

3Q14 Results Presentation

October 21st, 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).



Significant Efforts Mitigating Negative Effects of FIFA World Cup

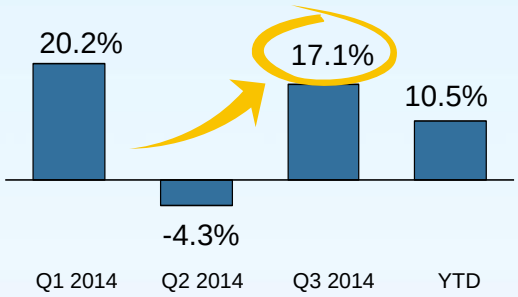
Recent Developments

- **Store expansion plan**
  - 22 new stores were opened in Q3
  - 101 new stores opened in LTM
- **Focus on SSS growth**
  - 11.0% growth in Q3
- **Online sales performance YTD**
  - +64.0% sales growth
  - Conversion rate was ~ 3x higher in 3Q14 than in 1Q13
- **Marketing and product update**
  - Release of 57 promotional materials for major destinations (more than 3 million brochures)
  - 2014 Top of Mind Award winner (fourth consecutive year)
- **IT focus on core business initiatives**
  - Roll-out of new front-end sales tool (September) for all 3 channels

Bookings (2014) [1]

Y.o.Y Growth

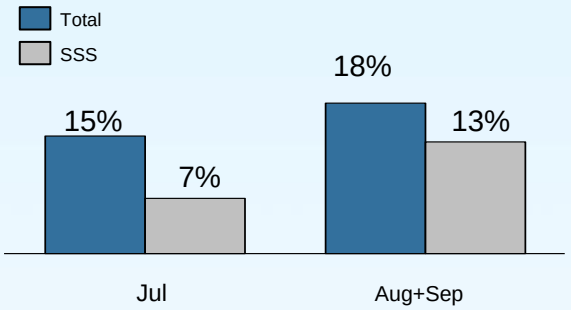
✓ *Q3: Best Quarter in CVC's history and strong sales recovery after World Cup*



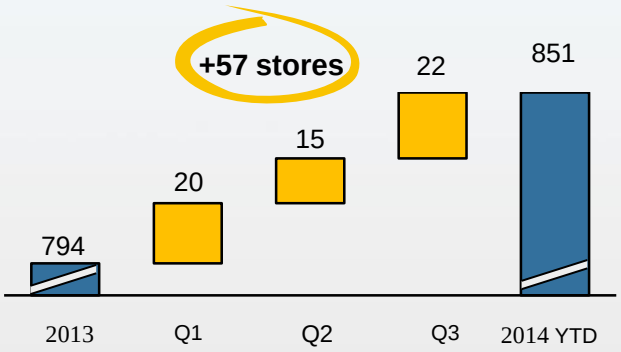
Q3 Booking Growth (2014 vs. 2013)

✓ *Best July, August & September in CVC's history*

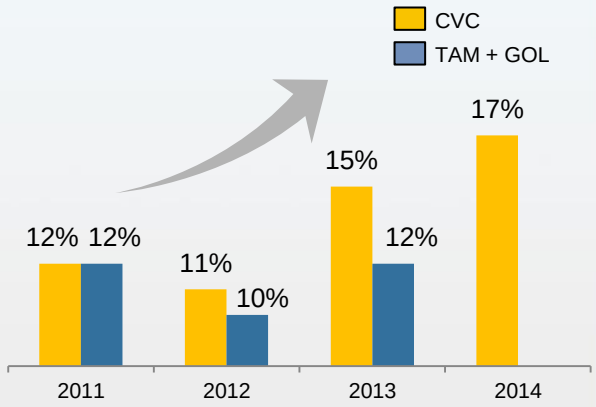
✓ *Historical Sales Record in August (R$468M)*



Number of Store Openings



Brand Awareness (Top of Mind) [2]



Note:
(1) Sales through September
(2) Source: Folha de São Paulo

Online Update

Developments through 2014

New Online Area

- Growth of ~115% on domestic short trips destinations versus Q3 2013 (domestic growth: 38%)

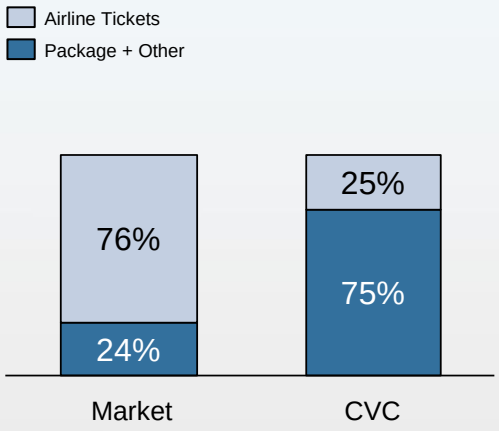
Next Steps

- New trends based on UX (User eXperience)
- Optimization on package navigability expected to drive substantial package sales growth

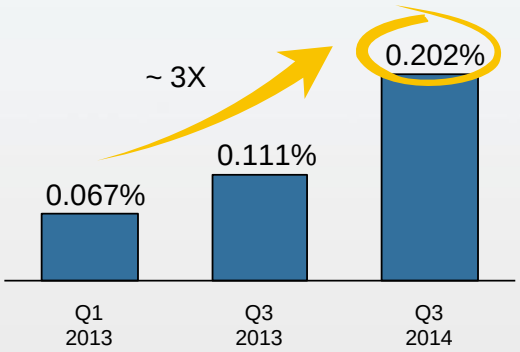




Product Mix

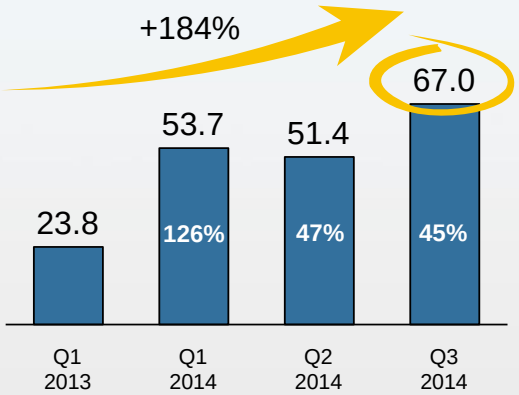


Website Conversion Rate



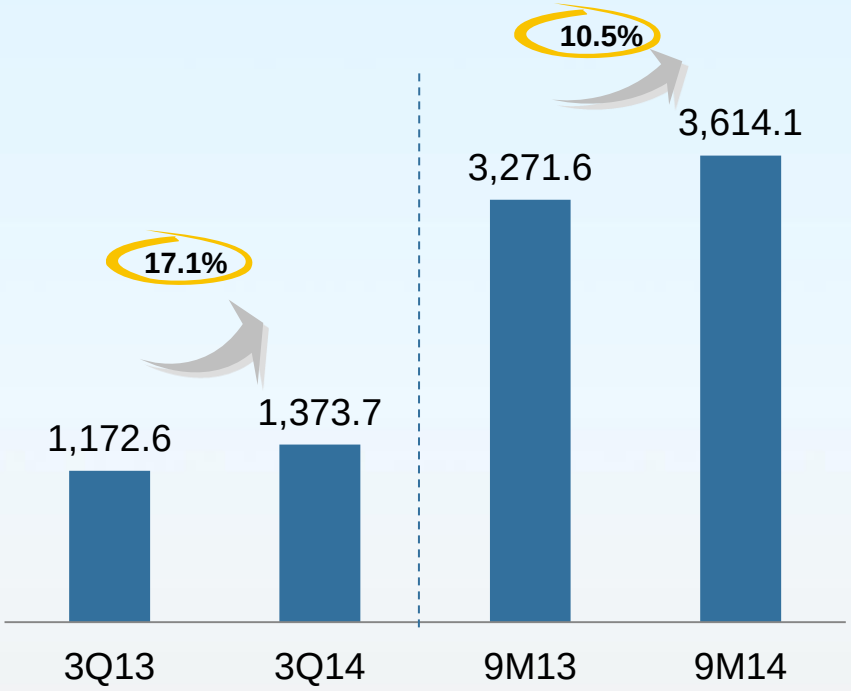
Online Bookings (2014)

R$ million

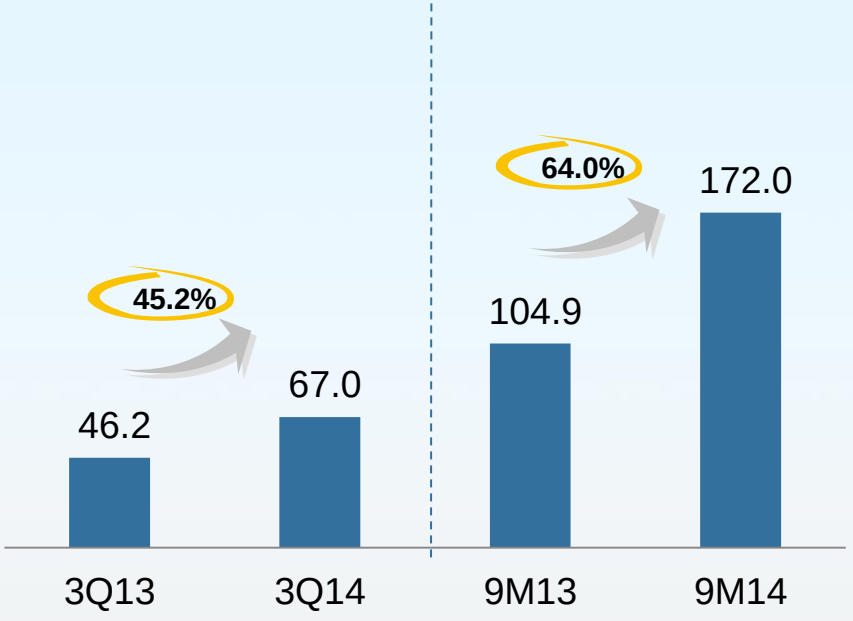


Bookings

Total CVC (R$ million)



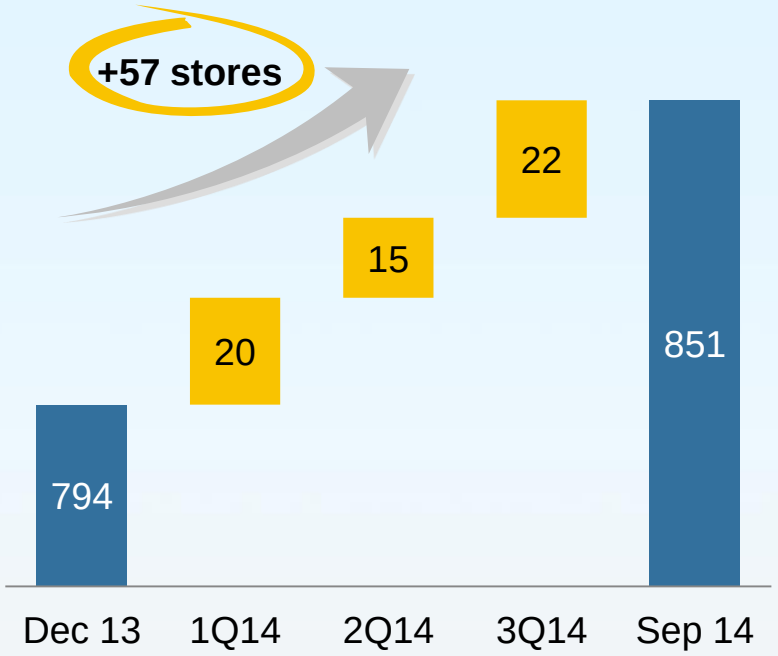
Online (R$ million)



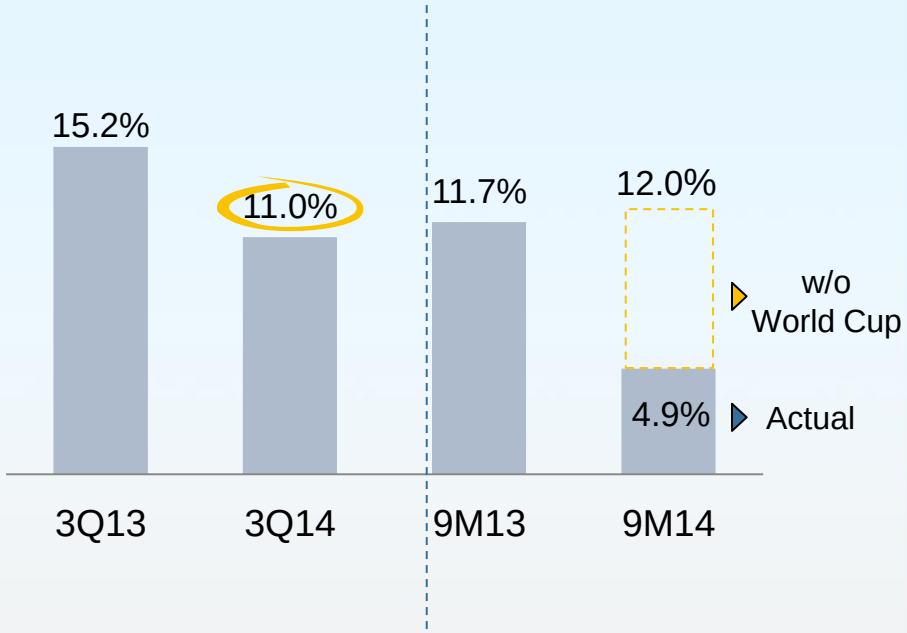
- Several efforts to recovery Bookings after FIFA World Cup, leading to a 17.1% growth in 3Q14
- Despite the World Cup, YTD bookings growth has returned to double digits: 10.5%
- A series of initiatives to improve the online platform and user experience resulting in a significant increase in conversion rate, which doubled in the last twelve months

Sales Performance

Store Expansion (# stores)



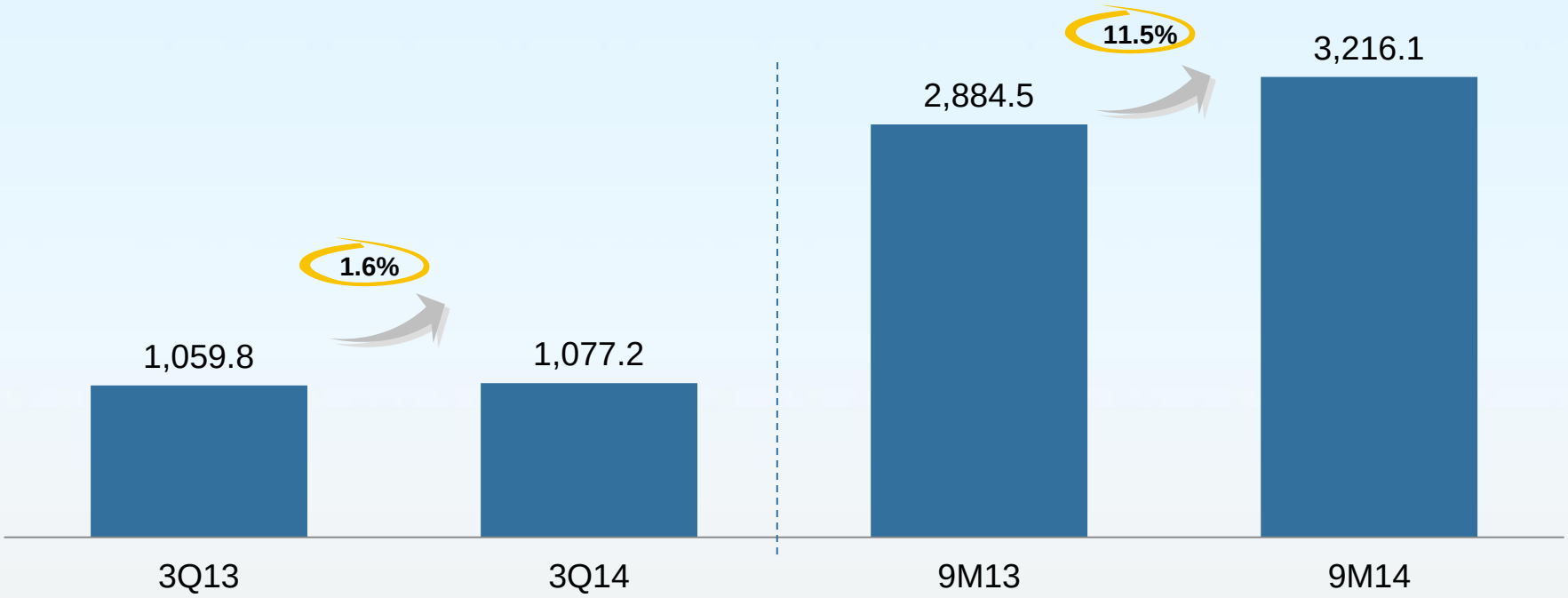
Same Store Sales Growth (%)



- We opened 22 new stores in 3Q14 and 101 in the LTM period, in line with our annual target of 100 additional stores
- Same Store Sales of 11% on 3Q14 and 12% YTD (w/o FIFA World Cup effect)
- Average ticket of offline is 54% higher than online, as a consequence of an individual consultant process provided at the stores

Consumed Bookings

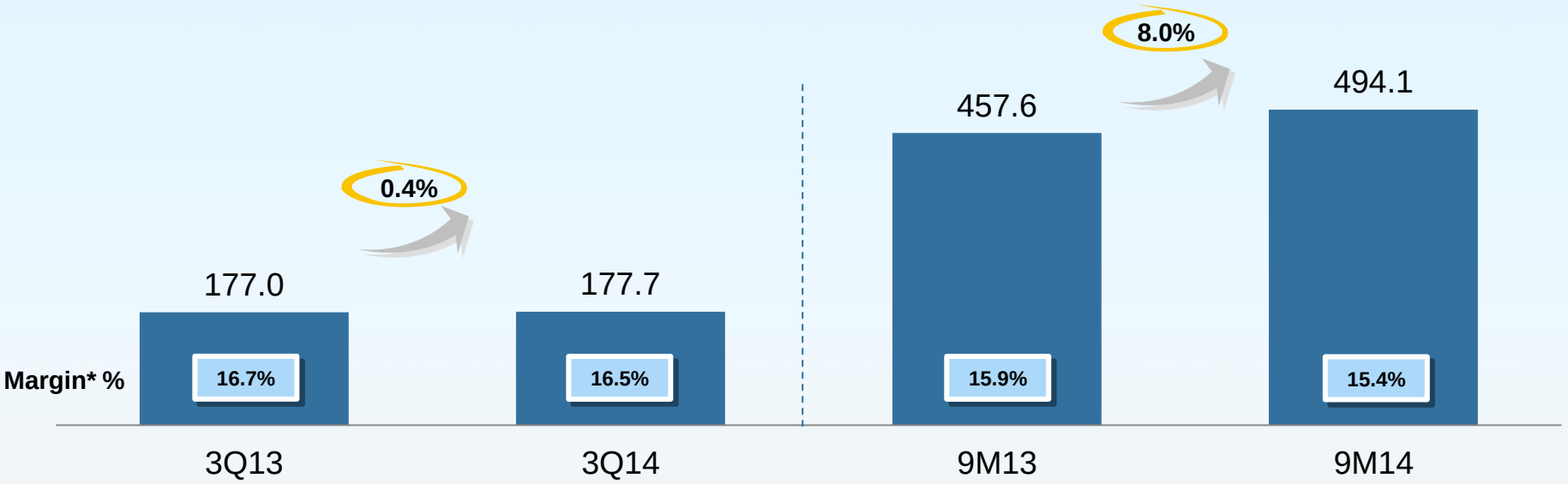
Total Company (R$ million)



- 3Q14 Consumed bookings were adversely impacted by the FIFA World Cup, as July boardings decreased 15% versus July 2013. That was partially offset by the improvement in bookings and boardings during August and September, resulting on a 1.6% boardings increase on 3Q14
- Despite the World Cup YTD boardings increased 11.5%

Net Revenue

Total Company (R$ million)

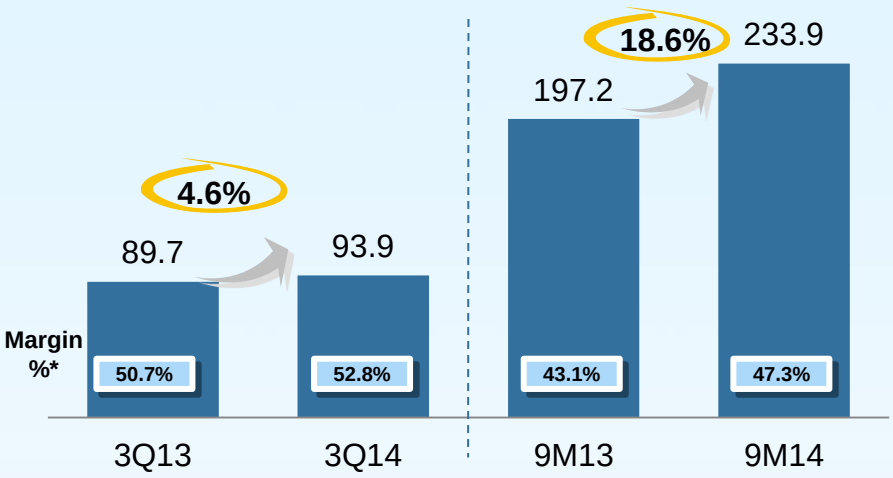


- Weaker 2Q14 bookings adversely impacted boarding's in 3Q14, resulting in flat net revenue in the period
- Net revenue margin decreased by 20 bps. as a consequence of International higher mix, which was mitigated by margins improvement in selective products during the World Cup

* Net Revenue / Consumed Bookings

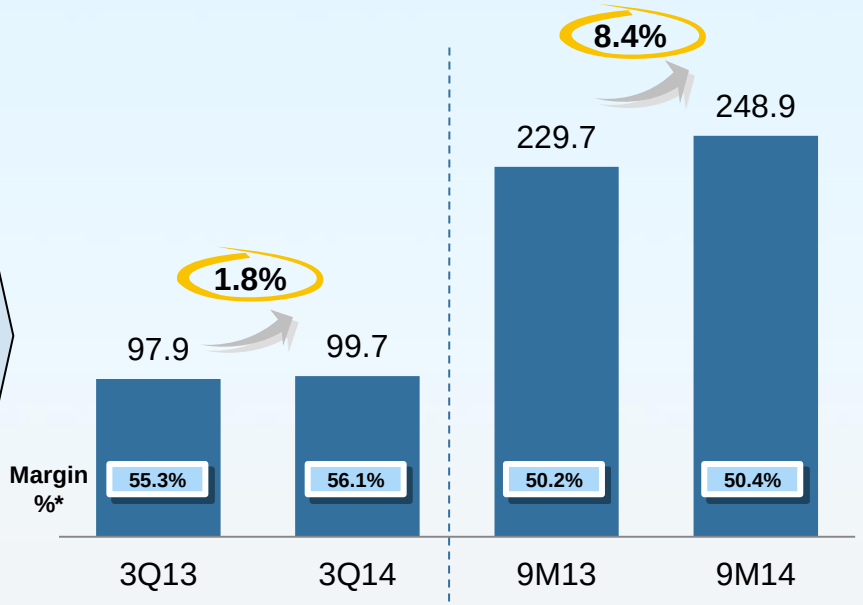
EBITDA

EBITDA (R$ million)



R$ mm	3Q13	3Q14	9M13	9M14
EBITDA	**89.7**	**93.9**	**197.2**	**233.9**
(+) Stock options	6.3	5.0	7.8	12.0
(+) Consulting expenses	0.9		3.7	
(+) Online indemnification	0.1		7.9	
(+) Extraordinary bonuses	0.1	0.8	4.0	3.0
(+) Extraordinary losses	0.3		1.0	
(+) Restructuring Costs	0.6		8.0	
Adjusted EBITDA	**97.9**	**99.7**	**229.7**	**248.9**

Adjusted EBITDA (R$ million)

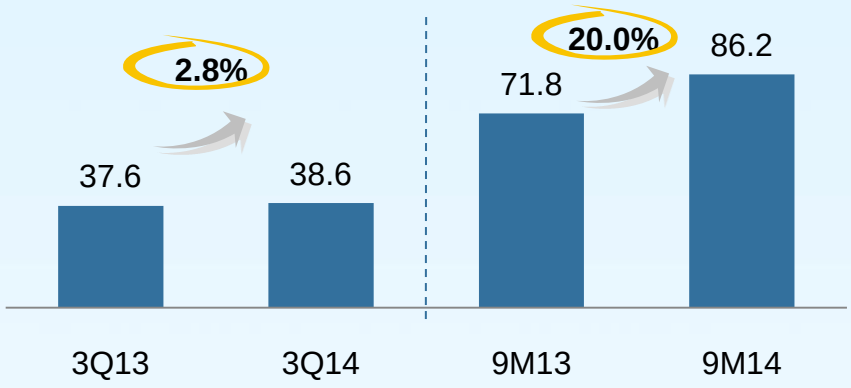


- Several efforts were made on cost management, that allowed CVC to present EBITDA growth in the quarter, despite flat net revenue
- As a percentage of net revenue, Adjusted EBITDA represented 56.1%, a increase of 0.8 p.p versus 3Q13

* Over Net Revenue

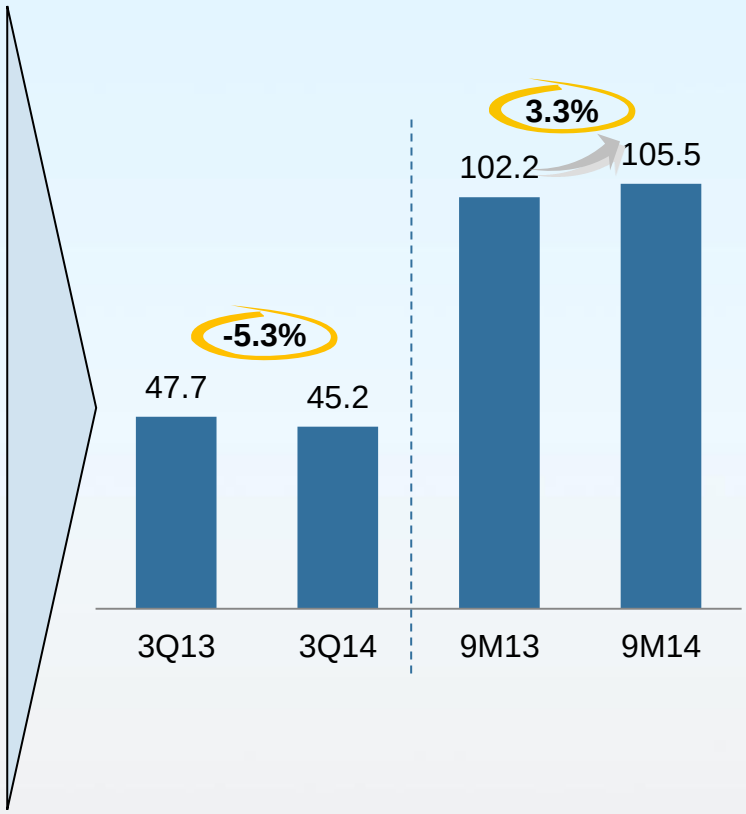
Net Income

Net Income (R$ million)



R$ mm	3Q13	3Q14	9M13	9M14
Net income	**37.6**	**38.6**	**71.8**	**86.2**
(+) Stock options	6.3	5.0	7.8	12.0
(+) Consulting expenses	0.6		2.5	
(+) Online Indemnification			5.2	
(+) Extraordinary bonuses		0.5	2.6	2.0
(+) Extraordinary losses	0.2		0.6	
(+) Restructuring Costs	0.4		5.3	
(+) Earn-out provision	1.2	-0.3	2.3	1.1
(+) Franchisee agrememer	1.4	1.4	3.9	4.2
Adjusted Net Income	**47.7**	**45.2**	**102.2**	**105.5**

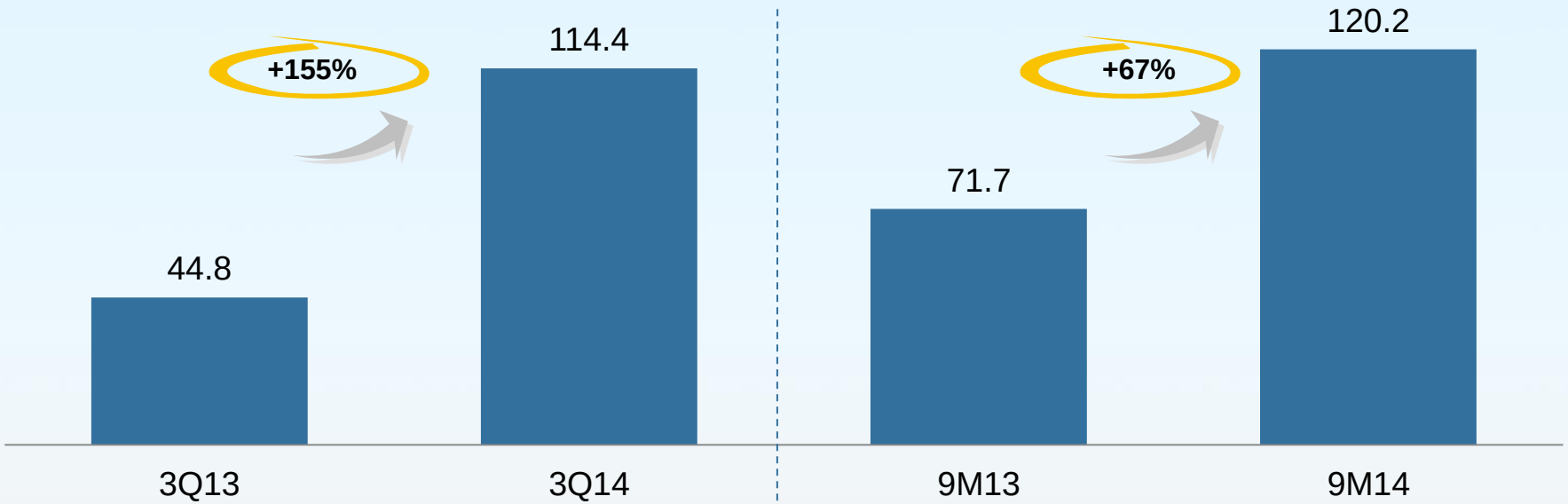
Adjusted Net Income (R$ million)



- Net Income totaled R$38.6 million in 3Q14, an increase of 2.8% versus 3Q13
- Adjusted Net Income totaled R$45.2 million in 3Q14, representing a decrease of 5.3% versus 3Q13, mainly as consequence of a positive exchange variation of R$2mm in 3Q13

Cash Flow Generation

Operational Cash Flow(1) (R$ million)

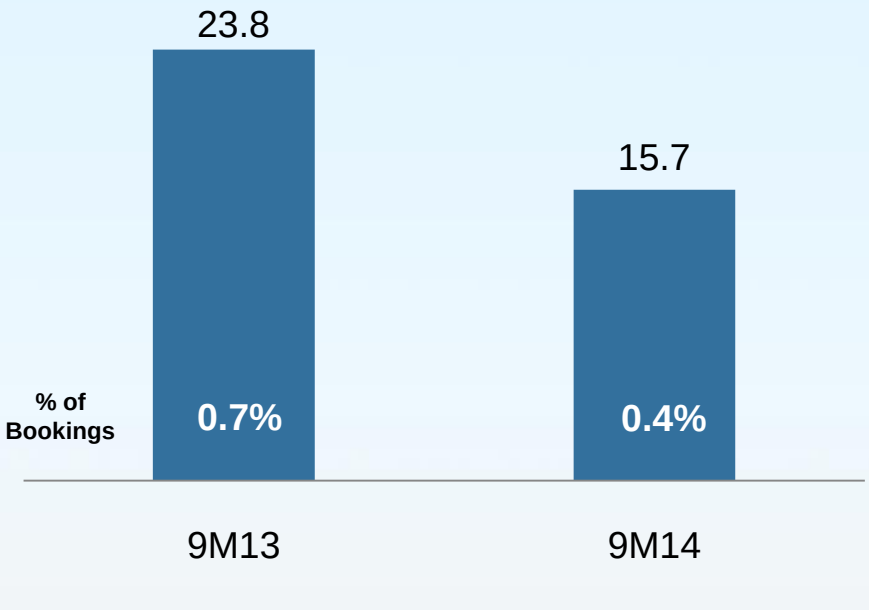


- Cash flow generated by operating activities, net of Capex, increased from R$44.8 million in 3Q13 to R$114.4 million in 3Q14, driven by the improvement on working capital, mainly due to the increase of the average gap between the date of booking and the date of travel
- Working Capital needs reduced from 36 days in 2Q14 to 28 days in 3Q14

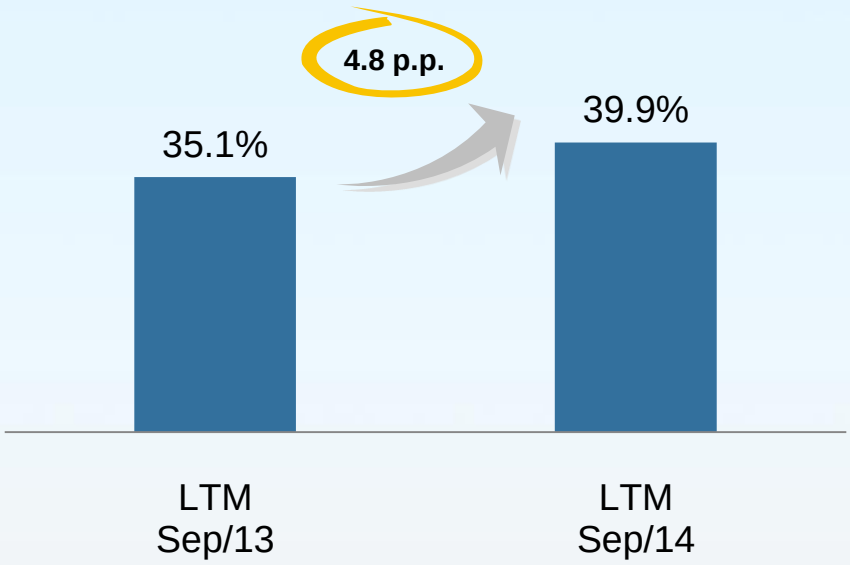
(1) Note: Net of capex and changes in working capital

Investment and Return

Capex (R$ Million)



ROIC(1) (%)

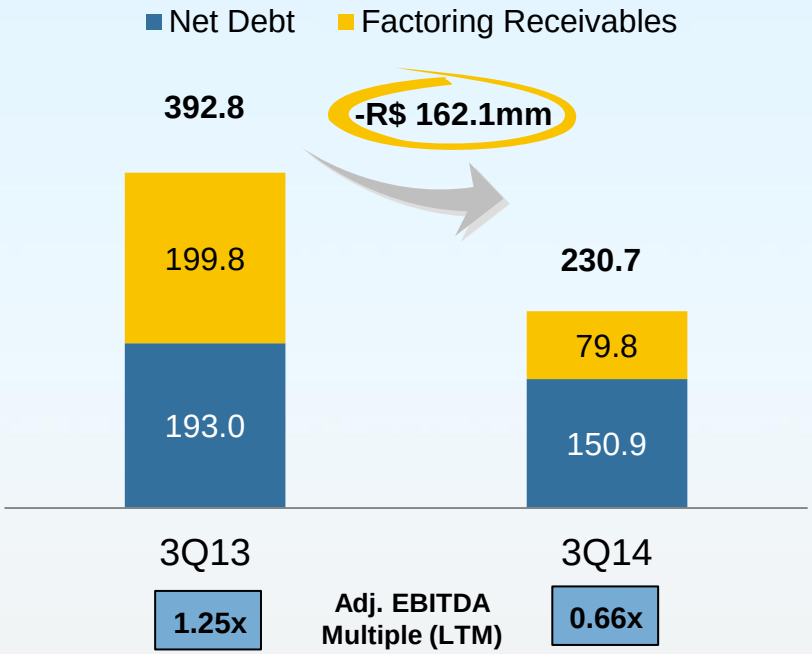


- We invested R$15.7 million in 9M14, predominantly in IT infrastructure, connections with suppliers and the CVC website
- Return on invested capital was 39.9% in the LTM September 2014 period, 4.8p.p. higher than in LTM September 2013, driven by the growth in EBIT and reduction in PP&E, along with a small increase in the working capital

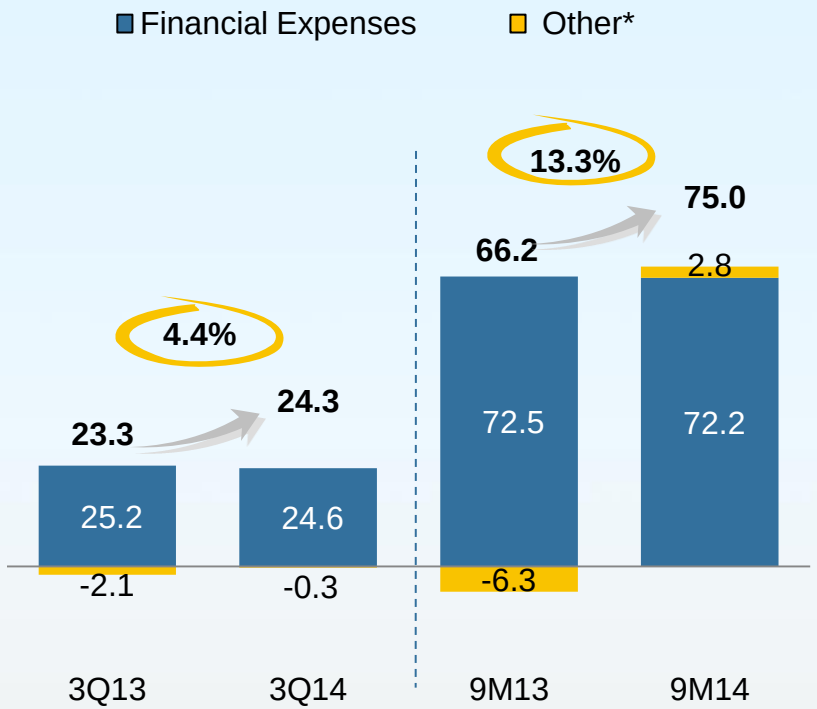
(1) ROIC: NOPAT (Net operating profit after tax) divided by Invested Capital (Net PP&E plus Net Working Capital). See more details in 3Q14 earnings release

Indebtedness & Financial Expenses

Indebtedness (R$ millions)



Financial Expenses (R$ millions)



- Net Debt declined by R$ 162mm in 3Q14, primarily as a result of lower receivables anticipation and working capital improvement
- Financial expenses grew by 4.4% in 3Q14 mainly due to an exchange variation gain of R$2mm in 3Q13

* Includes tax on financial transactions (IOF), bank expenses and financial income



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