JSL S.A.
Publicly Held Company of Authorized Capital
Corporate Taxpayer's ID (CNPJ/MF): 52.548.435/0001-79
Company Registry (NIRE): 35.300.362.683

2013 Management Report

2013 Highlights

- **19.0% growth** in Gross Revenue from Logistics Services, reaching the guidance released at the start of 2013;
- Consolidated **Gross Revenue** of **R$ 5.2 billion**, a **17.1% increase** over 2012, **98.8% organic**;
- **Consolidated EBITDA of R$ 705.0 million, 18.7% up** on 2012;
- Consolidated **Net Income** came to R$93.6 million, an **20.4% upturn year on year**;
- **Gross Capex of R$1.4 billion**, with covenant stability due to the extensive cash generation and release;
- **6th Debenture Issue**, the 1st public one, in the amount of **R$400.0 million** with a 5.2-year average maturity;
- **Assignment of 'brAA-'** ratings by Standard & Poor's and **affirmation of the corporate and issuer ratings** by Fitch Ratings;
- Acquisition of **Movida Rent a Car**, a company highly complementary to our activities, in a **segment of great opportunity for growth, innovation and profitability**;
- **Consolidation** of the **JSL Logística** and the **JSL Concessionárias de Veículos** activities, with the sale of 42.7% of the vehicles available for sale, **evidencing these businesses' complementarity**;
- Opening **of four new stores** of **JSL Concessionárias de Veículos** of the **MAN** brand, one of which in the Northeast and three in the Mid-West of Brazil, increasing the **capillarity** of the asset resale channels;

- **For the second consecutive year,** we were awarded the **Transparency Trophy** granted by ANEFAC – FIPECAFI – Serasa Experian;
- ***Pela Vida* (For Life) Program** implemented by the **Julio Simões Institute** receives the **Whirlpool Sustainability Award** for its social sustainability aspect;
- **CEO of the Year** with the ANEFAC Professionals Award;
- For the second consecutive year, the Company's IR website was elected by IR Global Rankings **the world's best IR website in the service industry** and **the best in Latin America** in 2013;
- **Acquisition of a leasing company** that will **allow** the Company to **benefit from business opportunities** associated with the chain of activities it develops, such as the **sale of logistics assets**, improving the quality of our service providers and increasing the assets' turnover; the **offering of leasing to clients that do not wish to rent**; and **sales in our concessionaires**. This operation is still awaiting the authorization of the Brazilian Central Bank.

Entender para Atender

MESSAGE FROM MANAGEMENT

We are very pleased to present the **Management Report and the Financial Statements of JSL S.A.** referring to 2013. Our determination to **CONTINUOUSLY DEVELOP** the Company contributed to our **Revenue from Logistics Services to grow from R$1.5 billion in our April 2010 IPO, when we disclosed the 2009 figures, to R$3.7 billion in 2013**, posting a **144% increase**, and our **EBITDA** to **grow 2.9 times**, **from R$233.5 million to R$676.9 million**. In 2013, we generated **record Consolidated Gross Revenue of R$5.2 billion**, 17.1% up on 2012, consolidated **EBITDA of R$705.0 million**, an 18.7% year-on-year increase, and **Net Income of R$93.6 million**.

As in previous years, **JSL Logística met the guidance**, recording **19.0% GROWTH in Gross Revenue from Services** over 2012, which we believe reiterates our **RECURRING DELIVERY** and evidences that **JSL's business and growth are resilient and are not dependent on the growth of the Brazilian economy**, even within a scenario of economic slowdown.

JSL is proud of its market, which is historically competitive and fragmented in Brazil. We **stand apart** because of our **true wish to serve and contribute to the increase of the competitiveness of our clients**, in addition to our **ability to absorb investments in logistics, allowing them to focus** their human and capital resources **on their core business**, with the aim of offering **the best cost-benefit**.

In 2013, **JSL invested R$1.4 billion**, of which 65.4% was invested in expansion, 33.6% in renovation, and 1.1% in company acquisitions, mainly focused on the **service provided to current clients, who have sought to consolidate the largest possible number of services in companies in which they can trust**, and on the **addition of new clients**, reminding being the investment in assets that generates additional revenue for the current year and principally for the coming years. This dynamics is **in line with the Company's strategies** of expanding and diversifying its client portfolio,

introducing new services and accelerating its growth through specific acquisitions. Even with this investment, we have maintained our **LEVERAGE levels stable compared to 2009**, emphasizing the **RESILIENCE of our ability to release and generate cash through maintaining covenants**. We emphasize that the **SIGNING OF NEW CONTRACTS** demonstrates the **CONSISTENCY of our activities** to build the **Company's DEVELOPMENT**, contributing not only in the current year, but mainly for the next years.

This **JSL dynamics** was **recognized** by the **ratings agencies**, and in April 2013 Standard & Poor's **assigned its 'brAA-' rating to the Company**, due to the "focus **on improving the company's capital structure** and indebtedness profile", and Fitch **affirmed** its **'A+(bra)'** rating, pointing out JSL's "**strong business profile**, supported by a **leading position in the Brazilian logistics industry**".

In line with the Company's policy of **extending its debt**, in July 2013 JSL conducted its **1st public debenture issue**, in the amount of **R$400.0 million**, with a **5.2-year** average maturity.

In November 2013, **JSL concluded the process of acquisition of Movida and APTA**, **starting operations in light vehicle daily, monthly and annual rentals, for both individuals and corporations** (Rent a Car). Movida will **expand our services portfolio and increase the capillarity of our activities**, as it is strategically and uniquely positioned, **mitigating risk by expanding the country's largest logistics service portfolio.**

The **SYNERGIES** between **JSL Logística and JSL Concessionárias were significant** during the year, and **four new stores were opened in different regions of the country**, three in Tocantins and one in Sergipe, all of which comprise all the sales in their respective states, expanding the **capillarity of the asset resale channels** used in service provision. It is important to highlight that JSL has built its sales channel, preparing for the future, due to its development and growth.

The **QUALITY of JSL's financial statements was once again awarded the Transparency Trophy** in the category Publicly-held Companies with

revenues of up to R$5 billion, granted by ANEFAC, FIPECAFI and Serasa Experian. JSL understands this is the best way to communicate and respect all who evaluate the business. The **Company's results** were also **RECOGNIZED,** with the Company **ranking 1st in the transportation industry** in ***Época Negócios*** **magazine's 360° Yearbook, among the 10 best in transportation** (including all modals), referenced by Exame magazine's as one of the Companies **that grew the most in Brazil**, and the **Investor Relations website was elected by IR Global Rankings the world's best IR website among the companies in the service industry and the best IR website in Latin America.**

We are proud to rely on the **determination, dedication, simplicity and commitment of the JSL team toward the Company's RESULTS**, and we would not have achieved these recognitions if we didn't have **people who are aligned with our values and culture**, as we know that these **people are fundamental to the development of our business**.

At the same time we develop logistics solutions, we are careful of the people who live around our operations. Focusing on the social issue, the **Julio Simões Institute has made headway in the actions that contribute to highway safety**, and in 2013 the ***Pela Vida*** **(For Life) program received the Whirlpool Sustainability Award for its social sustainability aspect**.

JSL operates in more than 16 sectors of the economy and has more than 350 clients, **taking active part in the country's production and economy.** We believe that in the next years the **Company will have to do a great deal more than what it did in previous years**, as we know that logistics needs are always evolving and that our clients need to streamline their processes and increase their competitiveness. These factors are extremely important for our perpetuity as they show our ability and willingness to reinvest in our business, absorbing logistics investments, while the client can focus on their core business. We are **ABLE** to **BENEFIT FROM THE OPPORTUNITIES** that lie ahead, with **EFFICIENT, CUSTOMIZED RESPONSES**, contributing to the

result of our clients, and expanding our service portfolio in operations that are increasingly more personalized and focused on our clients' needs.

We began 2014 working hard, focusing on not missing any opportunities, prepared to overcome our hurdles and difficulties, in order to **provide our clients with safety and a better cost-benefit** ratio, and having as a consequence **JSL's development and a greater return to our shareholders.**

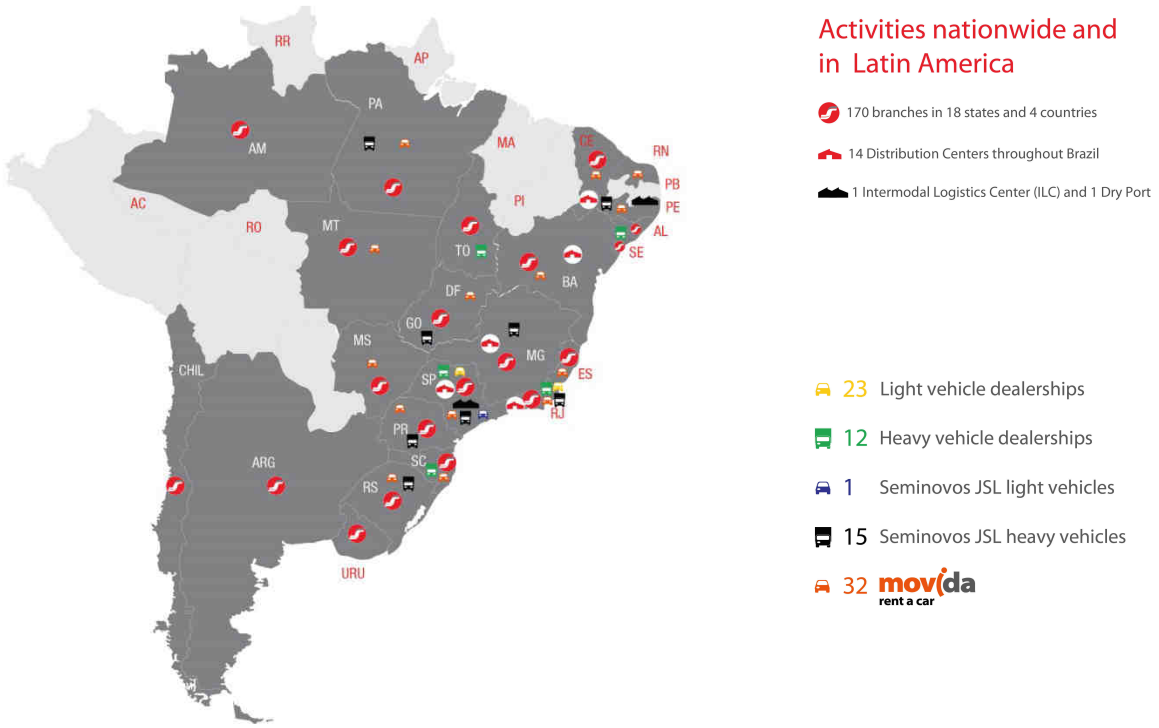
WE WISH TO THANK our suppliers for their support, **our employees** for their competence and dedication and **our shareholders** for their trust, for believing in our work and giving support to **JSL**'s perpetuity.

We also want to **thank our clients**, who are **the true reason for our existence and our development**, who we **UNDERSTAND** in order to **SERVE** every day, **sparing no efforts to deserve the confidence they place in us**, **offering them the best service at the best price**, in order to provide them with **the best cost-benefit ratio**. That's what we believe to be **the best way in which to perpetuate our relationship**.

Thank you very much,
Fernando Antonio Simões
Chairman of the Board of Directors and CEO of JSL S.A.

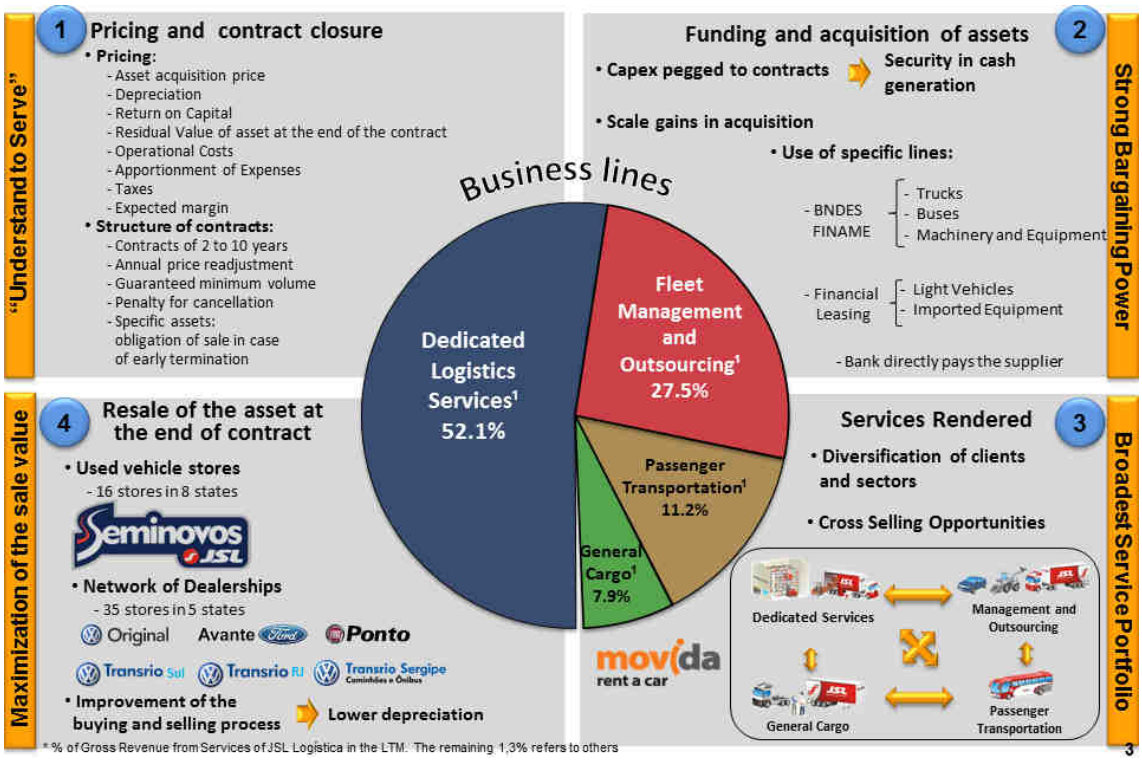
1) JSL: the broadest logistics service portfolio in Brazil

JSL, a leader in its segment in terms of net revenue, provides high added value services for the entire production chain through the business lines Dedicated Services to the Supply Chain, Fleet Management and Outsourcing, Passenger Transportation and Cargo Transportation, operating in more than 16 sectors of the economy. To guarantee synergies among its activities, the Company sells assets through the 35 **JSL Concessionárias de Veículos** stores and the 16 **Seminovos JSL** used vehicle stores, which allows it to have one of the country's youngest fleets. JSL operates in 18 Brazilian states and four Mercosur countries through more than 170 branches, and is the country's largest buyer of heavy vehicles and the second largest buyer of light vehicles, with more than 49,000 operating assets. In 2013, the Company expanded its service portfolio with the inclusion of light vehicle rental through 32 **Movida** stores located in the main cities and airports in Brazil.



Business Model

JSL's business model consists of a number of contracts that begin with the pricing of projects, followed by leasing of specific assets in a customized and integrated manner. Once the necessary resources are in place (personnel and facilities, among others) and the assets are also in place, the provision of services begins, which will generate cash flow throughout the life of the contract, which can vary between 2 and 10 years. The final stage in this cycle is the resale of the asset at the end of the contract. This estimated residual value is taken into consideration when negotiating the contract price, and, hence, is included in the expected total returns from the operation.



2) Service Portfolio

✓ **Logistics**

- Services: JSL Logística operates through four main business lines:

Dedicated Services to the Supply Chain: it develops integrated logistics projects and manages the client's entire logistics chain information. Operating in the logistics stages of the production process, JSL manages the flow of inputs / raw materials (inbound operations), internal logistics (the movement and management of inventory) and the outflow of products to the end consumer (outbound operations), as well as reverse logistics and warehousing.

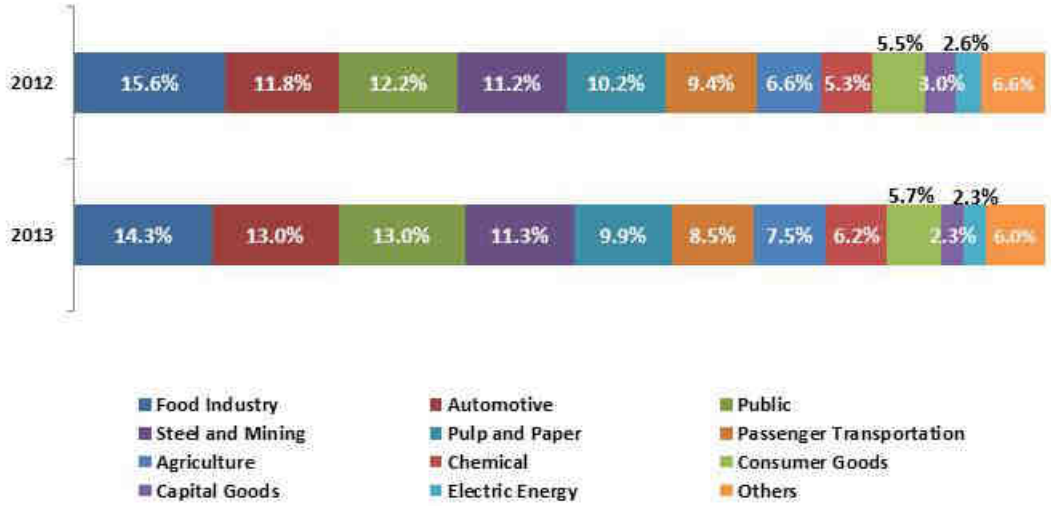
Management and Outsourcing of Fleets: it manages and outsources light and heavy vehicle fleets and leases machinery and equipment. This service is distinguished for adding management of the size of fleets and additional services (drivers, maintenance, availability guarantees, and replacement of vehicles and equipment) to leasing.

Passenger Transportation: bus charter services for the transportation of employees of client companies, in addition to public municipal and intercity transportation resulting from public bids with long-term contractual characteristics, with synergies with the Company's several areas, including scale, expertise in the management of assets and inputs and staff training.

General Cargo Transportation: it consists of the transportation of inputs or finished products from point "A" to point "B." The Company mainly uses independent contractor and third-party drivers to execute these activities given the extreme variation in demand inherent in this line of business, thereby guaranteeing greater flexibility, lower fixed costs and a reduced asset replacement rate.

JSL has a diversified portfolio of clients to whom it offers a wide range of logistics services, without becoming dependent on any of them. Its presence in different economic sectors, combined with long-term contracts, contributes to the resilience of the business. This strategy of diversifying revenue helps mitigate risks and expand opportunities for sustainable growth, as presented in the following graph:

Breakdown of Gross Revenue from Services by Economic Sector in 2013



- Sale of Assets

At the end of each contract or at the time of renewal, the assets used in the operations are sent to one of the 16 used vehicle stores at **Seminovos JSL** or to the dealerships at **JSL Concessionárias de Veículos** for sale, completing the last stage of JSL's business model.

✓ **JSL Concessionárias de Veículos**

JSL Concessionárias de Veículos closed 2013 with 35 authorized dealerships (Volkswagen - 18, MAN - 12, Fiat - 3 and Ford - 2) which sell new and used trucks and cars. This operation increases the capillarity in the distribution of

assets and contributes to the Company's strategy, as it identifies the best moment to sell used vehicles and buy new vehicles, leading to increased residual value at the moment of resale of the assets.

✓ **Movida Rent a Car**

Movida Rent a Car provides daily, monthly and annual car rental services for individuals and companies through 32 stores located across Brazil, with a fleet of 4,000 vehicles. In line with its vision of valuing services, the company offers special advantages to all clients, including 27-hour daily period contracts, Carbon Free rental (planting trees to neutralize carbon emissions), entire fleet equipped with CD players or USB connection, GPS system, car rental contracts with insurance included and free mileage. Movida Rent a Car also has a specialized call center, a website, a mobile app and social networks through which clients can make reserves. The company is positioned in a strategic and unique manner, mitigating risks by expanding the broadest logistics service portfolio in Brazil and increasing the reach of JSL's operations.

- JSL activities focus mainly on logistics services, but JSL Concessionárias de Veículos and Movida Rent a Car contribute to boosting the competitiveness of the business and strengthen the Company's positioning in the market. The dealership network and Movida are independent and highly complementary operations that meet the needs of the Company's clients, as the former strengthens the asset resale channels and the latter expands the service portfolio and increases the capillarity of JSL's activities, as it is strategically positioned, mitigating risks by expanding the country's broadest portfolio of logistics services.

3) Sector Scenario

The Brazilian logistics operators are taking benefits from national and international investments, and this results in a greater maturity of the logistics operators market, which are already providing more sophisticated and higher value-added services.

According to estimates of specialized institute, the sector is still highly fragmented, with companies hiring different operators for different activities. For example, 90% of them outsource only part of the operation – usually transport – and insource activities such as inventory and warehousing. It also happens because of the shortage of logistics providers that could offer a complete solution.

It is important to note that factors, including the pursuit of higher operational efficiency and greater expertise to generate new logistics solutions, in addition to the reduction of capital allocation, now further influence companies opting for outsourcing.

From 2010 to 2013, 36% of the country's factories increased outsourcing of logistics activities, mainly driven by their own expansion, what represented, for the Brazilian companies, 8.7% of their revenue with logistics costs.

Moreover, the studies presents that more than 40% of the companies operating in Brazil plan to increase outsourcing of logistics activities by 2016, and another 44% expect to maintain the levels recorded in 2013. As additional information, the sectors' costs represented 11.5% of GDP in 2012.

Related to agribusiness, a higher growth in logistic services is expected, once great part of the industries in this sector aims to extend their logistics activities outsourcing by 2016. It is also large the number of the companies in the Hygiene, Cleaning, Cosmetic and Pharmaceutical, Communications, Mining, Electrical and Electronic, Automotive and Auto Parts, Retail Trade and Food and Beverage segment with interest in increasing participation in their logistics operations.

Concerning the auto market, Anfavea[1] expects growth of 0.7% in production and of 1.1% in vehicle licensing in 2014. According to ABLA[2], the vehicle rental sector accounted for 7.8% of sales in the car industry in 2012, with car rental companies recording a revenue of R$6.2 billion.

The penetration of outsourcing fleet in Brazil is approximately 11.5%, which is relatively low compared to other developed countries. The same happens with the car rental market.

The Company believes that its diversified operations in logistics solutions, the presence in more than 16 sectors of the economy and the broadest portfolio of services, meets the expectations of the client companies, which seek more experienced and robust logistics providers, with sophisticated and pioneering services. Attention to clients' requirements regarding the efficiency of services will continue contributing to the sustainable growth of JSL, both in times of increasing economic cycles and in periods of low activity, when logistics optimization is necessary for the companies.

[1] Anfavea: Brazilian Vehicle Manufacturers' Association

[2] ABLA: Brazilian Car Rental Association

4) Operating Performance – Gross Revenue

In 2013, the Company met the Service and EBITDA guidance disclosed at the beginning of the year, confirming the resilience of its business and its ability to deliver, as presented below.

Gross Revenue (R$ million)	2012	2013	Chg. 2013x2012
JSL Consolidated[1]	**4,478.5**	**5,242.8**	**17.1%**
Logística	**3,349.6**	**4,071.4**	**21.5%**
Services	3,075.5	3,659.8	**19.0%**
Sale of Assets	274.2	411.6	**50.1%**
Concessionárias de Veículos	**1,163.0**	**1,230.7**	**5.8%**
Movida	**-**	**7.1**	**n.a.**

[1] Consolidated results, considering the elimination of the operations between JSL Logística, JSL Concessionárias de Veículos and Movida

In 2013, JSL posted **record Consolidated Gross Revenue of R$ 5.2 billion**, **17.1% up** on 2012, already considering the eliminations between JSL Logística, JSL Concessionárias de Veículos and Movida, the latter being a new segment merged into the company in December 2013.

JSL Logística's Total gross revenue came to **R$ 4.1 billion**, comprising **R$ 3.7 billion from Services**. **JSL Concessionárias' Total gross revenue** stood at **R$ 1.2 billion**, **5.8%** up on 2012, while **Movida contributed R$ 7.1 million to gross revenue** in December 2013.

JSL activities focus mainly on logistics services, but the **dealership network and Movida** are **independent** and **highly complementary** operations that contribute to **boosting the competitiveness** of the business and **strengthen the company's positioning** in the market, in order to continue **creating value** for shareholders.

➢ JSL Logística

Gross Revenue (R$ million)	2012	2013	Chg. 2013x2012
Gross Revenue from Services	**3,075.5**	**3,659.8**	**19.0%**
Dedicated Services	1,603.9	1,905.5	18.8%
Management and Outsourcing	807.5	1,007.6	24.8%
Passenger Transportation	378.0	408.4	8.1%
General Cargo Tranposrtation	242.1	290.0	19.8%
Others	43.9	48.4	10.1%
Gross Revenue from Sales of Assets	**274.2**	**411.6**	**50.1%**
Resale of Assets used to provide services	274.2	411.6	50.1%
Sale of Assets with Management	-	-	n.a.
Machinery and Equipment Rental (Present Value) - CPC 06	-	-	n.a.
Total Gross Revenue	**3,349.6**	**4,071.4**	**21.5%**

In 2013, **JSL Logística** posted **gross revenue from Services** of **R$ 3.7 billion**, representing **growth of 19.0%**, **meeting the guidance** announced at the beginning of 2013 and confirming the Company's constant growth, despite the lower GDP growth in 2013. The **business lines with the highest value added remained robust**, with Dedicated Services and Management and Outsourcing jointly **representing 79.6% of gross revenue from Services**, **1.2 p.p. up on** 2012.

Revenue from Same Contracts – RSC[3] increased by 16.6%, and the **new contracts** contributed **R$ 150.0 million** in 2013, led by the steel and mining, agribusiness and automotive sectors.

Revenue from the Sale of Assets totaled **R$ 411.6 million**, **50.1% up on** 2012, chiefly due to the higher availability of assets for sale and the new sales channels that came with the Dealership network.

[3] Includes revenue from contracts existing in both comparison periods

➢ JSL Concessionárias de Veículos

Gross Revenue (R$ milhões)	2012 REPORTED (feb to dec)	2013	Chg. 2013 x 2012[1]
Light vehicles	**713.0**	**738.4**	**+3.6%**
Retail Sales	705.3	721.6	+2.3%
Direct Sales[#]	7.7	16.8	+118.6%
Heavy vehicles	**266.4**	**278.7**	**+4.6%**
Retail Sales	257.4	267.7	+4.0%
Direct Sales[#]	9.0	11.0	+22.9%
F&I	**30.9**	**27.9**	**-9.9%**
After Sales	**152.7**	**185.6**	**+21.5%**
Total	**1,163.0**	**1,230.6**	**+5.8%**

[1] Considers the months from February to December 2012

[#] Considers only the commission as revenue

In 2013, JSL Concessionárias recorded total gross revenue of R$ 1.2 billion, comprising R$ 738.4 from light vehicles and R$ 278.7 from heavy vehicles, 5.8% up on the total gross revenue of the prior year. The gross revenue of After Sales presented an upturn of 21.5%, derived from replacement parts and client services

Is worth noting that JSL Concessionárias de Veículos was incorporated in February 2012, and starting from the merger, had impacted the results of JSL Consolidated.

➢ Movida

Gross Revenue (R$ milhões)	2012 REPORTED (dec)
Retail Sales	5.2
Direct Sales	1.9
Heavy vehicles	**7.1**

JSL considers **Movida** to be pre-operational as its feasibility depends on the expansion of its asset base and points of sale, dilution of fixed costs and the necessary time to take advantage of the synergies arising from its operation with JSL. In December 2013, Movida posted total gross revenue of R$ 7.1

million, comprising R$ 5.2 million from Rental and Franchising and R$ 1.9 million from Asset Sales.

5) Financial Highlights

Financial Results (R$ millions)	2012	2013	Chg. 2013x2012
Total Gross Revenue[1]	**4,478.5**	**5,242.8**	**17.1%**
Logística	**3,349.6**	**4,071.4**	**21.5%**
Service	3,075.5	3,659.8	19.0%
Sales of Assets	274.2	411.6	50.1%
Concessionárias de veículos	**1,163.0**	**1,230.7**	**5.8%**
Movida	**-**	**7.1**	**n.a.**
Total Net Revenue[1]	**4,021.6**	**4,746.5**	**18.0%**
Total Costs[1]	**(3,316.0)**	**(3,985.8)**	**20.2%**
Logística	**(2,441.0)**	**(3,100.9)**	**27.0%**
Service	(2,168.5)	(2,696.2)	24.3%
Sale of Assets	(272.4)	(404.7)	48.5%
Concessionárias de veículos	**(909.2)**	**(945.9)**	**4.0%**
Movida	**-**	**(5.3)**	**n.a.**
Total Gross Profit[1]	**705.6**	**760.7**	**7.8%**
Logística	**534.5**	**561.7**	**5.1%**
Service	532.8	554.8	4.1%
Sale of Assets	1.7	6.9	294.9%
Concessionárias de veículos	**171.0**	**197.5**	**15.5%**
Movida	**-**	**1.5**	**n.a.**
Gross Margin[1]	***17.5%***	***16.0%***	***-1.5p.p.***
Logística	*17.9%*	*15.1%*	*+1.6 p.p.*
Concessionárias de veículos	*15.8%*	*17.3%*	*143.8%*
Movida	-	*22.6%*	*n.a.*
Operating Expenses before the Financial Result	(401.9)	(405.9)	1.0%
Net Financial Result	(186.7)	(218.0)	16.8%
Income before tax	(117.0)	136.8	17.0%
Provision for income tax and social contribution	(39.2)	(43.2)	10.2%
Recurring Net Income	**77.7**	**93.6**	**20.4%**
Logística	**80.6**	**89.1**	**10.6%**
Concessionárias de veículos	**(2.9)**	**4.4**	**-254.2%**
Movida	-	**(0.0)**	**n.a.**
Recurring Net Margin	***1.9%***	***2.0%***	***+0.0 p.p.***
Logística	*2.7%*	*2.4%*	*-0.3p.p.*
Concessionárias de veículos	*-0.3%*	*0.4%*	*+0.7 p.p.*
Movida	-	-0.3%	*n.a.*
Recurring EBITDA	**594.1**	**705.0**	**18.7%**
Logística	**577.7**	**675.7**	**17.0%**
Concessionárias de veículos	**16.4**	**28.1**	**70.9%**
Movida	-	**1.2**	**n.a.**
Recurring EBITDA Margin	***14.8%***	***14.9%***	***+0.1 p.p.***
Logística	*19.4%*	*18.4%*	*-1.0p.p.*
Concessionárias de veículos	*1.5%*	*2.5%*	*+0.9 p.p.*
Movida	-	*17.6%*	*n.a.*

[1]Consolidated Results, considering the elimination of the operations between JSL Logística e JSL Concessionárias

Net Revenue

In 2013, JSL Consolidada recorded an 18.0% upturn in its Total net revenue, which came to R$ 4.7 billion, comprising R$ 3.7 billion from JSL Logística, R$ 1.1 billion from JSL Concessionárias de Veículos and R$ 6.8 million from Movida, already considering the eliminations of the operations between JSL Logística, JSL Concessionárias de Veículos and Movida.

Costs

Total costs stood at R$ 4.0 billion in 2013, 20.2% up on 2012, already considering the eliminations of the operations between JSL Logística, JSL Concessionárias de Veículos and Movida, comprising R$ 3.1 billion from JSL Logística, R$ 945.9 million from JSL Concessionárias and R$ 5.3 million from Movida.

Total gross profit came to R$ 760.7 million in 2013, 7.8% higher than the previous year. The gross margin stood at 16.0%, thanks to a significant improvement of 1.4 p.p. in the gross margin from the Dealerships, from 15.8% in 2012 to 17.3% in 2013.

- **JSL Logística**

Costs from Services stood at R$ 2.7 billion in 2013, or 82.9% of net revenue from Services, a 2.7 p.p. improvement over 2012, chiefly due to the growth in Dedicated Services, which have increased the use of independent contractors and third parties during the year, especially the operations in the food sector, offset by the reduction in Fuel and Lubricant Costs. Costs from the Sale of Assets usually follow revenue trends, and as a result, these costs increased by 48.5% over 2012 to R$ 404.7 million.

➢ **JSL Concessionárias de Veículos**

Dealerships' costs totaled R$ 945.9 million in 2013, or 82.7% of net revenue, a 1.4 p.p. improvement over 2012, chiefly due to the increase in the share of Direct Sales of light vehicle sales in the mix in 2013.

➢ **Movida**

Movida's costs came to R$ 5.3 million in December 2013, comprising 31.1% from Cost of Sales, and the Cost of Rental and Franchise accounted for 68.9 %, within this value, the cost with depreciation is the most relevant.

Operating Expenses before the Financial Result

Consolidated Operating Expenses before the Financial Result fell by 1.4 p.p. over 2012 to R$ 405.9 million, versus a net revenue of R$ 4.7 billion. These expenses recorded a positive variation of 1.0% in the comparison period, with the amount remaining stable, presenting a dilution in relation to net revenue in the year.

Net Financial Result

In 2013, the consolidated net financial result (financial income less financial expenses) was an expense of R$ 218.0 million, 16.8% up on 2012, mainly driven by the 19.2% upturn in the average net debt balance, reflecting the business expansion.

Net Income, EBITDA and EBITDA-A

JSL Consolidada recorded net income of R$ 93.6 million in 2013, 20.4% up on 2012, with a margin of 2.0%, confirming the Company's sustainable growth, as explained earlier.

Traditional EBITDA totaled R$ 705.0 million, 18.7% up on 2012. EBITDA-A or EBITDA Added, which represents EBITDA plus the residual costs associated

with the sales of fixed assets, which do not represent operational cash disbursements, as they are merely an accounting representation of the write off of assets at the time of sale, is a more accurate representation of cash flow than traditional EBITDA and more accurately represents the Company's capacity to meet its financial obligations, having totaled R$ 1.1 billion in 2013, 29.4% more than in 2012.

6) Debt

Indebtedness (R$ million)	2012	2013	Chg. 2013x2012
Cash and Investments	(407.0)	(764.2)	87.8%
Gross debt - Short Term	538.1	531.2	-1.3%
Gross debt - Long Term	2,092.4	2,955.2	41.2%
Gross debt	2,630.6	3,486.5	32.5%
Net debt	2,223.6	2,722.3	22.4%

JSL's consolidated net debt closed 2013 at R$ 2.7 billion, 22.4% more than in 2012, closely related to investments, which totaled R$ 1.4 billion.

Of total net debt at the close of 2013, 77.5% came from operating loans, most of which pegged to the TJLP long-term interest rate, 10.9% from company acquisitions and 11.6% from corporate debt. Cash and cash equivalents were equivalent to 1.4x the short-term debt and the net debt/EBITDA-A ratio stood at 2.4x.

Note that financial expenses are mostly linked to financing of assets that still have less than 12 months of revenue and whose contracts have not yet reached the optimum level of cash generation. On December 31, 2013, around 33,1% of JSL Logística's net debt was allocated to operations with less than 12 months of revenue or which were being discontinued.

In line with its debt extension policy, in July 2013 JSL carried out its first public debenture issue, worth R$ 400.0 million and with average term of 5.2 years.

The Company's activities have been recognized by rating agencies. In April 2013, Standard and Poor's assigned a 'brAA-' rating to the Company, due to "its

focus on improving its capital structure and debt profile", and Fitch reaffirmed its 'A+(bra)' rating, considering "JSL's solid business profile, supported by its leading position in the Brazilian logistics sector".

7) Investments

To better serve its current clients, who aim to concentrate the highest number of services on the companies they trust, and given the new clients added to its portfolio, JSL invested R$ 1.4 billion in 2013, 65.4% of which in business expansion and 33.6% in fleet renewal. The Company's investment plan includes the acquisition of movable assets used in the renewal and/or expansion of its operations. JSL Logística invested R$ 1.3 billion, R$ 786.9 million of which in business expansion, R$ 447.7 million to renewals and R$ 60.6 million in IT and improvements. Revenue from the usual resale of assets totaled R$ 411.6 million, totaling a net capex of R$ 883.7 million. Dedicated Services and Management and Outsourcing jointly absorbed 80.3% of total period investments as they are considered to be strategic operations thanks to their high value added. JSL Concessionárias invested R$ 57.2 million in the year, 61.3% of which in store expansion, while Movida invested R$ 32.3 million in December, most of which in business expansion.

Despite these investments, leverage levels remained stable in relation to 2009, confirming the Company's ability to release cash flow through the maintenance of covenants. Note that contracts closed in a given year will only reach their full contribution in the following year, as they have an implementation period in which they incur expenses without generating revenue, which may distort the Company's margins and returns compared with a situation in which contract volumes are fully operational. As a result, expansion capex only partially contributes to revenue and cash flow in the year it is executed as it depends on the moment at which the new contracts are entered into.

8) Relevant Corporate Events

- ✓ On April 16, 2013, JSL Holding Financeira Ltda. acquired 100% of the shares representing the capital of BGN Leasing S.A. – Arrendamento Mercantil, with a view to taking advantage of commercial opportunities, especially those related to the chain of activities developed, including sale of assets by logistics area or by the dealerships, through the offering of financial and/or operating leasing for the acquisition of vehicles and equipment. The acquisition is pending approval by the Brazilian Central Bank;
- ✓ JSL concluded the acquisition of Movida Locações de Veículos Ltda. and APTA Veículos e Representações Ltda. in November 2013, entering the daily, monthly and annual light vehicle rental segment for individuals and companies through a strategically well-positioned and differentiated company, mitigating its risk by expanding the country's broadest logistics service portfolio.

9) Capital Market

Share Performance

JSL's shares were traded at R$ 15.96 on the BM&FBovespa (JSLG3) on December 31, 2013, virtually doubling in relation to the IPO price, on April 22, 2010. In 2013, the Company's shares gained 14.0%, while the Ibovespa index declined 15.5%. The Company's market capitalization came to R$ 3.4 billion at the close of the year. JSL's shares are listed on the Novo Mercado segment of the BM&FBOVESPA and are also included in the ITAG (Special Tag Along Stock Index) and the IGC (Special Corporate Governance Stock Index) portfolios.

Dividends and Interest on Equity

The Company proposes approval of the Annual General Meeting, payment of the minimum mandatory dividend related to the 2013 results in the amount of R$ 22.2 million, representing R$ 0.0931 per share. On January 13, 2014, the

Company distributed interest on equity (IOE) of net R$ 19.1 million, to be imputed to dividends, remaining a payment of R$ 3.1 million.

10) Human Capital

The effort and dedication of JSL's employees are fundamental for the activities of the Company, renowned for the quality of its services. At the end of December 2013, JSL had around 23,000 employees, an important differential that contributes to the Company's growth.

JSL recognizes that its service performance is related to training of those involved in its operations. In 2013, approximately 18,000 employees of JSL Logística (88.9% of the workforce in the year) attended internal training programs, totaling around 216,000 hours training of operational and administrative teams and giving an average of 12 hours of training per employee. This translates into a cohesive team, aware of safe transport and logistics solutions operations.

11) Social and Environmental Responsibility

In 2013, JSL's activities were marked by strengthening of sustainable logistics initiatives. The Company's commitment to developing its business based on social, economic and environmental initiatives involves proactive solutions related to route optimization, reduced fuel consumption, emission control, efficient water use, adequate waste disposal, greater safety for drivers and cargo, economic efficiency and social responsibility practices in order to boost competitiveness.

Brazil's transportation matrix is characterized by the predominance of the highway modal. JSL believes its mission includes contributing to discussions on the evolution of sustainable logistics. In this context, in 2013 the Company participated for the second consecutive year in the II International Green Fleet

and Freight Seminar, which gathered key representatives of the sector to discuss technologies and practices that improve logistics performance in Brazil.

The Julio Simões Institute is responsible for JSL's private social investments, implementing initiatives in places where the Company is located through own projects and partnerships. Its mission includes strengthening security of highway transport. In 2013, the Institute received the Whirlpool Sustainability Award for its *Pela Vida* (For Life) program.

In 2013, 4,112 children participated in the "*Você Quer? Você Pode!*" (Do you want it? You can!) educational project, which, besides the municipal schools, started to attend state schools located in Mogi das Cruzes – SP, and now includes 9th graders students in the visits to the Center for Memory and Culture Julio Simões. The students who were part of this project in the year participated in the 1st "*Você Quer? Você Pode!*" Essay Contest, to which more than 4,000 works have been submitted.

The end of the year was marked by the "*O Natal de Todos Nós*" (Christmas for All of Us) initiative, implemented in Mogi das Cruzes – SP and Parauapebas – PA to encourage the local population to donate new toys and children's books. More than 5,000 toys and 4,000 books were collected and donated to institutions and needy neighborhoods of these cities.

12) Independent Auditors

JSL hired PricewaterhouseCoopers to audit its financial statements. Pursuant to CVM Instruction 381/03, we declare that the services provided in 2013 by PricewaterhouseCoopers unrelated to the external audit were higher than 5% of the total fees related to the services provided.

Therefore, the value of audit fees of the financial statements, quarterly reviews and issuance of comfort letter was R$ 2.1 million; other auditing services, for example, diligence, totaled R$ 1.2 million; and the revision of DIPJ filling services in the amount of R$ 44,5 thousand.

The Company has a practice of do not contract any service that, by its nature or price to be charged, may cause any conflicts of interest, loss of autonomy or objectivity of its independent auditors. JSL understands that the contracting of the services listed above is in line with this practice.

PwC declared that the services were provided strictly in compliance with the accounting rules dealing with the autonomy of the independent auditors in audit work and did not represent situations that could affect the autonomy and objectivity required for providing independent audit services to JSL.

13) Management Declaration

In accordance with CVM Instruction 480/09, Management hereby declares that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and the financial statements for the fiscal year ended December 31, 2013.

14) Arbitration Clause

The Company is bound to submit all matters of arbitration to the Market Arbitration Chamber, pursuant to the Arbitration Clause in the Company's Bylaws.

Board of Directors

Fernando Antonio Simões	**Fernando Antonio Simões Filho**	**Adalberto Calil**	**Álvaro Pereira Novis**	**Augusto Marques da Cruz Filho**
Chairman	Member	Member	Independent Member	Independent Member

Board of Executive Officers

Fernando Antonio Simões	**Denys Marc Ferrez**	**Fábio Albuquerque Marques Velloso**	**Adriano Thiele**	**José Pio X Schio**	**Eduardo Pereira**
CEO	Administrative, Financial and Investor Relations Officer	Officer	Officer	Officer	Officer

(A free translation of the original in Portuguese)

JSL S.A. and its subsidiaries

Parent company and consolidated financial statements at December 31, 2013 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
JSL S.A.

We have audited the accompanying parent company financial statements of JSL S.A. (the "Parent Company"), which comprise the balance sheet as at December 31, 2013 and the statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of JSL S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2013 and the consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil, and for the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the parent company financial statements

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of JSL S.A. as at December 31, 2013, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of JSL S.A. and its subsidiaries as at December 31, 2013, and their financial performance and their cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

Emphasis of matter

As discussed in Note 2 to these financial statements, the parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of JSL S.A., these practices differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries and jointly-controlled entities based on equity accounting, while IFRS requires measurement based on cost or fair value. Our opinion is not qualified in respect of this matter.

Other matters
Supplementary information - statement of value added

We have also audited the parent company and consolidated statements of value added for the year ended December 31, 2013, which are the responsibility of the Company's management. The presentation of these statements is required by the Brazilian corporate legislation for listed companies, but it is considered supplementary information for IFRS. These statements were subject to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Barueri, February 25, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F"

Carlos Eduardo Guaraná Mendonça
Contador CRC 1SP196994/O-2

JSL S.A. and its subsidiaries

Balance sheet at December 31, 2013 and 2012

All amounts in thousands of reais (A free translation of the original in Portuguese)

Assets	Notes	Parent company 12/31/2013	Parent company 12/31/2012	Consolidated 12/31/2013	Consolidated 12/31/2012
Current assets					
Cash and cash equivalents	5.1	196,141	97,107	345.980	322,503
Marketable securities	5.2	249,125	20,532	399.326	74,295
Derivative financial instruments	4	26	-	26	-
Trade receivables	6	488,989	432,598	665,873	571,544
Inventories	7	12,428	12,964	276.491	172,968
Taxes recoverable	9	67,626	72,459	111,333	111,418
Other receivables	11	34,698	20,413	88,473	60,420
Prepaid expenses	-	7,761	6,851	15,755	9,411
Available-for-sale assets (fleet renewal)	8	105,422	43,491	137,013	48,893
		1,162,216	706,415	2,040.270	1,371,452
Non-current assets					
Marketable securities	5.2	18,912	10,202	18,912	10,202
Derivative financial instruments	4	4,967	-	4,967	-
Trade receivables	6	27,341	61,286	27,341	80,186
Taxes recoverable	9	44,562	36,955	45,213	36,968
Judicial deposits	10	39,980	38,762	53,038	48,313
Deferred income tax and social contribution	25.1	-	-	17,818	24,236
Related parties	22.1	6,416	7,950	352	174
Prepaid expenses	-	9,800	7,400	9,800	7,400
Other receivables	11	7,058	5,545	82,624	68,984
		159,036	168,100	260,065	276,463
Investments	12	1,171,997	670,282	1,336	91
Property and equipment	13	2,294,352	2,167,314	3,207.937	2,626,486
Intangible assets	14	247,803	270,814	320.490	294,447
		3,714.152	3,108,410	3,529,763	2,921,024
Total assets		5,035,404	3,982,925	5,830.098	4,568,939

Liabilities and equity	Notes	Parent company 12/31/2013	Parent company 12/31/2012	Consolidated 12/31/2013	Consolidated 12/31/2012
Current liabilities					
Borrowings	15	352,793	290,669	365,400	352,384
Debentures	16	19,463	1,473	19,463	1,473
Finance lease payable	17	58,647	131,578	146,375	184,280
Trade payables	-	169,319	85,456	432,610	184,850
Floor Plan vehicles	18	-	-	92,261	78,678
Labor liabilities	19	93,328	86,890	146,849	134,619
Tax liabilities	20	28,810	34,427	39,166	48,604
Accounts payable and advances	21	66,944	30,015	177,068	117,736
Dividends and interest on capital payable	-	22,226	18,458	22,385	18,621
Income tax and social contribution payable	-	-	-	3,554	206
		811,530	678,966	1,445,131	1,121,451
Non-current liabilities					
Borrowings	15	2,071,688	1,328,297	2,121,002	1,354,942
Debentures	16	740,601	560,621	740,601	560,621
Finance lease payable	17	40,299	108,047	93,629	176,866
Derivative financial instruments	5	3,232	-	3,232	-
Floor Plan vehicles	18	-	-	1,115	1,115
Tax liabilities	20	40,176	43,666	40,615	45,722
Provision for judicial and administrative litigation	23	49,705	48,109	57,752	52,463
Deferred income tax and social contribution	25.1	178,699	166,293	219,800	199,929
Related parties	22.1	-	-	818	695
Accounts payable and advances	21	84,837	99,073	91,744	105,214
		3,209,237	2,354,106	3,370,308	2,497,567
Equity					
Share capital	24.1	660,495	660,495	660,495	660,495
Capital reserves	24.4	3,158	1,106	3,158	1,106
Treasury shares	24.3	(27,913)	(22,086)	(27,913)	(22,086)
Carrying value adjustments	-	33,342	46,773	33,342	46,773
Revenue reserves	-	345,555	263,565	345,555	263,565
		1,014,637	949,853	1,014,637	949,853
Non-controlling interests	-	-	-	22	68
Total equity		1,014,637	949,853	1,014,659	949,921
Total liabilities and equity		5,035,404	3,982,925	5,830,098	4,568,939

The accompanying notes are an integral part of these financial statements.

	Notes	Parent company		Consolidated	
		12/31/2013	12/31/2012	12/31/2013	12/31/2012
Net revenue from services performed and sales of assets used in services rendered	29	2,924,522	2,384,223	4,746,520	4,021,596
(-) Cost of services	30	(2,154,890)	(1,682,975)	(3,570,345)	(3,037,214)
(-) Cost of sales of assets used in services rendered	-	(353,350)	(252,798)	(415,438)	(278,799)
		(2,508,240)	**(1,935,773)**	**(3,985,783)**	**(3,316,013)**
(=) Gross profit		**416,282**	**448,450**	**760,737**	**705,583**
Selling and administrative expenses	31	(159,308)	(160,724)	(390,012)	(359,052)
Tax expenses	-	(3,121)	(1,862)	(7,527)	(5,644)
Other operating income (expenses), net	32	9,294	(24,272)	(8,379)	(37,238)
Equity in the results of investees	12	54,265	36,011	38	-
Profit before finance income and costs		**317,412**	**297,603**	**354,857**	**303,649**
Finance income	33	71,289	47,903	96,024	83,840
Finance costs	33	(274,082)	(233,635)	(314,053)	(270,528)
(=) Profit before income tax and social contribution		**114,619**	**111,871**	**138,828**	**116,961**
Taxes and contributions on income	25.2	(21,034)	(34,158)	(43,258	(39,226)
(=) Profit before non-controlling interests		**93,585**	**77,713**	**93,570**	**77,735**
Non-controlling interests		-	-	15	(22)
Profit for the period		**93,585**	**77,713**	**93,585**	**77,713**
(=) Basic and diluted earnings per share at the end of the period (in Reais)	36	0,44	0.36		

The accompanying notes are an integral part of these financial statements.

There was no comprehensive income for the years disclosed, other than the profit for the period.

JSL S.A.

Statement of changes in equity
Years ended December 31, 2013 and 2012
All amounts in thousands of reais (A free translation of the original in Portuguese)

		Attributable to controlling stockholders									
					Revenue reserves						
	Notes	Share capital	Capital reserve	Treasury shares	Legal reserve	Profits reinvested	Retained earnings	Carrying value adjustments	Total equity of controlling stockholders	Non-controlling interests	Total equity
At December 31, 2011		609,633	60	(21,580)	13,533	179,190	-	60,635	841,471	95	841,566
Capital increase	24.2	50,862	-	-	-	-	-	-	50,862	-	50,862
Share-based payments	24.4	-	1,046	-	-	-	-	-	1,046	-	1,046
Realization of deemed cost	-	-	-	-	-	-	13,862	(13,862)	-	-	-
Repurchase of shares	-	-	-	(506)	-	-	-	-	(506)	-	(506)
Profit for the year	-	-	-	-	-	-	77,713	-	77,713	22	77,735
Remuneration of own capital	24.5	-	-	-	-	-	(17,044)	-	(17,044)	-	(17,044)
Profit distribution - minimum mandatory dividends	24.5	-	-	-	-	-	(3,689)	-	(3,689)	(49)	(3,738)
Legal reserve	-	-	-	-	3,886	-	(3,886)	-	-	-	-
Profit retention	-	-	-	-	-	66,956	(66,956)	-	-	-	-
At December 31, 2012		660,495	1,106	(22,086)	17,419	246,146	-	46,773	949,853	68	949,921
Share-based payments	24.4	-	2,052	-	-	-	-	-	2,052	-	2,052
Realization of deemed cost	-	-	-	-	-	-	13,431	(13,431)	-	-	-
Repurchase of shares	-	-	-	(5,827)	-	-	-	-	(5,007)	-	(5,007)
Profit for the year	-	-	-	-	-	-	93,585	-	93,585	(46)	93,539
Remuneration of own capital	24.5	-	-	-	-	-	(21,883)	-	(21,883)	-	(21,883)
Profit distribution - minimum mandatory dividends	24.5	-	-	-	-	-	(3,143)	-	(3,143)	-	(3,143)
Legal reserve	-	-	-	-	4,679	-	(4,679)	-	-	-	-
Profit retention	-	-	-	-	-	77,311	(77,311)	-	-	-	-
At December 31, 2013		660,495	3,158	(27,913)	22,098	323,457	-	33,342	1,014,637	22	1,014,659

The accompanying notes are an integral part of these financial statements.

JSL S.A. and its subsidiaries

Statement of cash flows
Years ended December 31, 2013 and 2012
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Cash flows from operating activities				
Profit before taxes	114,619	111,871	136,828	116,961
Adjustments to reconcile profit with cash provided by operating activities	809,907	682,674	1,029,314	810,267
Depreciation / amortization	263,500	244,602	350,174	290,461
Cost of sales of assets used in services rendered - property and equipment	357,523	245,817	419,626	271,818
Equity in the results of investees	(54,265)	(36,011)	38	-
Fair value gains on derivative financial instruments	(1,761)	-	(1,761)	-
Constitution/reversal of provision for judicial and administrative litigation	3,194	5,520	10,258	4,816
Provision for impairment of trade receivables	2,915	5,548	(4,519)	1,627
Provision for losses on inventory	1,615	963	(3,044)	1,057
Share-based payments	2,052	1,046	2,052	1,046
Interest and monetary variations on borrowings	235,134	215,189	256,490	239,442
Changes in current and non-current assets and liabilities	(400,603)	(289,655)	(480,160)	(228,940)
Decrease (increase) in assets				
Marketable securities	(237,303)	(6,638)	(333,741)	(40,271)
Trade receivables	(25,362)	(73,544)	(31,509)	27,279
Inventories	(1,079)	4,417	(100,478)	(15,616)
Taxes recoverable	(2,774)	(25,423)	(8,161)	(27,632)
Related parties	1,533	(6,296)	(179)	175
Judicial deposits	(1,218)	499	(4,725)	(2,613)
Other receivables	(15,798)	(31,081)	(35,329)	(21,904)
Prepaid expenses	(3,311)	(11,785)	(8,744)	(13,142)
(Decrease) increase in liabilities				
Trade payables	83,867	37,368	245,987	95,419
Trade payables (Floor Plan)	-	-	13,583	(6,913)
Labor and tax liabilities	(2,670)	15,063	(16,095)	22,524
Accounts payable and advances	16,943	22,730	40,916	3,709
Related parties	-	(4,897)	123	(13,626)
Judicial and administrative claims paid	(1,597)	4,955	(4,968)	5,010
Income tax and social contribution paid	(8,630)	-	(13,480)	-
Interest paid on borrowings, debentures and other liabilities	(203,204)	(215,023)	(223,360)	(241,339)
Net cash provided by operating activities	523,923	504,890	685,982	698,288
Cash flows from investing activities				
Acquisition of subsidiary, net of acquired cash	-	-	6,680	6,962
Merger of subsidiary	(15,087)	-	(15,087)	-
Dividends received	53,652	45,095	-	-
Advance for future increase in capital	(456,427)	(176,372)	-	1,622
Property and equipment	(165,199)	(145,698)	(410,712)	(216,633)
Intangible assets	(4,660)	(3,699)	(5,641)	(4,260)

Net cash provided by (used in) investing activities	(587,721)	(280,674)	(424,760)	(212,309)
Cash flows from financing activities				
Treasury shares	(5,827)	(506)	(5,827)	(506)
Dividends paid	(3,689)	(2,281)	(3,689)	(2,281)
Interest on capital paid	(17,044)	(11,222)	(17,044)	(11,222)
Increase (decrease) in borrowings, net	189,392	(333,163)	(211,185)	(548,551)
Net cash provided by (used in) financing activities	162,832	(347,172)	(237,745)	(562,560)
Net increase (decrease) in cash and cash equivalents	99,034	(122,956)	23,477	(76,581)
Cash and cash equivalents				
At the beginning of the year	97,107	220,063	322,503	399,084
At the end of the year	196,141	97,107	345,980	322,503
Net increase (decrease) in cash and cash equivalents	99,034	(122,956)	23,477	(76,581)

The accompanying notes are an integral part of these financial statements.

JSL S.A. and its subsidiaries

Statement of value added
Years ended December 31, 2013 and 2012
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Sales and services rendered	3,258,240	2,688,890	5,242,808	4,478,503
Provision for impairment of trade receivables	(6,446)	(5,548)	(7,003)	(1,627)
Other operating income	84,965	28,337	87,422	26,201
	3,336,759	**2,711,679**	**5,323,227**	**4,503,077**
Inputs acquired from third parties				
Cost of sales and services	1,320,724	982,738	2,512,186	2,169,076
Materials, electricity, outsourced services and others	322,079	261,856	464,960	364,008
	1,642,803	**1,244,594**	**2,977,146**	**2,533,084**
Gross value added	**1,693,956**	**1,467,085**	**2,346,082**	**1,969,993**
Retentions				
Depreciation and amortization	263,500	244,601	350,169	290,461
Net value added generated by the Company	**1,430,455**	**1,222,484**	**1,995,912**	**1,679,532**
Value added received through transfer				
Equity in the results of investees	54,265	36,011	38	-
Finance income	71,289	47,903	96,024	83,840
	125,554	**83,914**	**96,062**	**83,840**
Total value added to distribute	**1,556,010**	**1,306,398**	**2,091,974**	**1,763,372**
Distribution of value added				
Personnel and social charges	634,283	512,409	937,074	775,451
Federal	293,692	255,934	434,216	372,500
State	152,356	140,397	197,499	180,338
Municipal taxes	34,424	25,640	63,952	53,616
Interest and rentals	347,670	294,305	365,648	303,754
Remuneration of own capital	21,883	17,044	21,883	17,044
Dividens	3,143	3,689	3,143	3,689
Non-controlling interests	-	-	(15)	22
Profits reinvested for the period	68,559	56,980	68,574	56,958
Total value added distributed	**1,556,010**	**1,306,398**	**2,091,974**	**1,763,372**

The accompanying notes are an integral part of these financial statements.

1. Information about the Company

JSL S.A. (hereinafter referred to as the "Company" or "Parent company") is a publicly-traded corporation with its headquarters in São Paulo. Its shares are listed on the São Paulo Securities, Commodities and Futures Exchange (BM&FBOVESPA), under the ticker JSLG3 for its common shares. On April 3, 2013, the Company issued share deposit certificates traded on the securities exchange of the United States of America (USA) under the ticker JSLGY, that is, ADRs (American Deposit Receipts) Level 1, in order to facilitate the purchase, maintenance and sale of shares by American investors.

The Company participates through its subsidiaries in four business segments: logistics operations, concessionaires, rental and finance (leasing), which is in the process of approval by the Central Bank of Brazil ("BACEN"). Subsidiaries that provide logistics services subsidiaries mainly provide the following services: road transportation of cargo, public transport, collection and transportation of household, commercial or industrial waste, leasing of machinery, new and used equipment and vehicles, and river transportation of cargo. The concessionaires segment, through its subsidiary JSL Investimentos em Concessionárias e Lojas de Veículos, Máquinas e Equipamentos S.A. ("JSL Concessionárias"), operates in the sale of light and heavy vehicles, the resale of vehicles, parts, machines and accessories, and the provision of mechanics, bodywork and painting, in addition to insurance brokerage. In the Rent a Car segment, the subsidiaries Movida Locação de Veículos Ltda. and APTA Veículos e Representações Ltda. operate in the daily, monthly and annual rental of light vehicles.

The issuance of these financial statements was authorized by the Executive Board on February 18, 2014 and analyzed by the Board of Directors on February 20, 2014, with a favorable opinion from the Statutory Audit Board.

On September 5, 2013, the Company informed to its stockholders and the market in general that it had signed contracts for the acquisition of quotas representing 100% of the capital of Movida Locação de Veículos Ltda. ("Movida") and APTA Veículos e Representações Ltda. ("APTA"), the largest of the three franchisees of Movida. The completion of these acquisitions was subject to certain conditions, inherent in this type of transaction, including the approval of the Administrative Council of Economic Defense (CADE), which was completed in a satisfactory manner on November 26, 2013. The main objective of the acquisition was to start the modality of daily, monthly and annual rental of light vehicles to individuals and legal entities ("Rent a Car"), through a strategically positioned and differentiated company, with an operational basis, systems and trained personnel.

As previously mentioned, the comparison of the Company's consolidated financial statements at December 31, 2013 with the previous year must take into consideration that the balances of Movida and APTA were not consolidated at December 31, 2012. Below, we present a summary of the main groups of balance sheet and statement of income accounts of Movida and APTA, including a balance sheet showing the balances as at December 31, 2013 and the statement of income for the one month period of December 2013, in order to provide a better understanding of this year's financial statements.

- Balance sheet at December 31, 2013:

Assets	APTA	Movida	Liabilities and equity	APTA	Movida
Current assets			**Current liabilities**		
Cash and cash equivalents	6,354	1,736	Borrowing	-	728
Trade receivables	789	5,142	Trade payables	186	8,216
Taxes recoverable	323	12	Labor liabilities	501	2,126
Other assets	482	559	Other liabilities	787	5,118
	7,948	**7,449**		**1,474**	**16,188**
Non-current assets			**Non-current liabilities**		
Taxes recoverable	643	-	Borrowing	-	1,309
Other assets	30	-	Tax liabilities	-	-
	673	**-**	Provisions	-	346
Permanent assets				**-**	**1,655**
Property and equipment	16,976	56,944			
Intangible assets	-	4,030			
	16,976	**60,974**	**Equity**	**24,123**	**50,580**
Total assets	**25,597**	**68,423**	**Total liabilities and equity**	**25,597**	**68,423**

- Statement of income for the one-month period ended December 31, 2013:

	APTA	Movida
Net revenue	2,168	5,133
Cost of sales and services	(2,030)	(3,725)
Gross profit	**138**	**(1,408)**
Selling and administrative/Tax expenses	(308)	(1,290)
Finance result	(31)	(215)
Other operating expenses	207	74
Profit before income tax and social contribution	**6**	**(23)**
Income tax and social contribution - current and deferred	-	-
Profit (loss) for the period	**6**	**(23)**

2 Financial statement presentation and significant accounting practices

The main accounting practices applied to the preparation of these financial statements are set out below. These practices have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting practices. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.28.

i) Consolidated financial statements

The consolidated financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities Commission (CVM), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The presentation of the parent company and consolidated statement of value added is required by the Brazilian corporate legislation and by the accounting practices adopted in Brazil for listed companies. IFRS does not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as additional information, without prejudice to the integrity of financial statements.

ii) Parent company financial statements

The parent company financial statements have been prepared in accordance with the accounting practices adopted in Brazil issued by the CPC and are disclosed together with the consolidated financial statements.

In the parent company financial statements, subsidiaries are recorded based on the equity accounting method. In the case of the Company, the accounting practices adopted in Brazil applicable to the parent company financial statements differ from the IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries and jointly-controlled subsidiaries based on the equity accounting method, instead of at cost or fair value in accordance with IFRS.

iii) Format for the presentation of the financial statements

In order to facilitate the reading of the notes, the Company's management has deemed it relevant to present the analysis of balances between the logistics, concessionaires and Rent a Car operations, to allow stockholders and investors to have a clear picture of the effects of the consolidation of the concession and Rent a Car operations in its financial statements. The differences in relation to the consolidated balances correspond to the elimination of transactions between the operations.

2.2 Basis of consolidation

The consolidated financial statements include information on the operations the Company and the following subsidiaries:

		Interest %	
Corporate name	**Country**	**12/31/2013**	**12/31/2012**
JP Tecnolimp S.A.	Brazil	99.00	99.00
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	Brazil	99.99	99.99
Yolanda Logística Armazém Transportes e Serviços Gerais Ltda.	Brazil	99.99	99.99
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (iv)	Brazil	99.99	99.99
Riograndense Navegação Ltda. (i)	Brazil	99.99	99.99
JSL Locações Ltda. (ii)	Brazil	99.99	99.99
JSL Invest.Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A. (iii)	Brazil	100.00	100.00
São José Passes Comércio de Passes e Bilhetes Eletrônicos Ltda.(v)	Brazil	50.00	50.00
TKJS Serviços de Logística do Brasil Ltda. (i)	Brazil	50.00	-
JSL Holding Financeira Ltda. (i)	Brazil	99.90	-
JSL Empreendimentos Imobiliários Ltda. (i)	Brazil	99.99	-
Movida Locação de Veículos Ltda. (vi)	Brazil	99.99	-
APTA Veículos e Representações Ltda. (vi)	Brazil	99.99	-

i) Company in pre-operational phase.

ii) Company created on July 18, 2011 with fully subscribed and paid-up capital, in cash, amounting to R$ 200 divided into 200,000 quotas, with a par value of R$ 1.00 each, by the companies JSL S.A. and Yolanda Logística, Armazém, Transportes e Serviços Gerais Ltda. with the following corporate objectives:

- *Leasing of vehicles, trucks, machines and equipment with or without operators.*
- *Provision of fleet management and maintenance services (preventative and corrective).*
- *Investments in other companies, as partners or stockholders.*

iii) Company acquired on February 6, 2012, which is the parent company of the concessionaires Original Veículos Ltda. (99.99%), Ponto Veículos Ltda. (99.99%), Avante Veículos Ltda. (99.99%), Transrio Caminhões, Ônibus, Máquinas e Motores Ltda.(99.99%) and Corretora e Administradora de Seguros Vintage Ltda. (99.99%).

iv) The subsidiary CS Brasil consolidates in its balance sheet, on a pro rata basis, the percentages of its investments in the following entities: Consórcio Unileste (54.08%), Consórcio 123 (33.33%), Consórcio Sorocaba (50%) and Consórcio Metropolitano de Transportes (4.36%).

v) Company in the process of winding-up.

vi) Companies acquired on November 30, 2013, with the following corporate objectives:

- *Rental of motor vehicles, with or without drivers*
- *Management and licensing of trademarks in the field of rental of vehicles, under the corporate franchise system*
- *The advisory of supply to the franchisees of technology, systems, training, product and promotional material, and*
- *The intermediation of vehicles in Brazil and abroad.*

2.3 Functional and presentation currency

i) Functional and presentation currency

Items included in the financial statements of each of the companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company and consolidated financial statements are presented in Brazilian Reais (R$), the Company's functional currency, and also its presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or the dates of valuation when items are remeasured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

Foreign exchange gains and losses that relate to borrowing and cash and cash equivalents are presented in the statement of income within "Finance income or costs".

2.4 Cash and cash equivalents

Cash and cash equivalents are held in order to meet short term cashrequirements, not for investment or any other purposes. Cash and cash equivalents include cash on hand, bank deposits and short term highly liquid investments with original maturities of three months or less, with immaterial risk of changes in value upon redemption.

2.5 Marketable securities

Marketable securities represent financial investments linked to borrowing lines as well as financial investments in government bonds with no immediate liquidity.

2.6 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of the business of the Company and its subsidiaries. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for the impairment of trade receivables.

The provision for estimated impairment losses is constituted based on the history of default and individual analysis of customers, mainly those with receivables overdue for more than 90 days. The amount of the provision made to cover losses with trade receivables is considered sufficient by the Company's management.

2.7 Inventory

Warehouse items are valued at the average cost of acquisition, and a provision for losses is constituted, when applicable, at an amount considered sufficient by management to cover probable losses.

Vehicles acquired from manufacturers to be sold to third parties are carried at acquisition cost, which is lower than the realization amount.

2.8 Investments

i) Subsidiaries

Subsidiaries are all entities for which the Company is the controlling stockholder. The Company controls an entity when it is exposed to or has the right to returns on variables arising from its involvement with the entity, and when it has the capacity to interfere with these returns due to the power it holds over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which that control ceases.

The Company uses the acquisitions method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is equivalent to the fair value of the assets transferred, the liabilities assumed and the equity instruments issued by the Company. The consideration transferred includes the fair value of assets or liabilities resulting from a contingent consideration arrangement, when applicable. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Non-controlling interests are determined for each acquisition.

The excess of: (i) the consideration transferred, and (ii) the amount of the non-controlling interest in the acquired entity, and (iii) the acquisition-date fair value of any previous equity interest in the acquire, over the fair value of the Company's share of the identifiable net assets acquired, is recorded as goodwill. When the total consideration transferred, plus the recognized non-controlling interest and the measurement of the interest previously held are less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

Transactions, balances and unrealized gains on intercompany transactions are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The company's investments in subsidiaries are stated based on the equity method, according to CPC18 (IAS 28), for purposes of the parent company financial statements.

Based on this method, the investment in the subsidiary is recorded in the balance sheet of the parent company at cost, plus changes after the acquisition of the interest in the investee.

The ownership interest in the subsidiary is reflected in the Parent company's statement of income as equity in the results, representing net income attributable to the shareholders of the Parent company.

ii) Loss of control over subsidiaries

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial

asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

iii) Jointly-controlled ventures

Jointly-controlled subsidiaries are all entities over which the Company shares control with one or more parties. Investments in joint-controlled agreements as joint operations or joint ventures depending on the contractual rights and obligations of each investor

Joint operations are recorded in the financial statements in order to represent the Company's contractual rights and obligations. Accordingly, the assets, liabilities, income and expenses related to its interests in joint operations are recorded individually in the financial statements.

Investments in joint ventures are accounted for using the equity method and are initially recognized at cost.

The Company's share of a joint venture's profit or loss is recognized in the statement of income and its share of reserve movements is recognized in the Company's reserves. When the Company's share of losses in a joint venture equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Company does not recognize any further losses, unless it has incurred obligations or made payments on behalf of the jointly-controlled subsidiary.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company.

2.9 Financial instruments

a. Financial assets

Initial recognition and measurement

Financial assets are classified into the following categories: at fair value through profit or loss, loans and receivables, investments held to maturity, available-for-sale financial assets or derivatives classified as effective hedge instruments, according to the case. The Company determines the classification of its financial assets upon their initial recognition, when they are contracted.

Financial assets are initially recognized at fair value plus, in the case of investments not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Company's financial assets include cash and cash equivalents, marketable securities, trade and other receivables and receivables from related parties.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, which may be as follows:

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, and the related gains or losses are recognized in the statement of income. The Company designated marketable securities in the fair value through profit or loss category.

The Company evaluated its financial assets at fair value through profit or loss, considering its intention to sell them in the near term. When the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option upon designation.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial evaluation, these financial assets are valued at amortized cost using the effective interest rate method, less any impairment losses. The amortized cost is calculated taking into consideration any discounts or premiums upon acquisition and incurred fees or costs. The amortization by the effective interest rate method is included in "Finance income" in the statement of income. Impairment losses are recognized as finance expenses in the statement of income. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

The Company designated cash and cash equivalents, trade and other receivables and receivables with related parties in this category.

iii. Held-to-maturity investments

Non-derivative financial assets with fixed, determinable payments and fixed maturities are classified as held to maturity when the Company has the intention and financial ability to hold them up to their maturity. After initial evaluation, investments held to maturity are valued at amortized cost using the effective interest method, less any impairment losses. The amortized cost is calculated taking into consideration any discounts or premiums upon acquisition and incurred fees or costs. The amortization based on the effective interest rate method is included in "Finance income" in the statement of income. Impairment losses are recognized as finance expenses in the statement of income.

The Company did not have any held-to-maturity investments during the years ended December 31, 2013 and 2012.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are not classified as: (i) loans and receivables, (ii) investments held to maturity, or (iii) financial assets at fair value through profit or loss. These financial assets include equity instruments and debt securities. Debt securities are those securities held for an indefinite period and which can be traded in order to meet liquidity needs or as a response to changes in market conditions.

After initial measurement, available-for-sale financial assets are measured at fair value, and unrealized gains and losses are recognized directly in the available-for-sale reserve within Other comprehensive income until the investment is derecognized, except for impairment losses, interest calculated using the effective interest rate method, and gains or losses with foreign exchange variation on monetary assets recognized directly in the statement of income for the year. They are included in non-current assets unless management intends to dispose of them within 12 months of the balance sheet date.

The Company did not have any available-for-sale financial assets during the years ended December 31, 2013 and 2012.

v. Derecognition (disposal)

A financial asset, or when applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- The rights to receive cash flow from the assets expire.

- The Company transfers its rights to receive cash flow from the asset or assumes the obligation to pay in full the cash flow received, without significant delay, to a third party, based on a "transfer" agreement; and (i) the Company transfers substantially all the risks and rewards of the asset, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of the asset, but transfers the ownership of the asset.

When the Company transfers its rights to receive cash flow from an asset or enters into a transfer agreement, but neither transfers nor retains substantially all of the risks and benefits of an asset, this asset is recognized to the extent of the Company's continuous involvement with the asset. In this case, the Company also recognizes an associated liability. The asset transferred and the associated liability are measured based on the rights and obligations retained by the Company. The continuous relationship as guarantor of the transferred asset is measured at the lower of the original book value of the asset or the maximum amount that can be charged to the Company.

vi. Financial assets carried at amortized cost

As regards the financial assets presented at amortized cost, the Company assesses on an individual basis whether there is clear evidence of an impairment loss for each financial asset that is individually significant, and also assesses groups of financial assets which are not individually significant. If the Company concludes that there is no evidence of impairment for each asset individually assessed, whether significant or not, this asset is included in a group of financial assets with similar credit risk characteristics and which is then assessed on a collective basis for impairment losses. Assets that are individually assessed for impairment losses, and for which such a loss is or continues to be recognized, are not included in a collective assessment of impairment loss.

When there is clear evidence of an impairment loss, the amount of this loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow (excluding expected future credit losses not yet realized).

The carrying amount of the asset is reduced by the provision, and the resulting amount of the loss is recognized in the statement of income. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases due to an event occurring after the impairment was recognized, the reversal of the previously recorded loss is increased or decreased by adjusting the provision. In the case of a future recovery of a written-off value, this recovery is recognized in the statement of income.

b. Impairment of financial assets

The Company assesses at the balance sheet dates if there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flow of the financial asset or the group of financial assets that may be reliably estimated. Evidence of impairment may include indications that the borrowers are experiencing significant financial difficulty. The probability that the borrowers face bankruptcy or any other type of financial reorganization, default or delinquency in interest or principal payments can be evidenced by a measurable decrease in the estimated future cash flow, such as changes in maturity dates or economic conditions related to defaults.

c. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified as measured at fair value through profit or loss, borrowing or derivatives classified as hedge instruments, depending on the case. The Company determines the classification of its financial liabilities upon initial recognition.

The Company's financial liabilities include borrowing, debentures, finance leases payable, trade payables, accounts payable and debts with related parties.

Subsequent measurement
The measurement of financial liabilities depends on their classification, which may be as follows:

i. Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss (fair value option upon initial recognition). This designation cannot be changed subsequently. In accordance with IAS39/CPC39, the fair value option can only be applied if it reduces or eliminates an accounting mismatch when the financial liabilities are part of a portfolio for which risk is managed and reported to management based on its fair value or when these liabilities consist of hosts and embedded derivatives that must be separated. (Note 15)

ii. Borrowing

After initial recognition, interest-bearing loans and financing are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized, as well as through the effective interest rate method amortization process.

iii. Debentures

Debentures issued by the Company are accounted for at cost and monetarily restated according to the effective rate method, plus monetary variations, according to indices and closing quotations for each period.

iv. Derecognition (write-off)

A financial liability is derecognized when the obligation is revoked, cancelled or expires. When an existing financial liability is substituted for another with the same amount but substantially different terms, or the terms of an existing liability are altered significantly, this substitution or alteration is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the corresponding accounting values recognized in the statement of income.

d. Derivative financial instruments and hedging activities

Derivatives are initially recognized at their fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value, with the changes in fair value included in the statement of income. All derivatives are recorded on a net basis as assets when the net fair value is positive, and as liabilities when negative. Although the Company uses derivatives for hedging purposes, hedge accounting was not adopted for the years presented. The fair values of derivative instruments are disclosed in Note 4.

e. Offsetting of financial instruments

Financial assets and liabilities are presented on a net basis in the balance sheet if, and only if, there is an existing and executable legal right to offset the amounts recognized and the intent is to offset or to realize the asset and settle the liability simultaneously.

2.10 Available-for-sale assets (fleet renewal)

In order to comply with its service provision agreements, the Company must renew its fleet after a certain period of utilization. Vehicles, machinery and equipment available for sale are reclassified from property and equipment to available-for-sale assets.

Once classified as such, these assets are not depreciated and are recorded at the lower of the residual amount and the market value.

2.11 Property and equipment

Property and equipment are recorded at acquisition or construction cost, plus interest and other charges incurred during the construction process. Depreciation is charged to the statement of income for the year using the straight line method, at the rates disclosed in Note 13, which consider the economic useful lives of the assets and their realizable value.

Vehicles are depreciated on a straight line basis, in accordance with the economic method which considers the estimated realization amount of these assets at the estimated date of sale. Therefore, the depreciation rates vary according to the vehicle purchase date, the amount paid and the estimated selling price.

The Company applies differentiated selling amounts for vehicles, and based on these, estimates the related depreciation rates, which are applied on a straight line basis to the vehicle fleet and machinery in order to offset gains and losses between the estimated selling amount and the cost of the vehicle at the time when it is sold.

The depreciation of vehicles and machinery is recorded in the cost of services, while the depreciation of other property and equipment is recorded as an expense.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively by management, as appropriate.

An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its expected future economic benefit.

The goodwill arising from the fair value adjustment of property and equipment is amortized taking into consideration the estimated useful lives of the originated assets and the related disposals during the period.

A property and equipment item is written off when it is sold, or when no future economic benefit is expected to arise from its use or sale. Any gain or loss resulting from the asset write-off (the difference between the net sales value and the carrying amount of the asset) is included in the statement of income for the year in which the asset was written-off.

2.12 Leases

The characterization of an agreement as a finance lease is based on substantive aspects related to the use of a specific asset or assets or to the right to use a certain asset, on the date of the formalization of the agreement.

Company as lessee

Finance leases where the Company has substantially all of the risks and rewards of ownership are capitalized at the lease's commencement, at the lower of the fair value of the leased item and the present value of the minimum lease payments. When applicable, the initial direct costs incurred in the transaction are added to the cost. The finance lease payments are allocated between finance charges and the decrease in the principal of the financial lease liability, so as to obtain a constant interest rate on the remaining balance of liabilities. Finance charges are recognized in the statement of income. The leased assets are depreciated over the useful lives estimated by the Company.

Payments related to operating leases are recorded as expenses in the statement of income on a straight line basis over the period of the lease.

Company as lessor

Leases where the Company transfers substantially all of the risks and rewards of ownership of the asset are classified as sales. In this case the related item is written-off and the interest income is recognized over the period of the lease.

Leases where the Company has substantially all the risks and rewards of ownership are classified as operating leases, and the related income is recorded on a similar basis to the rental income, on a straight line basis, according to the lease term.

2.13 Intangible assets

i. Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity, based on the expectation of future profitability. The goodwill was recorded in connection with the Company's business combinations, and amortized up to December 31, 2008. From January 1, 2009, the goodwill has been tested annually for impairment, as disclosed in Note 14.

Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated financial statements.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of any goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purposes of impairment testing, as mentioned in Note 14. The allocation is made to those cash-generating units or groups of CGUs that are expected to benefit from the business combination on which the goodwill arose, identified according to operating segment.

ii. Trademarks and licenses

Separately acquired trademarks and licenses are initially stated at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, trademarks and licenses with a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight line method to allocate the cost of trademarks and licenses over their estimated useful lives.

iii. Computer software

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the software.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated that the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of applicable overheads. Costs also include finance costs related to the development of the software product.

Other development expenditure that does not meet these criteria is recognized in expenses as incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

2.14 Impairment of non-financial assets

Management annually reviews its main assets' net carrying amounts for events or changes in economic or operating circumstances that may indicate impairment. When there is such evidence and the net carrying amount of the asset exceeds its recoverable value, a provision for impairment is recorded, adjusting the net carrying amount to the recoverable amount. No evidence of impairment was identified for the years ended December 31, 2013 and 2012.

2.15 Revenue recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Company. Revenue is measured based on the fair value of the consideration received, net of discounts, rebates and taxes or charges on sales and services rendered. The Company assesses revenue transactions in accordance with specific criteria, in order to determine whether it is acting as agent or principal, and ultimately concluded that it has been acting as principal in all of its revenue contracts.

The following specific criteria also should be met before revenue is recognized:

i. Sales of services

Services revenue is recognized based on the performance of the services established in the service rendering agreement entered into by the parties or at the conclusion of the services When it is not possible to measure reliably the result of the contract, revenue is recognized only to the extent that incurred expenses may be recovered.

ii. Revenue from car rentals

Revenue from car rentals is recognized on a daily basis according to the rental contracts entered into with customers. The revenue from the management of rented cars insurance claims , recognized when the service is provided, as well as the revenue from insurance intermediation, on the account and discretion of our customers when cars are rented, recognized on a monthly basis.

iii. Revenue from sales of assets used in services rendered

Revenue from sales is recognized when the significant risks and rewards of ownership of the asset are transferred to the purchaser, which usually occurs upon delivery.

iv. Interest income

For all financial instruments carried at amortized cost and assets which generate interest, the finance income or cost is accounted for using the effective interest rate, which discounts exactly the estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or liability. Interest income is included in "Finance income" in the statement of income.

v. Rental income

Rental income is recognized as an operating lease, on a straight line basis, for the contract's term.

2.16 Current and deferred income tax and social contribution

The income tax and social contribution expenses for the period comprise current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

The current and deferred income tax and social contribution charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's entities operate and generate taxable income. Management periodically evaluates the positions taken by the Company in income tax returns with respect to situations in which the applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax and social contribution are presented net, separated by taxpaying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not accounted for if they arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences/tax losses can be utilized.
Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except in the case of a deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented in the balance sheet on a net basis when there is a legally enforceable right and intention to offset them during the calculation of current taxes. This is generally only the case when they are related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities of different entities are generally presented separately, and not on a net basis.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value, and are subsequently measured at amortized cost using the effective interest method.

2.18 Provisions

General
Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

When the Company expects the amount of a provision to be reimbursed, in whole or in part, for example, due to an insurance agreement, the reimbursement is recognized as a separate asset, but only when the reimbursement is practically certain.

The expenses related to provisions are recognized in the statement of income, net of any reimbursement.

Provisions for judicial and administrative contingencies
The Company is a party to various legal and administrative litigations. Provisions are established for all contingencies referring to lawsuits for which it is probable that an outflow of funds will be necessary to settle the contingency/obligation, and where a reasonable estimate of this outflow can be made. The assessment of the likelihood of a loss includes the evaluation of existing evidence, the hierarchy of laws, previous court

decisions, most recent court decisions and their relevance in the judicial context, as well as the opinion of outside legal advisors. The provisions are reviewed and adjusted to account for changes in circumstances, such as the applicable statute of limitations, completion of tax inspections, or additional exposure identified on the basis of new matters or court decisions.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is measured initially at fair value and subsequently at the higher of:

- The amount that would be recognized in accordance with the accounting policy on provisions (CPC 25), or
- The amount initially recognized less, when applicable, the accumulated amortization recognized in accordance with the policy on revenue recognition (CPC 30).

2.19 Joint operations (Consortia)

The Company maintains operations with consortia (1 2 3, Unileste, Sorocaba and Metropolitano de Transportes), for which the investors have a contractual agreement establishing the joint control of the operations.

The jointly-controlled operations include the utilization of assets and other resources of the Company and the other participants of the Consortia, together with the constitution of a legal entity. The Company records the assets it controls, the liabilities and expenses it incurs and its portion related to service revenue.

2.20 Borrowing

Borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowing using the effective interest method.

Borrowing items are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Company, and the related costs can be measured reliably. Other borrowing costs are recognized as finance costs in the period in which they are incurred.

2.21 Share-based payments

The Company measures the cost of equity-settled transactions with employees with reference to the fair value of the equity instruments on the date when they are granted. The estimation of the fair value of the share-based payments requires the determination of the most adequate valuation model for the grant of equity instruments, which depends on the grant terms and conditions. This estimation also requires determining the most appropriate inputs for the valuation model, including the expected life of the share option, volatility and dividend yield, and requires assumptions to be made about each input. The assumptions and models used to estimate the fair value of the shared-based payments are disclosed in Note 27. Expenses on these transactions are recognized in profit or loss during the period in which services are rendered, against a capital reserve, in Equity.

2.22 Profit sharing

The Company recognizes liabilities and expenses for profit-sharing based on a methodology that takes into consideration the profit attributable to the Company's stockholders after certain adjustments. The Company recognizes a provision where it is contractually obliged to do so, or where there is a past practice that has created a constructive obligation.

2.23 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Company's subsidiary purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from the equity attributable to the Company's stockholders until the shares are canceled or reissued. When the shares are subsequently reissued, the consideration received, net of any directly attributable incremental transaction costs and the related income tax and social contribution effects, is included as part of the equity attributable to the Company's stockholders.

2.24 Treasury shares

Any purchases by the Company of its own equity instruments (treasury shares) are recorded at cost, as a reduction in equity. No gain or loss is recognized in the statement of income upon the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration received on the sale thereof is recognized in other capital reserves.

2.25 Earnings per share

i. Basic

Basic earnings per share are calculated by dividing the profit attributable to the stockholders of the Company by the weighted average number of outstanding common shares during the year, excluding common shares purchased by the Company and held as treasury shares (Note 2.24).

ii. Diluted

Diluted earnings (losses) per share are calculated by adjusting the weighted average number of outstanding common shares for potential dilution.

2.26 **Distribution of dividends and interest on capital**

The distribution of dividends and interest on capital to the Company's stockholders is recognized as a liability in the Group's financial statements at the year end based on the Company's bylaws. Any amount that exceeds the minimum required is only provided on the date it is approved by the stockholders at the General Meeting/Board of Directors' meeting.

The tax benefit of interest on capital is recognized in the statement of income.

2.27 Other assets and liabilities (current and non-current)

An asset is recognized in the balance sheet when it is probable that its future economic benefits will flow to the Company and its cost or value can be reliably measured. A liability is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events, and it is probable that assets will be surrendered in order to settle the obligation. The assets and liabilities are recorded, including the related charges and exchange and monetary variations. The provisions are recorded based on the best estimates of the risk involved.

Assets and liabilities are classified as current when their realization or settlement is expected within the next twelve months. Otherwise, they are presented as non-current.

2.28 Adjustments to the present value of assets and liabilities

Long term monetary assets and liabilities are monetarily restated, and therefore already adjusted to their present value. The adjustments to present value of short term monetary assets and liabilities are calculated, but only recorded if they are considered relevant to the financial statements taken as a whole. For accounting purposes and the determination of significance, the adjustment to present value is calculated by taking into account contractual cash flow, the explicit interest rates, and in some cases, the implicit interest rates, of the respective assets and liabilities.

2.29 Segmented reporting

Information by operating segment is presented in a manner consistent with the internal reporting provided to the Executive Board, which is responsible for allocating resources, for strategic decision-making and the evaluation of results.

The Company is organized into three operating segments: logistics operations, concessionaires and rent a car. The results of these segments are regularly reviewed by the Company's management on a consolidated basis.

2.30 Standards, amendments and interpretations to existing standards that are not yet effective

A number of new standards, amendments and interpretations in effect for years beginning on or after January 1, 2013 were issued in 2013, but were not applied to the preparation of these financial statements. The Company's management does not expect these new standards and amendments to produce significant effects on the consolidated financial statements, except for the following subjects:

- IFRS 9, "Financial instruments", issued in November 2009 and October 2010. IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The determination must be made upon contracting the financial instrument. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the portion of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of income. The guidance in IAS 39 regarding the impairment of financial assets and hedge accounting continues to apply. The standard is applicable from January 1, 2015. The Company is still assessing the full impact of the standard, and it believes that this standard will have no relevant impact on the Company's financial statements.

- IFRIC 21, "Government rates" addresses the accounting for rates imposed by the Government, comprising an interpretation of IAS 37 – “Provisions, Contingent Assets and Liabilities”. The interpretation typifies the Government's rates and the events that originate their payment responsibility, clarifying when they must be recognized. The Company is not currently subject to significant rates, and, therefore, the impact is not material.

There are no other standards, amendments and interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.31 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at its acquisition date fair value) and any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree at its fair value or based on its share of the acquiree's identifiable net assets. Other costs directly attributable to the acquisition are expensed as incurred.

When acquiring a business, the Company assesses the financial assets and liabilities assumed, in order to classify and allocate them according to the contractual terms, the economic circumstances and the pertinent conditions at the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in the acquiree's host contracts.

If the business combination is carried out in stages, the acquisition date fair value of any previous equity interest in the capital of the acquiree is re-measured to its fair value at the acquisition date, and the impact is recognized in the statement of income.

Any contingent consideration to be transferred by the Company is recognized at its acquisition date fair value. Subsequent changes in the fair value of the contingent consideration, considered an asset or a liability, shall be recognized in accordance with CPC 38 (IAS 39) in the statement of income or in other comprehensive income. If the contingent consideration is classified in equity, it shall not be re-measured until it is finally settled in equity.

Goodwill is initially measured as the excess of the consideration paid over the fair value of the net assets acquired (identified assets and liabilities assumed). When the consideration transferred is less than the fair value of the net assets acquired, the difference is recognized as a gain in the statement of income.

After first-time recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in the course of a business combination is, from the acquisition date, allocated to each cash-generating unit (CGU) of the Company that is expected to benefit from the synergies of the combination, irrespectively of the other assets or liabilities of the acquiree being assigned to that CGU.

When goodwill is part of a cash-generating unit and a portion of that unit is disposed of, the goodwill associated with the portion disposed of shall be included in the cost of the operation to determine the gain or loss on disposal. Goodwill disposed of in such circumstances is determined based on the proportional value of the portion sold in relation to the cash-generating unit retained.

2.32 Significant accounting judgments, estimates and assumptions

a. Judgments

The preparation of the Company's consolidated financial statements requires management to make certain judgments and estimates and adopt assumptions that impact the stated amounts of revenue, expenses, assets and liabilities, as well as the disclosures of contingent liabilities as at the financial statement date. Initially, derivatives are recognized at fair value when the derivative agreement is signed, and are subsequently remeasured at fair value, with the changes included in the statement of income.

b. Estimates and assumptions

The main assumptions related to sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the end of the reporting period, involving a risk of causing an adjustments to the carrying amounts of assets and liabilities within the next financial year, are presented below:

i. Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or on observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on the discounted cash flow model. The cash flow is derived from the budget for the next five years and do not include restructuring activities to which the Company is not yet committed, or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rates used for extrapolation purposes.

ii. Income tax and social contribution

Uncertainties exist with respect to the interpretation of complex tax regulations, and the amount and timing of future taxable income. Given the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to the taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for the possible consequences of audits by the tax authorities in the respective jurisdictions in which it operates. The amount of such provisions is based on various factors, such as past tax audit experience and differing interpretations of the tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective tax jurisdictions.

Significant management judgment is required to determine the amounts of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques, including the discounted cash flow model. These valuation techniques maximize the use of observable market data where it is available. Otherwise, a certain level of judgment is required to determine the fair value. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions regarding these factors could affect the reported fair values of financial instruments.

For swap transactions, the Company independently calculates asset and liability positions, utilizing the mark to market methodology in accordance with the rates practiced and verified, as disclosed on the BM&F, Broadcast and Bloomberg websites. When no trading exists for the term of the Company's portfolio, the interpolation methodology is used to obtain rates relating to specific terms (Level 1). In both cases, the present value of financial flows is calculated. The difference between the amounts payable and receivable and the fair value of the operations on the date of the presentation of the report is recorded in the Derivative financial instruments account.

iv. Provisions for tax, civil and labor risks

The Company records provisions for tax, civil and labor claims. The assessment of the likelihood of a loss includes the evaluation of existing evidence, the hierarchy of laws, previous court decisions, recent court decisions and their relevance in the judicial context, as well as the opinion of outside legal advisors. The provisions are reviewed and adjusted to account for changes in circumstances, such as the applicable statute of limitations, the completion of tax inspections, or additional exposure identified on the basis of new matters or court decisions.

v. Share-based payment transactions

The Company measures the cost of share-based payments based on the fair value of the equity instruments on the grant date. The estimation of the fair value of the share-based payments requires the determination of the most adequate assessment model for the granting of equity instruments, which depends on the grant terms and conditions. This estimation also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yields, and making assumptions about them. The assumptions and models used to estimate the fair value of the shared-based payments are disclosed in Note 27.

3 Business combinations

On November 26, 2013, as described in Note 1, the Company acquired all of the quotas of Movida and APTA.

The following table summarizes the values of the assets acquired and liabilities assumed recognized on November 30, 2013 and the fair value at the acquisition date:

		Fair value recognized
	APTA	**Movida**
Assets		
Cash and cash equivalents	5,223	1,457
Trade Marksreceivables	-	1,118
Property and equipment	17,915	26,286
Other assets	2,491	9,328
	25,629	**38,189**
Liabilities		
Trade payables	210	1,563
Labor and tax liabilities	782	3,443
Borrowing	17,500	19,143
Other liabilities	520	6,949
	19,012	**31,098**
Total identifiable assets and liabilities acquired and liabilities assumed at fair value	**6,617**	**7,091**
Goodwill/negative goodwill	2,777	595
Total purchase price	**9,394**	**7,686**

On November 30, 2013, the Company completed the process of validating the identifiable net assets, without any alterations or adjustments to be considered in the financial statements.

4 Derivative financial instruments

On June 11, 2013, the Company contracted a Foreign Currency for Real Swap with the Bank of Tokyo Mitsubishi UFJ Brasil S.A. at an amount and term equivalent to the loan agreement.

On July 15, 2013, the Company contracted an Amplified Consumer Price Index (IPCA) Swap for Interbank Deposit Certificates (CDI) with Banco Itaú BBA at an equivalent term, and part of the amount referring to the 3rd series of the 6th issue of debentures of the Company.

The following table presents the Company's outstanding derivative contracts by asset and liability positions. The balance sheet hedge has the objective of hedging the Company's balance sheet against US Dollar/Real variations and the Amplified Consumer Price Index (IPCA). The totality of the operations was contracted by the parent company and, therefore, this accounting information is the same for the consolidated accounting information.

Transaction	Counterparty	Principal amount	Detail of the operation	Market value 12/31/2013	Market value 12/31/2012
Balance sheet hedge					
SWAP USD X CDI + 1%	Bank of Tokyo	USD 30,000	Asset position	69,371	-
			Liability position	(64,378)	-
			Amount receivable	**4,993**	**-**
SWAP IPCA + 7.5% X CDI 2.8%	Itaú BBA	R$ 100,000	Asset position	102,060	-
			Liability position	(105,292)	-
			Amount payable	**(3,232)**	**-**

5 Cash and cash equivalents and marketable securities

5.1. Cash and cash equivalents

	Parent company		Consolidated		Logistics		Additional information: Concessionaires		Additional information: Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Exclusive fund - Bradesco									
Bank Deposit Certificate (CDB)	37,622	27,103	45,838	69,590	45,838	69,590	-	-	-
Rubi Fic Fi Debentures	86,440	12,360	105,318	31,736	105,318	31,736	-	-	-
	-	5,939	-	15,249	-	15,249	-	-	-
Financial bills	-	2,783	-	7,145	-	7,145	-	-	-
	124,062	**48,185**	**151,156**	**123,720**	**151,156**	**123,720**	**-**	**-**	**-**
Exclusive fund - CEF									
Debentures	-	2,052	-	81,174	-	81,174	-	-	-
Repurchase transactions	32,855	-	75,365	-	75,365	-	-	-	-
Bank Deposit Certificate (CDB)	29,657	2,877	68,030	57,893	68,030	57,893	-	-	-
	62,512	**4,929**	**143,395**	**139,067**	**143,395**	**139,067**	**-**	**-**	**-**
Other investments									
Bank Deposit Certificate (CDB)/ Interbank Deposit Certificate (CDI)	6,319	28,844	32,326	37,581	18,558	31,668	13,768	5,913	-
Cash and banks									
Cash	735	675	3,651	2,352	1,786	2,201	262	151	1,604
Banks	2,513	14,474	15,452	19,783	5,631	18,368	3,335	1,415	6,485
	3,248	**15,149**	**19,103**	**22,135**	**7,417**	**20,569**	**3,597**	**1,566**	**8,089**
	196,141	**97,107**	**345,980**	**322,503**	**320,526**	**315,024**	**17,365**	**7,479**	**8,089**

The average yield of investments in the year ended December 31, 2013 was 0.78% p.m. (0.69% p.m. in the year ended December 31, 2012).

5.2.Marketable securities

	Parent company		Consolidated		Additional information				
					Logistics		Concessionaires		Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Exclusive fund - Bradesco									
Financial Treasury Bills (LFT)	46,800	7,460	57,021	19,153	57,021	19,153	-	-	-
National Treasury Bills (LTN)	113,292	12,231	138,035	31,405	138,035	31,405	-	-	-
	160,092	**19,691**	**195,056**	**50,558**	**195,056**	**50,558**	**-**	**-**	**-**
Exclusive fund - CEF									
Financial Treasury Bills (LFT)	15,367	824	35,291	23,249	35,291	23,249	-	-	-
National Treasury Bills (LTN)	73,666	17	168,979	488	168,979	488	-	-	-
	89,033	**841**	**204,270**	**23,737**	**204,270**	**23,737**	**-**	**-**	**-**
Other investments									
Bank Deposit Certificate (CDB)/Interbank Deposit Certificate (CDI)	18,912	10,202	18,912	10,202	18,912	10,202	-	-	-
	268,037	**30,734**	**418,238**	**84,497**	**418,238**	**84,497**	**-**	**-**	**-**
Current assets	249,125	20,532	399,326	74,295	399,326	74,295	-	-	-
Non-current assets	18,912	10,202	18,912	10,202	18,912	10,202	-	-	-
Total	**268,037**	**30,734**	**418,238**	**84,497**	**418,238**	**84,497**	**-**	**-**	**-**

6 Trade receivables

	Parent company		Consolidated		Additional information				
					Logistics		Concessionaires		Rent a car
Description	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**
Accounts receivable (i)	334,805	319,506	478,795	462,542	423,674	442,101	58,173	29,343	6,233
Unbilled revenue (ii)	170,079	128,069	212,322	150,624	210,522	150,537	1,431	87	369
Lease revenue - sales (iii)	45,504	77,452	45,504	77,452	45,504	77,452	-	-	-
(-) Provision for impairment of trade receivables (iv)	(34,058)	(31,143)	(43,407)	(38,888)	(38,931)	(35,210)	(3,602)	(3,678)	(874)
	516,330	**493,884**	**693,214**	**651,730**	**640,769**	**634,880**	**56,002**	**25,752**	**5,728**
Current assets	488,989	432,598	665,873	571,544	613,428	554,694	56,002	25,752	5,728
Non-current assets	27,341	61,286	27,341	80,186	27,341	80,186	-	-	-
Total	**516,330**	**493,884**	**693,214**	**651,730**	**640,769**	**634,880**	**56,002**	**25,752**	**5,728**

i) Accounts receivable with average maturities of over 90 days are recorded at present value upon the initial recording of the transaction, pursuant to the average rate used by the Company to calculate the prices of the related agreements. Financial charges are recognized as finance results on an accruals basis.

ii) Unbilled revenue comprises any shipping orders issued and recognized as revenue in the period on an accruals basis, and as services are effectively provided. Based on the measurements of services provided, when they are executed over more than one period, the amount related to the current month is also recorded in this classification.

iii) The Company recognized its trade receivables in relation to equipment lease agreements as current assets and non-current assets classified as sales, pursuant to CPC 06. The future financial income to be recognized during the term of realization of the contract totals R$ 2,095 at December 31, 2013 (R$ 6,131 at December 31, 2012).

iv) The changes in the provision for impairment of trade receivables in the year ended December 31, 2013 were as follow:

	Parent company	Consolidated
At December 31, 2012	**(31,143)**	**(38,888)**
(-) Additions resulting from business combinations	-	(873)
(-) Additions	(22,035)	(25,815)
(+) Reductions	19,120	22,169
At December 31, 2013	**(34,058)**	**(43,407)**

Aging list

	Net trade receivables			
	Parent company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Overdue for more than 365 days	14,974	14,375	18,951	16,213
Overdue from 181 to 365 days	11,352	15,100	14,453	15,135
Overdue from 91 to 180 days	10,353	14,039	7,550	13,370
Overdue from 31 to 90 days	17,937	20,438	25,500	30,334
Overdue for up to 30 days	28,355	30,692	36,305	38,154
Total overdue	**82,971**	**94,644**	**105,759**	**113,206**
Falling due in up to 30 days	316,098	259,543	451,778	327,946
Falling due in from 31 to 90 days	50,771	50,340	58,446	54,047
Falling due from 91 to 180 days	22,366	10,676	33,107	22,190
Falling due from 181 to 365 days	16,783	17,395	16,783	42,761
Falling due after 365 days	27,341	61,286	27,341	80,186
Total falling due	**433,359**	**399,240**	**587,455**	**538,524**
Total	**516,330**	**493,884**	**693,214**	**651,730**

7 Inventory

	Parent company		Consolidated		Additional information				
					Logistics		Concessionaires		Rent a car
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/201 3
Materials for use and consumption	14,941	13,527	34,738	31,667	34,738	31,667	-	-	-
Warehouse	896	617	1,277	908	1,277	908	-	-	-
New vehicles	-	-	186,153	101,478	-	-	131,556	101,478	-
Used vehicles (i)	96	748	23,559	18,156	126	748	23,433	17,408	-
Parts for resale	-	-	25,825	20,018	-	-	25,825	20,018	-
Other	94	56	11,475	4,233	93	56	11,382	4,177	-
(-) Provision for losses	(3,599)	(1,984)	(6,536)	(3,492)	(3,742)	(2,008)	(2,794)	(1,484)	-
Total	**12,428**	**12,964**	**276,491**	**172,968**	**87,089**	**31,371**	**189,402**	**141,597**	**-**

i) Used vehicles in the parent company financial statements refer to vehicles acquired from customers in accordance with service agreements, for resale.

Changes in the provision for losses

	Parent company	Consolidated
At December 31, 2012	**(1,984)**	**(3,492)**
(-) Additions	(2,751)	(4,231)
(+) Reductions	1,136	1,187
At December 31, 2013	**(3,599)**	**(6,536)**

8 Available-for-sale assets (fleet renewal)

As a result of the Company's fleet renewal process, certain assets (vehicles, machines and equipment) were made available for sale in the parent company financial statements in the amount of R$ 105,422 at December 31, 2013 (R$ 43,491 at December 31, 2012) and in the consolidated financial statements at an amount of R$ 137,013 at December 31, 2013 (R$ 48,893 at December 31, 2012). As per CPC 31 (IFRS 5), assets previously accounted for as property and equipment are classified under this heading and are available for immediate sale.

Amounts are presented at the lower of their residual amount, which is the result of the acquisition cost less accumulated depreciation until the date when assets were made available for sale, and their fair value less the estimated costs to sell the asset.

These assets are available for immediate sale in their present condition, and are thus very likely to be sold in one year or less.

9 Taxes recoverable

					Additional information				
	Parent company		Consolidated		Logistics		Concessionaires		Rent a car
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Value-added Tax on Sales and Services (ICMS) (i)	63,458	68,581	84,212	87,944	79,855	83,782	4,357	4,162	-
Prepaid income tax and social contribution	-	-	1,559	1,404	710	-	638	1,404	211
Income Tax Withheld at Source (IRRF)	4,442	13,251	9,826	16,648	5,076	14,104	4,703	2,544	47
Income tax and social contribution to be offset	30,030	12,203	40,754	18,609	37,688	16,015	2,594	2,594	472
Social Contribution Withheld at Source (CSRF)	3,289	5,448	3,650	5,448	3,409	5,448	-	-	241
National Institute of Social Security (INSS)	3,825	4,358	5,972	8,741	5,966	8,741	-	-	6
National Institute of Social Security (INSS) recoverable	5,001	4,764	5,001	4,764	5,001	4,764	-	-	-
Services Tax (ISS) recoverable	252	254	874	1,056	874	1,056	-	-	-
Social Integration Program (PIS)/ Social Contribution on Revenue (COFINS)	1,821	555	4,617	3,688	4,609	3,688	8	-	-
Other taxes	70	-	81	84	81	84	-	-	-
	112,188	**109,414**	**156,546**	**148,386**	**143,269**	**137,682**	**12,300**	**10,704**	**977**
Current assets	67,626	72,459	111,273	111,418	98,707	100,729	12,291	10,689	335
Non-current assets	44,562	36,955	45,213	36,968	44,562	36,953	9	15	642
Total	**112,188**	**109,414**	**156,546**	**148,386**	**143,269**	**137,682**	**12,300**	**10,704**	**977**

i) ICMS mainly represents credits from acquisitions of property and equipment, offset at a monthly rate of 1/48, pursuant to the prevailing tax legislation.

10 Judicial deposits

					Additional information				
	Parent company		Consolidated		Logistics		Concessionaires		Rent a car
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Labor (i)	32,734	23,734	37,766	26,889	35,536	25,152	2,200	1,737	30
Civil (ii)	6,416	14,200	14,334	20,488	14,164	20,332	170	156	-
Tax (ii)	830	828	938	936	938	936	-	-	-
Total	**39,980**	**38,762**	**53,038**	**48,313**	**50,638**	**46,420**	**2,370**	**1,893**	**30**

i) Mainly refers to deposits for appeals in lawsuits in progress and legal freezes on the Company's checking accounts. The Company is filing motions for a stay of execution in order to fully or partially release blocked funds.

ii) Relates to guarantees required to proceed with lawsuits.

11 Other receivables

					Additional information				
	Parent company		Consolidated		Logistics		Concessionaires		Rent a car
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Amounts receivable - CMT (i)	970	970	21,374	19,170	21,374	19,170	-	-	-
Amounts receivable - asset management agreement	-	-	18,596	16,944	18,596	16,944	-	-	-
Advances to suppliers	3,503	7,413	26,391	17,373	4136	9,157	21,850	8,216	205
Other receivables	14,421	4,596	42,009	20,214	32,410	3,568	28,155	16,755	5
Amounts receivable - consortia	1	1,357	360	2,580	360	2,580	-	-	-
Advances to employees	4,765	5,455	6,571	6,769	5,841	6,285	673	484	57
Contractual guarantees	-	-	651	878	651	878	-	-	-
Insurance claims receivable	952	1,107	952	1,107	952	1,107	-	-	-
Real estate guarantees	791	863	1,427	1,220	1,427	1,220	-	-	-
Amounts receivable - intercompany (ii)	16,353	3,680	-	-	-	-	-	-	-
Capitalization funds - concessionaires (iii)	-	-	52,966	43,149	-	-	52,966	43,149	-
Dividends receivable	-	517	-	-	-	-	-	-	-
Total	**41,756**	**25,958**	**171,097**	**129,404**	**85,747**	**60,909**	**103,700**	**68,604**	**267**
Current assets	34,698	20,413	88,473	60,420	58,023	37,183	48,801	23,346	267
Non-current assets	7,058	5,545	82,624	68,984	27,724	23,726	54,900	45,258	-
Total	**41,756**	**25,958**	**171,097**	**129,404**	**85,747**	**60,909**	**103,701**	**68,604**	**267**

i) Balance corresponding to amounts maintained by an urban passenger transportation entity (Consórcio Metropolitano de Transportes - "CMT") for its operating activities.

ii) Mainly comprised of the leasing of vehicles, machinery and equipment to the subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.

iii) Balance corresponding to the initial payment made by the subsidiaries of JSL Concessionárias and the percentage values of the cost of acquiring vehicles retained by manufacturers, deposited in funds managed by financial institutions linked to them, on behalf of subsidiaries. These funds are utilized as guarantees for lines of credit for the provision of vehicles and contribution amounts exceeding annual contribution targets may be withdrawn.

12 Investments

				Parent company	
Investments	**Equity at 12/31/2013**	**Ownership interest - %**	**Equity in the earnings of subsidiaries**	**12/31/2013**	**12/31/2012**
JP Tecnolimp S.A.	2,178	99.00000	(959)	2,156	6,742
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	7,113	99.99980	1,513	7,113	5,600
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	614,898	99.99998	24,426	614,898	490,078
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	24,119	99.99998	1,913	24,119	8,427
JSL Locações Ltda.	208,181	99.99950	24,244	208,180	87,826
JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	200,688	99.99999	4,421	200,688	71,518
JSL Holding Financeira Ltda.	143	99.99999	(1,188)	143	-
JSL Empreendimentos Imobiliários Ltda.	7,783	99.99999	(126)	7,783	-
APTA Veículos e Representações Ltda. (vi)	24,123	99.99999	6	24,123	-
Movida Locação de Veículos Ltda. (vi)	50,580	99.99999	(23)	50,580	-
Goodwill in subsidiaries (CPC18) (ii)	-	-	-	30,878	-
Total permanent investments			54,227	1,170,661	670,191
Other investments					
TKJS Serviços de Logística do Brasil Ltda.	2,526	50.00000	38	1,263	-
Other investments (i)	-	-	-	73	91
Total investments in parent company			54,265	1,171,997	670,282

				Consolidated	
Investments				**12/31/2013**	**12/31/2012**
TKJS Serviços de Logística do Brasil Ltda.	2,526	50.00000	38	1,263	-
Other investments (i)				73	91
Total other investments				1,336	91

i) Balance relating to Work Container Ind. Transf. Plast. Ltda. and Centronor - Centro Rein. Mot. Região Nordeste.

ii) Reclassification in the Parent company of the goodwill from the business combination of Yolanda and JSL Concessionárias, based on the expectation of future profitability, in conformity with CPC18.

12.1. Changes in investments

Investment	12/31/2012	capital investment / (decrease)	Advances for future capital increase / Capital contributions		Equity in the results of investees in 2013	Goodwill based on expected future profitability	Dividends and interest on capital		12/31/2013	Equity in the results of investees in 2012
JP Tecnolimp S.A.	6,742	-	-		(959)	-	(3,627)		2,156	2,175
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	5,600	-	-		1,513	-	-		7,113	1,499
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	490,078	-	150,000		24,426	-	(49,606)	(i)	614,898	42,554
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	8,427	-	14,198	(ii)	1,913	-	(419)		24,119	5,533
JSL Locações Ltda.	87,826	-	96,110	(ii)	24,244	-	-		208,180	(12,887)
JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	71,518	-	124,749		4,421	-	-		200,688	(2,863)
JSL Holding Financeira Ltda. (iii)	-	-	1,331		(1,188)	-	-		143	-
JSL Empreendimentos Imobiliários Ltda. (iii)	-	-	7,909		(126)	-	-		7,783	-
APTA Veículos e Representações Ltda. (vi)	-	6,617	17,500		6	-	-		24,123	-
Movida Locação de Veículos Ltda. (vi)	-	7,091	44,630		(23)	-	-		50,580	-
TKJS Serviços de Logística do Brasil Ltda.	-	1,225	-		38	-	-		1,263	-
Goodwill in subsidiaries (CPC18) (iv)	-	-	-		-	30,878	-		30,878	
Other investments	91	(18)	-		-	-	-		73	-
Total	**670,282**	**14,915**	**456,427**		**54,265**	**30,878**	**(53,652)**		**1,171,997**	**36,011**

i) Payment of dividends in the period.

ii) Advances on future capital increases for the acquisition of property and equipment.

iii) Advances on future capital increases, and capital increases for the constitution of new companies (In the pre-operating phase and in the phase of approval by thee regulators).

iv) Goodwill arising from business combinations classified as investments in the Parent company in accordance with CPC18.

12.2. Investments in subsidiaries

The interests in the assets, liabilities, income and expenses of subsidiaries for the years ended December 31, 2013 and 2012, included in the consolidated financial statements, are as follows:

	12/31/2013 Parent company									
	Movida Locação de Veículos Ltda	APTA Veículos e Representações Ltda	JSL Empreend. Imobiliários Ltda	JSL Holding Financeira Ltda	JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	JSL Locações Ltda	Yolanda Logística Armazém Transporte e Serviços Gerais Ltda	JP Tecnolimp S.A.	Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda
Current assets	7,449	7,948	2	154	73	79,577	7,768	2,094	19,774	491,553
Non-current assets	60,974	17,649	7,781	295	206,736	393,143	31,312	879	235	387,264
Current liabilities	16,188	1,473	-	308	1,045	228,827	7,998	283	12,896	152,345
Non-current liabilities	1,655	-	-	-	5,076	35,711	6,963	512	-	111,574
Equity	50,580	24,124	7,783	141	200,688	208,182	24,119	2,178	7,113	614,898
Revenue	5,133	2,168	-	-	-	139,819	20,409	2,414	2,032	769,734
Expenses	(5,156)	(2,162)	(126)	(1,188)	4,415	(115,575)	(18,496)	(3,383)	(519)	(745,308)
Profit (loss) for the year	(23)	6	(126)	(1,188)	4,415	24,244	1,913	(969)	1,513	24,426

	12/31/2012 Parent company					
	JSL Invest. Concessionárias e Lojas de Veíc., Máqs. e Equiptos. S.A.	JSL Locações Ltda	Yolanda Logística Armazém Transporte e Serviços Gerais Ltda	JP Tecnolimp S.A.	Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda
Current assets	246,031	9,805	6,185	7,150	16,220	434,932
Non-current assets	84,945	195,457	16,953	762	245	264,413
Current liabilities	246,630	60,062	8,480	1,102	10,865	142,935
Non-current liabilities	12,828	57,374	6,231	-	-	66,332
Equity	71,518	87,826	8,427	6,810	5,600	490,078
Revenue	1,080,227	49,433	23,294	6,787	1,999	641,156
Expenses	(1,083,090)	(62,320)	(17,761)	(4,590)	(500)	(598,602)
Profit (loss) for the year	(2,863)	(12,887)	5,533	2,197	1,499	42,554

13 Property and equipment

	Parent company								
	Vehicles	Machinery and equipment	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fittings	Vessels	Other	Total
Cost or valuation:									
At December 31, 2012	2,063,436	387,259	26,336	104,007	13,860	13,333	2,078	63,090	2,673,399
Additions	658,023	86,790	44,363	-	3,754	4,247	-	930	798,107
Disposals	(455,511)	(6,950)	-	-	(36)	(1)	-	(10,772)	(473,270)
Transfers	(38,516)	39,042	(6,586)	3,607	114	-	-	2,339	-
Special operations (*)	(58,211)	(4,944)	-	-	-	-	-	(11)	(63,166)
At December 31, 2013	**2,169,221**	**501,197**	**64,113**	**107,614**	**17,692**	**17,579**	**2,078**	**55,576**	**2,935,070**
At December 31, 2012	(380,704)	(91,966)	-	(12,917)	(6,318)	(4,765)	(289)	(9,126)	(506,085)
Depreciation expenses	(196,354)	(49,433)	-	(7,433)	(3,322)	(1,419)	(101)	(2,546)	(260,608)
Disposals	111,842	2,669	-	-	1	-	-	1,271	115,783
Transfers	16,864	(16,911)	-	(2)	-	-	-	49	-
Special operations (*)	10,532	866	-	-	(1,206)	-	-	-	10,192
At December 31, 2013	**(437,820)**	**(154,775)**	**-**	**(20,352)**	**(10,845)**	**(6,184)**	**(390)**	**(10,352)**	**(640,718)**
Net book value:									
At December 31, 2012	**1,682,732**	**295,293**	**26,336**	**91,090**	**7,542**	**8,568**	**1,789**	**53,964**	**2,167,314**
At December 31, 2013	**1,731,401**	**346,422**	**64,113**	**87,262**	**6,847**	**11,395**	**1,688**	**45,224**	**2,294,352**
Average depreciation rates (%):									
Light	12.0	-	-	-	-	-	-	-	
Heavy	7,9	-	-	-	-	-	-	-	
Other	-	12.0	-	2.1	20.0	10.0	5.0	10.0	

(*) Mainly refer to the effect of changes in available-for-sale assets (fleet renewal).

									Consolidated
	Vehicles	Machinery and equipment	Construction in progress	Leasehold improvements	Computers and peripherals	Furniture and fittings	Vessels	Other	Total
Cost or valuation:									
At December 31, 2012	2,535,467	401,300	29,461	135,566	17,672	21,512	2,078	69,443	3,212,499
Additions from business combinations	46,206	210	-	836	604	292	-	1,093	49,241
Additions	1,171,203	94,106	59,880	12,512	4,514	6,801	-	9,688	1,385,059
Disposals	(538,319)	(7,279)	-	(32)	(212)	(12)	-	(36,043)	(556,698)
Transfers	(38,427)	38,953	(7,064)	4,085	114	-	-	2,339	-
Special operations (*)	(92,983)	(6,558)	-	(4)	-	-	-	(11)	(99,556)
At December 31, 2013	**3,083,147**	**520,732**	**82,277**	**152,963**	**22,692**	**28,593**	**2,078**	**98,063**	**3,990,545**
Depreciation:									
At December 31, 2012	(444,018)	(97,010)	(1)	(19,324)	(8,906)	(7,132)	(290)	(9,332)	(586,013)
Additions from business combinations	(4,430)	(191)	-	(130)	(153)	105	-	(19)	(5,038)
Depreciation expenses	(274,076)	(51,794)	-	(9,682)	(4,282)	(2,203)	(101)	(2,913)	(345,051)
Disposals	132,815	2,886	-	-	150	1	-	1,271	137,123
Transfers	17,018	(17,065)	-	(2)	-	-	-	49	-
Special operations (*)	16,708	866	-	-	(1,206)	3	-	-	16,395
At December 31, 2013	**(555,983)**	**(166,308)**	**(1)**	**(29,138)**	**(14,407)**	**(9,436)**	**(391)**	**(10,944**	**(782,608)**
Net book value:									
At December 31, 2012	2,091,449	304,290	29,460	116,242	8,766	14,380	1,788	60,111	2,626,486
At December 31, 2013	2,527,164	358,424	82,276	123,825	8,285	19,157	1,687	87,119	3,207,937
Average depreciation rates (%):									
Light	12.0	-	-	-	-	-	-	-	
Heavy	7,9	-	-	-	-	-	-	-	
Other	-	12.0	-	2.1	20.0	10.0	5.0	10.0	

(*) Mainly refer to the effect of changes in available-for-sale assets (fleet renewal).

Additional information on property and equipment:

	Vehicles	Machinery and equipment	Construction in progress (i)	Leasehold improvements (ii)	Computers and peripherals	Furniture and fittings	Vessels (iii)	Other	Consolidated Logistics Total
Cost or valuation:									
At December 31, 2012	2,523,658	393,313	29,461	110,595	13,957	14,080	2,078	68,239	3,155,381
Additions	1,124,345	93,262	59,880	4	4,173	4,969	-	8,886	1,295,519
Disposals	(524,791)	(7,250)	-	-	(36)	(1)	-	(10,809)	(542,887)
Transfers	(38,427)	38,953	(7,064)	4,085	114	-	-	2,339	-
Special operations (*)	(92,624)	(6,558)	-	-	-	-	-	(11)	(99,193)
At December 31, 2013	**2,992,161**	**511,720**	**82,277**	**114,684**	**18,208**	**19,048**	**2,078**	**68,644**	**3,808,820**
Depreciation:									
At December 31, 2012	(441,790)	(94,540)	(1)	(13,256)	(6,525)	(4,889)	(290)	(9,228)	(570,519)
Depreciation expenses	(270,750)	(51,166)	-	(8,163)	(3,448)	(1,541)	(101)	(2,687)	(337,856)
Disposals	129,930	2,851	-	-	1	-	-	1,271	134,053
Transfers	17,018	(17,065)	-	(2)	-	-	-	49	-
Special operations (*)	16,571	866	-	-	(1,206)	-	-	-	16,231
At December 31, 2013	**(549,021)**	**(159,054)**	**(1)**	**(21,421)**	**(11,178)**	**(6,430)**	**(391)**	**(10,595)**	**(758,091)**
Net book value:									
At December 31, 2012	2,081,868	298,773	29,460	97,339	7,432	9,191	1,788	59,011	2,584,862
At December 31, 2013	2,443,140	352,666	82,276	93,263	7,030	12,618	1,687	58,049	3,050,729
Average depreciation rates (%):									
Light	12.0	-	-	-	-	-	-	-	
Heavy	7,9	-	-	-	-	-	-	-	
Other	-	12.0	-	2.1	20.0	10.0	5.0	10.0	

(*) Mainly refers to the effect of changes in available-for-sale assets (fleet renewal).

i) Balances mainly comprise expenditure relating to the construction of a warehouse in Recife-PE and balances corresponding to the first stage of works for the Itaquaquecetuba-SP intermodal terminal.

ii) Improvements relating to the construction of the railway terminal located in Itaquaquecetuba-SP, made up of four warehouses, to meet storage needs. Two of the warehouses have been completed, while the other two will be built in accordance with operational requirements. Includes capitalized interest on loans amounting to R$ 199 in the year ended December 31, 2013 (R$ 44 in the same period of 2012).

iii) Refers to the vessel used to provide dredging services.

	Consolidated Concessionaires						
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fittings	Other	Total
Cost or valuation:							
At December 31, 2012	11,809	7,987	24,971	3,715	7,432	1,204	57,118
Additions	15,834	820	11,552	340	1,499	27,157	57,202
Disposals	(11,090)	(26)	(10)	(152)	(10)	(35)	(11,323)
Special operations	(359)	-	(4)	-	-	-	(363)
At December 31, 2013	**16,194**	**8,781**	**36,509**	**3,903**	**8,921**	**28,326**	**102,634**
Depreciation:							
At December 31, 2012	(2,228)	(2,470)	(6,068)	(2,381)	(2,243)	(104)	(15,494)
Depreciation expenses	(2,363)	(629)	(1,517)	(824)	(660)	(225)	(6,218)
Disposals	2,066	35	-	125			2,226
Special operations	137	-	-	-	3	-	140
At December 31, 2013	**(2,388)**	**(3,064)**	**(7,585)**	**(3,080)**	**(2,900)**	**(329)**	**(19,356)**
Net book value:							
At December 31, 2012	9,581	5,517	18,903	1,334	5,189	1,100	41,624
At December 31, 2013	13,806	5,717	28,924	823	6,021	27,997	83,288

	Consolidated rent a car						
	Vehicles	Machinery and equipment	Leasehold improvements	Computers and peripherals	Furniture and fittings	Other	Total
Cost or valuation:							
At November 30, 2013	46,206	210	836	604	292	1,093	49,241
Additions	31,024	24	956	1	333	-	32,338
Disposals	(2,438)	(3)	(22)	(24)	(1)	-	(2,488)
At December 31, 2013	**74,792**	**231**	**1,770**	**581**	**624**	**1,093**	**79,091**
Depreciation:							
At November 30, 2013	(4,430)	(191)	(130)	(163)	(105)	(19)	(5,038)
Depreciation expenses	(963)	(1)	(2)	(10)	(2)	(1)	(977)
Disposals	819	-	-	24			844
At December 31, 2013	**(4,574)**	**(190)**	**(132)**	**(149)**	**(106)**	**(20)**	**(5,171)**
Net book value:							
At November 30, 2013	41,776	19	706	441	187	1,074	44,203
At December 31, 2013	70,218	41	1,638	432	518	1,073	73,920

14 Intangible assets

	Parent company									
	Goodwill arising from business combination - JSL Concessionárias (v)	Goodwill arising from business combination - Schio (v)	Goodwill arising from the acquisition of Lubiani (i)	Goodwill arising from the acquisition of Grande ABC (i)	Goodwill arising from the acquisition of Yolanda (i)	Goodwill arising from business combination - Movida (vii)	Goodwill arising from business combination - APTA (vii)	Software (iii)	Trademarks and patents	Total
Cost or valuation:										
At December 31, 2012	21,481	119,191	73,011	85,511	6,233	-	-	19,731	971	323,085
Additions	-	-	-	-	-	595	2,777	5,964	1,118	9,588
Disposal	(21,481)	-	-	-	(6,233)	(595)	(2,777)	(36)	-	(31,086)
At December 31, 2013	**-**	**119,191**	**73,011**	**85,511**	**-**	**-**	**-**	**25,659**	**2,089**	**301,551**
Amortization:										
At December 31, 2012	-	-	(42,652)	(2,451)	(208)	-	-	(6,936)	(23)	(52,271)
Amortization expenses	-	-	-	-	-	-	-	(2,884)	(6)	(2,892)
Reclassification to investments	-	-	-	-	208	-	-	-	-	208
Reclassification to property and equipment	-	-	-	-	-	-	-	1,207	-	1,207
At December 31, 2013	**-**	**-**	**(42,652)**	**(2,451)**	**-**	**-**	**-**	**(8,613)**	**(29)**	**(53,748)**
Net intangible assets:										
At December 31, 2012	21,481	119,191	30,359	83,060	6,025	-	-	12,448	948	270,814
At December 31, 2013	-	119,191	30,359	83,060	-	-	-	16,155	2,060	247,803

	Consolidated											
	Goodwill arising from business combination - JSL Concessionárias (v)	Goodwill arising from business combination - Schio (v)	Goodwill arising from the acquisition of Lubiani (i)	Goodwill arising from the acquisition of Grande ABC (i)	Goodwill arising from the acquisition of Yolanda (i)	Goodwill arising from the acquisition of Transrio (vi)	Goodwill arising from business combination - Movida (vii)	Goodwill arising from business combination – APTA (vii)	Software (iii)	Goodwill	Other	Total
Cost or valuation:												
At December 31, 2012	21,481	119,191	73,011	85,511	6,233	22,834	-	-	21,179	1,000	9,043	359,483
Additions from business combinations									224	3,721	200	4,145
Additions	-	-	-	-	-	-	595	2,777	5,976	15,500	1,129	25,977
Disposals	-	-	-	-	-	-	-	-	(51)	-	-	(51)
At December 31, 2013	**21,481**	**119,191**	**73,011**	**85,511**	**6,233**	**22,834**	**595**	**2,777**	**27,328**	**20,221**	**10,372**	**389,554**
Amortization:												
At December 31, 2012	-	-	(42,652)	(2,451)	(208)	(9,772)	-	-	(7,757)	(351)	(1,845)	(65,036)
Additions									(111)	-	-	(111)
Amortization expenses	-	-	-	-	-	-	-	-	(3,457)	(1,088)	(578)	(5,123)
Reclassifications to property and equipment	-	-	-	-	-	-	-	-	1,206	-	-	1,206
At December 31, 2013	**-**	**-**	**(42,652)**	**(2,451)**	**(208)**	**(9,772)**	**-**	**-**	**(10,119)**	**(1,439)**	**(2,423)**	**(69,064)**
Net intangible assets:												
At December 31, 2012	21,481	119,191	30,359	83,060	6,025	13,062	-	-	13,422	649	7,198	294,447
At December 31, 2013	21,481	119,191	30,359	83,060	6,025	13,062	595	2,777	17,209	18,782	7,949	320,490

Additional information on intangible assets:

	Consolidated Logistics											
	Goodwill arising from business combination - JSL Concessionárias (v)	Goodwill arising from business combination - Schio (v)	Goodwill arising from the acquisition of Lubiani (i)	Goodwill arising from the acquisition of Grande ABC (i)	Goodwill arising from the acquisition of Yolanda (i)	Goodwill arising from business combination - Movida (vii)	Goodwill arising from business combination - APTA (vii)	Software (iii)	Trademarks and patents	São José dos Campos - Concession (ii)	Municipality of Sorocaba - Concession (iv)	Total
Cost or valuation:												
At December 31, 2012	21,481	119,191	73,011	85,511	6,233	-	-	19,731	971	4,257	1,750	332,136
Additions	-	-	-	-	-	595	2,777	5,964	1,118	-	-	10,454
Disposals	-	-	-	-	-	-	-	(36)	-	-	-	(36)
At December 31, 2013	**21,481**	**119,191**	**73,011**	**85,511**	**6,233**	**595**	**2,777**	**25,659**	**2,089**	**4,257**	**1,750**	**342,554**
Amortization:												
At December 31, 2012	-	-	(42,652)	(2,451)	(208)	-	-	(7,283)	(23)	(1,568)	(254)	(54,439)
Amortization expenses	-	-	-	-	-	-	-	(3,427)	(6)	(354)	(218)	(4,005)
Reclassifications to property and equipment	-	-	-	-	-	-	-	1,206	-	-	-	1,206
At December 31, 2013	**-**	**-**	**(42,652)**	**(2,451)**	**(208)**	**-**	**-**	**(9,504)**	**(29)**	**(1,922)**	**(472)**	**(57,238)**
Net intangible assets:												
At December 31, 2012	21,481	119,191	30,359	83,060	6,025	-	-	12,448	948	2,689	1,496	277,697
At December 31, 2013	21,481	119,191	30,359	83,060	6,025	595	2,777	16,155	942	2,335	1,278	285,316

							Consolidated Concessionaires
	Software (iii)	Intangible assets in progress	Concession rights	Goodwill	Trademarks and patents	Intangible assets in progress	Intangible assets in progress
Cost or valuation:							
At December 31, 2012	1,447	1,092	970	1,000	4	22,834	27,347
Additions	12	-	-	15,500	11	-	15,523
Disposals	(15)	-	-	-	-	-	(15)
At December 31, 2013	**1,444**	**1,092**	**970**	**16,500**	**15**	**22,834**	**42,855**
Amortization:							
At December 31, 2012	(474)	-	-	(351)	-	(9,772)	(10,597)
Amortization expenses	(26)	-	-	(1,088)	-	-	(1,114)
At December 31, 2013	**(500)**	**-**	**-**	**(1,439)**	**-**	**(9,772)**	**(11,711)**
Net intangible assets:							
At December 31, 2012	973	1,092	970	649	4	13,062	16,750
At December 31, 2013	944	1,092	970	15,061	15	13,062	31,144

	Consolidated rent a car			
	Software (iii)	**Goodwill**	**Commercial outlet**	**Total**
Cost or valuation:				
At November 30, 2013	224	3,721	200	4,145
At December 31, 2013	**224**	**3,721**	**200**	**4,145**
Amortization:				
At November 30, 2013	(111)	-	-	(111)
Amortization expenses	(4)	-	-	(4)
At December 31, 2013	**(115)**	**-**	**-**	**(115)**
Net intangible assets:				
At November 30, 2013	113	3,721	200	4,034
At December 31, 2013	109	3,721	200	4,030

i) Goodwill on the acquisition of the business, based on the expected future profitability and amortized up to December 31, 2008, recorded in the consolidated accounts. In the Parent Company, goodwill arising from the acquisition of Yolanda was reclassified to "Investments" in conformity with CPC18.

ii) Concession rights for the provision of urban transportation services acquired in 2008 for a 12-year period, amortized on a straight line basis over this period. The agreement is scheduled to expire in July 2020.

iii) Software assets have a useful life of five years and are amortized on a straight line basis over this period.

iv) Concession rights for the provision of urban transportation services acquired on June 16, 2011 for an eight-year period, amortized on a straight line basis over this period. The agreement is scheduled to expire in June 2019.

v) Goodwill arising from business combinations, based on expected future profitability. Rodoviário Schio Ltda. was acquired in December 2011 and JSL Concessionárias was acquired in February 2012, and recorded in the consolidated accounts. In the Parent Company, the goodwill of JSL Concessionárias was reclassified to "Investments" in conformity with CPC 18. The goodwill of Schio was merged into the Parent Company at December 31, 2011.

vi) Goodwill in Original Veículos Ltda. from the acquisition of Transrio Veículos Ltda., based on expected future profitability.

vii) Goodwill arising from business combinations, supported by expectations of future profitability, and Movida and APTA were acquired in 30 November 2013 by the parent company. In the Parent Company, the goodwill referring to the acquisition was reclassified to "Investments" in conformity with CPC18.

14.1 Impairment testing of goodwill for expected future profitability and of intangible assets with indefinite useful lives

For impairment testing purposes, any goodwill acquired through business combinations and in connection with assets that have undefined useful lives has been allocated to the Company, since it has only one business segment with a single cash-generating unit.

The Company tests for impairment on an annual basis, taking into consideration, among other factors, the ratio between its market capitalization and its book value, in order to identify any signs of impairment. As at December 31, 2013, the Company's market capitalization was higher than its book value, suggesting a

potential increase in the recoverable value of the goodwill and an increase in the recoverable value of the intangible assets.

The key assumptions adopted in estimating the recoverable value, based on the value in use, take into account the country's economic performance and reasonable macroeconomic assumptions, as follow:

- Revenue: forecasts for 2014 to 2023, considering an increase in the customer base, revenue from fleet renovation, market revenue growth in relation to GDP and the Company's growing share of this market
- Costs and expenses: forecast over the same period as the revenue, with customer base dynamics in line with the Company's past performance and historical revenue growth
- Capital expenditure: estimated, taking into consideration the infrastructure required to support the Company's service revenue
- Discount rate: in order to estimate the value in use, the estimated future cash flow was discounted to present value using an average discount rate based on a capital cost rate of 10.3%.

15 Borrowing

				Parent company						Consolidated					
				Current assets		Non-current assets		Total		Current assets		Non-current assets		Total	
Type	Annual average rate (%)	Structure (%)	Maturity	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
In local currency															
Operating (vehicles, machinery, equipment and construction)															
Finame (i)	4.9	Fixed rate / Long Term Interest Rate (TJLP)	2023	234,786	242,845	939,722	810,320	1,174,508	1,053,165	247,254	252,538	988,552	829,756	1,235,806	1,082,294
FINEM (*)	7.8	2.7+TJLP & Fixed/Floating-rate (TJLP and IPCA)	2019	9,416	6,137	71,095	35,698	80,511	41,835	9,416	6,137	71,095	35,698	80,511	41,835
Direct Consumer Credit (CDC)	-	-	2016	392	-	1,371	-	1,763	-	531	-	1,855	-	2,386	-
				244,594	**248,982**	**1,012,188**	**846,018**	**1,256,782**	**1,095,000**	**257,201**	**258,675**	**1,061,502**	**865,454**	**1,318,703**	**1,124,129**
Non-operating															
Bank Credit Notes (CCB) (ii)															
Additions	9.9	2+CDI	2015	-	11,754	-	16,528	-	28,282	-	11,754	-	16,528	-	28,282
CCB	11.4	115 of CDI / 114.2 of CDI / 1.85+CDI	2019	54,028	(201)	781,866	443,251	835,894	443,050	54,028	38,218	781,866	450,460	835,894	488,678
Export credit note (iii)	11.6	1.89+CDI / 1.5+CDI / 1.9+CDI	2016	29,828	30,134	233,122	22,500	262,950	52,634	29,828	30,134	233,122	22,500	262,950	52,634
Bank overdrafts	-	-	-	-	-	-	-	-	-	-	13,603	-	-	-	13,603
				83,856	**41,687**	**1,014,988**	**482,279**	**1,098,844**	**523,966**	**83,856**	**93,709**	**1,014,988**	**489,488**	**1,098,844**	**583,197**
In foreign currency															
Non-operating															
Working capital (4131) - USD (iv)	10.8	Swap to CDI+1	2016	24,343	-	44,512	-	68,855	-	24,343	-	44,512	-	68,855	-
				352,793	**290,669**	**2,071,688**	**1,328,297**	**2,424,481**	**1,618,966**	**365,400**	**352,384**	**2,121,002**	**1,354,942**	**2,486,402**	**1,707,326**

CCB - Bank Credit Note.

FINEM - Line of credit from the National Bank for Economic and Social Development (BNDES).

(*) FINEM on the commission corresponding to the surety has already been included in the FINEM rate.

Amortization schedules for the parent company and consolidated are presented below, by year of maturity:

		12/31/2013			
		Parent company		Consolidated	
	Maturity of repayments	Total	%	Total	%
Total current liabilities	2014	352,793	14.6	365,400	14.7
	2015	404,761	16.7	415,628	16.7
	2016	504,181	20.8	510,290	20.5
	2017	348,792	14.4	354,333	14.3
	2018	326,895	13.5	332,218	13.4
	2019	242,655	10.0	247,653	10.0
	2020	83,418	3.4	88,413	3.6
	2021	73,328	3.0	78,305	3.1
	2022 onwards	87,658	3.6	94,162	3.8
Total non-current liabilities		2,071,688	85.4	2,121,002	85.3
Total		**2,424,481**	**100.0**	**2,486,402**	**100.0**

				Additional information - 12/31/2013								
				Logistics			Concessionaires			Rent a car		
Type	**Annual average rate (%)**	**Structure (%)**	**Maturity**	**Current assets**	**Non-current assets**	**Total**	**Current assets**	**Non-current assets**	**Total**	**Current assets**	**Non-current assets**	**Total**
In local currency												
Operating (vehicles, machinery, equipment and construction)												
Finame (i)	4.9	Fixed rate / Long Term Interest Rate (TJLP)	2023	247,254	988,552	1,235,806	-	-	-	-	-	-
FINEM (*)	7.8	2.7+TJLP & Fixed/Floating-rate (TJLP and IPCA)	2019	9,416	71,095	80,511	-	-	-	-	-	-
Direct Consumer Credit (CDC)	-	-	2016	531	1,855	2,386	-	-	-	-	-	-
				257,201	**1,061,502**	**1,318,703**	**-**	**-**	**-**	**-**	**-**	**-**
Non-operating												
Bank Credit Notes (CCB) (ii)												
Additions	9.9	2+CDI	2015	-	-	-	-	-	-	-	-	-
CCB	11.4	115 of CDI / 114.2 of CDI / 1.85+CDI	2019	54,028	781,866	835,894	-	-	-	-	-	-
Export credit note (iii)	11.6	1.89+CDI / 1.5+CDI / 1.9+CDI	2016	29,828	233,122	262,950	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-
				83,856	**1,014,988**	**1,098,844**	**-**	**-**	**-**	**-**	**-**	**-**
In foreign currency												
Non-operating												
Working capital (4131) - USD (iv)	10.8	Swap to CDI+1	2016	24,343	44,512	68,855	-	-	-	-	-	-
				365,400	**2,121,002**	**2,486,402**	**-**	**-**	**-**	**-**	**-**	**-**

CCB - Bank Credit Notes.

FINEM - Line of credit from the National Bank for Economic and Social Development (BNDES).

(*) FINEM on the commission corresponding to the surety has already been included in the FINEM rate.

Borrowing - operating facility (Linked to the acquisition of vehicles, machinery and construction equipment)

i) The financing transactions for investments in vehicles and equipment (Finame) have an annual average interest rate of 4.9%, already including the TJLP for the period

ii) Long term Interest Rate (TJLP) plus 2.7% per annum.

Borrowing - non-operating facility - (Working capital lines for other investments)

iii) The breakdown of financial charges applying to each bank credit note is as follows:
- 115% of the Interbank Deposit Certificate (CDI)
- 114.2% of the CDI rate
- Interbank Deposit Certificate (CDI) plus 1.85 % per annum

iv) Financial charges on export credit notes (NCE) include an annual interest rate averaging 1.8 %, plus the variation of the Interbank Deposit Certificate (CDI) rate.

v) Loan agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., headquartered in New York - United States of America, of USD 30,000 thousand, with a term of three years, and a 12 month grace period for the principal. The loan was designated by the Company as a financial liability at fair value through profit or loss at its initial recognition, in accordance with the accounting practice described in Note 2.3.

With respect to its borrowing, the Company is subject to certain restrictive covenants that may result in accelerated debt maturities in certain situations, including the following:

i) Defaulting or failing to pay any financial obligation when it becomes due

ii) Significant changes in the Company's controlling stockholders caused by circumstances such as wind-up, dissolution, spin-off, merger, amalgamation, sale, or corporate restructuring involving the Company, without the previous approval of the financial institution

iii) The maintenance of financial ratios which are the product of dividing Net Financial Debt by EBITDA Added (EBITDA-A) in the last 12 months, including EBITDA Added (EBITDA-A) in the last 12 months of companies merged and/or acquired by the Issuer, less than or equal to three point zero (3.0) during the entire period of the agreement, on a quarterly basis, and

iv) Failure to maintain other ratios or avoid events that may lead to a decrease in the capacity to fulfill the obligations.

These requirements were being met as at December 31, 2013.

15.1 Bank guarantees

The Company has the following bank guarantees:

Parent company

- Nature: Utilization of current funds and those related to the tax foreclosure lawsuit
  Beneficiary: General Counsel to the National Treasury ("PGFN")
  Guarantor: Banco da Indústria e Comércio S.A.
  Amount: R$ 11,000
  Maturity: Unspecified
  Rate: 1.5% p.a.
  Term: unspecified

- Nature: Utilization of current funds and those related to the Financing Agreement with BNDES
  Beneficiary: BNDES - National Bank for Economic and Social Development
  Guarantor: Banco Votorantim S.A.
  Amount: R$ 32,579 + R$ 7,620
  Maturity: 5/18/2015 and 8/17/2015
  Rate: 0.95% p.a.
  Term: 36 months

- Nature: Utilization of current funds and those related to the lawsuit involving the PGFN
  Beneficiary: General Counsel to the National Treasury ("PGFN")
  Guarantor: Banco Itaú S.A.
  Amount: R$ 3,175
  Maturity: 12/8/2013
  Rate: 1.5% p.a.
  Term: 60 months

- Nature: Utilization of current funds and those related to the lawsuit of the National Institute of Social Security (INSS)
  Beneficiary: National Institute of Social Security (INSS)
  Guarantor: Banco Itaú S.A.
  Amount: R$ 969
  Maturity: 12/8/2013
  Rate: 1.5% p.a.
  Term: 60 months

- Nature: Tax dispute in Itaquaquecetuba
  Guarantor: Banco Pine S.A.
  Amount: R$ 2,129
  Maturity: Unspecified
  Rate: 1.0% p.a.
  Term: unspecified

- Nature: Tax foreclosure of the Judicial District of Rio Grande do Sul
  Beneficiary: Third Civil Court of the Judicial District of Uruguaiana- RS.
  Guarantor: Banco ABC Brasil S.A.
  Amount: R$ 1,070
  Maturity: 1/14/2014
  Rate: 1.5% p.a.
  Term: unspecified

- Nature: Action for Annulment of Tax Debt of the Judicial District of Mato Grosso
  Beneficiary: Third Specialized Court of the Public Treasury of the Judicial District of Cuiabá
  Guarantor: Banco ABC Brasil S.A.
  Amount: R$ 1,100
  Maturity: 1/14/2014
  Rate: 1.5% p.a.
  Term: unspecified

- Nature: Rental of property in São Bernardo do Campo
  Beneficiary: Third Specialized Court of the Public Treasury of the Judicial District of Cuiabá
  Guarantor: Banco da Indústria e Comércio S.A
  Amount: R$ 540
  Maturity: 2/14/2014
  Rate: 1.2% p.a.
  Term: 12 months

- Nature: Outstanding tax debits which were subject to E-requests for Tax Recovery Refund or Offset (PER/DCOMP)
  Beneficiary: Federal Judge of the Federal Court of the Judiciary Section of São Paulo - SP.
  Guarantor: Banco da Industrial e Comercial S.A.
  Amount: R$ 10,600 + R$ 2,186
  Maturity: Unspecified
  Rate: 1.45% p.a.
  Term: unspecified

- Nature: Utilization of current funds and those related to the Financing Agreement with BNDES
  Beneficiary: BNDES - National Bank for Economic and Social Development
  Guarantor: HSBC Bank Brasil S.A - Banco Múltiplo.
  Amount: R$ 29,121
  Maturity: 6/13/2016
  Rate: 1.00% p.a.
  Term: 36 months

- Nature: Utilization of current funds and those related to the Financing Agreement with BNDES
  Beneficiary: BNDES - National Bank for Economic and Social Development
  Guarantor: Banco Safra S.A.
  Amount: R$ 14,651
  Maturity: 9/13/2016
  Rate: 0.90% p.a.
  Term: 36 months

- Nature: Rental of property in the city of Porto Alegre.
  Beneficiary: Poa Indústria Plástica Eirelli - ME and Auxiliadora Predial Ltda.
  Guarantor: Banco da Indústria e Comércio S.A
  Amount: R$ 461
  Maturity: 11/11/2014
  Rate: 1.2% p.a.
  Term: 12 months

JSL Concessionárias (Acquired on February 6, 2012)

- Nature: Utilization of current funds and those related to the Floor Plan of the Ford Manufacturer
  Beneficiary: Ford Company do Brasil
  Guarantor: Banco Bradesco S.A.
  Amount: R$ 5,000
  Maturity: 4/7/2015
  Rate: 1.25% p.a.
  Term: 24 months

- Nature: Utilization of current funds and those related to guarantee IPI (Excise Tax) refunds, jointly with Assobrav (Association of the Volkswagen Concessionaires), to the Volkswagen Manufacturer
  Beneficiary: Volkswagen do Brasil S.A.
  Guarantor: Banco Bradesco S.A.
  Amount: R$ 1,317
  Maturity: 7/23/2014

Rate: 1.3% p.a.
Term: 12 months

- Nature: Guarantee payment of the Tax Foreclosure, process 0025750-63.2000.4.03.6182 (2000.61.82.025750-4), filed by the Federal Tax Authorities, as specified in the debt registered as subject to execution, according to CDA 80.2.99.032584-65
  Guaranteed party: Original Veículos Ltda.
  Beneficiary: Fifth Specialized Court of the Tax Foreclosures of the Federal Court of São Paulo
  Guarantor: Banco ABC Brasil S.A.
  Amount: R$ 151
  Maturity: 1/30/2014
  Rate: 1.5% p.a.
  Term: 12 months

- Nature: Guarantee payment of the Tax Foreclosure, process 0025749-78.2000.4.03.6182 (2000.61.82.025749-8), filed by the Federal Tax Authorities, as specified in the debt registered as subject to execution, according to CDA 80.2.99.032583-84
  Guaranteed party: Original Veículos Ltda.
  Beneficiary: Fifth Specialized Court of the Tax Foreclosures of the Federal Court of São Paulo
  Guarantor: Banco ABC Brasil S.A.
  Amount: R$ 521
  Maturity: 1/30/2014
  Rate: 1.5% p.a.
  Term: 12 months

- Nature: Guarantee for the payment of the court records of the administrative proceeding of restriction 18471.001905/2008-81, filed by the Federal government, whose objective is the tax credits arising from the administrative proceedings 18471.001725/2008-08 and 18471.001724/200855
  Guaranteed party: Original Veículos Ltda.
  Beneficiary: Fifth Specialized Court of Tax Foreclosures of the Federal Court of São Paulo
  Guarantor: Banco ABC Brasil S.A.
  Amount: R$ 8,000
  Maturity: 4/23/2015
  Rate: 1.5% p.a.
  Term: 24 months

16 Debentures

			Parent / Consolidated					
			Current assets		Non-current assets		Total	
Type	Average annual charges (%)	Maturity	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
In local currency								
Debentures (3rd issue) (i)	CDI + 1.85/1.95/2.20	2016	-	159	-	248,932	-	249,091
Debentures (4th issue) (ii)	118 of the CDI	2017	-	(15)	-	112,440	-	112,425
Debentures (5th issue) (iii)	CDI + 1.85	2016	1,587	1,329	170,899	199,249	172,486	200,578
Debentures (6th issue) (iv)	CDI + 1.80/2.20 and IPCA + 7.5	2020	15,012	-	400,984	-	415,996	-
Debentures (7th issue) (v)	CDI + 1.85	2019	2,864	-	168,718	-	171,582	-
			19,463	**1,473**	**740,601**	**560,621**	**760,064**	**562,094**

The repayment schedule is shown below, by year of maturity:

		Parent / Consolidated	
			12/31/2013
	Maturity of repayments	Total	%
Total current liabilities	2014	19,463	2.6
	2015	132,703	17.5
	2016	104,224	13.7
	2017	33,014	4.3
	2018	207,782	27.3
	2019	148,946	19.6
	2020	113,932	15.0
Total non-current liabilities		740,601	97.4
Total		**760,064**	**100.0**

i) Corresponds to 250 non-convertible debentures, as per Instruction 476 of the Brazilian Securities Commission (CVM) dated January 16, 2009, with an individual amount of R$ 1,000 (aggregate value of R$ 250,000) and split into three (3) series, being R$ 83,000 for first-series debentures, R$ 84,000 for second-series debentures, and R$ 83,000 for third-series debentures, all non-convertible debentures placed with firm guarantees. First-series debentures mature in four years, second-series debentures mature in five years, and third-series debentures mature in six years, all beginning at the issue date, i.e., from December 20, 2010 through to December 20, 2014, 2015 and 2016, respectively. The unit par value of each debenture will not be monetarily restated. The debentures pay interest semi-annually from their issue date. Interest corresponds to one hundred (100%) percentage points of the average daily rate variation of DI interbank deposits, over extra group, ("DI Rate"), expressed as a percentage based on a 252 business day year as calculated and published daily by CETIP S.A., plus an annual spread of 1.85% for first-series debentures, 1.95% for second-series debentures, and 2.20% for third-series debentures. Interest is calculated cumulatively and exponentially on a "pro rata temporis" basis on the outstanding unit par value of each debenture, as at the issue date or the immediately preceding capitalization period due date, where applicable, until the date of the actual payment. Remuneration shall be paid at the end of each capitalization period.

On August 14, 2013, the first series referring to the third issue of debentures of R$ 84,658 was redeemed, and the second and third series were redeemed on November 20, 2013, of R$ 88,214 and R$ 87,316, respectively.

ii) *Corresponds to 113 simple debentures of the Company's 4th issue in accordance with the terms of CVM Instruction 476, of January 16, 2009, in the individual amount of R$ 1,000 for a total of R$ 113,000, in a single series, non-convertible into shares. The debentures fall due in 6 years, as from the date of issue on June 24, 2011, with maturity on June 24, 2017, and the restatement of their value is equal to 118% of the average daily rates of overnight interbank deposits known as the "DI rate over extra group," expressed as a percentage per year, based on 252 business days, calculated and released daily by CETIP S.A. Interest shall be paid quarterly from the date of issue. Interest is calculated cumulatively and exponentially on a "pro rata temporis" basis on the outstanding unit par value of each debenture, as of the issue date or the immediately preceding capitalization period due date, where applicable, until the date of the actual payment ("Remuneration"). Remuneration shall be paid at the end of each capitalization period.*

The 4th issue of debentures was redeemed on October 29, 2013 at its full amount of R$ 114,153, being negotiated for the 7th issue of the Company's debentures in accordance with item "v" of this note.

iii) *Refers to the 5th Debenture Issue of the Company, subject to public offering, pursuant to CVM Instruction 476. The issue amount was R$ 200,000, in a single series, not convertible into shares. Debentures have a four year duration from the date of issue on May 24, 2012, and the unit par value will be repaid in two annual and consecutive installments, the first on May 24, 2015 and the second and last on May 24, 2016. Debentures bear interest at a rate corresponding to the accumulated variation of 100% of the daily average rates of one-day "Interbank Deposits, over extra group", calculated and published daily by CETIP, in its daily bulletin available at its website (http://www.cetip.com.br) (the "DI Rate"), on the basis of 252 business days, expressed as an annual percentage and calculated daily as compound capitalization, plus spread, corresponding to 1.85% p.a., on the basis of 252 business days ("Interest" and "Remuneration"), respectively. The Remuneration will be paid on a half-yearly basis from the Issue Date, with the first payment on November 24, 2012 and other payments every May and November 24, until the Maturity Date, on May 24, 2016 (the "Payment Date of the Remuneration").*

On November 7, 2013, the optional acquisition of 2.866 debentures in the PU 10.47349 occurred, giving the amount of R$ 30,017, which was held by the Santander S.A. bank. These debentures became the property of our treasury department.

iv) *Corresponds to 400 non-convertible debentures, as per Instruction 400 of the Brazilian Securities Commission (CVM) dated November 29, 2003, with an individual amount of R$ 1,000 (aggregate value*

of R$ 400,000) and split into three (3) series, being R$ 152,429 for first-series debentures, R$ 62,472 for second-series debentures, and R$ 185,099 for third-series debentures, all non-convertible debentures placed with firm guarantees. First-series debentures mature in five (5) years, second-series debentures mature in seven (7) years, and third-series debentures mature in seven (7) years, all beginning on the issue date, i.e., July 15, 2013, through to July 15, 2018, 2020, and 2020, respectively. The unit par value of each debenture will not be monetarily restated, except for the par value of the 3rd series, which will be monetarily restated as from the date of issuance by applying the accumulated variations of the Amplified Consumer Price Index (IPCA) disclosed by the Brazilian Institute of Geography and Statistics (IBGE). The debentures pay interest semi-annually from their issue date. Interest on the 1st and 2nd series corresponds to 100% of the average daily rate variation of DI interbank deposits over extra group, ("DI Rate"), expressed as a percentage based on a 252 business-day year as calculated and published daily by CETIP S.A., plus an annual spread of 1.80% for first-series debentures, 2.20% for second-series debentures and the restated unit par value of the third-series debentures or the balance thereof, as appropriate, is subject to fixed remuneration corresponding to 7.50% per year. Interest is calculated cumulatively and exponentially on a "pro rata temporis" basis on the outstanding unit par value of each debenture, as of the issue date or the immediately preceding capitalization period due date, where applicable, until the date of the actual payment. The remuneration of the first and second series will be paid semiannually, in the months of January and July of each year, and the remuneration of the third series will be paid annually from the date of issuance.

v) *Corresponds to 17,000 simple debentures of the Company's 7th issue in accordance with the terms of CVM Instruction 476, of January 16, 2009, at an individual amount of R$ 10 and a total value of R$ 170,000, in a single series, non-convertible into shares. The debentures fall due in 6 years, from the date of issue on October 24, 2013, with a maturity on October 24, 2019, and the restatement of their value is equal to 117.5% of the average daily rates of overnight interbank deposits known as the "DI rate over extra group," expressed as a percentage per year, based on a year of 252 business days, calculated and released daily by CETIP S.A.. Interest shall be paid quarterly from the date of issue. Interest is calculated cumulatively and exponentially on a "pro rata temporis" basis on the outstanding unit par value of each debenture, as of the issue date or the immediately preceding capitalization period due date, where applicable, until the date of the actual payment ("Remuneration"). Remuneration shall be paid at the end of each capitalization period.*

The transaction costs and premiums on the issue of securities, disclosed in accordance with CPC08 (IAS39), are:

Description	Third issue	Fourth issue	Fifth issue	Sixth issue	Information / amount Seventh issue
a. Identification of process by nature					
Financial Institution	*HSBC*	*BB-BI*	*Itaú*	*BTG Pactual*	*BB-BI*
1st series amount	50,000	113,000	100,000	90,749	170,000
2nd series amount	50,000	-	-	13,678	-
3rd series amount	50,000	-	-	72,797	-
Financial Institution	*BES Investimento*	-	*Santander*	*Caixa Geral*	-
1st series amount	33,000	-	100,000	1,000	-
2nd series amount	34,000	-	-	23,870	-
3rd series amount	33,000	-	-	40,234	-
Financial Institution	-	-	-	*Santander*	-
1st series amount	-	-	-	54,480	-
2nd series amount	-	-	-	19,074	-
3rd series amount	-	-	-	4,189	-
Financial Institution	-	-	-	*Votorantim*	-
1st series amount	-	-	-	6,200	-
2nd series amount	-	-	-	5,850	-
3rd series amount	-	-	-	67,879	-
Total	250,000	113,000	200,000	400,000	170,000
Total received in current account	250,721	113,486	201,270	401,910	170,000
Issue	12/20/2010	6/24/2011	5/24/2012	7/15/2013	10/24/2013
Settlement	12/28/2010	7/6/2011	6/18/2012	7/30 and 31/2013 & 8/1/2013	10/29/2013
Maturity	12/20/2016	6/24/2017	5/24/2016	7/15/2020	10/24/2019
Type	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
Identification of the asset with CETIP	JSML13/23/33	JSML14	JSML15	JSML16/26/36	JSML 17
b. Transaction costs incurred	**(95)**	**(92)**	**(141)**	**(914)**	**(62)**
Lawyers' fees	(80)	(80)	(128)	(631)	(50)
CETIP fees	(13)	(10)	(11)	(282)	(11)
Bank expenses	(2)	(2)	(2)	(1)	(1)
c. Premiums					
Additional due to settlement	12/28/2010	7/6/2011	6/18/2012	7/30 and 31/2013 & 8/1/2013	N.A.
Amount of settlement	721	486	1,270	1,910	-
d. Effective interest rate p.a. %	**CDI + 2.00%**	**118% of CDI**	**CDI + 1.85%**	**CDI + 1.9/IPCA +7.5**	**117.55% of CDI**
1st series	CDI + 1.85%	118% of CDI	CDI + 1.85%	CDI + 1.80%	117.55% of CDI
2nd series	CDI + 1.95%	-	-	CDI + 2.20%	-
3rd series	CDI + 2.20%	-	-	IPCA + 7.5%	-
e. Amount of costs and premiums to be appropriated until maturity	**(1,156)**	**(599)**	**(830)**	**(4,409)**	
f. Changes	Anticipated redemption on 8/14/2013 and 11/20/2013	Anticipated on 10/29/2013	Optional acquisition on 11/7/2013	N.A.	N.A.

Administrative covenants mainly refer to the following situations: (i) the change of the issuer into a limited liability partnership, (ii) declaration of bankruptcy by the issuer, (iii) significant changes in the Company's controlling stockholders, such as winding-up, dissolution, spin-off, merger, amalgamation, sales or corporate restructuring, without the previous and express approval of the debenture holders convened at a general meeting specially called to discuss the matter, (iv) other ratios and events which, in the judgment of the banks, may lead to a decrease in the capacity to fulfill the assumed obligations, and (v) other. All of the aforementioned commitments in the agreement, honored as at December 31, 2013.

The debentures issued by the Company are subject to certain restrictive covenants that may result in accelerated maturities of the corresponding obligations. Among these clauses, we would highlight the clause regarding the financial ratio, which should be met on a quarterly basis.

i) Financial Net Debt/EBITDA-A added (Consolidated) must be lower or equal to 3.0 for the 5th and 7th issuance and for the 6th issue, it must be initially lower than or equal to 3.5 from November 21, 2019 or the date on which the financial instruments (financial debts) signed by the Issuer up to the date of the deed of issue and that contain an obligation to maintain the financial ratio equal to the initial index ("Financial debts prior to debentures") until they mature (including early maturity), be fully paid, or renegotiated in order to remove the initial ratio or provide for a financial index lower or less restrictive than the agreed rate, whichever occurs first, and

ii) EBITDA Added by the Net Finance Cost equal to or higher than 2.0.

The composition of the calculation of the financial ratios is as follows:

- The EBITDA Added corresponds to the earnings before finance results, taxes, depreciation, amortization, asset impairment and equity in subsidiaries, plus the selling cost of assets used in the rendering of services, calculated over the past 12 months, including the EBITDA Added in the last 12 months related to companies merged and/or acquired by the Issuer.

- Financial net debt corresponds to the total balance of the short and long term borrowing of the Issuer, included Debentures and any other securities or marketable securities representing debt, and less: (a) the amounts in cash and in short term financial investments, which are financial investments that have daily liquidity in up to 360 days, and (b) the borrowing obtained to fund the program of inventory of new and used domestic and imported vehicles and automotive parts, with a rotating credit concession granted by the financial institutions linked to the car makers (Floor Plan vehicles).

- Net financial costs correspond to debt charges, plus monetary variations, less income from financial investments, all relating to the items described in the Net Financial Debt defined above and calculated on an accruals basis over the past twelve months.

17 Leases and commitments

17.1 Finance leases payable

Refers to lease agreements (FINAME leasing and finance leases) entered into in connection with the Company's operating activities, at annual charges averaging 12% (floating and fixed). The lease agreements mainly reflect fixed rates on obligations contracted in an economic scenario characterised by high interest rates. They consist of the following:

							Additional information		
	Parent company		Consolidated		Logistics		Concessionaires		Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Banco Itaú	38,876	139,184	68,009	184,884	68,009	184,884	-	-	-
Banco HSBC	20,651	37,837	70,958	38,046	70,958	38,046	-	-	-
Banco Santander	26,720	45,685	60,365	96,512	60,365	96,512	-	-	-
Banco Bradesco	2,733	12,565	17,474	37,276	17,256	36,476	218	800	-
Banco Votorantim	3,757	-	13,665	-	13,665	-	-	-	-
Banco IBM	3,380	4,297	3,380	4,297	3,380	4,297	-	-	-
Other banks	2,829	57	6,153	131	4,096	57	22	74	2,035
Total	**98,946**	**239,625**	**240,004**	**361,146**	**237,729**	**360,272**	**240**	**874**	**2,035**
Current portion	58,647	131,578	146,375	184,280	145,544	183,640	104	640	727
Non-current portion	40,299	108,047	93,629	176,866	92,185	176,632	136	234	1,308
Total	**98,946**	**239,625**	**240,004**	**361,146**	**237,729**	**360,272**	**240**	**874**	**2,035**

The non-current portion has the following maturities:

		12/31/2013			
		Parent company		Consolidated	
	Maturity of repayments	Total	%	Total	%
Total current liabilities	2014	58,647	59.3	146,375	61.0
	2015	18,224	18.4	68,526	28.6
	2016	11,562	11.7	14,590	6.1
	2017	6,737	6.8	6,737	2.8
	2018	3,220	3.3	3,220	1.3
	2019	218	0.2	218	0.1
	2020 onwards	338	0.3	338	0.1
Total non-current liabilities		40,299	40.7	93,629	39.0
Total		**98,946**	**100.0**	**240,004**	**100.0**

For commitments of this nature, the obligations are recorded at their present value as at the inception of the transaction considering the respective contractual interest rate, against the corresponding class of property and equipment. Related financial charges are recognized as finance costs, as incurred.

Post-IPO (Initial Public Offering) transactions are collateralized by the leased assets, and previous operations contracted are also collateralized by the controlling stockholders.

17.2 Operating leases

These leases mainly refer to stores for the resale of vehicles and locations to serve other logistics operations.

The minimum future amounts payable under operating leases at December 31, 2013 are as follows:

								12/31/2013
	Parent company			Consolidated				
				Lessor - Ribeira Imóveis (i)				
	Lessor - Ribeira Imóveis (i)	Other lessors	Total	JSL S.A.	CS Brasil	JSL Concessionárias	Other lessors	Total
Up to one year	12,684	26,345	39,029	12,684	9,321	5,898	46,014	73,918
One to five years	41,402	98,573	139,975	41,402	19,270	8,072	140,344	209,088
Later than five years	1,594	27,894	29,488	1,594	-	12,033	45,254	58,880
	55,680	**152,812**	**208,492**	**55,680**	**28,591**	**26,003**	**231,612**	**341,886**

i) Ribeira Imóveis is an entity related to the Company through the parent company Simpar S.A.

18 Floor Plan vehicles

Part of the operating structure of the concession business relates to the program for the financing of the inventory of new and used vehicles, both domestic and imported, and automobile parts, with revolving credit facilities made available by financial institutions, and with the agreement of manufacturers. These programs generally have an initial period during which they are interest-free, as shown below:

Financial Institution	Financial charges	Maturity	Consolidated Concessionaires 12/31/2013	Consolidated Concessionaires 12/31/2012
In local currency				
Banco Fidis S.A. - Fiat	0 to 35 days - 0% CDI , 36 to 45 days - 50% , Over 45 days- 100% CDI	up to 150 days from the issue of invoice	11,453	11,088
Banco Ford S.A.	0 to 30 days - 0%, 31 to 60 days - 45% of CDI + 0.5% p.m., 61 to 90 days - 75% of CDI + 0.5% p.m., Over 90 days - CDI+ 0.5% p.m.	up to 180 days from the issue of invoice	4,620	704
Banco Volkswagen S.A. (Light vehicles)	0 to 25 days - 0%, over 25 days - CDI + 0.5% p.m.	up to 180 days from the issue of invoice	36,763	40,059
Banco Volkswagen S.A. (Heavy vehicles)	0 to 30 days - 0%, over 51 days - CDI + 0.5% p.m.	up to 180 days from the issue of invoice	40,540	27,942
			93,376	**79,793**
	Current liabilities		92,261	78,678
	Non-current liabilities		1,115	1,115
	Total		**93,376**	**79,793**

19 Labor liabilities

	Parent company		Consolidated		Additional information: Logistics		Concessionaires		Rent a car
Description	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**
Provision for social charges	46,640	40,290	75,279	68,749	67,495	60,441	6,366	8,308	1,418
Salaries	18,311	19,431	32,293	28,114	26,192	25,313	5,526	2,801	575
INSS	23,585	23,037	31,440	40,442	27,880	28,970	2,986	11,472	574
Government Severance Indemnity Fund for Employees (FGTS)	4,554	3,720	6,843	5,637	6,170	5,221	610	416	63
Other	238	412	994	1,231	378	501	598	730	18
Total	**93,328**	**86,890**	**146,849**	**144,173**	**128,115**	**120,446**	**16,086**	**23,727**	**2,648**

20 Tax liabilities

	Parent company		Consolidated		Additional information: Logistics		Concessionaires		Rent a car
Description	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**
Tax Recovery Program (REFIS) IV (i)	42,503	45,650	42,503	45,650	42,503	45,650	-	-	-
Social Integration Program (PIS), Social Contribution on Revenues (COFINS) and Services Tax (ISS)	13,462	14,563	18,190	22,880	17,377	21,747	659	1,133	154
Value-added Tax on Sales and Services (ICMS)	7,073	11,903	8,949	13,336	7,117	11,996	1,832	1,340	-
Withholding Income Tax (IRRF)	5,472	5,363	6,956	6,930	6,185	6,358	765	572	6
Other tax liabilities	476	614	1,321	1,628	928	1,091	391	537	2
Tax Installment Payment Program (PAES)	-	-	1,862	3,902	-	-	1,862	3,902	-
	68,986	**78,093**	**79,781**	**94,326**	**74,110**	**86,842**	**5,509**	**7,484**	**162**
Current liabilities	28,810	34,427	39,166	48,604	33,878	43,085	5,126	5,519	162
Non-current liabilities	40,176	43,666	40,615	45,722	40,232	43,757	383	1,965	-
Total	**68,986**	**78,093**	**79,781**	**94,326**	**74,110**	**86,842**	**5,509**	**7,484**	**162**

i) The Company and its subsidiaries, based on Law 11,941, of May 27, 2009, and Joint Ordinance PGFN/RFB 06/09 "REFIS IV", opted for tax installment payments in up to 180 months. Therefore, all outstanding tax debts from the previous tax payment installment plans (PAES and PAEX) were transferred to this new one, including other liabilities arising from the Company's discontinuation of tax, social security, administrative and judicial lawsuits, and recalculations amounting to R$ 42,400 (parent company) and R$ 92,211 (consolidated).

Breakdown by type of tax:

	12/31/2013 Parent / Consolidated			
	Principal	**Fine**	**Interest**	**Total**
Social Contribution (CSLL)	4,197	2,100	2,676	8,973
Corporate Income Tax (IRPJ)	10,751	5,392	3,542	19,685
IOF	2,536	1,327	958	4,821
Social Integration Program (PIS)	15	1	34	50
Social Contribution on Revenues (COFINS)	1,713	179	3,534	5,426
Withholding Income Tax (IRRF)	76	8	132	216
INSS	1,416	83	1,833	3,332
Total	**20,704**	**9,090**	**12,709**	**42,503**

The Company's current installment payments are not collateralized and will be paid as follows:

Installments payable	**12/31/2013 Parent / Consolidated**
Up to one year	3,825
One to five years	19,126
Later than five years	19,551
	42,503

21 Accounts payable and advances from customers

							Additional information		
	Parent company		Consolidated		Logistics		Concessionaires		Rent a car
Description	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**	**12/31/2013**
Acquisitions of companies - Rodoviário Schio S.A.	75,744	71,744	75,744	71,744	75,744	71,744	-	-	-
Accounts payable - consortia (i)	264	-	31,964	28,742	31,964	28,742	-	-	-
Advances from customers (ii)	26,549	13,994	90,487	45,764	42,867	26,432	45,590	19,332	2,030
Payables	31,660	28,486	33,244	35,346	27,457	27,878	19,216	7,468	3,690
Acquisitions of companies - Transportadora Grande ABC and Yolanda Logística Ltda.	10,074	10,074	10,074	10,074	10,074	10,074	-	-	-
Transportation tickets to be transferred - Mogipasses	-	-	11,102	9,153	11,102	9,153	-	-	-
Freight and carriage payable	7,490	4,790	7,490	4,790	7,490	4,790	-	-	-
Rent payable	-	-	6,907	6,141	6,907	6,141	-	-	-
Amounts payable - asset management agreement	-	-	1,800	1,642	1,800	1,642	-	-	-
	151,781	**129,088**	**259,29**	**213,396**	**215,405**	**186,596**	**64,806**	**26,800**	**5,720**
Current liabilities	66,944	30,015	177,068	108,182	123,661	81,382	64,806	26,800	5,720
Non-current liabilities	84,837	99,073	91,744	105,214	91,744	105,214	-	-	-
Total	**151,781**	**129,088**	**259,290**	**213,396**	**215,405**	**186,596**	**64,806**	**26,800**	**5,720**

i) Balance corresponding to amounts maintained by an urban passenger transportation entity (CMT) in relation to to its operating activities. The Company owns 4.36% of this entity

ii) The Company owns 4.46% of this entity. Amounts received in advance for vehicle sales and fleet renewal, commission and ticket sales for public passenger transportation.

22 Related party transactions

22.1. Related party transactions recognized in assets and liabilities

The Parent Company's outstanding balances with its associates, related companies and subsidiaries are as follow:

Assets	Related parties					Parent company
	12/31/2013	12/31/2012	Relationship	Specification	Effective period	Limit
Associates and subsidiaries						
JSL Concessionárias	6,383	5,904	Affiliate	Loan	10/25/2014	40,000
Central Cate	-	5	Related company	Loan	7/1/2014	600
Consórcio Unileste	33	31	Affiliate	Loan	12/31/2014	40
Yolanda	-	2,010	Subsidiary	Loan	12/31/2014	10,000
	6,416	7,950				

Amounts corresponding to loan agreements with related parties are subject to contractual charges of 104% of the CDI rate, which is recognized in the finance results of the Parent company and subsidiaries.

The Parent Company's outstanding balances with its subsidiaries relating to other financial assets and liabilities are as follows:

	Parent company					
Assets	**Other receivables (i)**		**Trade receivables**			
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**	**Relationship**	**Specification**
Subsidiaries						
Yolanda	6,229	3,616	-	21	Subsidiary	Rentals / CSC / interest on capital
JP Tecnolimp		517		-	Subsidiary	Dividends
JSL Locações	-	-	13	6	Subsidiary	Operating lease
JSL Concessionárias	18,235	-	8,424	-	Subsidiary	Operating lease / sale of assets / reimbursement of expenses
CS Brasil	10,039	-	330	7	Subsidiary	Operating lease
	34,503	4,133	8,768	34		

Liabilities	**Accounts payable and advances**		**Trade payables**			
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**	**Relationship**	**Specification**
Subsidiaries						
JSL Locações	10,728	-	-	10	Subsidiary	Operating lease
JSL Concessionárias	7,056	-	122	-	Subsidiary	Operating lease / reimbursement of expenses
Yolanda	-	-	-	77	Subsidiary	Operating lease
CS Brasil	-	3,673	-	-	Subsidiary	Current account
	17,784	3,673	122	87		

i) In the item "Other receivables", the amount with CS Brasil refers to the advance made by the subsidiary for the leasing of vehicles, machinery and equipment.

In the table below, the item "Related Parties" includes outstanding balances from related and associated companies.

Assets	Related parties					Consolidated
	12/31/2013	12/31/2012	Relationship	Specification	Effective period	Limit
Associates and subsidiaries						
Central Cate	-	5	Related company	Loan	7/1/2014	100
Consórcio Unileste	84	81	Affiliate	Loan	12/31/2014	2,000
Ribeira Imóveis	181	88	Related company	Operating lease	-	-
Simpar S.A.	88	-	Parent company	Loan	12/31/2014	100
	352	174				

Liabilities	Related parties					
	12/31/2013	12/31/2012	Relationship	Specification	Effective period	Limit
Associates and subsidiaries						
Consórcio Unileste	18	68	Affiliate	Loan	12/31/2014	2,000
Simpar S.A.	108	57	Parent company	Loan	12/31/2014	100
Consórcio 123	194	498	Affiliate	Loan	12/31/2014	2,000
Consórcio Metropolitano de Transporte	498	72	Affiliate	Loan	12/31/2014	2,000
	818	695				

In the table below, the items other receivables, trade receivables, trade payables, accounts payable and advances include the balances of intercompany transactions, which are eliminated in consolidation:

Assets	Other receivables (i)		Trade receivables			Consolidated
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	Relationship	Specification
Parent company						
JSL S.A.	34,503	-	9,196	-	-	Operating lease/CSC/Reimbursement of expenses Operating lease/Reimbursement of expenses
Associates and subsidiaries						
Central de assist. tecnica de equip. cate – Ltda.		-		-		
JSL Concessionárias	2,168	1,028	921	132	Subsidiary	Operating lease/Reimbursement of expenses
Movida	-	-	203	-	Subsidiary	Operating lease/Reimbursement of expenses
Yolanda	-	-	2	77	Subsidiary	Operating lease/CSC/Reimbursement of expenses
Consórcio Unileste	-	-	-	10	Subsidiary	Operating lease/Reimbursement of expenses
JSL Locações	16,094	-	9	-	Subsidiary	Operating lease/Reimbursement of expenses
CS Brasil	76	3,788	-	-	Subsidiary	Proportional consolidation
	52,841	4,816	10,330	219		

Liabilities	Accounts payable and advances (ii)		Trade payables			
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	Relationship	Specification
Parent company						
JSL S.A.	17,785	-	124	-	-	Operating lease/Reimbursement of expenses
Associates and subsidiaries						
Yolanda	6,004	3,616	300	31	Subsidiary	Operating lease/Reimbursement of expenses
Consórcio Unileste	-	115	-	-	Related company	Reimbursement of expenses/Proportional consolidation
CS Brasil	15,481	-	330	-	Subsidiary	Operating lease, Purchase of assets/Reimbursement of expenses
JP Tecnolimp	-	517	-	28	Subsidiary	Operating lease/Reimbursement of expenses
Movida	-	-	556	-	Subsidiary	Operating lease/Reimbursement of expenses
JSL Concessionárias	11,397	-	10,274	7,274	Subsidiary	Purchase of assets/Reimbursement of expenses
Mogi Passes	1	-	-	-	Subsidiary	Reimbursement of expenses
JSL Locações	-	-	18	-	Subsidiary	Operating lease, Purchase of assets/Reimbursement of expenses
	50,667	4,248	11,602	7,333		

22.2. Related party transactions - effects on results

Statement of income	Revenue from services rendered and assets sold		Cost of services rendered and assets sold		Finance income		Finance costs		Other operating income (expenses)	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Parent company										
JSL S.A.	184,559	129,470	142,038	36,762	2,299	2,395	230	275	2,400	2,000
Associates and subsidiaries										
CS Brasil	5,694	1,896	111,879	96,851	380	4	1	-	-	-
JSL Locações	70,222	32,271	7,296	2	-	-	-	478	-	-
JSL Concessionárias	9,378	2,308	9,905	34,169	2,652	-	4,913	1,895	-	-
JP Tecnolimp	-	-	-	29	-	270	-	-	-	-
Yolanda	86	287	2,530	2,020	-	-	187	21	-	-
Mogi Passes	792	1,171	-	-	-	-	-	-	-	-
Consórcio 123	-	430	-	-	-	-	-	-	-	-
Movida	1,336	-	353	-	-	-	-			
Apta	-	-	466	-	-	-	-			
	272,067	167,833	274,467	169,833	5,331	2,669	5,331	2,669	2,400	2,000

Related party transactions are conducted on a similar basis to those with third parties, considering the volumes, terms and risks involved.

22.3. Transactions or relationships with stockholders relating to property leasing

The Company has operating and administrative lease agreements for properties which are owned by Ribeira Imóveis Ltda., a related company. The rental amount recognized in profit and loss in the year ended December 31, 2013 was R$ 21,396 (R$ 21,272 at December 31, 2012), in line with market values. The agreements terminate up to 2020.

22.4. Shared services center

In order to better apportion shared expenses between the companies that utilize corporate services, the Company conducted a study of expenses attributable to the entities that share the same structure and back office. Based on this study, expenses were apportioned between the companies after having first been recognized in profit and loss. A total of R$ 11,501 as at December 31, 2013 (R$ 13,101 at December 31, 2012) was recovered in expenses, reducing the Parent Company's balance.

22.5. Management compensation

Compensation, including payroll charges, paid to management and executive officers in the year ended December 31, 2013 was R$ 12,798 (R$ 10,835 at December 31, 2012), recorded under "Short term benefits to employees and management".

The limit approved by the Stockholders Meeting for compensation in 2013 was R$ 17,000, plus payroll charges.

23 Provision for judicial and administrative contingencies

The Company, in the normal course of its business, has several civil, tax, and labor contingencies. Based on the opinion of its legal counsel, the Company set up provisions to cover probable losses in the following amounts:

							Additional information			
	Parent company		Consolidated		Logistics			Concessionares	Rent a car	
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	
Labor (i)	29,332	27,367	36,714	30,600	34,827	29,474	1,570	1,126	317	
Civil (ii)	10,851	9,380	11,516	10,501	10,853	9,383	634	1,118	29	
Tax (iii)	9,522	11,362	9,522	11,362	9,522	11,362	-	-	-	
Total	**49,705**	**48,109**	**57,752**	**52,463**	**55,202**	**50,219**	**2,204**	**2,244**	**346**	

i) Labor contingencies refer to claims relating to overtime, commuting hours, premium for hazardous work, unhealthy work and occupational accidents;

ii) Provision for risks arising from civil lawsuits in relation to victims of traffic accidents claiming compensation for pain and suffering, aesthetic damage and tangible losses, and

iii) The Company and its subsidiaries are parties to 208 tax-related processes in progress (judicial and administrative) with losses considered possible and remote, representing contingent liabilities with net risks with an estimated amount of R$ 123,070 (R$ 28,930 of which are regarded as possible losses and R$ 94,140 as remote losses). The probable losses are shown in the table above.

The main tax lawsuits for which losses are possible include:

a) Litigation No. 10803.720334/2013-34: it comprises four tax assessment notices, totaling R$ 71,197 and composed as follows: (i) Corporate Income Tax (IRPJ) credit, amounting to R$ 52,400 (principal amount and fine); (ii) Social Contribution on Net Income (CSLL), amounting to R$ 16,637; (iii) Social Contribution on Revenues (COFINS), amounting to R$ 1,775; and (iv) Social Integration Program/Public Services Employee Savings Program (PIS/Pasep) contribution credit, amounting to R$ 385. A summary of the origins of these assessments is as follows: (i) disallowance of the Company's expenses during 2007 related to leased vehicles and machinery and equipment from Transcel Transportes e Armazéns Gerais Ltda. ("Transcel"), a company which was part of the Group and was subsequently merged into the Company; (ii) alleged capital gain due to partial split-off carried out by the Company, which resulted in the establishment of Julio Simões Ambiental S.A. in August 2008, following the decision of tax authorities about not considering the revaluation reserve constituted over the real estate property, which was returned to the new company because such revaluation reserve was constituted in 2008. The Company considers that the likelihood of loss in the litigation regarding the expense disallowance is remote, on the basis of all claims for defense presented in the appeal, mostly the loss of right to record such amount. Regarding the calculation of the alleged capital gain, the Company considers the likelihood of loss as possible, in spite of the relevant claims presented in the administrative appeal filed by the Company.

For other civil and labor lawsuits in progress, which, in the opinion of Management and its legal advisors represent possible losses, no provision has been recorded. At December 31, 2013, these lawsuits amounted to R$ 87,918 (civil) and R$ 59,116 (labor) and, at December 31, 2012, to R$ 45,774 (civil) and R$ 54,638 (labor).

23.1. Changes in provision for judicial and administrative litigation

	Parent company	Consolidated
At December 31, 2012	**48,109**	**52,463**
Additions	23,823	29,688
Disposals	(22,227)	(24,745)
Additions due to business combination	-	346
At December 31, 2013	**49,705**	**57,752**

24 Equity

24.1. Share capital

The Company's fully subscribed and paid-up capital at December 31, 2013 was R$ 676,614 (R$ 676,614 at December 31, 2012), comprising 216,799,134 registered common shares, with no par value (216,799,134 in December 2012) which, less the transaction costs incurred in the process of going public (IPO) and tax effects, at December 31, 2013 amounted to R$ 660,495 (R$ 660,495 at December 31, 2012). The transaction costs net of tax effects are shown in Note 24.2, in which the changes in the Company's capital are presented.

The Company's capital is exclusively made up of registered common shares. Each registered common share confers one vote in the Company's General Meetings. The Company cannot issue preferred shares or founder shares.

The Company is authorized to increase its capital up to R$ 2,000,000 (December 2012 - R$ 2,000,000), excluding the shares already issued, according to the decision of the Board of Directors, which is responsible for the establishment of issue conditions, including price, term and manner of payment, and the approval by the Statutory Audit Board, if one exists.

The Company may issue shares, debentures convertible into shares and subscription bonuses with the cancellation of the preference rights of the former stockholders, or a decrease in the period for exercise, when the placement is made through sale on a stock exchange or through public subscription, or through the exchange of shares in a public offer for the acquisition of control, under the provisions of Article 172 of Law 6,404, of December 15, 1976.

24.2. Changes in capital

In April 2010, pursuant to CVM Instruction 400, of December 29, 2003, as amended, and the National Association of Investment Banks and Securities Distributors (ANBID) Code of Regulations and Best Practice in Public

Offerings for the Distribution and Acquisition of Securities (the "ANBID Code"), the Company conducted a primary public offering of 55,813,954 registered book-entry common shares, with no par value, free from any burden or encumbrance, excluding the preemptive rights of the Company's other stockholders, within the limit of authorized capital, in Brazil and with placement efforts overseas.

The primary public offering was made on the over-the-counter market.

The total number of common shares in the Offering was increased by an additional 3,923,900 common shares, corresponding to 7.03% of the common shares initially offered.

With the approval of the merger of JSL Concessionárias (previously referred to as Simpar Concessionárias S.A.), the Company's capital was increased by R$ 50,862 with the issue of 15,469,534 common shares, which is reflected in the calculation of basic and diluted earnings per share for the period, as shown in Note 36.

Changes in capital:

	Number of shares	Capital
At January 1, 2009	196,133,779	196,134
Capital decrease following Extraordinary General Meeting held on September 30, 2009	(56,981,977)	(56,982)
At December 31, 2009	**139,151,802**	**139,152**
Capital increase following Meeting of the Board of Directors held on April 19, 2010	55,813,954	446,511
Capital increase following Meeting of the Board of Directors held on May 20, 2010	3,923,900	31,392
Transaction costs, net - IPO	-	(15,834)
At December 31, 2010	**198,889,656**	**601,221**
Transaction costs, net - IPO - 1Q11	-	(285)
Capital increase as per Extraordinary General Meeting held on December 29, 2011	2,439,944	8,697
At December 31, 2011	**201,329,600**	**609,633**
Capital increase due to acquisition of JSL Concessionárias	15,469,534	50,862
At December 31, 2012	**216,799,134**	**660,495**
At December 31, 2013	**216,799,134**	**660,495**

24.3. Treasury shares

The Board of Directors' Meeting held on December 16, 2010, approved the purchase of 2,000,000 shares and on November 1, 2013 approved the purchase of 4,172,793 shares. These shares are classified as common, nominative and without par value, issued by the Company and without capital reduction ("Repurchase of shares"). At December 31, 2013, the Company had acquired 2,311,800 common shares amounting to R$ 27,407, with a remaining balance of 3,860,993 shares to be acquired.

In addition, a stockholder exercised the right to reimbursement of capital due to the acquisition of Rodoviário Schio S.A. amounting to R$ 506, represented by 123,900 shares withdrawn, or 0.06% of the Company's total capital.

The changes in treasury shares are as follows:

	Treasury shares	Amount
Purchase of shares following Meeting of the Board of Directors held on December 16, 2010	(2,000,000)	
a. Repurchase of shares in 2011	1,944,500	21,580
Balance of shares for repurchase at December 31, 2011	(55,500)	
b. Repurchase of shares in 2012	-	
Balance of shares for repurchase at December 31, 2012	(55,500)	
Purchase of shares following Meeting of the Board of Directors held on November 01, 2013	(4,172,793)	
b. Repurchase of shares in the period of 2013	367,300	5,827
Balance of shares for repurchase at December 31, 2013	(3,860,993)	
c. Right to reimbursement exercised	123,900	506
Balance of treasury shares (a + b + c)	2,435,700	27,913

24.4. Capital reserves

As mentioned in Note 27, the Company has a stock option plan under which subscription rights are allocated to the management and employees of the Company.

	Note	12/31/2013	12/31/2012
Share-based compensation	27	3,158	1,106
		3,158	**1,106**

24.5. Allocation of profits

In conformity with the Company's bylaws, the stockholders are entitled to an annual mandatory dividend of at least 25% of profit for the year, excluding or including the following:

i) 5% transferred to the legal reserve; and

ii) amount allocated to the formation of a reserve for contingencies and reversal of the reserves formed in prior years. A portion of the profit can also be retained based on a capital budget or for the constitution of a statutory revenue reserve named "investment reserve".

The amount to be effectively distributed is approved at the General Meeting of Stockholders (AGO), where also the prior-year accounts presented by management are approved, based on the proposal submitted by the Executive Board and approved by the Board of Directors. Dividends are distributed as decided at the General Meeting of Stockholders, which is held during the first four months of the year The Company's bylaws allows the distribution of interim dividends, which can be attributed to the mandatory minimum dividend.

Dividend calculation:

	Parent company	
	12/31/2013	**12/31/2012**
Parent company's profit for the year	93,585	77,713
Constitution of the legal reserve.	(4,679)	(3,886)
Profit after transfer to legal reserve	88,906	73,827
Mandatory minimum dividend - 25%	22,229	18,458
Form of payment:		
Interest on capital paid, net of income tax	19,086	14,769
Dividends	3,143	3,689
	22,229	18,458
Number of shares	214,363,434	214,730,734
Dividends per share (in Reais)	0.1036977	0.0859588

The amount of interest on capital bears withholding income tax at the rate of 15%.

25 Provision for IRPJ and social contribution CSLL

Deferred

Deferred tax assets and liabilities are calculated based on the balances of tax losses and temporary differences for IRPJ and CSLL that can be offset or are to be taxed in the future. These are calculated and classified according to their projected realization and the expected future profitability of the Company and its subsidiaries. At December 31, 2013, total IRPJ and CSLL losses amounted to R$ 64,603 in the Parent Company and R$ 144,165 in the consolidated accounts.

The deferred IRPJ and CSLL assets and liabilities are comprised as follows:

25.1 Tax assets and liabilities

	Parent company		Consolidated		Logistics		Concessionaires		Additional information Rent a car
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Income tax and social contribution losses	(20241)	(24033)	(47293)	(52211)	(34414)	(38516)	(12879)	(13607)	-
Provision for judicial and administrative litigation	(15939)	(15397)	(19430)	(17804)	(17717)	(16077)	(1,713)	(1,727)	-
Provision for impairment of trade receivables	(5,462)	(3,474)	(7,520)	(4,657)	(6,295)	(3,407)	(1,225)	(1,250)	-
Present value adjustments	(2,888)	(1,127)	(2,620)	(2,665)	(2,620)	(2,665)	-	-	-
Provision temporarily non-deductible	(8,304)	(8,304)	(8,980)	(8,304)	(8,304)	(8,304)	(676)	-	-
Deferred income from sales to public authorities	(1,094)	(990)	(1,094)	(990)	(1,094)	(990)	-	-	-
Provision for losses on investments	(7,490)	(7,490)	(7,490)	(7,490)	(7,490)	(7,490)	-	-	-
Provision for adjustment to market value and obsolescence	-	-	(945)	(519)	-	-	(945)	(519)	-
Other provision		-	(1,211)	(1,147)	(60)	-	(1,151)	(1,475)	-
							-	-	-
Accounting vs. tax depreciation	149509	125425	155472	129264	155472	129264	-	-	-
Property and equipment - finance leases	69.062	87.117	107218	109341	107218	109341	-	-	-
Deferred debts to public agencies	-	-	12,268	16,347	12,268	16,347	-	-	-
Carrying value adjustments	4,587	5,562	4,686	5,562	4,587	5,562	99	99	-
Income tax and social contribution on tax realization of goodwill	15,881	9,004	17,843	10,966	15,881	9,004	1,962	1,962	-
Total tax liabilities, net	**178699**	**166293**	**201982**	**175693**	**218510**	**192069**	**(16528)**	**(16517)**	**-**
	-	-	-	-	-	-	-	-	-
Tax assets	-	-	17,818	24,236	1,290	7,860	16,528	16,517	-
Tax liabilities	178699	166293	219860	199929	219800	199929	-	-	-

Estimated term of realization

Management expects that deferred tax assets resulting from temporary differences will be realized as the projected contingencies, losses and obligations become deductible for tax purposes.

Management estimates that deferred tax credits relative to tax losses will be realized in the next 45 months.

Tax liabilities mainly relate to temporary differences calculated at the tax rate of 34%.

25.2 Reconciliation of IRPJ and CSLL

Current tax expenses are calculated based on the current rates levied on taxable income, as adjusted by the respective additions and exclusions.

	Parent company		Consolidated		Additional information				
					Logistics		Concessionaires		Rent a car
Description	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Profit before income tax and social contribution	**114,619**	**111,871**	**138,828**	**116,961**	**129,755**	**118,469**	**7,681**	**(1,508)**	**(17)**
Statutory rates	34%	34%	34%	34%	34%	34%	34%	34%	34%
IRPJ and CSLL calculated at the standard rates	(38,970)	(38,036)	(46522)	(39,766)	43,916)	(40,279)	(2,612)	513	6
Permanent (additions) exclusions									
Equity in the earnings of subsidiaries	18,450	12,243	13	-	13	-	-	-	-
Tax incentives - Workers' Meal Program (PAT)	194	-	399	344	313	344	86	-	-
Interest on capital paid	7,440	5,795	12,472	5,795	12,472	5,795	-	-	-
Interest on capital received	(5,109)	(8,591)	(5,109)	-	(5,109)	-	-	-	-
Non-deductible expenses	(3,090)	(5,146)	(4,064)	(7,356)	(3,621)	(6,274)	(443)	(1,082)	-
30% deduction of taxes due with offset of tax losses	-	-	-	-	-	-	-	-	-
Other (additions) deductions	51	(423)	(965)	1,757	(144)	2,541	(297)	(784)	(6)
IRPJ and CSLL calculated	**(21,034)**	**(34,158)**	**(43,456)**	**(39,226)**	**(39,992)**	**(37,873)**	**(3,266)**	**(1,353)**	**-**
Current	(8,628)	(6,878)	(16,828)	(19,760)	(13,551)	(19,326)	(3,277)	(434)	-
Deferred charges	(12,406)	(27,280)	(26,490)	(19,466)	(26,441)	(18,547)	11	(919)	-
IRPJ and CSLL in the results for the period	**(21,034)**	**(34,158)**	**(43,258)**	**(39,226)**	**(39,992)**	**(37,873)**	**(3,266)**	**(1,353)**	**-**
Effective rate	-18.4%	-30.5%	31,6%	-33.5%	-31.0%	-32.0%	-42.5%	89.7%	0.0%

25.3 Transitional Tax System (RTT)

Provisional Measure (MP) 627 was issued on November 11, 2013. This MP repeals the Transitional Tax System (RTT), and: (i) amends Decree-law 1,598/77, which deals with corporate income tax, as well as the legislation related to the social contribution on net income, (ii) provides that future changes in or adoptions of accounting methods and criteria will have no effects on the calculation of federal taxes unless and until the tax law addresses those changes, (iii) establishes a specific approach for the potential taxation of profits or dividends, (iv) addresses certain aspects of the calculation of interest on capital, and (v) provides considerations about investments evaluated under the equity accounting method.

The MP becomes effective from 2015. Voluntary early adoption of this MP in 2014 may eliminate certain possible tax effects, especially those related to dividends and interest on capital effectively paid prior to the issuance date of this MP, as well as those related to investments recorded based on the equity accounting method. The Company prepared a study of the possible effects that could arise from the early or normal adoption of this new MP and concluded that the effects on the financial statements would be immaterial in either case. Management is monitoring current discussions and negotiations of possible amendments to the MP before deciding whether to opt for the early adoption of the MP.

26 Insurance

The Company and its subsidiaries have insurance coverage at amounts deemed sufficient by management to cover potential risks related to their assets and/or responsibilities. The insurance coverage can be summarized as follows:

Cargo transportation - vehicles

Significant proportion of third party civil liability

Covers tangible damage, bodily injury, pain and suffering and personal accidents for all operations carried out by the Company and its subsidiaries:

	Description	R$
Effective period	12/2013 to 11/2014	
Coverage	Material damages	93,911
	Personal injuries	2,930
	Pain and suffering	600

Cargo transport - vehicles

A significant proportion of vehide transportation operations is insured directly by the customers. For all other cases, insurance coverage contracted varies according to the value of the vehicles transported.

Cargo transport - products

Insurance coverage contracted for possible damage or losses in transit varies according to the value of the cargo transported:

	Description	R$	Details
Effective period	7/2012 to 7/2014		
Coverage	Civil liability	5,500	Maximum limit per vehicle
	Theft of cargo	1,200	per shipment

Third party property liability

Insurance taken out for possible damage or losses that may occur in storage, with the following coverage:

	Description	R$
Effective period	12/2013 to 12/2014	
Coverage	Fire, lightning and explosions	59,850
	Loading and unloading	350
	Equipment	1,070
	Loss of profits - basic	600

Electrical damages	1,000
Aggravated robbery/theft	550
Civil liability operations	1,520
Other	60

Third-party merchandise, stored in the Company's warehouses during the course of logistics and storage activities, amounted to R$ 102,565 at December 31, 2013 (R$ 96,249 at December 31, 2012), of which R$ 42,608 were the responsibility of third parties at December 31, 2013 (R$ 37,657 at December 31, 2012).

Fleet

The Company takes out insurance for its fleet as required by contract, however for the most part self-insures the fleet in view of the high cost and the low claims history.

27 Share-based compensation plans

The main events relating to the plans are as follow:

On February 8, 2010, at the Extraordinary General Meeting, the stockholders approved a Stock Option Plan. This plan is managed by the Board of Directors, which establishes the criteria for granting stock options to management, employees in executive positions and individuals providing services to the Company for each category of eligible professionals, defined freely based on the Election of the Stock Option Plan Beneficiaries, as well as the number of shares to be acquired by each in the exercise of their options.

On November 30, 2011, the Board of Directors approved the Stock Option Plan beneficiaries and the number of shares that each may acquire with the full or partial exercise thereof, amounting to 570,429 options, in accordance with the grace periods and other conditions set out in the Private Instrument of grants under the Stock Option Plan signed by each beneficiary.

On August 30, 2012, the Company's Board of Directors approved the creation of the "Plan II" (Stock Option Plan 01/12) for granting options and shares to the beneficiaries of the program, totaling 693,630 options, with the same characteristics of "Plan I".

On May 9, 2013, the Company's Board of Directors approved the creation of the "Plan III" (Stock Option Plan 05/13) for granting options and shares to the beneficiaries of the program, totaling 674,235 options, with the same characteristics of "Plan I".

The options granted under the current Plan I, Plan II and Plan III may be exercised subject to the following conditions:

Plan I

Tranche	Grant date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	11/30/2011	12/1/2011 to 3/1/2013	3/2/2013 to 5/2/2015	Up to 25%
2	11/30/2011	12/1/2011 to 3/1/2014	3/2/2014 to 5/2/2015	Up to 50%
3	11/30/2011	12/1/2011 to 3/1/2015	3/2/2015 to 5/2/2015	Up to 100%

The option exercise price was defined at eight Reais (R$ 8.00) for each option, calculated based on the average share price on the BM&FBOVESPA, weighted by the trading volume over the last thirty (30) trading days prior to the grant date. The exercise price shall be paid to the Company in cash, on demand, within ten business days of the registration of shares on behalf of the beneficiary.

Plan II

Tranche	Grant date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	8/31/2012	8/31/2012 to 3/31/2015	4/2/2015 to 6/1/2017	Up to 25%
2	8/31/2012	8/31/2012 to 3/31/2016	4/2/2016 to 6/1/2017	Up to 50%
3	8/31/2012	8/31/2012 to 3/31/2017	4/2/2017 to 6/1/2017	Up to 100%

The option exercise price was defined as follows: i) 659,472 options at R$ 8.41 each (the "exercise price of the first Tranche"), calculated based on the average share price on the BM&FBOVESPA, weighted by the trading volume over the thirty trading days prior to the grant date; ii) 34,158 options at R$ 11.71 each (the "exercise price of the 2nd Tranche"), calculated based on the last approved balance sheet of the Company, which shall be restated according to the variation of 100% of the CDI, as from the grant date up to the date on which the beneficiary pays the exercise price to the Company.

Plano III

Tranche	Grant date	Vesting period	Exercise period	Percentage of total exercisable granted options
1	5/9/2013	5/9/2013 to 4/1/2016	4/2/2016 to 6/2/2018	Up to 25%
2	5/9/2013	5/9/2013 to 4/1/2017	4/2/2017 to 6/2/2018	Up to 50%
3	5/9/2013	5/9/2013 to 4/1/2018	4/2/2018 to 6/2/2018	Up to 100%

The option exercise price was defined at R$ 12.89 for each option, calculated based on the average share price on the BM&FBOVESPA, weighted by the trading volume over the last 30 trading days prior to the grant date. The exercise price shall be paid to the Company in cash, on demand, within ten business days of the registration of shares on behalf of the beneficiary.

The fair value of each option is estimated on the grant date, based on the binomial model for option pricing, which considers the terms and conditions of the grant.

The accumulated balance of the share-based compensation capital reserve account in equity was R$ 3,158.

The expense recognized in the statement of income for the year ended December 31, 2013 was R$ 2,052. As from March 1, 2013, 25% of stock appreciation rights equivalent to 138,478 shares became exercisable under Plan I, 37,027 shares were realized during the year ended December 31, 2013.

Changes during the period

Changes in the number of share options and their number and weighted average exercise prices are as follows:

	Number of shares				Average exercise price (R$)
	Granted	Canceled (i)	Realized (ii)	Number of outstanding shares	
Granted on 11/30/2011	570,429	(84,017)	(37,027)	449,385	8.00
Granted on 8/31/2012 (Tranche - I)	659,472	(94,530)	-	564,942	8.41
Granted on 8/31/2012 (Tranche - II)	34,158	-	-	34,158	11.71
Granted on 5/9/2013	674,235	-	-	674,235	12.89
Position at December 31, 2013	**1,938,294**	**(178,547)**	**(37,027)**	**1,722,720**	

i) The cancelled options refer to share options granted to former employees. As established by the "Stock Options Plan - Plan I and II", the options yet to be exercised at the time the employee relationship is terminated will be automatically and legally extinct.

ii) The realized options refer to the shares released of the Plan I tranche 1.

Information about the model used in Plan I and Plan II for the year ended December 31, 2013 is as follows:

Plan I

	2013		
	Tranche 1	**Tranche 2**	**Tranche 3**
Expected volatility (%)	36.80	36.80	36.80
Risk-free rate of return (%)	10.56	10.88	11.14
Expected option life (years)	1.25	2.25	3.25
Weighted average price of shares (R$)	2.08	2.87	3.53
Model used	Binomial	Binomial	Binomial

Plan II

	2013		
	Tranche 1	**Tranche 2**	**Tranche 3**
Expected volatility (%)	36.50	36.50	36.50
Risk-free rate of return (%)	8.14	8.61	8.91
Expected option life (years)	2.59	3.59	4.59
Weighted average price of shares (R$)	4.70	5.37	5.94
Model used	Binomial	Binomial	Binomial

Plano II

	2013		
	Tranche 1	**Tranche 2**	**Tranche 3**
Expected volatility (%)	28.60	28.60	28.60
Risk-free rate of return (%)	9.51	9.79	9.97
Expected option life (years)	2.90	3.90	4.90
Weighted average price of shares (R$)	6.70	7.66	8.50
Model used	Binomial	Binomial	Binomial

Expected option life is based on historical data and does not necessarily indicate a pattern of exercise that will occur. The Company's assessment of the likelihood that the options will be exercised is based on management's judgment. Expected volatility reflects the assumption that volatility history is indicative of future trends, which may not correspond to the actual scenario.

28 Financial instruments

Financial instruments used by the Company and its subsidiaries are cash and cash equivalents, marketable securities, derivatives, receivables, borrowings for working capital purposes and investments, receivables and payables with related parties and other credits and liabilities, negotiated under normal market conditions and recognized in the financial statements. These instruments are managed pursuant to operating strategies aiming at liquidity, profitability and risk minimization.

Financial instruments by category

	12/31/2013			12/31/2012		
Assets, as per balance sheet	**Loans and receivables**	**Assets at fair value through profit or loss**	**Total**	**Loans and receivables**	**Assets at fair value through profit or loss**	**Total**
Cash and cash equivalents	345,980	-	345,980	322,503	-	322,503
Marketable securities	-	418,238	418,238	-	84,497	84,497
Derivative financial instruments	-	4,993	4,993	-	-	-
Trade and other receivables	864,311	-	864,311	781,134	-	781,134
	1,210,291	**423,231**	**1,633,522**	**1,103,637**	**84,497**	**1,188,134**

Liabilities as per balance sheet	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**
Borrowings and debentures	68,855	3,177,611	3,246,466	-	2,269,420	2,269,420
Finance lease liabilities	-	240,004	240,004	-	361,146	361,146
Derivative financial instruments	3,232	-	3,232	-	-	-
Accounts payable and advances	-	701,422	701,422	-	407,800	407,800
	72,087	**4,119,037**	**4,191,124**	**-**	**3,038,366**	**3,038,368**

Fair values of financial assets and liabilities

A comparison by accounting category of the carrying amount and fair value of the Company's financial instruments, as presented in the consolidated financial statements, is shown below:

	Carrying amount		Fair value	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Financial assets				
Cash and cash equivalents	345,980	322,503	345,980	322,503
Marketable securities	418,238	84,497	418,238	84,497
Derivative financial instruments	4.993	-	4.993	-
Trade receivables	693,214	651,730	695,309	657,861
Other receivables	171,297	129,404	171,097	129,404
Total	**1,633,522**	**1,188,134**	**1,635,617**	**1,194,265**
Financial liabilities				
Borrowings and finance leases payable	2,726,406	2,068,472	2,626,086	2,187,151
Debentures	760,064	562,094	760,137	575,861
Derivative financial instruments	3,232	-	3,232	-
Trade payables	432,610	184,850	432,610	184,850
Accounts payable and advances from customers	268,812	213,396	268,812	213,396
Total	**4,191,124**	**3,028,812**	**4,090,877**	**3,161,258**

The fair value used for the purpose of accounting for financial investments was determined based on quotations of similar transactions taking place in active markets, classified in level 2 in the fair value hierarchy.

The fair value of the debt was calculated based on the current price of each of the Company's debt instruments in such a way that, by replacing them, the Company would have the same cash flow characteristics and remaining periods as it would under the original transaction.

The curve used in the calculation of the fair value of the agreements indexed to the CDI on December 31, 2013 was as follows:

Interest curve - Brazil	
Vertex	**Rate (p.a.) - %**
1M	9.97%
6M	10.28%
1A	10.57%
2A	11.60%
3A	12.26%
5A	12.80%
10A	13.22%

Source: BM&F

Financial risk management objectives and policies

There were no significant changes compared to the policies disclosed in Note 3 to the annual financial statements at December 31, 2012. Below, we present an updated table of financial liabilities by maturity, financial leverage ratio and sensitivity analysis, considered relevant by Management for quarterly monitoring.

The Company's main non-derivative financial liabilities relate to loans, trade payables and other accounts payable. The primary purpose underlying these financial liabilities is to obtain funds for operations. The Company has loans and other credits, trade receivables and other accounts receivable, and demand and short term deposits arising directly from its operations. The Company is exposed to market, credit, and liquidity risk.

The Company's management monitors the administration of these risks, and is supported in this activity by a Financial and Sourcing Committee with a governance structure adequate to the Company. This Committee supports and makes recommendations to the Board of Directors so that Company activity involving any kind of financial exposure is performed in compliance with the appropriate risk management policies and practices.

The Company has a policy of not engaging in any derivatives transactions for speculative purposes. It is the responsibility of the Board of Directors to decide on transactions involving any kind of derivative financial instrument, which is defined as any agreement that may generate a financial asset or liability for the parties to this agreement, regardless of the market in which they are traded or listed, or the type of agreement.

Market risk

Market risk is related to potential fluctuations in the fair value of future cash flow derived from a given financial instrument in response to variations in its market price. Market prices typically involve three types of risk: interest rate risk, exchange rate risk and price risk, the last of which can be broken down further into commodities, stocks, or other price-related risks. The Company is exposed to interest rate risk only, since the foreign exchange risk was mitigated by a foreign exchange swap as shown in the table of sensitivity to foreign exchange variations.

Financial instruments affected by market risk include loans and receivables, borrowing, deposits, financial investments, marketable securities and debentures.

Interest rate risk

Interest rate risk involves potential fluctuation in the fair value of the future cash flow derived from a given financial instrument in response to variations in market interest rates. The Company's exposure to risk associated with market interest rate fluctuations relates primarily to borrowing, debentures, financial investments and marketable securities, subject to floating interest rates.

Interest rate sensitivity

The following sensitivity analysis of financial instruments was prepared according to CVM Instruction 475/2008, to show the balances of the main financial assets and liabilities, taking into consideration a probable scenario (Scenario I), with stresses of 25% (Scenario II) and 50% (Scenario III).

The objective of this sensitivity analysis is to measure the impact of changes in market variables on the Company's financial instruments, assuming that all other market factors remain constant, showing the impact on the statement of income and equity of the Company. Such amounts may differ from those stated upon settlement due to the estimates used in their preparation.

The Company conducted a study of the potential impact of variations in interest rates on the amounts of financial investments and borrowing, including debentures and leases payable. The debt was divided into three parts: debt subject to the CDI rate, debt subject to the TJLP and debt subject to the IPCA, which could be subject to different changes in accordance with the inherent rate.

Transaction	Exposure (in thousands)	Risk	Potential gain (loss)	Probable scenario	Scenario I + 25% deterioration	Scenario I + 50% deterioration
Financial investments						
Position at 12/31/2013	R$ 732,108	CDI		10.6%	13.2%	15.9%
Impact on profit or loss/ equity			Gain	5,857	25,203	44,549
Debt subject to CDI						
Position at 12/31/2013	R$ 1,998,215	CDI		10.6%	13.2%	15.9%
Impact on profit or loss/ equity			(Loss)	(15,986)	(68,789)	(121,591)
Debt subject to TJLP						
Position at 12/31/2013	R$ 304,851	TJLP		5.0%	6.3%	7.5%
Impact on profit or loss/ equity			(Loss)	-	(3,811)	(7,621)
Debt subject to IPCA						
Position at 12/31/2013	R$ 104,271	IPCA		6.0%	7.5%	9.0%
Impact on profit or loss/ equity			Gain/(loss)	63	(1,509)	(3,081)
Total impact				**(10,066)**	**(48,906)**	**(87,745)**

(*) Source of the indexes: Focus Report - BACEN and BM&F

This study assumed a probable scenario of an 1.5% increase in the CDI rate, based on the future interest rate curve of BM&F (the average rate at December 31, 2013 was 9.77%), proportionally impacting on the Company's debt and financial investments. As regards the IPCA, the scenario considered probable is an increase of 0.25% (the average rate at December 31, 2013 was 5.84%). As regards the TJLP, the scenario considered probable by the Company is the maintenance of the rate at December 31, 2013.

Scenario II considers an increase of 25% in the CDI, TJLP and IPCA rates compared to the probable scenario. Scenario III considers an increase of 50% in the CDI, TJLP and IPCA rates compared to the probable scenario.

Credit risk

Credit risk involves the potential default of a counterparty on an agreement or financial instrument, resulting in financial loss. The Company is exposed to credit risk on account of its operations (especially with regard to its accounts receivable) and investment activities, including deposits at banks and other financial institutions, and other financial instruments.

Trade receivables

The Company reviews its customer-related credit risk on a monthly basis in accordance with the procedures, controls and policies established to address risks of this nature. Outstanding trade receivables are monitored very closely by the Company's executive board and management. Every month the Company reviews the need to set up provision for impairment of trade receivables on an individual basis for its key customers. In addition, the Company pools several similar low-value accounts receivable for the purpose of estimating the potential loss collectively. This calculation is based on historical data.

Financial instruments and cash deposits

Credit risk associated with funds held in banks and other financial institutions is managed by the Company's treasury area in accordance with the relevant policy. Supluses are deposited only in approved institutions and in

compliance with the limits set for each institution, in order to minimize risk concentration and therefore mitigate potential financial losses in the event of an institution going bankrupt.

Liquidity risk

The Company monitors risks associated with funding shortages on an ongoing basis through a recurring liquidity planning tool.

The Company's purpose is to achieve a balance between funding continuity and flexibility through the use of overdraft accounts, bank loans, and debentures, as well as finance and operating-lease transactions. The Company contracts medium term indebtedness to secure short term liquidity, analyzing payment schedules, charges and cash flow.

Derivatives

The Company uses derivative financial instruments solely with the purpose of hedging against market risks. In accordance with the Company's policy, the operations that may adversely affect the Company's statement of income or cash flow will be hedged, due to the risks involved. When the Company carries out transactions that involve unwanted exposures, senior management will assess the need to contract financial instruments with the objective to hedge and mitigate the risks to which it is exposed.

Currently, the Company is exposed to market risk arising from:

- Foreign exchange variations relating to the loan from the Bank of Tokyo, described in Note 15, because the borrowing is denominated in US Dollars with fixed interest in this currency. Therefore, the Company knows the exact amount in US Dollars to be disbursed as a consequence of this operation.

- IPCA variations due to the debentures transaction carried out on 7/15/2013 referring to the 3rd series of the 6th issuance of debentures by the Company, described in Note 16, because the borrowing is denominated in IPCA with interest fixed in this currency. The company judged prudent to mitigate the risk relating to PCA variations, since this is not a current rate in the Company's amounts.

As a way to hedge foreign exchange variations arising from the debt with the Bank of Tokyo, the Company contracted a hedge transaction through a financial derivative (swap) to mitigate the exposure to the foreign exchange variations. The swap contract was entered into on the same date as the debt and with the same conditions, as described in the table below.

	Financial instrument	Hedge protection (debt)
Description	SWAP	Debt contracted in U.S. dollar
Notional amount of the SWAP asset	USD 30,000	USD 30,000
Maturity	Follows the debt flow - Quarterly as from the 12th month - Final maturity on 6/13/2016	Quarterly as from the 12th month - Final maturity on 6/13/2016
Effective rate	Follows the debt rates: i) 6/11/13 to 6/11/14: 100% USD+1.7143% and ii) 6/11/14 to 6/13/16: 100% USD+1.8286%	i) 6/11/13 to 6/11/14: 100% USD+1.7143% and ii) 6/11/14 to 6/13/16: 100% USD+1.8286%
Risks involved	US Dollar variation (assets) and CDI variation (liabilities)	US Dollar variation

The Company's intention with this swap is to mitigate the currency risk, exchanging its future flows in US Dollars for flows defined by the variations of the CDI + 1%, because the Company's functional currency is the Brazilian Real and, therefore, its revenue and receipts are not materially affected by foreign exchange variations.

As a way to hedge IPCA variations arising from this debt, the Company contracted a hedge transaction through a financial derivative (swap) to mitigate the exposure to the foreign exchange variation. The swap contract was established on 10/17/2013 for hedging of 54% of the total debentures released in the 3rd series as described in the following table:

	Financial instrument	Hedge protection (debt)
Description	SWAP	Debentures indexed at IPCA
Notional amount of the SWAP asset	R$ 100,000	R$ 185,099
Maturity	Annual payment of interest, amortization in the last two years (2019 and 2020) final maturity 7/15/2020	Annual payment of interest, amortization in the last two years (2019 and 2020) final maturity 7/15/2020
Effective rate	Follows the debt rates: i) Assets: IPCA + 7.5% ii) Liabilities: CDI + 2.8%	i) IPCA + 7.5%
Risks involved	IPCA variation (assets) and CDI variation (liabilities)	IPCA variation

The derivatives designated as financial hedges are recognized at their net amounts, as assets or liabilities in the balance sheet, presented in the "Derivative financial instruments" account, of the current and non-current group and are measured at fair value.

In order to calculate the fair market value of its derivatives, the Company uses the Brazilian interest curve discount rate (source: BMF) and the foreign exchange rate disclosed by the Brazilian Central Bank (PTax800). The calculated market value also includes the credit risk inherent in the operation.

In the swap contracted for the hedging of foreign exchange exposure, the Company used in the swap liability, with a spread negotiated between the Bank of Tokyo and the Company at the time of the debt agreement previously mentioned as an adequate indicator for the Company's credit risk. In the instrument asset position, the global Credit Default Swaps (CDS) of the Bank of Tokyo, the counterparty of the operation, were used as an

indicator of credit risk. These credit risks are monitored by the Company and possible changes will be considered in the remeasurement of the fair value of the debt and the financial instrument.

In the swap for hedging of exposure to the IPCA, the Company used in the swap liability, spread negotiated between Banco Itaú BBA on December 30, 2013 as an adequate indicator for the Company's credit risk. In assets, an estimate based on the CDS Brazil was used, and since there is no disclosure of the CDS of Banco Itaú BBA and the agencies showing similarities between the risks, the Company used a monthly rate of 1.4% of credit risk.

The Company calculates the fair value of the derivatives based on methodologies widely accepted by the market to price swaps.

The Company did not adopt hedge accounting, but instead opted for valuation in conjunction (debt + swap) at fair value. Therefore, it expects that net variations in the result will be due only to the CDI variations, which is the final risk accepted in the conjunction of the operations. Changes in the fair value of the swap were recorded in the finance result, as described in Note 33.

It is important to note that, as determined by Article 21 of the Company's bylaws, item XXIX, "all the operations involving any type of derivative instrument must be evaluated and approved by the Company's Board of Directors". Moreover, following the statutory policy, the Company does not contract derivative instruments with speculative purposes.

Sensitivity analysis

The Company carried out two simulations showing the effects of increases in the foreign exchange rates (R$/US$), considering deteriorations of 25% and 50% in relation to the probable scenario. The probable scenario considers Company projections of foreign exchange rates on the balance sheet date. It is important to note that this risk is mitigated by offsetting the exposure that the Company has in relation to the debt contracted as presented in the following table:

Transaction	Exposure (in thousands)	Risk	Potential gain (loss)	Probable scenario	Scenario I + 25% deterioration	Scenario I + 50% deterioration
Debt						
Liability position - Foreign currency USD	USD 30,000	USD		68,855	86,069	103,283
Impact on profit or loss/ equity			Loss	-	(17,214)	(34,428)
SWAP						
Asset position - Foreign currency USD	USD 30,000	USD		69,371	86,714	104,057
Liability position - CDI interest rate				(64,378)	(64,378)	(64,378)
Impact on profit or loss/ equity			Gain	**4,993**	**22,336**	**39,679**

The Company carried out two simulations showing the effect of an increase of the IPCA of 25% and 50%, with the probable scenario considering projections of the Company for the IPCA rate on the balance sheet date. It is important to note that this risk is mitigated by offsetting the exposure that the Company has in relation to the debentures.

Transaction	Exposure (in thousands)	Risk	Potential gain (loss)	Probable scenario	Scenario I + 25% deterioration	Scenario I + 50% deterioration
Debt						
Liability position - IPCA	R$ 100,000	Increase of IPCA		100,000	125,000	150,000
Impact on profit or loss/ equity			Loss	-	(25,000)	(50,000)
SWAP						
Assets - IPCA	R$ 100,000	Increase of IPCA		102,060	127,575	153,090
Liability position - CDI interest rate				(105,292)	(105,292)	(105,292)
Impact on profit or loss/ equity			Gain	**(3,232)**	**22,283**	**47,798**

Capital management

The main purpose of the Company's capital management policy is to ensure an appropriate credit rating to support its business and to maximize value for stockholders.

The Company manages its capital structure and makes adjustments in view of changes in economic circumstances. In order to maintain or adjust its capital structure, management may adjust the level of dividends paid to stockholders, return capital to stockholders, or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This index corresponds to net debt/EBITDA-A. Net debt, in its turn, corresponds to total loans (including short- and long-term loans, as stated in the consolidated balance sheet), less the amount of marketable securities and cash and cash equivalents. EBITDA-A comprises the profit for the period plus taxes on income, net finance result, depreciation and amortization, asset impairment, and the cost of sales of assets used to provide services.

29 Net revenue

	Parent company		Consolidated		Additional information				
					Logistics			Concessionaires	Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Sales and services revenue	2,895,676	2,433,167	4,817,404	4,229,923	3.659.843	3,075,459	1,218,719	1,154,464	5,198
Revenue from sales of assets used in services rendered	362,564	255,723	425,403	248,580	411.575	274,189	11.953	8,560	1,875
(-) Deductions from revenue									
Taxes on sales	**(285,344)**	**(254,077)**	**(404,814)**	**(362,724)**	**(358,553)**	**(320,773)**	**(46,022)**	**(41,951)**	**(239)**
ICMS	*(132,155)*	*(123,387)*	(161,915)	*(147,226)*	(132,368)	(123,496)	(29,547)	(23,730)	-
Cofins	*(99,319)*	*(87,365)*	(150,860)	*(137,679)*	(140,403)	(125,190)	(10,265)	(12,489)	*(192)*
PIS	*(21,560)*	*(18,963)*	(32,968)	*(29,633)*	(30,478)	(26,780)	(2,448)	(2,853)	*(42)*
ISS	*(32,310)*	*(24,362)*	(59,071)	*(48,186)*	(55,304)	(45,307)	(3,762)	(2,879)	*(5)*
Returns	(29,761)	(26,048)	(71,179)	(68,302)	(30,979)	(28,652)	(40,200)	(39,650)	-
Discounts granted	(18.614)	(24,542)	(20,294)	(25,881)	(19,245)	(24,685)	(1,049)	(1,196)	-
Total net revenue	**2,924,522**	**2,384,223**	**4,746,520**	**4,021,596**	**3.662.641**	**2,975,538**	**1143,401**	**1,080,227**	**6,834**

No customer represented more than 10% of gross operating revenue during the periods ended December 31, 2013 and 2012.

Taxes levied on sales consist primarily of the ICMS (rates ranging from 7% to 19%), local service taxes (rates ranging from 2% to 5%), PIS (rates are either 0.65% or 1.65%) and COFINS (rates are either 3% or 7.6%).

30 Cost of services rendered

	Parent company		Consolidated		Additional information				
					Logistics			Concessionaires	Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Personnel	(706,024)	(567,588)	(958,332)	(796,155)	(957,123)	(796,155)	-	-	(1,209)
Related and third parties	(566,094)	(411,504)	(571,300)	(415,238)	(571,284)	(415,238)	-	-	(16)
Fuels and lubricants	(137,362)	(130,918)	(231,077)	(210,102)	(230,925)	(210,102)	-	-	(151)
Parts, tires and maintenance	(143,754)	(107,201)	(237,561)	(195,804)	(237,330)	(195,804)	-	-	(230)
Depreciation	(259,063)	(241,407)	(337,694)	(281,593)	(336,732)	(281,593)	-	-	(962)
Cost of services rendered	-	-	(10,574)	(14,870)	-	-	(10,574)	(14,870)	-
Cost of sales of parts	-	-	(92,550)	(74,008)	-	-	(92,550)	(74,008)	-
Cost of sales of new vehicles	-	-	(643,399)	(661,798)	-	-	(643,399)	(661,798)	-
Cost of sales of used vehicles	-	-	(124,045)	(117,978)	-	-	(190,401)	(152,147)	-
Other	(342,593)	(224,357)	(363,815)	(269,668)	(362,848)	(269,657)	110	(11)	(1,077)
Total cost of services rendered	**(2,154,890)**	**(1,682,975)**	**(3,570,345)**	**(3,037,214)**	**(2,696,242)**	**(2,168,549)**	**(936,814)**	**(902,834)**	**(3,645)**

31 Selling and administrative expenses

	Parent company		Consolidated		Additional information				
					Logistics		Concessionaires		Renta car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Salaries and social charges	(80,052)	(82,824)	(196,113)	(180,959)	(106,197)	(104,620)	(89,626)	(76,338)	(290)
Rendering of services	(32,293)	(25,439)	(53,120)	(44,964)	(40,182)	(32,005)	(12,833)	(12,959)	(105)
Telephone	(9,572)	(9,468)	(10,893)	(11,303)	(9,754)	(9,695)	(1,085)	(1,608)	(54)
Leasing of properties of third parties	(4,761)	(3,803)	(28,666)	(23,703)	(9,803)	(8,286)	(18,235)	(15,417)	(628)
Advertising and publicity	(5,195)	(5,102)	(14,339)	(14,549)	(6,269)	(6,706)	(8,058)	(7,843)	(12)
Provision for impairment of trade receivables	(5,103)	(5,569)	(5,986)	(2,589)	(5,910)	(2,898)	(76)	309	-
Effective losses from trade receivables	(2,475)	(3,810)	(2,597)	(5,270)	(2,597)	(5,270)	-	-	-
Communication	(75)	(2,586)	(755)	(3,176)	(570)	(3,108)	(176)	(68)	(9)
Building repairs and maintenance	(6,638)	(5,932)	(11,498)	(10,445)	(7,321)	(6,490)	(4,177)	(3,956)	-
Travel, meals and lodgings	(1,926)	(1,948)	(4,812)	(4,112)	(2,105)	(2,102)	(2,612)	(2,010)	(95)
Depreciation	(4,437)	(3,195)	(12,480)	(8,868)	(5,129)	(3,532)	(7,332)	(5,336)	(19)
Vehicle taxes, maintenance and repairs	(2,509)	(733)	(18,431)	(15,925)	(3,688)	(1,871)	(14,743)	(14,055)	-
Other selling and administrative expenses	(4,271)	(10,315)	(30,323)	(33,189)	(15,255)	(17,333)	(14,679)	(15,856)	(388)
Total selling and administrative expenses	**(159,308)**	**(160,724)**	**(390,012)**	**(359,052)**	**(214,780)**	**(203,916)**	**(173,632)**	**(155,137)**	**(1,600)**

32 Other operating income (expenses), net

	Parent company		Consolidated		Additional information				
					Logistics		Concessionaires		Renta car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Provision for judicial and administrative litigation	(1.597)	(6,845)	(4.968)	(7,833)	(5.008)	(7,804)	40	(29)	-
Court-ordered indemnifications	(8.941)	(21,163)	(19.194)	(28,949)	(19.194)	(28,949)	-	-	-
Other operating income (expenses)	6.334	(2,384)	3.358	(4,613)	3.084	(1,954)	(8)	-	281
Rental income	2.404	5,519	4	3.519	4	3,519	-	(2,659)	-
Reversal of expenses	11.094	601	12.421	638	12.421	637	-	-	-
Total other operating income (expenses)	**9,294**	**(24,272)**	**(8,379)**	**(37,238)**	**(8,692)**	**(34,551)**	**32**	**(2,687)**	**281**

33 Finance result

	Parent company		Consolidated		Logistics		Additional information: Concessionaires		Additional information: Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Finance income									
Investment earnings	38,617	15,435	55,575	34,371	54,800	33,647	745	724	30
Monetary variation	(4)	-	(4)	-	(4)	-	-	-	-
Present value adjustments	22,613	15,813	28,143	30,190	28,143	30,190	-	-	-
Interest	2,138	13,640	1,313	14,664	2,136	13,634	1,419	1,116	19
Discounts	874	2,410	2,242	3,398	1,985	3,035	256	363	1
Other finance income	-	605	1,704	1,217	999	605	705	612	-
	64,238	**47,903**	**88,973**	**83,840**	**88,059**	**81,111**	**3,126**	**2,815**	**49**
Finance costs									
Interest	(2,011)	(1,610)	(14,475)	(7,271)	(8,891)	(2,671)	(5,584)	-	(1)
Monetary variation	(8,176)	(8,011)	(10,379)	(10,670)	(8,256)	(8,873)	(2,120)	(1787)	(3)
Other finance costs	(2,762)	(5,428)	(3,389)	(6,498)	(3,190)	(5,616)	(2,442)	(882)	(17)
Bank expenses	(1,361)	(1,598)	(2,258)	(2,278)	(1,642)	(1,919)	(569)	(359)	(47)
IOF	(33)	(112)	(2,084)	(2,386)	(118)	(684)	(1,965)	(1702)	(1)
Discounts	(185)	(410)	(358)	(474)	(204)	(474)	-	-	(154)
Foreign exchange variations	(4,461)	(243)	(4,460)	(234)	(4,461)	(243)	-	-	-
Interest on borrowings	(249,802)	(216,223)	(270,049)	(240,717)	(267,786)	(234,721)	(3,501)	(10,683)	(73)
	(268,792)	**(233,635)**	**(307,452)**	**(270,528)**	**(294,547)**	**(255,201)**	**(16,181)**	**(15,413)**	**(296)**
Result of the derivative financial instruments									
Revenue	7,051	-	7,051	-	7,051	-	-	-	-
Expenses	(5,290)	-	(5,290)	-	(5,290)	-	-	-	-
	1,761	-	**1,761**		**1,761**				
Finance result	**(202,793)**	**(185,732)**	**(218,029)**	**(186,688)**	**(204,727)**	**(174,090)**	**(13,055)**	**(12,598)**	**(246)**

34 Expenses by nature

The Company's statement of income is presented by function, The table below gives a detailed breakdown of expenses, by nature:

	Parent company		Consolidated		Logistics		Additional information: Concessionaires		Additional information: Rent a car
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Cost of sale of assets, vehicles, parts and services rendered	(1,233,853)	(927,860)	(2,511,775)	(2,013,146)	(1,484,183)	(1,125,596)	(958,855)	(921,719)	(2,146)
Personnel	(786,076)	(650,412)	(1,154,445)	(977,114)	(1,062,438)	(900,776)	(89,626)	(76,338)	(1,499)
Other costs	(365,122)	(247,263)	(423,279)	(326,512)	(391,280)	(299,554)	(30,056)	(26,958)	(1,875)
Depreciation and amortization	(263,500)	(244,601)	(350,173)	(290,461)	(341,861)	(285,125)	(7,332)	(5,336)	(981)
Cost of services rendered	(11,702)	(50,633)	(77,214)	(104,657)	(43,464)	(68,414)	(33,643)	(36,243)	(107)
	(2,658,253)	**(1,120,769)**	**(4,516,887)**	**(3,711,890)**	**(3,323,224)**	**(2,679,465)**	**(1,119,511)**	**(1,066,594)**	**(6,609)**
Cost of services	(2,154,890	(1,682,975)	(2,699,888)	(2,168,549)	(2,696,175)	(2,168,549)	-	-	(3,644,89)
Cost of sale of assets, vehicles and parts	(353,350)	(252,798)	(1,418,608)	(1,147,050)	(404,697)	(272,448)	(945,911)	(908,771)	(1,644)
Selling and administrative expenses	(159,308)	(160,724)	(390,012)	(359,052)	(213,660)	(203,915)	(173,632)	(155,137)	(1,601)
Other operating income (expenses), net	9,294	(24,272)	(8,379)	(37,239)	(8,692)	(34,553)	32	(2,686)	281
	(2,658,253)	**(1,120,769)**	**(4,516,887)**	**(3,711,890)**	**(3,323,224)**	**(2,679,465)**	**(1,119,511)**	**(1,066,594)**	**(6,609)**

35 Segment reporting

Segment information is presented in accordance with CPC 22 - Segment information in relation to the business segments of the Company and its subsidiaries identified based on the management structure and internal management information utilized by the Company's main decision makers,

The results by segment, as well as assets and liabilities, as presented in Note 2,1, consider items directly attributed to the segment, as well as those that can reasonably be allocated to it,

The Company's businesses were divided into four operating segments: logistics operations, concession, rent a car and finance (which awaits approval by BACEN),

The Company's business is allocated to the following operating segments:

- Logistics operations: Subsidiaries JP Tecnolimp S,A,, Mogipasses Comércio de Bilhetes Eletrônicos Ltda,, Yolanda Logística Armazém Transportes e Serviços Gerais Ltda,, CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda,, Riograndense e Navegação Ltda,, JSL Locações Ltda,

- Concession operations: JSL Concessionárias,

- Rent a car operations: Movida and APTA,

The business segment information for the year ended December 31, 2013 is as follows:

					12/31/2013
	Logistics	**Concessionaires**	**Rent a car**	**Eliminations (i)**	**Consolidated**
Net revenue	3,662,641	1,143,400	6,835	(66,356)	4,746,520
Cost of sales and services	(2,696,243)	(936,813)	(3,645)	66,356	(3,570,345)
Costs of sales of assets used in services rendered	(404,697)	(9,097)	(1,644)	-	(415,438)
Gross profit	**561,701**	**197,490**	**1,546**	**-**	**760,737**
Selling and administrative expenses	(214,779)	(173,632)	(1,601)	-	(390,017)
Tax expenses	(4,376)	(3,154)	3	-	(7,527)
Other operating income (expenses)	(8,692)	32	281	-	(8,379)
Equity in the earnings of subsidiaries	38	-	-	-	38
Profit before finance income and (costs)	**333,892**	**20,736**	**(229)**	**-**	**354,857**
Finance result, net	(204,728)	(13,055)	(246)	-	(218,029)
Profit before tax provision	**129,164**	**7,681**	**(7)**	**-**	**136,828**
Taxes and contributions on income	(39,992)	(3,266)	-	-	(43,456)
Profit before non-controlling interests	**89,172**	**4,415**	**(17)**	**-**	**93,570**
Non-contrdling interests	15	-	-	-	15
Profit for the year	**89,187**	**4,415**	**(17)**	**-**	**93,585**
Total assets per segment	5,560,120	514,029	93,815	(337,866)	5,830,098
Total liabilities per segment	4,545,320	313,343	19,113	(62,337)	4,815,439

i) Eliminations in consolidation between the logistics and concession segments,

36 Earnings per share

The calculation of basic and diluted earnings per share is presented below:

	12/31/2013	12/31/2012
Numerator:		
Profit for the year	95,585	77,713
Denominator:		
Weighted average number of outstanding shares	214,725,041	213,091,064
Basic and diluted earnings per share - R$	**0,43584**	**0,36469**

The Company had no transactions or agreements involving common shares or potential shares that had an impact on diluted earnings per share,

37 Commitments

Below are listed the Company's commitments guaranteed by insurance companies at December 31, 2013:

- Beneficiary - Military Police of the State of Minas Gerais
  Purpose - Exclusively to cover outsourced management, with maintenance, including the provision of 1,000 units of Police Cruisers within conditions required by the State of Minas Gerais
  Amount insured - R$ 3,908
  Period -1/5/2011 to 1/13/2013

- Beneficiary - CEMIG Geração e Transmissão S.A.
  Purpose - Ensure the execution of leasing and management services for 673 trucks, without drivers, to meet the transportation needs of CEMIG throughout the State of Minas Gerais and Cities in other States under exceptional circumstances and during travel
  Amount insured - R$ 5,867
  Period -7/26/2010 to 10/27/2015

- Beneficiary - Companhia Municipal de Limpeza Urbana - COMLURB
  Purpose - Ensure indemnification, up to the amount defined in the insurance policy, of direct losses caused by the policyholder to the insured party due to default in the rendering of services.
  Amounts insured and periods:
  R$ 3,796 - 12/15/2010 to 4/25/2013

R$ 2,997 - 12/3/2010 to 4/25/2013

R$ 1,459 - 12/3/2010 to 3/9/2012

R$ 2,784 - 12/3/2010 to 2/28/2012

R$ 2,591 - 12/3/2010 to 2/28/2012

R$ 3,272 - 12/3/2010 to 11/18/2013

R$ 2,380 - 12/3/2010 to 11/18/2013

- Beneficiary - State Department of the Civil Office

  On May 27, 2011, the Government of the State of Rio de Janeiro, through the State Department of the Civil Office, issued a bidding notice for a LOWER GLOBAL PRICE auction for the acquisition of a fleet of vehicles (1,187 sedans and 321 SUVs), including Management with Maintenance for the Military Police of the State of Rio de Janeiro. In accordance with the bidding notice, the supply of vehicles and services was to include the cost of replacing the entire fleet 30 months after the delivery of the police cruisers.

  CS Brasil, a subsidiary of JSL S.A., won the auction, and on July 18, 2011, signed a Statement of Contract for the acquisition of police cruisers including the Management of Fleet Maintenance for the Military Police of the State of Rio de Janeiro, with the State of Rio de Janeiro, through the State Department of the Civil Office, and CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.

  The total amount of the agreement is R$ 490,710, of which R$ 232,960 relates to the acquisition of vehicles and R$ 257,750 to the provision of vehicle management and maintenance services, the latter restated in accordance with the IGP-M after 12 months. The rendering of services includes any and all expenses, such as taxes, freight, insurance, unloading of goods, assembly and installation.