



INTERNATIONAL MEAL COMPANY

2Q16 Results

## STRATEGY RECAP

- **Deleveraging:** Done in 1Q16 (R\$42 million net cash position as of end June)
- **Operational Excellence:**
  - **Brazil:** Pricing (offset inflation), Pilots for Viena Express and Frango Assado (mini-market & org design), cost actions
  - **USA:** Menu engineering and retail assortment (SSS turnaround)
- **New Revenue Growth Streams:**
  - Launched GRU Grab N' Fly & Sports Bar, and CNF E. Mineiro; Testing Delivery and Adult Beverages
- **Rationalize Portfolio:**
  - 10 Stores closed in 2Q + 5 in 1Q → R\$3.5M of negative contribution margin in 2015 (total R\$9M since 4Q15)

Ongoing

Ongoing

Short-term

## QUARTER RESULTS

- **Net Revenue:** Revenue reduction of 3.2% in Brazilian reais and 7.2% in constant currency
- **EBITDA YOY:** Adjusted EBITDA +R\$2.4M (+11%), flat (+0.1%) in constant currency. Brazil is the issue. Operational EBITDA -R\$3.4M (was -R\$10.6M in 1Q16). Pricing fully offsetting inflation, gains in productivity (R\$6.1M in 2Q vs 1.5 in 1Q) and cost reduction (R\$12.5M in 2Q vs 7.6 in 1Q) accelerating. Volume decline is a major concern and is accelerating (-R\$23.9M in 2Q vs -9.9 in 1Q).
- **Cash Flow:** EBITDA-to-Operating Cash conversion at 100.4% (R\$20.7M in 2Q16 before Capex)
- **Net Cash Position:** R\$41.7M (in 1Q16 was R\$25.2M, and in 4Q15 we had net debt of R\$192.3M)

## OPERATIONAL FOCUS

- **Airport Contracts:** New agreements reached in GRU, BSB and CNF
- **Operational Excellence (PMO driven, Brazil focus):** Maintain disciplined approach in existing pilots, while implementing new ones (Viena Flagship, Olive Garden Malls, Frango Assado F&B, Brunella)
- **Zero Based Budget:** Cost optimization through the introduction of zero based budgeting in all countries, further streamlining of internal structure and standardization of its operating practices – being finalized
- **S&OP + Purchasing:** Comprehensive Sales and Operations Planning and Purchasing project with the support of ATKearney

**We are taking strong actions to offset the adversities in Brazil's, while building the foundation for when the market comes back (progress towards operational excellence, organic growth levers and process improvement)**

2015

1H 2016

2016 YE

2017

- ✓ Defining the company's new strategy and organizational structure; mapping the key projects
- ✓ Hiring people for the key positions and strategy alignment with the whole organization
- ✓ Focus on debt reduction and simplifying operations
- ✓ Announcement of the Company's capital increase (R\$328mn) and divestments
- ✓ Rationalization of our portfolio and corporate structures

## Capital Intensive

- ✓ Airport contracts: BSB
- Pilots:**
  - ✓ Viena Express
  - ✓ Frango Assado - Mini Market
  - ✓ Jackson Memorial Hospital
  - ✓ Miami Airport (MV)
  - ✓ Grab N' Fly and Sports Bar (GRU), Espresso Mineiro (CNF)

## Non-Capital Intensive

- ✓ Headcount reduction
- ✓ Loss Makers (R\$3.5MM)
- ✓ US SSS: **Retail** (+3.9% Jun/16 vs -14.3% Jan/16); **F&B** (-0.4% Jun/16 vs -8.6% Jan/16)
- ✓ Pricing Methodology
- ✓ Pilot Viena Delivery
- ✓ Chefs: Brunella and Viena
- ✓ Capital Increase (R\$328mn)
- ✓ Sale of MX, PR, DR (R\$373mn)

## Pilots:

- ✓ Viena Delicatessen (Flagship)
- ✓ Brunella
- ✓ Frango Assado – F&B
- ✓ Olive Garden Malls

## New stores:

- ✓ San Antonio – TX
- ✓ Mall of America – MN

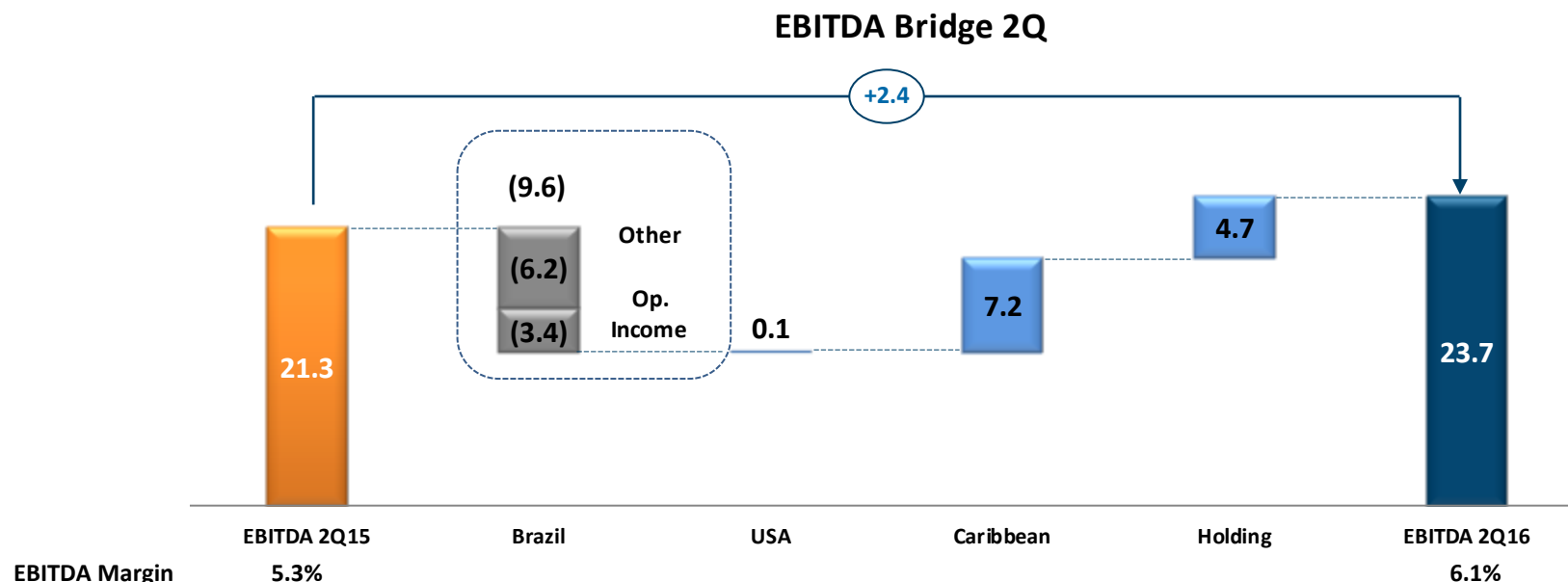
- ✓ Contracts: GRU, CNF, OG
- ✓ **Exits:** Presto (COL), Grano, Go Fresh, Naturally Fast, Wraps
- ✓ Pilots for HR model at FA and Viena Deli (org. design, comp. & incentives, processes)
- ✓ ZBB + Kick off Purchasing
- ✓ US Food & Beverage SSS
- ✓ Adult beverages pilot

- ✓ Roll out selected pilots, based on agreed upon ROIC criteria

## New stores:

- ✓ CNF
- ✓ GRU
- ✓ BSB
- ✓ New Orleans – LA
- ✓ Viena – MIA (ideally 4Q16)
- ✓ Cleveland - OH

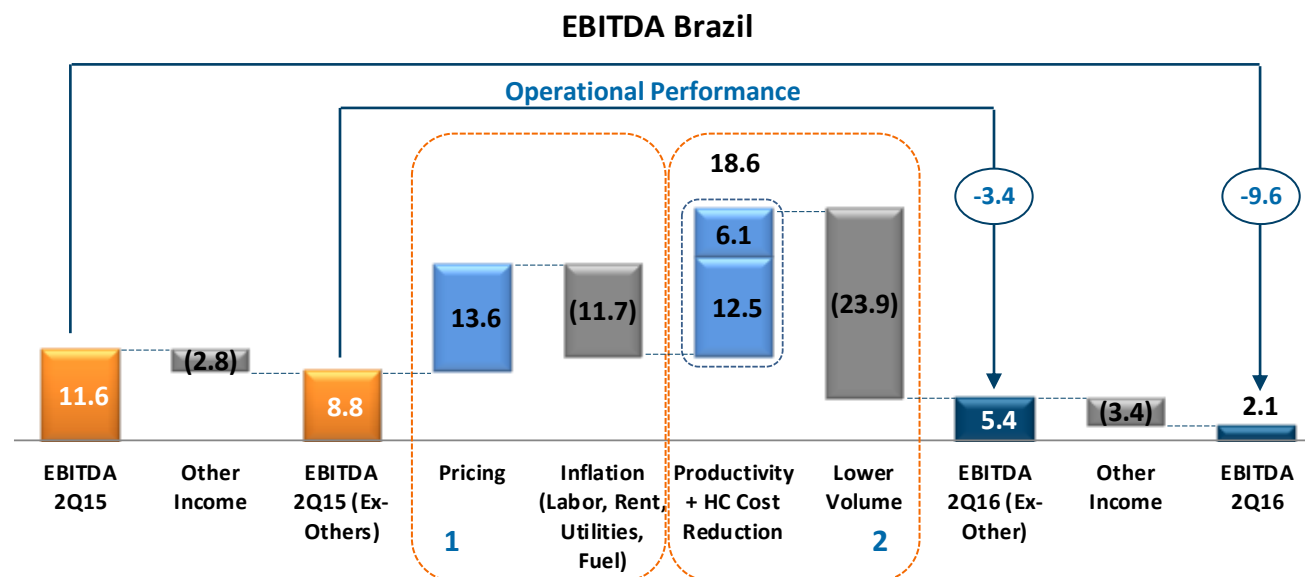
- ✓ Roll out new compensation / incentives FA & Viena
- ✓ Cost savings
  - S&OP + Purchasing
  - Direct Labor, G&A, S&Opex



### EBITDA 2T16: R\$23.7M | +R\$2.4M / + 80bps

- ✓ Brazil: -R\$9.6M
  - ✓ Operating Income: -R\$3.4M (Air: +R\$0.3M; Road: -R\$3.1M; Malls: +R\$0.8M; G&A: -R\$1.3M)
  - ✓ Other: -R\$6.2M (pressured by severance costs: -R\$5M)
- ✓ USA: +R\$0.1M
  - ✓ Positive impact on FX offsetting SSS pressure
  - ✓ SSS trend reversion: 2Q16 = -3.6% vs. July = +1.8%
- ✓ Caribbean: +R\$7.2M
  - ✓ Operating Excellence improvement = higher margins
  - ✓ SSS under pressure, but still positive: +2.7%
  - ✓ -R\$3.0M impact in others (fines/contingencies) in 2Q15
- ✓ Holding: +R\$4.7M
  - ✓ Rationalization of corporate structure
  - ✓ Part of the savings being used in Brazil (impact on G&A)

(in R\$ million)	2Q15	2Q16	Vs. 2Q15
<b>Brazil</b>	<b>11.6</b>	<b>2.1</b>	<b>(9.6)</b>
Air	1.8	2.1	0.3
Roads	12.8	9.7	(3.1)
Malls	4.3	5.1	0.8
G&A	(10.2)	(11.5)	(1.3)
Other Income	2.8	(3.4)	(6.2)
<b>United States</b>	<b>15.4</b>	<b>15.5</b>	<b>0.1</b>
Caribbean	3.3	10.5	7.2
Holding	(9.1)	(4.4)	4.7
<b>Adj. EBITDA</b>	<b>21.3</b>	<b>23.7</b>	<b>2.4</b>



## Operating Goals

### Brazil

1 Pricing + Product Mix to Offset Inflation

2 Cost Reduction to mitigate lower volumes

Productivity (Opex) as sources of organic growth

### USA

Grow SSS (in U\$)

## 1Q16

R\$4.5M

Pricing + product mix = 31% of inflation offset

R\$6.7M

Fully used to offset 92% of volume decline (incl. Prod.)

R\$1.5M

## 2Q16

R\$13.6M

Pricing + product mix = 116% of inflation offset

R\$12.5M

Fully used to offset 78% of volume decline (incl. Prod.)

R\$6.1M

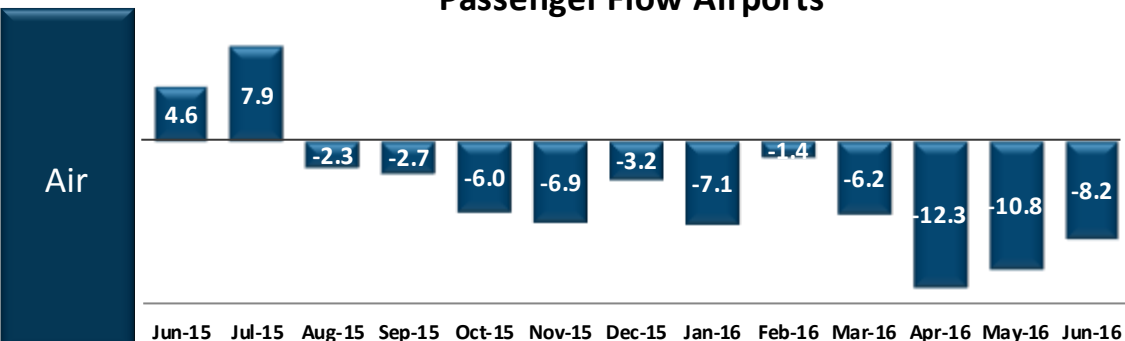
-3.6%  
(Jul+1.8%: F&B +1.4; and Retail +5.3)

## What to Expect / What are we doing about it?

- Pricing methodology, timing & cost improvements (flexibility) for 2H
- Airport rents more aligned with market reality until year end
- Cost reductions more visible as of 3Q16 (eg 2Q16 severance ~R\$5M)
- Follow-through on plans for Loss Makers (eg Presto, rest of Brazil portfolio rationalization)
- Market share and SSS pressure (more competition and less # tickets)
- Further progress on levers: OPEX (Pilots, menu engineering), Cost (Purchasing) and controls (ZBB)
- New retail assortment in place
- Group sales team in place
- Analysis store-by-store started in Miami

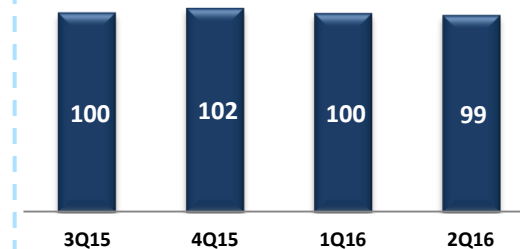
% Changes YoY

## Passenger Flow Airports

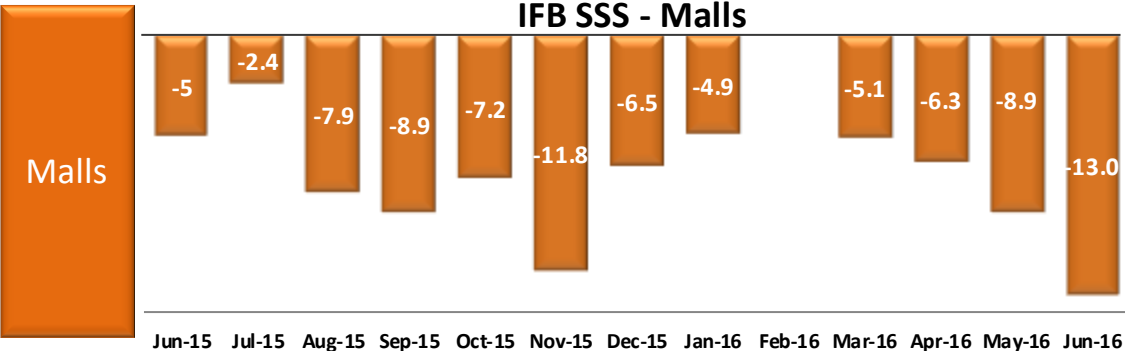


Base = 100

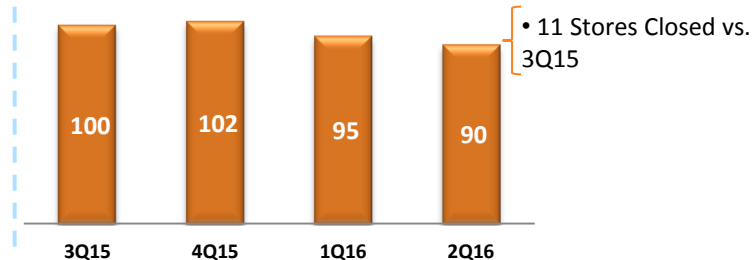
## Air Market Share



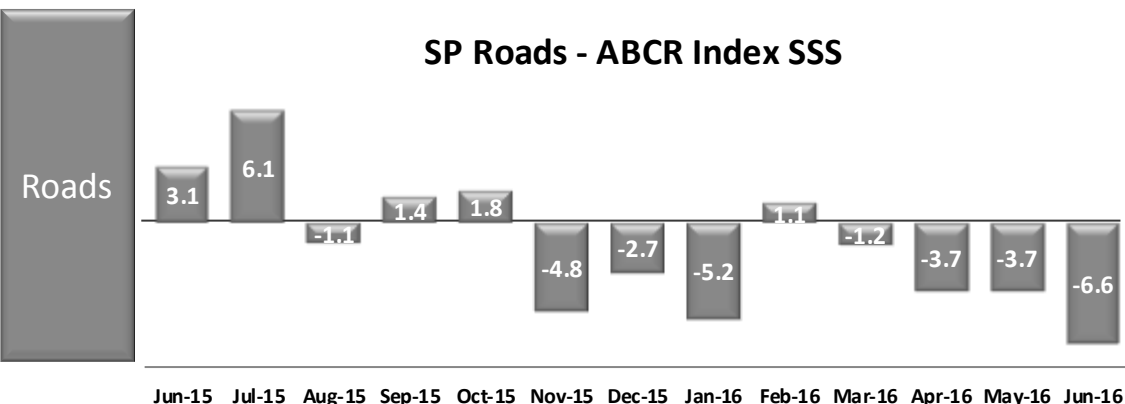
## IFB SSS - Malls



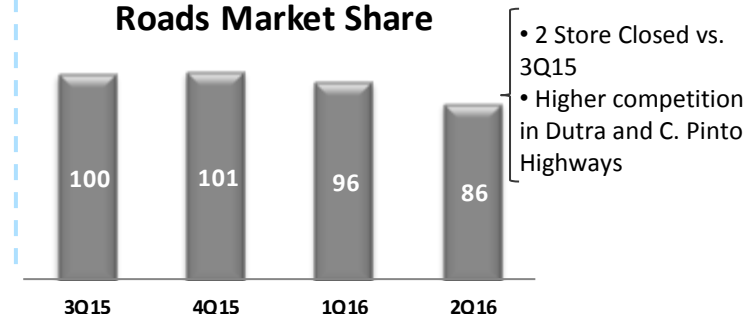
## Malls Market Share



## SP Roads - ABCR Index SSS



## Roads Market Share



1) Airports passenger variation relates to GRU, CNF, CGH, PLU, GAL, SSA, SDU, REC, VCP, BSB, POA (wo. POA since Sep/15), data informed by Infraero and Airport Administrators.

2) Variation of number of transactions reported by IFB – Instituto Food & Service Brazil.

3) Associação Brasileira de Concessionárias de Rodovias - ABCR Index of vehicles traffic variation compiled from representative highway concession sector.

4) IMC Market Share - % of food purchases (using credit/debit cards), considering the markets where the company operates weighted by sales volume

## Airport Contracts

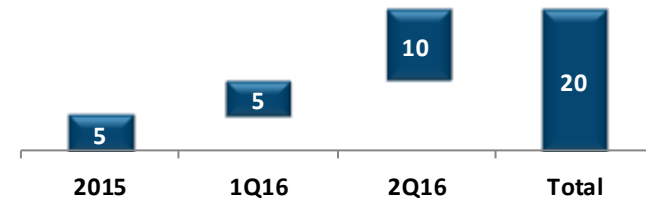
### New Airport agreements: Guarulhos, Brasilia and Confins

- ✓ Guarulhos
  - ✓ Contracts length maintained (most: 2023-24)
  - ✓ Rents better reflect current market dynamics
  - ✓ 25 Stores in total (from current 29)
  - ✓ Refurbish stores, improve operational performance
- ✓ Brasilia
  - ✓ Contracts length extended until 2026
  - ✓ Rents better reflect current market dynamics
  - ✓ 16 Stores in total (from current 11, including 8 new kiosks – at the *Air Side*)
- ✓ Confins
  - ✓ Relevant exposure for food and beverage offering at the new terminal's Air Side for 10 years
  - ✓ New concept offerings (e.g. bar, grab & fly, self-service restaurant, snack bar) in 3 different areas
  - ✓ Catering contract - extended for 10 years

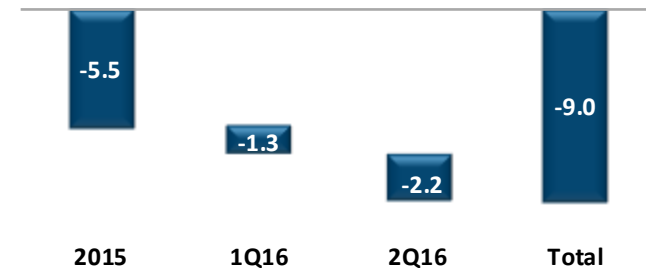
Strengthening the partnerships between IMC and key airport Operators; while more accurately reflecting current market dynamics

## Loss Makers

### Stores Closed



### Contribution Margin in 2015



Since the Company started the loss-making store program, 20 were closed (represented -R\$9M CM in 2015)

## S&OP and Purchasing Projects

(ATKearney as consultants)

### Expected Results

#### S&OP



#### Centralized Planning - Sales, inventories and operations:

- ✓ Higher demand predictability:
- ✓ Optimized inventories / lower inventory days
- ✓ Lower losses & waste
- ✓ Lower stockouts (missed sales)
- ✓ Improved menu management and substitute products
- ✓ Improved quality and product freshness
- ✓ Reduced food cost

#### Purchasing

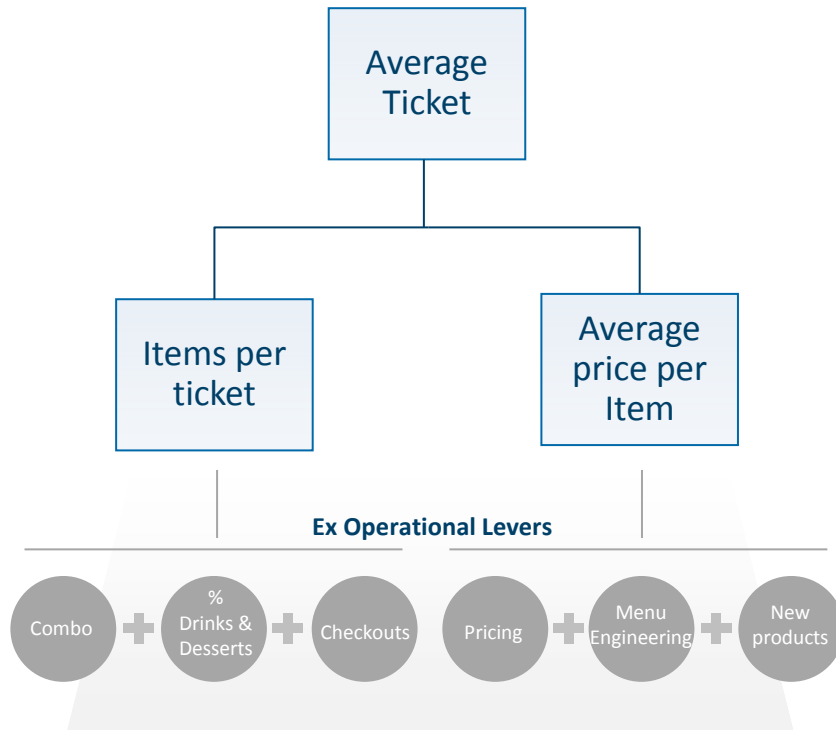


#### Strategic Sourcing:

- ✓ Better negotiation terms
- ✓ Simplified contracts
- ✓ Higher demand predictability
- ✓ Identification of correlated opportunities with suppliers
- ✓ Reduced purchasing cost

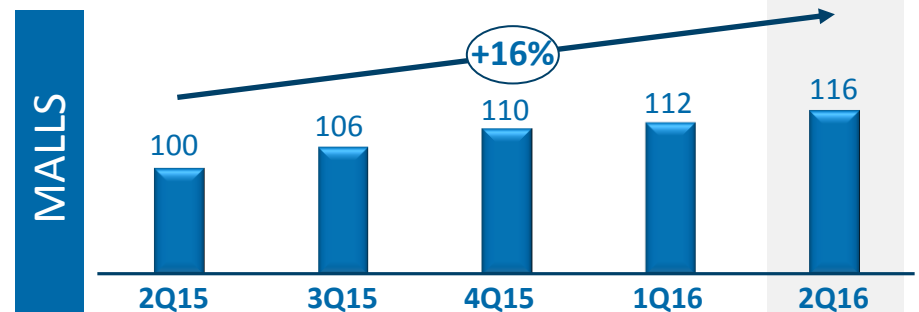
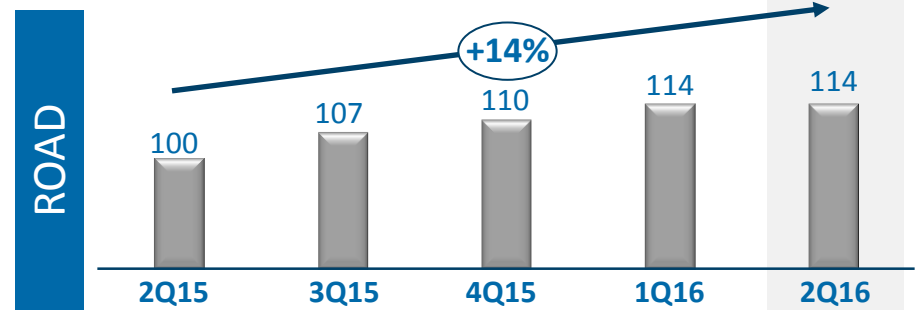
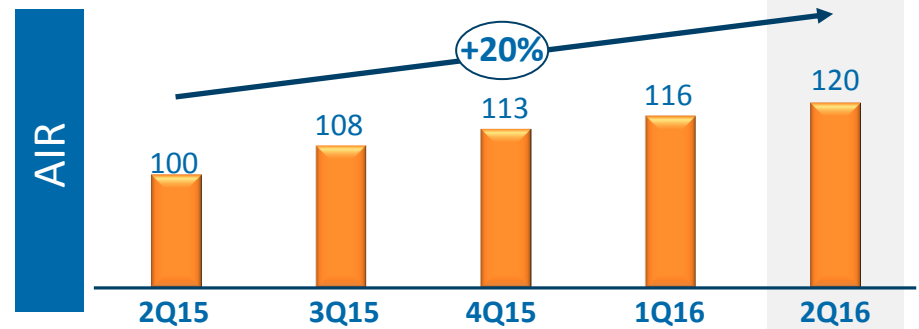


## Revenue Management



Improving the average ticket to partially offset the decrease in the number of tickets

## Average Ticket Trend by Segment



## Viena Express Pilot – Shopping Iguatemi

- ✓ Key Focus areas:
  - ✓ Consumer satisfaction (gastronomy, ambiance, speed of service), drinkability and dessert ratios
- ✓ Major changes:
  - ✓ Improved consumer flow
  - ✓ Reduced time at checkout → smaller lines at peaks
  - ✓ New assortment and planogram for drinks & desserts → improved exposure, higher sales
  - ✓ Innovative, diversified lunch menu with different cycles – new utensils and equipment.
  - ✓ Different menus by day part
  - ✓ Introduction of new categories (alcoholic beverages, 'Take-away', bomboniere)
  - ✓ New Look & Feel, modernizing brand and concept

### Beverages and Desserts Displays

Before



After



### New Equipment + Utensils

Before



After



- Introduced over 60 changes
- Disciplined approach to map tests and measure results
- Aim to achieve reasonable basis to design a roll-out plan by year-end (ROIC dependent)

## Viena Express Pilot – Shopping Iguatemi

### Test Example: Queuing time

Viena Express Iguatemi

Last Update: Jul/15

Category: Layout

Analysis period: Jul/04-15

Status: Concluded



#### Objective

- Queuing time reduction
- New products/concepts proper display  
→ improve sales

#### Pilot Description

##### Contemplate all layout changes

- Checkout position change
- To-go offering introduced
- Grill station enhanced
- 2<sup>nd</sup> cooler introduced
- Hot and cold plates separation

#### Data source

- In-store cameras

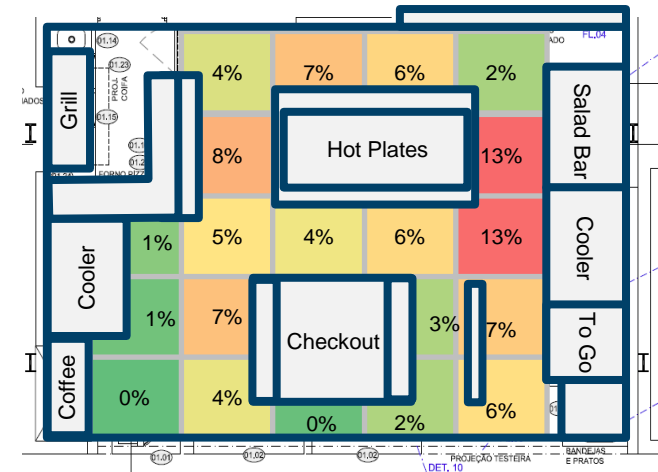
#### Conclusions

- Average queuing time is below target
- The client spends 17% of its time in areas without product offering (e.g.: waiting between the salad bar and the hot plate buffet or waiting before the checkout)
- Biggest layout bottleneck is the salad bar
- Checkout is not a bottleneck

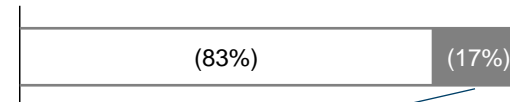
#### Next steps

- Reposition the To-go offering including cold options
- Eliminate the coffee station
- Extend the salad bar, while moving the cooler closer to the store entrance

#### % share of time spent inside the store



#### Average time spent inside the store



Time spent in areas without any product offering

## Frango Assado Mini Market Pilot (Category Management) – Caieiras

- ✓ Key Focus areas:
  - ✓ Consumer satisfaction (assortment, ambiance), mini-market share of business, # items/ticket
- ✓ Major changes:
  - ✓ Improved consumer flow
  - ✓ New Look & Feel → improved visibility (shelves and displays up to 4ft high, 100% standardized)
  - ✓ Adjusted assortment & planogram (12 categories):
    - ✓ Focus on higher selling products
    - ✓ Introduced 4 new categories (hygiene & beauty, barbecue, winery, and pet)
    - ✓ Brought in 185 new products, exiting 220
    - ✓ Introduced promotional displays (specific products negotiated with suppliers)
  - ✓ Implemented single-line, higher product exposure at checkout → Reduced time and higher sales

Before



After



- Disciplined approach to map tests and measure results
- Launch Caieiras F&B pilot until year-end → ROIC by major pocket of change (eg mini-market vs bakery) will drive comprehensive roll-out roadmap

## Frango Assado “Ownership at all levels” Pilot – Caieiras

### ✓ Organization Structure & Design:

- ✓ 21 → 13 positions, HC -5% (to be adapted store-by-store as we roll-out)
- ✓ 1-pager for each position (job description, priorities, KPI's, required training)
- ✓ Clear remuneration policy

### ✓ Performance Evaluation System:

- ✓ 5 → 1 monthly operational audit report (by priority, “what good looks like”)
- ✓ Performance evaluation checklist and report by position
- ✓ Standard cascading process to align goals for all personnel

### ✓ Training:

- ✓ 85% theoretical → 20% theory/80% on-the-job
- ✓ Dedicated technical certification program for managers
- ✓ Training certification diploma through actual achievement of objectives (all)

### ✓ Performance-based Reward System:

- ✓ Monthly rewards performance-based (meritocracy, clear aligned individual goals)
- ✓ Positions covered: 29% → 100% (HC: 54% → 100%), based on CM achievement
- ✓ Incentivize over-delivery: variable pay escalates as CM performance improves

### ✓ Routines & Processes:

- ✓ Clear and simple 1st & 2nd priority activity by workstation
- ✓ HC positioning guide (visual dashboard); standard floor plan (activities map, HC based on demand curve and day-part, upfront planning for idle time & breaks), Manager routine prioritization map (customer's view)

### Key Objectives:

#### ➤ Owner behavior of restaurant associates:

- ✓ Highly incented to perform (aligned meritocracy)
- ✓ Clearly understand what is expected
- ✓ Effectively hired and trained

#### ➤ Systematic operational approach:

- ✓ Processes, routines, audits, monitoring

- Disciplined approach → success measured by impact on sales, CM and employee motivation & turn-over
- Next: Viena Deli, roll-out plan for Frango Assado and Viena

## Viena Delivery Pilot

- ✓ Objective: Develop a comprehensive delivery prototype for future roll-out



- ✓ Phases (Tests):
  - ✓ Simulated Demand → menu, packaging and logistics
  - ✓ Soft Opening → target audience, potential demand
  - ✓ Grand Opening → volume, demand generation actions and call center effectiveness

Benchmarks indicate delivery can represent 15-20% of restaurant sales

## New Concepts

### Launched in 1H16

- ✓ Grab 'n' Fly Kiosks (GRU)
- ✓ Sports Bar (GRU)
- ✓ Espresso Mineiro (CNF)

### To be Launched in 2H16

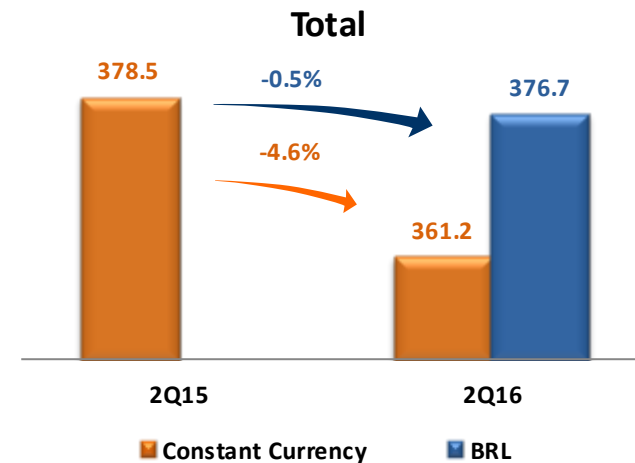
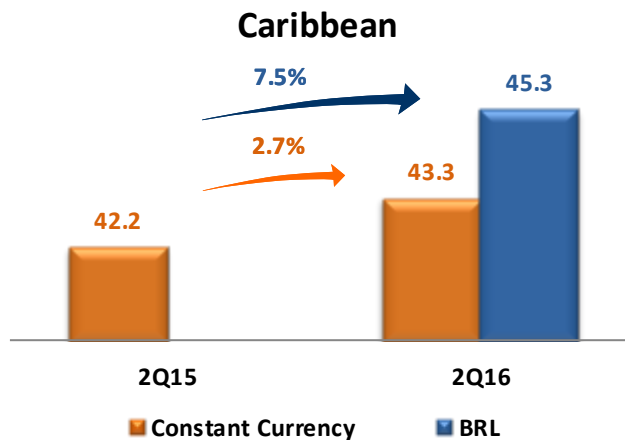
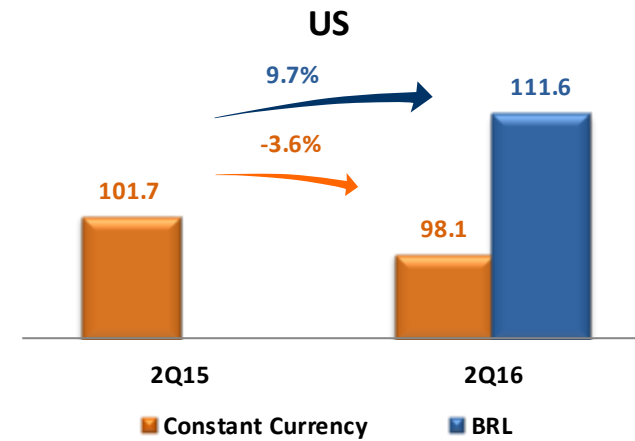
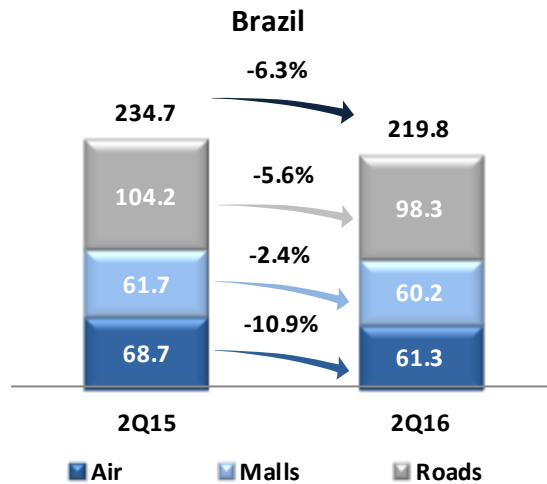
- ✓ Viena Delicatessen Flagship Store (Malls)
- ✓ Olive Garden (Malls)
- ✓ Brunella

ROIC analysis will drive potential roll-out roadmap per concept and brand

NUMBER OF STORES (end of period)	2Q16	4Q15	2Q15	YTD		YoY	
				Var. (%)	Var. (#)	Var. (%)	Var. (#)
<b>Brazil</b>	<b>204</b>	<b>218</b>	<b>232</b>	<b>-6.4%</b>	<b>-14</b>	<b>-12.1%</b>	<b>-28</b>
<i>Air</i>	<i>59</i>	<i>62</i>	<i>73</i>	<i>-4.8%</i>	<i>-3</i>	<i>-19.2%</i>	<i>-14</i>
<i>Roads</i>	<i>28</i>	<i>29</i>	<i>30</i>	<i>-3.4%</i>	<i>-1</i>	<i>-6.7%</i>	<i>-2</i>
<i>Shopping Malls</i>	<i>117</i>	<i>127</i>	<i>129</i>	<i>-7.9%</i>	<i>-10</i>	<i>-9.3%</i>	<i>-12</i>
<b>USA</b>	<b>18</b>	<b>16</b>	<b>16</b>	<b>12.5%</b>	<b>2</b>	<b>12.5%</b>	<b>2</b>
<b>Caribbean</b>	<b>49</b>	<b>47</b>	<b>51</b>	<b>4.3%</b>	<b>2</b>	<b>-3.9%</b>	<b>-2</b>
<b>Total Number of Stores</b>	<b>271</b>	<b>281</b>	<b>299</b>	<b>-3.6%</b>	<b>-10</b>	<b>-9.4%</b>	<b>-28</b>

- Net decrease of 28 stores vs. 2Q15, of which: 28 in Brazil (14 in Airports, 2 in Roads and 12 in Malls), 2 in the Caribbean and two stores opened in the US
- YTD, 14 stores closed in Brazil (3 in Airports, 1 in Roads and 10 in Malls); 2 stores opened in the Caribbean and 2 in the US
- Rigorous analysis process for opening new stores in order to prioritize sustainable growth
  - In April 2016, 3 new concepts launched in Brazil (Airports): Grab & Fly Kiosks and a Sports Bar (both in Guarulhos); Full-fledged Premium Coffee Shop in Confins
  - In June, 2 pilot stores were launched in Brazil: one Viena Express and one Frango Assado - both already existing stores

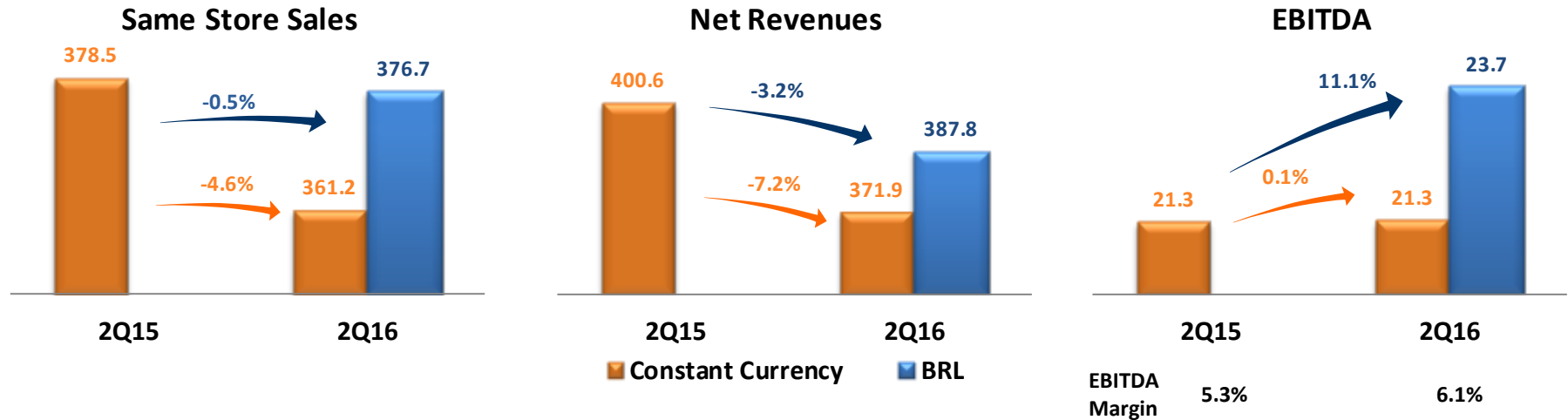
In R\$ Million



- Consolidated SSS was down 0.5% (-4.6% in constant currency) in 2Q16 vs. 2Q15, driven by:
  - Brazil -6.3%: Roads -5.6%, Air -10.9% and Malls (-2.4%)
  - USA +9.7% (-3.6% in constant currency)
  - Caribbean +7.5% (2.7% in constant currency)



In R\$ Million



Same Store Sales: -4.6% YoY in constant currency

- Brazil: down 6.3% → Roads (-5.6%), Air (-10.9%) and Malls (-2.4%)
- US: down 3.6% in constant currency and +9.7% in BRL
- Caribbean: up 2.7% in constant currency and +7.5% in BRL

Net Revenues:

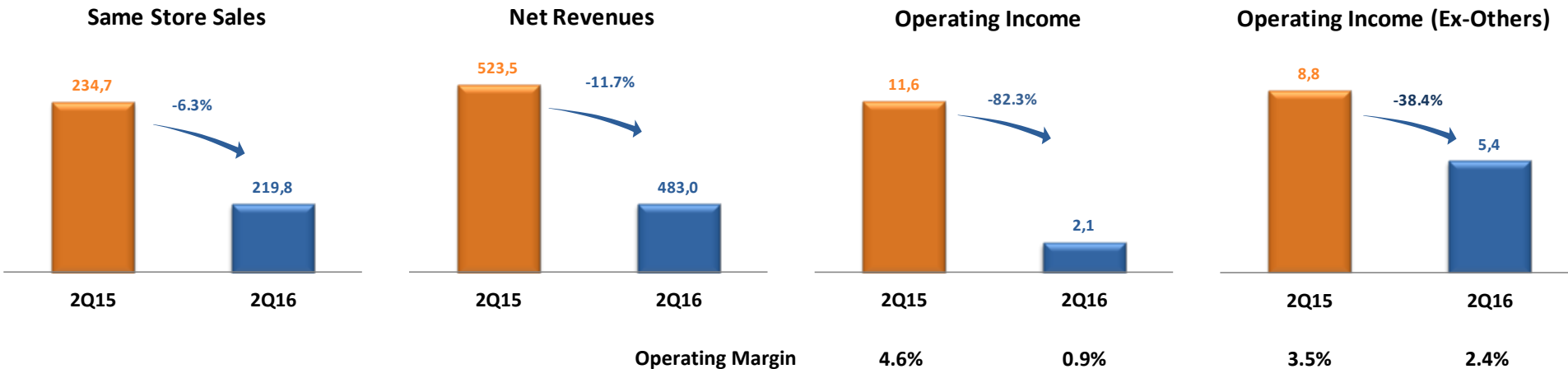
- Down 7.2% in constant currency → net reduction of 28 stores YoY

EBITDA<sup>1</sup>: +R\$0.02mn (or +0.1%) in constant currency

- Brazil: down R\$9.6mn → Roads (-R\$3.1mn), Air (+R\$0.3), Malls (+R\$0.8mn), G&A(-R\$7.5MM – incl. “others”)
- US: down R\$1.7mn
- Caribbean: up R\$6.5mn
- Holding expenses<sup>2</sup>: down R\$4.7mn

<sup>1</sup>Before Special Items; <sup>2</sup>Not allocated to the segments or countries;

In R\$ Million



#### Same Store Sales:

- Brazil: down 6.3% → Roads (-5.6%), Air (-10.9%) and Malls (-2.4%)
- Higher average ticket (+12% - 16% from: pricing, menu engineering, assortment and mix, etc.) mitigated the pressure from the adversities in Brazil (lower passenger flow in airports, lower spending in malls and lower traffic in roads)

#### Net Revenues:

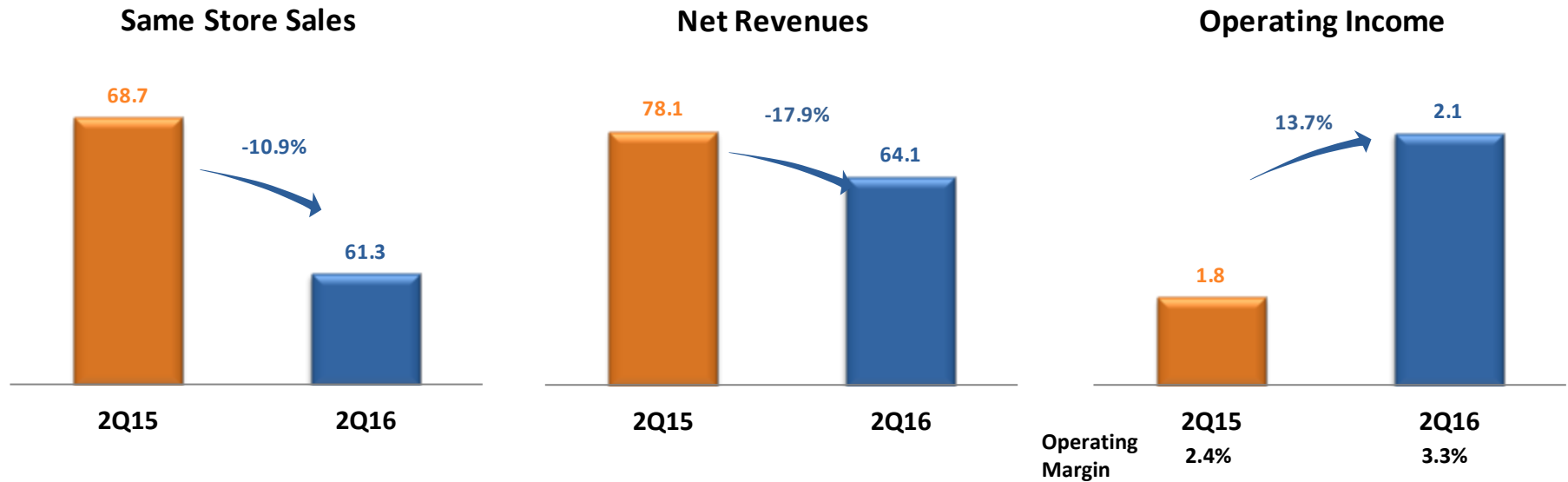
- Down 6.4% → low same store sales growth + net reduction of 28 stores YoY

#### Operating Income<sup>1</sup>:

- Down 82% (margins down 370bps) -R\$9.6mn YoY (from -R\$13.4mn in 1Q16) → i) -R\$6.2mn in other expenses (impacted by R\$5M in severance expenses in 2Q16, vs. reversions in 2Q15) ii) -R\$11.7 mn due to inflation, offset by pricing (R\$13.6mn); iii) -R\$23.9mn from lower volumes, partially offset by headcount adjustments (+R\$12.5mn) and higher productivity (+6.1 mn)

<sup>1</sup>Before Special Items

In R\$ Million



## Same Store Sales: -10.9%

- Higher average ticket (+20% last-twelve months from: pricing, menu engineering, assortment and mix, etc.) mitigated the pressure from lower passenger flow in airports of -10.4% YoY and reduced catering demand from airlines

## Net Revenues:

- Down 17.9% → negative same store sales + net reduction of 14 stores YoY

## Operating Income<sup>1</sup>:

- Up 14% (margins up 90bps at 3.3%) +R\$0.3mn YoY (from -R\$2.6mn in 1Q16) → i) -R\$5.1mn due to inflation, partially offset by pricing (R\$3.0mn); ii) -R\$8.5mn from lower volumes, offset by headcount adjustments (+R\$7.2mn) and higher productivity (+3.7mn)
- Excluding rent expenses → Operating Margin = 22.5% (+280bps)

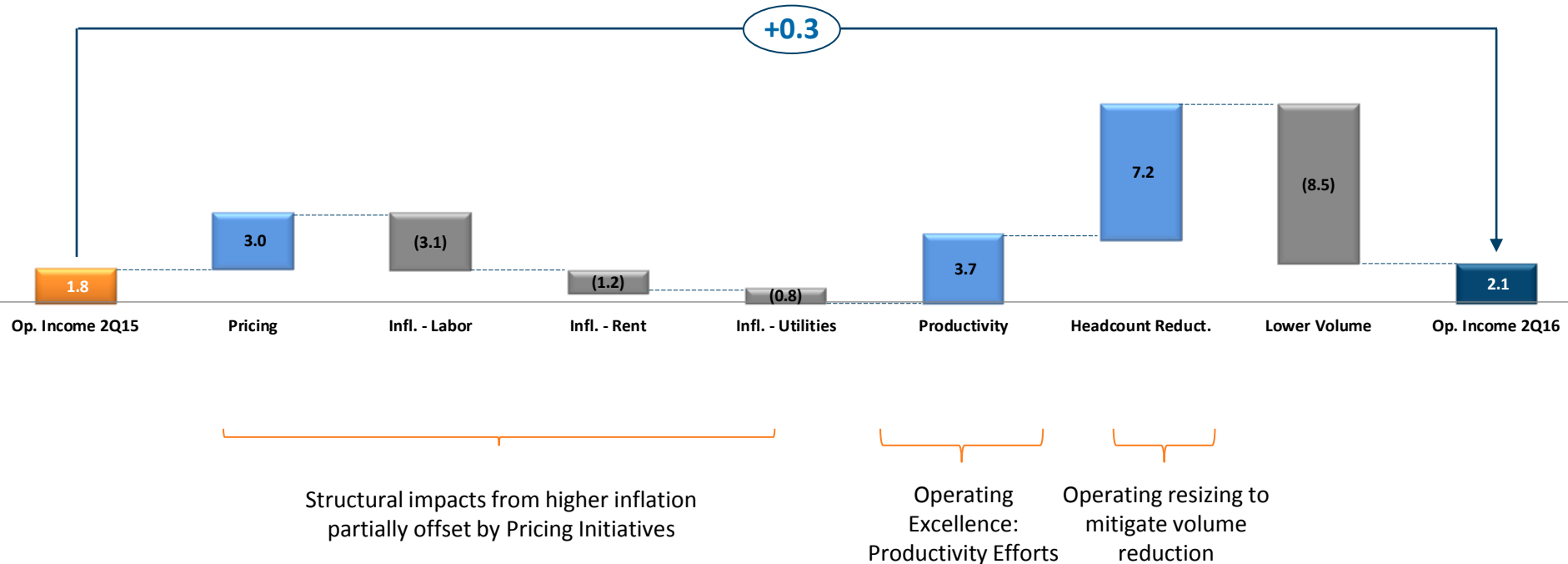
<sup>1</sup>Before Special Items and other

In R\$ Million

Operating Income YoY Change +R\$0.3mn (from -R\$2.6mn in 1Q16) :

- -R\$5.1mn due to inflation, partially offset by pricing (R\$3.0mn)
- -R\$8.5mn from lower volumes, offset by headcount adjustments (+R\$7.2mn) and higher productivity (+3.7mn)

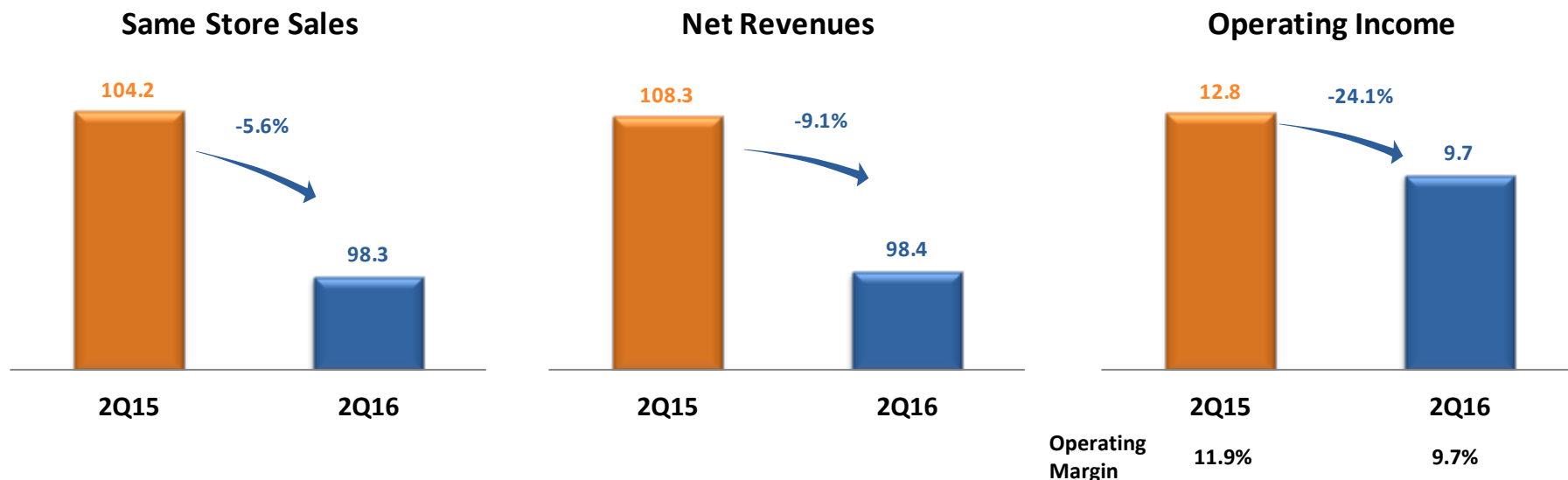
Excluding rent expenses → Operating Margin = 22.5% (+280bps)



## Levers

- Lease agreements negotiations
- Operational excellence
- New stores and concepts → (Grab & Fly Kiosks, Sports Bar, Premium Coffee Shop)

In R\$ Million



## Same Store Sales: -5.6%

- Higher average ticket (+14% last-twelve months from: pricing, checkout category management, assortment and mix, etc.) mitigated by the pressure lower traffic in roads -4.7% YoY and higher competition

## Net Revenues:

- Down 9.1% → lower same store sales + net reduction of 2 store YoY

## Operating Income<sup>1</sup>:

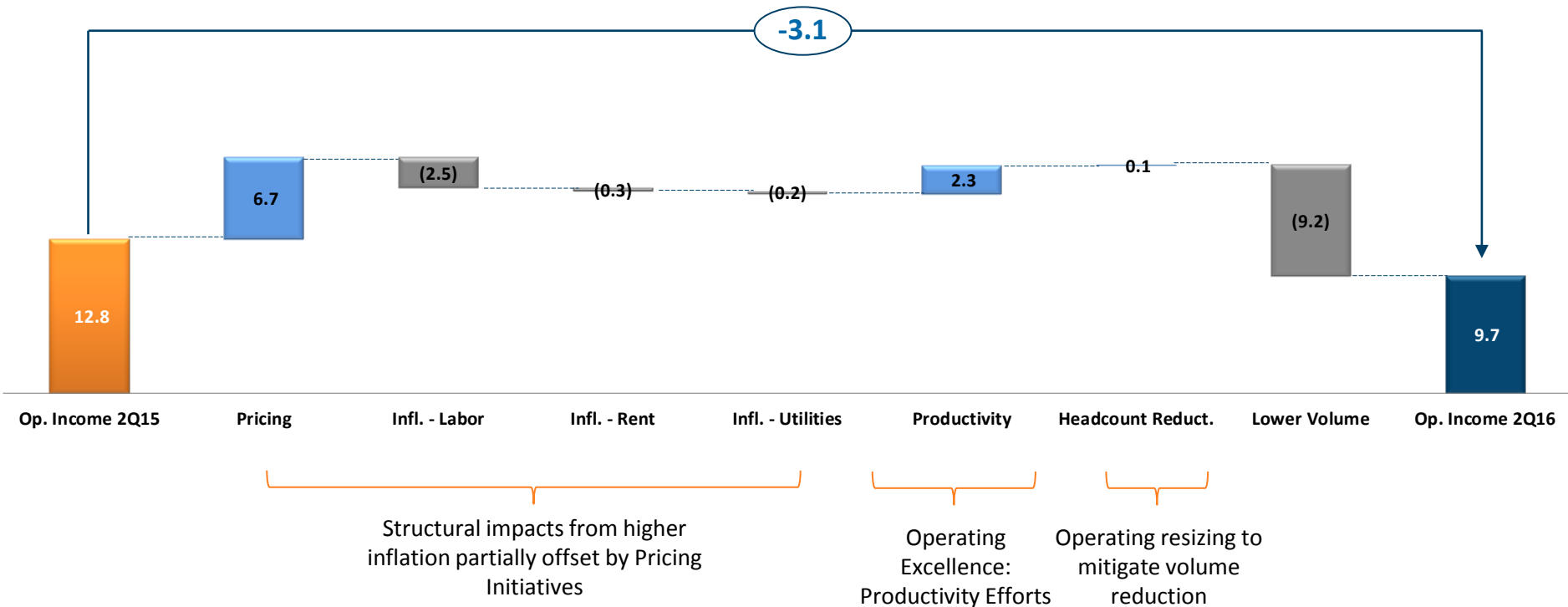
- Down 24.1% (margins down 190bps) -R\$3.1mn YoY (from -2.2mn in 1Q16) → i) -R\$3.0mn due to inflation, offset by pricing (R\$6.7mn); ii) -R\$9.2mn from lower volumes, partially offset by headcount adjustments (+R\$0.1mn) and higher productivity (+2.3mn)

<sup>1</sup>Before Special Items and other

In R\$ Million

Operating Income YoY Change: -R\$3.1mn YoY

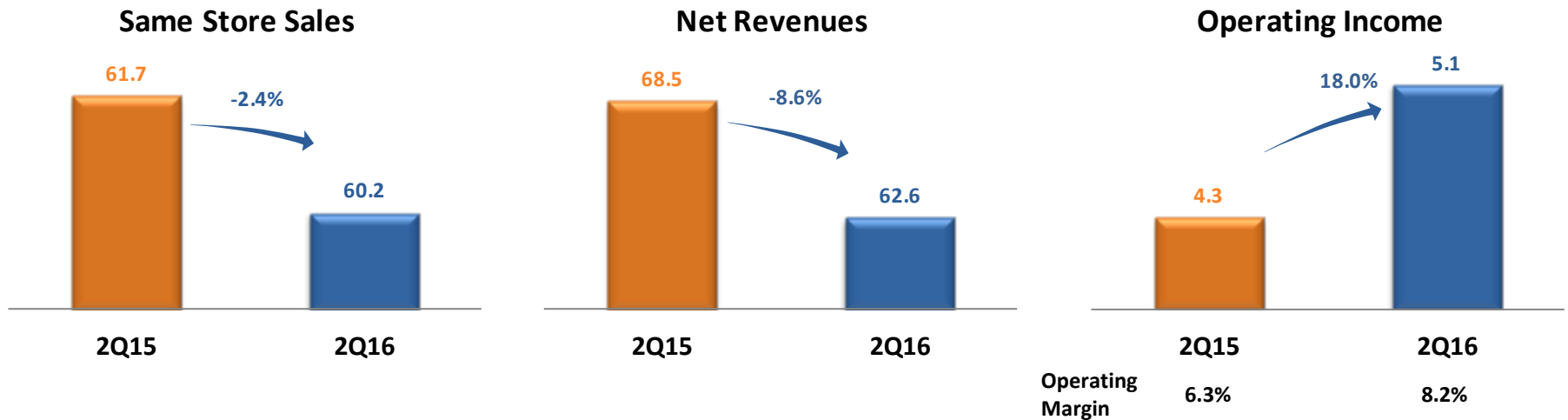
- -R\$3.0mn due to inflation, offset by pricing (R\$6.7mn)
- -R\$9.2mn from lower volumes, partially offset by headcount adjustments (+R\$0.1mn) and higher productivity (+2.3mn)



## Levers

- Mini-market pilot store implemented (including human resources)
- Food & Beverage pilot to be implemented
- Focus on operational excellence

In R\$ Million



## Same Store Sales: -2.4%

- Higher average ticket (+12% last-twelve months from: pricing, menu engineering, product assortment and mix, improved drinkability and desserts ratios, etc.) mitigated the pressure from a softer macroeconomic scenario in Brazil

## Net Revenues:

- Down 8.6% → negative same store sales + net reduction of 12 stores YoY

## Operating Income<sup>1</sup>:

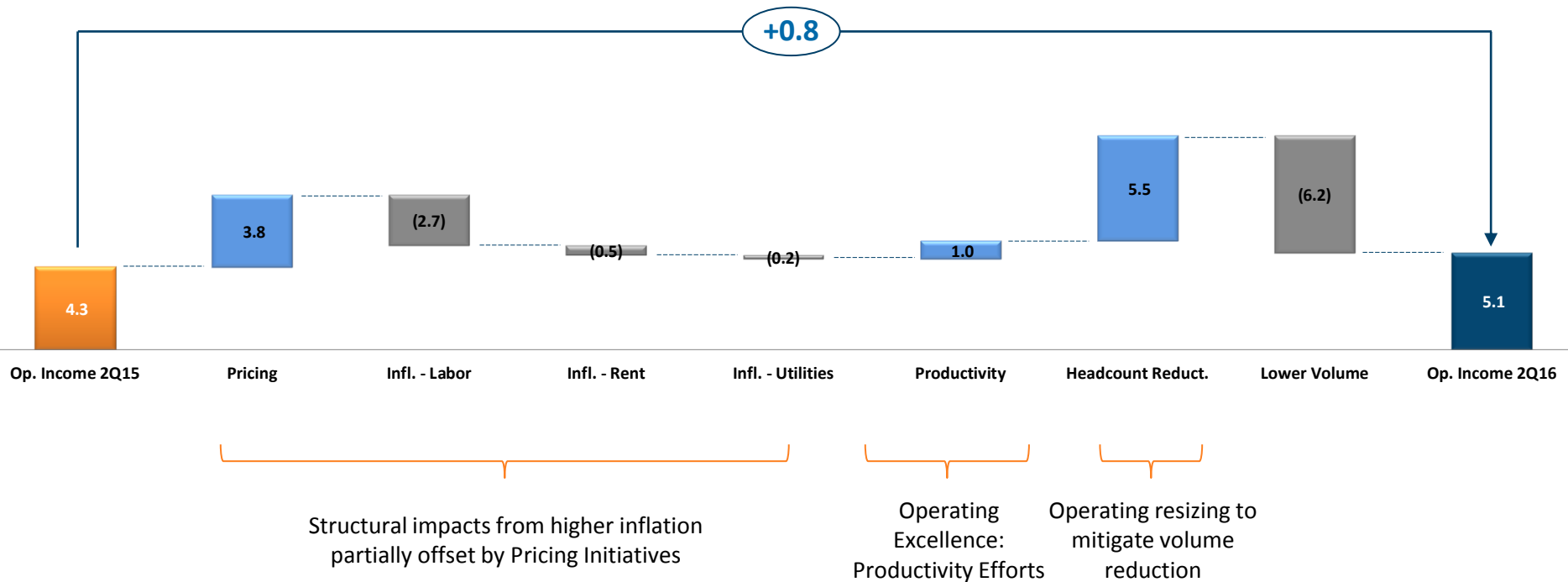
- Up 18.0% (margins up 180bps) +R\$0.8mn YoY (from -R\$3.7mn in 1Q16) → i) -R\$3.4mn due to inflation, offset by pricing (R\$3.8mn); ii) -R\$6.2mn from lower volumes, more than offset by headcount adjustments (+R\$5.5mn) and higher productivity (+R\$1.0mn)

<sup>1</sup>Before Special Items and other

In R\$ Million

Operating Income YoY Change: +R\$0.8mn YoY (from -R\$3.7mn in 1Q16) :

- -R\$3.4mn due to inflation, offset by pricing (R\$3.8mn)
- -R\$6.2mn from lower volumes, more than offset by headcount adjustments (+R\$5.5mn) and higher productivity (+R\$1.0mn)



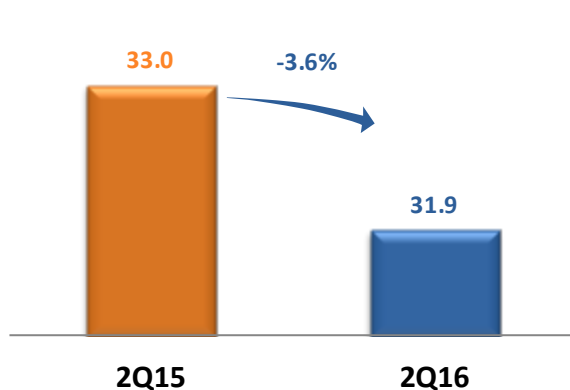
## Levers

- Further adjustments of the malls portfolio (store closures and focus on fewer brands)
- Improved customers' experience with stores' refurbishment and rebranding, as well as new concept stores
  - Viena Express pilot store launched; Olive Garden and Viena Delicatessen pilot stores to be launched in 2H16
- Operating excellence

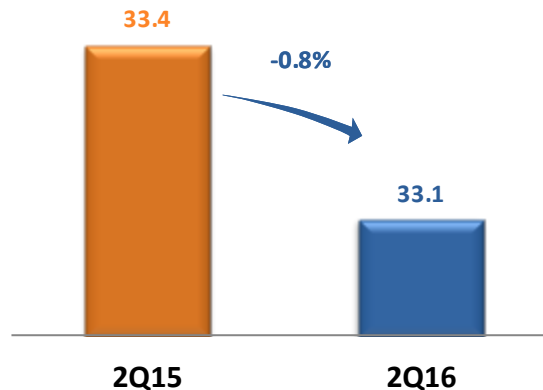


In US\$ Million

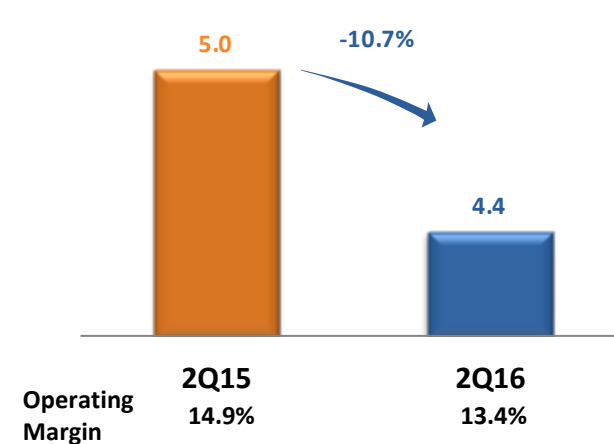
## Same Store Sales



## Net Revenues



## Operating Income



## Same Store Sales: -3.6%

- Same Store Sales will be the focus of the recently appointed new management with defined strategies to revert the trend in the short-term as well as to sustain healthy levels in the long-term → July YoY SSS = +1.8%, from -3.6% in 2Q16

## Net Revenues:

- Roughly stable (-0.8%) → negative same store sales + opening of 2 new stores

Operating Income<sup>1</sup>: -10.7% | -US\$0.5mn

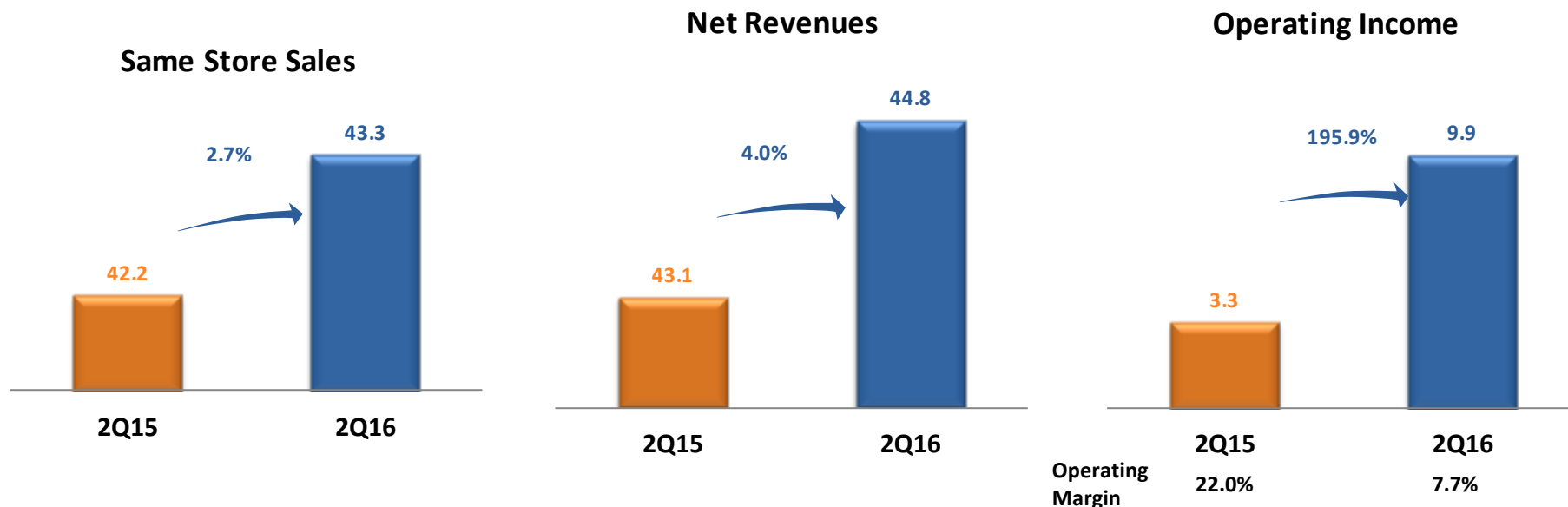
- US\$0.3 million in lower sales, combined with -US\$0.1mn in lower equity income, -US\$0.1mn in other expenses, utilities (+40bps), pre-opening expenses (+40bps), partially offset by +US\$0.1mn in lower personnel expenses (direct labor + G&A) and lower rent (+20bps)

## Perspectives:

- Focus on SSS:
  - Short-term: suggestive sales & pricing → July YoY SSS = +1.8% total | +1.4% F&B and +5.3% Retail
  - Mid/Long-Term: menu engineering, group-sales
- Operating excellence:
  - Stricter control on food costs (theoretical vs. actual food cost)

<sup>1</sup>Before Special Items

In R\$ Million – Constant Currency



Same Store Sales: 2.7% (still under pressure)

- Improved sales and average ticket

Net Revenues:

- Up 4.0%, SSS mitigated by the closing of 2 stores vs. 2Q15

Operating Income<sup>1</sup>: +196% YoY | +R\$6.5mn / +1,430bps

- +R\$1.7 million in higher sales, combined with +90bps in Labor (including G&A), +330bps in productivity (food cost) and +100 bps in rent, +790 bps (+R\$3.4M) in other revenue, partially offset by store pre-opening expenses

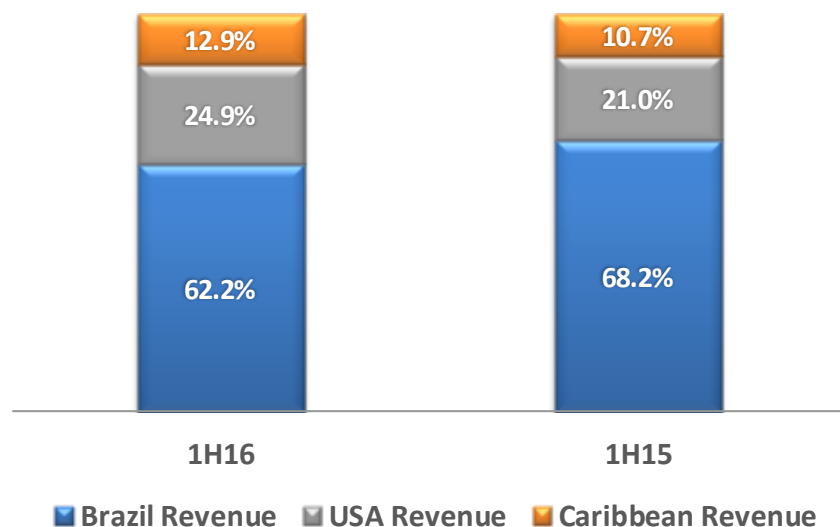
Perspectives:

- Continued Focus on SSS and efficiency to sustain margin levels
- Selective store expansion
- Operating excellence

<sup>1</sup>Before Special Items; All figures in constant currency with respect to the same period from prior year

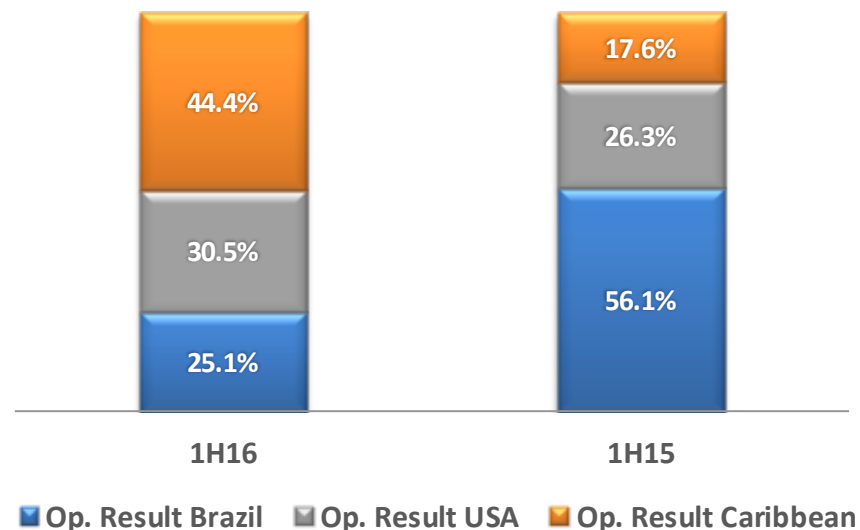
## Net Revenue

(% of the total)



## Operational Result (pre holding)

(% of the total)



- Lower share of revenues from Brazil due to: i) lower revenues in the region (store closures + lower SSS); ii) higher sales in the Caribbean; and iii) the positive impact from FX in the US and Caribbean figures (in R\$)
- Lower volumes and higher inflation (that pressured costs) in Brazil also reduced country's share on operating result

(R\$ million)	2Q16	2Q15	2016	2015
<b>Adjusted EBITDA</b>	<b>23.7</b>	<b>21.3</b>	<b>42.3</b>	<b>48.6</b>
<i>Adjusted EBITDA Margin</i>	<i>6.1%</i>	<i>5.3%</i>	<i>5.4%</i>	<i>6.3%</i>
Special Items	(3.0)	(5.7)	(4.5)	(5.7)
D&A and Write-offs	(23.9)	(26.2)	(49.5)	(50.4)
Financial Result	9.2	(11.9)	(12.5)	(25.5)
Income Taxes	(5.7)	3.5	(3.0)	7.7
<b>Net Income</b>	<b>0.2</b>	<b>(19.0)</b>	<b>(27.2)</b>	<b>(25.2)</b>
<i>Net Margin (%)</i>	<i>0.0%</i>	<i>-4.7%</i>	<i>-3.5%</i>	<i>-3.3%</i>

- Special Items totaled R\$3.0mn in 2Q16, related to the Company's stock option plan
- Non-cash positive impact on financial results of R\$8.3 million due to the reversion of accrued interests expense as a consequence of the renegotiation of rights over point of sales payables (Brasilia Airport)  
➔ excluding this impact, net financial income would total R\$0.9 million, compared to a net financial expense of R\$11.9 million in 2Q15

EBITDA Reconciliation to Operating Cash Flow (R\$ Million)	2Q16	2Q15	Var. (%)	2016	2015	Var. (%)
<b>EBITDA</b>	<b>20.6</b>	<b>15.6</b>	<b>32.1%</b>	<b>37.8</b>	<b>43.0</b>	<b>-12.1%</b>
(+/-) Other Non-Cash Impact on IS	10.4	11.6		19.9	15.6	
(+/-) Working Capital	(8.9)	7.4		(15.8)	2.8	
(-) Paid Taxes	(1.4)	(1.8)		(3.1)	(3.5)	
<b>Operating Cashflow</b>	<b>20.7</b>	<b>32.9</b>	<b>-37.0%</b>	<b>38.7</b>	<b>57.9</b>	<b>-33.2%</b>
<b>Operating Cashflow / EBITDA</b>	<b>100.4%</b>	<b>210.4%</b>		<b>102.4%</b>	<b>134.7%</b>	

- EBITDA-to-Cash ratio reached 100.4% in 2Q16 from 210.4% in 2Q15, partially impacted by payments (- R\$5.0mn on working capital) related the renegotiation of rights over point of sales that also impacted Capex

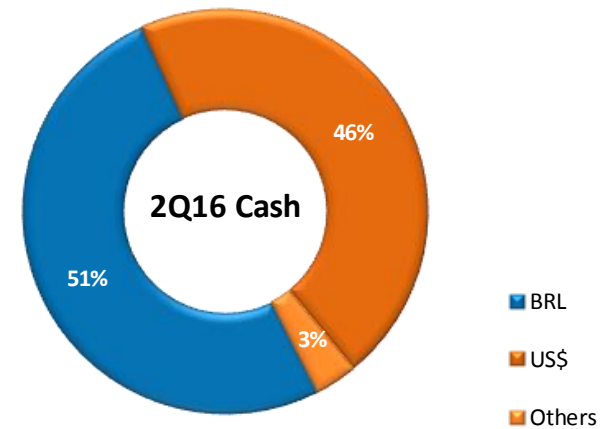
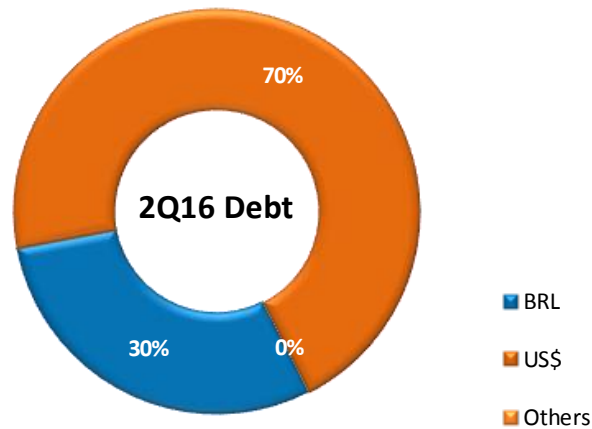
Cash Flow Summary (R\$ million)	2Q16	2Q15	2016	2015
<b>Operating Cashflow</b>	<b>20.7</b>	<b>32.9</b>	<b>38.7</b>	<b>57.9</b>
(-) Paid Interests	(5.4)	(11.3)	(15.0)	(22.7)
(-) Capex	(46.3)	(11.4)	(62.0)	(25.7)
Fixed Assets Addition	(16.1)	(8.4)	(28.8)	(18.7)
Intangible Assests Addition	(30.2)	(2.9)	(33.2)	(7.0)
(-) Payment from previous acquisitions	(0.1)	(12.9)	(78.3)	(24.9)
(+ / - ) Investing Activities	(29.3)	(1.8)	(44.8)	(0.9)
(+ / - ) Assets Sales Proceeds and Other	(14.0)	1.8	128.4	3.4
(+/-) Cash from discontinued operations	0.0	5.1	0.0	17.1
<b>Cash Net Change in Period</b>	<b>(74.4)</b>	<b>2.4</b>	<b>(33.0)</b>	<b>4.2</b>

Total debt amortization (R\$ million)	2Q16	2Q15	2016	2Q15
Acquisitions, net of cash (Sellers Financing)	(0.1)	(12.9)	(78.3)	(24.9)
New Loans	1.3	11.3	1.3	13.8
Loan Amortization	(22.3)	(13.1)	(84.2)	(14.6)
<b>Total debt amortization</b>	<b>(21.0)</b>	<b>(14.7)</b>	<b>(161.1)</b>	<b>(25.8)</b>

Negative R\$74.4mn cash flow in the quarter mostly impacted by:

- R\$46.3mn in Capex that includes payments related to the renegotiation with BSB (rights over point of sales – already booked in the balance sheet)
- Investment activities (R\$29.3mn: -R\$8.3mn [share buy-back program], -R\$22.3mn [loan amortization], +R\$1.3mn [new loan])
- FX impact on cash (-R\$17mn), included in the “Assets Sales Proceeds and Other” line

<i>R\$ million</i>	<b>2Q16</b>	<b>1Q16</b>	<b>4Q15</b>
Debt	209.8	248.3	329.2
Financing of past acquisitions	10.2	10.7	100.2
Point of Sales rights	0.0	51.9	52.6
<b>Total Debt</b>	<b>220.0</b>	<b>310.9</b>	<b>482.0</b>
(-) Cash	-261.7	-336.1	-289.4
<b>Net Debt</b>	<b>(41.7)</b>	<b>(25.2)</b>	<b>192.6</b>



- R\$234.3mn Net Debt reduction YTD, mostly due to the Capital Increase and the assets sales, which were both concluded in the 1Q16

## **CEO**

Jaime Cohen Szulc

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In R\$ Million

(In R\$ million)	2Q16	2Q15	%HA	2Q16 <sup>3</sup>	% HA <sup>3</sup>	2016	2015	%HA	2016 <sup>3</sup>	% HA <sup>3</sup>
<b>Net Revenue</b>	<b>387.8</b>	<b>400.6</b>	<b>-3.2%</b>	<b>371.9</b>	<b>-7.2%</b>	<b>776.3</b>	<b>767.2</b>	<b>1.2%</b>	<b>732.9</b>	<b>-4.5%</b>
<b>Cost of Sales and Services</b>	<b>(264.7)</b>	<b>(285.8)</b>	<b>-7.4%</b>	<b>(255.6)</b>	<b>-10.6%</b>	<b>(542.0)</b>	<b>(552.3)</b>	<b>-1.9%</b>	<b>(515.0)</b>	<b>-6.8%</b>
Direct Labor	(103.8)	(107.9)	-3.8%	(99.4)	-7.9%	(206.2)	(206.9)	-0.3%	(193.3)	-6.6%
Food	(89.3)	(100.1)	-10.8%	(86.1)	-14.0%	(182.4)	(191.5)	-4.7%	(172.9)	-9.7%
Fuel and Automotive Accessories	(34.6)	(40.9)	-15.3%	(34.6)	-15.3%	(78.7)	(84.0)	-6.3%	(78.7)	-6.3%
Depreciation & Amortization	(13.9)	(14.5)	-4.3%	(13.3)	-8.8%	(29.3)	(28.8)	1.8%	(27.0)	-6.2%
Others	(23.2)	(22.5)	3.1%	(22.3)	-0.8%	(45.3)	(41.2)	9.9%	(43.1)	4.7%
<b>Gross Profit</b>	<b>123.1</b>	<b>114.8</b>	<b>7.2%</b>	<b>116.2</b>	<b>1.3%</b>	<b>234.3</b>	<b>214.9</b>	<b>9.0%</b>	<b>217.8</b>	<b>1.4%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(123.3)</b>	<b>(119.7)</b>	<b>3.0%</b>	<b>(118.0)</b>	<b>-1.4%</b>	<b>(241.6)</b>	<b>(216.6)</b>	<b>11.5%</b>	<b>(225.7)</b>	<b>4.2%</b>
Selling and Operating	(46.2)	(40.0)	15.6%	(43.3)	8.4%	(89.7)	(73.0)	23.0%	(81.3)	11.5%
Rents of Stores	(42.9)	(43.4)	-1.0%	(41.1)	-5.2%	(84.3)	(80.6)	4.5%	(79.6)	-1.3%
Store Pre-Openings	(0.9)	(1.6)	-44.5%	(0.8)	-50.4%	(1.8)	(2.0)	-13.7%	(1.5)	-26.1%
Depreciation & Amortization	(9.5)	(11.2)	-15.5%	(9.4)	-16.4%	(20.2)	(21.6)	-8.1%	(19.4)	-11.0%
Equity income result	2.6	2.5	1.5%	2.2	-11.6%	5.4	4.4	21.0%	4.4	-0.6%
Other revenues (expenses)	(3.1)	(0.1)	2056.6%	(3.1)	2047.9%	(4.3)	1.7	-350.1%	(4.3)	-350.0%
General & Administrative	(18.4)	(16.3)	12.7%	(17.8)	8.7%	(37.4)	(30.1)	24.1%	(35.1)	16.5%
Corporate (Holding) <sup>2</sup>	(4.4)	(9.1)	-52.0%	(4.3)	-52.5%	(9.3)	(15.4)	-39.8%	(8.8)	-42.8%
(+) D&A and Write-offs	23.9	26.2	-8.8%	23.1	-11.9%	49.5	50.4	-1.6%	46.4	-7.8%
(+) Special Items - Other	3.0	5.7	-	3.0	-	4.5	5.7	-20.8%	4.5	-20.8%
<b>Adjusted EBITDA</b>	<b>23.7</b>	<b>21.3</b>	<b>11.1%</b>	<b>21.3</b>	<b>0.1%</b>	<b>42.3</b>	<b>48.6</b>	<b>-13.1%</b>	<b>38.6</b>	<b>-20.7%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments and countries; <sup>3</sup> in constant currencies as of the prior year

In R\$ Million

(in R\$ million)	2Q16	% VA	2Q15	% VA	% HA	2016	% VA	2015	% VA	% HA
<b>Net Revenue</b>	<b>225.1</b>	<b>100.0%</b>	<b>254.8</b>	<b>100.0%</b>	<b>-11.7%</b>	<b>483.0</b>	<b>100.0%</b>	<b>523.5</b>	<b>100.0%</b>	<b>-7.7%</b>
Restaurants & Others	181.5	80.6%	204.6	80.3%	-11.3%	385.0	79.7%	419.9	80.2%	-8.3%
Gas Stations	43.6	19.4%	50.2	19.7%	-13.3%	98.1	20.3%	103.5	19.8%	-5.3%
<b>Cost of Sales and Services</b>	<b>(172.5)</b>	<b>-76.6%</b>	<b>(202.0)</b>	<b>-79.3%</b>	<b>-14.6%</b>	<b>(368.4)</b>	<b>-76.3%</b>	<b>(405.7)</b>	<b>-77.5%</b>	<b>-9.2%</b>
Direct Labor	(60.8)	-27.0%	(69.0)	-27.1%	-12.0%	(125.2)	-25.9%	(138.4)	-26.4%	-9.5%
Food	(53.2)	-23.6%	(66.3)	-26.0%	-19.8%	(115.0)	-23.8%	(133.0)	-25.4%	-13.6%
Fuel and Automotive Accessories	(34.6)	-15.4%	(40.9)	-16.0%	-15.3%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(8.4)	-3.7%	(9.7)	-3.8%	-13.3%	(17.4)	-3.6%	(19.4)	-3.7%	-10.1%
Others	(15.6)	-6.9%	(16.2)	-6.4%	-3.9%	(110.8)	-22.9%	(114.9)	-21.9%	-3.6%
<b>Gross Profit</b>	<b>52.6</b>	<b>23.4%</b>	<b>52.8</b>	<b>20.7%</b>	<b>-0.4%</b>	<b>114.6</b>	<b>23.7%</b>	<b>117.7</b>	<b>22.5%</b>	<b>-2.7%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(65.8)</b>	<b>-29.2%</b>	<b>(59.6)</b>	<b>-23.4%</b>	<b>10.3%</b>	<b>(132.5)</b>	<b>-27.4%</b>	<b>(117.2)</b>	<b>-22.4%</b>	<b>13.0%</b>
Selling and Operating	(17.7)	-7.9%	(14.0)	-5.5%	26.9%	(36.3)	-7.5%	(28.1)	-5.4%	29.0%
Rents of Stores	(26.2)	-11.6%	(27.9)	-10.9%	-6.1%	(54.5)	-11.3%	(55.8)	-10.7%	-2.4%
Store Pre-Openings	(0.2)	-0.1%	(1.6)	-0.6%	-90.4%	(0.5)	-0.1%	(1.9)	-0.4%	-75.6%
Depreciation & Amortization	(6.8)	-3.0%	(8.7)	-3.4%	-22.0%	(13.4)	-2.8%	(16.1)	-3.1%	-16.7%
Other revenues (expenses)	(3.4)	-1.5%	2.8	1.1%	-220.6%	(4.7)	-1.0%	4.3	0.8%	-208.6%
General & Administrative <sup>2</sup>	(11.5)	-5.1%	(10.2)	-4.0%	13.1%	(23.1)	-4.8%	(19.6)	-3.8%	17.7%
(+) Depreciation & Amortization	15.2	6.8%	18.4	7.2%	-17.4%	30.8	6.4%	35.5	6.8%	-13.1%
<b>Operating Income</b>	<b>2.1</b>	<b>0.9%</b>	<b>11.6</b>	<b>4.6%</b>	<b>-82.3%</b>	<b>13.0</b>	<b>2.7%</b>	<b>36.0</b>	<b>6.9%</b>	<b>-64.0%</b>
<b>Operating Income Ex Other</b>	<b>5.4</b>	<b>2.4%</b>	<b>8.8</b>	<b>3.5%</b>	<b>-38.4%</b>	<b>17.6</b>	<b>3.7%</b>	<b>31.6</b>	<b>6.0%</b>	<b>-44.2%</b>

<sup>1</sup>Before Special Items; <sup>2</sup>Not allocated to the segments

In R\$ Million

(in R\$ million)	2Q16	% VA	2Q15	% VA	% HA	2016	% VA	2015	% VA	% HA
<b>Net Revenue</b>	<b>64.1</b>	<b>100.0%</b>	<b>78.1</b>	<b>100.0%</b>	<b>-17.9%</b>	<b>135.6</b>	<b>100.0%</b>	<b>158.0</b>	<b>100.0%</b>	<b>-14.1%</b>
<b>Cost of Sales and Services</b>	<b>(45.4)</b>	<b>-70.8%</b>	<b>(60.1)</b>	<b>-77.0%</b>	<b>-24.4%</b>	<b>(94.3)</b>	<b>-69.5%</b>	<b>(118.5)</b>	<b>-75.0%</b>	<b>-20.4%</b>
Direct Labor	(20.2)	-31.5%	(26.7)	-34.2%	-24.3%	(41.9)	-30.9%	(53.1)	-33.6%	-21.2%
Food	(17.6)	-27.4%	(25.3)	-32.4%	-30.4%	(37.2)	-27.5%	(49.5)	-31.3%	-24.8%
Depreciation & Amortization	(2.6)	-4.1%	(3.1)	-3.9%	-13.8%	(5.5)	-4.1%	(6.1)	-3.9%	-9.8%
Others	(5.0)	-7.7%	(5.0)	-6.5%	-1.5%	(9.7)	-7.2%	(9.7)	-6.2%	-0.3%
<b>Gross Profit</b>	<b>18.7</b>	<b>29.2%</b>	<b>18.0</b>	<b>23.0%</b>	<b>4.0%</b>	<b>41.3</b>	<b>30.5%</b>	<b>39.5</b>	<b>25.0%</b>	<b>4.6%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(24.5)</b>	<b>-38.2%</b>	<b>(24.9)</b>	<b>-31.9%</b>	<b>-1.6%</b>	<b>(50.8)</b>	<b>-37.5%</b>	<b>(47.4)</b>	<b>-30.0%</b>	<b>7.2%</b>
Selling and Operating	(6.8)	-10.6%	(4.4)	-5.6%	54.4%	(14.3)	-10.5%	(8.7)	-5.5%	62.9%
Rents of Stores	(12.4)	-19.3%	(13.6)	-17.4%	-9.0%	(26.2)	-19.3%	(26.9)	-17.0%	-2.7%
Store Pre-Openings	(0.1)	-0.2%	(1.2)	-1.6%	-89.8%	(0.3)	-0.2%	(1.5)	-1.0%	-79.3%
Depreciation & Amortization	(5.2)	-8.2%	(5.7)	-7.3%	-7.9%	(10.1)	-7.4%	(10.2)	-6.5%	-1.4%
Other income (expenses)	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	7.9	12.3%	8.7	11.2%	-10.0%	15.6	11.5%	16.3	10.3%	-4.6%
<b>Operating Income</b>	<b>2.1</b>	<b>3.3%</b>	<b>1.8</b>	<b>2.4%</b>	<b>13.7%</b>	<b>6.1</b>	<b>4.5%</b>	<b>8.4</b>	<b>5.3%</b>	<b>-27.7%</b>

<sup>1</sup>Before Special Items

In R\$ Million

(in R\$ million)	2Q16	% VA	2Q15	% VA	% HA	2016	% VA	2015	% VA	% HA
<b>Net Revenue</b>	<b>98.4</b>	<b>100.0%</b>	<b>108.3</b>	<b>100.0%</b>	<b>-9.1%</b>	<b>219.5</b>	<b>100.0%</b>	<b>225.7</b>	<b>100.0%</b>	<b>-2.8%</b>
Restaurants & Others	54.8	55.7%	58.0	53.6%	-5.5%	121.4	55.3%	122.2	54.1%	-0.6%
Gas Stations	43.6	44.3%	50.2	46.4%	-13.3%	98.1	44.7%	103.5	45.9%	-5.3%
<b>Cost of Sales and Services</b>	<b>(82.3)</b>	<b>-83.6%</b>	<b>(90.5)</b>	<b>-83.5%</b>	<b>-9.1%</b>	<b>(181.5)</b>	<b>-82.7%</b>	<b>(185.0)</b>	<b>-82.0%</b>	<b>-1.9%</b>
Direct Labor	(22.3)	-22.7%	(21.1)	-19.5%	5.6%	(45.9)	-20.9%	(43.2)	-19.1%	6.2%
Food	(16.8)	-17.1%	(19.4)	-17.9%	-13.2%	(38.7)	-17.7%	(40.2)	-17.8%	-3.7%
Fuel and Automotive Accessories	(34.6)	-35.2%	(40.9)	-37.7%	-15.3%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(3.2)	-3.2%	(3.4)	-3.2%	-7.5%	(6.4)	-2.9%	(6.8)	-3.0%	-6.7%
Others	(5.4)	-5.5%	(5.7)	-5.2%	-5.3%	(90.5)	-41.3%	(94.8)	-42.0%	-4.5%
<b>Gross Profit</b>	<b>16.1</b>	<b>16.4%</b>	<b>17.8</b>	<b>16.5%</b>	<b>-9.5%</b>	<b>38.0</b>	<b>17.3%</b>	<b>40.7</b>	<b>18.0%</b>	<b>-6.7%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(10.4)</b>	<b>-10.6%</b>	<b>(9.8)</b>	<b>-9.0%</b>	<b>6.4%</b>	<b>(21.3)</b>	<b>-9.7%</b>	<b>(20.2)</b>	<b>-8.9%</b>	<b>5.7%</b>
Selling and Operating	(5.2)	-5.3%	(4.0)	-3.7%	31.9%	(10.6)	-4.8%	(8.4)	-3.7%	26.4%
Rents of Stores	(4.3)	-4.4%	(4.5)	-4.1%	-3.0%	(9.0)	-4.1%	(9.2)	-4.1%	-1.5%
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(0.9)	-0.9%	(1.4)	-1.3%	-36.9%	(1.7)	-0.8%	(2.7)	-1.2%	-35.0%
Other income (expenses)	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	4.0	4.1%	4.8	4.4%	-15.9%	8.1	3.7%	9.5	4.2%	-14.7%
<b>Operating Income</b>	<b>9.7</b>	<b>9.9%</b>	<b>12.8</b>	<b>11.9%</b>	<b>-24.1%</b>	<b>24.7</b>	<b>11.3%</b>	<b>30.0</b>	<b>13.3%</b>	<b>-17.6%</b>

<sup>1</sup>Before Special Items

In R\$ Million

(in R\$ million)	2Q16	% VA	2Q15	% VA	% HA	2016	% VA	2015	% VA	% HA
<b>Net Revenue</b>	<b>62.6</b>	<b>100.0%</b>	<b>68.5</b>	<b>100.0%</b>	<b>-8.6%</b>	<b>127.9</b>	<b>100.0%</b>	<b>139.8</b>	<b>100.0%</b>	<b>-8.5%</b>
<b>Cost of Sales and Services</b>	<b>(44.8)</b>	<b>-71.6%</b>	<b>(51.5)</b>	<b>-75.2%</b>	<b>-12.9%</b>	<b>(92.6)</b>	<b>-72.4%</b>	<b>(102.2)</b>	<b>-73.1%</b>	<b>-9.4%</b>
Direct Labor	(18.3)	-29.2%	(21.2)	-31.0%	-13.9%	(37.5)	-29.3%	(42.1)	-30.1%	-10.9%
Food	(18.8)	-30.0%	(21.6)	-31.5%	-13.1%	(39.0)	-30.5%	(43.3)	-31.0%	-9.9%
Depreciation & Amortization	(2.6)	-4.1%	(3.2)	-4.7%	-18.9%	(5.6)	-4.4%	(6.5)	-4.6%	-14.0%
Others	(5.2)	-8.3%	(5.5)	-8.0%	-4.6%	(10.5)	-8.2%	(10.4)	-7.4%	1.6%
<b>Gross Profit</b>	<b>17.8</b>	<b>28.4%</b>	<b>17.0</b>	<b>24.8%</b>	<b>4.5%</b>	<b>35.3</b>	<b>27.6%</b>	<b>37.5</b>	<b>26.9%</b>	<b>-6.0%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(16.0)</b>	<b>-25.5%</b>	<b>(17.5)</b>	<b>-25.6%</b>	<b>-9.0%</b>	<b>(32.5)</b>	<b>-25.4%</b>	<b>(34.3)</b>	<b>-24.6%</b>	<b>-5.4%</b>
Selling and Operating	(5.7)	-9.1%	(5.6)	-8.2%	1.8%	(11.5)	-9.0%	(11.0)	-7.9%	4.1%
Rents of Stores	(9.5)	-15.2%	(9.9)	-14.4%	-3.6%	(19.3)	-15.1%	(19.7)	-14.1%	-2.3%
Store Pre-Openings	(0.0)	0.0%	(0.4)	-0.6%	-92.4%	(0.2)	-0.1%	(0.4)	-0.3%	-61.0%
Depreciation & Amortization	(0.7)	-1.2%	(1.7)	-2.5%	-57.1%	(1.6)	-1.2%	(3.2)	-2.3%	-50.4%
Other revenues (expenses)	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	3.3	5.3%	4.9	7.1%	-32.1%	7.2	5.6%	9.7	6.9%	-26.0%
<b>Operating Income</b>	<b>5.1</b>	<b>8.2%</b>	<b>4.3</b>	<b>6.3%</b>	<b>18.0%</b>	<b>10.0</b>	<b>7.8%</b>	<b>12.9</b>	<b>9.2%</b>	<b>-22.6%</b>

<sup>1</sup>Before Special Items

In US\$ Million

(in US\$ Million)	2Q16	% VA	2Q15	% VA	% HA	2016	% VA	2015	% VA	% HA
<b>Net Revenue</b>	<b>33.1</b>	<b>100.0%</b>	<b>33.4</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>53.1</b>	<b>100.0%</b>	<b>53.4</b>	<b>100.0%</b>	<b>-0.6%</b>
<b>Cost of Sales and Services</b>	<b>(19.7)</b>	<b>-59.4%</b>	<b>(19.5)</b>	<b>-58.4%</b>	<b>0.9%</b>	<b>(33.7)</b>	<b>-63.5%</b>	<b>(33.8)</b>	<b>-63.3%</b>	<b>-0.2%</b>
Direct Labor	(9.7)	-29.4%	(9.8)	-29.3%	-0.5%	(17.1)	-32.1%	(17.4)	-32.5%	-1.6%
Food	(6.4)	-19.4%	(6.4)	-19.2%	0.0%	(10.4)	-19.5%	(10.5)	-19.7%	-1.8%
Depreciation & Amortization	(1.5)	-4.4%	(1.4)	-4.1%	7.4%	(2.9)	-5.4%	(2.7)	-5.1%	6.4%
Others	(2.1)	-6.2%	(1.9)	-5.8%	6.9%	(3.4)	-6.4%	(3.2)	-6.0%	6.8%
<b>Gross Profit</b>	<b>13.5</b>	<b>40.6%</b>	<b>13.9</b>	<b>41.6%</b>	<b>-3.1%</b>	<b>19.4</b>	<b>36.5%</b>	<b>19.6</b>	<b>36.7%</b>	<b>-1.3%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(10.7)</b>	<b>-32.4%</b>	<b>(10.5)</b>	<b>-31.5%</b>	<b>2.1%</b>	<b>(18.2)</b>	<b>-34.2%</b>	<b>(17.5)</b>	<b>-32.7%</b>	<b>4.0%</b>
Rents of Stores	(3.4)	-10.2%	(3.5)	-10.4%	-2.6%	(5.3)	-10.0%	(5.2)	-9.8%	1.7%
General & Administrative	(1.3)	-3.9%	(1.3)	-4.0%	-3.4%	(2.7)	-5.0%	(2.3)	-4.3%	14.7%
Other Operating Expenses	(6.0)	-18.3%	(5.7)	-17.1%	6.2%	(10.2)	-19.2%	(9.9)	-18.6%	2.7%
(+) Depreciation & Amortization	1.7	5.2%	1.6	4.8%	7.7%	3.4	6.4%	3.1	5.9%	8.2%
<b>Operating Income</b>	<b>4.4</b>	<b>13.4%</b>	<b>5.0</b>	<b>14.9%</b>	<b>-10.7%</b>	<b>4.6</b>	<b>8.7%</b>	<b>5.3</b>	<b>9.9%</b>	<b>-13.3%</b>

<sup>1</sup>Before Special Items

In R\$ Million

(in R\$ million)	2Q16	2Q15	% HA	2Q16 <sup>2</sup>	% HA <sup>2</sup>	2016	2015	% HA	2016 <sup>2</sup>	% HA <sup>2</sup>
<b>Net Revenue</b>	<b>46.7</b>	<b>43.1</b>	<b>8.5%</b>	<b>44.8</b>	<b>4.0%</b>	<b>100.2</b>	<b>82.3</b>	<b>21.7%</b>	<b>89.4</b>	<b>8.6%</b>
<b>Cost of Sales and Services</b>	<b>(23.3)</b>	<b>(23.9)</b>	<b>-2.6%</b>	<b>(22.6)</b>	<b>-5.5%</b>	<b>(50.1)</b>	<b>(45.2)</b>	<b>10.9%</b>	<b>(45.3)</b>	<b>0.2%</b>
Direct Labor	(8.9)	(8.9)	0.7%	(8.7)	-1.7%	(18.4)	(16.6)	11.1%	(16.9)	2.0%
Food	(13.6)	(14.1)	-3.1%	(13.2)	-6.5%	(29.8)	(26.7)	11.7%	(26.7)	0.0%
Depreciation & Amortization	(0.4)	(0.7)	-41.0%	(0.4)	-43.9%	(1.2)	(1.3)	-10.6%	(1.0)	-25.2%
Others	(0.4)	(0.3)	8.5%	(0.4)	13.6%	(0.8)	(0.7)	14.5%	(0.8)	15.0%
<b>Gross Profit</b>	<b>23.4</b>	<b>19.1</b>	<b>22.3%</b>	<b>22.2</b>	<b>15.8%</b>	<b>50.1</b>	<b>37.1</b>	<b>34.9%</b>	<b>44.1</b>	<b>18.8%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(15.6)</b>	<b>(18.7)</b>	<b>-16.6%</b>	<b>(14.9)</b>	<b>-20.2%</b>	<b>(33.4)</b>	<b>(31.4)</b>	<b>6.2%</b>	<b>(29.8)</b>	<b>-5.2%</b>
Selling and Operating	(6.2)	(6.6)	-6.2%	(6.0)	-8.5%	(13.3)	(12.0)	11.2%	(12.2)	1.9%
Rents of Stores	(4.9)	(4.8)	1.9%	(4.6)	-5.6%	(10.5)	(9.0)	17.5%	(9.0)	0.3%
Store Pre-Openings	(0.3)	(0.0)	4939.2%	(0.2)	4330.2%	(0.8)	(0.0)	3031.9%	(0.6)	2358.0%
Depreciation & Amortization	(2.3)	(2.2)	3.2%	(2.2)	0.6%	(5.0)	(4.2)	17.3%	(4.5)	6.6%
Other revenues (expenses)	0.4	(3.0)	-114.5%	0.4	-114.3%	0.6	(2.7)	-124.0%	0.6	-122.0%
General & Administrative	(2.3)	(2.1)	13.4%	(2.3)	9.3%	(4.4)	(3.6)	23.0%	(4.1)	13.1%
(+) Depreciation & Amortization	2.7	2.9	-7.1%	2.6	-9.8%	6.2	5.6	10.7%	5.5	-1.0%
<b>Operating Income</b>	<b>10.5</b>	<b>3.3</b>	<b>214.4%</b>	<b>9.9</b>	<b>195.9%</b>	<b>22.9</b>	<b>11.3</b>	<b>103.1%</b>	<b>19.8</b>	<b>76.1%</b>

<sup>1</sup>Before Special Items; <sup>2</sup> In constant currency with respect to the same period from prior year