



TEGMA reports growth of 10.8% in net revenue in 1Q13

1Q13 Earnings Conference Call

Date: Thursday,
May 16, 2013

> Portuguese

10:00 A.M. (Brasilia time)

7:00 A.M. (US ET)

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São Bernardo do Campo, May 15, 2013 – Tegma Gestão Logística S.A., one of the largest logistics management providers in Brazil and the leader in logistics for new vehicles, hereby presents its results for the first quarter of 2013. Tegma focuses on offering integrated services for businesses that demand highly complex logistics solutions, such as in the automotive, e-commerce, telecommunications, electronics, and chemical industries.

FINANCIAL AND OPERATING HIGHLIGHTS

- ✦ Gross revenue reached R\$ 467.4 million in 1Q13, an increase of 10.4% compared to 1Q12.
- ✦ Adjusted EBITDA amounted to R\$20.1 million in the period, down 51.7% year-over-year.
- ✦ A total of 237.7 vehicles were transported in 1Q13 in the domestic market, an increase of 10.7% compared to 1Q12.
- ✦ Recognition of Subsidiaries Catlog Logistics and Tegma Venezuela is from now on by the equity method.

CONSOLIDATED FINANCIAL AND OPERATING INDICATORS

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Gross Revenue	467,402	423,401	10.4%
Net Revenue	378,844	342,068	10.8%
Adjusted EBITDA	20,059	41,500	-51.7%
Adjusted EBITDA Margin	5.3%	12.1%	-6.8p.p
Number of vehicles Transported	261,446	241,294	8.4%
Domestic + Imports	237,680	214,616	10.7%
Exports	23,766	26,678	-10.9%
Average Km per vehicle transported	1,066	996	7.0%



MANAGEMENT COMMENTS

We are pleased to announce our consolidated results for the first quarter of 2013. The period saw a still very dynamic automotive market, with sales growing in line with expectations and a recovery in the national production of vehicles. In the division the Integrated Logistics continued to grow strongly, especially in the e-commerce business, and we also saw a trend for the integration of logistics services for customers in the consumer goods industry.

The domestic automotive market had strong sales and production figures in the first quarter of the year. In the period, domestic sales of cars and light vehicles grew 2.1% year-over-year, reflecting the low unemployment rate in the country, consumer confidence, low delinquency rates in the industry, and the government's tax incentives. During the first quarter, the production of vehicles gained 12.1% year-over-year, resulting from the same factors mentioned above and the government incentives to the local production.

Tegma's automotive segment was in line with the market's performance. The number of vehicles transported in the domestic market rose 10.7% in the first quarter year-over-year, a result of the Company's diversified market share. The vehicles logistics segment recorded an increase of 21.2% in revenue compared to the first quarter of 2012, deriving from the increase in the volume of vehicles transported, of the average distance increase and price adjustments. The auto parts segment recorded an increase of 11.2% in revenue in the first quarter of 2013 compared to the same period in 2012, due to the growth in the domestic production of vehicles.

Tegma's Integrated Logistics division has been through an important strategic consolidation to integrate the shipping and storage operations, after the e-commerce segment recorded an important growth throughout 2012. In view of the scenario of strong growth expected in the upcoming years in the parcel delivery market, especially in e-commerce, and of fierce competition to provide this service, we need to expand our competitive edges from a portfolio of services that include inventory management and storage for these customers.

We believe the opportunities arising from the expansion in logistics services outsourcing in the country is the basis for our growth. We continue to consistently position our business so as to maintain our leadership in the automotive industry, and to become an important player in the Integrated Logistics business.



ACCOUNTING PRONOUNCEMENTS IMPACTS ON THE TEGMA RESULTS

In 2012 the Accounting Pronouncements Committee (CPC) issued, among others, the following pronouncements that affect our activities:

- CPC 36 - Consolidated Financial Statements
- CPC 19 - Business Together
- CPC 18 - Investment in Associates, Subsidiaries and Jointly Controlled Entity.

These pronouncements, approved by CVM in 2012, began to have their application required for the years beginning from January 1, 2013, and determine that jointly controlled entities are recorded in the financial statements through the equity method.

With the adoption of these new accounting pronouncements in the 1st quarter of 2013 the Company ceased to proportionately consolidate jointly controlled discriminated below:

- Tegma Venezuela S.A.
- Catlog Transportation Logistics SA

Thus, the financial information for the quarter ended March 31, 2013, present our financial position, as well as our results of operations, using the equity method for investments that are not controlled.

For purposes of comparison, the information for the year ended December 31, 2012 have been adjusted, as determined in the accounting standards to reflect the new accounting pronouncements when the disclosure of our financial and operating results for the year ending on 31 December 2013.

At the end of the document, there is a comparison between the two methods.



OPERATING PERFORMANCE AND BUSINESS DIVISIONS

Below we report our 1Q13 results for each business unit:

AUTOMOTIVE LOGISTICS

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Vehicle logistics	297,440	245,495	21.2%
Auto parts logistics	53,380	48,002	11.2%
Automotive auction	1,702	2,328	-26.9%
Total Gross Revenue	352,522	295,825	19.2%
Total Net Revenues	285,617	238,311	19.9%
Adjusted EBITDA	37,339	32,706	14.2%
Adjusted EBITDA Margin	13.1%	13.7%	-0.6p,p
Depreciation and Amortization	3,833	3,912	-2.0%
Number of vehicles transported	261,446	241,294	8.4%
Domestic + Imports	237,680	214,616	10.7%
Exports	23,766	26,678	-10.9%
Average Km per vehicle transported	1,066	996	7.0%
Domestic + Imports	1,156	1,104	4.7%
Exports	163	131	24.4%

Gross Revenue

Gross revenue from automotive division totaled R\$ 352.5 million in 1Q13, an increase of 19.2% compared to 1Q12.

Vehicle logistics: Gross revenue from vehicle logistics increased by 21.2% over 1Q12 to R\$ 297.4 million in 1Q13, mainly due to: (i) the 10.7% upturn in the number of vehicles transported in the domestic market, (ii) the increase in average distance, and (iii) a price adjustment.

Auto Parts Logistics: Gross revenue from parts logistics grew by 11.2% in 1Q13 compared to the previous quarter, reaching R \$ 53.4 million, reflecting the increase in domestic production.

Automotive Auctions: Gross revenue from automotive auctions reached R\$ 1.7 million in 1Q13, down of 26.9%, against the same period last year.

Adjusted EBITDA



Adjusted EBITDA from the automotive division amounted to R\$ 37.3 million in 1Q13, an increase of 14.2% compared to 1Q12. EBITDA corresponded to 13.1% of net revenue, down 0.6 p.p. year-over-year.

INTEGRATED LOGISTICS

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Consumption goods	89,697	98,656	-9.1%
E-Commerce	53,263	35,993	48.0%
Electronics	4,946	22,992	-78.5%
Telecommunications	14,772	19,448	-24.0%
Bonded Warehouse	7,969	13,836	-42.4%
Fashion and Clothing	2,170	2,193	-1.0%
Others	6,577	4,194	56.8%
Industrial Goods	25,183	28,920	-12.9%
Chemical Products	25,183	23,587	6.8%
Others	-	5,333	-100.0%
Total Gross Revenue	114,880	127,576	-10.0%
Total Net Revenue	93,227	103,757	-10.1%
Adjusted EBITDA	(17,280)	8,794	-296.5%
Adjusted EBITDA Margin	-18,5%	8,5%	-27.0p.p
Depreciation and Amortization	3,371	2,126	58.6%

Consumer Goods

Growth of e-commerce operations contributed positively to the division, however, the fall of other services (warehousing, bonded warehousing and B2B) in the Consumption Goods segment Consumer contributed negatively to the fall of 9.1% over the previous period.

The segments of electronics and telecommunications showed a fall of 54% in revenues, consequence of discontinued segment contracts. In addition, there was a 42% reduction in bonded warehousing gross revenue, mainly as a result of new rules of FUNDAP (Development Fund of Port Activities).

Industrial Goods

The industrial goods segment recorded a decrease of 12.9% in revenue in 1Q13, mainly due to the discontinuation of fuel operations. In the chemical segment, we observed an increase of 6.8% against the same period last year.



Adjusted EBITDA

Adjusted EBITDA from the Integrated Logistics division was negative by R\$ 17.3 million in 1Q13, a decrease of 296.5% compared to 1Q12. As a percentage of net revenue, the EBITDA margin stood at 18.5% negative in 1Q13, versus 8.5% positive in 1Q12.

The margins of the division of Integrated Logistics follow pressed in 1Q13 mainly due to the increase in operating structure and the drop in sales division.

CONSOLIDATED RESULTS

GROSS REVENUE

Consolidated gross revenue totaled R\$ 467.4 million in 1Q13, an increase of 10.4% compared to 1Q12.

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Automotive Logistics	352,522	295,825	19.2%
Integrated Logistics	114,880	127,576	-10.0%
Gross Revenue	467,402	423,401	10.4%

This result is mainly due to the growth of operations of Logistics Vehicles and Autoparts.

Gross Revenue Deductions

Gross revenue deductions rose 8.9% in the quarter, to R\$ 88.6 million.

NET REVENUE

As a result of the factors mentioned above, consolidated net revenue totaled R\$ 378.8 million in 1Q13, 10.8% higher than in 1Q12.

COST OF SERVICES

Cost of services provided reached R\$ 343.4 million in 1Q13, an increase of 20.8% compared to 1Q12. This increase was due mainly to :



- (i) An increase of 8.5% in personnel costs, caused by the expansion of our operating staff and the collective bargaining wage increase;
- (ii) The 21.7% increase in third-party expenses, due to higher revenues from outsourced logistics operations in the automotive and industrial goods segments.
- (iii) Growth of 32.2% for other costs arising mainly from the increase in the area of yards and warehouses.

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Employees	(54,782)	(50,504)	8.5%
With third parties	(237,488)	(195,093)	21.7%
Other	(51,172)	(38,696)	32.2%
Total	(343,442)	(284,293)	20.8%

GROSS PROFIT

We recorded gross profit of R\$ 35.4 million, a decrease of 38.7% compared to 1Q12. The gross margin as a percentage of net revenue was 9.3%, down 7.6 p.p. year-on-year.

OPERATING EXPENSES

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
General and Administrative	(25,617)	(25,108)	2.0%
Management fees	(2,066)	(1,799)	14.8%
Commercial Expenses	(565)	(398)	42.0%
Other Revenue/Expenses	3,678	89	4,032.6%
Total	(24,570)	(27,216)	-9.7%

Operating expenses totaled R\$ 24.6 million in 1Q13, a decrease of 9.7% year-over-year.

OPERATING PROFIT

Operating profit before the financial result reached R\$ 10.8 million in 1Q13, a decrease of 64.6% year-over-year.



FINANCIAL INCOME AND EXPENSES

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Financial Revenues	4,735	33,546	-85.9%
Financial Expenses	(12,534)	(41,874)	-70.1%
Total	(7,799)	(8,328)	-6.4%

Net financial result was a R\$ 7.8 million expense for the quarter, versus an expense of R\$ 8.3 million in 1Q12. The decline in financial expense was due to a reduction in the interest rate in the period.

INCOME TAX

The table below shows the reconciliation of effective income and social contribution taxes due in the period:

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Income before Taxes	2,305	22,328	-89.7%
Other Additions/Exclusions	1,536	1,243	23.6%
Adjusted taxable basis	3,841	23,571	-83.7%
Income Tax and Social Contribution	1,306	8,014	-83.7%
Effective rate	34%	34%	-

NET INCOME

Due to the factors mentioned above, we recorded net income of R\$ 1 million in 1Q13, a decrease of 93% year-over-year.

CAPEX

Capex totaled R\$ 12 million in 1Q13, most of which allocated to the acquisition of equipment for automotive and consumer goods division operations, as well as improvements on yards and warehouses.

CASH & EQUIVALENTS, AND DEBT

Our cash and equivalents totaled R\$ 302.8 million in the quarter.



Gross debt at March 28, 2013 was R\$ 536.6 million, comprising foreign-currency bank loans (USD - Operation 4,131) and BNDES (FINAME) loans and bonds. We use derivatives to hedge our exposure to foreign exchange variations on loans.

As at March 28, 2013, our net debt was R\$ 233.8 million.

EVENTS TO DISCUSS OUR RESULTS

1Q13 EARNINGS CONFERENCE CALL

[PORTUGUESE]

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The forward-looking statements contained herein are subject to risks and uncertainties. Such forward-looking statements are based on management's beliefs and assumptions and information currently available to the Company. Such statements include information concerning our current plans, beliefs or expectations, as well as those of the Board of Directors and Board of Executive Officers.

These reservations concerning forward-looking statements also apply to information on our possible or presumed operating results, as well as declarations preceded by, including or followed by such words as "believe," "may," "will," "continue," "expect," "foresee," "intend," "plan," "estimate" and other similar expressions.

Forward-looking statements are not guarantees of performance. Since they refer to the future, they depend on circumstances that may or may not occur and are therefore subject to risks, uncertainties and assumptions. Future results may differ materially from those expressed or suggested by said forward-looking statements.



Income Statement

Income Statement

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Gross Operating Revenue	467,402	423,401	10.4%
Transport Services	352,522	295,825	19.2%
Logistics Services and other services	114,880	127,576	-10.0%
Taxes and Deductions	(88,558)	(81,333)	8.9%
Net operating revenue	378,844	342,068	10.8%
Cost of Services	(343,442)	(284,293)	20.8%
Personnel	(54,782)	(50,504)	8.5%
Third parties	(237,488)	(195,093)	21.7%
Other	(51,172)	(38,696)	32.2%
Gross Profit	35,402	57,775	-38.7%
	-		
Operating income (expenses)	(24,570)	(27,216)	-9.7%
General and administrative	(25,617)	(25,108)	2.0%
Management Fees	(2,066)	(1,799)	14.8%
Commercial expenses	(565)	(398)	42.0%
Other operating income (expenses), net	3,678	89	4,032.6%
Operating Income	10,832	30,559	-64.6%
Financial Income	(7,799)	(8,328)	-6.4%
Financial income	4,735	33,546	-85.9%
Financial expenses	(12,534)	(41,874)	-70.1%
Equity	(728)	-	-850.5%
Income before income tax and social contribution	2,305	22,328	-89.7%
Income Tax and Social Distribution	(1,306)	(8,014)	-83.7%
Current	(7,159)	(5,355)	33.7%
Deferred	5,853	(2,659)	-320.1%
Net income for the period	999	14,314	-93.0%
Minority interest	3,223	(417)	-872.9%
Income before minoritys	4,222	13,897	-69.6%



EBITDA Reconciliation

(In Thousand of R\$ except percentages)

	1Q13	1Q12	Chg (%)
Net Operating Revenue	378,844	342,068	10.8%
Operating Profit	10,832	30,559	-64.6%
(+) Depreciation	7,204	6,038	19.3%
(+) Non Recurring Expenses	2,023	4,903	-
(-) Non recurring asset sales	-	-	-
Adjusted EBITDA	20,059	41,500	-51.7%
Adjusted EBITDA Margin	5,3%	12,1%	-6.8p.p

Balance Sheet

(In Thousand of Reais)

Assets	03/31/13	12/31/12	Liabilities and Shareholders' equity	03/31/13	12/31/12
Current Assets	760,934	530,656	Current Liabilities	427,782	398,626
Cash and equivalents	12,772	12,360	Loans and financing	251,932	225,287
Financial Investments	290,027	54,383	Suppliers and freight payable	42,104	32,527
Accounts Receivable	341,441	361,666	Related parties	641	641
Warehouse	2,915	2,145	Taxes payable	25,396	22,971
Deferred Income Tax and Social Contribution	30,329	21,725	Taxes payable in installments	1,854	2,230
Other receivable	35,444	33,668	Salaries and social charges	38,591	40,201
Prepaid expenses	7,863	2,555	Insurance and rents payable	5,580	3,890
			Income Tax and Social Contribution	4,054	1,676
Assets for sale	796	2,081	Debentures	1,774	-
			Other accounts payable	55,856	69,203
Non-current assets	529,494	523,918	Non-current liabilities	447,282	242,854
Deferred income tax and social contribution	9,639	3,835	Loans and financing	137,205	134,942
Related Parties	105	108	Provision for contingencies and other liability	27,095	26,538
Fair Value Hedge	14,131	15,683	Debentures	200,000	-
Other accounts receivable	20,730	20,730	Taxes payable in installments	-	-
Judicial deposits	14,871	13,005	Acquisition of subsidiary - variable price	16,955	16,552
Investments	2,580	3,764	Deferred income tax and social contributor	8,139	8,246
Property and equipment	190,547	190,153	Buying Option	57,888	56,576
Intangible assets	276,891	276,640			
			Shareholders Equity	428,272	424,064
			Capital stock	144,469	144,469
			Capital reserve	175,262	174,815
			Treasury shares	(342)	(342)
			Retained Earnings	4,222	-
			Profit reserve	152,093	152,093
			Assets valuation adjustment	(47,432)	(46,971)
			Minority interest	(12,112)	(8,889)
Total Assets	1,291,224	1,056,655	Total Liabilities and Shareholders' Equity	1,291,224	1,056,655



Adjustment CPC Catlog Logistica and Tegma Venezuela

(In Thousand of R\$ except percentages)

	1T12 Publish.	Cat Venezuela	1T13 Ajust	Cat Venezuela	Chg (%) Cat Venezuela
Vehicle logistics	286.424	40.929	335.033	37.593	-8,2%
Auto parts logistics	48.002		53.380		
Automotive auction	2.328		1.702		
Total Gross Revenue	336.754	40.929	390.115	37.593	-8,2%
Total Net Revenues	270.347	32.036	316.015	30.398	-5,1%
Adjusted EBITDA	32.884	178	36.215	-1.124	-731,7%
Adjusted EBITDA Margin	12,2%	0,6%	11,5%	-3,7%	-4,3 p.p.
Depreciation and Amortization	3.952	40	3.927	94	135,0%
Number of vehicles transported	287.698	46.404	288.344	26.898	-42,0%
Domestic + Imports	254.795	40.179	263.122	25.442	-36,7%
Exports	32.903	6.225	25.222	1.456	-76,6%
Average Km per vehicle transported	977		1.060		
Domestic + Imports	1.087		1.147		
Exports	120		158		