)	21,455	17,305
7.08.01.04	Other	7,759	12,400
7.08.02	Taxes, Fees and Contributions	273,156	194,174
7.08.02.01	Federal	177,700	124,845
7.08.02.02	State	75,339	52,639
7.08.02.03	Municipal	20,117	16,690
7.08.03	Lenders and Lessors	421,506	397,738
7.08.03.01	Interest	256,220	266,601
7.08.03.02	Rentals	150,604	120,329
7.08.03.03	Other	14,682	10,808
7.08.03.03.01	Other Rentals	14,682	10,808
7.08.04	Shareholders	477,764	372,709
7.08.04.01	Interest on Capital	129,569	120,158
7.08.04.03	Retained Earnings (Loss for the Period)	348,195	252,551

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2018</b>	<b>Prior Year 12/31/2017</b>
1	Total Assets	12,828,662	11,186,234
1.01	Current Assets	3,662,958	3,430,988
1.01.01	Cash and Cash Equivalents	1,986,262	1,338,195
1.01.02	Financial Assets	679,990	1,275,699
1.01.02.01	Financial Assets at fair value through profit or loss	461,267	615,134
1.01.02.03	Financial Assets at amortized cost	218,723	660,565
1.01.03	Accounts Receivable	739,736	585,124
1.01.03.01	Trade Receivables	739,736	585,124
1.01.06	Recoverable Taxes	32,548	28,036
1.01.06.01	Current Recoverable Taxes	32,548	28,036
1.01.07	Prepaid Expenses	36,791	8,178
1.01.08	Other Current Assets	187,631	195,756
1.01.08.01	Non-Current Assets Available for Sale	75,063	103,350
1.01.08.03	Other	112,568	92,406
1.01.08.03.02	Other	112,568	92,406
1.02	Non-Current Assets	9,165,704	7,755,246
1.02.01	Long-Term Assets	195,344	187,837
1.02.01.04	Accounts Receivable	4,500	4,698
1.02.01.04.01	Trade Receivables	4,500	4,698
1.02.01.07	Deferred Taxes	39,478	41,953
1.02.01.07.01	Deferred Income Tax and Social Contribution	39,478	41,953
1.02.01.10	Other Non-Current Assets	151,366	141,186
1.02.01.10.03	Escrow Deposits	88,110	83,124
1.02.01.10.04	Derivatives - Swap	20,712	16,703
1.02.01.10.05	Other	83	83
1.02.01.10.06	Investments in restricted accounts	42,461	40,584
1.02.01.10.07	Recoverable Taxes	0	692
1.02.03	Property and Equipment	8,891,789	7,483,974
1.02.03.01	Property and Equipment in Use	8,441,857	6,881,799
1.02.03.02	Right of Use in Lease	438,966	597,373
1.02.03.02.01	Leased Property and Equipment	438,966	597,373
1.02.03.03	Constructions in Progress	10,966	4,802
1.02.04	Intangible Assets	78,571	83,435
1.02.04.01	Intangible Assets	78,571	83,435
1.02.04.01.02	Goodwill on Acquisition of Investments	30,719	30,719
1.02.04.01.03	Software in Service	47,808	52,644
1.02.04.01.04	Leased Software	44	72

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2018</b>	<b>Prior Year 12/31/2017</b>
2	Total Liabilities	12,828,662	11,186,234
2.01	Current Liabilities	2,666,103	2,234,098
2.01.01	Payroll and Related Taxes	128,217	109,176
2.01.01.01	Payroll Taxes	12,999	20,560
2.01.01.02	Related Taxes	115,218	88,616
2.01.02	Trade Payables	1,561,003	1,331,680
2.01.02.01	Domestic Suppliers	1,560,995	1,330,405
2.01.02.02	Foreign Suppliers	8	1,275
2.01.03	Taxes Payable	39,558	44,209
2.01.03.01	Federal Taxes Payable	36,852	42,147
2.01.03.01.01	Income Tax and Social Contribution Payable	30,453	31,258
2.01.03.01.02	Other Federal Taxes	6,399	10,889
2.01.03.03	Municipal Taxes Payable	2,706	2,062
2.01.04	Loans and Financing	708,851	537,216
2.01.04.01	Loans and Financing	80,249	52,106
2.01.04.01.01	In Local Currency	79,113	52,106
2.01.04.01.02	In Foreign Currency	1,136	0
2.01.04.02	Debentures	454,716	249,269
2.01.04.03	Finance Lease	173,886	235,841
2.01.05	Other Payables	228,474	211,817
2.01.05.02	Other	228,474	211,817
2.01.05.02.01	Dividends and Interest on Capital Payable	37,961	36,384
2.01.05.02.04	Other Current Liabilities	160,149	164,743
2.01.05.02.05	Derivative instruments – swap	13,280	6,831
2.01.05.02.06	Unearned Revenue	17,084	3,859
2.02	Non-Current Liabilities	7,203,303	6,351,411
2.02.01	Loans and Financing	6,707,538	5,940,463
2.02.01.01	Loans and Financing	1,610,901	1,130,522
2.02.01.01.01	In Local Currency	1,290,165	1,130,522
2.02.01.01.02	In Foreign Currency	320,736	0
2.02.01.02	Debentures	5,069,081	4,715,847
2.02.01.03	Finance Lease	27,556	94,094
2.02.02	Other Payables	60,574	58,142
2.02.02.02	Other	60,574	58,142
2.02.02.02.03	Other Non-Current Liabilities	6,739	6,734
2.02.02.02.04	Derivative instruments – swap	11,374	10,824
2.02.02.02.05	Restricted obligations	42,461	40,584
2.02.03	Deferred Taxes	279,640	219,706
2.02.03.01	Deferred Income Tax and Social Contribution	279,640	219,706
2.02.04	Provisions	144,578	126,490
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	144,578	126,490
2.02.04.01.01	Provisions for Tax Risks	67,704	54,712
2.02.04.01.02	Provisions for Social Security and Labor Risks	49,678	47,278
2.02.04.01.04	Provisions for Civil Risks	27,196	24,500
2.02.06	Unearned Profit and Revenue	10,973	6,610
2.02.06.02	Unearned Revenue	10,973	6,610
2.03	Consolidated Equity	2,959,256	2,600,725
2.03.01	Paid-In Capital	1,500,000	1,500,000

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2018</b>	<b>Prior Year 12/31/2017</b>
2.03.02	Capital Reserves	121,186	94,939
2.03.02.05	Treasury Shares	-41,124	-53,696
2.03.02.07	Share Issuance Premium and Stock Options Granted	162,310	148,635
2.03.04	Earnings Reserves	1,005,786	1,005,786
2.03.04.01	Legal Reserve	145,908	145,908
2.03.04.02	Statutory Reserve	622,985	622,985
2.03.04.05	Earnings Retention Reserve	236,893	236,893
2.03.05	Retained Earnings (Accumulated Losses)	332,284	0

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

Code	Description	Current Quarter 07/01/2018 to 09/30/2018	Accumulated for the Current Year 01/01/2018 to 09/30/2018	Equal Quarter from Prior Year 07/01/2017 to 09/30/2017	Accumulated for the Prior Year 01/01/2017 to 09/30/2017
3.01	Revenue from Sales and/or Services	2,073,105	5,636,064	1,563,384	4,248,744
3.02	Cost of Sales and/or Services	-1,567,989	-4,136,755	-1,151,208	-3,083,885
3.03	Gross Profit	505,116	1,499,309	412,176	1,164,859
3.04	Operating Income (Expenses)	-204,778	-592,068	-169,865	-456,952
3.04.01	Selling Expenses	-154,067	-441,499	-115,032	-323,642
3.04.02	General and Administrative Expenses	-46,101	-134,727	-50,982	-129,224
3.04.05	Other Operating Expenses	-4,610	-15,842	-3,851	-4,086
3.05	Profit (Loss) Before Finance Income (Expenses) and Taxes	300,338	907,241	242,311	707,907
3.06	Finance Income (Expenses)	-83,693	-261,374	-79,352	-221,347
3.06.01	Finance Income	37,668	123,404	51,881	159,504
3.06.02	Finance Expenses	-121,361	-384,778	-131,233	-380,851
3.07	Net Income Before Income Taxes	216,645	645,867	162,959	486,560
3.08	Income Tax and Social Contribution on Profit	-56,793	-168,103	-39,788	-113,851
3.08.01	Current	-30,566	-97,629	-29,720	-87,960
3.08.02	Deferred	-26,227	-70,474	-10,068	-25,891
3.09	Net Income from Continuing Operations	159,852	477,764	123,171	372,709
3.11	Net Income for the Period	159,852	477,764	123,171	372,709
3.11.01	Attributable to the Company's Owners	159,852	477,764	123,171	372,709
3.99	Earnings per Share (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.24151	0.72263	0.18668	0.56687
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.24103	0.72074	0.18639	0.56437

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 07/01/2018 to 09/30/2018</b>	<b>Accumulated for the Current Year 01/01/2018 to 09/30/2018</b>	<b>Equal Quarter from Prior Year 07/01/2017 to 09/30/2017</b>	<b>Accumulated for the Prior Year 01/01/2017 to 09/30/2017</b>
4.01	Consolidated Net Income for the Period	159,852	477,764	123,171	372,709
4.03	Consolidated Comprehensive Income for the Period	159,852	477,764	123,171	372,709
4.03.01	Attributable to the Company's Owners	159,852	477,764	123,171	372,709

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

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
6.01	Net Cash Provided by Operating Activities	-46,529	-539,351
6.01.01	Cash Provided by Operations	4,169,023	3,191,616
6.01.01.01	Net Income for the Period	477,764	372,709
6.01.01.02	Depreciation and Amortization	233,909	198,498
6.01.01.03	Residual Value of Property and Equipment Written Off	2,961,177	2,178,810
6.01.01.04	Deferred Income Tax and Social Contribution	70,474	25,891
6.01.01.05	Other provisions	61,493	32,531
6.01.01.06	Provisions for contingencies	17,681	19,869
6.01.01.07	Interest on Loans, Financing, Debentures and Swap	378,990	363,308
6.01.01.08	Income from financial assets	-32,465	0
6.01.02	Changes in Assets and Liabilities	-4,473,666	-3,332,615
6.01.02.01	Trade Receivables	-213,877	-74,266
6.01.02.02	Acquisition of Cars, Net of Changes in Balances with Car Manufacturers	-4,314,003	-3,291,339
6.01.02.03	Escrow Deposits	-4,986	-17,042
6.01.02.04	Recoverable Taxes	2,376	3,026
6.01.02.05	Prepaid Expenses	-28,613	-23,137
6.01.02.06	Other Current and Non-Current Assets	-41,005	-3,788
6.01.02.07	Trade Payables (Except Car Manufacturers)	6,811	-5,139
6.01.02.08	Payroll and Related Taxes	19,041	1,933
6.01.02.09	Income Tax and Social Contribution	97,629	87,960
6.01.02.11	Insurance Premiums	5,420	4,259
6.01.02.12	Other Current and Non-Current Liabilities	-2,459	-15,082
6.01.03	Other	258,114	-398,352
6.01.03.01	Income Tax and Social Contribution Paid	-99,563	-81,658
6.01.03.02	Interest on Loans, Financing and Debt Paid	-270,497	-316,694
6.01.03.03	Short-term financial assets	628,174	0
6.02	Net Cash Provided by Investing Activities	-29,381	-492,434
6.02.01	Purchase of Other Property and Equipment	-23,888	-149,916
6.02.02	Purchase of Intangible Assets	-5,493	-4,830
6.02.04	Acquisition of investment, goodwill and surplus value	0	-337,688
6.03	Net Cash Provided by Financing Activities	723,977	1,278,880
6.03.01	Loans and Financing - Funding	742,799	867,389
6.03.02	Loans and Financing - Repayments	-425,025	-420,921
6.03.03	Debentures - Funding	1,292,933	1,195,747
6.03.04	Debentures - Repayments	-777,500	-287,500
6.03.06	Interest on Capital	-127,718	-125,830
6.03.08	Exercise of Stock Options with Treasury Shares, Net	987	2,083
6.03.09	Treasury Shares	17,501	47,912
6.05	Increase (Decrease) in Cash and Cash Equivalents	648,067	247,095
6.05.01	Opening Balance of Cash and Cash Equivalents	1,338,195	1,692,261
6.05.02	Closing Balance of Cash and Cash Equivalents	1,986,262	1,939,356

**Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2018 to 09/30/2018****(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	1,500,000	94,939	1,005,786	0	0	2,600,725	0	2,600,725
5.02	Prior year adjustments	0	0	0	-15,911	0	-15,911	0	-15,911
5.02.01	Effect of initial adoption of IFRS 9	0	0	0	-15,911	0	-15,911	0	-15,911
5.03	Adjusted Opening Balances	1,500,000	94,939	1,005,786	-15,911	0	2,584,814	0	2,584,814
5.04	Capital Transactions with Shareholders	0	26,247	0	-129,569	0	-103,322	0	-103,322
5.04.03	Stock Options Granted Recognized	0	7,759	0	0	0	7,759	0	7,759
5.04.05	Treasury shares sold	0	987	0	0	0	987	0	987
5.04.07	Interest on Capital	0	0	0	-129,569	0	-129,569	0	-129,569
	Exercise of Stock Options with Treasury								
5.04.08	Shares	0	17,501	0	0	0	17,501	0	17,501
5.05	Total Comprehensive Income	0	0	0	477,764	0	477,764	0	477,764
5.05.01	Net Income for the Period	0	0	0	477,764	0	477,764	0	477,764
5.07	Closing Balances	1,500,000	121,186	1,005,786	332,284	0	2,959,256	0	2,959,256

**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
	Exercise of Stock Options with Treasury								
5.04.08	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 Value Added****(In Thousands of Brazilian Reais)**

Code	Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
7.01	Revenues	5,669,218	4,314,859
7.01.01	Sales of Goods, Products and Services	5,684,591	4,313,443
7.01.03	Revenues Related to the Construction of Own Assets	8,873	8,792
7.01.04	Allowance for/Reversal of Doubtful Debts	-24,246	-7,376
7.02	Inputs Acquired from Third Parties	-3,660,294	-2,660,209
7.02.01	Cost of Products, Goods and Services Sold	-3,413,234	-2,481,970
7.02.02	Materials, Power, Third-Party Services and Other	-247,060	-178,239
7.03	Gross Value Added	2,008,924	1,654,650
7.04	Retentions	-233,909	-198,498
7.04.01	Depreciation, Amortization and Depletion	-233,909	-198,498
7.05	Net Wealth Created	1,775,015	1,456,152
7.06	Wealth Received in Transfer	123,404	159,504
7.06.02	Finance Income	123,404	159,504
7.07	Total Wealth for Distribution	1,898,419	1,615,656
7.08	Wealth Distributed	1,898,419	1,615,656
7.08.01	Personnel	466,863	400,405
7.08.01.01	Salaries and Wages	357,587	302,680
7.08.01.02	Benefits	75,866	63,180
7.08.01.03	Severance Pay Fund (FGTS)	25,651	22,145
7.08.01.04	Other	7,759	12,400
7.08.02	Taxes, Fees and Contributions	420,370	325,025
7.08.02.01	Federal	291,775	231,159
7.08.02.02	State	100,582	71,767
7.08.02.03	Municipal	28,013	22,099
7.08.03	Lenders and Lessors	533,422	517,517
7.08.03.01	Interest	384,778	380,851
7.08.03.02	Rentals	133,643	125,476
7.08.03.03	Other	15,001	11,190
7.08.03.03.01	Other Rentals	15,001	11,190
7.08.04	Shareholders	477,764	372,709
7.08.04.01	Interest on Capital	129,569	120,158
7.08.04.03	Retained Earnings (Loss for the Period)	348,195	252,551

Dear Investors,

In 3Q18, Localiza continued to show strong growth and reached EBITDA margin expansion in the annual comparison in the two business divisions, **Car Rental** and **Fleet Rental**. We overcame the mark of 220 thousand cars on the platform and the **Seminovos** broke the record sales volume, selling more than 30 thousand cars in the quarter.

In the **Car Rental** division, the average rented fleet grew 36.0% compared to 3Q17, contributing to a 34.9% increase in net revenues. In the **Fleet Rental** division, the average rented fleet increased 20.6%, with a 15.3% increase in revenues. In this division, the lower interest rates scenario allowed us to practice lower rental rates, maintaining profitability.

**Seminovos**, an efficiency area, met the target of accelerating sales in 3Q18, as a consequence of the greater purchases of 3Q17. There were sold 30,084 cars with higher average prices than 2Q18, being 7.5% higher for cars decommissioned from **Car Rental** division and 6.0% for **Fleet Rental** division. The combination of new points of sale and efficiency of the sales channels allowed an increase of volumes sold with stable SG&A as a percentage of the **Seminovos** revenues.

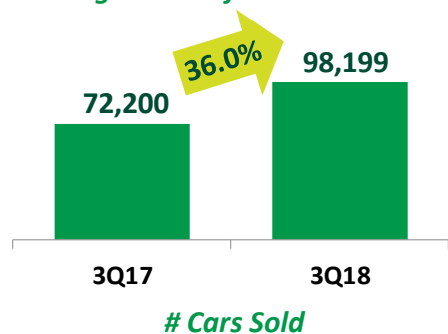
In 3Q18, we concluded the issuance of R\$1,0 billion in local bonds (debentures), being R\$200 million in a series of 5 years and 4 months tenor and a rate of 107.9% of the CDI and R\$800 million in a series of 8 years tenor and a rate of 112.3% of the CDI. This issuance reinforces Localiza's competitive advantage in accessing the capital market with competitive terms and costs. The leverage remained stable at 3.1x Net Debt/EBITDA.

Another highlight was the appointment of Paulo Veras to the Company's Board of Directors. The new independent member of our Board brings additional competences to Localiza's Management in terms of mobility and innovation.

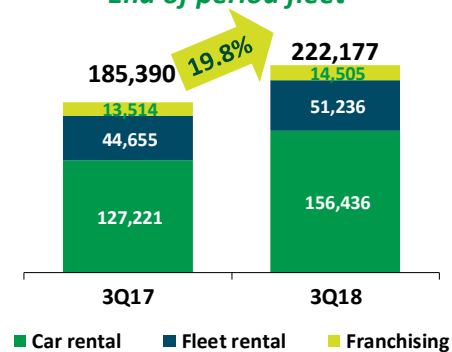
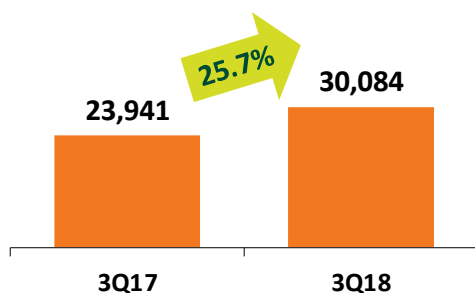
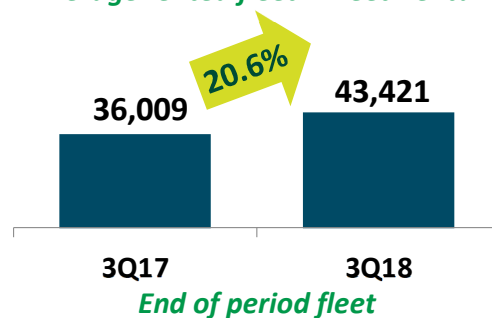
The operating context remains positive and the Company continues to invest in technology, people, management and new products to support the challenges and market opportunities for the coming years. This reinforces our conviction in the market potential, our capacity of growing with value creation!

## Operational Highlights

Average rented fleet – Car Rental

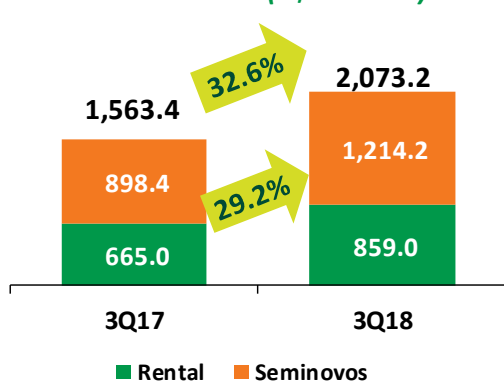


Average rented fleet – Fleet Rental

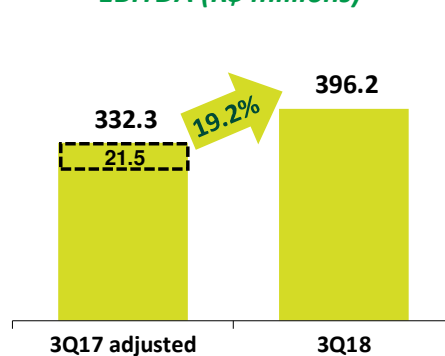


## Consolidated financial Highlights

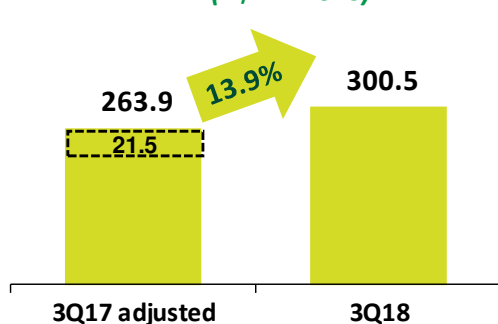
Net revenues (R\$ millions)



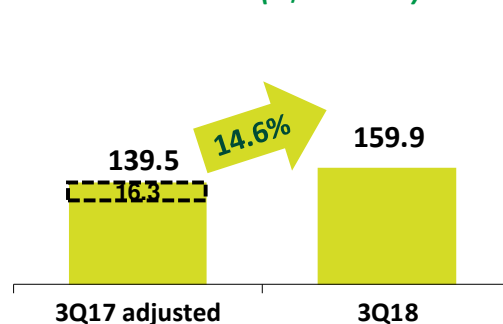
EBITDA (R\$ millions)



EBIT (R\$ millions)



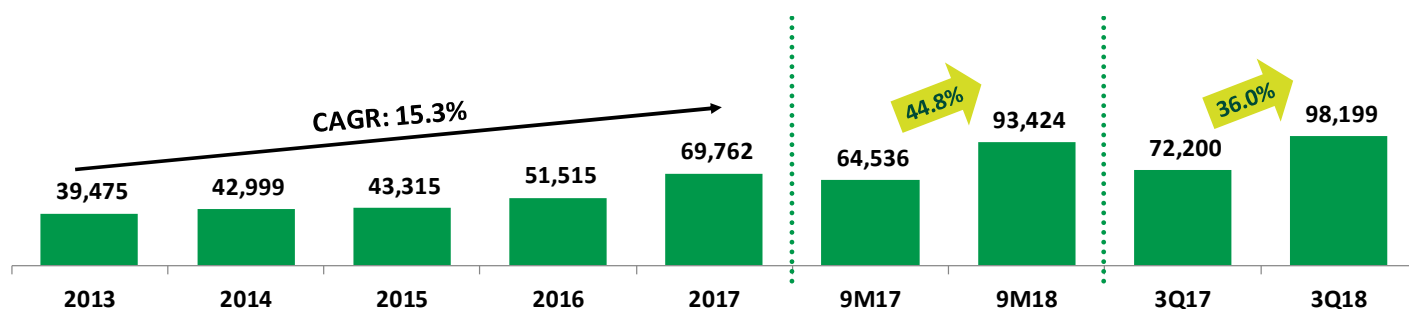
Net Income (R\$ millions)



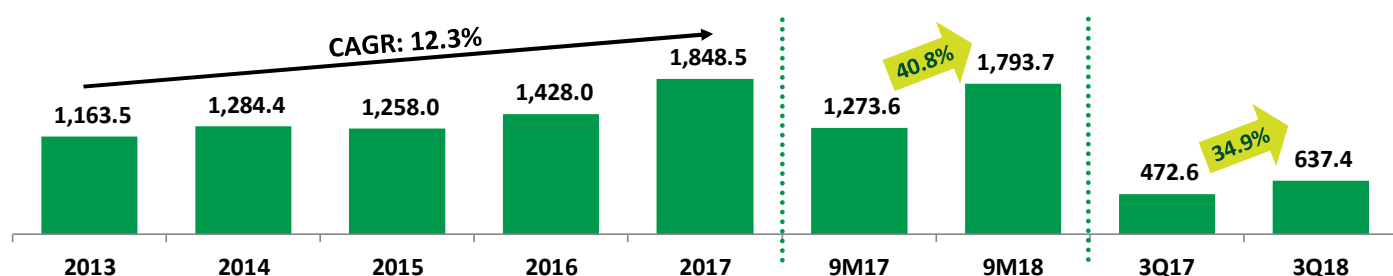
One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

## 1 - Rent a Car

### Average rented fleet



### Net revenues (R\$ million)



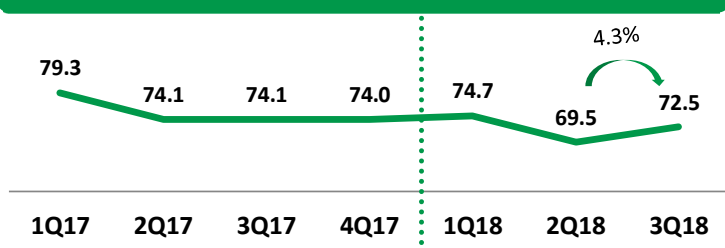
In 3Q18, the average rented fleet of the **Car Rental** division grew 36.0% in relation to 3Q17. On the same comparison basis, net revenues increased 34.9%, with a 2.2% reduction in the average rental rate.

In 9M18, the volume grew 44.8% and net revenues increased 40.8% when compared with the same period of the previous year, due to 4.6% reduction in the average rental rate.

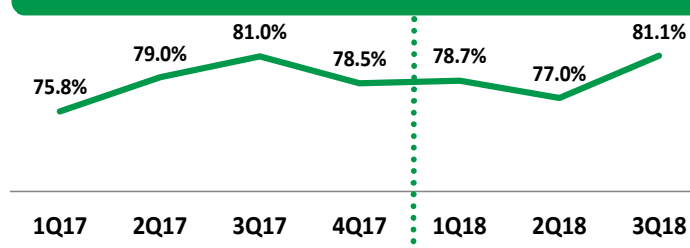
The reduction in average rental rate in 3Q18 and 9M18 reflects the business mix and the flexibility in pricing in a context of lower interest rates. This quarter there was an improvement in the pricing trend when compared with the previous quarter and a reduction in the pace of rental rates decreases year over year.

The efficient asset management coupled with a strong demand for rentals contributed to maintain the utilization rate at 81.1%, stable when compared with 3Q17, but with a significant gain when compared with 2Q18, which had been impacted by the truckers' strike.

### Average rental rate (in R\$)

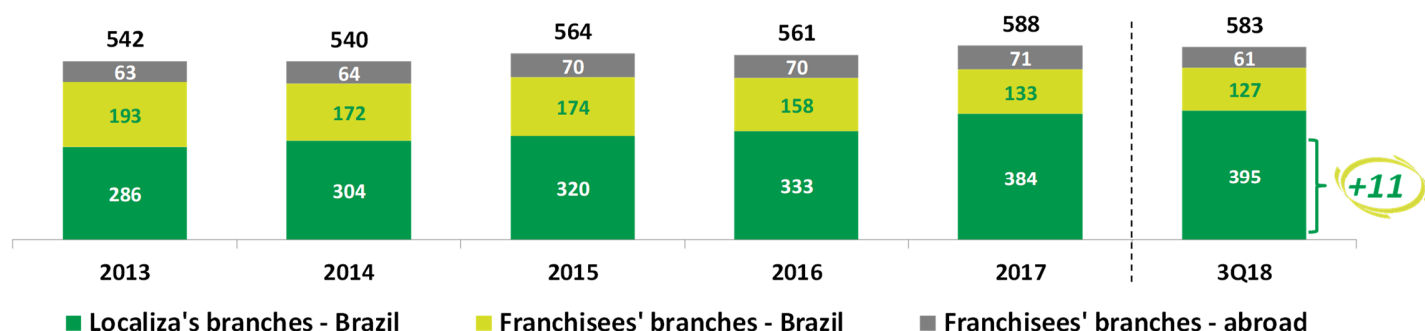


### Operating fleet utilization rate (%)



## 1.1 - Distribution network

### *Number of car rental locations Brazil and abroad*

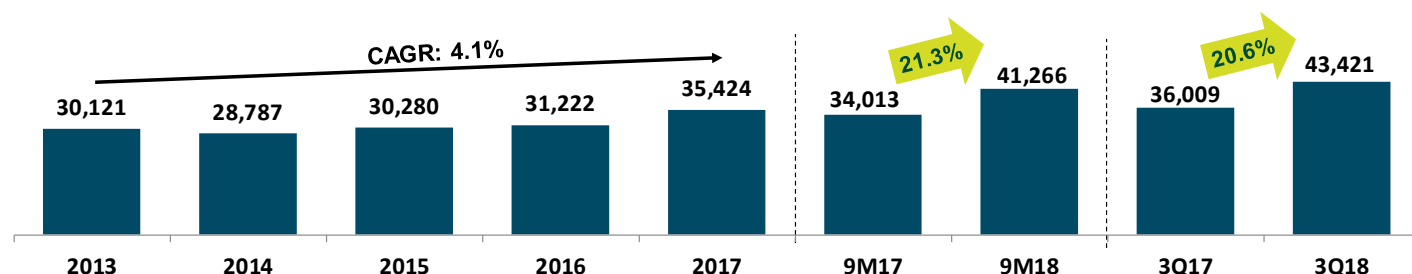


In the year, Localiza's corporate network was expanded by 11 locations, going from 384 on 12/31/2017 to 395 as of September 30, 2018, including 5 locations previously operated by franchisees.

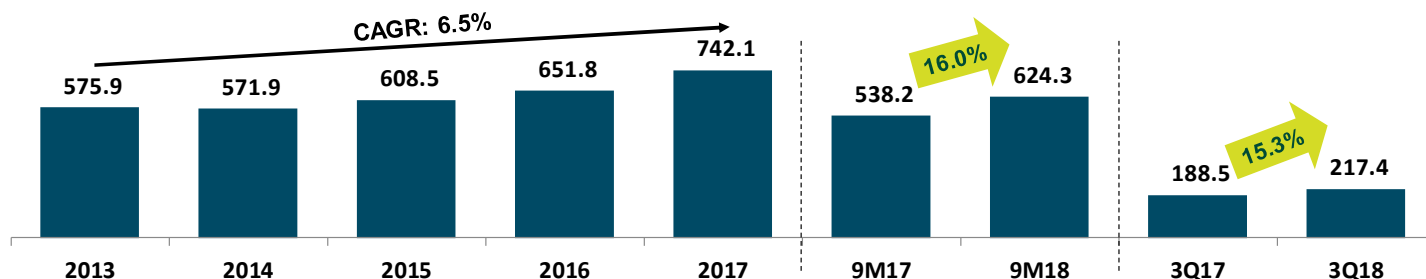
By the end of 3Q18, Localiza system had 583 rental locations, being 522 in Brazil and 61 in 5 other South American countries. The reduction of branches outside Brazil reflects the adjustment in the network of franchisees in Argentina and Chile.

## 2 – Fleet Rental

### Average rented fleet



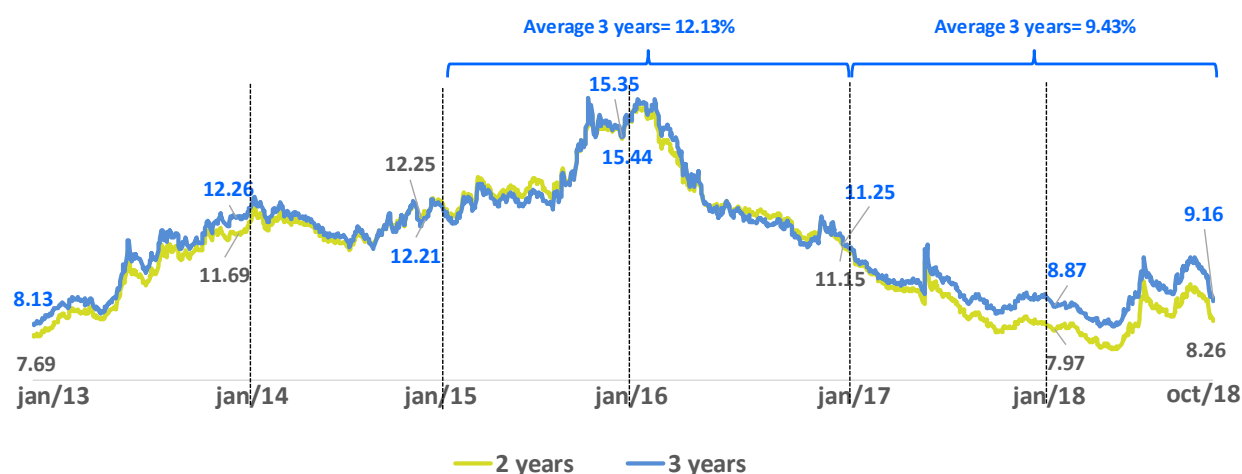
### Net revenues (R\$ million)



In 3Q18, the **Fleet Rental** division registered a 20.6% increase in the average rented fleet and 15.3% in net revenues compared with the same period of the previous year, reflecting 6.0% reduction in the average rental rate. In 9M18, there was an increase of 21.3% in the average rented fleet and 16.0% in the net revenues of this division, due to a 5.9% reduction in average rental rate.

The decrease in average rental rate of the **Fleet Rental** division mainly reflects the renewal of the contracts that are being priced in a context of lower interest rates when compared with previous years.

### Future interest curve - 2 and 3 years

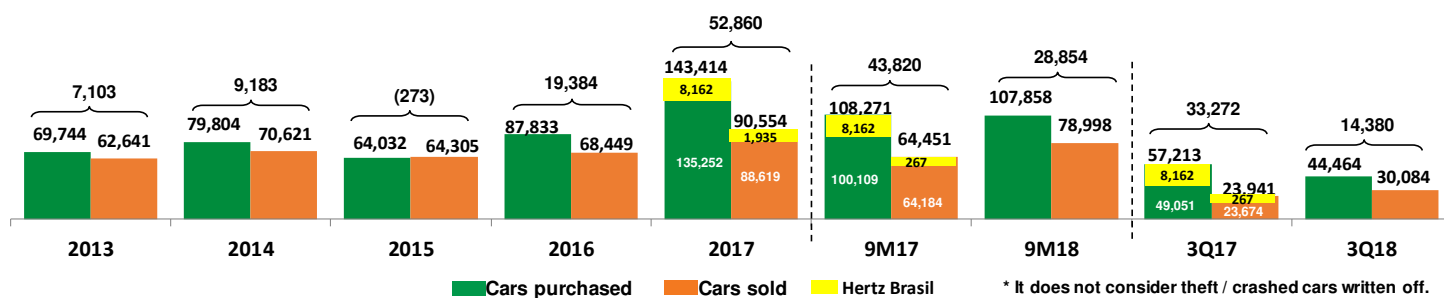


Source: Bloomberg, October 18, 2018

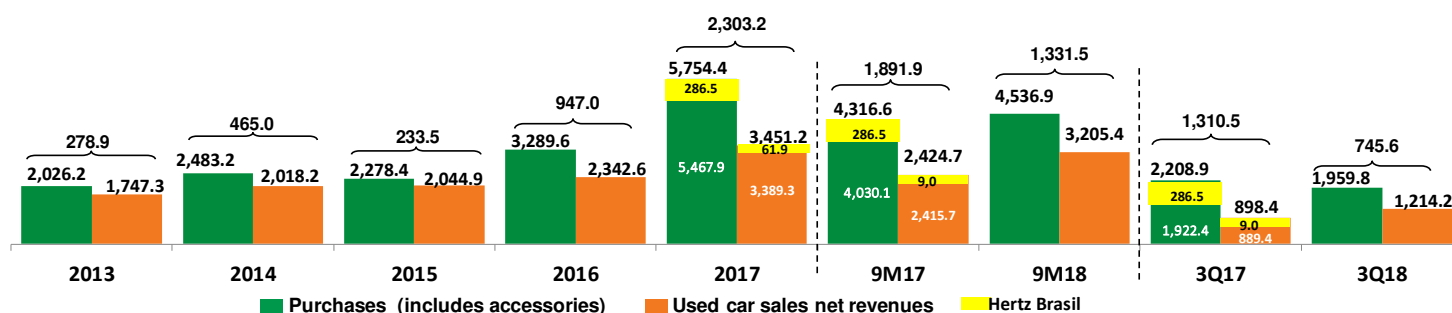
## 3 - Fleet

### 3.1 – Net investment in the fleet

#### Car purchase and sales (quantity)



#### Net investment in fleet (R\$ million)

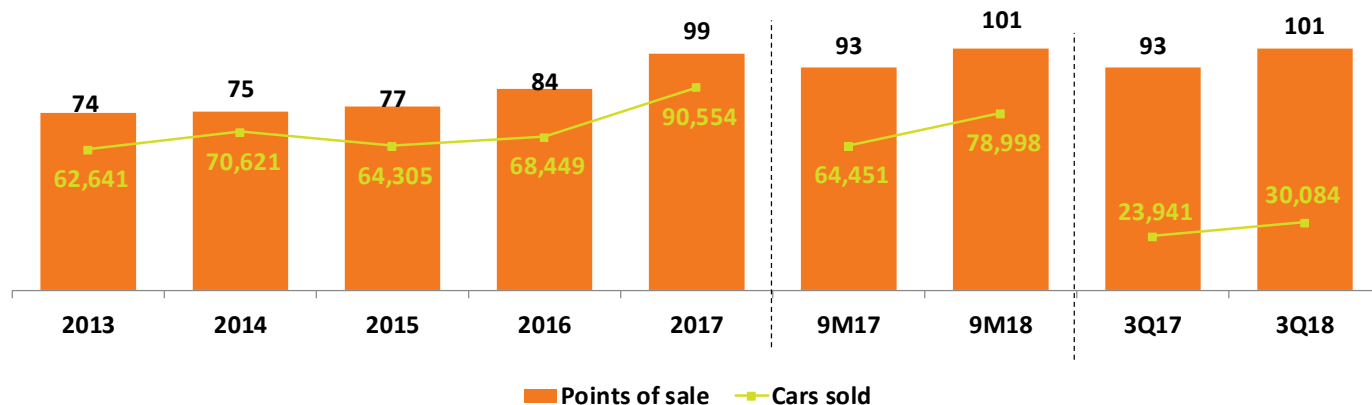


In 3Q18, 44,464 cars were purchased and 30,084 cars were sold, reflecting an increase of 14,380 cars in the fleet and a net investment of R\$745.6 million.

The strong fleet addition occurred in 3Q17 resulted in the greater decommissioning and sale of cars in 3Q18, demonstrating the Company's selling capacity. Compared with 3Q17, the volume of cars sold grew 25.7%.

## 4 – Seminovos – Number of points of sale

### Number of points of sale (Brazil)



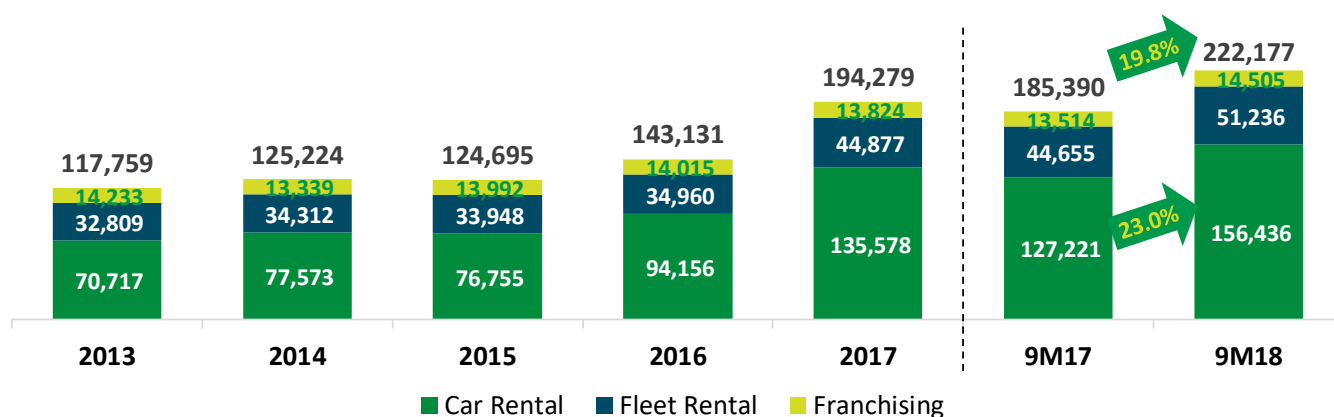
On September 30, 2018, **Seminovos** network was comprised of 101 stores distributed in 67 cities in Brazil.

In 3Q18, the Company accelerated the pace of sales to support the need for fleet renewal. 8 stores were opened since 3Q17, which contributed to the increase in the Company's sales capacity, with no impact on selling expenses that remained stable at 6.8% as a percentage of Seminovos revenues.

New stores will continue to be opened to meet the growing need for fleet renewal.

## 5 – End of period fleet

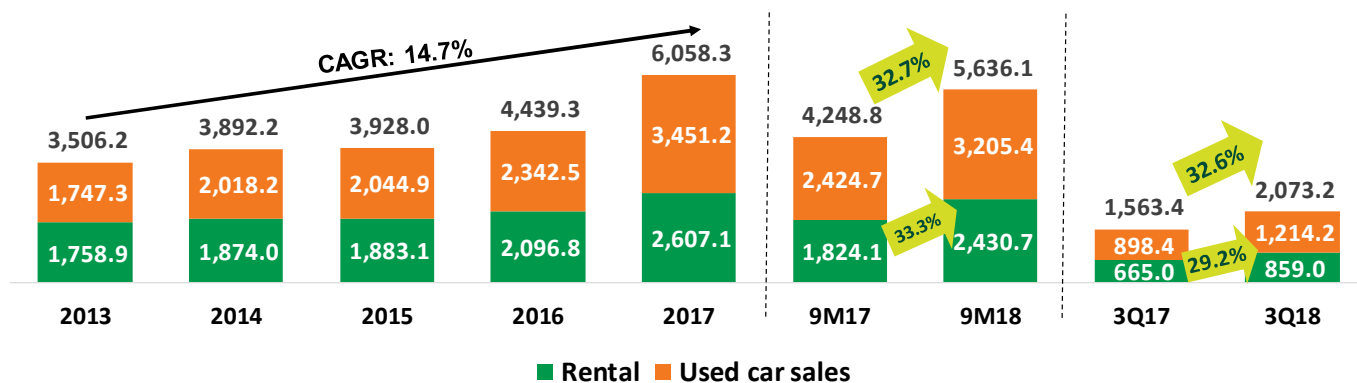
### End of period fleet (quantity)



After we overcame the mark of 200 thousand cars in 2Q18, we maintained the strong rhythm of growth and reached a consolidated fleet of 222,177 cars, including 14,505 cars of franchisees.

## 6 – Net revenues - consolidated

*Consolidated net revenues (R\$ million)*



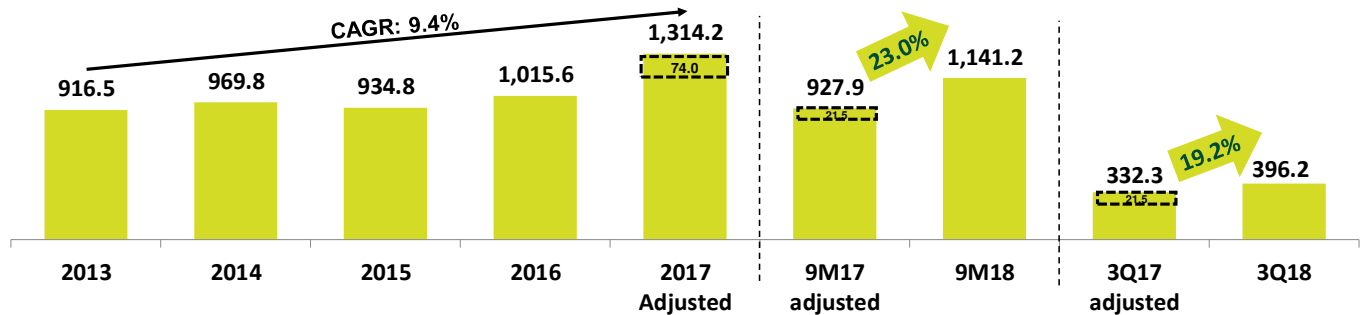
In 3Q18, consolidated net revenues grew 32.6% when compared with 3Q17. Net rental revenues increased 29.2%, 34.9% in the **Car Rental** division and 15.3% in the **Fleet Rental** division, even with the strong comparison base of 3Q17.

**Seminovos** net revenues in 3Q18 grew 35.2% compared with the same period last year, due to a 25.7% increase in sales volumes with a higher average price of 7.5% in the **Car Rental** division and 6.0% in the **Fleet Rental** division.

In 9M18, consolidated net revenues grew 32.7% when compared with 9M17. Net revenues from rentals increased by 33.3% and net revenues from **Seminovos** increased 32.2%.

## 7 - EBITDA

### Consolidated EBITDA (R\$ million)



One-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation

EBITDA margin:

Divisions	2013	2014*	2015	2016	2017	9M17	9M18	3Q17	3Q18
Car Rental	36.8%	38.7%	31.8%	32.3%	34.9%**	34.2%**	34.3%	32.2%**	35.1%
Fleet Rental	65.5%	60.0%	62.2%	64.5%	61.9%**	62.7%	64.2%	63.4%	66.7%
Rental Consolidated	46.5%	45.3%	41.7%	42.3%	42.6%**	42.6%**	42.1%	41.0%**	43.1%
Used Car Sales	5.7%	6.0%	7.3%	5.5%	5.9%	6.2%	3.7%	6.6%	2.1%

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

(\*\*) Adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchisees incorporation.

In 3Q18, consolidated EBITDA totaled R\$396.2 million, 19.2% higher than the same period of the previous year.

The EBITDA margin of the **Car Rental** division was 35.1% in 3Q18, representing an increase of 2.9 p.p. in relation to 3Q17, due to the operational excellence and cost management.

In the **Fleet Rental** division, EBITDA margin was 66.7% in 3Q18, 3.3 p.p. higher when compared with 3Q17, due to better management of costs and expenses, as well as lower average fleet age.

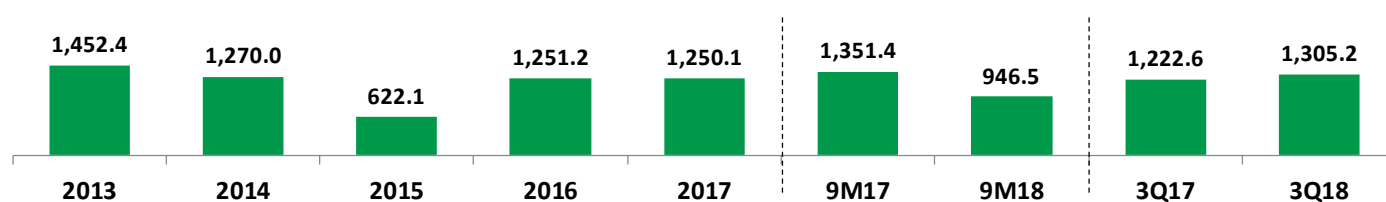
**Seminovos** EBITDA margin in 3Q18 was 2.1%, mainly reflecting the reduction in depreciation in the **Car Rental** division of the last quarters, causing the depreciated cost of book value to be closer to the sale price of cars.

## 8 - Depreciation

Depreciation is the difference between the car's purchasing and selling prices net of selling expenses. At the time of cars purchase, the Company estimates the selling price and expenses. The depreciation is recorded over the life of the car. Periodically, price and selling expenses estimates are revised based on fluctuations in the car market and depreciation is recalculated to reflect the marking of our asset to market.

### 8.1 – Rent a Car

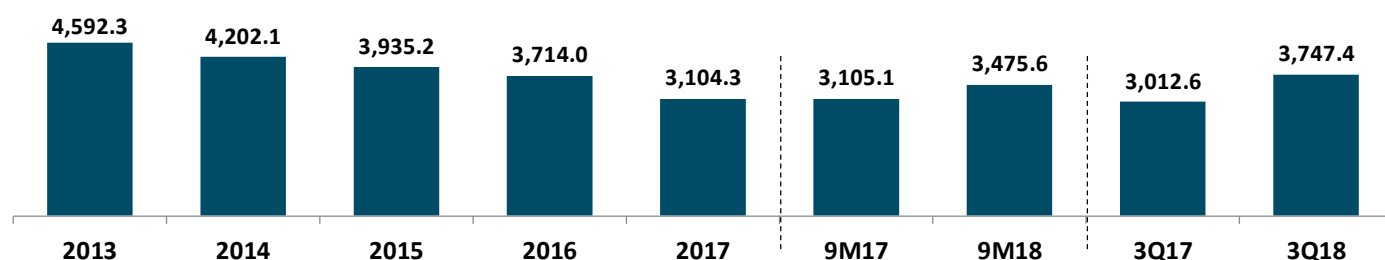
#### Average annualized depreciation per car (R\$) – RAC



In 9M18, the annualized average depreciation per car in the **Car Rental** division was R\$946.5, 30.0% lower than in 9M17. Meanwhile if we compare 3Q18 with 3Q17, depreciation increased by 6.8%, despite the increase in scale and efficiency in managing the operating costs of the **Seminovos**, as a reflection of the context of lower increases in new car prices.

### 8.2 – Fleet Rental

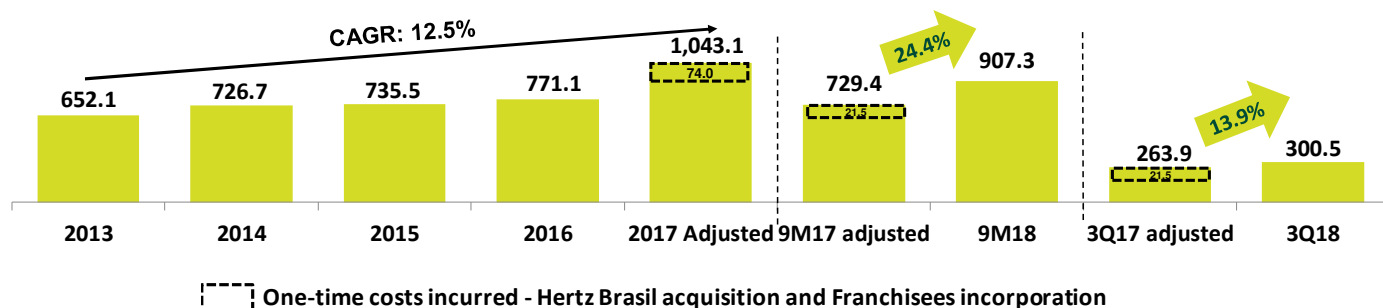
#### Average annualized depreciation per car (R\$) – Fleet Rental



In the **Fleet Rental** division, the annualized average depreciation per car in 9M18 was R\$3,475.6, 11.9% higher than 9M17. It reflects lower increases in new car prices and a higher depreciation due to the use of SOYD (sum of digits) method as the average fleet age fell from 18.5 to 15.2 months.

## 9 - EBIT

### Consolidated EBIT (R\$ million)



The EBIT margin is calculated over the rental revenues:

Divisions	2013	2014	2015	2016	2017	9M17	9M18	3Q17	3Q18
Car Rental	32.8%	36.2%	34.3%	30.2%	35.5%*	34.8%*	32.9%	34.4%*	29.8%
Fleet Rental	45.1%	44.3%	48.9%	51.2%	51.4%*	52.7%	50.0%	53.1%	50.4%
Consolidated	37.1%	38.8%	39.1%	36.8%	40.0%*	40.0%*	37.3%	39.7%*	35.0%

(\*) Adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchisees incorporation

Consolidated EBIT for 3Q18 reached R\$300.5 million, representing an increase of 13.9% when compared with 3Q17. The growth is due to the 19.2% increase in EBITDA, partially offset by the 39.9% increase in depreciation.

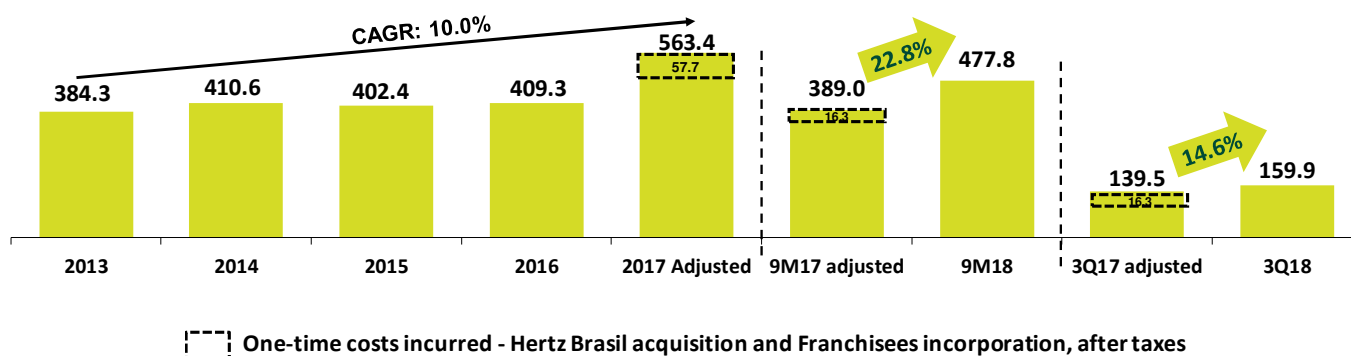
In 3Q18 the EBIT margin of the **Car Rental** division was 29.8%, representing a decrease of 4.6 p.p. in relation to 3Q17. In the **Fleet Rental** division, EBIT margin was 50.4%, a reduction of 2.7 p.p. in relation to 3Q17. The lower EBIT margin reflects the higher car depreciation despite a higher EBITDA.

In 9M18, the EBIT margin of the **Car Rental** division was 32.9%, representing a drop of 1.9 p.p., compared with 9M17. In the **Fleet Rental** division the EBIT margin was 50.0%, a reduction of 2.7 p.p. in relation to the same period of last year.

The decrease in the interest rate allows having a lower EBIT margin, with the maintenance of the spread (ROIC - Kd) at healthy levels and the larger capital basis, results in higher value creation by the Company.

## 10 - Consolidated net income

### Consolidated net income (R\$ million)



Reconciliation EBITDA x Net income	2013	2014	2015	2016	2017*	Var. R\$	Var. %	9M17*	9M18	Var. R\$	Var. %	3Q17*	3Q18	Var. R\$	Var. %
Consolidated EBITDA	916.5	969.8	934.8	1,015.6	1,314.2	298.6	29.4%	927.9	1,141.2	213.3	23.0%	332.3	396.2	63.9	19.2%
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(25.7)	12.5%	(170.2)	(201.3)	(31.1)	18.3%	(58.2)	(84.5)	(26.3)	45.2%
Other property depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(0.9)	2.4%	(28.3)	(32.6)	(4.3)	15.2%	(10.2)	(11.2)	(1.0)	9.8%
EBIT	652.1	726.7	735.5	771.1	1,043.1	272.0	35.3%	729.4	907.3	177.9	24.4%	263.9	300.5	36.6	13.9%
Financial expenses, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(71.5)	29.4%	(221.3)	(261.4)	(40.1)	18.1%	(79.4)	(83.8)	(4.4)	5.5%
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(164.7)	(46.4)	39.2%	(119.1)	(168.1)	(49.0)	41.1%	(45.0)	(56.8)	(11.8)	26.2%
Net income of the period	384.3	410.6	402.4	409.3	563.4	154.1	37.6%	389.0	477.8	88.8	22.8%	139.5	159.9	20.4	14.6%

(\*) Adjusted by the one-time costs incurred – Hertz Brasil acquisition and Franchisees incorporation

Net income was R\$159.9 million in 3Q18, representing an increase of 14.6% in relation to 3Q17, mainly due to:

(+) R\$63.9 million EBITDA increase, due to higher revenues and margins in the **Car Rental** and **Fleet Rental** divisions;

(-) R\$27.3 million increase in depreciation, due to 29.3% increase in the average operating fleet and higher average depreciation per car;

(-) R\$4.4 million increase in net financial expenses due to the higher average debt balance, partially offset by the lower interest rate; and

(-) R\$11.8 million increase in income tax due to higher taxable income and increase in the effective income tax and social contribution rate from 24.4% to 26.2%. The higher tax rate is due to the lower representativeness of interest on capital in relation to net income.

In 9M18, the Company recorded an accumulated net income of R\$477.8 million, an increase of 22.8% compared with the same period of the previous year.

## 11 – Free cash flow (FCF)

Free cash flow - R\$ million		2013	2014	2015	2016	2017	9M18
Operations	EBITDA	916.5	969.8	934.8	1,015.60	1314.2*	1,141.2
	Used car sale revenue, net from taxes	(1,747.3)	(2,018.2)	(2,044.9)	(2,342.5)	(3,451.2)	(3,205.4)
	Depreciated cost of cars sold	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	2,961.2
	(-) Income tax and social contribution	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(99.7)
	Change in working capital	2.9	(27.1)	(30.0)	(40.8)	(47.9)	(111.1)
	Cash generated by rental operations	607.4	588.4	518.3	641.5	813.4	686.2
Capex - renewal	Used car sale revenue, net from taxes – fleet renewal	1,747.3	2,018.2	2,036.3	2,342.5	3,451.2	3,205.4
	Fleet renewal investment	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(3,323.1)
	Change in accounts payable to car suppliers for fleet renewal	144.3	120.0	(25.4)	219.9	227.6	287.7
	Net investment for fleet renewal	71.9	(59.5)	(267.5)	(1.2)	17.9	170.0
	Fleet renewal – quantity	62,641	70,621	64,032	68,449	90,554	78,998
Investment, property and intangible		(47.5)	(46.3)	(29.7)	(42.2)	(48.8)	(29.4)
Free cash flow from operations, before growth		631.8	482.6	221.1	598.1	782.5	826.8
Capex - Growth	Fleet (growth) investment / Used car sale revenue, net from taxes – fleet reduction	(209.4)	(286.8)	8.6	(726.0)	(1,807.0)	(1,213.8)
	Change in accounts payable to car suppliers for fleet growth	(54.6)	214.4	(23.9)	26.8	168.7	173.7
	Hertz Brazil acquisition - fleet	-	-	-	-	(286.5)	-
	Fleet growth capex	(264.0)	(72.4)	(15.3)	(699.2)	(1,924.8)	(1,040.1)
	Fleet increase / (reduction) – quantity	7,103	9,183	(273)	19,384	52,860	28,854
Free cash flow after growth		367.8	410.2	205.8	(101.1)	(1,142.3)	(213.3)
Capex - non-recurring	Hertz Acquisition (Except fleet) / Incurred one-time costs effect	-	-	-	-	(120.7)	-
	New headquarters construction and furniture	(6.5)	(148.3)	(30.7)	(84.4)	(126.2)	-
Free cash generated before the cash effects of discounts and anticipation of payables to suppliers		361.3	261.9	175.1	(185.5)	(1,389.2)	(213.3)
Cash effects of discount of credit card receivables and anticipation of payables to suppliers (**)		-	-	(71.9)	98.0	88.3	(288.0)
Free cash flow before interest		361.3	261.9	103.2	(87.5)	(1,300.9)	(501.3)

In the free cash flow, short-term financial assets were considered as cash equivalents since they have immediate liquidity

(\*) Adjusted by one-time costs incurred -Hertz Brasil acquisition and franchisees incorporation

(\*\*) Discount of credit card receivables and anticipation of accounts payable to suppliers were demonstrated in a different line so that the Free Cash Flow From Operations, Before Growth considered only the contractual terms, reflecting the Company's operation

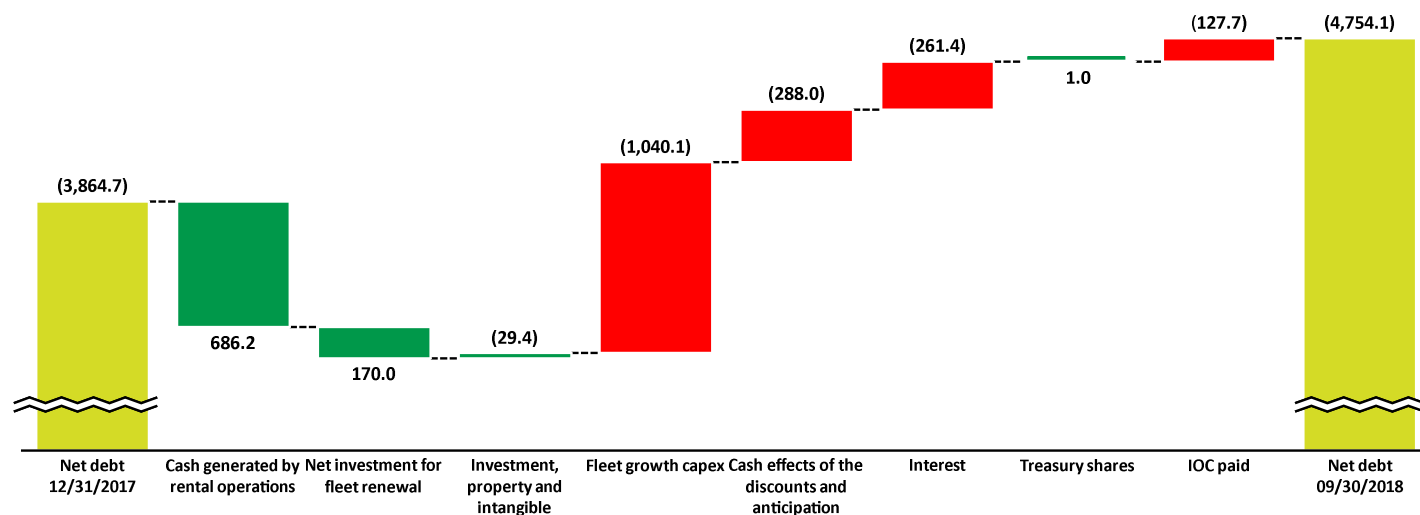
In 3Q18, the Company continued to take advantage of its strong cash position to reduce its carrying costs by reducing discounts on credit card receivables and anticipating accounts payable to suppliers. Year to date, the net effect of these measures totals R\$288.0 million of impact on the Company's working capital, with a reduction of net financial expenses.

Those effects are demonstrated in the line "Cash Effects of Discount of Credit Card Receivables and Anticipation of Payables to Suppliers" for not reflecting the contractual terms of suppliers and customers. We only considered the discounts and anticipations made based on financial decision of short-term cash management in this line.

Cash generated before growth totaled R\$826.8 million. The Company consumed R\$1.0 billion for growth of 28,854 cars in the 9M18 fleet.

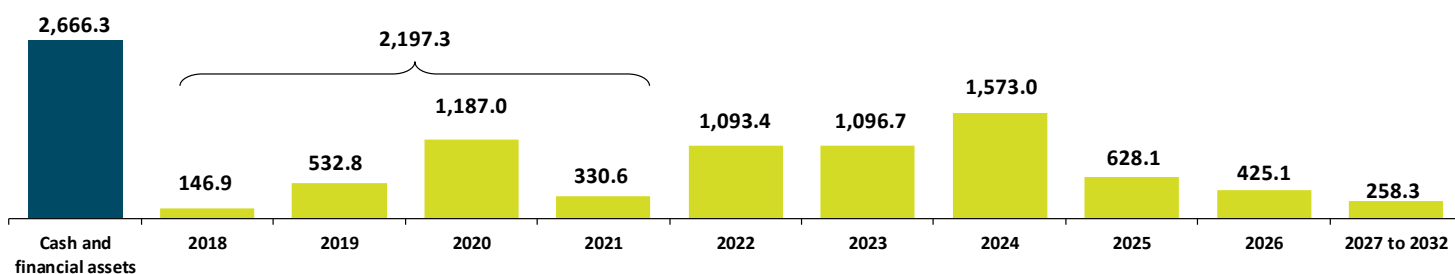
## 12 – Debt

### 12.1 – Change in debt – R\$ million



Net debt increased 23.0% in the year to support fleet growth.

### 12.2 – Debt maturity profile – Principal – R\$ million



The cash position on 09/30/2018 was R\$2.7 billion. The increase in the cash level occurred after the raising of R\$1 billion with the 14th issuance of debentures in two series with the following terms and rates:

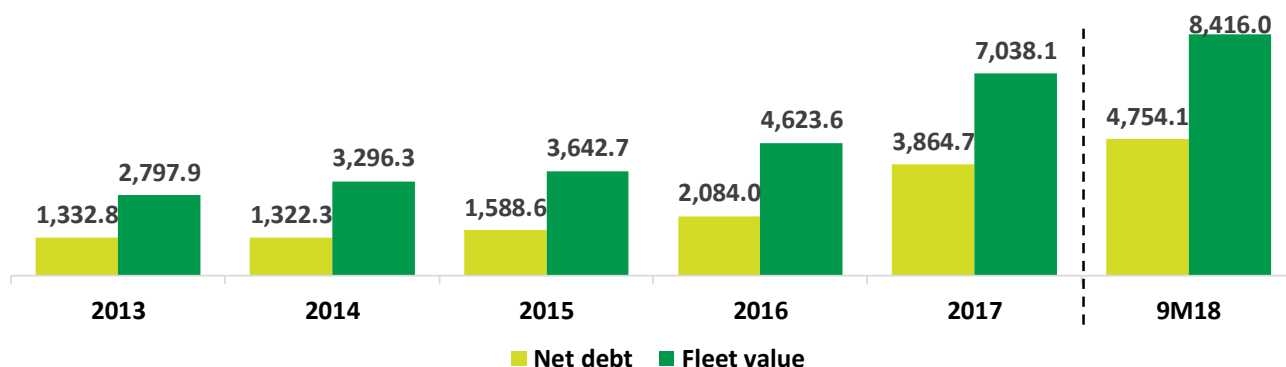
- R\$200 million maturing in 5 years and 4 months and a rate of 107.9% of CDI and
- R\$800 million maturing in 8 years and a rate of 112.3% of CDI.

## 12.3 – Debt profile

Debt	Issuance	Contract rate	2018	2019	2020	2021	2022	2023	2024	2025+	Total
Debentures 7th Issuance	09/30/2013	110.95% CDI	37.5	75.0	100.0	100.0	-	-	-	-	312.5
Debentures 8th Issuance	09/10/2014	109.50% CDI	-	250.0	250.0	-	-	-	-	-	500.0
Debentures 10th Issuance	01/08/2016	113.90% CDI	-	-	100.0	100.0	-	-	-	-	200.0
Debentures 11th Issuance	12/12/2016	111.50% CDI	-	-	-	-	500.0	-	-	-	500.0
Debentures 12th Issuance	05/15/2017	107.25% CDI	-	-	-	-	-	-	700.0	-	700.0
Debêntures da 13th Issuance - 1st serie	12/15/2017	109.35% CDI	-	-	-	-	434.5	434.5	-	-	869.0
Debêntures da 13th Issuance - 2nd serie	12/15/2017	111.30% CDI	-	-	-	-	-	-	108.1	108.1	216.2
Debêntures da 14th Issuance - 1st serie	09/18/2018	107.90% CDI	-	-	-	-	-	-	200.0	-	200.0
Debêntures da 14th Issuance - 2nd serie	09/18/2018	112.30% CDI	-	-	-	-	-	-	200.0	600.0	800.0
Debentures 3rd Issuance of Localiza Fleet	05/05/2017	107.00% CDI	-	-	-	-	-	500.0	-	-	500.0
Debentures 4th Issuance of Localiza Fleet	10/02/2017	CDI + 0.30%	-	-	-	-	-	-	350.0	-	350.0
Debentures 4th Issuance of Localiza Fleet	07/31/2018	112.00% CDI	-	-	-	-	-	-	-	300.0	300.0
Foreign currency loan with SWAP	05/22/2018	108,00% CDI	-	-	-	-	150.0	150.0	-	-	300.0
Promissory notes 6th issuance	09/29/2017	CDI + 0.40%	-	-	650.0	-	-	-	-	-	650.0
Real State Receivables Certificate (CRI)	02/26/2018	99,00% CDI	13.4	7.0	4.3	5.6	9.0	12.3	15.0	303.5	370.1
Working Capital / Others	-	Several	96.1	200.7	82.6	125.0	-	-	-	-	504.4
Interest accrued and paid	-	-	148.2	-	-	-	-	-	-	-	148.2
Cash and cash equivalents on 09/30/2018	-	-	(2,666.3)	-	-	-	-	-	-	-	(2,666.3)
<b>Net debt</b>	<b>-</b>	<b>-</b>	<b>(2,371.1)</b>	<b>532.7</b>	<b>1,186.9</b>	<b>330.6</b>	<b>1,093.5</b>	<b>1,096.8</b>	<b>1,573.1</b>	<b>1,311.6</b>	<b>4,754.1</b>

Localiza's financial strength and operational excellence ensured flexibility in debt management with the goal of reducing average cost and increasing the duration of consolidated debt.

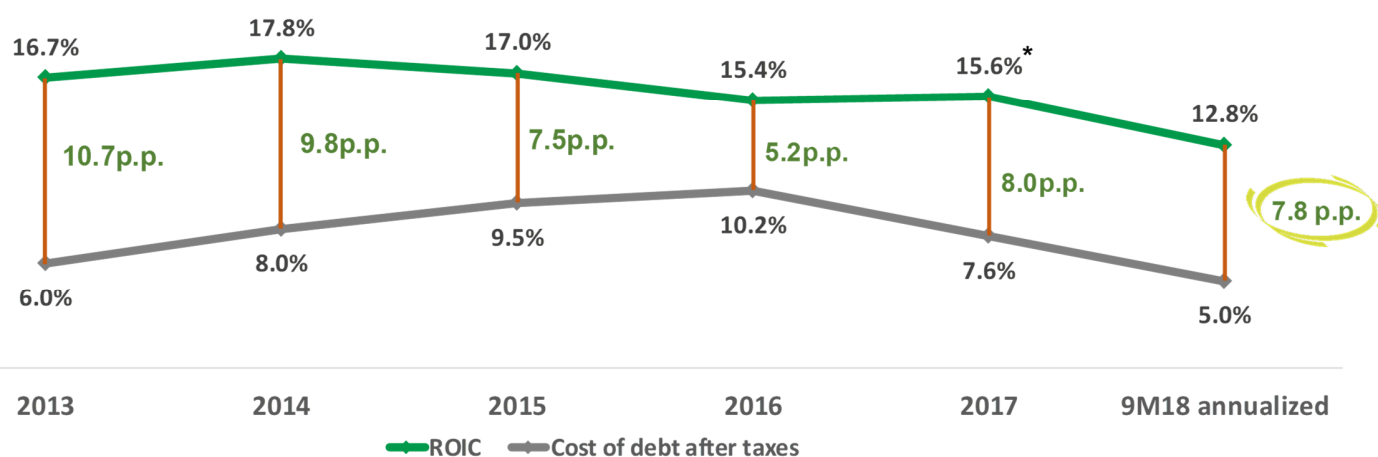
## 12.4 – Debt ratios



BALANCE AT THE END OF PERIOD	2013	2014	2015	2016	2017	9M18
Net debt / Fleet value	48%	40%	44%	45%	55%	56%
Net debt / annualized EBITDA	1.5x	1.4x	1.7x	2.1x	2.9x	3.1x
Net debt / Equity	1.0x	0.8x	0.8x	0.9x	1.5x	1.6x
EBITDA / Net financial expenses	8.3x	6.4x	4.6x	4.2x	4.2x	4.4x

**LEVERAGE RATIOS IN LINE WITH THE STRONG PACE OF GROWTH AND THE INTEREST RATE CONTEXT**

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



(\*)Adjusted by the one-time costs incurred - Hertz Brasil acquisition and Franchisees incorporation  
ROIC considered each year's effective income tax and social contribution rate

**STABLE SPREAD WITH A STRONG PACE OF GROWTH**

## 14 – Dividends and interest on capital (IOC)

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	0.060829
IOC	2017	06/30/2017	07/06/2017	08/24/2017	39.2	0.059539
IOC	2017	09/13/2017	09/22/2017	11/07/2017	41.0	0.062161
IOC	2017	12/07/2017	12/14/2017	01/31/2018	42.8	0.064746
Total					162.9	

2018 interest on capital were approved as follow:

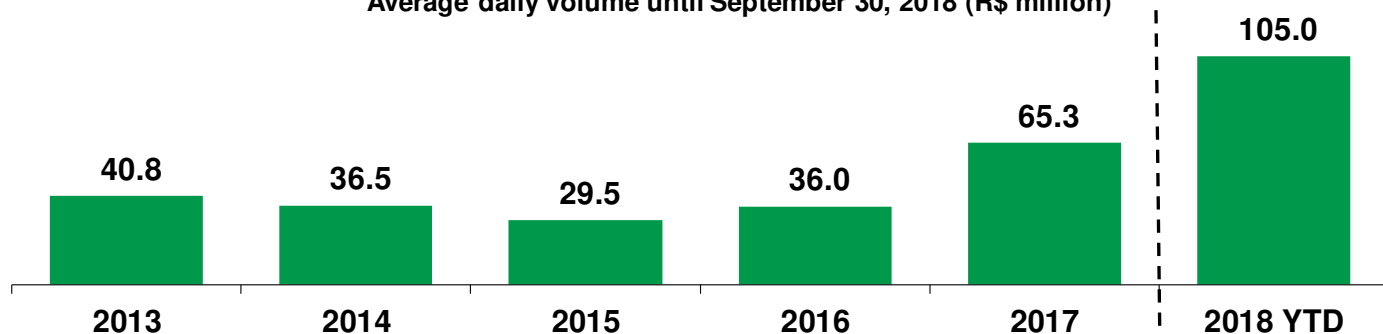
Nature	Reference period	Approval date	Shareholding position date	Payment date	Gross amount (R\$ million)	Gross amount per share (R\$)
IOC	2018	03/22/2018	03/28/2018	05/16/2018	42.0	0.063557
IOC	2018	06/21/2018	06/28/2018	08/16/2018	43.0	0.064955
IOC	2018	09/21/2018	08/27/2018	11/16/2018	44.6	0.067377
Total					129.6	

(\*) For comparative purpose, the amount of IOC and dividend per share was adjusted considering the stock dividend approved by the Extraordinary Shareholders' Meeting of April 25, 2017 and the Stock Split approved by the Extraordinary Shareholders' Meeting of November 22, 2017.

## 15 – RENT3

In 2018, the average daily traded volume of RENT3 was R\$105.0 million, 60.8% above the average volume of 2017. Under the ADR level I program, the Company had 14,511,717 ADRs issued on September 30, 2018.

Average daily volume until September 30, 2018 (R\$ million)



# 16 – Results per division

## 16.1 –Table 1 – Car Rental – R\$ million

CAR RENTAL RESULTS	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	9M17 Adjusted	9M18	Var.	3Q17 Adjusted	3Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	27.7%	1,898.7	27.7%	1,321.1	1,830.4	38.6%	488.0	650.3	33.3%
Taxes on revenues (**)	(44.9)	(67.7)	(58.9)	(58.9)	(50.2)	-14.8%	(50.2)	-14.8%	(47.5)	(36.7)	-22.7%	(15.4)	(12.9)	-16.2%
<b>Car rental net revenues</b>	<b>1,163.5</b>	<b>1,284.4</b>	<b>1,258.0</b>	<b>1,428.0</b>	<b>1,848.5</b>	<b>29.4%</b>	<b>1,848.5</b>	<b>29.4%</b>	<b>1,273.6</b>	<b>1,793.7</b>	<b>40.8%</b>	<b>472.6</b>	<b>637.4</b>	<b>34.9%</b>
Car rental costs	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(618.7)	(861.9)	39.3%	(237.3)	(308.5)	30.0%
<b>Gross profit</b>	<b>626.6</b>	<b>707.1</b>	<b>639.9</b>	<b>720.6</b>	<b>922.1</b>	<b>28.0%</b>	<b>977.8</b>	<b>35.7%</b>	<b>654.9</b>	<b>931.8</b>	<b>42.3%</b>	<b>235.3</b>	<b>328.9</b>	<b>39.8%</b>
Operating expenses (SG&A)	(197.9)	(209.7)	(239.9)	(258.8)	(347.2)	34.2%	(332.3)	28.4%	(219.7)	(315.9)	43.8%	(83.1)	(104.9)	26.2%
Other assets depreciation and amortization	(22.2)	(22.2)	(22.3)	(23.9)	(23.6)	-1.3%	(23.6)	-1.3%	(17.1)	(19.8)	15.8%	(6.2)	(6.8)	9.7%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>406.5</b>	<b>475.2</b>	<b>377.7</b>	<b>437.9</b>	<b>551.3</b>	<b>25.9%</b>	<b>621.9</b>	<b>42.0%</b>	<b>418.1</b>	<b>596.1</b>	<b>42.6%</b>	<b>146.0</b>	<b>217.2</b>	<b>48.8%</b>
Financial expenses, net	(1.3)	(1.5)	(2.0)	(1.4)	(5.3)	278.6%	(5.3)	278.6%	(1.1)	(20.3)	1745.5%	(0.3)	(10.9)	3533.3%
Income tax and social contribution	(119.5)	(136.2)	(89.9)	(95.9)	(123.4)	28.7%	(138.9)	44.8%	(97.5)	(150.4)	54.3%	(35.7)	(54.0)	51.3%
<b>Net income for the period</b>	<b>285.7</b>	<b>337.5</b>	<b>285.8</b>	<b>340.6</b>	<b>422.6</b>	<b>24.1%</b>	<b>477.7</b>	<b>40.3%</b>	<b>319.5</b>	<b>425.4</b>	<b>33.1%</b>	<b>110.0</b>	<b>152.3</b>	<b>38.5%</b>
<b>Net Margin</b>	<b>24.6%</b>	<b>26.3%</b>	<b>22.7%</b>	<b>23.9%</b>	<b>22.9%</b>	<b>-1.0 p.p.</b>	<b>25.8%</b>	<b>1.9 p.p.</b>	<b>25.1%</b>	<b>23.7%</b>	<b>-1.4 p.p.</b>	<b>23.3%</b>	<b>23.9%</b>	<b>0.6 p.p.</b>
<b>EBIT DA</b>	<b>428.7</b>	<b>497.4</b>	<b>400.0</b>	<b>461.8</b>	<b>574.9</b>	<b>24.5%</b>	<b>645.5</b>	<b>39.8%</b>	<b>435.2</b>	<b>615.9</b>	<b>41.5%</b>	<b>152.2</b>	<b>224.0</b>	<b>47.2%</b>
<b>EBITDA Margin</b>	<b>36.8%</b>	<b>38.7%</b>	<b>31.8%</b>	<b>32.3%</b>	<b>31.1%</b>	<b>-1.2 p.p.</b>	<b>34.9%</b>	<b>2.6 p.p.</b>	<b>34.2%</b>	<b>34.3%</b>	<b>0.1 p.p.</b>	<b>32.2%</b>	<b>35.1%</b>	<b>2.9 p.p.</b>

USED CAR SALES RESULTS (SEMINOVOS)	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	9M17 Adjusted	9M18	Var.	3Q17 Adjusted	3Q18	Var.
Gross revenues (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	49.7%	2,990.0	49.7%	2,113.8	2,748.8	30.0%	771.1	1,072.1	39.0%
Taxes on revenues	(3.1)	(3.5)	(2.5)	(2.7)	(4.9)	81.5%	(4.9)	81.5%	(3.1)	(4.6)	48.4%	(1.2)	(1.9)	58.3%
<b>Net revenues</b>	<b>1,483.0</b>	<b>1,667.9</b>	<b>1,676.7</b>	<b>1,995.1</b>	<b>2,985.1</b>	<b>49.6%</b>	<b>2,985.1</b>	<b>49.6%</b>	<b>2,110.7</b>	<b>2,744.2</b>	<b>30.0%</b>	<b>769.9</b>	<b>1,070.2</b>	<b>39.0%</b>
Book value of cars sold and preparation for sale	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	50.7%	(2,603.2)	50.7%	(1,833.2)	(2,458.7)	34.1%	(667.6)	(979.3)	46.7%
<b>Gross profit</b>	<b>211.1</b>	<b>239.5</b>	<b>280.4</b>	<b>267.6</b>	<b>381.9</b>	<b>42.7%</b>	<b>381.9</b>	<b>42.7%</b>	<b>277.5</b>	<b>285.5</b>	<b>2.9%</b>	<b>102.3</b>	<b>90.9</b>	<b>-11.1%</b>
Operating expenses (SG&A)	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	24.4%	(220.0)	24.4%	(157.5)	(195.6)	24.2%	(53.3)	(73.5)	37.9%
Cars depreciation	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	34.1%	(117.7)	34.1%	(88.2)	(89.0)	0.9%	(29.7)	(42.2)	42.1%
Other assets depreciation and amortization	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	6.6%	(9.7)	6.6%	(7.2)	(7.4)	2.8%	(2.5)	(2.7)	8.0%
<b>Operating profit (loss) before financial results and taxes (EBIT)</b>	<b>(25.1)</b>	<b>(10.6)</b>	<b>53.9</b>	<b>(6.1)</b>	<b>34.5</b>	<b>-665.6%</b>	<b>34.5</b>	<b>-665.6%</b>	<b>24.6</b>	<b>(6.5)</b>	<b>-126.4%</b>	<b>16.8</b>	<b>(27.5)</b>	<b>-263.7%</b>
Financial expenses, net	(76.6)	(106.3)	(138.4)	(174.4)	(229.9)	31.8%	(229.9)	31.8%	(161.8)	(186.4)	15.2%	(57.6)	(66.3)	-2.3%
Income tax and social contribution	30.3	33.2	17.6	37.2	43.9	18.0%	43.9	18.0%	31.6	49.5	56.6%	10.1	21.9	116.8%
<b>Net loss for the period</b>	<b>(71.4)</b>	<b>(83.7)</b>	<b>(66.9)</b>	<b>(143.3)</b>	<b>(151.5)</b>	<b>5.7%</b>	<b>(151.5)</b>	<b>5.7%</b>	<b>(105.6)</b>	<b>(143.4)</b>	<b>35.8%</b>	<b>(30.7)</b>	<b>(61.9)</b>	<b>101.6%</b>
<b>Net Margin</b>	<b>-4.8%</b>	<b>-5.0%</b>	<b>-4.0%</b>	<b>-7.2%</b>	<b>-5.1%</b>	<b>2.1 p.p.</b>	<b>-5.1%</b>	<b>2.1 p.p.</b>	<b>-5.0%</b>	<b>-5.2%</b>	<b>-0.2 p.p.</b>	<b>-4.0%</b>	<b>-5.8%</b>	<b>-1.8 p.p.</b>
<b>EBIT DA</b>	<b>72.4</b>	<b>78.8</b>	<b>101.6</b>	<b>90.8</b>	<b>161.9</b>	<b>78.3%</b>	<b>161.9</b>	<b>78.3%</b>	<b>120.0</b>	<b>89.9</b>	<b>-25.1%</b>	<b>49.0</b>	<b>17.4</b>	<b>-64.5%</b>
<b>EBITDA Margin</b>	<b>4.9%</b>	<b>4.7%</b>	<b>6.1%</b>	<b>4.6%</b>	<b>5.4%</b>	<b>0.8 p.p.</b>	<b>5.4%</b>	<b>0.8 p.p.</b>	<b>5.7%</b>	<b>3.3%</b>	<b>-2.4 p.p.</b>	<b>6.4%</b>	<b>1.6%</b>	<b>-4.8 p.p.</b>

CAR RENTAL TOTAL FIGURES	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	9M17 Adjusted	9M18	Var.	3Q17 Adjusted	3Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	27.7%	1,898.7	27.7%	1,321.1	1,830.4	38.6%	488.0	650.3	33.3%
Car sales for fleet renewal - gross revenues (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	49.7%	2,990.0	49.7%	2,113.8	2,748.8	30.0%	771.1	1,072.1	39.0%
Total gross revenues (*)	2,694.5	3,023.5	2,996.1	3,484.7	4,888.7	40.3%	4,888.7	40.3%	3,434.9	4,579.2	33.3%	1,259.1	1,722.4	36.8%
Taxes on revenues	(44.9)	(67.7)	(58.9)	(58.9)	(50.2)	-14.8%	(50.2)	-14.8%	(47.5)	(36.7)	-22.7%	(15.4)	(12.9)	-16.2%
Car rental (**) (3.1)	(3.1)	(3.5)	(2.5)	(2.7)	(4.9)	81.5%	(4.9)	81.5%	(3.1)	(4.6)	48.4%	(1.2)	(1.9)	58.3%
Car sales for fleet renewal	1,163.5	1,284.4	1,258.0	1,428.0	1,848.5	29.4%	1,848.5	29.4%	1,273.6	1,793.7	40.8%	472.6	637.4	34.9%
Car rental revenues - net revenues	1,483.0	1,667.9	1,676.7	1,995.1	2,985.1	49.6%	2,985.1	49.6%	2,110.7	2,744.2	30.0%	769.9	1,070.2	39.0%
Car sales for fleet renewal - net revenues	1,483.0	1,667.9	1,676.7	1,995.1	2,985.1	49.6%	2,985.1	49.6%	2,110.7	2,744.2	30.0%	769.9	1,070.2	39.0%
<b>Total net revenues</b>	<b>2,646.5</b>	<b>2,952.3</b>	<b>2,934.7</b>	<b>3,423.1</b>	<b>4,833.6</b>	<b>41.2%</b>	<b>4,833.6</b>	<b>41.2%</b>	<b>3,384.3</b>	<b>4,537.9</b>	<b>34.1%</b>	<b>1,242.5</b>	<b>1,707.6</b>	<b>37.4%</b>
Direct costs	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(618.7)	(861.9)	39.3%	(237.3)	(308.5)	30.0%
Car rental	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	50.7%	(2,603.2)	50.7%	(1,833.2)	(2,458.7)	34.1%	(667.6)	(979.3)	46.7%
Car sales for fleet renewal	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(618.7)	(861.9)	39.3%	(237.3)	(308.5)	30.0%
<b>Gross profit</b>	<b>837.7</b>	<b>946.6</b>	<b>920.3</b>	<b>988.2</b>	<b>1,304.0</b>	<b>32.0%</b>	<b>1,359.7</b>	<b>37.6%</b>	<b>932.4</b>	<b>1,217.3</b>	<b>30.6%</b>	<b>337.6</b>	<b>419.8</b>	<b>24.3%</b>
Operating expenses (SG&A)	(197.9)	(209.7)	(239.9)	(258.8)	(347.2)	34.2%	(332.3)	28.4%	(219.7)	(315.9)	43.8%	(83.1)	(104.9)	26.2%
Car rental	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	24.4%	(220.0)	24.4%	(157.5)	(195.6)	24.2%	(53.3)	(73.5)	37.9%
Car sales for fleet renewal	(138.7)	(160.7)	(178.8)	(176.8)	(220.0)	24.4%	(220.0)	24.4%	(157.5)	(195.6)	24.2%	(53.3)	(73.5)	37.9%
Cars depreciation	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	34.1%	(117.7)	34.1%	(88.2)	(89.0)	0.9%	(29.7)	(42.2)	42.1%
Other assets depreciation and amortization	(22.2)	(22.2)	(22.3)	(23.9)	(23.6)	-1.3%	(23.6)	-1.3%	(17.1)	(19.8)	15.8%	(6.2)	(6.8)	9.7%
Car rental	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	6.6%	(9.7)	6.6%	(7.2)	(7.4)	2.8%	(2.5)	(2.7)	8.0%
Car sales for fleet renewal	(11.7)	(11.3)	(8.8)	(9.1)	(9.7)	6.6%	(9.7)	6.6%	(7.2)	(7.4)	2.8%	(2.5)	(2.7)	8.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>381.4</b>	<b>464.6</b>	<b>431.6</b>	<b>431.8</b>	<b>585.8</b>	<b>35.7%</b>	<b>656.4</b>	<b>52.0%</b>	<b>442.7</b>	<b>589.6</b>	<b>33.2%</b>	<b>162.8</b>	<b>189.7</b>	<b>16.5%</b>
Financial expenses, net	(77.9)	(107.8)	(140.4)	(175.8)	(235.2)	33.8%	(235.2)	33.8%	(162.9)	(206.7)	26.9%	(57.9)	(67.2)	16.1%
Income tax and social contribution	(89.2)	(103.0)	(72.3)	(58.7)	(79.5)	35.4%	(79.5)	35.4%	(65.9)	(100.9)	53.1%	(25.6)	(32.1)	25.4%
<b>Net income for the period</b>	<b>214.3</b>	<b>253.8</b>	<b>218.9</b>	<b>197.3</b>	<b>271.1</b>	<b>37.4%</b>	<b>326.2</b>	<b>65.3%</b>	<b>213.9</b>	<b>282.0</b>	<b>31.8%</b>	<b>79.3</b>	<b>90.4</b>	<b>14.0%</b>
<b>Net margin</b>	<b>8.1%</b>	<b>8.6%</b>	<b>7.5%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>-0.2 p.p.</b>	<b>6.7%</b>	<b>0.9 p.p.</b>	<b>6.3%</b>	<b>6.2%</b>	<b>-0.1 p.p.</b>	<b>6.4%</b>	<b>5.3%</b>	<b>-1.1 p.p.</b>
<b>EBIT DA</b>	<b>501.1</b>	<b>576.2</b>	<b>501.6</b>	<b>552.6</b>	<b>736.8</b>	<b>33.3%</b>	<b>807.4</b>	<b>46.1%</b>	<b>555.2</b>	<b>705.8</b>	<b>27.1%</b>	<b>201.2</b>	<b>241.4</b>	<b>20.0%</b>
<b>EBITDA margin</b>	<b>18.9%</b>	<b>19.5%</b>	<b>17.1%</b>	<b>16.1%</b>	<b>15.2%</b>	<b>-0.9 p.p.</b>	<b>16.7%</b>	<b>0.6 p.p.</b>	<b>16.4%</b>	<b>15.6%</b>	<b>-0.8 p.p.</b>	<b>16.2%</b>	<b>14.1%</b>	<b>-2.1 p.p.</b>

OPERATING DATA	2013	2014	2015	2016	2017	Var.	2017	Var.	9M17	9M18	Var.	3Q17	3Q18	Var.
Average operating fleet	59,094	61,525	62,513	70,185	94,194	34.2%	94,194	34.2%	87,016	125,405	44.1%	97,187	129,412	33.2%
Average rented fleet	39,475	42,999	43,315	51,515	69,762	35.4%	69,762	35.4%	64,536	93,424	44.8%	72,200	98,199	36.0%
Average operating fleet age (in months)	7.2	7.2	7.4	7.9	6.5	-17.7%	6.5	-17.7%	6.7	7.3	9.0%	6.4	7.5	17.2%
End of period fleet	70,717	77,573	76,755	94,156	135,578	44.0%	135,578	44.0%	127,221	156,436	23.0%	127,221	156,436	23.0%
Number of rental days - in thousands	14,241.7	15,416.0	15,566.1	18,662.4	25,263.6	35.4%	25,263.6	35.4%	17,461.2	25,347.9	45.2%	6,587.2	8,974.4	36.2%
Average daily rental revenues per car (R\$)	84.85	87.71	84.56	79.67	75.16	-5.7%	75.16	-5.7%	75.66	72.21	-4.6%	74.09	72.46	-2.2%
Annualized average depreciation per car (R\$)	1,452.4	1,270.0	622.1	1,251.2	1,250.1	-0.1%	1,250.1	-0.1%	1,351.4	946.5	-30.0%	1,222.6	1,305.2	6.8%
Utilization rate (Does not include cars in preparation and decomissioning)	-	-	75.4%	78.0%	78.6%	0.6 p.p.	78.6%	0.6 p.p.	78.7%	79.0%	0.3 p.p.	81.0%	81.1%	0.1 p.p.
Number of cars purchased	58,826	64,908	52,343	76,071	114,966	51.1%	114,966	51.1%	84,681	88,667	4.7%	42,697	37,293	-12.7%
Number of cars sold	52,759	57,578	52,508	57,596	76,901	33.5%	76,901	33.5%	55,205	66,385	20.3%	20,246	26,176	29.3%
Average sold fleet age (in months)	15.3	14.4	14.9	16.8	14.3	-14.9%	14.3	-14.9%	14.4	14.5	0.7%	13.6	14.5	6.6%
Average total fleet	68,251	70,982	72,169	80,765	107,997	33.7%	107,997	33.7%	99,229	141,754	42.9%	115,381	151,856	31.6%
Average value of total fleet - R\$ million	1,776.8	1,963.8	2,205.9	2,790.2	4,100.6	47.0%	4,100.6	47.0%	3,752.9	5,615.5	49.6%	4,474.7	6,136.6	37.1%
Average value per car in the period - R\$ thsd	26.0	27.7	30.6	34.5	38.0	10.1%	38.0	10.1%	37.8	39.6	4.8%	38.8	40.4	4.1%

## 16.2 – Table 2 – Fleet Rental – R\$ million

FLEET RENTAL RESULTS									9M17	9M18	Var.	3Q17	3Q18	Var.
Fleet rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	14.0%	757.4	14.0%	551.2	630.1	14.3%	192.9	220.1	14.1%
Taxes on revenues (**)	(16.9)	(17.6)	(11.1)	(12.3)	(15.3)	24.4%	(15.3)	24.4%	(13.0)	(5.8)	-55.4%	(4.4)	(2.7)	-38.6%
<b>Fleet rental net revenues</b>	<b>575.9</b>	<b>571.9</b>	<b>608.5</b>	<b>651.8</b>	<b>742.1</b>	<b>13.9%</b>	<b>742.1</b>	<b>13.9%</b>	<b>538.2</b>	<b>624.3</b>	<b>16.0%</b>	<b>188.5</b>	<b>217.4</b>	<b>15.3%</b>
Fleet rental costs	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	13.8%	(220.1)	13.6%	(158.9)	(180.6)	13.7%	(53.2)	(57.7)	8.5%
<b>Gross profit</b>	<b>414.8</b>	<b>381.1</b>	<b>419.2</b>	<b>458.1</b>	<b>521.7</b>	<b>13.9%</b>	<b>522.0</b>	<b>13.9%</b>	<b>379.3</b>	<b>443.7</b>	<b>17.0%</b>	<b>135.3</b>	<b>159.7</b>	<b>18.0%</b>
Operating expenses (SG&A)	(37.5)	(38.1)	(40.7)	(37.9)	(65.4)	72.6%	(62.3)	64.4%	(41.7)	(42.6)	2.2%	(15.8)	(14.6)	-7.6%
Other assets depreciation and amortization	(1.1)	(1.1)	(2.2)	(2.9)	(3.5)	20.7%	(3.5)	20.7%	(2.3)	(3.7)	60.9%	(1.0)	(1.2)	20.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>376.2</b>	<b>341.9</b>	<b>376.3</b>	<b>417.3</b>	<b>452.8</b>	<b>8.5%</b>	<b>456.2</b>	<b>9.3%</b>	<b>335.3</b>	<b>397.4</b>	<b>18.5%</b>	<b>118.5</b>	<b>143.9</b>	<b>21.4%</b>
Financial expenses, net	(0.1)	(0.2)	(0.1)	(1.1)	(1.6)	45.5%	(1.6)	45.5%	(1.5)	(0.4)	-73.3%	(1.3)	(0.1)	-92.3%
Income tax and social contribution	(111.4)	(99.2)	(90.5)	(90.4)	(102.8)	13.7%	(103.6)	14.6%	(78.0)	(102.6)	31.5%	(28.7)	(37.7)	31.4%
<b>Net income for the period</b>	<b>264.7</b>	<b>242.5</b>	<b>285.7</b>	<b>325.8</b>	<b>348.4</b>	<b>6.9%</b>	<b>351.0</b>	<b>7.7%</b>	<b>255.8</b>	<b>294.4</b>	<b>15.1%</b>	<b>88.5</b>	<b>106.1</b>	<b>19.9%</b>
<b>Net Margin</b>	<b>46.0%</b>	<b>42.4%</b>	<b>47.0%</b>	<b>50.0%</b>	<b>46.9%</b>	<b>-3.1 p.p.</b>	<b>47.3%</b>	<b>-2.7 p.p.</b>	<b>47.5%</b>	<b>47.2%</b>	<b>-0.3 p.p.</b>	<b>46.9%</b>	<b>48.8%</b>	<b>1.9 p.p.</b>
<b>EBITDA</b>	<b>377.3</b>	<b>343.0</b>	<b>378.5</b>	<b>420.2</b>	<b>456.3</b>	<b>8.6%</b>	<b>459.7</b>	<b>9.4%</b>	<b>337.6</b>	<b>401.1</b>	<b>18.8%</b>	<b>119.5</b>	<b>145.1</b>	<b>21.4%</b>
<b>EBITDA Margin</b>	<b>65.5%</b>	<b>60.0%</b>	<b>62.2%</b>	<b>64.5%</b>	<b>61.5%</b>	<b>-3.0 p.p.</b>	<b>61.9%</b>	<b>-2.6 p.p.</b>	<b>62.7%</b>	<b>64.2%</b>	<b>1.5 p.p.</b>	<b>63.4%</b>	<b>66.7%</b>	<b>3.3 p.p.</b>

USED CAR SALES RESULTS (SEMINOVOS)									9M17	9M18	Var.	3Q17	3Q18	Var.
Gross revenues (*)	264.6	350.8	368.6	347.8	466.5	34.1%	466.5	34.1%	314.2	461.8	47.0%	128.6	144.3	12.2%
Taxes on revenues	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(0.2)	(0.6)	200.0%	(0.1)	(0.3)	200.0%
<b>Net revenues</b>	<b>264.3</b>	<b>350.3</b>	<b>368.2</b>	<b>347.4</b>	<b>466.1</b>	<b>34.2%</b>	<b>466.1</b>	<b>34.2%</b>	<b>314.0</b>	<b>461.2</b>	<b>46.9%</b>	<b>128.5</b>	<b>144.0</b>	<b>12.1%</b>
Book value of cars sold and preparation for sale	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	40.3%	(392.1)	40.3%	(260.8)	(403.4)	54.7%	(110.2)	(127.0)	15.2%
<b>Gross profit</b>	<b>50.2</b>	<b>74.0</b>	<b>81.5</b>	<b>68.0</b>	<b>74.0</b>	<b>8.8%</b>	<b>74.0</b>	<b>8.8%</b>	<b>53.2</b>	<b>57.8</b>	<b>8.6%</b>	<b>18.3</b>	<b>17.0</b>	<b>-7.1%</b>
Operating expenses (SG&A)	(23.4)	(32.6)	(33.6)	(31.0)	(32.7)	5.5%	(32.7)	5.5%	(21.9)	(29.2)	33.3%	(7.8)	(8.7)	11.5%
Cars depreciation	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	-3.5%	(114.3)	-3.5%	(82.0)	(112.3)	37.0%	(28.5)	(42.3)	48.4%
Other assets depreciation and amortization	-	(0.6)	(2.0)	(1.8)	(1.7)	-5.6%	(1.7)	-5.6%	(1.2)	(1.3)	8.3%	(0.4)	(0.4)	0.0%
<b>Operating profit (loss) before financial results and taxes (EBIT)</b>	<b>(116.4)</b>	<b>(88.5)</b>	<b>(78.8)</b>	<b>(83.3)</b>	<b>(74.7)</b>	<b>-10.3%</b>	<b>(74.7)</b>	<b>-10.3%</b>	<b>(51.9)</b>	<b>(85.0)</b>	<b>63.8%</b>	<b>(18.4)</b>	<b>(34.4)</b>	<b>87.0%</b>
Financial expenses, net	(34.0)	(44.9)	(63.8)	(68.7)	(80.0)	16.4%	(80.0)	16.4%	(58.3)	(55.0)	-5.7%	(20.3)	(16.5)	-18.7%
Income tax and social contribution	44.7	38.4	33.7	32.3	35.1	8.7%	35.1	8.7%	25.7	36.4	41.6%	9.5	13.3	40.0%
<b>Net loss for the period</b>	<b>(105.7)</b>	<b>(95.0)</b>	<b>(108.9)</b>	<b>(119.7)</b>	<b>(119.6)</b>	<b>-0.1%</b>	<b>(119.6)</b>	<b>-0.1%</b>	<b>(84.5)</b>	<b>(103.6)</b>	<b>22.6%</b>	<b>(29.2)</b>	<b>(37.6)</b>	<b>28.8%</b>
<b>Net Margin</b>	<b>-40.0%</b>	<b>-27.1%</b>	<b>-29.6%</b>	<b>-34.5%</b>	<b>-25.7%</b>	<b>8.8 p.p.</b>	<b>-25.7%</b>	<b>8.8 p.p.</b>	<b>-26.9%</b>	<b>-22.5%</b>	<b>4.4 p.p.</b>	<b>-22.7%</b>	<b>-26.1%</b>	<b>-3.4 p.p.</b>
<b>EBITDA</b>	<b>26.8</b>	<b>41.4</b>	<b>47.9</b>	<b>37.0</b>	<b>41.3</b>	<b>11.6%</b>	<b>41.3</b>	<b>11.6%</b>	<b>31.3</b>	<b>28.6</b>	<b>-8.6%</b>	<b>10.5</b>	<b>8.3</b>	<b>-21.0%</b>
<b>EBITDA Margin</b>	<b>10.1%</b>	<b>11.8%</b>	<b>13.0%</b>	<b>10.7%</b>	<b>8.9%</b>	<b>-1.8 p.p.</b>	<b>8.9%</b>	<b>-1.8 p.p.</b>	<b>10.0%</b>	<b>6.2%</b>	<b>-3.8 p.p.</b>	<b>8.2%</b>	<b>5.8%</b>	<b>-2.4 p.p.</b>

FLEET RENTAL TOTAL FIGURES									9M17	9M18	Var.	3Q17	3Q18	Var.
Fleet rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	14.0%	757.4	14.0%	551.2	630.1	14.3%	192.9	220.1	14.1%
Car sales for fleet renewal - gross revenues (*)	264.6	350.8	368.6	347.8	466.5	34.1%	466.5	34.1%	314.2	461.8	47.0%	128.6	144.3	12.2%
<b>Total gross revenues (*)</b>	<b>857.4</b>	<b>940.3</b>	<b>988.2</b>	<b>1,011.9</b>	<b>1,223.9</b>	<b>21.0%</b>	<b>1,223.9</b>	<b>21.0%</b>	<b>865.4</b>	<b>1,091.9</b>	<b>26.2%</b>	<b>321.5</b>	<b>364.4</b>	<b>13.3%</b>
Taxes on revenues	(16.9)	(17.6)	(11.1)	(12.3)	(15.3)	24.4%	(15.3)	24.4%	(13.0)	(5.8)	-55.4%	(4.4)	(2.7)	-38.6%
Car sales for fleet renewal	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	0.0%	(0.4)	0.0%	(0.2)	(0.6)	200.0%	(0.1)	(0.3)	200.0%
Fleet rental - net revenues	575.9	571.9	608.5	651.8	742.1	13.9%	742.1	13.9%	538.2	624.3	16.0%	188.5	217.4	15.3%
Car sales for fleet renewal - net revenues	264.3	350.3	368.2	347.4	466.1	34.2%	466.1	34.2%	314.0	461.2	46.9%	128.5	144.0	12.1%
<b>Total net revenues (**)</b>	<b>840.2</b>	<b>922.2</b>	<b>976.7</b>	<b>999.2</b>	<b>1,208.2</b>	<b>20.9%</b>	<b>1,208.2</b>	<b>20.9%</b>	<b>852.2</b>	<b>1,085.5</b>	<b>27.4%</b>	<b>317.0</b>	<b>361.4</b>	<b>14.0%</b>
Direct costs	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	13.8%	(220.1)	13.6%	(158.9)	(180.6)	13.7%	(53.2)	(57.7)	8.5%
Car sales for fleet renewal	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	40.3%	(392.1)	40.3%	(260.8)	(403.4)	54.7%	(110.2)	(127.0)	15.2%
<b>Gross profit</b>	<b>465.0</b>	<b>455.1</b>	<b>500.7</b>	<b>526.1</b>	<b>595.7</b>	<b>13.2%</b>	<b>596.0</b>	<b>13.3%</b>	<b>432.5</b>	<b>501.5</b>	<b>16.0%</b>	<b>153.6</b>	<b>176.7</b>	<b>15.0%</b>
Operating expenses (SG&A)	(37.5)	(38.1)	(40.7)	(37.9)	(65.4)	72.6%	(62.3)	64.4%	(41.7)	(42.6)	2.2%	(15.8)	(14.6)	-7.6%
Car sales for fleet renewal	(23.4)	(32.6)	(33.6)	(31.0)	(32.7)	5.5%	(32.7)	5.5%	(21.9)	(29.2)	33.3%	(7.8)	(8.7)	11.5%
Cars depreciation	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	-3.5%	(114.3)	-3.5%	(82.0)	(112.3)	37.0%	(28.5)	(42.3)	48.4%
Other assets depreciation and amortization	(1.1)	(1.1)	(2.2)	(2.9)	(3.5)	20.7%	(3.5)	20.7%	(2.3)	(3.7)	60.9%	(1.0)	(1.2)	20.0%
Car sales for fleet renewal	-	(0.6)	(2.0)	(1.8)	(1.7)	-5.6%	(1.7)	-5.6%	(1.2)	(1.3)	8.3%	(0.4)	(0.4)	0.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>259.8</b>	<b>253.4</b>	<b>297.5</b>	<b>334.0</b>	<b>378.1</b>	<b>13.2%</b>	<b>381.5</b>	<b>14.2%</b>	<b>283.4</b>	<b>312.4</b>	<b>10.2%</b>	<b>100.1</b>	<b>109.5</b>	<b>9.4%</b>
Financial expenses, net	(34.1)	(45.1)	(63.9)	(69.8)	(81.6)	16.9%	(81.6)	16.9%	(59.8)	(55.4)	-7.4%	(21.6)	(16.6)	-23.1%
Income tax and social contribution	(66.7)	(60.8)	(56.8)	(58.1)	(67.7)	16.5%	(68.5)	17.9%	(52.3)	(66.2)	26.6%	(19.2)	(24.4)	27.1%
<b>Net income for the period</b>	<b>159.0</b>	<b>147.5</b>	<b>176.8</b>	<b>206.1</b>	<b>228.8</b>	<b>11.0%</b>	<b>231.4</b>	<b>12.3%</b>	<b>171.3</b>	<b>190.8</b>	<b>11.4%</b>	<b>59.3</b>	<b>68.5</b>	<b>15.5%</b>
<b>Net margin</b>	<b>18.9%</b>	<b>16.0%</b>	<b>18.1%</b>	<b>20.6%</b>	<b>18.9%</b>	<b>-1.7 p.p.</b>	<b>19.2%</b>	<b>-1.4 p.p.</b>	<b>20.1%</b>	<b>17.6%</b>	<b>-2.5 p.p.</b>	<b>18.7%</b>	<b>19.0%</b>	<b>0.3 p.p.</b>
<b>EBITDA</b>	<b>404.1</b>	<b>384.4</b>	<b>426.4</b>	<b>457.2</b>	<b>497.6</b>	<b>8.8%</b>	<b>501.0</b>	<b>9.6%</b>	<b>368.9</b>	<b>429.7</b>	<b>16.5%</b>	<b>130.0</b>	<b>153.4</b>	<b>18.0%</b>
<b>EBITDA margin</b>	<b>48.1%</b>	<b>41.7%</b>	<b>43.7%</b>	<b>45.8%</b>	<b>41.2%</b>	<b>-4.6 p.p.</b>	<b>41.5%</b>	<b>-4.3 p.p.</b>	<b>43.3%</b>	<b>39.6%</b>	<b>-3.7 p.p.</b>	<b>41.0%</b>	<b>42.4%</b>	<b>1.4 p.p.</b>

OPERATING DATA									9M17	9M18	Var.	3Q17	3Q18	Var.
Average operating fleet	31,188	30,778	31,676	31,908	36,804	15.3%	36,804	15.3%	35,216	43,074	22.3%	37,818	45,192	19.5%
Average rented fleet	30,121	28,787	30,280	31,222	35,424	13.5%	35,424	13.5%	34,013	41,266	21.3%	36,009	43,421	20.6%
Average operating fleet age (in months)	18.6	18.0	16.7	18.0	18.1	0.6%	18.1	0.6%	18.5	15.2	-17.8%	17.5	14.5	-17.1%
End of period fleet														
Rented Fleet	32,809	34,312	33,948	34,960	44,877	28.4%	44,877	28.4%	44,655	51,236	14.7%	44,655	51,236	14.7%
Managed Fleet	30	267	207	145	94	-35.2%	94	-35.2%	116	76	-34.5%	116	76	-34.5%
Number of rental days - in thousands	10,843.7	10,363.3	10,900.9	11,240.0	12,752.7	13.5%	12,752.7	13.5%	9,183.5	11,141.9	21.3%	3,240.8	3,907.9	20.6%
Average daily rental revenues per car (R\$)	53.83	56.16	56.08	58.23	58.77	0.9%	58.77	0.9%	59.35	55.86	-5.9%	58.93	55.39	-6.0%
Annualized average depreciation per car (R\$)	4,592.3	4,202.1	3,935.2	3,714.0	3,104.3	-16.4%	3,104.3	-16.4%	3,105.1	3,475.6	11.9%	3,012.6	3,747.4	24.4%
Utilization rate (Does not include cars in preparation and decommissioning) (***)	-	-	98.4%	98.9%	98.2%	-0.8 p.p.	98.2%	-0.8 p.p.	98.2%	97.3%	-0.9 p.p.	97.6%	97.5%	-0.1 p.p.
Number of cars purchased	10,918	14,896	11,689	11,762	20,286	72.5%	20,286	72.5%	15,428	19,185	24.4%	6,354	7,171	12.9%
Number of cars sold	9,882	13,043	11,797	10,853	13,653	25.8%	13,653	25.8%	9,246	12,613	36.4%	3,695	3,908	5.8%
Average sold fleet age (in months)	32.4	35.1	33.4	31.4	31.8	1.3%	31.8	1.3%	31.5	32.7	3.8%	33.3	31.1	-6.6%
Average total fleet	32,488	32,686	33,446	33,436	39,605	18.5%	39,605	18.5%	37,907	47,246	24.6%	41,298	50,372	22.0%
Average value of total fleet - R\$ million	887.3	943.3	1,067.1	1,130.4	1,482.5	31.1%	1,482.5	31.1%	1,361.2	1,872.5	37.6%	1,522.1	2,010.6	32.1%
Average value per car in the period - R\$ thsd	27.3	28.9	31.9	33.8	37.4	10.7%	37.4	10.7%	35.9	39.6	10.3%	36.9	39.9	8.1%

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

(\*\*) As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note Provisions and Escrow Deposits of 2017 the Financial Statements

(\*\*\*) The 2015 utilization rate was calculated only on the basis of the fourth quarter of 2015.

## 16.3 – Table 3 – *Franchising* – R\$ million

FRANCHISING RESULTS	2013	2014	2015	2016	2017	Var.	9M17	9M18	Var.	3Q17	3Q18	Var.
Gross revenues(*)	20.6	18.7	17.8	18.0	17.6	-2.2%	13.1	13.5	3.1%	4.1	4.5	9.8%
Taxes on revenues	(1.1)	(1.0)	(1.2)	(1.0)	(1.1)	10.0%	(0.8)	(0.8)	0.0%	(0.2)	(0.3)	50.0%
<b>Net revenues</b>	<b>19.5</b>	<b>17.7</b>	<b>16.6</b>	<b>17.0</b>	<b>16.5</b>	<b>-2.9%</b>	<b>12.3</b>	<b>12.7</b>	<b>3.3%</b>	<b>3.9</b>	<b>4.2</b>	<b>7.7%</b>
Costs	(8.1)	(7.8)	(9.2)	(9.7)	(8.9)	-8.2%	(7.1)	(6.7)	-5.6%	(2.4)	(2.6)	8.3%
<b>Gross profit</b>	<b>11.4</b>	<b>9.9</b>	<b>7.4</b>	<b>7.3</b>	<b>7.6</b>	<b>4.1%</b>	<b>5.2</b>	<b>6.0</b>	<b>15.4%</b>	<b>1.5</b>	<b>1.6</b>	<b>6.7%</b>
Operating expenses (SG&A)	(0.1)	(0.7)	(0.6)	(1.5)	(1.8)	20.0%	(1.4)	(0.3)	-78.6%	(0.4)	(0.2)	-50.0%
Other assets depreciation and amortization	(0.4)	(0.5)	(0.4)	(0.5)	(0.6)	20.0%	(0.5)	(0.4)	-20.0%	(0.1)	(0.1)	0.0%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>10.9</b>	<b>8.7</b>	<b>6.4</b>	<b>5.3</b>	<b>5.2</b>	<b>-1.9%</b>	<b>3.3</b>	<b>5.3</b>	<b>60.6%</b>	<b>1.0</b>	<b>1.3</b>	<b>30.0%</b>
Financial expenses, net	1.4	1.8	1.6	2.1	1.8	-14.3%	1.4	0.7	-50.0%	0.1	-	-100.0%
Income tax and social contribution	(1.3)	(1.2)	(1.3)	(1.5)	(1.2)	-20.0%	(0.9)	(1.0)	11.1%	(0.2)	(0.3)	50.0%
<b>Net income for the period</b>	<b>11.0</b>	<b>9.3</b>	<b>6.7</b>	<b>5.9</b>	<b>5.8</b>	<b>-1.7%</b>	<b>3.8</b>	<b>5.0</b>	<b>31.6%</b>	<b>0.9</b>	<b>1.0</b>	<b>11.1%</b>
<b>Net Margin</b>	<b>56.4%</b>	<b>52.5%</b>	<b>40.4%</b>	<b>34.7%</b>	<b>35.2%</b>	<b>0.5 p.p.</b>	<b>30.9%</b>	<b>39.4%</b>	<b>8.5 p.p.</b>	<b>23.1%</b>	<b>23.8%</b>	<b>0.7 p.p.</b>
<b>EBITDA</b>	<b>11.3</b>	<b>9.2</b>	<b>6.8</b>	<b>5.8</b>	<b>5.8</b>	<b>0.0%</b>	<b>3.8</b>	<b>5.7</b>	<b>50.0%</b>	<b>1.1</b>	<b>1.4</b>	<b>27.3%</b>
<b>EBITDA Margin</b>	<b>57.9%</b>	<b>52.0%</b>	<b>41.0%</b>	<b>34.1%</b>	<b>35.2%</b>	<b>1.1 p.p.</b>	<b>30.9%</b>	<b>44.9%</b>	<b>14.0 p.p.</b>	<b>28.2%</b>	<b>33.3%</b>	<b>5.1 p.p.</b>

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

## 16.4 – Table 4 – Consolidated – R\$ million

CONSOLIDATED RESULTS	2013	2014	2015	2016	2017	Var.	2017 Adjusted	Var.	9M17 Adjusted	9M18	Var.	3Q17 Adjusted	3Q18	Var.
Car rental gross revenues (*)	1,208.4	1,352.1	1,316.9	1,486.9	1,898.7	27.7%	1,898.7	27.7%	1,321.1	1,830.4	38.6%	488.0	650.3	33.3%
Franchising gross revenues (*)	20.6	18.7	17.8	18.0	17.6	-2.2%	17.6	-2.2%	13.1	13.5	3.1%	4.1	4.5	9.8%
Car Rental and Franchising total gross revenues (*)	1,229.0	1,370.8	1,334.7	1,504.9	1,916.3	27.3%	1,916.3	27.3%	1,334.2	1,843.9	38.2%	492.1	654.8	33.1%
Fleet Rental gross revenues (*)	592.8	589.5	619.6	664.1	757.4	14.0%	757.4	14.0%	551.2	630.1	14.3%	192.9	220.1	14.1%
Car and Fleet Rentals and Franchising total gross revenues (*)	1,821.8	1,960.3	1,954.3	2,169.0	2,673.7	23.3%	2,673.7	23.3%	1,885.4	2,474.0	31.2%	685.0	874.9	27.7%
Taxes on revenues - Car and Fleet Rentals and Franchising (**)	(62.9)	(86.3)	(71.2)	(72.2)	(66.6)	-7.8%	(66.6)	-7.8%	(61.3)	(43.3)	-29.4%	(20.0)	(15.9)	-20.5%
<b>Car and Fleet Rentals and Franchising net revenues</b>	<b>1,758.9</b>	<b>1,874.0</b>	<b>1,883.1</b>	<b>2,096.8</b>	<b>2,607.1</b>	<b>24.3%</b>	<b>2,607.1</b>	<b>24.3%</b>	<b>1,824.1</b>	<b>2,430.7</b>	<b>33.3%</b>	<b>665.0</b>	<b>859.0</b>	<b>29.2%</b>
Car sales gross revenues														
Car sales for fleet renewal - Car Rental (*)	1,486.1	1,671.4	1,679.2	1,997.8	2,990.0	49.7%	2,990.0	49.7%	2,113.8	2,748.8	30.0%	771.1	1,072.1	39.0%
Car sales for fleet renewal - Fleet Rental (*)	264.6	350.8	368.6	347.8	466.5	34.1%	466.5	34.1%	314.2	461.8	47.0%	128.6	144.3	12.2%
Car sales for fleet renewal - total gross revenues (*)	1,750.7	2,022.2	2,047.8	2,345.6	3,456.5	47.4%	3,456.5	47.4%	2,428.0	3,210.6	32.2%	899.7	1,216.4	35.2%
Taxes on revenues - Car sales for fleet renewal	(3.4)	(4.0)	(2.9)	(3.1)	(5.3)	71.0%	(5.3)	71.0%	(3.3)	(5.2)	57.6%	(1.3)	(2.2)	69.2%
<b>Car sales for fleet renewal - net revenues</b>	<b>1,747.3</b>	<b>2,018.2</b>	<b>2,044.9</b>	<b>2,342.5</b>	<b>3,451.2</b>	<b>47.3%</b>	<b>3,451.2</b>	<b>47.3%</b>	<b>2,424.7</b>	<b>3,205.4</b>	<b>32.2%</b>	<b>898.4</b>	<b>1,214.2</b>	<b>35.2%</b>
<b>Total net revenues</b>	<b>3,506.2</b>	<b>3,892.2</b>	<b>3,928.0</b>	<b>4,439.3</b>	<b>6,058.3</b>	<b>36.5%</b>	<b>6,058.3</b>	<b>36.5%</b>	<b>4,248.8</b>	<b>5,636.1</b>	<b>32.7%</b>	<b>1,563.4</b>	<b>2,073.2</b>	<b>32.6%</b>
Direct costs and expenses:														
Car rental	(536.9)	(577.3)	(618.1)	(707.4)	(926.4)	31.0%	(870.7)	23.1%	(618.7)	(861.9)	39.3%	(237.3)	(308.5)	30.0%
Franchising	(8.1)	(7.8)	(9.2)	(9.7)	(8.9)	-8.2%	(8.9)	-8.2%	(7.1)	(6.7)	-5.6%	(2.4)	(2.6)	8.3%
Total Car rental and Franchising	(545.0)	(585.1)	(627.3)	(717.1)	(935.3)	30.4%	(879.6)	22.7%	(625.8)	(868.6)	38.8%	(239.7)	(311.1)	29.8%
Fleet Rental	(161.1)	(190.8)	(189.3)	(193.7)	(220.4)	13.8%	(220.1)	13.6%	(158.9)	(180.6)	13.7%	(53.2)	(57.7)	8.5%
Total Car and Fleet Rentals and Franchising	(706.1)	(775.9)	(816.6)	(910.8)	(1,155.7)	26.9%	(1,099.7)	20.7%	(784.7)	(1,049.2)	33.7%	(292.9)	(368.8)	25.9%
Car sales for fleet renewal - Car rental	(1,271.9)	(1,428.4)	(1,396.3)	(1,727.5)	(2,603.2)	50.7%	(2,603.2)	50.7%	(1,833.2)	(2,458.7)	34.1%	(667.6)	(979.3)	46.7%
Car sales for fleet renewal - Fleet Rental	(214.1)	(276.3)	(286.7)	(279.4)	(392.1)	40.3%	(392.1)	40.3%	(260.8)	(403.4)	54.7%	(110.2)	(127.0)	15.2%
Total Car sales for fleet renewal (book value) and preparation for sale	(1,486.0)	(1,704.7)	(1,683.0)	(2,006.9)	(2,995.3)	49.3%	(2,995.3)	49.3%	(2,094.0)	(2,862.1)	36.7%	(777.8)	(1,106.3)	42.2%
Total costs	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	42.3%	(4,095.0)	40.4%	(2,878.7)	(3,911.3)	35.9%	(1,070.7)	(1,475.1)	37.8%
<b>Gross profit</b>	<b>1,314.1</b>	<b>1,411.6</b>	<b>1,428.4</b>	<b>1,521.6</b>	<b>1,907.3</b>	<b>25.3%</b>	<b>1,963.3</b>	<b>29.0%</b>	<b>1,370.1</b>	<b>1,724.8</b>	<b>25.9%</b>	<b>492.7</b>	<b>598.1</b>	<b>21.4%</b>
Operating expenses														
Advertising, promotion and selling:														
Car rental	(103.5)	(117.8)	(127.9)	(148.6)	(199.6)	34.3%	(193.3)	30.1%	(136.4)	(210.0)	54.0%	(51.6)	(69.4)	34.5%
Franchising	(0.1)	(0.8)	(0.6)	(0.6)	(1.1)	83.3%	(1.1)	83.3%	(1.0)	0.1	-110.0%	(0.3)	-	-100.0%
Total car rental and Franchising	(103.6)	(118.6)	(128.5)	(149.2)	(200.7)	34.5%	(194.4)	30.3%	(137.4)	(209.9)	52.8%	(51.9)	(69.4)	33.7%
Fleet Rental	(14.4)	(15.1)	(18.2)	(14.0)	(18.8)	34.3%	(18.8)	34.3%	(13.4)	(20.1)	50.0%	(4.2)	(7.0)	66.7%
Car sales for fleet renewal	(162.1)	(172.3)	(191.1)	(191.6)	(232.3)	21.2%	(232.3)	21.2%	(164.7)	(206.2)	25.2%	(55.3)	(75.7)	36.9%
Total advertising, promotion and selling	(280.1)	(306.0)	(337.8)	(354.8)	(451.8)	27.3%	(445.5)	25.6%	(315.5)	(436.2)	38.3%	(111.4)	(152.1)	36.5%
General, administrative and other expenses	(117.5)	(135.8)	(155.8)	(151.2)	(215.3)	42.4%	(203.6)	34.7%	(126.7)	(147.4)	16.3%	(49.0)	(49.8)	1.6%
Total Operating expenses	(397.6)	(441.8)	(493.6)	(506.0)	(667.1)	31.8%	(649.1)	28.3%	(442.2)	(583.6)	32.0%	(160.4)	(201.9)	25.9%
Depreciation expenses:														
Cars depreciation:														
Car rental	(85.8)	(78.1)	(38.9)	(87.8)	(117.7)	34.1%	(117.7)	34.1%	(88.2)	(89.0)	0.9%	(29.7)	(42.2)	42.1%
Fleet Rental	(143.2)	(129.3)	(124.7)	(118.5)	(114.3)	-3.5%	(114.3)	-3.5%	(82.0)	(112.3)	37.0%	(28.5)	(42.3)	48.4%
Total cars depreciation expenses	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	12.5%	(232.0)	12.5%	(170.2)	(201.3)	18.3%	(58.2)	(84.5)	45.2%
Other assets depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	2.4%	(39.1)	2.4%	(28.3)	(32.6)	15.2%	(10.2)	(11.2)	9.8%
Total depreciation and amortization expenses	(264.4)	(243.1)	(199.3)	(244.5)	(271.1)	10.9%	(271.1)	10.9%	(198.5)	(233.9)	17.8%	(68.4)	(95.7)	39.9%
<b>Operating profit before financial results and taxes (EBIT)</b>	<b>652.1</b>	<b>726.7</b>	<b>735.5</b>	<b>771.1</b>	<b>969.1</b>	<b>25.7%</b>	<b>1,043.1</b>	<b>35.3%</b>	<b>729.4</b>	<b>907.3</b>	<b>24.4%</b>	<b>263.9</b>	<b>300.5</b>	<b>13.9%</b>
Financial expenses, net:														
Expense	(187.1)	(276.4)	(370.1)	(445.5)	(511.9)	14.9%	(511.9)	14.9%	(380.9)	(384.8)	1.0%	(131.3)	(121.5)	-7.5%
Income	76.5	125.3	167.4	202.0	196.9	-2.5%	196.9	-2.5%	159.6	123.4	-22.7%	51.9	37.7	-27.4%
Financial (expenses) revenues, net	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	29.4%	(315.0)	29.4%	(221.3)	(261.4)	18.1%	(79.4)	(83.8)	5.5%
<b>Income before tax and social contribution</b>	<b>541.5</b>	<b>575.6</b>	<b>532.8</b>	<b>527.6</b>	<b>654.1</b>	<b>24.0%</b>	<b>728.1</b>	<b>38.0%</b>	<b>508.1</b>	<b>645.9</b>	<b>27.1%</b>	<b>184.5</b>	<b>216.7</b>	<b>17.5%</b>
Income tax and social contribution	(157.2)	(165.0)	(130.4)	(118.3)	(148.4)	25.4%	(164.7)	39.2%	(119.1)	(168.1)	41.1%	(45.0)	(56.8)	26.2%
<b>Net income for the period</b>	<b>384.3</b>	<b>410.6</b>	<b>402.4</b>	<b>409.3</b>	<b>505.7</b>	<b>23.6%</b>	<b>563.4</b>	<b>37.6%</b>	<b>389.0</b>	<b>477.8</b>	<b>22.8%</b>	<b>139.5</b>	<b>159.9</b>	<b>14.6%</b>
EBITDA	916.5	969.8	934.8	1,015.6	1,240.2	22.1%	1,314.2	29.4%	927.9	1,141.2	23.0%	332.3	396.2	19.2%
EBIT	652.1	726.7	735.5	771.1	969.1	25.7%	1,043.1	35.3%	729.4	907.3	24.4%	263.9	300.5	13.9%
<b>Consolidated EBIT Margin (calculated over rental revenues)</b>	<b>37.1%</b>	<b>38.8%</b>	<b>39.1%</b>	<b>36.8%</b>	<b>37.2%</b>	<b>0.4 p.p.</b>	<b>40.0%</b>	<b>3.2 p.p.</b>	<b>40.0%</b>	<b>37.3%</b>	<b>-2.7 p.p.</b>	<b>39.7%</b>	<b>35.0%</b>	<b>-4.7 p.p.</b>
Car and Fleet Rentals and Franchising EBITDA	817.3	849.6	785.3	887.8	1,037.0	16.8%	1,111.0	25.1%	776.6	1,022.7	31.7%	272.8	370.5	35.8%
<b>EBITDA Margin</b>	<b>46.5%</b>	<b>45.3%</b>	<b>41.7%</b>	<b>42.3%</b>	<b>39.8%</b>	<b>-2.5 p.p.</b>	<b>42.6%</b>	<b>0.3 p.p.</b>	<b>42.6%</b>	<b>42.1%</b>	<b>-0.5 p.p.</b>	<b>41.0%</b>	<b>43.1%</b>	<b>2.1 p.p.</b>
Used Car Sales (Seminovos) EBITDA	99.2	120.2	149.5	127.7	203.2	59.1%	203.2	59.1%	151.3	118.5	-21.7%	59.5	25.7	-56.8%
<b>EBITDA Margin</b>	<b>5.7%</b>	<b>6.0%</b>	<b>7.3%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>0.4 p.p.</b>	<b>5.9%</b>	<b>0.4 p.p.</b>	<b>6.2%</b>	<b>3.7%</b>	<b>-2.5 p.p.</b>	<b>6.6%</b>	<b>2.1%</b>	<b>-4.5 p.p.</b>

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

(\*\*) As of 4Q17, the amounts relative to the provision over the difference between PIS and Cofins credits were reclassified as SG&A, as per Note Provisions and Escrow Deposits of the 2017 Financial Statements.

## 16.5 – Table 5 – Operating data

SELECTED OPERATING DATA	2013	2014	2015	2016	2017	Var.	9M17	9M18	Var.	3Q17	3Q18	Var.
<b>Average operating fleet:</b>												
Car Rental	59,094	61,525	62,513	70,185	94,194	34.2%	87,016	125,405	44.1%	97,187	129,412	33.2%
Fleet Rental	31,188	30,778	31,676	31,908	36,804	15.3%	35,216	43,074	22.3%	37,818	45,192	19.5%
Total	90,282	92,303	94,189	102,093	130,998	28.3%	122,232	168,479	37.8%	135,005	174,604	29.3%
<b>Average rented fleet:</b>												
Car Rental	39,475	42,999	43,315	51,515	69,762	35.4%	64,536	93,424	44.8%	72,200	98,199	36.0%
Fleet Rental	30,121	28,787	30,280	31,222	35,424	13.5%	34,013	41,266	21.3%	36,009	43,421	20.6%
Total	69,596	71,786	73,595	82,737	105,186	27.1%	98,549	134,690	36.7%	108,209	141,620	30.9%
<b>Average age of operating fleet (months)</b>												
Car Rental	7.2	7.2	7.4	7.9	6.5	-17.7%	6.7	7.3	9.0%	6.4	7.5	17.2%
Fleet Rental	18.6	18.0	16.7	18.0	18.1	0.6%	18.5	15.2	-17.8%	17.5	14.5	-17.1%
Average age of total operating fleet	11.1	10.0	10.6	11.0	9.8	-10.9%	10.3	9.4	-8.7%	9.8	9.4	-4.1%
<b>Fleet at end of period:</b>												
Car Rental	70,717	77,573	76,755	94,156	135,578	44.0%	127,221	156,436	23.0%	127,221	156,436	23.0%
Fleet Rental	32,809	34,312	33,948	34,960	44,877	28.4%	44,655	51,236	14.7%	44,655	51,236	14.7%
Total	103,526	111,885	110,703	129,116	180,455	39.8%	171,876	207,672	20.8%	171,876	207,672	20.8%
Managed fleet at end period - Fleet Rental	30	267	207	145	94	-35.2%	116	76	-34.5%	116	76	-34.5%
<b>Fleet investment (R\$ million)</b>												
Car Rental	1,634.5	1,909.1	1,773.1	2,782.2	4,581.8	64.7%	3,366.5	3,657.6	8.6%	1,656.7	1,622.0	-2.1%
Fleet Rental	389.7	571.2	502.0	503.4	881.5	75.1%	660.6	874.0	32.3%	264.3	335.7	27.0%
Total	2,024.2	2,480.3	2,275.1	3,285.6	5,463.3	66.3%	4,027.1	4,531.6	12.5%	1,921.0	1,957.7	1.9%
<b>Number of rental days (In thousands):</b>												
Car Rental - Total	14,414.7	15,696.2	15,815.8	18,864.8	25,494.0	35.1%	17,632.5	25,513.6	44.7%	6,638.9	9,031.7	36.0%
Rental days for Fleet Rental replacement service	(173.0)	(280.2)	(249.7)	(202.4)	(230.4)	13.8%	(171.3)	(165.7)	-3.3%	(51.7)	(57.3)	10.8%
Car Rental - Net	14,241.7	15,416.0	15,566.1	18,662.4	25,263.6	35.4%	17,461.2	25,347.9	45.2%	6,587.2	8,974.4	36.2%
Fleet Rental	10,843.7	10,363.3	10,900.9	11,240.0	12,752.7	13.5%	9,183.5	11,141.9	21.3%	3,240.8	3,907.9	20.6%
Total	25,085.4	25,779.3	26,467.0	29,902.4	38,016.3	27.1%	26,644.7	36,489.8	36.9%	9,828.0	12,882.3	31.1%
<b>Annualized average depreciation per car (R\$)</b>												
Car Rental	1,452.4	1,270.0	622.1	1,251.2	1,250.1	-0.1%	1,351.4	946.5	-30.0%	1,222.6	1,305.2	6.8%
Fleet Rental	4,592.3	4,202.1	3,935.2	3,714.0	3,104.3	-16.4%	3,105.1	3,475.6	11.9%	3,012.6	3,747.4	24.4%
Total	2,537.1	2,247.7	1,736.3	2,020.9	1,771.0	-12.4%	1,856.6	1,593.1	-14.2%	1,724.0	1,937.3	12.4%
<b>Average annual revenues per operating car (R\$ thousand)</b>												
Car Rental	19.7	20.9	20.1	20.3	19.4	-4.4%	19.6	22.4	14.3%	19.3	19.6	1.6%
Fleet Rental	18.2	18.3	18.9	20.1	19.9	-1.0%	20.1	19.1	-5.0%	19.7	18.9	-4.1%
<b>Average daily rental (R\$)</b>												
Car Rental (*)	84.85	87.71	84.56	79.67	75.16	-5.7%	75.66	72.21	-4.6%	74.09	72.46	-2.2%
Fleet Rental	53.83	56.16	56.08	58.23	58.77	0.9%	59.35	55.86	-5.9%	58.93	55.39	-6.0%
<b>Utilization rate (Does not include cars in preparation and decommissioning):</b>												
Car Rental	-	-	75.4%	78.0%	78.6%	0.6 p.p.	78.7%	79.0%	0.3 p.p.	81.0%	81.1%	0.1 p.p.
Fleet Rental	-	-	98.4%	98.9%	98.2%	-0.8 p.p.	98.2%	97.3%	-0.9 p.p.	97.6%	97.5%	-0.1 p.p.
<b>Number of cars purchased - consolidated (**)</b>	69,744	79,804	64,032	87,833	135,252	54.0%	100,109	107,852	7.7%	49,051	44,464	-9.4%
<b>Average price of cars purchased (R\$ thsd) - consolidated</b>	29.02	31.08	35.53	37.41	40.39	8.0%	40.23	42.02	4.4%	39.16	44.03	12.4%
<b>Numbers of cars sold - consolidated</b>	62,641	70,621	64,305	68,449	90,554	32.3%	64,451	78,998	22.6%	23,941	30,084	25.7%
<b>Average price of cars sold (R\$ thsd) (***) - consolidated</b>	25.36	25.90	28.54	31.23	35.38	13.3%	34.89	37.80	8.3%	35.03	37.70	7.6%

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

(\*\*) Does not include cars from Hertz Brazil

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

## 17 – Consolidated financial statements – IFRS – R\$/million

ASSETS	2013	2014	2015	2016	2017	9M18
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	1,010.7	1,390.2	1,385.1	1,692.3	1,338.2	1,986.3
Financial assets	-	-	-	-	1,275.7	680.0
Trade accounts receivable	408.3	459.6	486.1	424.5	585.1	739.7
Derivative financial instruments - swap	-	-	-	2.2	-	-
Other current assets	57.9	94.6	102.6	115.0	128.6	181.9
Decommissioning cars to fleet renewal	16.5	18.3	31.8	8.8	103.4	75.1
<b>Total current assets</b>	<b>1,493.4</b>	<b>1,962.7</b>	<b>2,005.6</b>	<b>2,242.8</b>	<b>3,431.0</b>	<b>3,663.0</b>
<b>NON CURRENT ASSETS:</b>						
Long-term assets:						
Marketable securities	-	92.5	-	-	-	-
Derivative financial instruments - swap	-	-	45.6	7.4	16.7	20.7
Trade accounts receivable	7.1	3.2	4.7	3.2	4.7	4.5
Escrow deposit	38.1	41.9	52.9	60.1	83.1	88.1
Deferred income tax and social contribution	32.4	-	-	-	42.0	39.5
Investments in restricted accounts	-	-	-	-	40.6	42.5
Other non current assets	0.1	0.1	0.1	0.1	0.7	0.1
<b>Total long-term assets</b>	<b>77.7</b>	<b>137.7</b>	<b>103.3</b>	<b>70.8</b>	<b>187.8</b>	<b>195.4</b>
Property and equipment						
Cars	2,781.4	3,278.0	3,610.9	4,614.8	6,934.7	8,340.9
Other	166.1	203.9	314.1	405.8	549.3	550.8
Intangible:						
Software and others	47.3	60.3	67.1	61.1	52.8	47.9
Goodwill on acquisition of investments	12.3	22.0	22.0	22.0	30.6	30.7
<b>Total non current assets</b>	<b>3,084.8</b>	<b>3,701.9</b>	<b>4,117.4</b>	<b>5,174.5</b>	<b>7,755.2</b>	<b>9,165.7</b>
<b>TOTAL ASSETS</b>	<b>4,578.2</b>	<b>5,664.6</b>	<b>6,123.0</b>	<b>7,417.3</b>	<b>11,186.2</b>	<b>12,828.7</b>

LIABILITIES AND SHAREHOLDERS' EQUITY	2013	2014	2015	2016	2017	9M18
<b>CURRENT LIABILITIES:</b>						
Trade accounts payable	460.5	828.4	690.6	910.9	1,331.7	1,561.0
Social and labor obligations	73.9	86.3	85.6	95.0	109.2	128.2
Loans, financing and debentures	275.4	300.9	422.4	654.6	537.2	708.8
Derivative financial instruments - swap	-	-	-	-	6.8	13.3
Income tax and social contribution	35.2	41.3	28.3	23.0	31.3	30.5
Dividends and interest on own capital	53.1	59.2	29.3	39.7	36.4	37.9
Other current liabilities	78.6	82.3	99.9	118.5	181.5	186.4
<b>Total current liabilities</b>	<b>976.7</b>	<b>1,398.4</b>	<b>1,356.1</b>	<b>1,841.7</b>	<b>2,234.1</b>	<b>2,666.1</b>
<b>NON CURRENT LIABILITIES:</b>						
Loans, financing and debentures	2,068.1	2,411.6	2,596.9	3,131.3	5,940.5	6,707.5
Derivative financial instruments - swap	-	-	-	-	10.8	11.4
Provisions	50.9	69.9	68.3	63.1	126.5	144.6
Deferred income tax and social contribution	111.8	106.0	141.6	171.9	219.7	279.6
Restricted Obligations	-	-	-	-	40.6	42.5
Other non current liabilities	29.5	23.2	18.5	12.3	13.3	17.8
<b>Total non current liabilities</b>	<b>2,260.3</b>	<b>2,610.7</b>	<b>2,825.3</b>	<b>3,378.6</b>	<b>6,351.4</b>	<b>7,203.4</b>
<b>Total liabilities</b>	<b>3,237.0</b>	<b>4,009.1</b>	<b>4,181.4</b>	<b>5,220.3</b>	<b>8,585.5</b>	<b>9,869.5</b>
<b>SHAREHOLDERS' EQUITY:</b>						
Capital	976.7	976.7	976.7	976.7	1,500.0	1,500.0
Capital Reserves	30.2	40.4	35.9	34.0	94.9	121.2
Earnings Reserves	334.3	638.4	929.0	1,186.3	1,005.8	1,338.0
<b>Total shareholders' equity</b>	<b>1,341.2</b>	<b>1,655.5</b>	<b>1,941.6</b>	<b>2,197.0</b>	<b>2,600.7</b>	<b>2,959.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,578.2</b>	<b>5,664.6</b>	<b>6,123.0</b>	<b>7,417.3</b>	<b>11,186.2</b>	<b>12,828.7</b>

## 18 – Consolidated financial statements – Income statements - R\$/million

STATEMENT OF INCOME	2013	2014	2015	2016	2017	2017 Adjusted	9M18
<b>Total net revenues</b>	<b>3,506.2</b>	<b>3,892.2</b>	<b>3,928.0</b>	<b>4,439.3</b>	<b>6,058.3</b>	<b>6,058.3</b>	<b>5,636.1</b>
COSTS AND EXPENSES:							
Direct costs	(2,192.1)	(2,480.6)	(2,499.6)	(2,917.7)	(4,151.0)	(4,095.0)	(3,911.3)
Selling, general, administrative and other expenses	(397.6)	(441.8)	(493.6)	(506.0)	(667.1)	(649.1)	(583.6)
Cars depreciation	(229.0)	(207.4)	(163.6)	(206.3)	(232.0)	(232.0)	(201.3)
Other assets depreciation and amortization	(35.4)	(35.7)	(35.7)	(38.2)	(39.1)	(39.1)	(32.6)
Total costs and expenses	(2,854.1)	(3,165.5)	(3,192.5)	(3,668.2)	(5,089.2)	(5,015.2)	(4,728.8)
<b>Income before financial results and taxes (EBIT)</b>	<b>652.1</b>	<b>726.7</b>	<b>735.5</b>	<b>771.1</b>	<b>969.1</b>	<b>1,043.1</b>	<b>907.3</b>
FINANCIAL EXPENSES, NET	(110.6)	(151.1)	(202.7)	(243.5)	(315.0)	(315.0)	(261.4)
<b>Income before taxes</b>	<b>541.5</b>	<b>575.6</b>	<b>532.8</b>	<b>527.6</b>	<b>654.1</b>	<b>728.1</b>	<b>645.9</b>
INCOME TAX AND SOCIAL CONTRIBUTION							
Current	(130.1)	(139.5)	(94.8)	(88.0)	(119.4)	(135.7)	(97.6)
Deferred	(27.1)	(25.5)	(35.6)	(30.3)	(29.0)	(29.0)	(70.5)
	(157.2)	(165.0)	(130.4)	(118.3)	(148.4)	(164.7)	(168.1)
<b>Net income</b>	<b>384.3</b>	<b>410.6</b>	<b>402.4</b>	<b>409.3</b>	<b>505.7</b>	<b>563.4</b>	<b>477.8</b>

## 19 – Statements of Cash Flows – R\$/million

CONSOLIDATED CASH FLOW	2013	2014	2015	2016	2017	2017 Adjusted	9M18
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Net income	384.3	410.6	402.4	409.3	505.7	563.4	477.8
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:							
Depreciation and amortization	264.4	243.2	199.3	244.5	271.1	271.1	233.9
Net book value of vehicles written off	1,543.8	1,777.0	1,769.1	2,102.5	3,106.6	3,106.6	2,961.2
Deferred income tax and social contribution	27.1	25.5	35.6	30.3	29.1	29.1	70.5
Interest on loans, financing, debentures and swaps of fixed rates	181.6	281.7	406.6	438.1	476.2	476.2	379.0
Income from financial investments	-	-	-	-	-	-	(32.5)
Other	33.7	32.0	17.3	26.9	81.7	81.7	79.2
(Increase) decrease in assets:							
Trade receivable	(54.7)	(49.9)	(36.6)	56.8	(151.8)	(151.8)	(213.9)
Purchases of cars (see supplemental disclosure below)	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(4,314.0)
Escrow deposits	(15.1)	(5.7)	(15.3)	(7.2)	(17.5)	(17.5)	(5.0)
Taxes recoverable	(20.3)	(43.4)	(5.2)	(6.0)	2.6	2.6	2.4
Prepaid expenses	0.0	0.0	0.0	0.0	2.7	2.7	(28.6)
Other assets	6.1	(5.7)	(1.3)	(3.6)	(8.8)	(8.8)	(41.0)
Increase (decrease) in liabilities:							
Accounts payable (except car manufacturers)	14.6	33.5	(16.7)	29.6	(4.8)	(4.8)	6.8
Social and labor obligations	20.7	12.4	(0.5)	9.4	7.5	7.5	19.0
Income tax and social contribution	130.1	139.5	94.8	88.0	119.4	135.7	97.6
Insurance premium	4.0	(0.6)	4.4	8.6	19.3	19.3	5.4
Other liabilities	1.1	(5.4)	5.9	(19.5)	40.1	40.1	(2.4)
<b>Cash provided by (used in) operating activities</b>	<b>582.0</b>	<b>694.5</b>	<b>460.2</b>	<b>308.8</b>	<b>(573.3)</b>	<b>(499.3)</b>	<b>(304.6)</b>
Income tax and social contribution paid	(108.5)	(113.1)	(110.7)	(93.3)	(108.3)	(108.3)	(99.7)
Interest on loans, financing and debentures paid(*)	(152.0)	(328.0)	(352.9)	(442.3)	(485.7)	(485.7)	(270.4)
Financial assets	-	-	-	-	(1,275.8)	(1,275.8)	628.2
<b>Net cash provided by (used in) operating activities</b>	<b>321.5</b>	<b>253.4</b>	<b>(3.4)</b>	<b>(226.8)</b>	<b>(2,443.1)</b>	<b>(2,369.1)</b>	<b>(46.5)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
(Investments) withdraw in marketable securities	-	(92.6)	92.6	-	-	-	-
Acquisition of investment, goodwill and fair value surplus	(12.5)	(14.4)	-	-	(333.2)	(333.2)	-
Purchases of other property and equipment and addition of intangible assets	(41.5)	(87.3)	(153.0)	(126.6)	(175.0)	(175.0)	(29.4)
<b>Net cash provided by (used in) investing activities</b>	<b>(54.0)</b>	<b>(194.3)</b>	<b>(60.4)</b>	<b>(126.6)</b>	<b>(508.2)</b>	<b>(508.2)</b>	<b>(29.4)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>							
Loans and financings:							
Proceeds	112.6	499.1	747.1	266.3	950.1	950.1	742.8
Repayment	(129.4)	(490.4)	(368.4)	(297.9)	(510.1)	(510.1)	(425.0)
Debentures							
Proceeds	496.3	497.3	496.8	943.4	2,626.9	2,626.9	1,292.90
Repayment	(220.7)	(90.8)	(668.0)	(105.0)	(355.0)	(355.0)	(777.5)
Treasury shares (acquired)/ sold	(36.8)	0.0	(27.5)	(25.0)	2.1	2.1	1.00
Exercise of stock options with treasury shares, net	12.8	5.5	18.0	18.2	50.1	50.1	17.5
Dividends paid	(255.1)	(38.6)	(44.7)	(1.0)	-	-	-
Interest on own capital	(60.4)	(61.7)	(94.6)	(138.4)	(166.9)	(166.9)	(127.7)
<b>Net cash provided by (used in) financing activities</b>	<b>(80.7)</b>	<b>320.4</b>	<b>58.7</b>	<b>660.6</b>	<b>2,597.2</b>	<b>2,597.2</b>	<b>724.0</b>
<b>NET CASH FLOW PROVIDED (USED) IN THE YEAR</b>	<b>186.8</b>	<b>379.5</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(280.1)</b>	<b>648.1</b>
Cash flow without incurred one-time costs Hertz and franchisees	-	-	-	-	-	74.00	-
<b>NET CASH FLOW PROVIDED (USED) IN THE YEAR AFTER ONE TIME COSTS</b>	<b>186.8</b>	<b>379.5</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(354.1)</b>	<b>648.1</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	823.9	1,010.7	1,390.2	1,385.1	1,692.3	1,692.3	1,338.2
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,010.7	1,390.2	1,385.1	1,692.3	1,338.2	1,338.2	1,986.3
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>186.8</b>	<b>379.5</b>	<b>(5.1)</b>	<b>307.2</b>	<b>(354.1)</b>	<b>(354.1)</b>	<b>648.1</b>
<b>Supplemental disclosure of cash flow information:</b>							
Cash paid during the period for cars acquisition							
Cars acquisition in the year/period - renewal	(1,819.7)	(2,197.7)	(2,278.4)	(2,563.6)	(3,660.9)	(3,660.9)	(3,323.1)
Cars acquisition in the year/period - growth	(209.4)	(286.9)	-	(726.0)	(1,807.0)	(1,807.0)	(1,213.8)
Suppliers - automakers:							
Balance at the end of the year	378.1	712.5	591.3	782.0	1,197.5	1,197.5	1,420.4
Balance at the beginning of the year	(288.4)	(378.1)	(712.5)	(591.3)	(782.0)	(782.0)	(1,197.5)
Cash paid for cars purchased	(1,939.4)	(2,150.2)	(2,399.6)	(3,098.9)	(5,052.4)	(5,052.4)	(4,314.0)

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

## 20 – Glossary and other information

- **Adjusted:** financials have been recalculated to exclude the impact of incurred one-time costs related with the acquisition of Hertz Brazil and the integration of 20 franchised branches in 2017.
- **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. In the Fleet Rental is the actual number of cars rented.
- **CAGR:** Compounded annual growth rate.
- **CAPEX:** Capital expenditure.
- **Carrying Cost of Cash:** Consists of the cost to maintain minimum cash position. This is the difference between the average rate of fundraising and the average rate of investment.
- **Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of the selling expenses. 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 rental net revenues.
- **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.
- **Net debt:** Short and long term debts +/- the results from the swap operations, net of the cash, cash equivalents and short term financial investments. 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 Brazil's operations and the integration of 20 franchised branches.
- **ROIC:** Return on invested capital.
- **Swap:** Financial transactions carried out to hedge exchange rate and interest rate risks.
- **Utilization Rate:** It is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.

## Notes to the Interim Financial Information

(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, 2018

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

### 1. OPERATIONAL CONTEXT

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, its subsidiary Localiza Fleet S.A. ("Localiza Fleet") and its indirect subsidiary Localiza Car Rental Systems S.A. ("Car Rental Systems" or "Hertz Brasil") sell their decommissioned cars, thereby generating cash to pay carmakers for new cars.

As of September 30, 2018, the Localiza Platform (including its franchisees in Brazil and abroad) was comprised of 583 car rental locations (not reviewed by the auditors), of which: (i) 522 locations in 360 cities in Brazil, 395 of which were operated by Localiza and 127 by franchisees; and (ii) 61 locations in 35 cities in 5 South American countries, all operated by franchisees.

On that same date, Localiza's Platform fleet was composed of 222,177 cars (not reviewed by the auditors), of which: (i) 207,672 belonged to the Company, including 156,436 of the Car Rental Division and 51,236 of the Fleet Rental Division; (ii) 8,014 belonged to its franchisees in Brazil; and (iii) 6,491 belonged to its franchisees abroad. Decommissioned cars are substantially sold to final consumers through 101 points of sale owned by the Company, located in 67 cities throughout Brazil, reducing intermediation and depreciation costs and maximizing cash flow generation for fleet renewal.

### 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 technical pronouncement CPC 21 (R1) – Interim Statements, issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and in accordance with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") 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 IFRS.

Except for the changes arising from the application of IFRS 9 (as mentioned in note 3.1), the other information on the basis of preparation, presentation of the interim financial information and summary of significant accounting policies has not significantly changed compared with that disclosed in note 2 and other notes to the annual financial statements for the year ended December 31, 2017 (hereinafter referred to as "financial statements for the year ended December 31, 2017"), published on March 7, 2018 through the websites [www.cvm.gov.br](http://www.cvm.gov.br), [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br) and [www.localiza.com/ri](http://www.localiza.com/ri) and disclosed on March 15, 2018 in the "Diário do Comércio de Minas Gerais" and "Diário Oficial de Minas Gerais" (Minas Gerais State Register) newspapers.

## Notes to the Interim Financial Information

### 3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

#### 3.1. Recently issued accounting pronouncements and interpretations adopted by the Company

- **IFRS 9 – Financial Instruments**

In July 2014, IASB issued the IFRS 9 pronouncement, which addresses the recognition and measurement of financial assets and liabilities, as well as contracts for purchase and sale of non-financial items. This standard replaces IAS 39 - Financial Instruments: Recognition and Measurement. In December 2016, CVM issued its Decision 763/16 and approved CPC 48, which is the equivalent to this IFRS. The Company and its subsidiaries adopted the new standard on January 1, 2018, the effective date of first-time adoption.

**Classification and measurement:** The Company does not expect a significant impact on its balance sheet or shareholders' equity when applying the classification and measurement requirements of IFRS 9. Financial investments and trade accounts receivable are held to capture contractual cash flows and should generate cash flows representing only principal and interest payments. Localiza and its subsidiaries analyzed the contractual cash flow characteristics of these instruments and concluded that they meet the amortized cost measurement criteria in accordance with IFRS 9, except for financial assets, as well as trade account receivables, are maintained to capture contractual cash flows and should generate cash flows representing only payments of principal and interest. Financial assets maintained in fixed-income investment funds units are measured at fair value through profit or loss pursuant to the Company's business model.

**Impairment:** IFRS 9 requires the Company to record the expected credit losses on all of its financial assets, whether on a 12-month basis or for life. As of January 1, 2018, Localiza and its subsidiaries started to record provision for losses expected during the entire life under trade accounts receivable. Due to the unsecured nature of its receivables, the impact of first-time adoption on the financial statements for the fiscal year ended December 31, 2017 was as follows:

	Individual			Consolidated		
	As reported	Adjustment adoption of IFRS 9	Adjusted opening balance	As reported	Adjustment adoption of IFRS 9	Adjusted opening balance
<b>ASSETS</b>						
Cash, cash equivalents and financial assets	1,988,604	-	1,988,604	2,613,894	-	2,613,894
Trade receivables	479,508	(12,617)	466,891	640,418	(12,768)	627,650
(-) Allowance for doubtful accounts and expected losses	(38,144)	(10,410)	(48,554)	(55,294)	(11,208)	(66,502)
Other current assets	167,724	-	167,724	231,970	-	231,970
<b>Total current assets</b>	<b>2,597,692</b>	<b>(23,027)</b>	<b>2,574,665</b>	<b>3,430,988</b>	<b>(23,976)</b>	<b>3,407,012</b>
Long-term assets	51,799	-	51,799	187,837	-	187,837
Investments in subsidiaries	949,169	(713)	948,456	-	-	-
Fixed and intangible assets	5,403,114	-	5,403,114	7,567,409	-	7,567,409
<b>Total non-current assets</b>	<b>6,404,082</b>	<b>(713)</b>	<b>6,403,369</b>	<b>7,755,246</b>	<b>-</b>	<b>7,755,246</b>
<b>Total assets</b>	<b>9,001,774</b>	<b>(23,740)</b>	<b>8,978,034</b>	<b>11,186,234</b>	<b>(23,976)</b>	<b>11,162,258</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Trade accounts payable	1,157,954	-	1,157,954	1,331,680	-	1,331,680
Loans, financing and debt	237,790	-	237,790	537,216	-	537,216
Other current liabilities	301,721	-	301,721	365,202	-	365,202
<b>Total current liabilities</b>	<b>1,697,465</b>	<b>-</b>	<b>1,697,465</b>	<b>2,234,098</b>	<b>-</b>	<b>2,234,098</b>
Loans, financing and debt	4,527,539	-	4,527,539	5,940,463	-	5,940,463
Deferred income tax and social contribution	79,941	(7,829)	72,112	219,706	(8,065)	211,641
Other current liabilities	96,104	-	96,104	191,242	-	191,242
<b>Total non-current liabilities</b>	<b>4,703,584</b>	<b>(7,829)</b>	<b>4,695,755</b>	<b>6,351,411</b>	<b>(8,065)</b>	<b>6,343,346</b>
Capital	1,500,000	-	1,500,000	1,500,000	-	1,500,000
Capital reserves	148,635	-	148,635	148,635	-	148,635
Treasury shares	(53,696)	-	(53,696)	(53,696)	-	(53,696)
Earnings reserves	768,893	(15,911)	752,982	768,893	(15,911)	752,982
Retained earnings	236,893	-	236,893	236,893	-	236,893
<b>Total Shareholders' Equity</b>	<b>2,600,725</b>	<b>(15,911)</b>	<b>2,584,814</b>	<b>2,600,725</b>	<b>(15,911)</b>	<b>2,584,814</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,001,774</b>	<b>(23,740)</b>	<b>8,978,034</b>	<b>11,186,234</b>	<b>(23,976)</b>	<b>11,162,258</b>

## Notes to the Interim Financial Information

The estimated losses were calculated based on the actual experience of loan loss last year. The Company calculated loss rates separately for each segment using the percentage of delinquency observed in the period between 90 and 120 days after the due date, since, after this period, the effectiveness of collection efforts is no longer significant. The positions within each segment were segregated based on common credit risk characteristics, such as risk rating, type of product purchased, form of payment and level of delinquency.

Considering the cost-benefit tradeoff and the respective impact on the interim financial statements, the Company did not restate comparison information from previous years due to the changes in classification and measurement of financial instruments (including expected loan losses). As shown previously, differences in the book balances of financial assets and liabilities resulting from the adoption of IFRS 9 were recognized as retained earnings on January 1, 2018.

- **IFRS 15 - Revenue from Contracts with Customers**

In May 2014, IASB issued IFRS 15, which addresses the recognition of customer contract revenues in accordance with the transfer of the goods and services involved to the customer, at values that reflect the payment to which the entity expects to be entitled upon the transfer of goods and services, and it replaces IAS 18 - Revenue, IAS 11 - Construction Contracts and related interpretations. In December 2016, CVM issued its Decision 762/16 and approved CPC 47, which is the equivalent to this IFRS. The Company and its subsidiaries adopted the new standard as of January 1, 2018, effective date of first-time adoption.

The Company conducted a detailed analysis of IFRS 15 and did not identify significant impacts with regard to the accounting practices currently adopted.

- **Review of IFRS 2 – Share-based payments**

IASB amended IFRS 2 in order to clarify the accounting of certain share-based payments in the following areas: (i) measurement of share-based payments settled in cash; (ii) classification of share-based payments net of taxes; and (iii) accounting of a change in share-based payments from "settled in cash" to "settled in shareholders' equity instruments". The amendments are effective for annual periods beginning January 1, 2018.

The Company conducted a detailed analysis of IFRS 2 and did not identify significant impacts in relation to the accounting practices currently adopted.

### 3.2. Recently issued accounting pronouncements and interpretations and not yet adopted by the Company

The following IFRS were issued by IASB but did not come into force in 2018. The early adoption of standards, even though encouraged by IASB, is not permitted in Brazil by the CPC.

- **IFRS 16 – Leases**

The new standard requires lessees to recognize the liability of the future payments and the right of use of the leased asset for virtually all lease contracts, including operating leases. Certain short-term and low-value contracts can be out of the scope of this new standard. The criteria for recognition and measurement of leases in the financial statements of the lessors will be substantially maintained. On December 21, 2017, CVM, through Resolution 787/17, approved CPC 06 (R2), which is equivalent to said IFRS. IFRS 16 is effective for years beginning as from January 1, 2019 and replaces IAS 17 - Leases and corresponding interpretations. The Management is evaluating the total impact of this pronouncement.

## Notes to the Interim Financial Information

### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Cash and banks	6,038	10,593	9,681	18,370
Bank Certificates of Deposit ("CDB") and others	952,726	-	1,054,663	14,919
Non-exclusive, fixed-income investment fund units	859,182	819,144	921,918	1,304,906
<b>Total</b>	<b>1,817,946</b>	<b>829,737</b>	<b>1,986,262</b>	<b>1,338,195</b>

As of September 30, 2018, investments in CDB and other fixed-income investment fund units had an weighted average yield of 99.5% of the Interbank Deposit Certificates ("CDI") rate variation (103.4% on December 31, 2017), have immediate liquidity and have the purpose of meeting the Company's short-term commitments.

### 5. FINANCIAL ASSETS

Financial assets are broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Bank Certificates of Deposit ("CDB")	-	222,128	218,659	253,614
Repurchase operations	-	404,332	64	406,951
Non-exclusive, fixed-income investment fund units	-	532,407	461,267	615,134
<b>Total</b>	<b>-</b>	<b>1,158,867</b>	<b>679,990</b>	<b>1,275,699</b>

As of September 30, 2018, investments in CDB, repurchase operations and non-exclusive, fixed-income investment funds recorded weighted annual average yield of 98.8% of the CDI rate variation (103.4% as of December 31, 2017), are highly liquid and may be used within 91 to 365 days.

### 6. TRADE RECEIVABLES

Trade receivables are broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Car rental	429,568	359,346	429,568	361,077
Fleet rental	-	-	116,696	111,276
Sale of decommissioned cars	234,488	118,975	279,008	160,936
Franchising	803	1,187	9,712	11,827
	<b>664,859</b>	<b>479,508</b>	<b>834,984</b>	<b>645,116</b>
Allowance for doubtful debts/expected losses (*)	(73,460)	(38,144)	(90,748)	(55,294)
<b>Total</b>	<b>591,399</b>	<b>441,364</b>	<b>744,236</b>	<b>589,822</b>
<b>Current</b>	<b>591,399</b>	<b>441,364</b>	<b>739,736</b>	<b>585,124</b>
<b>Non-current (**)</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>4,698</b>

(\*) The increase in provision on September 30, 2018 compared to December 31, 2017 is mainly due to the first-time adoption of IFRS 9, which included the allowance for expected losses on receivables (note 3.1).

(\*\*) Refers to the franchising integration fee.

## Notes to the Interim Financial Information

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Current	523,348	314,293	623,069	410,332
Up to 30 days overdue	74,938	92,320	125,161	132,691
31 to 60 days overdue	7,447	21,116	10,479	28,786
61 to 90 days overdue	14,494	15,915	16,886	20,548
91 to 180 days overdue	24,727	15,091	26,880	19,650
Over 181 days overdue	19,905	20,773	32,509	33,109
<b>Total</b>	<b>664,859</b>	<b>479,508</b>	<b>834,984</b>	<b>645,116</b>

The balance of trade receivables includes overdue amounts at the end of the period/year, for which the allowance for doubtful debts/expected losses was not recognized as these amounts are still considered recoverable. The aging list of these overdue amounts is as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Up to 30 days overdue	68,277	91,050	117,336	131,001
31 to 60 days overdue	1,659	20,108	4,276	27,578
Over 61 days overdue	7,382	17,723	9,420	23,367
<b>Total</b>	<b>77,318</b>	<b>128,881</b>	<b>131,032</b>	<b>181,946</b>

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

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Current	(9,267)	(1,810)	(9,865)	(2,456)
Up to 30 days overdue	(6,661)	(1,270)	(7,825)	(1,690)
31 to 60 days overdue	(5,788)	(1,008)	(6,203)	(1,208)
Over 61 days overdue	(51,744)	(34,056)	(66,855)	(49,940)
<b>Total</b>	<b>(73,460)</b>	<b>(38,144)</b>	<b>(90,748)</b>	<b>(55,294)</b>

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

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
<b>Balance at the beginning of the period</b>	<b>(38,144)</b>	<b>(25,958)</b>	<b>(55,294)</b>	<b>(37,094)</b>
Balance from first-time adoption of IFRS9	(10,410)	-	(11,208)	-
Opening balance - Car Rental Systems (*)	-	-	-	(4,916)
Recognition	(56,956)	(6,773)	(64,966)	(9,038)
Reversal	32,050	805	40,720	1,662
<b>Balance at the end of the period</b>	<b>(73,460)</b>	<b>(31,926)</b>	<b>(90,748)</b>	<b>(49,386)</b>

	Individual		Consolidated	
	3Q18	3Q17	3Q18	3Q17
<b>Balance at the beginning of the period</b>	<b>(67,852)</b>	<b>(27,836)</b>	<b>(84,070)</b>	<b>(40,085)</b>
Opening balance - Car Rental Systems (*)	-	-	-	(4,916)
Recognition	(6,761)	(4,252)	(7,947)	(5,203)
Reversal	1,153	162	1,269	818
<b>Balance at the end of the period</b>	<b>(73,460)</b>	<b>(31,926)</b>	<b>(90,748)</b>	<b>(49,386)</b>

(\*) 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.

Other information related to accounts receivable (Individual and Consolidated) did not undergo significant changes compared to the information disclosed in note 6 to the financial statements as of December 31, 2017.

## Notes to the Interim Financial Information

### 7. OTHER CURRENT AND NON-CURRENT ASSETS

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

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Balances stated separately in current assets:				
Prepaid expenses (*)	29,545	7,051	36,791	8,178
Recoverable taxes	19,429	14,820	32,548	28,036
	48,974	21,871	69,339	36,214
Other current assets:				
Receivables from insurance company (**)	87,266	65,416	87,748	66,234
Other receivables – subsidiaries (note 8(b) (i))	210	634	-	-
Receivables from Hertz Corp.	-	-	-	4,496
Other current assets	14,004	12,958	24,820	21,676
	101,480	79,008	112,568	92,406
<b>Total other current assets</b>	<b>150,454</b>	<b>100,879</b>	<b>181,907</b>	<b>128,620</b>
Balances stated separately in non-current assets:				
Recoverable taxes	-	-	-	692
Investments in restricted accounts (note 14)	-	-	42,461	40,584
Derivative instruments – swap (note 13(b))	20,712	-	20,712	16,703
Other non-current assets	83	83	83	83
<b>Total other non-current assets</b>	<b>20,795</b>	<b>83</b>	<b>63,256</b>	<b>58,062</b>
<b>Total other current and non-current assets</b>	<b>171,249</b>	<b>100,962</b>	<b>245,163</b>	<b>186,682</b>

(\*) Basically refers to prepaid expenses on Vehicle Tax ("IPVA"), in the consolidated amount of R\$27,687, 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 within the year between the months of payment and December, 2018, or based on the estimated useful life of each car when the sale is expected to be made before December, 2018.

(\*\*) Expenses incurred on claims, cost of stolen cars and receivables from the insurance company for insurance coverage contracted by customers when renting cars from the Company (note 2.7.7 to the financial statements for the year ended December 31, 2017).

### 8. 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, whose main operations 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 primarily in acquiring, selling and renting own properties to Localiza and its subsidiaries.
- **Localiza Serviços Prime S.A. ("Localiza Prime"):** Privately-held company mainly engaged in the intermediation of sales of decommissioned cars previously used by Localiza, Localiza Fleet and Car Rental Systems.
- **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.

## Notes to the Interim Financial Information

- **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, that manages car-related claims for insurance companies, accredits and negotiates with garages and other suppliers, regulates claims, approves budgets and services performed, manages information and supporting documentation on claims and manages indemnities.
- **Localiza Car Rental Systems S.A., (“Car Rental Systems” or “Hertz Brasil”)**: Subsidiary of Localiza Fleet, mainly engaged in car rental and fleet rental.

## Notes to the Interim Financial Information

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

	Number of shares		In capital (%)		Interest					
					In equity		In net income / (loss)			
	09/30/18	12/31/17	09/30/18	12/31/17	09/30/18	12/31/17	9M18	9M17	3Q18	3Q17
<b>Localiza subsidiaries:</b>										
Localiza Fleet	103,280,354	103,280,354	100.0	100.0	647,254	553,770	171,020	152,786	59,844	50,433
Rental Brasil	15,000,000	15,000,000	100.0	100.0	254,995	257,178	4,252	6,230	(1,288)	6,230
Localiza Prime	15,000	15,000	100.0	100.0	89,271	91,585	(2,313)	(15,311)	801	(1,222)
Car Assistance	200,000	200,000	100.0	100.0	15,740	16,662	15,500	16,314	5,038	5,278
Franchising Brasil	399,069	399,069	100.0	100.0	7,006	7,183	6,657	6,175	1,823	1,833
LFI S.R.L.	131,078	131,078	98.0	98.0	740	696	45	378	(161)	137
Rental International	1,000	1,000	100.0	100.0	18	18	-	(63)	-	(20)
					<b>1,015,024</b>	<b>927,092</b>	<b>195,161</b>	<b>166,509</b>	<b>66,057</b>	<b>62,669</b>
<b>Goodwill in the acquisition of investments:</b>										
Goodwill					22,077	22,077	-	-	-	-
<b>Total</b>					<b>1,037,101</b>	<b>949,169</b>	<b>195,161</b>	<b>166,509</b>	<b>66,057</b>	<b>62,669</b>
<b>Indirect subsidiary:</b>										
LFI S.R.L.	2,160	2,160	2.0	2.0	17	14	3	7	(1)	-
<b>Franchising Brasil's subsidiary:</b>										
FR Assistance	150,000	150,000	100.0	100.0	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Localiza Fleet's subsidiary:</b>										
Car Rental Systems	603,876,785	603,876,785	100.0	100.0	468,001	451,095	17,055	431	5,818	431
<b>Goodwill, surplus value and loss in acquisition of investments by Localiza Fleet:</b>										
Goodwill on acquisition of Car Rental Systems					8,642	8,642	-	-	-	-
Surplus value from fixed assets, net of realizations					2,192	7,017	-	-	-	-
Loss from fixed assets, net of realizations					(3,418)	(7,571)	-	-	-	-
<b>Total</b>					<b>475,417</b>	<b>459,183</b>	<b>17,055</b>	<b>431</b>	<b>5,818</b>	<b>431</b>

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

	9M18	9M17	3Q18	3Q17
<b>Balance at the beginning of the period</b>	<b>927,092</b>	<b>829,032</b>	<b>948,967</b>	<b>797,651</b>
Capital increase in subsidiary	-	100,000	-	100,000
Equity in the earnings of subsidiaries	195,161	166,509	66,057	62,669
Dividends from subsidiaries (item (iii) below)	(106,516)	(189,264)	-	(54,000)
Provision for equity deficiency and effect from exchange variation of subsidiary Rental International	-	63	-	20
Effect, in equity accounting, from the first-time adoption of IFRS 9 in subsidiaries	(713)	-	-	-
<b>Balance at the end of the period</b>	<b>1,015,024</b>	<b>906,340</b>	<b>1,015,024</b>	<b>906,340</b>

## Notes to the Interim Financial Information

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

### (i) Balance sheets

09/30/18	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
<b>Assets</b>							
Current	746,754	235,182	92,563	18,217	16,003	810	18
Non-current							
Long-term assets	92,209	-	18,990	-	8,897	-	-
Investment	17	-	-	-	-	-	-
Property and equipment	2,026,448	398,358	313	-	-	-	-
Intangible assets	13,993	-	-	-	303	-	-
<b>Total</b>	<b>2,879,421</b>	<b>633,540</b>	<b>111,866</b>	<b>18,217</b>	<b>25,203</b>	<b>810</b>	<b>18</b>
<b>Liabilities</b>							
Current	581,620	27,445	14,559	2,473	7,847	40	-
Non-current	1,650,547	351,100	8,036	4	10,350	13	-
Equity	647,254	254,995	89,271	15,740	7,006	757	18
<b>Total</b>	<b>2,879,421</b>	<b>633,540</b>	<b>111,866</b>	<b>18,217</b>	<b>25,203</b>	<b>810</b>	<b>18</b>

12/31/17	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
<b>Assets</b>							
Current	699,136	53,567	94,369	23,262	16,962	1,285	18
Non-current							
Long-term assets	91,903	17,395	17,987	-	8,753	-	-
Investment	14	-	-	-	-	-	-
Property and equipment	1,730,918	395,977	345	-	-	-	-
Intangible assets	14,443	-	-	-	535	-	-
<b>Total</b>	<b>2,536,414</b>	<b>466,939</b>	<b>112,701</b>	<b>23,262</b>	<b>26,250</b>	<b>1,285</b>	<b>18</b>
<b>Liabilities</b>							
Current	554,108	9,251	12,795	6,600	8,632	550	-
Non-current	1,428,536	200,510	8,321	-	10,435	25	-
Equity	553,770	257,178	91,585	16,662	7,183	710	18
<b>Total</b>	<b>2,536,414</b>	<b>466,939</b>	<b>112,701</b>	<b>23,262</b>	<b>26,250</b>	<b>1,285</b>	<b>18</b>

### (ii) Income statements

9M18	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	1,189,890	26,848	29,053	17,667	10,551	424	-
Gross profit	370,125	26,107	29,053	17,309	7,393	447	-
Net income / (loss) before income tax and social contribution	258,476	6,424	(3,014)	17,946	8,247	48	-
<b>Net income / (loss)</b>	<b>171,020</b>	<b>4,252</b>	<b>(2,313)</b>	<b>15,500</b>	<b>6,657</b>	<b>48</b>	<b>-</b>

## Notes to the Interim Financial Information

9M17	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
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)
<b>Net income / (loss)</b>	<b>152,786</b>	<b>6,230</b>	<b>(15,311)</b>	<b>16,314</b>	<b>6,175</b>	<b>378</b>	<b>(63)</b>

3Q18	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
Net revenue	366,824	8,975	12,259	5,780	3,435	76	-
Gross profit	129,010	8,724	12,259	5,625	2,120	86	-
Net income / (loss) before income tax and social contribution	89,927	(1,951)	1,170	5,731	2,333	(162)	-
<b>Net income / (loss)</b>	<b>59,844</b>	<b>(1,288)</b>	<b>801</b>	<b>5,038</b>	<b>1,823</b>	<b>(162)</b>	<b>-</b>

3Q17	Localiza Fleet Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil Consolidated	LFI S.R.L.	Rental International
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)
<b>Net income / (loss)</b>	<b>50,433</b>	<b>6,230</b>	<b>(1,222)</b>	<b>5,278</b>	<b>1,833</b>	<b>137</b>	<b>(20)</b>

### (iii) Dividends from subsidiaries

9M18	Localiza Fleet	Rental Brasil	Car Assistance	Franchising Brasil	Total
Dividends for 2017 (mandatory minimum)	30,000	2,145	5,474	2,193	39,812
Dividends in addition to the mandatory minimum for 2017	32,079	6,435	16,422	6,580	61,516
Prepaid dividends for 2018	45,000	-	-	-	45,000
<b>Total approved dividends</b>	<b>107,079</b>	<b>8,580</b>	<b>21,896</b>	<b>8,773</b>	<b>146,328</b>

9M17	Localiza Fleet	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
<b>Total approved dividends</b>	<b>166,849</b>	<b>20,199</b>	<b>9,688</b>	<b>196,736</b>

### (b) Balances and transactions with related parties

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

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	09/30/18	12/31/17	09/30/18	12/31/17	09/30/18	12/31/17
<b>Balances:</b>						
Trade receivables	5,271	2,556	-	2	5,271	2,558
Dividends receivable	-	30,000	-	9,812	-	39,812
Other receivables (note 7)	-	-	210	634	210	634
Trade payables	(3,419)	(1,416)	(23,188)	(4,256)	(26,607)	(5,672)
Other payables (note 14)	(2,362)	(1,780)	(2,073)	(2,754)	(4,435)	(4,534)

## Notes to the Interim Financial Information

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	9M18	9M17	9M18	9M17	9M18	9M17
<b>Transactions:</b>						
Costs and expenses	(11,429)	24	(28,392)	12,103	(39,821)	12,127
Recoverable costs and expenses	28,237	24,561	2,959	3,912	31,196	28,473
Revenues	15,298	14,342	10	39	15,308	14,381

	Individual					
	Localiza Fleet		Other subsidiaries		Total	
	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17
<b>Transactions:</b>						
Costs and expenses	(2,627)	24	(6,444)	12,103	(9,071)	12,127
Recoverable costs and expenses	10,020	10,060	1,005	1,232	11,025	11,292
Revenues	5,341	4,691	3	-	5,344	4,691

As of September 30, 2018, there were collateral signatures related to guarantees for loans, financing and debt securities amounting to: (i) R\$4,560,143 issued by Localiza Fleet to Localiza; (ii) R\$1,686,524 issued by Localiza to Localiza Fleet; and (iii) R\$383,826 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\$41,406.

Additionally, the Company has guarantees insurances with J Malucelli Seguradora, Austral Seguradora, Chubb Seguros 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, 2018 was R\$1,363 related to guarantees insurances in the current insured amount of R\$87,390.

Related parties transactions are conducted based on conditions agreed upon between the parent company and its wholly-owned subsidiaries.

### (ii) Key management compensation

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
Compensation of the Board of Directors and Fiscal Council Management and Executive Board	11,774	10,293	11,774	10,293
Fees and compensation	15,230	13,838	21,705	20,969
Payroll taxes	3,983	3,440	5,590	5,029
Options granted recognized	5,854	6,391	5,854	6,391
Supplementary pension plan	2,607	2,416	3,426	3,127
<b>Total</b>	<b>39,448</b>	<b>36,378</b>	<b>48,349</b>	<b>45,809</b>

	Individual		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Compensation of the Board of Directors and Fiscal Council Management and Executive Board	4,218	3,428	4,218	3,428
Fees and compensation	4,444	5,435	6,227	7,811
Payroll taxes	1,108	1,321	1,548	1,903
Options granted recognized	2,152	4,086	2,152	4,086
Supplementary pension plan	127	1,365	187	1,746
<b>Total</b>	<b>12,049</b>	<b>15,635</b>	<b>14,332</b>	<b>18,974</b>

## Notes to the Interim Financial Information

### 9. 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
<b>Cost:</b>									
As of December 31, 2017	5,295,132	108,347	82,034	38,807	4,802	681	1,913	23,520	5,555,236
Additions	3,657,627	-	3,708	5,919	8,873	-	-	1,910	3,678,037
Write-offs/transfers (*)	(2,537,645)	6,188	-	(191)	(6,187)	-	-	-	(2,537,835)
As of September 30, 2018	6,415,114	114,535	85,742	44,535	7,488	681	1,913	25,430	6,695,438
<b>Accumulated depreciation:</b>									
As of December 31, 2017	(87,898)	(52,675)	(23,699)	(21,211)	-	-	(1,041)	(11,978)	(198,502)
Additions	(86,645)	(9,120)	(5,619)	(4,163)	-	-	(66)	(1,584)	(107,197)
Write-offs/transfers (*)	76,740	-	-	191	-	-	-	-	76,931
As of September 30, 2018	(97,803)	(61,795)	(29,318)	(25,183)	-	-	(1,107)	(13,562)	(228,768)
<b>Net carrying amount:</b>									
As of December 31, 2017	5,207,234	55,672	58,335	17,596	4,802	681	872	11,542	5,356,734
As of September 30, 2018	6,317,311	52,740	56,424	19,352	7,488	681	806	11,868	6,466,670

	Individual								
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>									
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
<b>Accumulated depreciation:</b>									
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)
<b>Net carrying amount:</b>									
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

## Notes to the Interim Financial Information

	Consolidated								
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>									
As of December 31, 2017	7,328,454	110,305	82,237	40,525	4,802	29,342	369,935	24,699	7,990,299
Additions	4,536,922	-	3,708	5,919	12,351	-	-	1,910	4,560,810
Write-offs/transfers (*)	(3,127,724)	6,177	-	(191)	(6,187)	-	-	-	(3,127,925)
As of September 30, 2018	8,737,652	116,482	85,945	46,253	10,966	29,342	369,935	26,609	9,423,184
<b>Accumulated depreciation:</b>									
As of December 31, 2017	(393,683)	(53,169)	(23,725)	(21,861)	-	-	(1,747)	(12,140)	(506,325)
Additions	(201,304)	(9,413)	(5,634)	(4,378)	-	-	(1,163)	(1,660)	(223,552)
Write-offs/transfers (*)	198,291	-	-	191	-	-	-	-	198,482
As of September 30, 2018	(396,696)	(62,582)	(29,359)	(26,048)	-	-	(2,910)	(13,800)	(531,395)
<b>Net carrying amount:</b>									
As of December 31, 2017	6,934,771	57,136	58,512	18,664	4,802	29,342	368,188	12,559	7,483,974
As of September 30, 2018	8,340,956	53,900	56,586	20,205	10,966	29,342	367,025	12,809	8,891,789

	Consolidated									
	Cars	Leasehold improve- ments	Furniture and fixtures	IT equipment	Construction of the new headquarters	Constructions in progress	Land	Property	Other	Total
<b>Cost:</b>										
<b>As of December 31, 2016</b>	<b>4,991,127</b>	<b>153,455</b>	<b>46,708</b>	<b>28,981</b>	<b>276,163</b>	<b>6,200</b>	<b>29,279</b>	<b>3,046</b>	<b>25,738</b>	<b>5,560,697</b>
Opening balance - Car Rental Systems (**)	327,186	3,871	748	685	-	-	-	-	859	333,349
Additions	4,030,069	-	38,468	9,918	73,650	15,170	-	10,572	2,138	4,179,985
Write-offs/transfers (*)	(2,437,584)	(45,316)	(13,294)	(2,349)	(349,813)	(14,508)	63	349,813	(4,741)	(2,517,729)
<b>As of September 30, 2017</b>	<b>6,910,798</b>	<b>112,010</b>	<b>72,630</b>	<b>37,235</b>	<b>-</b>	<b>6,862</b>	<b>29,342</b>	<b>363,431</b>	<b>23,994</b>	<b>7,556,302</b>
<b>Accumulated depreciation:</b>										
<b>As of December 31, 2016</b>	<b>(376,334)</b>	<b>(100,107)</b>	<b>(28,992)</b>	<b>(19,457)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(953)</b>	<b>(14,258)</b>	<b>(540,101)</b>
Opening balance - Car Rental Systems (**)	(41,818)	(2,276)	(536)	(317)	-	-	-	-	(161)	(45,108)
Additions	(170,202)	(9,273)	(2,926)	(3,037)	-	-	-	(412)	(1,465)	(187,315)
Write-offs/transfers (*)	177,891	59,707	9,972	2,349	-	-	-	-	4,325	254,244
<b>As of September 30, 2017</b>	<b>(410,463)</b>	<b>(51,949)</b>	<b>(22,482)</b>	<b>(20,462)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,365)</b>	<b>(11,559)</b>	<b>(518,280)</b>
<b>Net carrying amount:</b>										
<b>As of December 31, 2016</b>	<b>4,614,793</b>	<b>53,348</b>	<b>17,716</b>	<b>9,524</b>	<b>276,163</b>	<b>6,200</b>	<b>29,279</b>	<b>2,093</b>	<b>11,480</b>	<b>5,020,596</b>
<b>As of September 30, 2017</b>	<b>6,500,335</b>	<b>60,061</b>	<b>50,148</b>	<b>16,773</b>	<b>-</b>	<b>6,862</b>	<b>29,342</b>	<b>362,066</b>	<b>12,435</b>	<b>7,038,022</b>

## Notes to the Interim Financial Information

(\*) Include write-offs due to sale, robbery, damage and transfer of decommissioned cars for fleet renewal to assets for sale.

(\*\*) 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, 2018, the consolidated balances include the net carrying amounts of property and equipment items acquired as finance leases in the amount of R\$438,966 (R\$597,373 as of December 31, 2017). For further information on finance leases, see note 13(a).

The other information on property and equipment (Individual and Consolidated) has not significantly changed when compared with that disclosed in note 9 to the financial statements for the year ended December 31, 2017.

### (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	
	09/30/18	12/31/17	09/30/18	12/31/17
Cost	42,459	28,590	87,597	123,909
Accumulated depreciation	(1,377)	(1,557)	(12,534)	(20,559)
<b>Net carrying amount</b>	<b>41,082</b>	<b>27,033</b>	<b>75,063</b>	<b>103,350</b>

## 10. INTANGIBLE ASSETS

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

	Individual		Consolidated			
	Software		Software		Acquisition of franchises and other	Total
	9M18	9M17	9M18	9M17	9M17	9M17
<b>Cost:</b>						
<b>At the beginning of the period</b>	<b>96,961</b>	<b>93,065</b>	<b>109,146</b>	<b>102,652</b>	-	<b>102,652</b>
Opening balance - Car Rental Systems (*)	-	-	-	1,992	1,082	3,074
Additions	4,661	3,436	5,493	4,370	460	4,830
<b>At the end of the period</b>	<b>101,622</b>	<b>96,501</b>	<b>114,639</b>	<b>109,014</b>	<b>1,542</b>	<b>110,556</b>
<b>Accumulated amortization:</b>						
<b>At the beginning of the period</b>	<b>(50,581)</b>	<b>(37,453)</b>	<b>(56,430)</b>	<b>(41,596)</b>	-	<b>(41,596)</b>
Opening balance - Car Rental Systems (*)	-	-	-	(1,200)	(240)	(1,440)
Additions	(8,842)	(9,875)	(10,357)	(11,168)	(15)	(11,183)
<b>At the end of the period</b>	<b>(59,423)</b>	<b>(47,328)</b>	<b>(66,787)</b>	<b>(53,964)</b>	<b>(255)</b>	<b>(54,219)</b>
<b>Net carrying amount:</b>						
<b>At the beginning of the period</b>	<b>46,380</b>	<b>55,612</b>	<b>52,716</b>	<b>61,056</b>	-	<b>61,056</b>
<b>At the end of the period</b>	<b>42,199</b>	<b>49,173</b>	<b>47,852</b>	<b>55,050</b>	<b>1,287</b>	<b>56,337</b>

On September 30, 2018, the consolidated balances include net carrying amounts of intangible assets acquired as finance lease in the amount of R\$44 (R\$72 on December 31, 2017). For more information on finance lease, see note 13(a).

The other information on intangible assets (Individual and Consolidated) has not significantly changed in relation to that disclosed in note 10 to the financial statements for the year ended December 31, 2017.

## Notes to the Interim Financial Information

### 11. TRADE PAYABLES

Trade payables are broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Car manufacturers (*)	1,181,646	1,047,666	1,420,374	1,197,455
Insurance premiums	35,151	28,110	35,167	28,730
Maintenance services and parts	22,488	27,658	39,343	40,148
Rentals	37,668	17,546	14,883	13,301
IT services and other	44,859	36,974	51,236	52,046
<b>Total</b>	<b>1,321,812</b>	<b>1,157,954</b>	<b>1,561,003</b>	<b>1,331,680</b>

(\*) The balance payable to car manufacturers refers to cars acquired at the end of each period and with average payment term of approximately 108 days.

### 12. PAYROLL AND RELATED TAXES

Payroll and related taxes are broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Accrued vacation pay	42,589	35,841	49,804	41,880
Accrued profit sharing (*)	33,290	38,292	41,273	46,736
Accrued 13 <sup>th</sup> salary (**)	20,237	-	24,141	-
Social security contribution ("INSS")	6,659	12,358	7,886	14,595
Government Severance Indemnity Fund for Employees ("FGTS")	2,380	1,991	2,900	2,395
Other	1,553	2,841	2,213	3,570
<b>Total</b>	<b>106,708</b>	<b>91,323</b>	<b>128,217</b>	<b>109,176</b>

(\*) The Company has a profit sharing program for employees as prescribed in Law 10,101/00 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. The accrued profit sharing 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 13<sup>th</sup> salary accumulated during the year, which is usually paid by the Company in every November.

### 13. LOANS, FINANCING, DEBT AND SWAP

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

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
<b>In local currency</b>				
Debentures - 6 <sup>th</sup> issuance	-	243,638	-	243,638
Debentures - 7 <sup>th</sup> issuance	322,726	355,570	322,726	355,570
Debentures - 8 <sup>th</sup> issuance	500,951	510,818	500,951	510,818
Debentures - 9 <sup>th</sup> issuance	-	504,148	-	504,148
Debentures - 10 <sup>th</sup> issuance	201,980	207,095	201,980	207,095
Debentures - 11 <sup>th</sup> issuance	507,884	498,366	507,884	498,366
Debentures - 12 <sup>th</sup> issuance	713,981	701,986	713,981	701,986
Debentures - 13 <sup>th</sup> issuance	1,103,749	1,082,734	1,103,749	1,082,734
Debentures - 14 <sup>th</sup> issuance	996,462	-	996,462	-
Debentures of Localiza Fleet - 3 <sup>rd</sup> issuance	-	-	513,347	505,193
Debentures of Localiza Fleet - 4 <sup>th</sup> issuance	-	-	360,839	355,568
Debentures of Localiza Fleet - 5 <sup>th</sup> issuance	-	-	301,878	-
Promissory notes - 6 <sup>th</sup> issuance	694,745	660,785	694,745	660,785
Working capital	-	-	301,260	324,769
Real estate credit note ("CCBI")	-	-	-	197,074

## Notes to the Interim Financial Information

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Finance lease	-	189	201,442	329,935
Real estate Receivables Certificate ("CRI")	-	-	373,273	-
<b>In foreign currency</b>				
Loan in US dollar	321,872	-	321,872	-
	<b>5,364,350</b>	<b>4,765,329</b>	<b>7,416,389</b>	<b>6,477,679</b>
<b>Loans, financing and debt</b>				
Current liabilities	427,617	237,790	708,851	537,216
Non-current liabilities	4,936,733	4,527,539	6,707,538	5,940,463
	<b>5,364,350</b>	<b>4,765,329</b>	<b>7,416,389</b>	<b>6,477,679</b>
<b>Derivatives instruments – swap (b)</b>				
Non-current assets (note 7)	(20,712)	-	(20,712)	(16,703)
Current liabilities (note 14)	942	-	13,280	6,831
Non-current liabilities (note 14)	8,774	-	11,374	10,824
<b>Total loans, financing and debt, net of swap</b>	<b>5,353,354</b>	<b>4,765,329</b>	<b>7,420,331</b>	<b>6,478,631</b>

On December 6, 2017, the Board of Directors approved the signing of all documents related to the issuance of Real State Receivables Certificate (CRI), issued by RB Capital Companhia de Securitização, backed by real estate receivables from lease contracts of property of Localiza's and Localiza Fleet's registered office entered into with Rental Brasil.

On February 26, 2018, the Company concluded the CRI offering in the total amount of R\$370,000, due on November 21, 2032, with redemption option for holders of certificates as of November 21, 2024 and remuneration at 99.0% of CDI.

On the same date, the Company settled in advance the debentures related to the 6<sup>th</sup> issuance in the amount of R\$246,733.

On May 22, 2018, Localiza signed a loan agreement in the amount of US\$80 million, with maturity of principal on May 22, 2022 and May 22, 2023. Simultaneously, a swap transaction (plain vanilla) was contracted in order to mitigate the risk of exposure to foreign currency, by exchanging the exposure from Libor USD plus spread to 108.0% of the CDI interest rate.

On the same date, the Company settled in advance the debentures related to the 9<sup>th</sup> issuance in the amount of R\$504,567.

On July 18, 2018, pursuant to CVM Instruction 476/09, Localiza Fleet concluded the 5<sup>th</sup> issuance of debentures in the amount of R\$300,000 and maturing on July 18, 2025. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$1,661 and are classified in the related loan line item and are recognized in the total debt period.

Pursuant to CVM Instruction 476/09, on September 18, 2018, Localiza concluded the 14<sup>th</sup> issuance of debentures in the amount of R\$1,000,000 segregated into two series, the first in the amount of R\$200,000 maturing on January 18, 2024 and the second in the amount of R\$800,000 maturing on September 18, 2026. Expenses incurred on issuances, including fees, commissions and other costs totaled R\$5,456 and are classified in the related loan line item and are recognized in the total debt period.

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

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
<b>Balance at the beginning of the period</b>	<b>4,765,329</b>	<b>2,685,584</b>	<b>6,478,631</b>	<b>3,776,293</b>
Loans	1,294,569	1,344,677	2,035,732	2,063,136
Interest and finance charges (*)	250,179	246,034	378,990	363,308
Repayment of principal	(777,688)	(257,044)	(1,202,525)	(708,421)
Interest amortization	(179,035)	(221,471)	(270,497)	(316,694)
<b>Balance at the end of the period</b>	<b>5,353,354</b>	<b>3,797,780</b>	<b>7,420,331</b>	<b>5,177,622</b>

(\*) The consolidated balance of 9M17 includes the net debt amount of R\$6,205 related to interest and mark-to-market on loans of Rental

## Notes to the Interim Financial Information

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.

As of September 30, 2018, Localiza had seven issuances of outstanding debentures, not convertible into shares, and one issuance of promissory notes and Localiza Fleet had three issuances of debentures, not convertible into shares. These issuances have early 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 unremedied default within the respective period in individual or aggregate amount equal to or above R\$25,000 (7<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> issuance of debentures from Localiza) or 3% of the consolidated average equity calculated in the past three quarters (11<sup>th</sup> to 14<sup>th</sup> issuance of debentures and 6<sup>th</sup> issuance of promissory notes from Localiza and 3<sup>rd</sup> to 5<sup>th</sup> issuances 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 6,404/76, 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:

Issuance	Downgrading in national scale (*)
Debentures - 7 <sup>th</sup> issuance	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 <sup>th</sup> and 14 <sup>th</sup> issuances	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Standard & Poor's (**).
Debentures - 10 <sup>th</sup> , 11 <sup>th</sup> , 12 <sup>th</sup> and 13 <sup>th</sup> issuances	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch Ratings (**).
Debentures of Localiza Fleet - 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> issuances	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch Ratings (**).
Promissory notes - 6 <sup>th</sup> issuance	Downgraded by two grades or more in relation to the rating AAA (BR, triple A) by Fitch Ratings (**).

(\*) Corporate credit ratings in national scale effective as of September 30, 2018: Standard & Poor's (AAA(bra)/stable), 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 in the 12-month periods ended in September 30, 2018 and December 31, 2017 as shown below:

Ratio	Limits	12-month period ended 09/30/18	12-month period ended 12/31/17
Net debt / Adjusted EBITDA (*)	Below 4.00	3.10	2.92
Net debt deducted from credit card balance (**)/ Adjusted EBITDA	Below 4.00	3.01	2.90
Adjusted EBITDA / Finance costs, net	Above 1.50	4.31	4.20

(\*) EBITDA corresponds to the Issuer's net income or loss, on a consolidated basis, relating to the 12 last months, before: (i) finance income (expenses); (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issuances, EBITDA is also adjusted by the costs on stock options, nonrecurring expenses and impairment. In the 12 months ended September 30, 2018 and December 31, 2017, non-recurring expenses totaled R\$74,068.

(\*\*) The 14<sup>th</sup> issuance of debentures from Localiza and the 5<sup>th</sup> issuance of debentures from Localiza Fleet included in the definition of net debt the deduction of the balance of credit card trade receivables.

Additionally, the Company has loans and financing that also include certain early maturity events under conditions similar to those applicable to debt securities. As of September 30, 2018, restrictive covenants were all complied with.

## Notes to the Interim Financial Information

### (a) Finance lease

The net carrying amounts, by asset category, acquired through finance lease agreements on September 30, 2018 and December 31, 2017 are as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Cars	-	-	438,370	596,169
Hardware	596	1,204	596	1,204
<b>Total property and equipment (note 9)</b>	<b>596</b>	<b>1,204</b>	<b>438,966</b>	<b>597,373</b>
Software	44	72	44	72
<b>Total intangible assets (note 10)</b>	<b>44</b>	<b>72</b>	<b>44</b>	<b>72</b>
<b>Total</b>	<b>640</b>	<b>1,276</b>	<b>439,010</b>	<b>597,445</b>

### (b) Derivative instruments – Swap

The breakdown of swap balance, presented in line items “other non-current assets” (note 7) or “other current and non-current liabilities” (note 14), is as follows:

	Consolidated	
	09/30/18	12/31/17
Swap pre-fixed (i)	(14,938)	(17,655)
Swap TR (ii)	-	16,703
Swap dollar (iii)	10,996	-
<b>Total liabilities, net</b>	<b>(3,942)</b>	<b>(952)</b>

## Notes to the Interim Financial Information

### (i) CDI x Fixed rate

Fleet rental contracts vary from 24 to 36 months and usually 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. The specific characteristics of this swap transaction, as well as its respective notional and carrying amounts, are as follows:

Financial institution	Range of maturity dates	Weighted average rates		Amount of reference Notional	Value of the curve			Market value (carrying amount)			Variation Curve x MTM
		Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	
		% CDI									
Institution A	January 2019 to July 2020	108.1%	9.00%	295,000	313,360	317,680	(4,320)	315,598	319,833	(4,235)	85
Institution B	December 2018 to April 2020	108.5%	8.14%	295,000	309,747	312,000	(2,253)	310,896	313,497	(2,601)	(348)
Institution C	January 2019 to July 2020	107.2%	9.05%	300,000	321,080	326,293	(5,213)	322,851	328,871	(6,020)	(807)
Institution D	January 2019 to January 2020	108.0%	9.76%	75,000	81,780	83,330	(1,550)	82,102	84,184	(2,082)	(532)
					<b>1,025,967</b>	<b>1,039,303</b>	<b>(13,336)</b>	<b>1,031,447</b>	<b>1,046,385</b>	<b>(14,938)</b>	<b>(1,602)</b>

### (ii) TR x CDI

The subsidiary Rental Brasil had a current swap transaction (plain vanilla), with the sole purpose of hedging its loan in the form of CCBI, such transaction was contracted with a major financial institution. On July 12, 2018, Rental Brasil settled this swap transaction in advance, receiving the amount of R\$12,401. The CCBI was settled in advance on August 6, 2018.

### (iii) Dollar x Reais

On September 30, 2018, the Company had a swap transaction (plain vanilla) in force with the sole purpose of hedging the loan contracted in foreign currency from exchange variation, such 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:

Range of maturity dates	Index		Amount of reference Notional (thousand US dollar)	Value of the curve			Market value (carrying amount)			Variation Curve x MTM
	Long position	Short position		Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	
05/22/23	USD Libor + 0.47%	108.00%	80,000	321,872	302,102	19,770	321,685	310,689	10,996	(8,774)

Other information related to loans, financing, debt and swap (Individual and Consolidated) did not undergo significant changes compared to the information disclosed in note 13 to the financial statements as of December 31, 2017.

## Notes to the Interim Financial Information

### 14. OTHER CURRENT AND NON-CURRENT LIABILITIES

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

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Balances stated separately in current liabilities:				
Unearned revenue (*)	13,511	29	17,084	3,859
Payables to related parties (note 8(b) (i))	4,435	4,534	-	-
Federal taxes withheld from third parties	4,170	8,252	6,399	10,889
Municipal taxes payable	1,894	1,542	2,706	2,062
Derivative instruments – swap (note 13 (b))	942	-	13,280	6,831
	<u>24,952</u>	<u>14,357</u>	<u>39,469</u>	<u>23,641</u>
Other current liabilities:				
Advances from car rental and decommissioned sale customers	73,944	84,444	76,694	86,999
Insurance premiums for transfer (**)	71,028	65,681	71,260	65,840
Other	7,570	7,559	12,195	11,904
	<u>152,542</u>	<u>157,684</u>	<u>160,149</u>	<u>164,743</u>
<b>Total other current liabilities</b>	<b><u>177,494</u></b>	<b><u>172,041</u></b>	<b><u>199,618</u></b>	<b><u>188,384</u></b>
Balances stated separately in non-current liabilities:				
Unearned revenue (*)	4,271	81	10,973	6,610
Derivative instruments – swap (note 13 (b))	8,774	-	11,374	10,824
Restricted obligations (***)	-	-	42,461	40,584
Other	6,236	6,239	6,739	6,734
	<u>19,281</u>	<u>6,320</u>	<u>71,547</u>	<u>64,752</u>
<b>Total other non-current liabilities</b>	<b><u>19,281</u></b>	<b><u>6,320</u></b>	<b><u>71,547</u></b>	<b><u>64,752</u></b>
<b>Total other current and non-current liabilities</b>	<b><u>196,775</u></b>	<b><u>178,361</u></b>	<b><u>271,165</u></b>	<b><u>253,136</u></b>

(\*) Refers to the franchising integration fee, premium resulting from a commercial agreement with supplier and bank preference premium.

(\*\*) Premiums received from customers that took insurance for rented cars and which will be transferred by Localiza to the insurance company (note 2.7.7 to the financial statements for the year ended December 31, 2017).

(\*\*\*) 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 financial assets carried out by the Company, with restricted access, and shall be made available for withdrawal on August 31, 2020 and 2024.

### 15. PROVISIONS AND ESCROW DEPOSITS

#### (a) Legal provisions recognized

The balance of legal provisions is broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Tax (*)	50,980	39,353	67,704	54,712
Social security	8,970	8,075	10,828	9,754
Labor	25,715	25,484	38,850	37,524
Civil	18,301	16,872	27,196	24,500
<b>Total</b>	<b><u>103,966</u></b>	<b><u>89,784</u></b>	<b><u>144,578</u></b>	<b><u>126,490</u></b>

(\*) Localiza and Localiza Fleet filed for injunction claiming their right to appropriate PIS and COFINS credits from depreciation of their rental vehicles, based on the justification inserted in Article 3, VI, and Article 15 of Law 10,833/03, at the fraction of 1/48 per month instead of the general rule of 1/60 per month. Starting April 2017, based on favorable outcome, Localiza and Localiza Fleet will appropriate credits at the fraction of 1/48 per month and recognize the difference between said bases until new decisions about the discussion are issued. Said provision was also recognized for 2013, period in which the same procedure to take the credits was adopted.

## Notes to the Interim Financial Information

### (b) Escrow deposits

The balance of escrow deposits is broken down as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Tax	37,506	35,334	65,610	61,947
Social security	1,356	1,328	1,356	1,328
Labor	13,457	13,935	17,850	17,658
Civil	2,134	1,119	3,294	2,191
<b>Total</b>	<b>54,453</b>	<b>51,716</b>	<b>88,110</b>	<b>83,124</b>

The other information on provisions and escrow deposits (Individual and Consolidated) has not significantly changed in relation to that disclosed in note 15 to the financial statements for the year ended December 31, 2017.

## 16. 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, 2018 and December 31, 2017 is as follows:

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Temporary differences in the deductibility of provisions:				
Legal and other provisions	34,571	29,763	44,520	38,332
Allowance for doubtful debts/expected losses and other allowances	41,650	18,822	43,946	21,732
Provision of payment of services in progress and others (*)	20,619	23,038	25,867	29,579
Swap transaction with payment on a cash basis	3,303	-	8,382	6,003
Income tax and social contribution losses (**)	21,707	13,379	56,876	48,551
<b>Total deferred income tax and social contribution assets</b>	<b>121,850</b>	<b>85,002</b>	<b>179,591</b>	<b>144,197</b>
Car depreciation (***)	244,689	164,361	291,756	197,086
Leasing in the purchase of property and equipment (****)	430	582	122,336	121,074
Swap transactions with payment on a cash basis	-	-	-	1,500
Other	-	-	5,661	2,290
<b>Total deferred income tax and social contribution liabilities</b>	<b>245,119</b>	<b>164,943</b>	<b>419,753</b>	<b>321,950</b>
<b>Total deferred income tax and social contribution, net</b>	<b>123,269</b>	<b>79,941</b>	<b>240,162</b>	<b>177,753</b>
<b>Non-current assets</b>	-	-	<b>(39,478)</b>	<b>(41,953)</b>
<b>Non-current liabilities</b>	<b>123,269</b>	<b>79,941</b>	<b>279,640</b>	<b>219,706</b>

(\*) Refers mainly to the deferred income and social contribution taxes tax on temporary differences of the accrued provisions for profit sharing and loyalty program.

(\*\*) Refers to deferred income tax and social contribution of Localiza, Localiza Prime, Car Rental Systems and Rental Brasil in the amounts of R\$21,707, R\$16,549, R\$17,224 and R\$1,396, respectively, as a result of income tax and social contribution losses (R\$13,379 of Localiza, R\$15,512 of Localiza Prime and R\$19,660 of Car Rental Systems on December 31, 2017).

(\*\*\*) Refers to the temporary difference in the calculation of depreciation, 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 12,973/14. 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 and its subsidiaries have recognized a balance, as of September 30, 2018, as tax credit on tax loss carryforwards of R\$21,707 (Individual) and R\$56,876 (Consolidated) (R\$13,379 and R\$48,551, respectively on December 31, 2017). This tax credit can be carried forward indefinitely and its offset is limited to 30% of annual taxable income.

## Notes to the Interim Financial Information

The realization of deferred income tax and social contribution credits, arising from temporary differences and tax losses and social contribution tax loss carryforwards, is contingent upon future events that will make the provisions that gave rise to them and will enable the offset of tax losses and social contribution tax loss carryforwards, in accordance with prevailing tax legislation.

Based on past taxable income that originated deferred income tax and social contribution asset balances, as well as projections of profit or loss for coming years, the Company estimates the following schedule for recovering of tax credits:

	Individual	Consolidated
2018	29,308	38,063
2019	54,309	66,891
2020	14,453	24,010
2021	874	9,790
2022	15,357	26,082
2023 to 2026	7,549	14,755
<b>Total deferred income and social contribution tax assets</b>	<b>121,850</b>	<b>179,591</b>

### (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, 2018 and 2017 is as follows:

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
Net income (loss) before taxes	552,904	411,115	645,867	486,560
Statutory rate	34%	34%	34%	34%
<b>Expense at statutory rate</b>	<b>(187,987)</b>	<b>(139,779)</b>	<b>(219,595)</b>	<b>(165,430)</b>
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	66,355	56,613	-	-
Effect of deduction of interest on capital	44,053	40,854	44,053	40,854
Income tax and social contribution due by subsidiaries (deemed income)	-	-	4,870	4,773
Other, net	2,439	3,906	2,569	5,952
<b>Expense at effective rate</b>	<b>(75,140)</b>	<b>(38,406)</b>	<b>(168,103)</b>	<b>(113,851)</b>
<b>Current income tax and social contribution</b>	<b>(23,983)</b>	<b>(14,252)</b>	<b>(97,629)</b>	<b>(87,960)</b>
<b>Deferred income tax and social contribution</b>	<b>(51,157)</b>	<b>(24,154)</b>	<b>(70,474)</b>	<b>(25,891)</b>

	Individual		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Net income (loss) before taxes	185,652	135,049	216,645	162,959
Statutory rate	34%	34%	34%	34%
<b>Expense at statutory rate</b>	<b>(63,122)</b>	<b>(45,917)</b>	<b>(73,659)</b>	<b>(55,406)</b>
Adjustments to expense at statutory rate:				
Equity in the earnings of subsidiaries	22,460	21,307	-	-
Effect of deduction of interest on capital	15,162	13,953	15,162	13,953
Income tax and social contribution due by subsidiaries (deemed income)	-	-	1,538	1,582
Other, net	(300)	(1,221)	166	83
<b>Expense at effective rate</b>	<b>(25,800)</b>	<b>(11,878)</b>	<b>(56,793)</b>	<b>(39,788)</b>
<b>Current income tax and social contribution</b>	<b>(7,883)</b>	<b>188</b>	<b>(30,566)</b>	<b>(29,720)</b>
<b>Deferred income tax and social contribution</b>	<b>(17,917)</b>	<b>(12,066)</b>	<b>(26,277)</b>	<b>(10,068)</b>

## Notes to the Interim Financial Information

### 17. EQUITY

#### (a) Capital

As of September 30, 2018, the Company's capital was R\$1,500,000, divided into 667,149,210 common shares. The ownership of capital and the related reconciliation of the number of outstanding shares are as follows:

	Management (not reviewed by auditors)				
	Founding partners	Board of Directors and Statutory Boards	Treasury shares	Outstanding shares (not reviewed by auditors)	Number of shares – ON
<b>Amount as of December 31, 2017</b>	<b>157,505,935</b>	<b>957,569</b>	<b>6,752,346</b>	<b>501,933,360</b>	<b>667,149,210</b>
Election (destitution) of Management	-	(531,633)	-	531,633	-
Acquisition (sale) of shares, net	-	(149,745)	-	149,745	-
Exercise of stock options with treasury shares	477,645	355,654	(1,368,415)	535,116	-
Sale of treasury shares	38,077	36,630	(116,908)	42,201	-
Renting of shares	(5,454,106)	-	-	5,454,106	-
<b>Amount as of September 30, 2018</b>	<b>152,567,551</b>	<b>668,475</b>	<b>5,267,023</b>	<b>508,646,161</b>	<b>667,149,210</b>

	Management (not reviewed by auditors)				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares (not reviewed by auditors)	Number of shares – ON
<b>Amount as of December 31, 2016</b>	<b>59,028,084</b>	<b>337,778</b>	<b>3,692,636</b>	<b>148,734,902</b>	<b>211,793,400</b>
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	-	78,425	(78,425)	-	-
Renting of shares	364,622	-	-	(364,622)	-
<b>Amount as of September 30, 2017</b>	<b>54,008,345</b>	<b>319,498</b>	<b>2,319,701</b>	<b>165,735,526</b>	<b>222,383,070</b>

For comparison purposes, the ownership interest in capital and the respective reconciliation of number of outstanding shares adjusted considering the 5% stock bonus and the stock split at the ratio of 3 (three) shares to 1 (one) existing common share, approved in the Extraordinary Shareholders Meetings held on April 25, 2017 and November 22, 2017, respectively, is as follows:

	Management (not reviewed by auditors)				
	Founding partners	Board of Directors and Statutory Board	Treasury shares	Outstanding shares (not reviewed by auditors)	Number of shares – ON
<b>Amount as of December 31, 2016</b>	<b>185,938,465</b>	<b>1,064,001</b>	<b>11,631,803</b>	<b>468,514,941</b>	<b>667,149,210</b>
Acquisition (sale) of shares, net	(27,319,171)	(1,503,447)	(2,998,430)	31,821,048	-
Exercise of stock options with treasury shares	1,806,540	1,325,103	(1,438,995)	(1,692,648)	-
Sale of treasury shares	69,672	72,837	(235,275)	92,766	-
Renting of shares	1,529,529	-	-	(1,529,529)	-
<b>Amount as of September 30, 2017</b>	<b>162,025,035</b>	<b>958,494</b>	<b>6,959,103</b>	<b>497,206,578</b>	<b>667,149,210</b>

Pursuant to article 6 of the Bylaws, the Company is authorized to increase its capital stock up to the limit of 812,553,525 registered common shares, regardless of any amendment to the bylaws, so that an additional 145,404,315 registered common shares can be issued.

## Notes to the Interim Financial Information

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. The Company had 14,511,717 ADRs issued in the United States as of September 30, 2018 and 19,173,432 as of December 31, 2017 (not reviewed by the auditors). Each ADR corresponds to 1 (one) Company's share.

### (b) Interest on capital

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

9M18				
Approval date	Total amount approved	Amount per share (in R\$)	Shareholding position date	Payment date
03/22/18	41,981	0.06356	03/28/18	05/16/18
06/21/18	42,992	0.06496	06/28/18	08/16/18
09/21/18	44,596	0.06738	09/27/18	11/16/18
<b>Total</b>	<b>129,569</b>			

9M17					
Approval date	Total amount approved	Amount per share (in R\$)		Shareholding position date	Payment date
		On approval date	For comparison purposes (*)		
03/08/17	39,891	0.19161	0.06083	03/15/17	05/02/17
06/30/17	39,231	0.17862	0.05954	07/06/17	08/24/17
09/13/17	41,036	0.18648	0.06216	09/22/17	11/07/17
<b>Total</b>	<b>120,158</b>				

(\*) For comparison purposes, interest on equity per share was adjusted considering the 5% stock bonus and the stock split at the ratio of 3 (three) shares to 1 (one) existing common share, approved in the Extraordinary Shareholders Meetings held on April 25, 2017 and November 22, 2017, respectively, is as follows

Interest on capital payable is broken down as follows:

	Individual and Consolidated	
	09/30/18	12/31/17
Proposed interest on capital in net income for the period	44,596	42,745
Provision for withholding income tax on interest on capital	(6,635)	(6,361)
<b>Total interest on capital payable</b>	<b>37,961</b>	<b>36,384</b>

### (c) Capital reserves

#### (i) Options exercised in 9M18

In 9M18, 1,368,415 stock options related to the Stock Options Programs from 2011 to 2014 and 1<sup>st</sup> tranche of the 2017 Program were exercised, calculated at fair value in the amount of R\$5,903. All options were exercised using treasury shares and, therefore, it was not necessary to issue new shares.

#### (ii) Goodwill on share subscription

The goodwill reserve on share subscription for the period ended September 30, 2018 rises from the following:

	09/30/18
Primary distribution of shares of Localiza in 2006	48,174
Goodwill between 2011 and 2017 on realization of treasury shares for the options exercised	49,589
Goodwill in 9M18 on realization of treasury shares for the options exercised and the sale of treasury shares	5,916
<b>Total</b>	<b>103,679</b>

## Notes to the Interim Financial Information

### (iii) Treasury shares

On September 30, 2018, there were 5,267,023 shares in treasury (6,959,103 on September 30, 2017, including the effects from the stock splits in 2017), acquired under the 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> Share Repurchase Programs, with fair value of R\$119,825 (quotation of R\$22.75 per share as of September 28, 2018).

### (d) Bylaws reserve

The Annual Shareholders Meeting held on April 26, 2018 approved the accrual of a Bylaws reserve in the amount of R\$317,490, related to the balance net income from 2017.

Other information on equity has not significantly changed in relation to that disclosed in note 17 to the financial statements for the year ended December 31, 2017.

## 18. EARNINGS PER SHARE

The methods used to calculate basic and diluted earnings per share are the same as those disclosed in note 18 to the financial statements for the year ended December 31, 2017.

The table below shows net income information and the number of shares used, encompassing the effects of stock bonus and stock split occurred in 2017, in the calculation of basic and diluted earnings per share for each of the reporting years of the income statement:

	Individual and Consolidated		Individual and Consolidated	
	9M18	9M17	3Q18	3Q17
<b>Net income for the period</b>	<b>477,764</b>	<b>372,709</b>	<b>159,852</b>	<b>123,171</b>
<b>Basic earnings per share:</b>				
Weighted average number of outstanding common shares (units)	661,150,302	657,485,081	661,878,403	659,788,875
<b>Basic earnings per share (R\$)</b>	<b>0.72263</b>	<b>0.56687</b>	<b>0.24151</b>	<b>0.18668</b>
<b>Diluted earnings per share:</b>				
Weighted average number of outstanding common shares (units)	661,150,302	657,485,081	661,878,403	659,788,875
Dilutive effect of stock options (units)	1,731,411	2,908,766	1,319,617	1,017,975
Total shares subject to dilution (units)	662,881,713	660,393,847	663,198,020	660,806,850
<b>Diluted earnings per share (R\$)</b>	<b>0.72074</b>	<b>0.56437</b>	<b>0.24103</b>	<b>0.18639</b>

## 19. 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.

The Company 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, 2017.

- **Car Rental:** This division is responsible for car rentals in locations located inside and outside airports and for insurance stipulation and management of car claims for insurance companies. 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 12 months of use. 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

## Notes to the Interim Financial Information

selling expense of the Company's own stores is smaller than the discount required by resellers, as well as avoids full dependence on third parties for the sales.

- **Fleet Rental:** This division is responsible for fleet rental to legal entities, through the subsidiaries Localiza Fleet and Car Rental Systems, for long periods, usually 24 to 36 months. This division's fleet is acquired after signature of agreements according to the clients' needs. Therefore, the fleet is more diversified in terms of models and brands. Decommissioned cars are sold within 33 months of use, on average, directly to the end consumer or to dealers through the Company's own car dealer network.
- **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. The franchising business is managed by the subsidiary Franchising Brasil, in Brazil, LFI S.R.L., in Argentina, and by Localiza itself in other countries.

### (a) Operating division financial reporting

#### (i) Consolidated assets and liabilities by operating division

09/30/18	Car Rental	Fleet Rental	Franchising	Unallocated balances	Deductions/ Reclassifications	Consolidated
<b>Assets</b>						
Cash and cash equivalents	-	-	-	1,986,262	-	1,986,262
Financial assets	-	-	-	679,990	-	679,990
Trade receivables	618,996	157,748	8,471	-	(40,979)	744,236
Decommissioned cars for fleet renewal	43,494	31,569	-	-	-	75,063
Property and equipment	6,479,212	2,026,217	-	387,586 (*)	(1,226)	8,891,789
Other assets	317,607	132,853	7,543	-	(6,681)	451,322
<b>Total assets</b>	<b>7,459,309</b>	<b>2,348,387</b>	<b>16,014</b>	<b>3,053,838</b>	<b>(48,886)</b>	<b>12,828,662</b>
<b>Liabilities</b>						
Trade payables	1,323,473	277,234	3,087	-	(42,791)	1,561,003
Loans, financing and debt	-	-	-	7,416,389	-	7,416,389
Other liabilities	601,389	280,330	15,164	-	(4,869)	892,014
<b>Total liabilities</b>	<b>1,924,862</b>	<b>557,564</b>	<b>18,251</b>	<b>7,416,389</b>	<b>(47,660)</b>	<b>9,869,406</b>
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,959,256</b>	<b>-</b>	<b>2,959,256</b>
<b>Total liabilities and equity</b>	<b>1,924,862</b>	<b>557,564</b>	<b>18,251</b>	<b>10,375,645</b>	<b>(47,660)</b>	<b>12,828,662</b>

12/31/17	Car Rental	Fleet Rental	Franchising	Unallocated balances	Deductions/ Reclassifications	Consolidated
<b>Assets</b>						
Cash and cash equivalents	-	-	-	1,338,195	-	1,338,195
Financial assets	-	-	-	1,275,699	-	1,275,699
Trade receivables	454,485	133,910	10,251	-	(8,824)	589,822
Decommissioned cars for fleet renewal	66,058	37,292	-	-	-	103,350
Property and equipment	5,438,102	1,661,252	-	385,174 (*)	(554)	7,483,974
Other assets	317,424	117,849	6,398	-	(46,477)	395,194
<b>Total assets</b>	<b>6,276,069</b>	<b>1,950,303</b>	<b>16,649</b>	<b>2,999,068</b>	<b>(55,855)</b>	<b>11,186,234</b>
<b>Liabilities</b>						
Trade payables	1,165,097	174,899	1,898	-	(10,214)	1,331,680
Loans, financing and debt	-	-	-	6,477,679	-	6,477,679
Other liabilities	511,470	292,024	17,743	-	(45,087)	776,150
<b>Total liabilities</b>	<b>1,676,567</b>	<b>466,923</b>	<b>19,641</b>	<b>6,477,679</b>	<b>(55,301)</b>	<b>8,585,509</b>
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,600,725</b>	<b>-</b>	<b>2,600,725</b>
<b>Total liabilities and equity</b>	<b>1,676,567</b>	<b>466,923</b>	<b>19,641</b>	<b>9,078,404</b>	<b>(55,301)</b>	<b>11,186,234</b>

(\*) Refers mainly to the Company's headquarters.

## Notes to the Interim Financial Information

### (iii) Consolidated income statements per operating division

9M18	Car Rental	Fleet Rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	4,537,867	1,085,466	12,731	-	<b>5,636,064</b>
<b>Costs</b>	(3,425,469)	(699,079)	(7,130)	(5,077)	<b>(4,136,755)</b>
<b>Gross profit</b>	<b>1,112,398</b>	<b>386,387</b>	<b>5,601</b>	<b>(5,077)</b>	<b>1,499,309</b>
<b>Operating expenses:</b>					
Selling expenses	(395,830)	(48,360)	84	2,607	(441,499)
General, administrative and other expenses	(126,989)	(25,697)	(353)	2,470	(150,569)
<b>Profit (loss) before finance costs, net</b>	<b>589,579</b>	<b>312,330</b>	<b>5,332</b>	-	<b>907,241</b>
Finance costs, net					(261,374)
<b>Profit before income tax and social contribution</b>					<b>645,867</b>
Income tax and social contribution					(168,103)
<b>Net income</b>					<b>477,764</b>

9M17	Car Rental	Fleet Rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	3,384,269	852,168	12,307	-	<b>4,248,744</b>
<b>Costs</b>	(2,568,645)	(503,506)	(7,523)	(4,211)	<b>(3,083,885)</b>
<b>Gross profit</b>	<b>815,624</b>	<b>348,662</b>	<b>4,784</b>	<b>(4,211)</b>	<b>1,164,859</b>
<b>Operating expenses:</b>					
Selling expenses	(290,020)	(34,746)	(994)	2,118	(323,642)
General, administrative and other expenses	(104,435)	(30,496)	(472)	2,093	(133,310)
<b>Profit (loss) before finance costs, net</b>	<b>421,169</b>	<b>283,420</b>	<b>3,318</b>	-	<b>707,907</b>
Finance costs, net					(221,347)
<b>Profit before income tax and social contribution</b>					<b>486,560</b>
Income tax and social contribution					(113,851)
<b>Net income</b>					<b>372,709</b>

3Q18	Car Rental	Fleet Rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	1,707,518	361,384	4,203	-	<b>2,073,105</b>
<b>Costs</b>	(1,335,452)	(228,017)	(2,748)	(1,772)	<b>(1,567,989)</b>
<b>Gross profit</b>	<b>372,066</b>	<b>133,367</b>	<b>1,455</b>	<b>(1,772)</b>	<b>505,116</b>
<b>Operating expenses:</b>					
Selling expenses	(139,752)	(15,210)	(13)	908	(154,067)
General, administrative and other expenses	(42,794)	(8,669)	(112)	864	(50,711)
<b>Profit (loss) before finance costs, net</b>	<b>189,520</b>	<b>109,488</b>	<b>1,330</b>	-	<b>300,338</b>
Finance costs, net					(83,693)
<b>Profit before income tax and social contribution</b>					<b>216,645</b>
Income tax and social contribution					(56,793)
<b>Net income</b>					<b>159,852</b>

3Q17	Car Rental	Fleet Rental	Franchising	Reclassifications	Consolidated
<b>Net revenue</b>	1,242,476	317,018	3,890	-	<b>1,563,384</b>
<b>Costs</b>	(954,254)	(192,677)	(2,542)	(1,735)	<b>(1,151,208)</b>
<b>Gross profit</b>	<b>288,222</b>	<b>124,341</b>	<b>1,348</b>	<b>(1,735)</b>	<b>412,176</b>
<b>Operating expenses:</b>					
Selling expenses	(103,927)	(11,677)	(286)	858	(115,032)
General, administrative and other expenses	(42,991)	(12,531)	(188)	877	(54,833)
<b>Profit (loss) before finance costs, net</b>	<b>141,304</b>	<b>100,133</b>	<b>874</b>	-	<b>242,311</b>
Finance costs, net					(79,352)
<b>Profit before income tax and social contribution</b>					<b>162,959</b>
Income tax and social contribution					(39,788)
<b>Net income</b>					<b>123,171</b>

## Notes to the Interim Financial Information

The Company had, as of September 30, 2018, a network of franchisees in five South American countries (six countries as of September 30, 2017); 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	
	9M18	9M17	3Q18	3Q17
Revenue in Brazil	5,614,446	4,233,799	2,067,217	1,559,690
Exports revenue (*)	19,862	13,923	5,196	3,342
Royalties abroad	1,756	1,022	692	352
<b>Net revenue</b>	<b>5,636,064</b>	<b>4,248,744</b>	<b>2,073,105</b>	<b>1,563,384</b>

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

### (iii) Consolidated depreciation and amortization expenses per operating division

	Consolidated		Consolidated	
	9M18	9M17	3T18	3T17
<b>Car Rental</b>				
Car depreciation	89,023	88,189	42,225	29,704
Depreciation of other property and equipment and amortization of intangible assets	27,181	24,313	9,524	8,674
<b>Fleet Rental</b>				
Car depreciation	112,281	82,013	42,339	28,483
Depreciation of other property and equipment and amortization of intangible assets	5,011	3,536	1,606	1,428
<b>Franchising</b>				
Depreciation of other property and equipment and amortization of intangible assets	413	447	139	153
<b>Total</b>	<b>233,909</b>	<b>198,498</b>	<b>95,833</b>	<b>68,442</b>

## 20. NET REVENUE

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

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
Gross revenue	4,457,721	3,404,234	5,704,932	4,327,264
Deductions:				
Discounts	(4,670)	(4,070)	(20,341)	(13,821)
Taxes (*)	(36,120)	(45,599)	(48,527)	(64,699)
<b>Net revenue</b>	<b>4,416,931</b>	<b>3,354,565</b>	<b>5,636,064</b>	<b>4,248,744</b>

	Individual		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Gross revenue	1,707,015	1,240,839	2,097,102	1,590,442
Deductions:				
Discounts	(1,345)	(1,540)	(5,972)	(5,642)
Taxes (*)	(12,673)	(14,354)	(18,025)	(21,416)
<b>Net revenue</b>	<b>1,692,997</b>	<b>1,224,945</b>	<b>2,073,105</b>	<b>1,563,384</b>

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

## Notes to the Interim Financial Information

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

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
Revenue from car rental	1,790,748	1,268,873	1,793,687	1,273,571
Revenue from fleet rental	-	-	624,251	538,180
Franchising	1,756	1,022	12,731	12,307
Cars sold for fleet renewal	2,624,427	2,084,670	3,205,395	2,424,686
<b>Net revenue</b>	<b>4,416,931</b>	<b>3,354,565</b>	<b>5,636,064</b>	<b>4,248,744</b>

	Individual		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Revenue from car rental	636,796	470,647	637,376	472,623
Revenue from fleet rental	-	-	217,371	188,475
Franchising	692	352	4,203	3,890
Cars sold for fleet renewal	1,055,509	753,946	1,214,155	898,396
<b>Net revenue</b>	<b>1,692,997</b>	<b>1,224,945</b>	<b>2,073,105</b>	<b>1,563,384</b>

## 21. 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	
	9M18	9M17	9M18	9M17	9M18	9M17
Cost of cars sold	(2,325,779)	(1,814,612)	-	-	(2,325,779)	(1,814,612)
Car maintenance, IPVA and others	(400,242)	(264,599)	-	-	(400,242)	(264,599)
Car depreciation	(86,645)	(87,799)	-	-	(86,645)	(87,799)
Payroll, related taxes and benefits	(212,757)	(185,327)	(169,987)	(125,858)	(382,744)	(311,185)
Real estate rental	(114,250)	(84,447)	(36,354)	(35,882)	(150,604)	(120,329)
Third-party services	(74,709)	(38,276)	(65,785)	(49,692)	(140,494)	(87,968)
Profit sharing	(33,296)	(25,620)	(30,118)	(18,336)	(63,414)	(43,956)
Depreciation and amortization of other property and equipment and intangible assets	(16,607)	(14,446)	(12,787)	(11,991)	(29,394)	(26,437)
Water, electricity and telephone	(9,658)	(7,781)	(5,771)	(5,431)	(15,429)	(13,212)
Travel	(8,510)	(6,168)	(4,840)	(3,467)	(13,350)	(9,635)
Advertising	-	-	(36,849)	(33,372)	(36,849)	(33,372)
Commissions	-	-	(48,609)	(32,325)	(48,609)	(32,325)
Allowance for doubtful debts/ expected losses and write-off of uncollectible amounts	-	-	(61,403)	(21,798)	(61,403)	(21,798)
Other	(85,603)	(61,478)	(40,709)	(25,091)	(126,312)	(86,569)
<b>Total</b>	<b>(3,368,056)</b>	<b>(2,590,553)</b>	<b>(513,212)</b>	<b>(363,243)</b>	<b>(3,881,268)</b>	<b>(2,953,796)</b>

## Notes to the Interim Financial Information

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
	9M18	9M17	9M18	9M17	9M18	9M17
Cost of cars sold	(2,815,201)	(2,079,724)	-	-	(2,815,201)	(2,079,724)
Car maintenance, IPVA and others	(542,325)	(379,875)	-	-	(542,325)	(379,875)
Car depreciation	(201,304)	(170,202)	-	-	(201,304)	(170,202)
Payroll, related taxes and benefits	(234,850)	(207,779)	(221,167)	(191,995)	(456,017)	(399,774)
Real estate rental	(97,031)	(88,820)	(36,612)	(36,656)	(133,643)	(125,476)
Third-party services	(88,374)	(45,004)	(71,695)	(55,123)	(160,069)	(100,127)
Profit sharing	(37,599)	(30,312)	(40,906)	(27,498)	(78,505)	(57,810)
Depreciation and amortization of other property and equipment and intangible assets	(19,019)	(16,021)	(13,586)	(12,275)	(32,605)	(28,296)
Water, electricity and telephone	(9,780)	(7,872)	(6,153)	(6,051)	(15,933)	(13,923)
Travel	(8,820)	(6,490)	(6,126)	(5,412)	(14,946)	(11,902)
Advertising	-	-	(37,911)	(34,412)	(37,911)	(34,412)
Commissions	-	-	(49,816)	(33,297)	(49,816)	(33,297)
Allowance for doubtful debts/ expected losses and write-off of uncollectible amounts	-	-	(62,415)	(23,814)	(62,415)	(23,814)
Other	(82,452)	(51,786)	(45,681)	(30,419)	(128,133)	(82,205)
<b>Total</b>	<b>(4,136,755)</b>	<b>(3,083,885)</b>	<b>(592,068)</b>	<b>(456,952)</b>	<b>(4,728,823)</b>	<b>(3,540,837)</b>

	Individual					
	Costs		Selling, general, administrative and other expenses		Total	
	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17
Cost of cars sold	(963,297)	(648,969)	-	-	(963,297)	(648,969)
Car maintenance, IPVA and others	(141,339)	(110,769)	-	-	(141,339)	(110,769)
Car depreciation	(42,189)	(29,314)	-	-	(42,189)	(29,314)
Payroll, related taxes and benefits	(72,657)	(66,191)	(59,281)	(51,915)	(131,938)	(118,106)
Real estate rental	(39,547)	(34,502)	(12,780)	(11,639)	(52,327)	(46,141)
Third-party services	(30,935)	(17,279)	(23,192)	(15,641)	(54,127)	(32,920)
Profit sharing	(10,452)	(7,054)	(12,627)	(5,927)	(23,079)	(12,981)
Depreciation and amortization of other property and equipment and intangible assets	(5,711)	(5,080)	(4,487)	(4,234)	(10,198)	(9,314)
Water, electricity and telephone	(3,397)	(2,815)	(1,897)	(1,799)	(5,294)	(4,614)
Travel	(2,883)	(2,581)	(2,356)	(1,722)	(5,239)	(4,303)
Advertising	-	-	(13,430)	(14,297)	(13,430)	(14,297)
Commissions	-	-	(14,147)	(11,642)	(14,147)	(11,642)
Allowance for doubtful debts/ expected losses and write-off of uncollectible amounts	-	-	(20,111)	(9,627)	(20,111)	(9,627)
Other	(33,298)	(37,891)	(13,177)	(11,005)	(46,475)	(48,896)
<b>Total</b>	<b>(1,345,705)</b>	<b>(962,445)</b>	<b>(177,485)</b>	<b>(139,448)</b>	<b>(1,523,190)</b>	<b>(1,101,893)</b>

## Notes to the Interim Financial Information

	Consolidated					
	Costs		Selling, general, administrative and other expenses		Total	
	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17
Cost of cars sold	(1,092,265)	(763,422)	-	-	(1,092,265)	(763,422)
Car maintenance, IPVA and others	(182,905)	(153,287)	-	-	(182,905)	(153,287)
Car depreciation	(84,564)	(58,187)	-	-	(84,564)	(58,187)
Payroll, related taxes and benefits	(79,735)	(75,013)	(76,484)	(73,859)	(156,219)	(148,872)
Real estate rental	(33,892)	(38,199)	(12,870)	(11,822)	(46,762)	(50,021)
Third-party services	(36,601)	(20,112)	(25,360)	(17,718)	(61,961)	(37,830)
Profit sharing	(11,701)	(8,298)	(15,491)	(6,371)	(27,192)	(14,669)
Depreciation and amortization of other property and equipment and intangible assets	(6,516)	(5,758)	(4,753)	(4,497)	(11,269)	(10,255)
Water, electricity and telephone	(3,446)	(2,856)	(2,037)	(2,190)	(5,483)	(5,046)
Travel	(3,000)	(2,714)	(2,738)	(2,430)	(5,738)	(5,144)
Advertising	-	-	(14,083)	(14,571)	(14,083)	(14,571)
Commissions	-	-	(14,622)	(12,206)	(14,622)	(12,206)
Allowance for doubtful debts/ expected losses and write-off of uncollectible amounts	-	-	(21,644)	(10,250)	(21,644)	(10,250)
Other	(33,364)	(23,362)	(14,696)	(13,951)	(48,060)	(37,313)
<b>Total</b>	<b>(1,567,989)</b>	<b>(1,151,208)</b>	<b>(204,778)</b>	<b>(169,865)</b>	<b>(1,772,767)</b>	<b>(1,321,073)</b>

## 22. FINANCIAL INCOME (EXPENSES)

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

	Individual		Consolidated	
	9M18	9M17	9M18	9M17
Interest income on financial assets	61,733	101,009	102,937	146,659
PIS/COFINS on finance income	(3,726)	(5,355)	(5,780)	(7,578)
Other interest income	20,293	14,784	26,247	20,423
<b>Total financial income</b>	<b>78,300</b>	<b>110,438</b>	<b>123,404</b>	<b>159,504</b>
Interest expenses on loans, financing, debt and swap	(250,179)	(246,034)	(378,990)	(357,103)
Other interest expenses	(6,041)	(20,567)	(5,788)	(23,748)
<b>Total financial expenses</b>	<b>(256,220)</b>	<b>(266,601)</b>	<b>(384,778)</b>	<b>(380,851)</b>
<b>Total financial income (expenses)</b>	<b>(177.920)</b>	<b>(156.163)</b>	<b>(261.374)</b>	<b>(221.347)</b>

	Individual		Consolidated	
	3Q18	3Q17	3Q18	3Q17
Interest income on financial assets	14,407	33,351	28,742	45,820
PIS/COFINS on finance income	(1,043)	(1,839)	(1,769)	(2,459)
Other interest income	8,734	6,636	10,695	8,520
<b>Total financial income</b>	<b>22,098</b>	<b>38,148</b>	<b>37,668</b>	<b>51,881</b>
Interest expenses on loans, financing, debt and swap	(70,744)	(78,759)	(121,066)	(119,354)
Other interest expenses	(1,566)	(10,061)	(295)	(11,879)
<b>Total financial expenses</b>	<b>(72,310)</b>	<b>(88,820)</b>	<b>(121,361)</b>	<b>(131,233)</b>
<b>Total financial income (expenses)</b>	<b>(50,212)</b>	<b>(50,672)</b>	<b>(83,693)</b>	<b>(79,352)</b>

## Notes to the Interim Financial Information

### 23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
<b>Financial assets</b>				
Cash and cash equivalents (note 4)				
Amortized cost	958,764	10,593	1,064,344	33,289
Financial assets at fair value through profit or loss	859,182	819,144	921,918	1,304,906
Financial assets (note 5)				
Amortized cost	-	626,460	218,723	660,565
Financial assets at fair value through profit or loss	-	532,407	461,267	615,134
Amortized cost				
Trade receivables (note 6)	591,399	441,364	744,236	589,822
Escrow deposits (note 15)	54,453	51,716	88,110	83,124
Receivables from insurance company (note 7)	87,266	65,416	87,748	66,234
Other receivables – subsidiaries (note 7)	210	634	-	-
Investments in restricted accounts (note 7)	-	-	42,461	40,584
Financial assets at fair value through profit or loss				
Swap (note 13)	20,712	-	20,712	16,703
<b>Financial liabilities</b>				
Other financial liabilities				
Trade payables (note 11)	(1,321,812)	(1,157,954)	(1,561,003)	(1,331,680)
Loans, financing and debt (note 13)	(5,364,350)	(4,765,329)	(7,416,389)	(6,477,679)
Insurance premiums for transfer (note 14)	(71,028)	(65,681)	(71,260)	(65,840)
Payable to related parties (note 14)	(4,435)	(4,534)	-	-
Restricted obligations (note 14)	-	-	(42,461)	(40,584)
Financial liabilities at fair value through profit or loss				
Swap (note 13)	(9,716)	-	(24,654)	(17,655)

#### (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; (ii) financial assets, (iii) trade receivables from customers and (iv) loans, financing, debt and 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.

## Notes to the Interim Financial Information

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, up to the limit of floating-rate net debt, thus eliminating the risk of fluctuation in the benchmark interest rate in long-term contracts (see details of these operations in note 13(b)). In addition, all the Company's cash equivalents balance is also indexed to the CDI rate fluctuation, which is the same rate adopted for floating-rate debts.

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:

- As of September 30, 2018, the Company's net debt totaled R\$4,754,079. Of this total, R\$1,240,745, with fixed cost at an average rate of 9.29% 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. Therefore, net debt subject to the CDI fluctuation amounts to R\$3,513,334 as of September 30, 2018.
- 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 6.81% against the effective annual rate of 6.50% in the nine-month period ended September 30, 2018.

Description	Consolidated		
	Probable scenario (*)	Scenario I - 25% deterioration	Scenario II - 50% deterioration
<b>Net debt as of September 30, 2018</b>	<b>4,754,079</b>	<b>4,754,079</b>	<b>4,754,079</b>
Debts at a fixed-rate and amounts hedged with swap to a fixed-rate	(1,240,745)	(1,240,745)	(1,240,745)
<b>Net debt subject to the CDI fluctuation</b>	<b>3,513,334</b>	<b>3,513,334</b>	<b>3,513,334</b>
Effective average annual CDI rate for the nine-month period ended September 30, 2018	6.50%	6.50%	6.50%
Estimated average annual CDI rate, according to stress scenarios	6.81%	8.51%	10.22%
Effect on finance costs subject to the CDI rate fluctuation:			
- according to effective rates	(228,367)	(228,367)	(228,367)
- according to scenarios	(239,258)	(298,985)	(359,063)
<b>Increase in finance expenses for the next twelve months</b>	<b>(10,891)</b>	<b>(70,618)</b>	<b>(130,696)</b>

(\*) As required by IFRS 7 and based on the average rate of 6.81%, 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 28, 2018.

- **Currency risk** – The Company is not exposed to currency risk since it enters into swap transactions tied to foreign currency-denominated loans.

### (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 and financial assets 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	
	09/30/18	12/31/17	09/30/18	12/31/17
Cash and cash equivalents:				
Financial assets:				
At least Aa3 in the Moody's scale or equivalent in another rating agency	1,811,908	819,144	1,976,581	1,319,825
Cash and banks	6,038	10,593	9,681	18,370
<b>Total cash and cash equivalents (note 4)</b>	<b>1,817,946</b>	<b>829,737</b>	<b>1,986,262</b>	<b>1,338,195</b>

## Notes to the Interim Financial Information

	Individual		Consolidated	
	09/30/18	12/31/17	09/30/18	12/31/17
Financial assets:				
Rated at least Aa3 by Moody's or an equivalent rating by another agency	-	1,158,867	679,990	1,275,699
<b>Total financial assets (note 5)</b>	<b>-</b>	<b>1,158,867</b>	<b>679,990</b>	<b>1,275,699</b>
Trade receivables – customers	466,772	421,006	611,776	568,188
Trade receivables – credit card:				
Aaa in the Moody's scale	33,806	7,203	34,749	7,242
Sundry	90,821	13,155	97,711	14,392
<b>Total trade receivables (note 6)</b>	<b>591,399</b>	<b>441,364</b>	<b>744,236</b>	<b>589,822</b>
<b>Total</b>	<b>2,409,345</b>	<b>2,429,968</b>	<b>3,410,488</b>	<b>3,203,716</b>

- **Cash and cash equivalents and financial assets** – 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 Policy and the equity of which is higher than R\$50.0 billion.

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

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.

The Company mitigates its credit risk by operating significantly with credit cards for car rentals, mainly in transactions with individuals under short-term agreements. In transactions with legal entities for car rental and fleet rental, the risk is reduced by a credit limit granting policy, based on the analysis of the financial position of the customer, past experience and the position of overdue 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 released upon the confirmation of receivables payment in cash.

The management of credit risk also includes the periodic analysis of the impairment of trade receivables, in which the need to recognize an allowance for doubtful debts and expected losses 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, the position of overdue receivables and historical loan losses.

Estimated losses were calculated based on the actual experience of loan loss last year. The Company calculated loss rates separately for each segment using the percentage of delinquency observed in the period between 90 and 120 days after the due date since, outside this period, the effectiveness of collection efforts is no longer significant. The positions within each segment were segregated based on common loan risk characteristics, such as risk rating, type of product purchased, form of payment and level of delinquency.

### (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

**Notes to the Interim Financial Information**

manages the liquidity risk by maintaining appropriate financial resources available in cash and cash equivalents and financial assets 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.

## Notes to the Interim Financial Information

The analysis of the maturities of undiscounted consolidated contractual cash flows of loans, financing, debt and swap, based on the interest rate contracted for each transaction and a CDI rate of 6.39% as of September 30, 2018, is as follows:

	Individual									Total
	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Debentures – 7 <sup>th</sup> issuance	42,208	91,685	110,449	103,460	-	-	-	-	-	347,802
Debentures – 8 <sup>th</sup> issuance	8,458	279,371	262,260	-	-	-	-	-	-	550,089
Debentures – 10 <sup>th</sup> issuance	3,564	14,442	107,431	100,150	-	-	-	-	-	225,587
Debentures – 11 <sup>th</sup> issuance	8,706	35,331	35,047	35,039	501,103	-	-	-	-	615,226
Debentures – 12 <sup>th</sup> issuance	11,657	47,548	47,155	47,160	47,170	46,792	717,538	-	-	965,020
Debentures – 13 <sup>th</sup> issuance	18,603	75,429	74,823	74,920	483,398	453,498	116,678	109,043	-	1,406,392
Debentures – 14 <sup>th</sup> issuance	17,186	70,609	70,057	70,053	70,053	69,489	453,859	239,389	420,709	1,481,404
Promissory notes – 6 <sup>th</sup> issuance	11,399	48,483	687,751	-	-	-	-	-	-	747,633
Loans in foreign currency/with swap	2,677	10,812	10,842	10,812	166,492	159,886	-	-	-	361,521
<b>Total</b>	<b>124,458</b>	<b>673,710</b>	<b>1,405,815</b>	<b>441,594</b>	<b>1,268,216</b>	<b>729,665</b>	<b>1,288,075</b>	<b>348,432</b>	<b>420,709</b>	<b>6,700,674</b>

	Consolidated									Total
	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2032	
Debentures – 7 <sup>th</sup> issuance	42,208	91,685	110,449	103,460	-	-	-	-	-	347,802
Debentures – 8 <sup>th</sup> issuance	8,458	279,371	262,260	-	-	-	-	-	-	550,089
Debentures – 10 <sup>th</sup> issuance	3,564	14,442	107,431	100,150	-	-	-	-	-	225,587
Debentures – 11 <sup>th</sup> issuance	8,706	35,331	35,047	35,039	501,103	-	-	-	-	615,226
Debentures – 12 <sup>th</sup> issuance	11,657	47,548	47,155	47,160	47,170	46,792	717,538	-	-	965,020
Debentures – 13 <sup>th</sup> issuance	18,603	75,429	74,823	74,920	483,398	453,498	116,678	109,043	-	1,406,392
Debentures – 14 <sup>th</sup> issuance	17,186	70,609	70,057	70,053	70,053	69,489	453,859	239,389	420,709	1,481,404
Debentures of Localiza Fleet – 3 <sup>rd</sup> issuance	8,287	33,882	33,606	33,609	33,612	511,435	-	-	-	654,431
Debentures of Localiza Fleet – 4 <sup>th</sup> issuance	5,648	23,225	23,043	23,041	23,041	22,856	367,674	-	-	488,528
Debentures of Localiza Fleet – 5 <sup>th</sup> issuance	5,232	21,292	21,125	21,124	21,124	20,953	21,380	311,460	-	443,690
Promissory notes – 6 <sup>th</sup> issuance	11,399	48,483	687,751	-	-	-	-	-	-	747,633
Working capital	31,172	94,826	84,459	126,052	-	-	-	-	-	336,509
Finance lease	61,361	142,169	8,461	-	-	-	-	-	-	211,991
CRI	18,999	29,625	26,252	27,561	30,276	32,534	38,009	37,253	348,119	588,628
Loans in foreign currency/with swap	2,677	10,812	10,842	10,812	166,492	159,886	-	-	-	361,521
<b>Total</b>	<b>255,157</b>	<b>1,018,729</b>	<b>1,602,761</b>	<b>672,981</b>	<b>1,376,269</b>	<b>1,317,443</b>	<b>1,715,138</b>	<b>697,145</b>	<b>768,828</b>	<b>9,424,451</b>

## Notes to the Interim Financial Information

### (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 manages the capital structure and adjusts it considering the changes in economic conditions. To maintain or adjust capital structure, the Management may adjust the payment of dividends to shareholders, return capital to them or issue new shares.

Capital is monitored based on the Company's debt ratio, which corresponds to net debt divided by equity and on the fleet value. 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 and financial assets.

The table below shows the Company's debt ratios as of September 30, 2018 and December 31, 2017:

	Consolidated	
	09/30/18	12/31/17
Short and long-term debts, net of the swap transactions classified in current and non-current assets and liabilities (note 13)	7,420,331	6,478,631
Cash and cash equivalents (note 4)	(1,986,262)	(1,338,195)
Financial assets (note 5)	(679,990)	(1,275,699)
<b>Net debt</b>	<b>4,754,079</b>	<b>3,864,737</b>
Equity	2,959,256	2,600,725
<b>Debt ratio (net debt / equity)</b>	<b>1.61</b>	<b>1.49</b>
Fleet value (*)	8,416,019	7,038,121
<b>Net debt / fleet value</b>	<b>0.56</b>	<b>0.55</b>

(\*) Cars and decommissioned cars for fleet renewal (note 9).

### (c) Fair value of financial instruments

The estimated carrying amounts and fair values of loans, financing and debt 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.

## Notes to the Interim Financial Information

The fair values of swap transactions recorded under "derivative instruments – swap," which are classified as Level 2, are presented in note 13(b).

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, 2018 and December 31, 2017:

	Individual			
	Carrying amount		Fair value	
	09/30/18	12/31/17	09/30/18	12/31/17
<b>Financial liabilities – other financial liabilities:</b>				
Loans, financing and debt	(5,364,350)	(4,765,329)	(5,239,115)	(3,698,672)
	Consolidated			
	Carrying amount		Fair value	
	09/30/18	12/31/17	09/30/18	12/31/17
<b>Financial liabilities – other financial liabilities:</b>				
Loans, financing and debt	(7,416,389)	(6,477,679)	(7,086,047)	(5,186,060)

Management believes that the carrying amounts of other financial instruments, which are recognized in the parent company and consolidated financial statements, do not differ significantly from their fair values as the maturity dates of a substantial portion of the balances are close to the balance sheet date.

### 24. RENTAL COMMITMENTS

The Company has property lease contracts for its car rental locations located in airports, off-airports (downtown locations), stores, headquarters, 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, headquarters and parking lots do not have contingent payment clauses.

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, 2017.

### 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.

In 9M18, contributions made by the Company totaled R\$3,770 in the Individual and R\$4,920 in the Consolidated (R\$3,568 in the Individual and R\$4,744 in the Consolidated in 9M17), 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, 2017.

## Notes to the Interim Financial Information

### 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 October 23, 2018 and by the Board of Directors on October 24, 2018.

## **Comments on the Performance of Business Projections**

The Company did not disclose any projections for 2018.

## 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, 2018 and 2017 is as follows:

(In R\$ thousand)

9M18				9M17		
<b>Calculation basis of consolidated social indicators</b>						
Net revenue ("NR")			5,636,064			4,248,744
Earnings before taxes ("EBT")			645.867			486,560
Gross payroll ("GP")			454,000			387,389
<b>Internal social indicators</b>	<b>Amount</b>	<b>% on GP</b>	<b>% on NR</b>	<b>Amount</b>	<b>% on GP</b>	<b>% on NR</b>
Meals	32,909	7%	1%	26,942	7%	1%
Compulsory payroll taxes	93,260	21%	2%	78,587	20%	2%
Health	35,544	7%	1%	25,757	7%	1%
Professional training and development	4,191	1%	0%	2,027	1%	0%
Daycare centers or childcare allowance	189	0%	0%	191	0%	0%
Profit sharing	78,505	17%	1%	57,810	15%	1%
Other	9,069	2%	0%	8,300	1%	0%
<b>Total internal social indicators</b>	<b>250,667</b>	<b>55%</b>	<b>5%</b>	<b>199,614</b>	<b>51%</b>	<b>5%</b>
<b>External social indicators</b>	<b>Amount</b>	<b>% on EBT</b>	<b>% on NR</b>	<b>Amount</b>	<b>% on EBT</b>	<b>% on NR</b>
Education	307	0%	0%	339	0%	0%
Culture	1,218	0%	0%	944	0%	0%
Other	307	0%	0%	314	0%	0%
<b>Total contributions to society</b>	<b>1,832</b>	<b>0%</b>	<b>0%</b>	<b>1,597</b>	<b>0%</b>	<b>0%</b>
Taxes (excluding payroll taxes) (*)	338,952	53%	6%	230,674	48%	5%
<b>Total external social indicators</b>	<b>340,784</b>	<b>53%</b>	<b>6%</b>	<b>232,271</b>	<b>48%</b>	<b>5%</b>
<b>Staff indicators</b>	<b>09/30/18</b>			<b>09/30/17</b>		
Number of employees at the end of the period			7,777			6,646
Number of new hires during the period			742			478
Number of third-party workers			431			270
Number of interns			75			64
Number of employees above 45 years old			910			760
Number of female employees			3,345			2,890
Percentage of lead positions held by female employees			50.07%			49.61%
Number of disabled employees			348			305

**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, 2018, which comprises the balance sheet as at September 30, 2018 and the related 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 this 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 the 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 individual and consolidated 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 CVM.

**Opinions and Representations / Report on Review of Interim Financial Information – Unqualified****Other matters***Statements of value added*

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the nine-month period ended September 30, 2018, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for International Financial Reporting Standards - IFRS, which do 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.

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

Belo Horizonte, October 24, 2018

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Daniel de Carvalho Primo  
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, 2018.

Belo Horizonte, October 23, 2018.

Eugênio Pacelli Mattar  
CEO

Maurício Fernandes Teixeira  
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, 2018.

Belo Horizonte, October 23, 2018.

Eugênio Pacelli Mattar  
CEO

Maurício Fernandes Teixeira  
CFO and Investor Relations Officer