

2013 Result Presentation

February 2014

Disclaimer



The forward-looking statements contained herein are based on our management's current assumptions and estimates, which may result in material differences regarding future results, performance and events. Actual results, performance and events may differ substantially from those expressed or implied in these forward-looking statements due to a variety of factors, such as general economic conditions in Brazil and other countries, interest and exchange rate levels, legal and regulatory changes and general competitive factors (whether global, regional, or national).

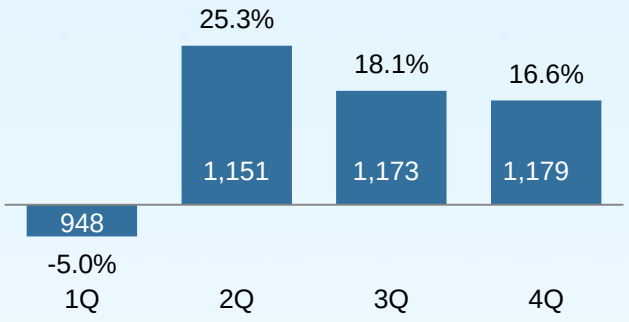


2013 Highlights

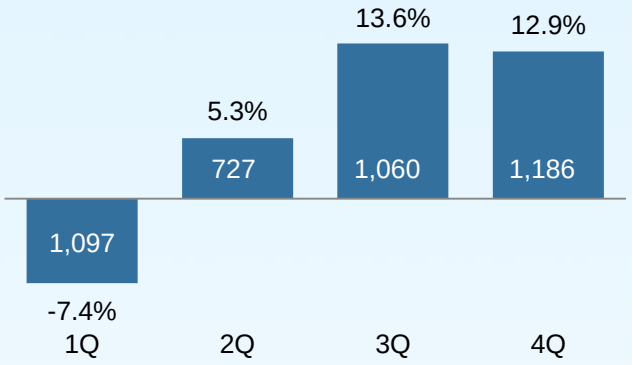
Back to the Basics

- Return to sales-focused orientation
- Enhanced retail marketing strategy
- Focus on day-to-day execution
- Prioritize IT initiatives to support sales
- Continue Store Expansion Plan: + 62 new stores
- Improve sales productivity: Same Store Sales +12%
- Strong relationship with suppliers, gaining access to exclusive products and unique commercial arrangements
  - "Mega Promos" with Tam & Gol
  - New deals with American Airlines & Copa Airlines
  - New deals with Iberostar, Costa do Sauipe, Melia & Grand Paladium

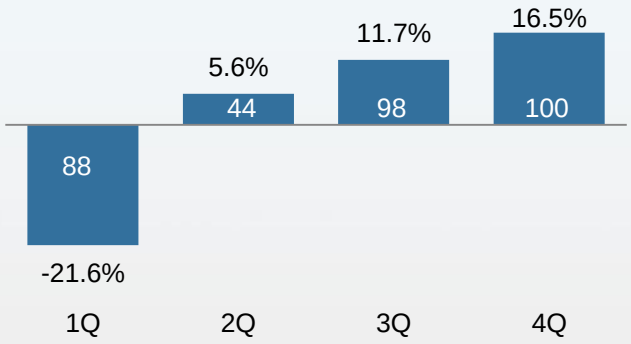
Bookings (*)



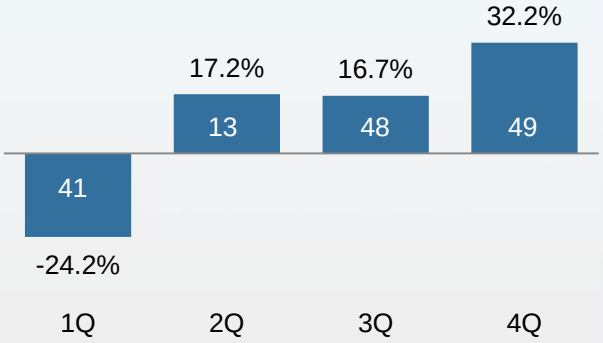
Consumed Bookings (*)



Adjusted EBITDA (*)



Adjusted Net Income (*)



(*) 2013 vs. 202

R$MM

2013 Highlights

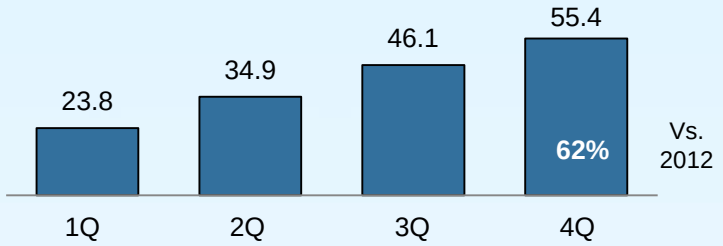
New Initiatives

- Focus in the Online Channel
  - New website
  - Increase product portfolio
  - Improve usability

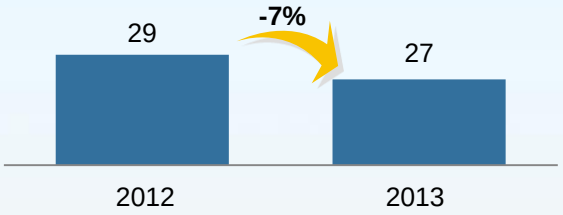
- Increase in advance product availability

- Increase productivity at existing stores

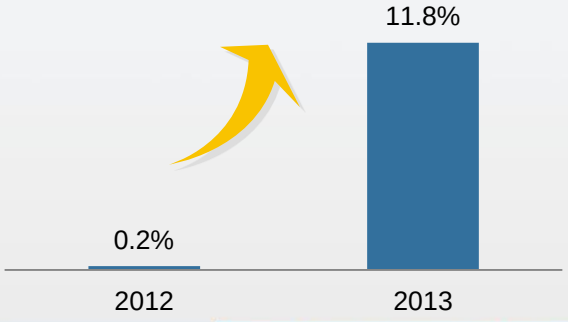
Online Booking (R$ Million)



Average Working Capital (days)



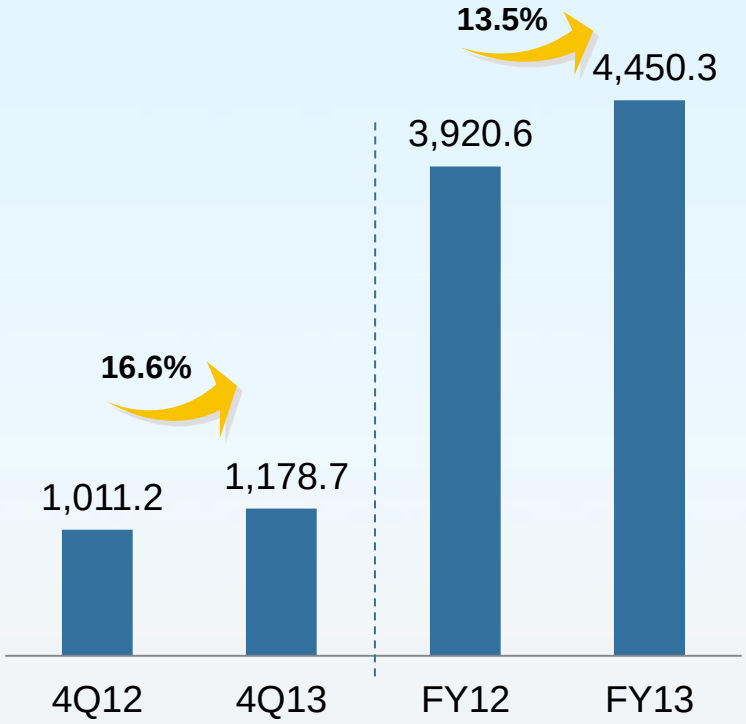
Same Store Sales Growth* (%)



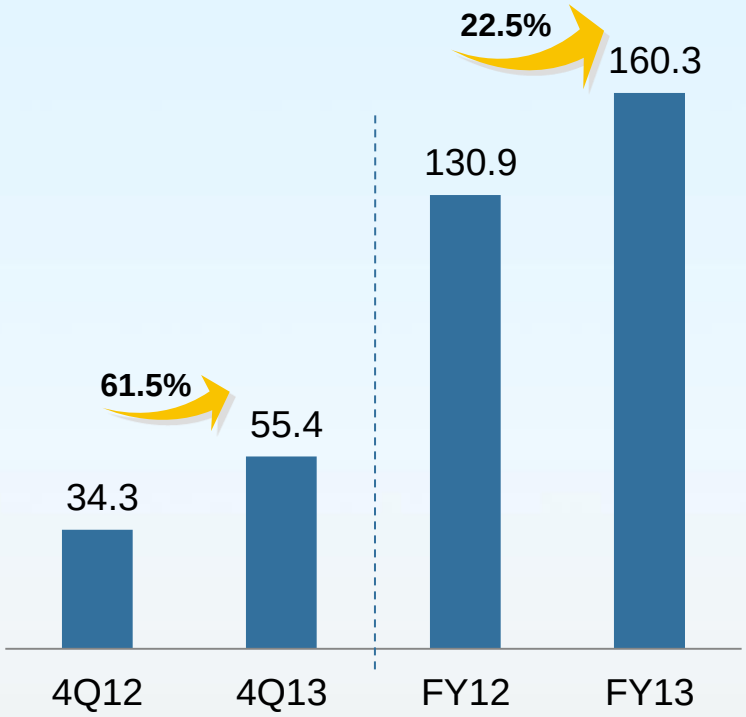
(*) 2013 vs. 2012

Bookings

Company (R$ million)



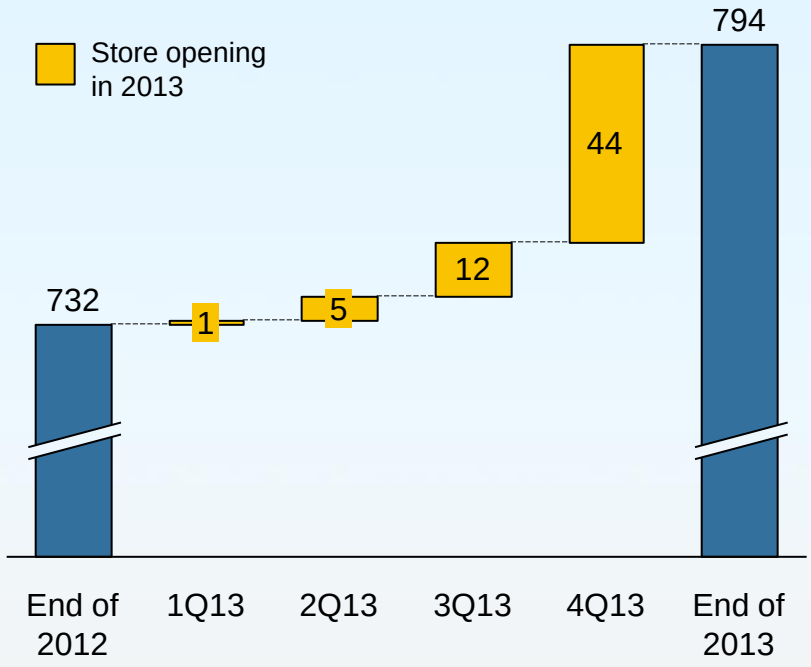
Online (R$ million)



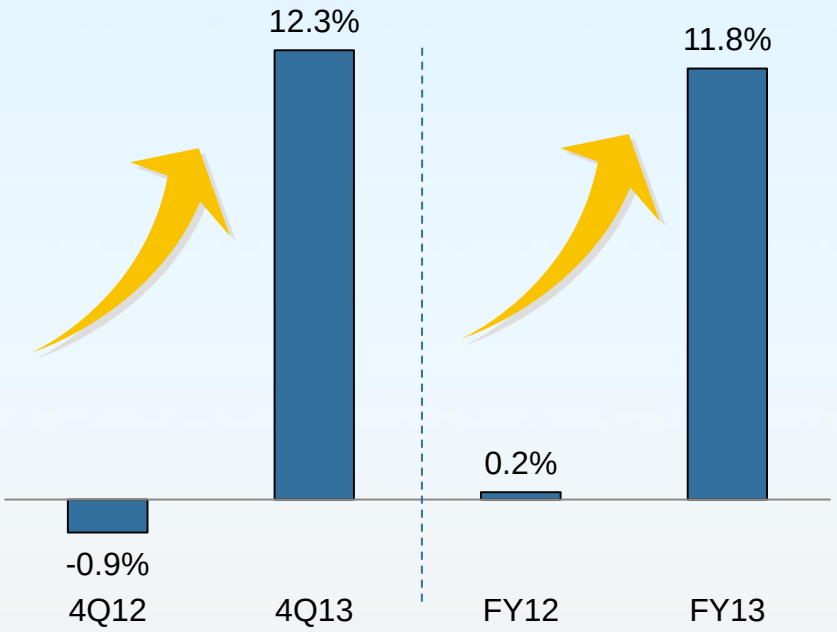
- In 2013, CVC´s bookings grew 13.5%, consistent with the Company's CAGR of 14.0% from 2008 to 2012
- Online sales increase significantly in 4Q13 (61.5%), strengthening the importance of that channel in our long term strategy

Sales Performance

Store Expansion (# stores)



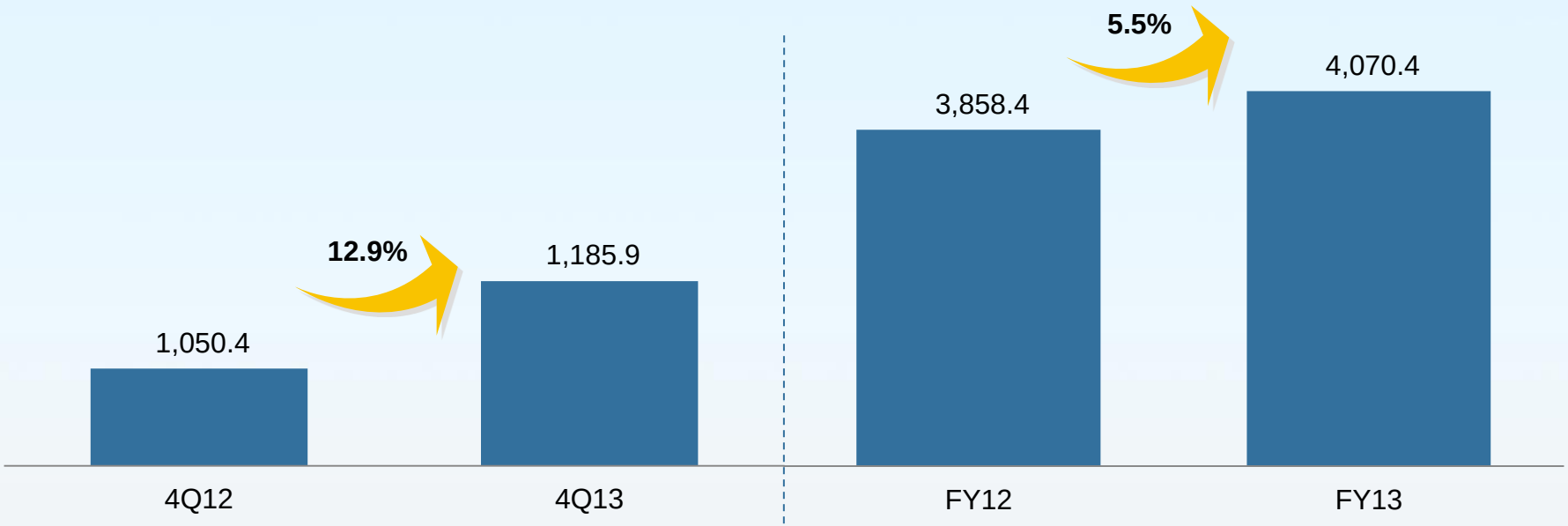
Same Store Sales Growth (%)



- In the last quarter of 2013, we recovered the store expansion rhythm, opening 44 new stores
- In addition, CVC also focused on productivity, posting same stores sales growth of ~12% both in 4Q13 and FY13

Consumed Bookings

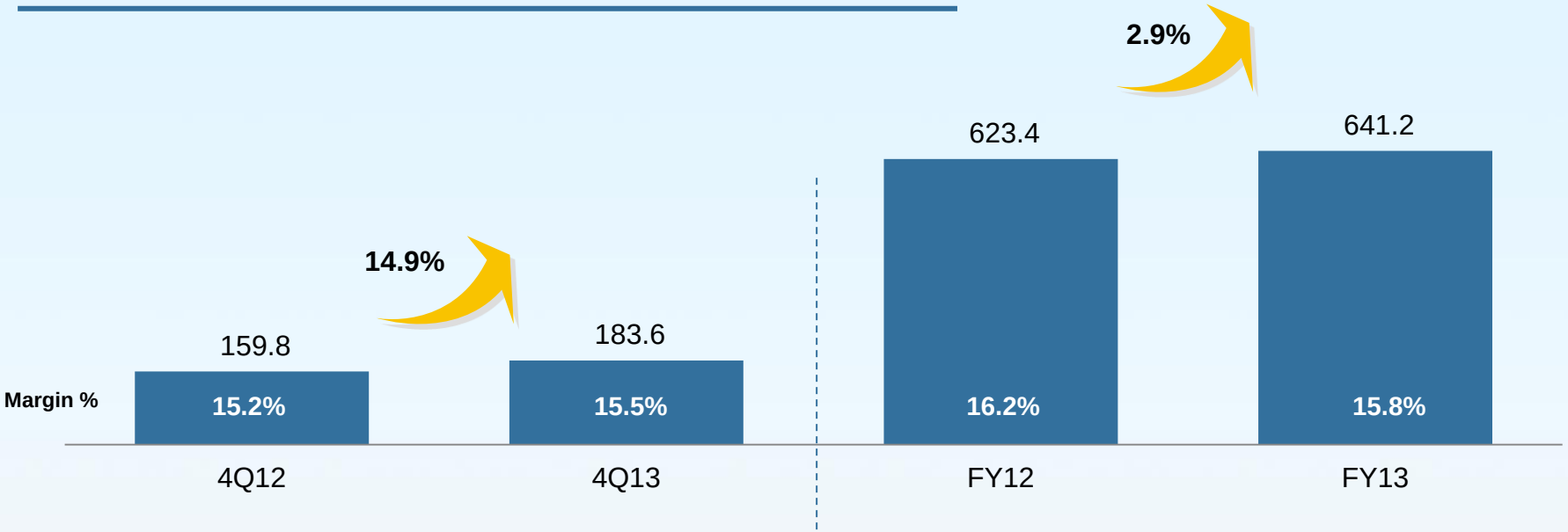
Total Company (R$ million)



- Due to the lag between bookings and when travel takes place, consumed bookings partially captured the increase of bookings during 2013
- Over time, the growth rates of bookings and consumed bookings tend to converge. For example, in 4Q13, bookings and consumed bookings grew 16.6% and 12.9%, respectively

Net Revenue

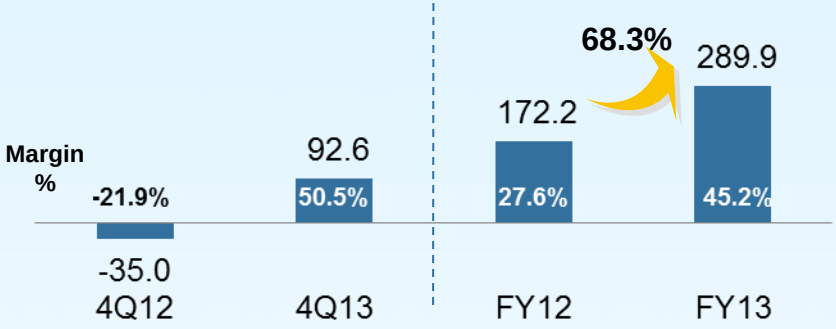
Total Company (R$ million)



- Net revenue margin was 15.5% in 4Q13, 0.3 p.p. over 2012, due to a better yield management
- In 2013 net revenue margin was lower 0.4 p.p. versus 2012, mainly due to higher discounts in 1Q13, which returned to normality in the 2Q

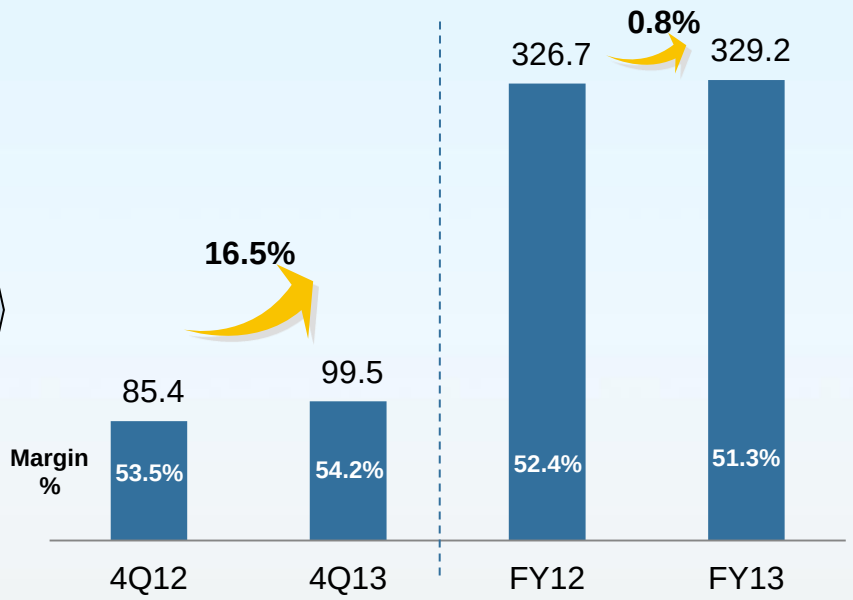
EBITDA

EBITDA (R$ million)



R$ mm *	4Q12	4Q13	2012	2013
EBITDA	**-35.0**	**92.6**	**172.2**	**289.9**
(+) Stock options	6.1	6.4	22.9	14.3
(+) Consulting expenses	8.6	-	17.6	2.9
(+) Earn-out provision	75.0	-	75.0	-
(+) Online indemnification	26.5	-	30.4	7.9
(+) Extraordinary bonuses	0.7	0.5	5.1	5.2
(+) Extraordinary losses	3.5	-	3.5	1.0
(+) Restructuring expenses	-	-	-	8.0
Adjusted EBITDA	**85.4**	**99.5**	**326.7**	**329.2**

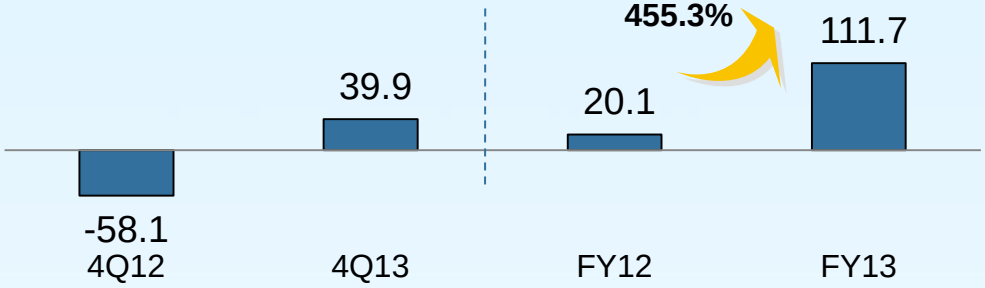
Adjusted EBITDA (R$ million)



- Despite 2013 flat Adjusted EBITDA, 4Q13 has grown 16.5% showing the trend of improvement started in 2Q 013

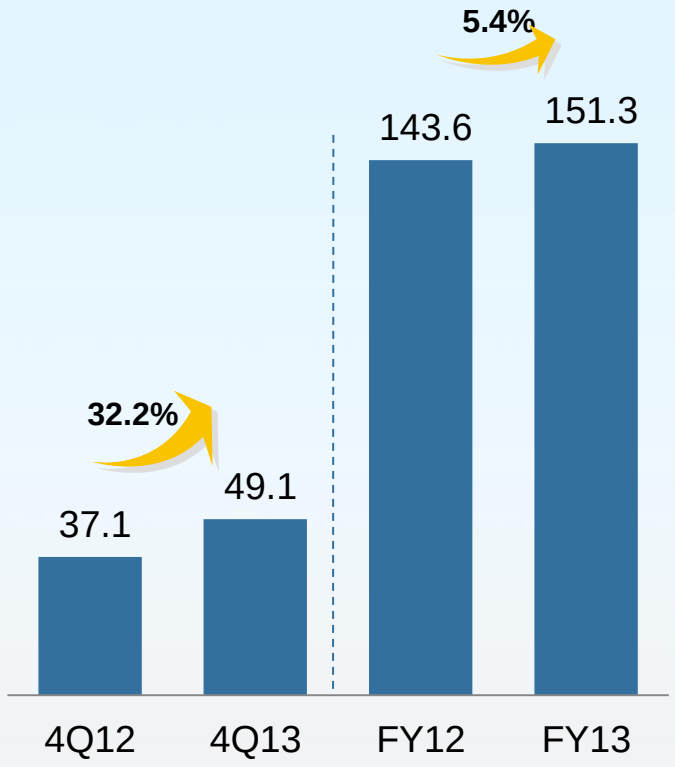
Net Income

Net Income (R$ million)



R$ mm *	4Q12	4Q13	2012	2013
Net income	**-58.1**	**39.9**	**20.1**	**111.7**
(+) Stock options	6.1	6.4	22.9	14.3
(+) Consulting expenses	5.7	-	11.6	2.0
(+) Earn-out provision	62.4	1.1	62.4	3.4
(+) Online Indemnification	17.5	-	20.1	5.2
(+) Extraordinary bonuses	0.4	0.3	3.3	3.4
(+) Extraordinary losses	2.3	-	2.3	0.6
(+) Restructuring expenses	-	-	-	5.3
(+) Franchisee agremement Amortization	0.8	1.4	0.9	5.4
Adjusted Net Income	**37.1**	**49.1**	**143.6**	**151.3**

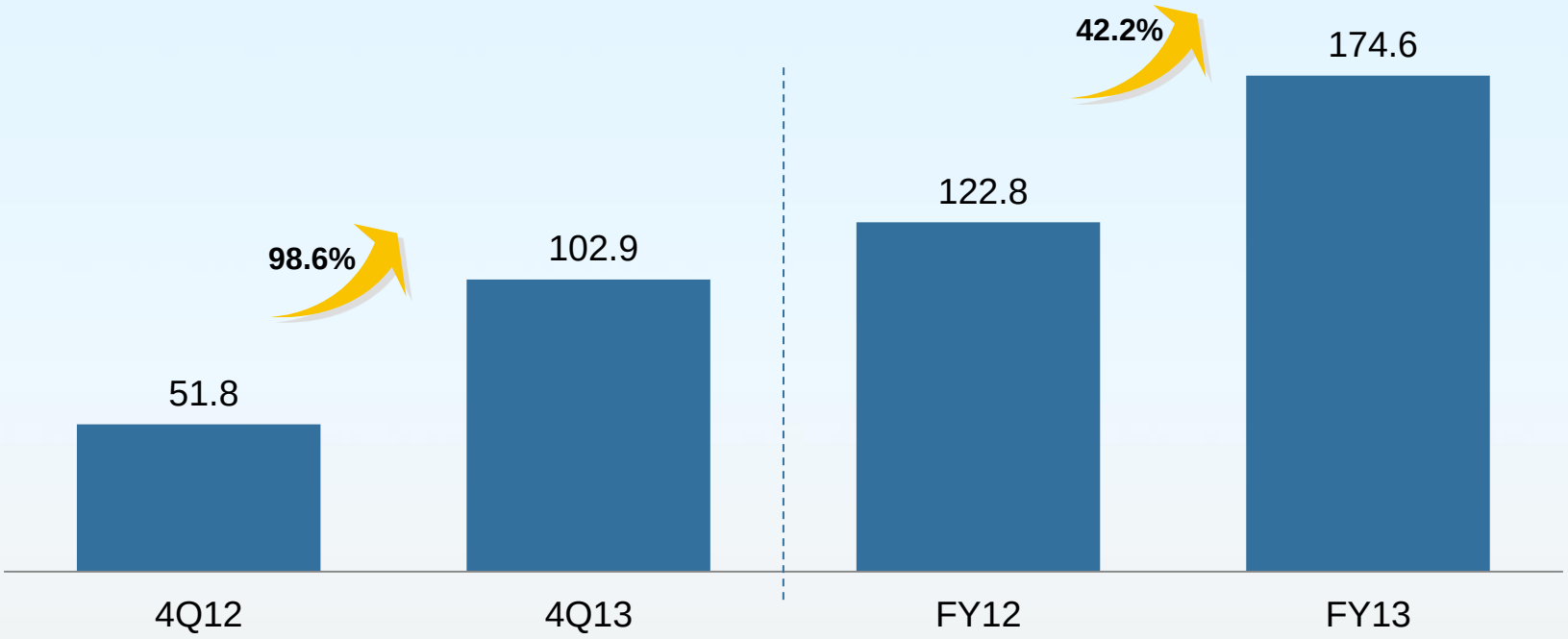
Adjusted Net Income (R$ million)



- Adjusted Net Income has grown 32.2% in 4Q and 5.4% in the full year

Cash Flow Generation

Operational Cash Flow(1) (R$ million)

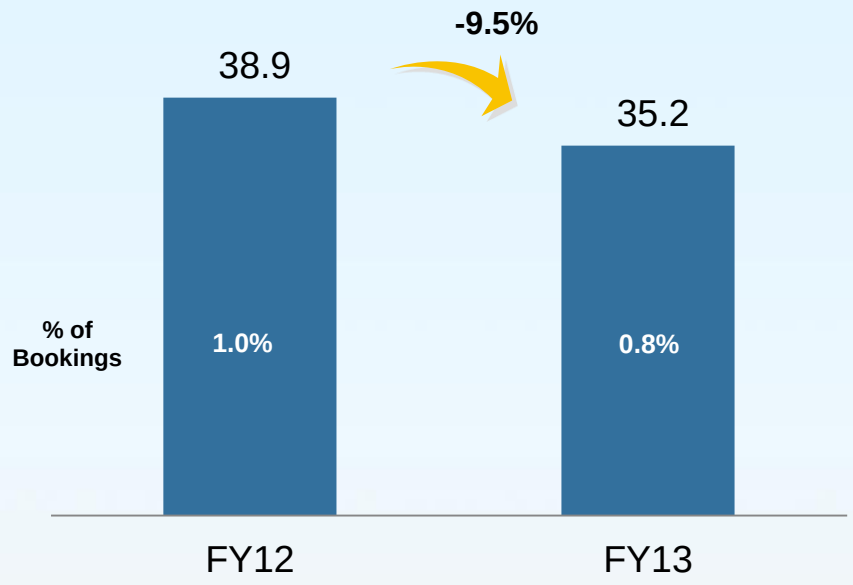


- Operational cash flow improvement was driven mainly by the growth in net income and working capital improvement

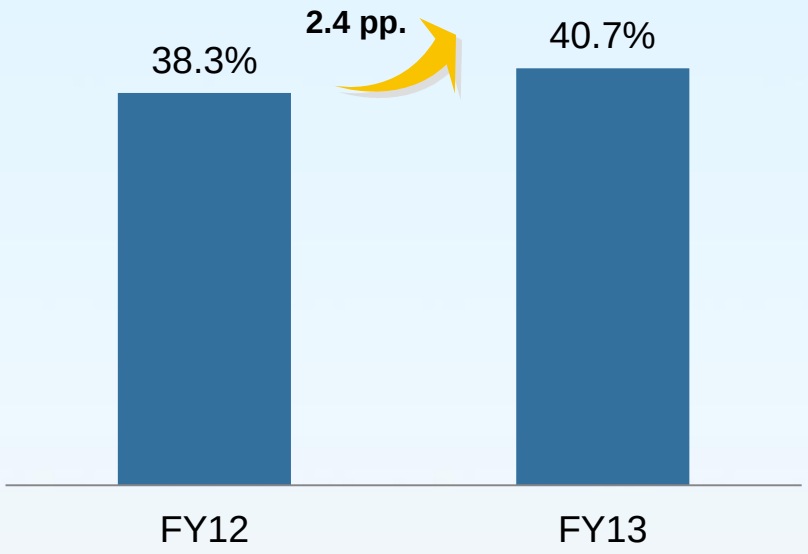
(1) Note: after Working Capital and Capex

Investment and Return

Capex (R$ Million)



ROIC(1) (%)

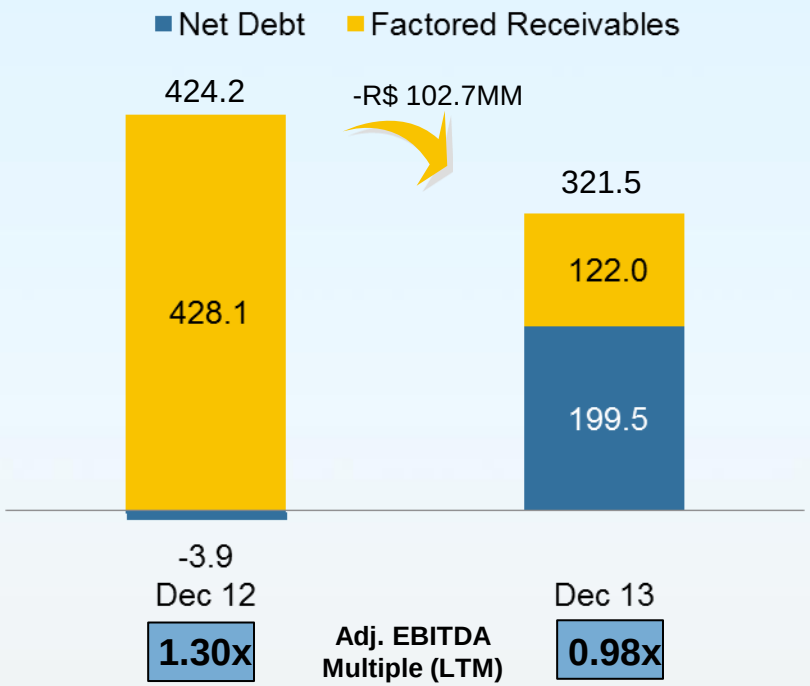


- Return on invested capital was 40.7% in 2013, 2.4 p.p. higher than in 2012, caused primarily by the reduction of invested capital, specially non-recurring assets

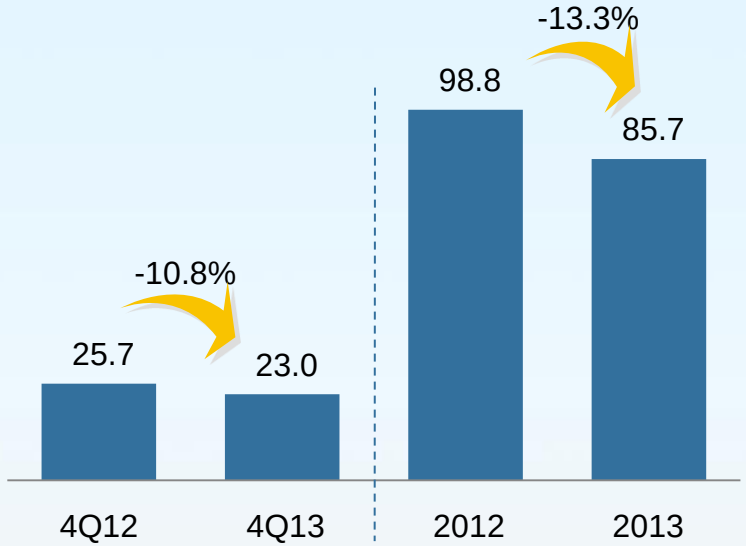
(1) ROIC: NOPAT (Net operating profit after tax) divided by Invested Capital (Net PP&E plus Net Working Capital). See more details in 2013 release

Financial Performance

Indebtedness (R$ Million)



Financial Expenses* (R$ Million)



- The decrease in factored receivables is related to the cessation of factoring bank slips and checks. Currently, we anticipate credit card receivables at lower rates and tenors
- Financial expenses dropped as a result of the recognition of earn-out monetary restatement in 2012 and the change in factoring receivables implemented on 2Q13 onwards

*Does not include interests on earn-out provision



Contacts

Phone: +55 11 2123 2119
E-mail: ri@cvc.com.br
www.cvc.com.br/ri