# Tegma presents its results for the fourth quarter and full year of 2014

**São Bernardo do Campo, March 26, 2015** – Tegma Gestão Logística S.A (TGMA3), one of the largest logistics companies in Brazil and the leader in logistics for new vehicles in the country, announces its consolidated results for the fourth quarter and full year of 2014.

| Income Statement | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| **Net revenue** | **397.0** | **407.7** | **-2.6%** | **1,439.6** | **1,577.9** | **-8.8%** |
| **Cost of services** | **(321.5)** | **(335.3)** | **-4.1%** | **(1,195.1)** | **(1,326.3)** | **-9.9%** |
| Personnel | (34.5) | (39.4) | -12.4% | (133.5) | (186.4) | -28.4% |
| Third parties | (265.3) | (267.7) | -0.9% | (957.1) | (1,028.8) | -7.0% |
| Others | (21.7) | (28.2) | -22.9% | (104.4) | (111.1) | -6.1% |
| **Gross profit** | **75.5** | **72.5** | **4.2%** | **244.5** | **251.6** | **-2.8%** |
| *Gross margin* | *19.0%* | *17.8%* | *1.2 p.p.* | *17.0%* | *15.9%* | *1.1 p.p.* |
| General and administrative expenses | (22.5) | (31.0) | -27.4% | (90.9) | (89.4) | 1.7% |
| **Operating income** | **53.0** | **41.5** | **27.8%** | **153.6** | **162.2** | **-5.3%** |
| *Operational margin* | *13.4%* | *10.2%* | *3.2 p.p.* | *10.7%* | *10.3%* | *0.4 p.p.* |
| Financial result | (11.4) | (5.8) | 95.0% | (36.0) | (18.3) | 96.5% |
| Equity | 2.1 | 0.3 | 556.3% | 2.4 | 0.1 | 2,295.8% |
| **Income before income taxes** | **43.7** | **36.0** | **21.6%** | **120.0** | **144.0** | **-16.7%** |
| Income taxes | (15.2) | (19.0) | -20.3% | (33.7) | (54.6) | -38.3% |
| **Net income before discont. oper. and REFIS** | **28.6** | **17.0** | **68.5%** | **86.3** | **89.4** | **-3.5%** |
| *Net Margin* | *7.2%* | *4.2%* | *3.0 p.p.* | *6.0%* | *5.7%* | *0.3 p.p.* |
| Impacts of REFIS on goodwill amortization | (15.2) | - | - | (15.2) | - | - |
| Discontinued operation net loss | - | (10.7) | - | (94.1) | (39.9) | 135.5% |
| **Net income** | **13.4** | **6.2** | **114.4%** | **(23.0)** | **49.5** | - |

| EBITDA | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| **Net revenue** | **397.0** | **407.7** | **-2.6%** | **1,439.6** | **1,577.9** | **-8.8%** |
| **Operating profit** | **53.0** | **41.5** | **27.8%** | **153.6** | **162.2** | **-5.3%** |
| (+) Depreciation and amortization | 3.2 | 6.1 | -47.1% | 23.4 | 23.8 | -1.8% |
| (Gain)/Loss on Asset Sales | (1.3) | 1.2 | - | (1.3) | 8.8 | - |
| Accrual for Labor Contingencies | 2.2 | 4.0 | - | 2.2 | 21.5 | - |
| Other effects | - | - | - | 10.7 | (16.4) | - |
| **EBITDA** | **57.1** | **52.7** | **8.3%** | **188.6** | **199.9** | **-5.6%** |
| *EBITDA margin* | *14.4%* | *12.9%* | *1.5 p.p.* | *13.1%* | *12.7%* | *0.4 p.p.* |

*(In R$ million, except percentages)*

# MESSAGE FROM MANAGEMENT

The main challenges in 2014 were accomplished: a smooth management transition, the resolution of the investment in Direct and the implementation of capital discipline.

Several initiatives were implemented along the year, including: a) debt amortization rescheduling; b) the discontinuation of businesses generating returns below that was compatible with the level of assumed risk or that were not closely aligned with the Company's strategic goals c) the entry of home appliance inbound operations, consolidating our position in Industrial Logistics; d) deep and disciplined control over costs and investments; e) the strengthening of the compliance structures; and f) the continuing recovery of Integrated Logistics.

Even in a scenario marked by the substantial decline in the automotive market, especially last year, and annual inflation of more than 6%, Tegma has managed to maintain a virtually stable EBITDA margin over the last two years, sustained by the Automotive Logistics Division.

We resumed our strategic investments in yards and sites, which are absolutely essential for the good level of service for automotive clients, and we increased the reliability of our IT infrastructure, which plays a fundamental role in critical and complex operations. In a disciplined manner, we will pursue the productivity gains that will characterize the coming years, both in the sector and the country as a whole.

We are beginning 2015 with a robust capital structure, exemplified by net debt of less than 1.0 x EBITDA. We are alert to the dynamics of the market, fully prepared for the moment when the economy rebound, but at the same time ready to face an even more challenging scenario.

## 4Q14 HIGHLIGHTS

- Tegma posted 4Q14 Net Revenue of R$397.0 million, 2.6% less than in 4Q13, due to a 3.3% decline in revenue from the **Automotive Logistics Division** and an 2.3% upturn in revenue from the **Integrated Logistics Division**.

- In 4Q14, the Automotive Logistics Division **hauled 289,600 vehicles**, 4.2% less than in the same period the year before.

- Operating Income came to R$53.0 million, 27.8% up on the R$41.5 million recorded in 4Q13.

  However, several non-recurring factors impacted the 4Q14 and 4Q13 result, favoring the year-on-year comparison. On a same-comparison basis, as detailed in the table at the end of this report, growth of Operating Income totaled 4.5%, despite the 2.6% reduction in Net Revenue, primarily due a 13.9% decline in General and Administrative Expenses.

- EBITDA stood at R$57.1 million, versus R$52.7 million in 4Q13. EBITDA from the **Automotive Logistics Division** amounted to R$51.7 million (EBITDA margin of 14.9%, 0.6 p.p. higher than in 4Q13) while EBITDA from the **Integrated Logistics Division** totaled R$3.6 million up by 4.0 p.p.

- The Company opted to adhere to Tax Settlement Program – REFIS (pursuant to Laws 12,996/2014 and 13,043/2014), which resulted in a cash disbursement of R$6.7 million and a negative impact of R$15.2 million on 4Q14 Net Income.

- Excluding the adherence to REFIS and the discontinued operation, **Net Income** came to R$28.6 million, 68.5% more than the R$17.0 million reported in 4Q13.

- **CAPEX** totaled R$21.7 million, R$17.8 million more than the R$3.9 million registered in 4Q13, most of which (R$17.2 million) allocated to improvements and preparation works on two Company sites. In 2014, CAPEX totaled R$39.8 million versus R$39.8 million in 2013.

- **Accounts Receivable** from ongoing operations closed 4Q14 at R$253.0 million, corresponding to 46 days of revenue, versus R$238.4 or 44 days in December 2013.

- At the end of December, **Net Debt** stood at R$265.5 million, equivalent to 1.4x EBITDA in the last 12 months. If we consider the amount receivable for the sale of Direct Express as a debt reducing factor, Net Debt would have come to R$186.5 million, or 1.0x EBITDA. The Net Debt/EBITDA ratio in December 2013 was 1.4x.

# OPERATING PERFORMANCE AND BUSINESS DIVISIONS

We present below our 4Q14 and 2014 results by Business Division:

## AUTOMOTIVE LOGISTICS DIVISION

| Market Data | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| **Light vehicles sales** | **993.6** | **1,069.2** | **-7.1%** | **3,643.6** | **4,111.4** | **-11.4%** |
| Internal market | 926.0 | 938.6 | -1.4% | 3,333.4 | 3,579.9 | -6.9% |
| External market | 67.7 | 130.6 | -48.2% | 310.2 | 531.5 | -41.6% |
| **Vehicles Production** | **779.9** | **871.2** | **-10.5%** | **3,228.5** | **3,812.8** | **-15.3%** |
| Light and Heavy | 761.9 | 846.6 | -10.0% | 3,146.1 | 3,712.4 | -15.3% |
| Agricultural Machinery | 18.0 | 24.6 | -26.9% | 82.4 | 100.4 | -17.9% |
| **Estimated wholesale sales[1]** | **956.1** | **1,034.1** | **-7.5%** | **3,582.3** | **4,189.8** | **-14.5%** |

*Souce: ANFAVEA* *(In R$ thousand except percentages)*

*[1] National prodution + Importation - Change in stocks of automakers*

The number of vehicles sold fell by 7.1% in 4Q14 over 4Q13 and by 11.4% in the annual comparison, while vehicle production declined by 10.5% and 15.3%, respectively.

Estimated wholesale sales (the number of vehicles produced/imported less the change in inventories declared by the automakers) fell by 7.5% over 4Q13, in line with the sales of light and commercial vehicles. Using the same criterion, annual estimated wholesale sales dropped by 14.5% over 2013.

### GROSS REVENUE

| Automotive Division | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| Vehicle logistics | 406.1 | 390.3 | 4.1% | 1,417.1 | 1,471.4 | -3.7% |
| Auto parts logistics | 25.1 | 47.7 | -47.4% | 139.9 | 221.9 | -37.0% |
| Automotive auction | - | 0.5 | - | - | 5.5 | - |
| **Gross revenue** | **431.3** | **438.4** | **-1.6%** | **1,557.0** | **1,698.7** | **-8.3%** |

- *(In R$ million, except percentages)*

Vehicle Logistics:

Gross revenue from Vehicle Logistics operations increased by 4.1% between 4Q13 and 4Q14, due to an 3.8% upturn in Gross Revenue from Transport and to an 6.7% increase in Gross Revenue from Logistics Services (yard management, PDI [Pre Delivery Inspection] and vehicle storage).

- Transport:

  The 3.8% increase in Gross Revenue from Transport was due to: 1) the 4.2% reduction in the number of vehicles transported; 2) the 3.2% increase in the average mileage, and 3) the annual adjustment in the tariff per kilometer driven in May 2014.

In the full year, the number of vehicles transported fell by 13.5% over 2013, virtually in line with the 14.5% reduction in estimated wholesale vehicle sales (a better comparative reference for vehicle transport operations than retail sales). The 1 p.p. difference between Tegma's performance and that of the market should not be regarded as a permanent market share gain, but as the result of temporary oscillations.

| Tegma's Data | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| **Vehicles transported** | **289.6** | **302.3** | **-4.2%** | **1,025.9** | **1,185.6** | **-13.5%** |
| Internal market | 274.0 | 281.9 | -2.8% | 965.4 | 1,087.2 | -11.2% |
| External market | 15.5 | 20.5 | -24.1% | 60.5 | 98.4 | -38.5% |
| **Average Km per vehicle** | **1,091.6** | **1,057.5** | **3.2%** | **1,103.2** | **1,054.5** | **4.6%** |
| Internal market | 1,147.3 | 1,122.9 | 2.2% | 1,163.7 | 1,136.2 | 2.4% |
| External market | 109.8 | 157.0 | -30.0% | 137.8 | 155.9 | -11.6% |

*(In R$ thousand except percentages)*

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· Logistics Services:

Gross Revenue from Logistics Services grew by 6.7% in 4Q14 over 4Q13. Excluding the yard management operation discontinued in 1Q14, Gross Revenue from these services would have increased by 14.5%, chiefly due to a temporary upturn in automakers' vehicle inventories.

Auto Parts Logistics:

Gross Revenue from **Auto Parts Logistics** came to R$25.1 million in 4Q14, 47.4% down year-on-year. Excluding two contracts that were discontinued which totalled R$18.2 million in 4Q13, the Gross Revenue decline would have been 14.9%, versus the 10.5% slide in production in the same period.

In the full year, Gross Revenue from this segment dropped by 37.0% over 2013, impacted by the discontinuation of the contracts mentioned above, which totaled R$36.8 million in 2014 and R$81.9 million in 2013. Excluding these, annual gross revenue stood at R$103.1 million, 26.3% less than the R$140.0 million posted in 2013, versus the 15.3% decline in period production.

Automotive Auction:

As already disclosed in 4Q13, the company concluded the sale of the **Automotive Auction** segment's activities in December 2013 and it is therefore no longer a part of the Company's results.

## EBITDA

| Automotive Division | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| **Net revenue** | **346.9** | **358.7** | **-3.3%** | **1,252.6** | **1,385.4** | **-9.6%** |
| (-) Costs of services | (270.3) | (277.5) | -2.6% | (986.7) | (1,078.0) | -8.5% |
| (-) Depreciation and amortization | (2.5) | (3.0) | -16.8% | (10.2) | (12.6) | -18.9% |
| **Gross profit** | **74.1** | **78.2** | **-5.2%** | **255.7** | **294.8** | **-13.3%** |
| *Gross margin %* | *21.4%* | *21.8%* | *-0.4 p.p.* | *20.4%* | *21.3%* | *-0.9 p.p.* |
| **EBITDA** | **51.7** | **51.2** | **1.0%** | **175.5** | **205.7** | **-14.7%** |
| *EBITDA margin %* | *14.9%* | *14.3%* | *0.6 p.p.* | *14.0%* | *14.8%* | *-0.8 p.p.* |

**Adjusted by Extraordinary Effects* *(In R$ million, except percentages)*

EBITDA from the Automotive Division totaled R$51.7 million in 4Q14, a 14.9% margin, 0.6 p.p. up over 4Q13.

The auto industry production interruptions and restarts jeopardized the Auto Parts Logistics EBITDA margin in 4Q14, which made it more difficult for Tegma to adjust its installed capacity in this service to new production levels.

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## INTEGRATED LOGISTICS DIVISION

## GROSS REVENUE

| Integrated Logistics Division | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| Warehousing | 21.5 | 22.5 | -4.7% | 86.5 | 80.9 | 6.9% |
| Industrial logistics | 40.1 | 29.4 | 36.3% | 136.7 | 108.0 | 26.5% |
| **Gross revenue** | **61.6** | **52.0** | **18.5%** | **223.2** | **188.9** | **18.1%** |
| Heavy door to door | - | 7.2 | - | 6.1 | 30.3 | -79.7% |
| Discontinuated operations (1) | - | 1.0 | - | 1.0 | 18.4 | -94.7% |
| **Total gross revenue** | **61.6** | **60.2** | **2.3%** | **230.3** | **237.6** | **-3.1%** |

*(1) Discontinued warehousing operations with a telecomunications client;* *(In R$ million, except percentages)*

Gross Revenue from ongoing operations in the Integrated Logistics Division totaled R$61.6 million in 4Q14, a 18.5% growth over 4Q13, result of a 4.7% decrease in revenue from Warehousing and a 36.3% growth in revenue from Industrial Logistics.

The reduction in Warehousing revenue is explained by a change of a growth trend that had been occurring in the last two quarters, because of a general inventory demand reduction in today´s adverse economic scenario.

The revenue growth in Industrial Logistics is due mainly to a new Industrial Logistics contract within a ramp-up process, which has been occurring over 2014 and should last throughout 2015.

As explained in previous Earnings Releases, the company discontinued Heavy door-to-door operation in early 2014, along with other operations and, therefore, were presented separately in the table above.

**EBITDA**

| Integrated Logistics Division | 4Q14 | 4Q13 | Chg (%) | 2014 | 2013 | Chg (%) |
|---|---|---|---|---|---|---|
| **Net revenue** | **50.1** | **49.0** | **2.3%** | **186.9** | **192.5** | **-2.9%** |
| (-) Costs of services | (47.2) | (48.8) | -3.3% | (181.4) | (204.7) | -11.4% |
| (-) Depreciation and amortization | (2.6) | (1.9) | 34.1% | (11.0) | (7.3) | 51.5% |
| (+) Subleasing revenues | 2.3 | 4.5 | -48.9% | 14.9 | 17.0 | -12.3% |
| **Gross profit** | **2.6** | **2.7** | **-3.4%** | **9.4** | **(2.4)** | **-** |
| *Gross margin %* | *5.2%* | *5.5%* | *-0.3 p.p.* | *5.0%* | *-1.3%* | *6.3 p.p.* |
| **EBITDA** | **3.6** | **1.5** | **133.3%** | **11.3** | **(5.8)** | **-** |
| *EBITDA margin %* | *7.1%* | *3.1%* | *4.0 p.p.* | *6.0%* | *-3.0%* | *9.0 p.p.* |

**Adjusted by Extraordinary Effects*

*(In R$ million, except percentages)*

In 4Q14, EBITDA from the Integrated Logistics Division came to R$3.6 million, accompanied by an EBITDA margin of 7.1%, up by 4.0 p.p. over 4Q13.

Most of the improvement is due to the discontinuation of the Heavy Door-to-Door operation, which corresponded to R$1.9 million in 4Q14. The margin of Warehousing operation remained constant in comparison with 4Q13, even in a revenue nominal reduction scenario. Industrial logistics margin also remained constant even when one of the operations in ramp up phase.

In 4Q14, the company constituted provisions for labor lawsuits totaling R$2.2 million related to discontinued operations and situations. These provisions were similar in nature to those constituted in 4Q13 (R$4.0 million) and 3Q13 (R$13 million)[1]. The table above shows the amounts excluding these two adjustments.

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## OTHER CONSOLIDATED RESULTS AND FIGURES

### GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses totaled R$22.5 million in 4Q14, 27.4% down year-on-year. Two events impacted these numbers[2]:

- asset sales improved R$1.3 million 4T14 and worsened R$1.2 million 4Q13;
- reversal of indemnities improved R$1.9 million 4T14.

Purged these effects, the reduction in General and Administrative Expenses would have been 13.9%, from R$29.8 million in 4Q13 to R$25.6 million in 4Q14. This economy was largely in payroll and consultancy costs.

[1] Adjustment #1 with reference with the comparable IS displayed at the end of the report.

[2] Adjustment #2 with reference with the comparable IS displayed at the end of the report.

## ACCOUNTS RECEIVABLE

Direct receivables:

Due to the sale, Direct receivables totaling R$53.5 million were transferred through spin-off and/or assignment to Tegma. These receivables can be divided into three categories:

- Receivables from clients related to Direct's e-commerce operation totaling R$33.7 million, for which the Company constituted R$15.1 million in Provisions for Doubtful Accounts (PDA), giving R$18.6 million net of provisions. Up to December 31, 2014, the Company had received R$8.6 million, leaving a receivable balance of R$10.1 million.
- Tegma also received spin-offs/assignments totaling R$6.4 million related to indemnifications of Direct operations receivable, from insurance and transportation companies. This amount was recorded as "Indemnifications Receivable". Up to December 31, 2014, the Company had received R$2.4 million of this amount.
- A credit related to a lawsuit with a former Direct client in the amount of R$13.4 million, recorded under "Other Accounts Receivable". The Company believes that it will be successful and will receive at least this amount.

The dynamics of reconciliation with Direct's former clients, transporters and insurance companies were jeopardized by the sale of the company, which meant that the balance of accounts receivable from clients overdue by more than 180 days were temporarily increased.

As the reconciliations proceed, the amounts due are received. Up to now, the dynamics of the reconciliation and the reception of these amounts in 1Q15 indicate no need for additional provisions for these amounts.

Ex-Direct receivables:

On December 31, 2014, accounts receivable totaled R$265.8 million, versus R$338.6 million on December 31, 2013. Excluding from both numbers amounts receivable from e-commerce operations (Direct and Trans Commerce), which will be explained separately, the balances came to R$253.0 million in 2014 and R$238.4 million in 2013, equivalent to 46 and 44 days of respective gross billings in each quarter.

Accounts Receivable at December 31, 2014 was R$ 265.8 million versus R$ 338.6 million in December 2013. Excluding both numbers receivables that are from the e-commerce operations (Direct and Trans Commerce [R$ 2.7 million]), which will be explained separately the balances were R$ 253.0 million in 2014 and R$ 238.4 million in 2013, equivalent to 46 and 44 days of their gross revenues of each quarter.

Excluding the amounts from e-commerce operations, the aging of Tegma's accounts receivable evolved as follows between December 31, 2013 and December 31, 2014:

| Accounts Receivable Aging | Dec/14 | Dec/13 |
|---|---|---|
| Falling due | 218.8 | 148.5 |
| Overdue up to 30 days | 21.2 | 54.2 |
| Overdue from 30 to 90 days | 6.9 | 18.6 |
| Overdue from 90 to 180 days | 4.9 | 6.5 |
| Overdue for more than 180 days | 5.5 | 13.2 |
| **Accounts Receivable with PDA** | **257.2** | **241.0** |
| PDA | (4.2) | (2.6) |
| **Accounts Receivable without PDA** | **253.0** | **238.4** |

## DEBT AND CASH

In December 2014, the Company had cash and cash equivalents and financial investments totaling R$228.6 million, versus R$204.4 million in December 2013.

Gross debt totaled R$493.3 million, compared to R$498.6 million at the close of 2013, 7.1% of which short-term, versus 7.0% the year before.

Gross debt at year-end was broken down as follows: 73% in debentures, 25% in foreign-currency bank loans (Resolution 4131), totally hedged against the exchange variation risk by FX swaps, and 2% in Finame-BNDES loans. The average cost of the gross debt was the CDI + 1.32%.

The Company's net debt totaled R$265.5 million at the close of the year (1.4x EBITDA in the last 12 months, excluding Direct Express). If we include the two installments receivable from the sale of Direct Express, which totaled R$79.0 million on December 31, 2014, net debt would amount to R$186.5 million or 1.0x EBITDA, versus R$280.2 million, or 1.4x EBITDA, at the end of 2013.

## CAPEX

Capex came to R$21.7 million in 4Q14, versus R$3.9 million in 4Q13. The increase was mainly due to investments in two Company sites, totaling R$17.2 million: the leveling of a 250,000 sq.m area in SUAPE (PE) and leveling and improvements in a site in Igarapé (MG) for an important automaker.

If we exclude these non-recurring investments, 4Q14 CAPEX would come to R$4.5 million, versus R$3.9 million in 4Q13. Most of the investments went to IT and conforming and improving yard and warehouse infrastructure.

Annual investments totaled R$39.8 million, identical to the 2013 figure. Excluding the above-mentioned site investments in 2014 and the investment in a site in 2013 totaling R$8.2 million, there was a R$9.0 million reduction in investments from R$33.6 million in 2013 to R$22.6 million in 2014

Depreciation:

In 4Q14, there was a non-recurring adjustment in the depreciation curve of certain Company assets, whose net effect before taxes was a positive R$3.3 million (reduction in expenses with depreciation)[3].

The impact was different in the two divisions: a positive R$5.9 million in the Automotive Division and a negative R$2.6 million in the Integrated Logistics Division. The tables presented previously in this document for each division showed the numbers excluding these effects.

The positive amounts are associated with the correction of the depreciation curve of certain assets such as truck tractors and semi-trailers, which was faster than envisaged by Law 11,638/07. The negative adjustments are associated with the speeding up of the depreciation curve of certain investments and improvements in third-party buildings, which was adjusted to take account of the expected duration of the existing leasing contracts.

## FINANCIAL RESULT

In order to undertake a comparative analysis of the 4Q14 financial result versus the 4Q13 result, certain adjustments have to be taken into consideration[4]:

- Direct's 4Q13 financial result was consolidated in the "Discontinued Operations" line. Throughout 2014, Tegma assumed Direct's debts, so that the respective expenses returned to the "Financial Expenses" line. The due comparison can only be obtained when R$6.5 million of Direct's financial expenses are added to the 4Q13 number;
- The 4Q13 result was impacted by a non-recurring expense of R$1.5 million from the debenture structuring fee;
- The result of both quarters was affected by the mark to market of the swaps used to hedge against the impact of the exchange variation on the Resolution 4131 loans.

The table below gives a breakdown of the financial result including the above-mentioned adjustments:

- Interest on loans in 2014 was compatible with an average balance of R$ 492.7 million, an average CDI of 11.15% and an average spread of 1.32%;
- Financial income from cash and cash equivalents in 2014 was compatible with an average balance of R$ 200.6 million and an average CDI of 11.15%;
- Revenue from the installment payments from the sale of Direct refers to the monetary restatement of the balance receivable from the sale by the CDI.

The 31.4% increase in interest on loans reflects the increase in average debt and the CDI increase to 11.5% from 9.4% between the periods. The 43.0% increase of interest income on cash reflect the increase of CDI and of average cash between the 4T14 and the 4Q13.

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[3] Adjustment #3 with reference with the comparable IS displayed at the end of the report.

[4] Adjustment #4 with reference with the comparable IS displayed at the end of the report.

| | Income Statement | | | Non recurring adjustmen | | Ex non recurring | | |
|---|---|---|---|---|---|---|---|---|
| **Financial Result** | **4Q14** | **4Q13** | **Var %** | **4Q14** | **4Q13** | **4Q14** | **4Q13** | **Var %** |
| Interest on loans | (14.8) | (6.1) | 143.6% | - | 5.2 | (14.8) | (11.3) | 31.4% |
| Financial income | 5.4 | 3.5 | 55.4% | - | (0.3) | 5.4 | 3.8 | 43.0% |
| Income from Direct sale | 2.8 | - | - | - | - | 2.8 | - | - |
| MtM Swaps | (2.9) | (0.7) | 345.1% | (2.9) | (0.7) | - | - | - |
| Bank guarantee | (0.2) | (0.1) | 173.3% | - | - | (0.2) | (0.1) | 173.3% |
| Other expenses | (4.5) | (1.1) | 331.0% | (2.8) | 1.6 | (1.7) | (2.7) | -36.2% |
| Bonds emission fee | - | (1.5) | - | - | (1.5) | - | - | - |
| **Financial result** | **(14.3)** | **(5.8)** | **144.1%** | **(5.8)** | **4.4** | **(8.5)** | **(10.2)** | **-16.9%** |

*(In R$ million, except percentages)*

Similar adjustments were made to the 2013 and 2014 numbers:

| | Income Statement | | | Non recurring adjustmen | | Ex non recurring | | |
|---|---|---|---|---|---|---|---|---|
| **Financial Result** | **2014** | **2013** | **Var %** | **2014** | **2013** | **2014** | **2013** | **Var %** |
| Interest on loans | (50.5) | (25.8) | 95.4% | 7.6 | 15.8 | (58.1) | (41.6) | 39.5% |
| Financial income | 20.4 | 15.8 | 28.7% | (2.8) | (0.7) | 23.2 | 16.5 | 40.2% |
| Income from Direct sale | 2.8 | - | - | - | - | 2.8 | - | - |
| MtM Swaps | (4.5) | 2.6 | - | (3.5) | 3.1 | (1.0) | (0.5) | 100.0% |
| Bank guarantee | (0.4) | (0.3) | 71.0% | - | 0.1 | (0.4) | (0.4) | 22.2% |
| Other expenses | (6.6) | (8.1) | -18.3% | (1.3) | (0.3) | (5.3) | (7.8) | -31.9% |
| Bonds emission fee | - | (2.7) | - | - | (2.7) | - | - | - |
| **Financial result** | **(38.8)** | **(18.3)** | **111.9%** | **-** | **15.4** | **(38.8)** | **(33.7)** | **15.2%** |

*(In R$ million, except percentages)*

## INCOME TAXES

The table below shows the reconciliation of the effective rate of income tax and social contribution in the period:

| **Income tax rate reconciliation** | **4Q14** | **4Q13** | **Chg (%)** | **2014** | **2013** | **Chg (%)** |
|---|---|---|---|---|---|---|
| **Income before taxes** | **43.7** | **36.0** | **21.6%** | **120.0** | **144.0** | **-16.7%** |
| Income tax | (15.2) | (19.0) | -20.3% | (33.7) | (54.6) | -38.3% |
| **Income tax rate** | **34%** | **34%** | **-** | **34%** | **34%** | **-** |
| Impacts on ncome tax | (0.3) | (6.8) | -95.8% | 7.1 | (5.6) | - |
| **Effective income tax rate** | **34%** | **34%** | **-** | **34%** | **34%** | **-** |

*(In R$ million, except percentages)*

In 4Q14, the Company adhered to the Tax Settlement Program (REFIS) as a strategy of reducing risks in relation to the use of the goodwill generated in the companies Achintya (acquisition of Direct Express) and Boni Amazon (acquisition of the inbound chemical operations). The use of the goodwill was based on Law 9532/97.

The following amounts were recognized: 1) a negative R$12.4 million as the estimated principal of the eventual tax debt; and 2) a negative R$2.8 million in financial expenses related to the fine and interest

in the amortized period. In the presentation of this Release, the full impact of R$ 15.2 million is presented separately as "Impacts of REFIS on goodwill amortization"[5].

Of this amount, R$6.7 million was disbursed and R$8.5 million was discounted from the tax losses of the subsidiaries Tegma Logística Integrada S.A. and Trans Commerce Transportes de Carga Ltda.

In December 2014, after adherence to the REFIS, the Federal Revenue Service issued a tax deficiency notice against the Company, totaling R$47.4 million, for utilizing the goodwill from the acquisitions of the above-mentioned companies between 2009 and 2012, R$21.3 million of which referring to the principal and R$26.1 million to the fine and interest. The total amount of the principal is inscribed in the REFIS. In relation to the fine and interest, the Company has evidences that it has a good chance of reducing the amount in relation to that inscribed in the REFIS. As this contingency has been evaluated as possible, no provisions have been recognized.

### EQUITY INCOME

The Company's Equity Income result was a positive R$2.1 million in 4Q14, R$0.3 million up on the previous quarter, fueled by the positive non-recurring result of the investee Catlog[6] arising from the termination of the contract with its main client, when the final settlement of accounts with the client revealed higher amounts than those provisioned.

### DIVIDENDS

The negative accounting impacts from the sale of Direct reduced the Company's profit reserve. As a result, there were no payments of dividends or interest on equity related to fiscal year 2014.

The Company will maintain the practice it has been following for many years and will resume payment of dividends and interest on equity when such payments are compatible with period results.

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## SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

The financial statements of the company and its subsidiary for the fiscal year ended December 31, 2014 were audited by Ernst & Young Auditores Independentes S.S.

Pursuant to article 2 of CVM Instruction 381/03 and Circular OFÍCIO-CIRCULAR/CVM/SEP/Nº 02/2015, Tegma hereby declares that it did not hire the independent auditors or any related parties thereof to perform any services beyond those related to the external audit.

[5] Adjustment #5 with reference with the comparable IS displayed at the end of the report.

[6] Adjustment #6 with reference with the comparable IS displayed at the end of the report.

# 4Q14 RESULTS CONFERENCE CALL

| PORTUGUESE |
Friday, March 27th 2015
10:00 (Brasilia)
09:00 (US-ET)
Dial in.: +55 (11) 2188-0155
Code: Tegma
Replay: +55 (11) 2188-0400
Code: Tegma

| ENGLISH |
Friday, March 27th 2015
12:00 (Brasilia)
11:00 (US-ET)
Dial in.: +1 (412) 317 6776
Code: Tegma
Replay: +1 (412) 317 0088
Code: 10059980

For more information, visit our website www.tegma.com.br/ri or contact our Investor Relations Department:

Ian Nunes, (+55 11) 4397-9423, ian.nunes@tegma.com.br
Tiago Nishimura, (+55 11) 4346-2682, tiago.nishimura@tegma.com.br

## INCOME STATEMENT

| Income Statement | Income Statement | | | (-) Extraordinary effects | | Earnings Release | | |
|---|---|---|---|---|---|---|---|---|
| **Income Statement** | **4Q14** | **4Q13** | **Chg (%)** | **4Q14** | **4Q13** | **4Q14** | **4Q13** | **Chg (%)** |
| **Gross revenue** | **492.8** | **498.6** | **-1.2%** | **-** | **-** | **492.8** | **498.6** | **-1.2%** |
| Automotive logistics | 431.3 | 438.5 | -1.6% | - | - | 431.3 | 438.5 | -1.6% |
| Integrated logistics | 61.6 | 60.2 | 2.3% | - | - | 61.6 | 60.2 | 2.3% |
| **Taxes and deductions** | **(95.8)** | **(90.9)** | **5.4%** | **-** | **-** | **(95.8)** | **(90.9)** | **5.4%** |
| **Net revenue** | **397.0** | **407.7** | **-2.6%** | **-** | **-** | **397.0** | **407.7** | **-2.6%** |
| **Cost of services** | **(321.5)** | **(335.3)** | **-4.1%** | **-** | **-** | **(322.6)** | **(331.3)** | **-2.6%** |
| Personnel | (34.5) | (39.4) | -12.4% | (2.2) (1) | (4.0) (1) | (32.3) | (35.5) | -8.8% |
| Third parties | (265.3) | (267.7) | -0.9% | - | - | (265.3) | (267.7) | -0.9% |
| Others | (21.7) | (28.2) | -22.9% | 3.3 (3) | - | (25.0) | (28.2) | -11.2% |
| **Gross profit** | **75.5** | **72.5** | **4.2%** | **-** | **-** | **74.4** | **76.4** | **-2.6%** |
| **General and administrative expenses** | **(22.5)** | **(31.0)** | **-27.4%** | **3.2** (2) | **(1.2)** (2) | **(25.6)** | **(29.8)** | **-13.9%** |
| **Operating income** | **53.0** | **41.5** | **27.8%** | **-** | **-** | **48.8** | **46.6** | **4.5%** |
| **Financial result** | **(11.4)** | **(5.8)** | **95.0%** | **(2.9)** (4) | **4.4** (4) | **(8.5)** | **(10.2)** | **-17.2%** |
| **Equity** | **2.1** | **0.3** | **556.3%** | **2.1** (6) | **-** | **-** | **0.3** | **-** |
| **Income before tax** | **43.7** | **36.0** | **21.6%** | **-** | **-** | **40.3** | **36.7** | **9.7%** |
| **Income tax** | **(15.2)** | **(19.0)** | **-20.3%** | **(1.6)** (7) | **(7.6)** (7) | **(13.6)** | **(11.5)** | **18.7%** |
| **Net income before discontinued operation** | **28.6** | **17.0** | **68.5%** | **-** | **-** | **26.7** | **25.3** | **5.6%** |
| **Impacts of REFIS of goodwill amortization** | **(15.2)** | **-** | **-** | **(15.2)** (5) | **-** | **-** | **-** | **-** |
| **Discontinued operation net loss** | **-** | **(10.7)** | **-** | **-** | **(4.3)** (4) | **-** | **(6.4)** | **-** |
| **Net income** | **13.4** | **6.2** | **114.4%** | **-** | **-** | **26.7** | **18.9** | **41.6%** |
| | | | | | | | | |
| **EBITDA** | **56.3** | **47.6** | **18.2%** | **1.0** | **(5.1)** | **55.3** | **52.7** | **4.8%** |
| *EBITDA margin* | *14.2%* | *11.7%* | *2.5 p.p.* | | | *13.9%* | *12.9%* | *1.0 p.p.* |

*(In R$ million, except percentages)*

## INCOME STATEMENT

| Income Statement | Financial Statements 2014 | Financial Statements 2013 | (-) Extraordinary effects related to the Direct Express sale 2014 | (-) Extraordinary effects related to the Direct Express sale 2013 | (-) Extraordinary effects 2014 | (-) Extraordinary effects 2013 | Earnings Release 2014 | Earnings Release 2013 | Chg % |
|---|---|---|---|---|---|---|---|---|---|
| **Gross revenue** | **1,787.3** | **1,936.3** | **-** | **-** | **-** | **-** | **1,787.3** | **1,936.3** | **-7.7%** |
| Automotive logistics | 384.9 | 1,698.7 | - | - | - | - | 1,557.0 | 1,698.7 | -8.3% |
| Integrated logistics | 230.3 | 237.6 | - | - | - | - | 230.3 | 237.6 | -3.1% |
| **Taxes and deductions** | **(347.7)** | **(358.4)** | **-** | **-** | **-** | **-** | **(347.7)** | **(358.4)** | **-3.0%** |
| **Net revenue** | **1,439.6** | **1,577.9** | **-** | **-** | **-** | **-** | **1,439.6** | **1,577.9** | **-8.8%** |
| **Cost of services** | **(1,196.0)** | **(1,326.3)** | **-** | **-** | **-** | **-** | **(1,187.6)** | **(1,302.6)** | **-8.8%** |
| Labor | (133.6) | (186.4) | (0.0) | - | (3.9) (1) | (23.8) (1) | (129.7) | (162.7) | -20.3% |
| Third parties | (957.8) | (1,028.8) | (0.7) | - | - | - | (957.1) | (1,028.8) | -7.0% |
| Others | (104.6) | (111.1) | (0.2) | - | (3.6) (3) | - | (100.8) | (111.1) | -9.3% |
| **Gross profit** | **243.6** | **251.6** | **-** | **-** | **-** | **-** | **252.0** | **275.3** | **-8.5%** |
| **General and administrative expenses** | **(171.4)** | **(89.4)** | **(80.5)** | **-** | **1.0** (2) | **9.9** (2) | **(91.9)** | **(99.3)** | **-7.4%** |
| **Operating income** | **72.2** | **162.2** | **-** | **-** | **-** | **-** | **160.1** | **176.0** | **-9.1%** |
| **Financial result** | **(36.0)** | **(18.3)** | **-** | **-** | **2.8** (4) | **15.4** (4) | **(38.8)** | **(33.7)** | **15.2%** |
| **Equity** | **2.4** | **0.1** | **-** | **-** | **2.4** (6) | **-** | **-** | **0.1** | **-** |
| **Income before tax** | **38.5** | **144.0** | **-** | **-** | **-** | **-** | **121.2** | **142.4** | **-14.9%** |
| **Income tax** | **(7.6)** | **(54.6)** | **26.0** | **-** | **0.7** (7) | **(7.6)** (7) | **(34.4)** | **(47.0)** | **-26.8%** |
| **Net income before discontinued operation and REFIS** | **30.9** | **89.4** | **-** | **-** | **-** | **-** | **86.9** | **95.5** | **-9.0%** |
| **Impacts of REFIS of goodwill amortization** | **(15.2)** | **-** | **-** | **-** | **(15.2)** (5) | **-** | **-** | **-** | **-** |
| **Discontinued operation net loss** | **(38.7)** | **(39.9)** | **55.4** | **-** | **(7.3)** | **(20.5)** (4) | **(86.8)** | **(19.4)** | **347.4%** |
| **Net income** | **(23.0)** | **49.5** | **-** | **-** | **-** | **-** | **0.1** | **76.1** | **-99.9%** |
| **EBITDA** | **95.6** | **186.0** | **(81.4)** | **-** | **(9.8)** | **(13.8)** | **186.8** | **199.9** | **-6.6%** |
| *EBITDA margin* | *6.6%* | *11.8%* | | | | | *13.0%* | *12.7%* | *0.3 p.p.* |

*(In R$ million, except percentages)*

* References along the report the document
7 Tax Adjustment as fiscal rule calculation

| Assets | dec/14 | sep/14 |
|---|---|---|
| **Current Assets** | **621.3** | **595.3** |
| Cash and equivalents | 227.9 | 186.1 |
| Accounts receivable | 265.8 | 248.7 |
| Related parties | - | - |
| Inventories | 2.0 | 3.4 |
| Taxes to recover | 19.1 | 15.4 |
| Deferred income tax and social contribution | - | 3.5 |
| Other receivables | 104.3 | 134.8 |
| Prepaid expenses | 1.4 | 3.3 |
| Fair value hedge | 0.9 | 0.2 |
| **Assets for sale** | **-** | **0.3** |
| **Non-current assets** | **433.0** | **415.8** |
| Accounts receivable | - | 13.4 |
| Other receivables | 13.4 | - |
| Deferred income tax and social contribution | 13.2 | 23.6 |
| Related parties | 0.4 | 0.4 |
| Fair value hedge | 15.1 | 8.2 |
| Judicial deposits | 25.7 | 25.0 |
| Investments | 4.7 | 2.6 |
| Properties and equipments | 189.3 | 171.6 |
| Intangible assets | 171.2 | 171.0 |
| **Total Assets** | **1,054.4** | **1,011.4** |

| Liabilities and Shareholders' equity | dec/14 | sep/14 |
|---|---|---|
| **Current Liabilities** | **174.1** | **161.6** |
| Loans and financing | 26.0 | 24.3 |
| Bonds | 9.8 | 8.3 |
| Suppliers | 7.2 | 11.2 |
| Freights payable | 44.7 | 41.8 |
| Taxes payable | 17.5 | 16.5 |
| Refinanced taxes | 0.0 | 0.4 |
| Salaries and social charges | 31.7 | 32.4 |
| Insurance and rents payable | 4.7 | 6.0 |
| Other accounts payable | 32.4 | 20.7 |
| **Non-current liabilities** | **518.1** | **501.2** |
| Loans and financing | 123.6 | 114.8 |
| Bonds | 350.0 | 350.0 |
| Deferred income tax and social contribution | 23.3 | 16.5 |
| Provision for contingencies and other liabilities | 11.5 | 9.7 |
| Other accounts payable | - | 0.2 |
| Acquisition of subsidiary | 9.7 | 9.4 |
| Refinanced taxes | 0.0 | 0.6 |
| **Shareholders Equity** | **362.1** | **348.5** |
| Capital stock | 144.5 | 144.5 |
| Capital reserve | 176.2 | 176.1 |
| Profit reserve | 41.6 | 64.6 |
| Retained earnings | - | (36.4) |
| Treasury shares | (0.3) | (0.3) |
| Assets valuation adjustment | 0.1 | 0.1 |
| **Minority interest** | **0.1** | **0.1** |
| **Total Liabilities and Shareholders' Equity** | **1,054.4** | **1,011.4** |

*(In R$ million, except percentages)*