3Q16 RESULTS

São Paulo, November 10, 2016 - International Meal Company Alimentação S.A. **(BM&FBOVESPA: MEAL3)**, one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the **third quarter (3Q16).** Unless otherwise indicated, the information herein is presented in a consolidated manner and in millions of Brazilian reais (R$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

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HIGHLIGHTS

The information below does not include the operations in Mexico, Puerto Rico and the Dominican Republic, thus reflecting the Company's situation after the sale of those operations, completed in the early months of 2016

Zero Leverage: **R$49.4mn Net Cash Position**

Cash Flow: **104.6% EBITDA-to-Operating Cash conversion**

Net Revenue: R$401.2 million in 3Q16 **(8.3% down vs. 3Q15)**

Adjusted EBITDA: R$40.7 million in 3Q16 **(7% up vs. 3Q15 – Margin +140bps)**

Net Income: R$11.9 million in 3Q16 **(vs. a net loss of R$11.7 million in 3Q15)**

MESSAGE FROM MANAGEMENT

It has been almost a year since we published our new strategy, which in essence consists in: a) adequately position our leverage, b) implement an Operational Excellence roadmap to deliver positive productivity year on year, c) create new revenue growth streams to enable organic growth, and d) rationalize our portfolio. Albeit shadowed by significant volume headwinds in Brazil (worsened in 3Q16), the past three quarters have evidenced the progress we made towards each of our strategies and the continuous improvements we have delivered on our operational excellence roadmap. This confirms that we are on the right path to create sustainable long term shareholder value and, more importantly, to create a unique and delightful experience for our customers in each of our restaurants.

Our international operations continue to deliver consistently better results: i) in the Caribbean, margins are up by 760bps driving a 40% YoY increase in the operating income; ii) in the US, the trend in SSS is shifting as Retail SSS reached +7% in 3Q16 (from +1.3% in 2Q and -4.3% in 1Q) and F&B reached -1.6% (from -4.2% in 2Q and -3.6% in 1Q). Excluding pre-opening expenses, US operating income would have been 14% higher YoY.

In Brazil, the results from the operational excellence efforts keep gradually improving, although still insufficient to offset impact of volume decline:

- Price & mix efforts continue to deliver improved results quarter on quarter, as evidenced by gains over inflation (31% in 1Q, 116% in 2Q, 191% in 3Q) and continuous average ticket growth (+15% YoY) while maintaining market share. We are now increasing the pace of our menu engineering efforts by implementing an average of 15-20 new actions per month to drive mix, after we structured our analytical processes and piloted the program in 1H16.
- Our cost cutting efforts are delivering increased results every quarter (R$13.8M in 3Q16 vs R$12.5M in 2Q16 and R$7.6M in 1Q16). Despite the softer improvement pace in 3Q16, we expect a renewed stream of savings as we continue to keep a tight control over expenses, implement our Zero-Based Budget and we adequate our structure to improve productivity (more visible as of 1H17). Also, our contract renegotiations in Airports have already impacted 3Q numbers with a 210bps improvement YoY or 420bps QoQ. Last, we closed YTD 27 loss-making stores (5 in 1Q, 10 in 2Q and 12 in 3Q) which had a negative contribution margin of R$6.9 million in 2015.
- On the projects´ front, we have several initiatives to drive growth building on our existing infrastructure and footprint: a) we implemented an organization development pilot at Frango Assado Caieiras (optimized organizational structure, improved sense of ownership at all levels with clear goals and variable compensation linked to performance) – and we have a roadmap for roll-out, b) we concluded our pilot test of the new concept for Viena Express and are in the process to start the roll out to two other restaurants for further validation, c) we are underway with testing new concepts at Frango Assado (started with the mini-market at Caieiras), and d) until Jan´17 we will be inaugurating new concepts for our new Viena (Flagship), for the Brunella brand (kiosk), one Olive Garden at a Shopping Mall, and several new concepts in the top three airports we operate.All that said, the pace of lower volumes has accelerated in 3Q (negative impact of R$36.5M in 3Q from R$23.9M in 2Q, consequence of lower economic activity in Brazil) which masked all progress made so far in Brazil. We are increasing our demand generation and cost cutting efforts aiming to minimize the impact of lower volumes.

Lower leverage had also a positive impact on P&L with reduced net financial expenses (-R$0.9M in 3Q16 vs. –R$18.3M in 3Q15) leading to a R$11.9M net profit in 3Q16 vs a R$11.7M net loss in 3Q15.

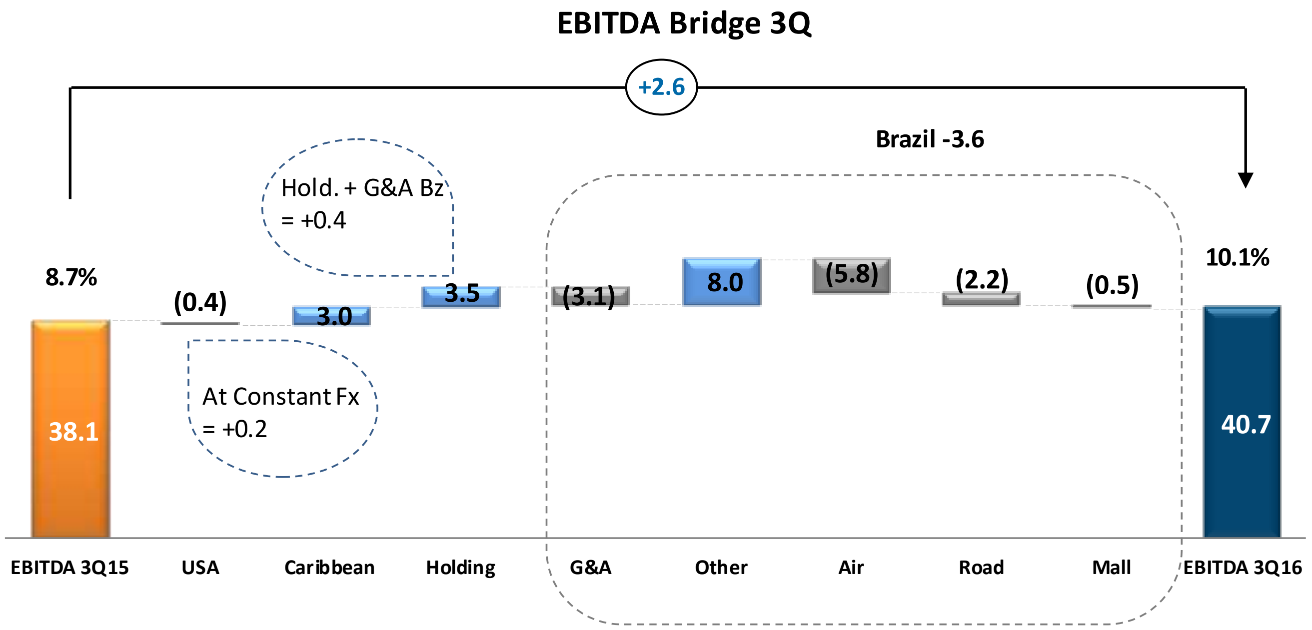
All in all, despite the challenging macroeconomic conditions in Brazil, we remain confident in our strategy and we believe that there are enough evidences that the team is executing what we promised. We are taking advantage of the unfavorable scenario in Brazil to improve the Company's structure, processes and costs in order to have a leaner and more agile Company for when the market recovers. Nevertheless, there is a lot of room for improvement in terms of demand generation to mitigate the impacts from the unfavorable volume situation in which we are in.

New financial reporting model

IMC introduced a new earnings reporting model in 3Q15 to boost its visibility. The new format describes our earnings results broken down by segment and geographic region, as well as the effect of exchange rate changes on them clearly. Since the sale of IMC's assets in Mexico, Puerto Rico and the Dominican Republic has been completed, as mentioned above, the results of those operations have been reclassified to the discontinued operations account, thus leading to changes in the results reported in 3Q15, mainly in the Caribbean. The presentation of the Company's 2014 and 2015 results in the new format can be found on our investor relations website: ri.internationalmealcompany.com/

COMMENTS ABOUT IMC'S PERFORMANCE

OVERVIEW OF THE 3Q16



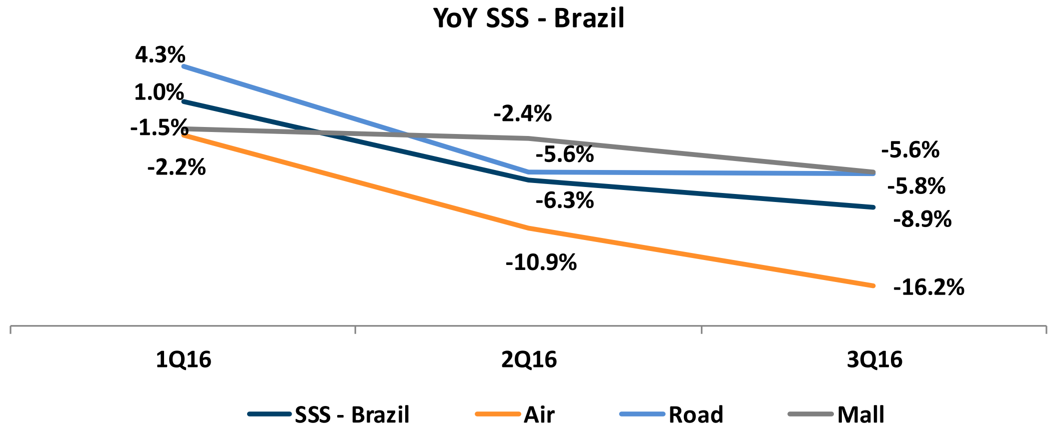
In 3Q16, IMC's Adjusted EBITDA grew by 6.7% with a 140bps margin improvement reaching R$40.7 million (10.1% margin), or R$42.5 million in constant currency with a 10.3% margin. In 9M16 Adjusted EBITDA totaled R$82.9 million, with a 7.0% margin, compared to R$86.8 million and 7.2% in 9M15.

In the US, the R$0.4 million YoY reduction was related to the FX fluctuation within the months of the quarter and YoY, in constant currency, US was US$0.2 million higher than 3Q15, reaching US$5.5 million, 3.8% up YoY. EBITDA in the US was also affected by pre-opening expenses of US$0.7 million in the quarter, excluding that line, EBITDA would have grown 14%. The operations were still negatively affected by negative same store sales, however, it is important to note that SSS reached -0.7% YoY, an improvement from -3.6% in 2Q16, led by an improvement in the retail segment (+7.0% YoY, from -4.3% in 1Q16), as a result of the turnaround promoted by the new management team – with new assortment, product mix and pricing efforts. With regards to F&B there was also an improvement in the SSS trend as it reached -1.6% from over -4% in 2Q16 showing the first benefits from the suggestive selling and pricing initiatives. However, we are confident that we will also be able to turnaround F&B division with: i) new menus based on menu engineering tools; ii) groups sales; and iii) store refurbishments. Margins (-70bps, in US$) were pressured by higher pre-opening expenses, that were partially mitigated by improved food, labor and rent expenses.

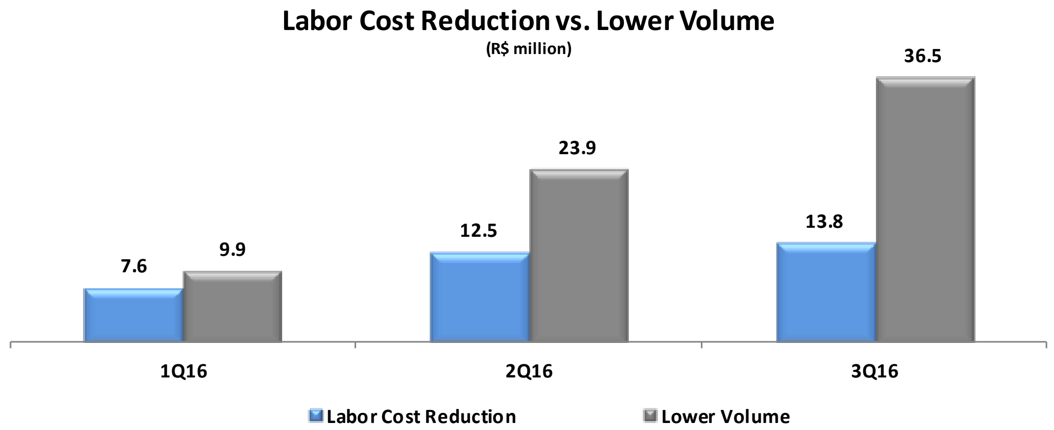
In the Caribbean, as we have anticipated in the 1Q16, the competitive environment was changing in both the airport and mall segments, challenging our SSS that increased by 0.9% (in constant currencies, compared to 2.7% in 2Q16). We are starting to see an improvement in the SSS in the airport segment but we continue to face challenging SSS in the mall segment. Nevertheless, the company was able to improve margins leading to a R$3.0 million improvement, or R$4.1 million in constant currency.

The Company also posted a reduction of R$3.5 million in holding expenses or a 70bps improvement, which is being used to fund the new team in Brazil – more than offsetting the R$3.1 million increase in G&A in Brazil. It is important to note that we recorded in the G&A line in Brazil the expenses related to the Company's Leaders Convention held in August of approximately R$1.0 million, which was fully funded by sponsors which impacted positively the "Other Income" line by also ~R$1.0 million. "Other Income" line was also impacted by tax recoveries that totaled R$6.8 million.

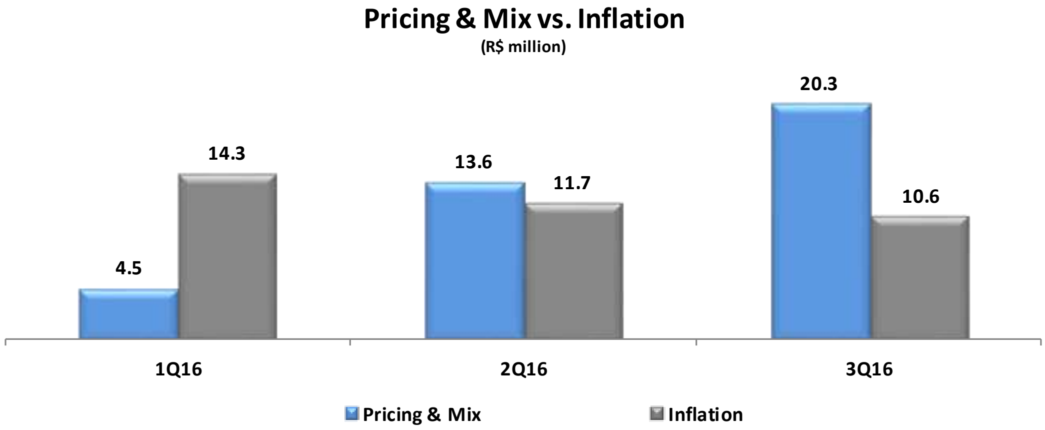
The major pressure on results once again came from the Brazilian operations as a consequence of a softer macroeconomic activity that impacted sales volume and consumer spending in general in the country. Same store sales reached -8.9% in Brazil, down from -6.3% in 2Q16 and +1.0% in 1Q16. The biggest offender has been the Air segment whose pressure on SSS came from the reduction on passenger flow in airports (-10.0% in the quarter) and also by the reduction in the number of flights in general impacting the catering division as well – especially in the most recent months.



Given the nature of the Company's business and its high operating leverage, the pressure on volumes affects directly its margins. To mitigate the effect of lower sales we have taken cost out of our structure (R$13.8 million; from R$12.5 million in 2Q16 and R$7.6 million in 1Q16), which offset 42% of the impact from volume reduction (R$36.5 million) in 3Q16. Our cost cutting efforts have ramped up during the year as evidenced by the chart below. It is important to note that the cost reduction relates to the headcount adjustment promoted in April, but also include loss making stores closures and the G&A enhancement as mentioned before. On a same-store basis (not excluding the G&A increment, however), the reduction totaled over R$7.2 million in line with the annual R$28 million in savings announced in 1Q16.

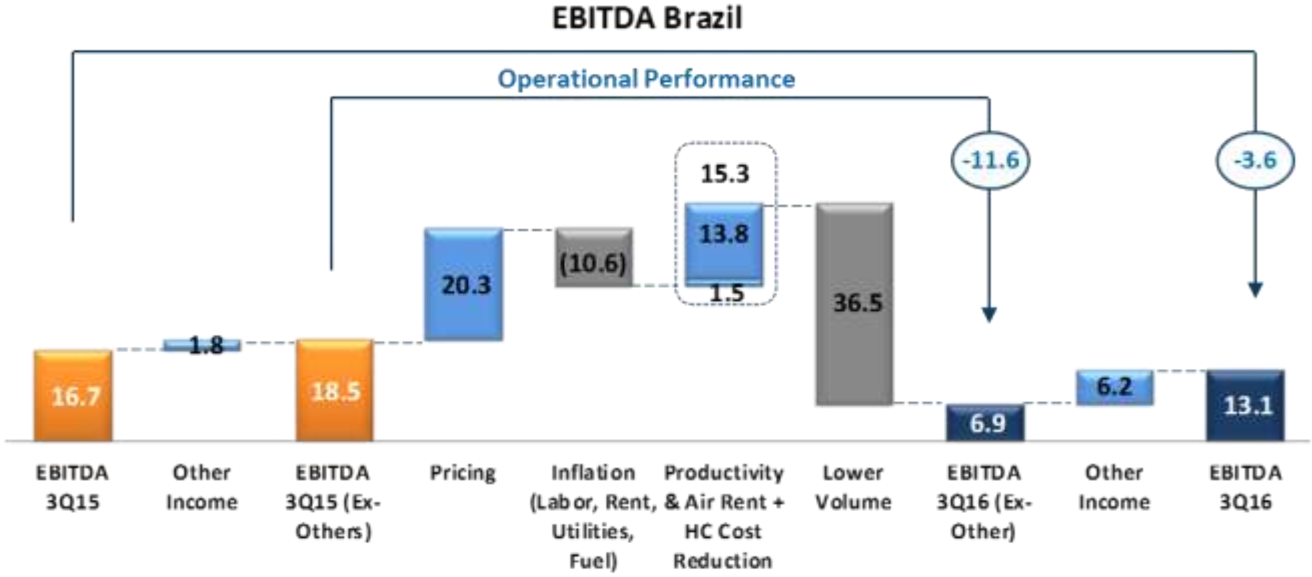


Combined with the softer economy, high inflation also pressure the Company's margins. To offset inflation we are working on price and product mix, therefore improving our average ticket. In 3Q16 such initiatives (totaling R$20.3 million – with a 15% average ticket improvement YoY in 3Q16) more than offset the inflation pressure (R$10.6 million). It is important to note that this is an improvement compared to 2Q16, when pricing efforts represented R$13.6 million, as a consequence of the timing improvements (as the new pricing methodology started in March) and the effectiveness of the menu engineering efforts.



Furthermore, we continue to execute the loss-making stores closure program (27 stores closed by September, of which 12 in 3Q16), which will continue on 4Q16. So far, the loss-making stores closed had a negative impact on 2015's contribution margin of R$6.9 million.

Additionally, as announced in 2Q16, airport contracts renegotiations had an important impact on results, representing a R$1.4 million improvement in rent expenses. It is important to note that despite the YoY reduction on net revenues in the segment, rent expenses as a percentage of sales for Air dropped 210bps.



Consequently, EBITDA in Brazil reached R$13.1 million, which represents a R$3.6 million reduction YoY, with an EBITDA margin of 5.7% from 6.3% in 3Q15.

Furthermore, as mentioned in 2Q16, the Company continues to test and learn from improvements implemented in the pilot restaurants launched in June – Viena Express (buffet style – food court restaurant) and Frango Assado Mini-Market (Roads); that – after the testing period is completed – should be implemented in the other Frango Assado and Viena Express stores. By year-end and/or the beginning of 2017 the Company should also launch new pilots for Viena Express, the F&B area at Frango Assado, a new Viena Delicatessen Restaurant (full-fledged casual dining restaurant at Malls) and the first Olive Garden in Malls; that after the testing phase is completed should be rolled out throughout 2017.

Another highlight of the quarter was the EBITDA-to-Operating Cash conversion rate that stood once again above 100% at 105%, leading to a net cash position of R$49.4 million as of September 30, compared to a net debt position of R$192.6 million in 4Q15.

All in all, our short term focus is still to reduce cost and preserve cash, while implementing process improvements and the Operational Excellence and organic growth projects to establish the foundation for future growth when market conditions improve.

CONSOLIDATED RESULTS

(in R$ million)	3Q16	3Q15	%HA	3Q16[3]	% HA[3]	9M16	9M15	%HA	9M16[3]	% HA[3]
Net Revenue	**401.2**	**437.3**	**-8.3%**	**414.5**	**-5.2%**	**1,177.4**	**1,204.5**	**-2.2%**	**1,147.4**	**-4.7%**
Restaurants & Others	357.7	387.6	-7.7%	371.0	-4.3%	1,035.9	1,051.3	-1.5%	1,005.8	-4.3%
Gas Stations	43.5	49.7	-12.4%	43.5	-12.4%	141.6	153.2	-7.6%	141.6	-7.6%
Brasil	229.5	264.3	-13.1%	229.5	-13.1%	712.6	787.7	-9.5%	712.6	-9.5%
EUA	124.8	123.3	1.2%	134.0	8.7%	317.8	284.7	11.6%	294.4	3.4%
Caribe	46.8	49.7	-5.8%	50.9	2.5%	147.1	132.0	11.4%	140.4	6.3%
Cost of Sales and Services	**(269.3)**	**(294.9)**	**-8.7%**	**(276.9)**	**-6.1%**	**(811.3)**	**(847.2)**	**-4.2%**	**(791.9)**	**-6.5%**
Direct Labor	(103.7)	(111.4)	-6.9%	(107.2)	-3.8%	(309.9)	(318.3)	-2.6%	(300.5)	-5.6%
Food	(94.8)	(104.4)	-9.2%	(97.7)	-6.4%	(277.2)	(295.9)	-6.3%	(270.6)	-8.5%
Others	(22.3)	(24.0)	-6.8%	(23.0)	-4.1%	(67.6)	(65.2)	3.8%	(66.1)	1.4%
Fuel and Automotive Accessories	(34.6)	(39.9)	-13.2%	(34.6)	-13.2%	(113.3)	(123.8)	-8.5%	(113.3)	-8.5%
Depreciation & Amortization	(13.9)	(15.2)	-8.7%	(14.4)	-5.5%	(43.2)	(44.0)	-1.8%	(41.4)	-6.0%
Gross Profit	**131.9**	**142.4**	**-7.4%**	**137.6**	**-3.4%**	**366.2**	**357.3**	**2.5%**	**355.5**	**-0.5%**
Gross Margin (%)	*32.9%*	*32.6%*		*33.2%*		*31.1%*	*29.7%*		*31.0%*	
Operating Expenses[1]	**(113.5)**	**(133.8)**	**-15.2%**	**(118.2)**	**-11.6%**	**(355.1)**	**(350.4)**	**1.4%**	**(343.9)**	**-1.9%**
Selling and Operating	(45.7)	(48.3)	-5.3%	(48.1)	-0.4%	(135.4)	(121.2)	11.7%	(129.4)	6.8%
Rents of Stores	(41.0)	(46.7)	-12.4%	(42.4)	-9.4%	(125.2)	(127.4)	-1.7%	(122.0)	-4.3%
Store Pre-Openings	(3.3)	(0.6)	431.1%	(3.7)	499.8%	(5.0)	(2.7)	89.1%	(5.2)	95.5%
Depreciation & Amortization	(7.9)	(13.4)	-40.8%	(8.2)	-39.2%	(27.0)	(34.2)	-20.9%	(26.6)	-22.1%
J.V. Investment Amortization	(0.5)	(0.9)	-41.1%	(0.6)	-35.7%	(1.7)	(1.7)	-1.2%	(1.5)	-12.1%
Equity income result	1.4	1.6	-9.5%	1.5	-5.2%	6.8	6.0	13.0%	5.9	-1.8%
Other revenues (expenses)	6.8	(1.7)	-509.0%	6.9	-513.4%	2.5	0.1	3736.5%	2.6	3850.9%
General & Administative	(19.8)	(16.7)	18.6%	(20.4)	22.0%	(57.2)	(46.8)	22.1%	(55.5)	18.4%
Corporate (Holding)[2]	(3.6)	(7.1)	-49.7%	(3.4)	-52.0%	(12.9)	(22.6)	-42.9%	(12.2)	-45.7%
Special Items - Write-offs	0.0	0.0	-	0.0	-	0.0	0.0	0.0%	0.0	
Special Items - Other	(1.2)	(1.5)	-24.5%	(1.2)	-24.5%	(5.7)	(7.2)	-21.6%	(5.7)	-21.6%
EBIT	**17.2**	**7.1**	**142.4%**	**18.2**	**157.4%**	**5.4**	**(0.3)**	**na**	**5.9**	**na**
(+) D&A and Write-offs	22.4	29.5	-24.2%	23.1	-21.7%	71.9	79.9	-10.0%	69.5	-13.0%
EBITDA	**39.5**	**36.6**	**8.0%**	**41.3**	**13.0%**	**77.3**	**79.6**	**-2.9%**	**75.4**	**-5.2%**
EBITDA Margin (%)	*9.9%*	*8.4%*	*1,5p.p.*	*10.0%*	*1,6p.p.*	*6.6%*	*6.6%*	*0p.p.*	*6.6%*	*0p.p.*
(+) Special Items - Other	1.2	1.5	-	1.2	-	5.7	7.2	-21.6%	5.7	-21.6%
Adjusted EBITDA	**40.7**	**38.1**	**6.7%**	**42.5**	**11.4%**	**82.9**	**86.8**	**-4.4%**	**81.1**	**-6.6%**
Adjusted EBITDA Margin (%)	*10.1%*	*8.7%*	*1,4p.p.*	*10.3%*	*1,5p.p.*	*7.0%*	*7.2%*	*-0,2p.p.*	*7.1%*	*-0,1p.p.*

[1]Before special items; [2]Not allocated in segments and countries; [3] in constant currencies as of the prior year

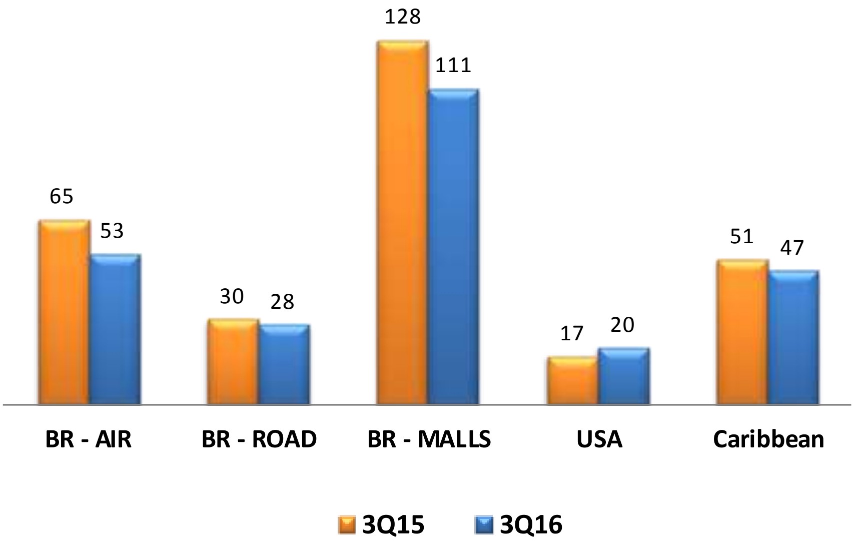
Net revenue totaled R$401.2 million in 3Q16, down 8.3% vs. 3Q15 or down 5.2% excluding the impact from the exchange rate changes. Sales were negatively affected by 32 net store closures (31 of which in Brazil), shown in the section "Number of stores". Food cost was down by 9.2% (a 20bps improvement) in 3Q16 as a result of operational improvements (e.g. stricter controls, mix). Net revenue totaled R$1,177.4 million in 9M16, a 2.2% reduction compared to 9M15.

Worth noticing, throughout 3Q15 the Company improved its controls and since then is more accurately allocating personnel costs and expenses. As a result, indirect labor cost is now allocated in operating expenses. For that reason and for a better comparison, labor costs should be combined with "sales and operating expenses". Labor cost and expenses, consequently totaled R$155.3 million (in constant currency), compared to R$159.7 million in 3Q15, as headcount adjustments mitigated inflationary pressures on payroll. With regards to G&A, the R$3.7 million increase YoY (in constant currency) – mostly due to the Brazilian team enhancement – was fully offset by equivalent holding expenses reduction. It is important to note that we recorded in the G&A line in Brazil the expenses related to the Company's Leaders Convention held in August of approximately R$1.0 million.

In 3Q16, adjusted EBITDA was R$40.7 million, up 6.7% in Brazilian reais YoY, or 11.4% in constant currencies. It is worth highlighting that compared to 2Q16, EBITDA was up by 72%. EBITDA margin was 10.1% or 10.3% in constant currency, up from 8.7% in 3Q15. Main drivers for the higher EBITDA in constant currencies are: a) the nominal reduction of labor, food, fuel, utilities and rent costs and expenses totaling R$21.7 million vs. the R$22.8 million reduction in net revenues; combined with b) higher "other income", related to tax reversions; partially mitigated by higher pre-opening store expenses. G&A higher expenses – R$3.7 million mostly in Brazil – were fully offset by the reduction on holding expenses (R$3.7 million). Adjusted EBITDA totaled R$82.9 million in 9M16, a 4.4% reduction compared to 9M15.

Finally, in 3Q16 the Company had R$1.2 million in special items, related to the Company's stock option plan, compared to R$1.5 million in 3Q15 (related to top management restructuring).

Number of stores



NUMBER OF STORES (end of period)	3Q16	4Q15	3Q15	YTD Var. (%)	YTD Var. (#)	YoY Var. (%)	YoY Var. (#)
Brazil	**192**	**218**	**223**	**-11.9%**	**-26**	**-13.9%**	**-31**
Air	*53*	*62*	*65*	*-14.5%*	*-9*	*-18.5%*	*-12*
Roads	*28*	*29*	*30*	*-3.4%*	*-1*	*-6.7%*	*-2*
Shopping Malls	*111*	*127*	*128*	*-12.6%*	*-16*	*-13.3%*	*-17*
USA	**20**	**16**	**17**	**25.0%**	**4**	**17.6%**	**3**
Caribbean	**47**	**47**	**51**	**0.0%**	**0**	**-7.8%**	**-4**
Total Number of Stores	**259**	**281**	**291**	**-7.8%**	**-22**	**-11.0%**	**-32**

At the end of the quarter, the Company had 259 stores, a net reduction of 32 stores YoY, 31 in Brazil and 4 in the Caribbean, while we had a net opening of 3 stores in the US in the period.

Most store closures in Brazil are connected with the loss-making store closure program. In the current economic situation, stores are opened only after the execution of strict feasibility studies, and to fulfill commitments signed in the past. Besides that, we are focusing our 2016 CAPEX in the refurbishment and rebranding of existing stores in order to create a better customer experience to further promote sales.

Same-store sales (SSS)

(in R$ million)	3Q16	3Q15	HA (%)	2016	2015	HA (%)
Brazil	**224.8**	**246.7**	**-8.9%**	**697.1**	**731.3**	**-4.7%**
BR - Air	62.0	74.0	-16.2%	191.4	212.4	-9.9%
BR - Roads	103.7	110.1	-5.8%	323.1	330.3	-2.2%
BR - Roads - Restaurants	*60.2*	*63.6*	*-5.3%*	*181.6*	*184.9*	*-1.8%*
BR - Roads - Gas Station	*43.5*	*46.5*	*-6.4%*	*141.5*	*145.4*	*-2.7%*
BR - Malls	59.1	62.6	-5.6%	182.6	188.5	-3.1%
USA	**113.1**	**122.2**	**-7.4%**	**295.9**	**280.1**	**5.6%**
Caribbean	**45.5**	**49.0**	**-7.2%**	**143.0**	**129.8**	**10.2%**
Total Same Store Sales	**383.4**	**417.8**	**-8.2%**	**1,136.0**	**1,141.2**	**-0.4%**

In constant currencies (in R$ million)	3Q16	3Q15	HA (%)	2016	2015	HA (%)
Brazil	224.8	246.7	-8.9%	697.1	731.3	-4.7%
USA	121.3	122.2	-0.7%	273.6	280.1	-2.3%
Caribbean	49.4	49.0	0.9%	136.5	129.8	5.2%
Total Same Store Sales	**395.5**	**417.8**	**-5.3%**	**1,107.2**	**1,141.2**	**-3.0%**

Please check the definition of same-store sales (SSS) in the glossary.

Same store sales totaled R$383.4 million in 3Q16, down 8.2% YoY in Brazilian reais or 5.3% in constant currencies. SSS decreased by 0.4% in 9M16 compared to 9M15 in Brazilian reais and it was down 3.0% in constant currencies.

In Brazil, the 8.9% decrease in same store sales was led by Brazilian airports that fell by 16.2% in 3Q16 following a sharp drop in the flow of passengers throughout Brazilian airports in late 2015 and early 2016 (-10.0%, Jul-Sep YoY) that impacted both restaurants and catering operations, that was partially mitigated by the Company's sales efforts that led to a higher average ticket compensating the lower costumer volume. Those efforts included menu engineering initiatives, as well as a new pricing policy and pricing initiatives. In addition, we revamped our operations and their respective menus to meet different demands at different day parts. It is important to note that on a YoY comparison our market share in the airports that we operate remained nearly flat considering the YoY net closure of 12 stores.

In the Road segment, SSS fell by 5.8% YoY, mostly impacted by the 4.7% lower flow of toll-paying vehicles (heavy, light and motorcycles) YoY according to *Associação Brasileira de Concessionárias de Rodovias*, or the Brazilian Association of Highway Concessionaires (ABCR), combined with increased competition due to new store openings. Those effects mitigated sales initiatives that helped increase the average ticket by 13%, including pricing, category management, new mix and planogram of products at our checkouts. We have launched a pilot-store in Caieiras with a revamped mini-market in order to test a different category management, planogram and mix, seeking to improve mini-market share of revenues. In the 2H16, at the same store, we will also refurbish the restaurant area, allowing us to test a completely new Frango Assado model that could be replicated to the remaining stores. It is important to note that after a steep reduction on market share in 2Q16, there was a 300bps QoQ recovery in 3Q16.

Same stores sales in the Malls segment fell by 5.6% in 3Q16. Industry sales continues to suffer from the softer macroeconomic scenario (market SSS -7.4% in 3Q16 vs. 3Q15 – source: IFB), however IMC was able to partially offset this negative impact through the new pricing policy, the new menu launched at Viena Express stores and initiatives designed to improve sales of beverages and desserts. We are working on a pilot-store for Viena Express launched in June to test, learn and scale a more efficient and effective operating model.

US SSS in local currency was -0.7% YoY, an improvement from -3.6% in 2Q16, led by an improvement in the retail segment (+7.0% YoY, from -4.3% in 1Q16), as a result of the turnaround promoted by the new management team – with new assortment, product mix and pricing efforts. With regards to F&B there was also an improvement in the SSS trend as it reached -1.6% from over -4% in 2Q16 showing the first benefits from the suggestive selling and pricing initiatives. However, we are confident that we will also be able to turnaround F&B division with: i) new menus based on menu engineering tools; ii) groups sales; and iii) store refurbishments.

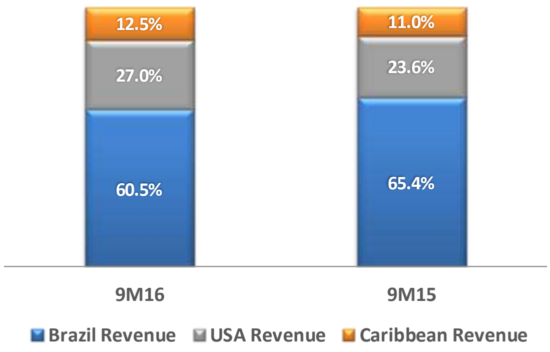
In the Caribbean, as anticipated in the 1Q16, higher competition lead to a reduction on the SSS growth pace to 0.9% compared to 2.7% in 2Q16. We are starting to see an improvement in the SSS in the airport segment and the situation normalized but continue to face challenging SSS in the mall segment.

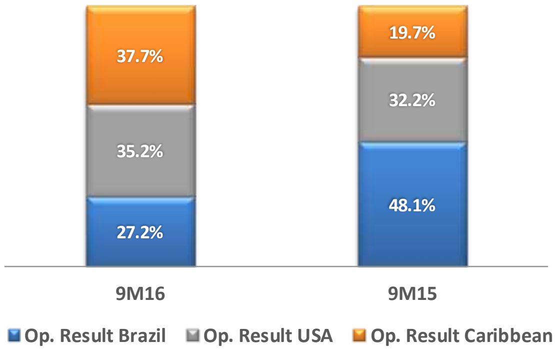
RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

	Brazil	USA	Caribbean	Consolidated		Brasil	EUA	Caribbean	Consolidated		
(in R$ million)	9M16	9M16	9M16	9M16	% VA	9M15	9M15	9M15	9M15	% VA	% HA
Net Revenue	**712.6**	**317.8**	**147.1**	**1,177.4**	**100.0%**	**787.7**	**284.7**	**132.0**	**1,204.5**	**100.0%**	**-2.2%**
Restaurants & Others	571.0	317.8	147.1	1,035.9	88.0%	634.5	284.7	132.0	1,051.3	87.3%	-1.5%
Gas Stations	141.6	0.0	0.0	141.6	12.0%	153.2	0.0	0.0	153.2	12.7%	-7.6%
Cost of Sales and Services	**(544.6)**	**(194.9)**	**(71.7)**	**(811.3)**	**-68.9%**	**(604.5)**	**(172.2)**	**(70.5)**	**(847.2)**	**-70.3%**	**-4.2%**
Direct Labor	(186.5)	(97.0)	(26.4)	(309.9)	-26.3%	(206.7)	(86.1)	(25.5)	(318.3)	-26.4%	-2.6%
Food	(172.3)	(62.3)	(42.7)	(277.2)	-23.5%	(197.6)	(56.2)	(42.1)	(295.9)	-24.6%	-6.3%
Others	(46.4)	(20.1)	(1.1)	(67.6)	-5.7%	(47.2)	(16.9)	(1.0)	(65.2)	-5.4%	3.8%
Fuel and Automotive Accessories	(113.3)	0.0	0.0	(113.3)	-9.6%	(123.8)	0.0	0.0	(123.8)	-10.3%	-8.5%
Depreciation & Amortization	(26.1)	(15.6)	(1.5)	(43.2)	-3.7%	(29.1)	(13.0)	(1.9)	(44.0)	-3.7%	-1.8%
Gross Profit	**167.9**	**122.9**	**75.3**	**366.2**	**31.1%**	**183.2**	**112.6**	**61.5**	**357.3**	**29.7%**	**2.5%**
Operating Expenses[1]	**(187.0)**	**(107.5)**	**(47.8)**	**(342.3)**	**-29.1%**	**(186.5)**	**(92.7)**	**(48.6)**	**(327.8)**	**-27.2%**	**4.4%**
Selling and Operating	(53.5)	(62.9)	(19.0)	(135.4)	-11.5%	(45.6)	(56.1)	(19.5)	(121.2)	-10.1%	11.7%
Rents of Stores	(78.0)	(31.9)	(15.3)	(125.2)	-10.6%	(84.3)	(28.8)	(14.3)	(127.4)	-10.6%	-1.7%
Store Pre-Openings	(1.3)	(2.7)	(1.1)	(5.0)	-0.4%	(2.2)	(0.5)	(0.0)	(2.7)	-0.2%	89.1%
Depreciation & Amortization	(19.0)	(1.0)	(7.0)	(27.0)	-2.3%	(26.8)	(0.7)	(6.7)	(34.2)	-2.8%	-20.9%
J.V. Investment Amortization	0.0	(1.7)	0.0	(1.7)	-0.1%	0.0	(1.7)	0.0	(1.7)	-0.1%	-1.2%
Equity income result	0.0	6.8	0.0	6.8	0.6%	0.0	6.0	0.0	6.0	0.5%	13.0%
Other revenues (expenses)	1.5	(0.3)	1.3	2.5	0.2%	2.5	(0.0)	(2.4)	0.1	0.0%	n/a
General & Administative	(36.7)	(13.9)	(6.6)	(57.2)	-4.9%	(30.1)	(11.0)	(5.7)	(46.8)	-3.9%	22.1%
(+) Depreciation & Amortization	45.1	18.3	8.5	71.9	6.1%	55.9	15.3	8.6	79.9	6.6%	-10.0%
Operating Income	**26.0**	**33.7**	**36.1**	**95.8**	**8.1%**	**52.6**	**35.2**	**21.5**	**109.3**	**9.1%**	**-12.4%**
Corporate (Holding)[2]				(12.9)	-1.1%				(22.6)	-1.9%	-42.9%
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(5.7)	-0.5%				(7.2)	-0.6%	-21.6%
EBIT	**(19.0)**	**15.4**	**27.6**	**5.4**	**0.5%**	**(3.3)**	**19.9**	**12.9**	**(0.3)**	**0.0%**	
(+) D&A and Write-offs				71.9	6.1%				79.9		-10.0%
EBITDA				**77.3**	**6.6%**				**79.6**	**6.6%**	**-2.9%**
(+) Special Items				5.7	0.5%				7.2	0.6%	-21.6%
Adjusted EBITDA				**82.9**	**7.0%**				**86.8**	**7.2%**	**-4.4%**

[1]Before special items; [2]Not allocated in segments and countries

Brazilian operations accounted for 60.5% of sales in 9M16, vs. 65.4% in 9M15. The lower share of Brazilian operations in total sales is mainly due to the sales growth in the Caribbean and the positive impact of the FX rate on both Caribbean and US sales, as well as the lower revenues in Brazil due to the closure of loss-making stores, and the pressure of the macroeconomic scenario on SSS.





The geographic breakdown of operating income was also impacted by the exchange rate changes, as well as the lower margins of Brazilian operations, which accounted for 27% of the 9M16 operating income, vs. 48% in 9M15.

Results of the Brazilian Operations

(in R$ million)	3Q16	% VA	3Q15	% VA	% HA	2016	% VA	2015	% VA	% HA
Net Revenue	**229.5**	**100.0%**	**264.3**	**100.0%**	**-13.1%**	**712.6**	**100.0%**	**787.7**	**100.0%**	**-9.5%**
Restaurants & Others	186.0	81.0%	214.6	81.2%	-13.3%	571.0	80.1%	634.5	80.5%	-10.0%
Gas Stations	43.5	19.0%	49.7	18.8%	-12.4%	141.6	19.9%	153.2	19.5%	-7.6%
Cost of Sales and Services	**(176.2)**	**-76.8%**	**(198.8)**	**-75.2%**	**-11.4%**	**(544.6)**	**-76.4%**	**(604.5)**	**-76.7%**	**-9.9%**
Direct Labor	(61.3)	-26.7%	(68.3)	-25.8%	-10.2%	(186.5)	-26.2%	(206.7)	-26.2%	-9.8%
Food	(57.3)	-24.9%	(64.6)	-24.4%	-11.3%	(172.3)	-24.2%	(197.6)	-25.1%	-12.8%
Others	(14.4)	-6.3%	(16.3)	-6.2%	-12.0%	(46.4)	-6.5%	(47.2)	-6.0%	-1.7%
Fuel and Automotive Accessories	(34.6)	-15.1%	(39.9)	-15.1%	-13.2%	(113.3)	-15.9%	(123.8)	-15.7%	-8.5%
Depreciation & Amortization	(8.7)	-3.8%	(9.7)	-3.7%	-10.8%	(26.1)	-3.7%	(29.1)	-3.7%	-10.4%
Gross Profit	**53.4**	**23.2%**	**65.5**	**24.8%**	**-18.5%**	**167.9**	**23.6%**	**183.2**	**23.3%**	**-8.3%**
Operating Expenses[1]	**(54.5)**	**-23.8%**	**(69.3)**	**-26.2%**	**-21.3%**	**(187.0)**	**-26.2%**	**(186.5)**	**-23.7%**	**0.2%**
Selling and Operating	(17.2)	-7.5%	(17.5)	-6.6%	-1.5%	(53.5)	-7.5%	(45.6)	-5.8%	17.3%
Rents of Stores	(23.5)	-10.2%	(28.5)	-10.8%	-17.5%	(78.0)	-10.9%	(84.3)	-10.7%	-7.5%
Store Pre-Openings	(0.8)	-0.4%	(0.3)	-0.1%	201.3%	(1.3)	-0.2%	(2.2)	-0.3%	-41.2%
Depreciation & Amortization	(5.6)	-2.4%	(10.7)	-4.1%	-47.9%	(19.0)	-2.7%	(26.8)	-3.4%	-29.2%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	6.2	2.7%	(1.8)	-0.7%	-436.0%	1.5	0.2%	2.5	0.3%	-39.9%
General & Administative[2]	(13.6)	-5.9%	(10.5)	-4.0%	29.7%	(36.7)	-5.2%	(30.1)	-3.8%	21.8%
(+) Depreciation & Amortization	14.3	6.2%	20.4	7.7%	-30.3%	45.1	6.3%	55.9	7.1%	-19.4%
Operating Income	**13.1**	**5.7%**	**16.7**	**6.3%**	**-21.4%**	**26.0**	**3.7%**	**52.6**	**6.7%**	**-50.5%**
Expansion Capex	7.0	3.0%	3.5	1.3%	100.3%	45.8	6.4%	15.7	2.0%	192.4%
Maintenance Capex	2.0	0.9%	1.7	0.6%	16.5%	7.3	1.0%	7.0	0.9%	4.4%
Total Capex	**9.0**	**3.9%**	**5.2**	**2.0%**	**72.7%**	**53.1**	**7.5%**	**22.6**	**2.9%**	**134.4%**
Operating Inc. - Capex[3]	**4.1**	**n/a**	**11.4**	**68.7%**	**n/a**	**(27.1)**	**n/a**	**30.0**	**57.0%**	**n/a**

[1]Before special items; [2]Not allocated in segments; [3] AV vs. Op. Inc.

Brazilian operations top line was mainly impacted by the softer macroeconomic scenario, that impacted consumer confidence leading to a lower flow of passengers in Airports (-10.0%, Jul-Sep YoY), lower spending on shopping malls (market SSS -7.4% in 3Q16 YoY) and also a lower flow of vehicles in roads (-4.7% in 3Q16 YoY), all of which impacted same store sales. It is also important to note that compared to 3Q15, there was a 31 stores reduction in the Brazilian operations (-12 in airports, -2 in roads and -17 in shopping malls) in 3Q16. Those effects were partially mitigated by IMC's sales initiatives that included: i) pricing: separating the stores in regional-brand clusters setting specific prices for each specific product; ii) menu engineering: focusing on higher margin products and suggestive sales; iii) product assortment and mix; iv) up selling; v) product quality and product innovation; among others.

All in all, the revenues of Brazilian operations fell by 13.1% in 3Q16. In 9M16, net revenues totaled R$712.6 million, down 9.5% compared to 9M15.

In terms of costs and expenses it is important to highlight the 60 bps reduction on rent, as the first positive outcome from the airport contracts renegotiations. Regarding labor cost and expenses, as mentioned before, for a fair comparison "direct labor cost" and "sales and operating expenses" should be combined, which resulted in R$78.6 million in 3Q16, compared to R$85.8 million in 3Q15, as a consequence of headcount reduction that more than compensated for the inflation pressure on payroll. It is important to note that the operating margin in Brazilian operations was largely impacted by the reduction on sales given the nature of our business and its high operational leverage; in the quarter, the pressure on operating income from lower volumes totaled R$36.5 million. Results were positively impacted by R$6.8 million tax reversion in the "other income" line, that was also positively impacted by roughly R$1.0 million from the Company's Leaders Convention held in August that was funded by sponsors – the same amount impacted G&A expenses negatively. With regards to G&A, the increase (excluding the Company's Leaders Convention held in August expenses) was related to the new team in the country that has been fully funded by the reduction on holding expenses.

Consequently, Brazilian operations posted an operating income of R$13.1 million in 3Q16, from R$2.1 million in 2Q16 (up 6x QoQ), or down 21.4% YoY, with a nearly 60 bps reduction in operating margin. However, it is important to bear in mind that: i) the initiatives that the Company has implemented to improve sales and reduce costs are still being implemented and will be even more meaningful when fully matured; ii) there are several other initiatives to be implemented that shall also improve sales and efficiency; and iii) when the Brazilian economy starts to recover, the impact on margins will be even more significant due to higher sales and consequent higher operating leverage.

Results of the Brazilian Operations – AIR

(in R$ million)	3Q16	% VA	3Q15	% VA	% HA	9M16	% VA	9M15	% VA	% HA
Net Revenue	**64.8**	**100.0%**	**82.7**	**100.0%**	**-21.7%**	**200.4**	**100.0%**	**240.7**	**100.0%**	**-16.7%**
Restaurants & Others	64.8	100.0%	82.7	100.0%	-21.7%	200.4	100.0%	240.7	100.0%	-16.7%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(47.5)**	**-73.3%**	**(56.0)**	**-67.7%**	**-15.2%**	**(141.8)**	**-70.8%**	**(174.5)**	**-72.5%**	**-18.7%**
Direct Labor	(20.2)	-31.2%	(25.0)	-30.2%	-19.0%	(62.1)	-31.0%	(78.1)	-32.5%	-20.5%
Food	(19.9)	-30.7%	(23.1)	-28.0%	-13.8%	(57.2)	-28.5%	(72.6)	-30.2%	-21.3%
Others	(4.4)	-6.8%	(4.8)	-5.8%	-7.7%	(14.1)	-7.0%	(14.5)	-6.0%	-2.7%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(3.0)	-4.6%	(3.2)	-3.8%	-5.8%	(8.5)	-4.2%	(9.2)	-3.8%	-8.4%
Gross Profit	**17.3**	**26.7%**	**26.7**	**32.3%**	**-35.3%**	**58.6**	**29.2%**	**66.2**	**27.5%**	**-11.5%**
Operating Expenses[1]	**(21.3)**	**-32.9%**	**(29.4)**	**-35.6%**	**-27.5%**	**(72.1)**	**-36.0%**	**(76.8)**	**-31.9%**	**-6.1%**
Selling and Operating	(6.9)	-10.6%	(6.6)	-8.0%	3.8%	(21.1)	-10.5%	(15.4)	-6.4%	37.4%
Rents of Stores	(9.8)	-15.1%	(14.2)	-17.2%	-31.3%	(36.0)	-17.9%	(41.1)	-17.1%	-12.6%
Store Pre-Openings	(0.6)	-1.0%	(0.3)	-0.3%	135.1%	(0.9)	-0.5%	(1.8)	-0.7%	-46.8%
Depreciation & Amortization	(4.0)	-6.2%	(8.3)	-10.0%	-51.3%	(14.1)	-7.0%	(18.5)	-7.7%	-23.8%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	7.0	10.8%	11.5	13.9%	-38.8%	22.6	11.3%	27.8	11.5%	-18.7%
Operating Income	**3.0**	**4.6%**	**8.7**	**10.6%**	**-66.0%**	**9.1**	**4.5%**	**17.2**	**7.1%**	**-47.2%**
Expansion Capex	3.7	5.7%	1.2	1.4%	208.2%	37.4	18.6%	12.9	5.3%	190.5%
Maintenance Capex	0.4	0.6%	0.6	0.7%	-34.6%	1.2	0.6%	3.8	1.6%	-69.0%
Total Capex	**4.1**	**6.3%**	**1.8**	**2.1%**	**129.4%**	**38.5**	**19.2%**	**16.7**	**6.9%**	**131.2%**
Operating Inc. - Capex[3]	**(1.1)**	**n/a**	**7.0**	**79.7%**	**n/a**	**(29.5)**	**n/a**	**0.5**	**2.9%**	**n/a**

[1]Before special items; [2]Not allocated in segments; [3] AV vs. Op. Inc.

The Brazilian Airport segment operating income reached R$3.0 million in 3Q16 from R$2.1 million in the 2Q16, but down 66% YoY with a 600bps decrease on margins mainly due to:

i) Decrease in sales, as a consequence of the net closure of 12 stores combined with a reduction of 16.2% on SSS, as a result of the decrease in passenger flow in the airports that the Company operates (-10.0%, Jul-sep YoY), which impacted margins in the following ways:

   i. 360bps increase in labor – we must note however that in nominal terms labor expenses ("direct labor cost" combined with "selling and operating expenses") totaled R$27.1 million compared to R$31.6 million in 3Q15, as a consequence of headcount adjustments on the operations that more than compensated the inflation pressure on payroll.

   ii. 270bps increase in food expenses, that were also impacted by a nearly R$1.4 million inventory write-off.

   iii. 100bps increase in others – mainly related to utility expenses.

   iv. 70bps increase in pre-opening store expenses.

ii) Those impacts were partially mitigated by the 210bps improvement or R$4.4 million reduction on rent expenses as a consequence of the renegotiated airport contracts and the closure of some stores.

In 9M16, the Brazilian Airport segment operating income reached R$9.1 million, down 47.2% YoY, with a margin of 4.5% vs. 7.1% in 9M15.

Results of the Brazilian Operations – ROADS

(in R$ million)	3Q16	% VA	3Q15	% VA	% HA	9M16	% VA	9M15	% VA	% HA
Net Revenue	**103.7**	**100.0%**	**113.9**	**100.0%**	**-8.9%**	**323.2**	**100.0%**	**339.6**	**100.0%**	**-4.8%**
Restaurants & Others	60.2	58.1%	64.2	56.4%	-6.2%	181.6	56.2%	186.4	54.9%	-2.6%
Gas Stations	43.5	41.9%	49.7	43.6%	-12.4%	141.6	43.8%	153.2	45.1%	-7.6%
Cost of Sales and Services	**(84.6)**	**-81.5%**	**(92.9)**	**-81.6%**	**-9.0%**	**(266.1)**	**-82.3%**	**(277.9)**	**-81.8%**	**-4.3%**
Direct Labor	(23.1)	-22.2%	(22.7)	-19.9%	1.8%	(68.9)	-21.3%	(65.8)	-19.4%	4.7%
Food	(18.7)	-18.0%	(20.9)	-18.4%	-10.8%	(57.4)	-17.8%	(61.2)	-18.0%	-6.1%
Others	(5.2)	-5.0%	(6.1)	-5.4%	-15.5%	(17.0)	-5.3%	(16.9)	-5.0%	0.4%
Fuel and Automotive Accessories	(34.6)	-33.3%	(39.9)	-35.0%	-13.2%	(113.3)	-35.1%	(123.8)	-36.5%	-8.5%
Depreciation & Amortization	(3.1)	-3.0%	(3.4)	-3.0%	-8.2%	(9.5)	-2.9%	(10.2)	-3.0%	-7.2%
Gross Profit	**19.1**	**18.5%**	**21.0**	**18.4%**	**-8.7%**	**57.1**	**17.7%**	**61.7**	**18.2%**	**-7.4%**
Operating Expenses[1]	**(10.3)**	**-9.9%**	**(10.7)**	**-9.4%**	**-3.8%**	**(31.6)**	**-9.8%**	**(30.9)**	**-9.1%**	**2.4%**
Selling and Operating	(5.1)	-4.9%	(4.7)	-4.1%	8.6%	(15.7)	-4.9%	(13.1)	-3.8%	20.0%
Rents of Stores	(4.3)	-4.2%	(4.6)	-4.0%	-5.9%	(13.4)	-4.1%	(13.8)	-4.1%	-3.0%
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)	-1.2%	-38.0%	(2.6)	-0.8%	(4.1)	-1.2%	-36.0%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	4.0	3.9%	4.8	4.2%	-17.0%	12.1	3.7%	14.3	4.2%	-15.4%
Operating Income	**12.8**	**12.4%**	**15.1**	**13.2%**	**-14.8%**	**37.5**	**11.6%**	**45.0**	**13.3%**	**-16.7%**
Expansion Capex	1.7	1.6%	0.0	0.0%	0.0%	2.0	0.6%	0.0	0.0%	0.0%
Maintenance Capex	0.1	0.0%	0.6	0.5%	-91.3%	0.6	0.2%	1.6	0.5%	-63.1%
Total Capex	**1.7**	**1.7%**	**0.6**	**0.5%**	**196.6%**	**2.6**	**0.8%**	**1.6**	**0.5%**	**61.3%**
Operating Inc. - Capex[3]	**11.1**	**86.4%**	**14.5**	**96.1%**	**-9.7%**	**35.0**	**93.2%**	**43.5**	**96.5%**	**-3.3%**

[1]Before special items; [2]Not allocated in segments; [3] VA vs. Op. Inc.

The Roads segment operating income decreased by R$2.2 million in the 3Q16, with a 90bps reduction on margins mainly due to:

i) Reduction on sales (-8.9% YoY), as a consequence of the net closure of 2 stores combined with a reduction of 5.8% on SSS, as a result of the macroeconomic headwinds that lead to a 4.7% reduction on traffic combined with fiercer competition in the roads where the company operates, which were partially offset by IMC's efforts to increase average ticket such as pricing and category management new mix and planogram of products at our checkouts.

ii) Inflation pressure on payroll and rent that lead to an increase of expenses of 310bps and 20bps, respectively.

iii) Those impacts were partially mitigated by higher efficiency on fuel cost (170bps reduction), on food cost (40bps) and utilities (40bps), as a result of pricing initiatives that mitigated inflationary pressure in the quarter.

In 9M16, the Brazilian Roads segment operating income reached R$37.5 million, down 16.7% YoY, with a margin of 11.6% vs. 13.3% in 9M15.

The Road segment is still a substantial cash generator for the Company; in addition, it has good prospects of achieving high operating margins by making the most of existing stores with initiatives to increase sales, mainly in the retail division. In June IMC launched a new pilot store, with a completely changed mini-market with new layout, planogram and visual merchandizing. In 4Q16, IMC should also test a new food & beverage offering (restaurant, bakery and snack bar) pilot at the Frango Assado.

Results of the Brazilian Operations – Malls

(in R$ million)	3Q16	% VA	3Q15	% VA	% HA	9M16	% VA	9M15	% VA	% HA
Net Revenue	**61.1**	**100.0%**	**67.7**	**100.0%**	**-9.8%**	**189.0**	**100.0%**	**207.4**	**100.0%**	**-8.9%**
Restaurants & Others	61.1	100.0%	67.7	100.0%	-9.8%	189.0	100.0%	207.4	100.0%	-8.9%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(44.1)**	**-72.3%**	**(49.9)**	**-73.7%**	**-11.5%**	**(136.7)**	**-72.4%**	**(152.1)**	**-73.3%**	**-10.1%**
Direct Labor	(18.0)	-29.5%	(20.7)	-30.5%	-12.8%	(55.5)	-29.4%	(62.8)	-30.3%	-11.5%
Food	(18.7)	-30.6%	(20.5)	-30.3%	-9.1%	(57.7)	-30.5%	(63.8)	-30.8%	-9.6%
Others	(4.8)	-7.9%	(5.5)	-8.1%	-11.8%	(15.3)	-8.1%	(15.8)	-7.6%	-3.0%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.6)	-4.3%	(3.2)	-4.7%	-18.6%	(8.2)	-4.3%	(9.7)	-4.7%	-15.5%
Gross Profit	**16.9**	**27.7%**	**17.8**	**26.3%**	**-5.0%**	**52.2**	**27.6%**	**55.4**	**26.7%**	**-5.7%**
Operating Expenses[1]	**(15.5)**	**-25.4%**	**(16.8)**	**-24.9%**	**-7.9%**	**(48.0)**	**-25.4%**	**(51.2)**	**-24.7%**	**-6.2%**
Selling and Operating	(5.3)	-8.6%	(6.2)	-9.1%	-14.8%	(16.7)	-8.9%	(17.2)	-8.3%	-2.7%
Rents of Stores	(9.4)	-15.4%	(9.7)	-14.3%	-2.8%	(28.7)	-15.2%	(29.4)	-14.2%	-2.4%
Store Pre-Openings	(0.2)	-0.3%	0.0	0.0%	0.0%	(0.3)	-0.2%	(0.4)	-0.2%	-15.8%
Depreciation & Amortization	(0.7)	-1.1%	(1.0)	-1.4%	-33.2%	(2.2)	-1.2%	(4.2)	-2.0%	-46.4%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	3.2	5.3%	4.2	6.2%	-22.1%	10.4	5.5%	13.9	6.7%	-24.8%
Operating Income	**4.7**	**7.7%**	**5.2**	**7.6%**	**-9.3%**	**14.7**	**7.8%**	**18.0**	**8.7%**	**-18.8%**
Expansion Capex	1.3	2.1%	0.1	0.1%	2203.8%	3.3	1.7%	0.1	0.1%	2534.7%
Maintenance Capex	0.5	0.9%	0.6	0.8%	-1.2%	1.5	0.8%	1.6	0.8%	-8.0%
Total Capex	**1.8**	**3.0%**	**0.6**	**0.9%**	**201.3%**	**4.7**	**2.5%**	**1.7**	**0.8%**	**176.5%**
Operating Inc. - Capex[3]	**2.8**	**60.7%**	**4.6**	**88.2%**	**-27.4%**	**9.9**	**67.7%**	**16.3**	**90.5%**	**-22.8%**

[1]Before special items; [2]Not allocated in segments; [3] AV vs. Op. Inc.

The Malls segment operating income decreased by 9.3% YoY in the 3Q16, totaling R$4.7 million with a 10bps improvement on margins mainly due to:

i) a 9.8% decrease in sales, as a consequence of the net closure of 17 stores combined with a reduction of 5.6% on SSS, as a result of the macroeconomic headwinds that lead to a reduction on consumer spending in malls, which reduced IMC's operational leverage resulting in a:

   i. 110bps increase in rents and 20bps in food costs.

ii) That were mitigated by a 150bps decrease in labor expenses ("direct labor cost" combined with "selling and operating expenses") that totaled R$23.3 million compared to R$26.9 million in 3Q15, as a consequence of headcount adjustments on the operations and the closure of some stores that more than compensated the inflation pressure on payroll; and:

iii) a 20 bps improvement in other costs – mainly utilities.

IMC continues to be focused on the strategy of streamlining the Shopping Mall portfolio in Brazil. The Company is also working on closing loss-making stores. Furthermore, IMC continues to seek to improve customers' experience at Viena locations, refurbishing and rebranding some of the stores throughout 2016 in order to increase our sales and operating income. The Company launched the first pilot store for Viena Express (buffet style – food court restaurant), and in 4Q16, the Company plans to launch a flagship store for Viena Delicatessen to test this new concept as well as the first Olive Garden at shopping malls in Brazil by January, 2017.

Results of U.S. Operations

(in US$ Million)	3Q16	% VA	3Q15	% VA	% HA	9M16	% VA	9M15	% VA	% HA
Net Revenue	**38.4**	**100.0%**	**35.4**	**100.0%**	**8.6%**	**91.6**	**100.0%**	**88.8**	**100.0%**	**3.0%**
Restaurants & Others	38.4	100.0%	35.4	100.0%	8.6%	91.6	100.0%	88.8	100.0%	3.0%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(22.0)**	**-57.3%**	**(20.2)**	**-57.1%**	**9.0%**	**(55.8)**	**-60.9%**	**(54.0)**	**-60.8%**	**3.2%**
Direct Labor	(10.6)	-27.6%	(9.7)	-27.5%	8.7%	(27.7)	-30.2%	(27.1)	-30.5%	2.1%
Food	(7.6)	-19.7%	(7.0)	-19.8%	8.3%	(17.9)	-19.6%	(17.5)	-19.7%	2.2%
Others	(2.3)	-6.1%	(2.1)	-5.9%	11.9%	(5.8)	-6.3%	(5.3)	-6.0%	8.8%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(1.5)	-3.9%	(1.4)	-3.9%	9.9%	(4.4)	-4.8%	(4.1)	-4.6%	7.6%
Gross Profit	**16.4**	**42.7%**	**15.2**	**42.9%**	**8.1%**	**35.8**	**39.1%**	**34.8**	**39.2%**	**2.8%**
Operating Expenses[1]	**(12.7)**	**-32.9%**	**(11.5)**	**-32.4%**	**10.3%**	**(30.8)**	**-33.7%**	**(28.9)**	**-32.6%**	**6.5%**
Selling and Operating	(7.0)	-18.2%	(6.6)	-18.7%	5.9%	(18.0)	-19.6%	(17.6)	-19.8%	2.2%
Rents of Stores	(3.9)	-10.2%	(3.7)	-10.5%	4.9%	(9.2)	-10.1%	(8.9)	-10.1%	3.0%
Store Pre-Openings	(0.7)	-1.8%	(0.1)	-0.3%	627%	(0.8)	-0.9%	(0.1)	-0.2%	498.6%
Depreciation & Amortization	(0.1)	-0.3%	(0.1)	-0.2%	30.5%	(0.3)	-0.3%	(0.2)	-0.2%	31.0%
J.V. Investment Amortization	(0.2)	-0.4%	(0.2)	-0.4%	-1.8%	(0.5)	-0.5%	(0.4)	-0.5%	8.4%
Equity income result	0.4	1.2%	0.4	1.1%	12.9%	1.9	2.1%	1.9	2.1%	2.7%
Other revenues (expenses)	0.0	0.0%	(0.0)	-0.1%	-106.8%	(0.1)	-0.1%	(0.0)	0.0%	1247.3%
General & Administative	(1.3)	-3.3%	(1.2)	-3.3%	8.4%	(3.9)	-4.3%	(3.5)	-3.9%	12.6%
(+) Depreciation & Amortization	1.8	4.6%	1.6	4.6%	9.7%	5.2	5.6%	4.7	5.3%	8.7%
Operating Income	**5.5**	**14.4%**	**5.3**	**15.1%**	**3.8%**	**10.1**	**11.1%**	**10.6**	**12.0%**	**-4.7%**
Expansion Capex	1.3	3.3%	1.8	5.2%	-30.7%	5.0	5.4%	2.8	3.1%	78.6%
Maintenance Capex	0.1	0.3%	0.1	0.3%	-3.5%	0.8	0.8%	0.4	0.5%	76.4%
Total Capex	**1.4**	**3.6%**	**2.0**	**5.5%**	**-29.0%**	**5.7**	**6.3%**	**3.2**	**3.6%**	**78.3%**
Operating Inc. - Capex[2]	**4.1**	**75.0%**	**3.4**	**63.4%**	**11.6%**	**4.4**	**43.3%**	**7.4**	**69.7%**	**-26.4%**

[1]Before special items; [2]VA vs. Op. Inc.

The operations in the United States consist basically of Margaritaville, which currently comprises 20 restaurants. The comments below (as well as the table above) are in local currency (US$) to provide a better understanding of the region's results eliminating the impact of FX.

US operations net revenues came in at US$38.4 million (R$124.8 million) in 3Q16, up 8.6% YoY (up 1.2% in Brazilian reais) due to lower same store sales (-0.7%), partially mitigated by the net opening of 3 restaurant.

It is important to note however that there is a positive trend in terms of same stores sales in the US for both food & beverage and retail when we compare to the performance in the beginning of the year:

- F&B: 1Q16 -3.6%; 2Q16 -4.2%; 3Q16 -1.6%, showing the first benefits from the suggestive selling and pricing initiatives. However, we are confident that we will also be able to turnaround F&B division with: i) new menus based on menu engineering tools; ii) groups sales; and iii) store refurbishments.

- Retail: 1Q16 -4.3%; 2Q16 +1.3%; 3Q16 +7.0%, as a result of the turnaround promoted by the new management team – with new assortment, product mix and pricing efforts.

Margins (-70bps, in US$) were pressured by higher pre-opening expenses, that were partially mitigated by improved food, labor and rent expenses.

Operating income reached US$5.5 million in 3Q16 compared to US$5.3 million in 3Q15, and US$10.1 million in 9M16 vs. US$10.6 million in 9M15. Operating margin (14.4% in 3Q16 vs. 15.1% in 3Q15) was pressured mainly due to a 150bps increase in pre-opening store expenses and 20bps increase in utilities ("other costs"), excluding pre-opening expenses (one-offs) EBITDA would have been US$6.2 million, with a margin of 16.1% and 16.4% above last year. There was a 50bps improvement in selling and operating expenses, combined with a 40bps improvement in rent and 10bps improvement in food costs.

Results of the Caribbean Operations

(in R$ million)	3Q16	3Q15	% HA	3Q16²	% HA²	9M16	9M15	% HA	9M16²	% HA²
Net Revenue	**46.8**	**49.7**	**-5.8%**	**50.9**	**2.5%**	**147.1**	**132.0**	**11.4%**	**140.4**	**6.3%**
Restaurants & Others	46.8	49.7	-5.8%	50.9	2.5%	147.1	132.0	11.4%	140.4	6.3%
Gas Stations	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Cost of Sales and Services	**(21.6)**	**(25.3)**	**-14.7%**	**(23.5)**	**-7.2%**	**(71.7)**	**(70.5)**	**1.7%**	**(68.8)**	**-2.4%**
Direct Labor	(8.0)	(9.0)	-10.5%	(8.7)	-2.5%	(26.4)	(25.5)	3.5%	(25.6)	0.4%
Food	(12.9)	(15.4)	-16.4%	(14.0)	-9.1%	(42.7)	(42.1)	1.4%	(40.7)	-3.3%
Others	(0.4)	(0.3)	12.7%	(0.4)	23.0%	(1.1)	(1.0)	13.9%	(1.2)	17.7%
Fuel and Automotive Accessories	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Depreciation & Amortization	(0.3)	(0.6)	-48.2%	(0.3)	-43.5%	(1.5)	(1.9)	-22.4%	(1.3)	-31.0%
Gross Profit	**25.2**	**24.4**	**3.5%**	**27.4**	**12.6%**	**75.3**	**61.5**	**22.5%**	**71.6**	**16.4%**
Operating Expenses¹	**(14.4)**	**(17.2)**	**-16.4%**	**(15.7)**	**-8.9%**	**(47.8)**	**(48.6)**	**-1.8%**	**(45.5)**	**-6.5%**
Selling and Operating	(5.7)	(7.6)	-24.2%	(6.3)	-17.3%	(19.0)	(19.5)	-2.6%	(18.4)	-5.6%
Rents of Stores	(4.8)	(5.3)	-9.6%	(5.2)	-1.6%	(15.3)	(14.3)	7.4%	(14.2)	-0.4%
Store Pre-Openings	(0.3)	0.0	0.0%	(0.3)	0.0%	(1.1)	(0.0)	4072.6%	(0.9)	3493.4%
Depreciation & Amortization	(2.1)	(2.4)	-16.1%	(2.2)	-8.6%	(7.0)	(6.7)	5.1%	(6.7)	1.1%
J.V. Investment Amortization	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Equity income result	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Other revenues (expenses)	0.6	0.3	133.7%	0.7	159.7%	1.3	(2.4)	-153.2%	1.3	-153.9%
General & Administative	(2.2)	(2.1)	1.1%	(2.3)	10.2%	(6.6)	(5.7)	14.9%	(6.4)	12.0%
(+) Depreciation & Amortization	2.4	3.1	-22.5%	2.6	-15.5%	8.5	8.6	-1.1%	8.1	-6.1%
Operating Income	**13.2**	**10.2**	**29.1%**	**14.4**	**40.3%**	**36.1**	**21.5**	**67.9%**	**34.2**	**59.0%**
Expansion Capex	0.1	0.8	-90.0%	0.1	-89.1%	1.0	5.0	-79.9%	1.1	-78.1%
Maintenance Capex	1.5	0.2	546.3%	1.6	603.2%	3.0	0.8	269.4%	3.3	301.9%
Total Capex	**1.5**	**1.0**	**51.9%**	**1.7**	**65.3%**	**4.0**	**5.8**	**-30.8%**	**4.4**	**-24.7%**
Operating Inc. - Capex³	**11.7**	**9.2**	**-1.7%**	**12.7**	**-1.8%**	**32.1**	**15.7**	**15.9%**	**29.8**	**14.3%**

¹Before special items; ²in constant currencies as of the prior year; ³ VA vs. Op. Inc.

The comments regarding the Caribbean operations (Panama and Colombia), are in constant currencies (using the 3Q15 FX rate to convert the results in 3Q15 and 3Q16) to eliminate the effect of exchange rate changes. They do not consider the results from discontinued operations (Mexico, the Dominican Republic and Puerto Rico) so that continuing operations results can be compared accurately.

Net revenues reached R$50.9 million, up 2.5% YoY as a result of SSS growth of 0.9% driven by Company's effort to improve average ticket that mitigated the impact from the net closing of 4 stores.

The focus on operational excellence combined with higher operating leverage, due to higher sales, lead to a 480bps improvement in gross margins, with a 90bps reduction on labor costs and 350bps reduction on food costs. As a result gross profit reached R$27.4 million in 3Q16, up 12.6% compared to 3Q15.

Regarding operating expenses in 3Q16, the main lines reduced as a percentage of net revenues, namely: selling and operating (-300bps), rent (-40bps). Those impacts were partially mitigated by higher G&A expenses (+30bps) and higher store pre-opening expenses (+60bps).

All in all, operating income came at R$14.4 million in 3Q16, up 40.3% compared to 3Q15, with an operating margin of 28.2% up from 20.6% in 3Q15. In 9M16, operating income reached R$34.2 million, up 59% compared to 9M15.

ADJUSTED EBITDA AND ADJUSTED MARGIN

EBITDA RECONCILIATION (R$ million)	3Q16	3Q15	HA (%)	9M16	9M15	HA (%)
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	**11.9**	**(11.7)**	**-201.9%**	**(15.3)**	**(36.9)**	**58.6%**
(+) Income Taxes	4.4	0.5	752.9%	7.3	(7.2)	-202.4%
(+) Net Financial Result	0.9	18.3	-95.2%	13.3	43.8	-69.6%
(+) D&A and Write-offs	21.9	28.6	-23.7%	70.2	78.2	-10.2%
(+) Amortization of Investments in Joint Venture	0.5	0.9	n.a.	1.7	1.7	n.a.
EBITDA	**39.5**	**36.6**	**8.0%**	**77.3**	**79.6**	**-2.9%**
(+) Special Items	1.2	1.5	n.a.	5.7	7.2	-21.6%
Adjusted EBITDA	**40.7**	**38.1**	**6.7%**	**82.9**	**86.8**	**-4.4%**
EBITDA / Net Revenues	*9.9%*	*8.4%*		*6.6%*	*6.6%*	
Adjusted EBITDA / Net Revenues	*10.1%*	*8.7%*		*7.0%*	*7.2%*	

* See EBITDA and Adjusted EBITDA definitions in the Glossary.

The Company's EBITDA, considering non-recurring items, reached R$40.7 million in 3Q16 a 6.7% improvement, with an adjusted EBITDA margin of 10.1% vs. 8.7% in 3Q15. The special items refer to the Company's stock option plan in 2016 and top management restructuring in 2015. In 9M16 EBITDA totaled R$82.9 million with a 7.0% margin, compared to R$86.8 million in 9M15.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R$0.9 million, compared to a net financial expense of R$18.3 million in 3Q15, as a result of the deleveraging processes that started in 4Q15.

Income taxes totaled R$4.4 million, versus R$0.5 million in 3Q15.

The Company recorded a net income of R$11.9 million in 3Q16, compared to a net loss of R$11.7 million in 3Q15.

SELECTED CASH FLOW INFORMATION

OPERATING ACTIVITIES

EBITDA Reconciliation to Operating Cash Flow (R$ Million)	3Q16	3Q15	Var. (%)	9M16	9M15	Var. (%)
EBITDA	**39.5**	**36.6**	**8.0%**	**77.3**	**79.6**	**-2.9%**
(+/-) Other Non-Cash Impact on IS	3.4	4.6		23.2	20.2	
(+/-) Working Capital	(0.8)	2.2		(16.6)	5.0	
(-) Paid Taxes	(0.8)	(0.3)		(3.9)	(3.8)	
Operating Cashflow	**41.4**	**43.1**	**-3.9%**	**80.0**	**101.0**	**-20.7%**
Operating Cashflow / EBITDA	**104.6%**	**117.7%**		**103.5%**	**126.9%**	

Operating cash flow totaled R$41.4 million in 3Q16 (compared to R$43.1 million in 3Q15), which represents an EBITDA-to-Cash conversion rate of 104.6%.

INVESTING ACTIVITIES

Investing Activities (in R$ million)	3Q16	3Q15	HA (%)	9M16	9M15	HA (%)
Fixed Assets Addition	(10.7)	(11.7)	-8.6%	(39.5)	(30.4)	29.8%
Intangible Assets Addition	(4.3)	(1.2)	247.6%	(37.5)	(8.3)	354.3%
(=) TOTAL CAPEX Investment	(15.0)	(13.0)	16.0%	(77.0)	(38.7)	99.1%
Payment from previous acquisitions	(1.1)	(28.5)	-96.2%	(79.3)	(53.4)	48.5%
Proceeds from Assets Sale	5.7	0.0		174.8	0.0	n/a
Total investments in the period	**(10.4)**	**(41.4)**	**-74.9%**	**18.4**	**(92.1)**	**n/a**
Operating Cashflow	41.4	43.1	-3.9%	80.0	101.0	-20.7%
Operating Cashflow - CAPEX	**26.3**	**30.1**	**-12.5%**	**3.0**	**62.3**	**-95.2%**

CAPEX (in R$ million)	3Q16	3Q15	HA (%)	9M16	9M15	HA (%)
Expansion						
Brazilian Operations	**6.7**	**1.3**	**na**	**42.6**	**13.0**	**na**
Brazil - Air	*3.7*	*1.2*	*na*	*37.4*	*12.9*	*na*
Brazil - Roads	*1.7*	*0.0*	*-*	*2.0*	*0.0*	*-*
Brazil - Malls	*1.3*	*0.1*	*na*	*3.3*	*0.1*	*na*
USA Operations	**4.1**	**6.4**	**-35.4%**	**17.2**	**8.9**	**93.5%**
Caribbean Operations	**0.1**	**0.8**	**-90.0%**	**1.0**	**5.0**	**-79.9%**
Holding	**0.3**	**2.2**	**-85.5%**	**3.2**	**2.7**	**19.6%**
Total Expansion Investments	**11.2**	**10.7**	**5.0%**	**64.1**	**29.6**	**116.5%**
Maintenance						
Brazilian Operations	**1.0**	**1.7**	**-43.2%**	**3.2**	**7.0**	**-53.8%**
Brazil - Air	*0.4*	*0.6*	*-34.6%*	*1.2*	*3.8*	*-69.0%*
Brazil - Roads	*0.1*	*0.6*	*-91.3%*	*0.6*	*1.6*	*-63.1%*
Brazil - Malls	*0.5*	*0.6*	*-1.2%*	*1.5*	*1.6*	*-8.0%*
USA Operations	**0.4**	**0.4**	**-10.1%**	**2.7**	**1.4**	**91.1%**
Caribbean Operations	**1.5**	**0.2**	**na**	**3.0**	**0.8**	**na**
Holding	**1.0**	**0.0**	**-**	**4.1**	**0.0**	**-**
Total Maintenance Investments	**3.8**	**2.4**	**62.7%**	**13.0**	**9.2**	**41.1%**
Total CAPEX Investments	**15.0**	**13.0**	**15.4%**	**77.0**	**38.8**	**98.6%**

Total CAPEX increased by 15.4% in 3Q16 totaling R$15.0 million, mainly due to expansion capex in Brazil and US. In 2016, total CAPEX reached R$77.0million, 98.6% up compared to 2015.

Concerning growth CAPEX in 3Q16, IMC invested mainly in the new stores opened at the Brazilian airports, new pilot stores in malls and roads; Miami airport, Mall of America and Jackson Memorial Hospital, in the US; and in malls in Colombia and new stores at the Panama airport.

Maintenance CAPEX in 3Q16 is mainly related to the replacement of machinery and utensils of stores and related to the Catering operations in Brazil, stores in the Caribbean and restaurants in the US.

FINANCING ACTIVITIES

The Company's financing cash flow in 3Q16 was mainly affected by loan amortizations and the share buy-back program.

FINANCING ACTIVITIES (R$ million)	3Q16	3Q15	9M16	9M15
Capital Contribuitions	0.4	0.0	46.8	0.0
Capital Contribuitions - minority interest	0.2	0.0	0.2	0.0
Treasury Shares	(2.1)	0.0	(10.4)	0.0
New Loans	1.0	17.8	2.3	31.6
Payment of Loans	(71.3)	(11.4)	(155.5)	(26.0)
Net Cash Generated by Financing Activities	**(71.8)**	**6.4**	**(116.6)**	**5.6**

Considering payments to former owners of certain companies acquired in the past (seller finance) as debt, debt amortization totaled R$71.4 million in 3Q16.

Total debt amortization (R$ million)	3Q16	2Q15	9M16	9M15
Acquisitions, net of cash (Sellers Financing)	(1.1)	(28.5)	(79.3)	(53.4)
New Loans	1.0	17.8	2.3	31.6
Loan Amortization	(71.3)	(11.4)	(155.5)	(26.0)
Total debt amortization	**(71.4)**	**(22.1)**	**(232.5)**	**(47.8)**

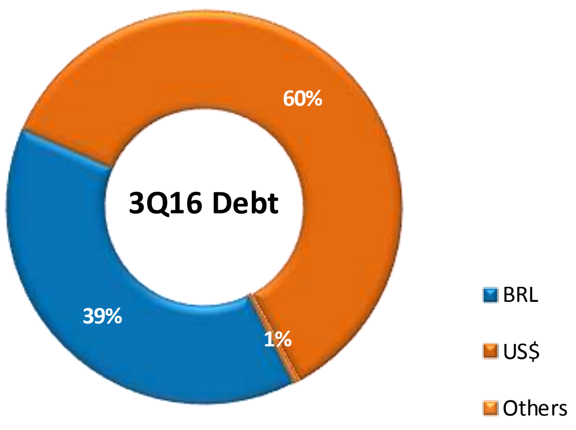
DEBT

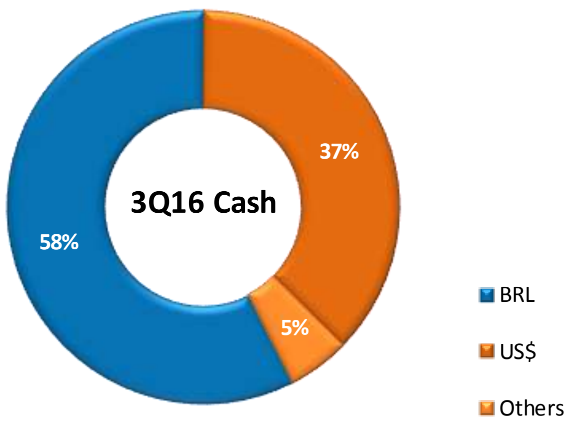
Net Debt

As a consequence of the successful implementation of the deleveraging strategy, the Company ended the first semester with a net cash position of R$49.4 million, including cash, cash equivalents and short-term investments, as well as sellers finance and agreements entered into with the current operators of concessions at private airports. The table below shows the debts of continuing operations. Consequently, the Company has a negative Net Debt–to–EBITDA ratio.

R$ million	3Q16	2Q16	1Q16	4Q15
Debt	140.9	209.8	248.3	329.2
Financing of past acquisitions	27.5	10.2	10.7	100.2
Point of Sales rights	4.5	0.0	51.9	52.6
Total Debt	**173.0**	**220.0**	**310.9**	**482.0**
(-) Cash	-222.4	-261.7	-336.1	-289.4
Net Debt	**(49.4)**	**(41.7)**	**(25.2)**	**192.6**

Below is the breakdown of our total debt and cash by currency in 3Q16.





CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	3Q16	3Q15	9M16	9M15
NET REVENUE	401,166	437,306	1,177,442	1,204,503
COST OF SALES AND SERVICES	(269,306)	(294,880)	(811,270)	(847,195)
GROSS PROFIT	131,860	142,426	366,172	357,308
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(86,684)	(94,999)	(260,662)	(248,598)
General and administrative expenses	(27,824)	(25,992)	(80,759)	(79,271)
Depreciation and amortization	(7,944)	(13,420)	(27,010)	(34,162)
Other income (expenses)	6,821	(1,668)	2,488	65
Equity income result	938	735	5,158	4,354
Net financial expenses	(878)	(18,271)	(13,330)	(43,791)
INCOME (LOSS) BEFORE INCOME TAXES	16,289	(11,189)	(7,943)	(44,095)
Income Taxes	(4,367)	(512)	(7,333)	7,160
NET INCOME (LOSS) FOR THE QUARTER FROM CONTINUED OPERATIONS	11,922	(11,701)	(15,276)	(36,935)
RESULT FROM DISCONTINUED OPERATIONS	0	398	3,972	7,606
NET INCOME (LOSS) FOR THE QUARTER	11,922	(11,303)	(11,304)	(29,329)

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION (R$ thousand)	9/30/2016	12/31/2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	222,403	289,390
Accounts receivable	62,380	70,586
Inventories	34,753	41,917
Derivatives	4,782	12,857
Other current assets	59,144	38,419
Assets from discontinued operations	0	511,492
Total current assets	383,462	964,661
NONCURRENT ASSETS		
Deferred income taxes	592	720
Derivatives	3,703	18,256
Other noncurrent assets	64,852	64,266
Property and equipment	251,064	281,654
Intangible assets	857,574	896,466
Total noncurrent assets	1,177,785	1,261,362
TOTAL ASSETS	1,561,247	2,226,023
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	69,616	78,723
Loans and financing	63,533	144,656
Salaries and payroll charges	52,047	47,543
Other current liabilities	48,646	43,226
Liabilities from Discontinued operations	0	260,105
Total current liabilities	233,842	574,253
NONCURRENT LIABILITIES		
Loans and financing	117,912	368,469
Provision for labor, civil and tax disputes	17,568	13,596
Deferred income tax liability	55,727	47,858
Other noncurrent liabilities	17,500	17,719
Total noncurrent liabilities	208,707	447,642
EQUITY		
Capital and reserves	1,164,748	1,122,662
Accumulated losses	(38,971)	(27,667)
Other comprehensive income	(17,215)	24,697
Amounts recognized in other comprehensive income and accumulated in equity related to assets held for sale	0	72,437
Total equity	1,108,562	1,192,129
Non-Controlling Interest	10,136	11,999
TOTAL LIABILITIES AND EQUITY	1,561,247	2,226,023

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	3Q16	3Q15	9M16	9M15
CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss) for the quarter	11,922	(11,701)	(15,276)	(36,935)
Depreciation and amortization	21,853	28,650	70,236	78,184
Impairment of intangible assets (using)	(3,931)	-	(13,836)	-
Investiment amortization	506	859	1,663	1,683
Equity income result	(1,444)	(1,594)	(6,821)	(6,037)
Provision for labor, civil and tax disputes	4,238	1,803	3,140	4,697
Income taxes	4,367	512	7,333	(7,160)
Interest expenses	4,268	11,415	19,712	34,685
Effect of exchange rate changes	336	1,089	24,175	4,886
Disposal of property and equipment	4,217	847	14,647	1,176
Deferred Revenue, Rebates	(1,526)	(769)	(3,384)	(2,796)
Expenses in payments to employees based in stock plan	1,163	1,541	5,654	1,541
Others	(3,072)	8,557	(6,731)	25,855
Changes in operating assets and liabilities	(792)	2,166	(16,613)	5,004
Cash generated from operations	42,105	43,375	83,899	104,783
Income tax paid	(751)	(324)	(3,894)	(3,833)
Interest paid	(4,248)	(16,544)	(19,216)	(39,206)
Net cash generated by (used in) operating activities	37,106	26,507	60,789	61,744
CASH FLOW FROM INVESTING ACTIVITIES				
Capital increase in subsidiaries	-	-	-	(6,416)
Acquisitions of controlling interest, net of cash	(1,088)	(28,492)	(79,339)	(53,417)
Dividends received	3,000	3,373	8,359	6,951
Sale of controlling interest in discontinued operations, net of cash	5,716	-	174,796	-
Additions to intangible assets	(4,324)	(1,244)	(37,541)	(8,263)
Additions to property and equipment	(10,700)	(11,708)	(39,490)	(30,432)
Net cash used in investing activities from continued operations	(7,396)	(38,071)	26,785	(91,577)
Net cash used in investing activities from discontinued operations	-	10,424	-	27,570
Net cash used in investing activities	(7,396)	(27,647)	26,785	(64,007)
CASH FLOW FROM FINANCING ACTIVITIES				
Capital contribuitions	425	-	46,807	-
Treasury shares	(2,069)	-	(10,375)	-
New loans	964	17,807	2,297	31,563
Payment of loans	(71,283)	(11,370)	(155,481)	(25,978)
Net cash used in financing activities	(71,805)	6,437	(116,594)	5,585
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,750	8,617	(37,967)	11,976
NET INCREASE (DECREASE) FOR THE PERIOD	(39,345)	13,914	(66,987)	15,298
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	261,748	86,204	289,390	84,820
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	222,403	100,118	222,403	100,118

APPENDIX - CURRENCY CONVERSION TABLE

	US$		COP	
	EoP	Average	EoP	Average
1Q13	2.019	1.995	0.0011	0.0011
2Q13	2.226	2.062	0.0012	0.0011
3Q13	2.235	2.285	0.0012	0.0012
4Q13	2.348	2.272	0.0012	0.0012
1Q14	2.266	2.369	0.0012	0.0012
2Q14	2.205	2.234	0.0012	0.0012
3Q14	2.438	2.276	0.0012	0.0012
4Q14	2.687	2.548	0.0011	0.0012
1Q15	3.208	2.865	0.0012	0.0012
2Q15	3.103	3.073	0.0012	0.0012
3Q15	3.973	3.540	0.0013	0.0013
4Q15	3.905	3.841	0.0012	0.0013
1Q16	3.559	3.857	0.0012	0.0012
2Q16	3.210	3.501	0.0011	0.0012
3Q16	3.246	3.246	0.0011	0.0011

Management Note:

There may some minor differences between the financial information presented in the charts and graphs in this release and that in the Audited Condensed Financial Statements due to rounding.

Any and all non-accounting information or information arising from non-accounting figures, in addition to comparable historical information, has not been reviewed by the independent auditors.

GLOSSARY

Net store openings: References to “net store openings”, “net store closures” or similar expressions correspond to the sum of stores opened or reopened in a given period less the sum of the stores closed in the same period.

Company: International Meal Company Alimentação S.A. or IMCASA.

EBITDA: The Company calculates EBITDA as net income, before income tax and social contribution tax, financial income (expenses) and depreciation and amortization. According to the accounting practices adopted in Brazil (BR GAAP) or IFRS, EBITDA is not a measure of financial performance and should not be considered as an alternative to net income as an indicator of operating performance, as an alternative to operating cash flow, or as an indicator of liquidity. EBITDA does not have a standard meaning and the Company’s definition of EBITDA may not be comparable with the definition of EBITDA used by other companies. Due to the fact that the calculation of EBITDA does not consider the income tax and social contribution tax, financial income (expense), depreciation and amortization, EBITDA is an indicator of the Company’s overall financial performance, which is unaffected by changes in income tax and social contribution tax rates, fluctuations in interest rates or levels of depreciation and amortization. Therefore, the Company believes that EBITDA serves as a significant comparative tool to measure, periodically, its operating performance and to base certain decisions of an administrative nature. The Company believes that EBITDA provides a better understanding of not only of its financial performance, but also its ability to pay interest and principal on its debt and to incur more debt to finance its capital expenditures and working capital. However, because EBITDA does not consider certain costs inherent in its business, which could, in turn, significantly affect earnings, such as interest, taxes, depreciation, capital expenditures and other related charges, EBITDA has limitations that affect its use as an indicator of the Company’s profitability.

Adjusted EBITDA: Adjusted EBITDA reflects EBITDA, adjusted to exclude the effects of transactions deemed by management as being unrepresentative of the normal course of business and/or do not impact cash generation. Adjusted EBITDA is used as a tool to measure and evaluate the Company’s performance, focusing on the continuity of its operations and is believed that adjusted EBITDA is a useful tool for investors, by enabling a more comprehensive and standardized comparative analysis of the information on the past and current results of the Company’s management. According to the accounting practices adopted in Brazil (BR GAAP) or IFRS, adjusted EBITDA is not a measure of financial performance and should not be considered as an alternative to net income as an indicator of operating performance, as an alternative to operating cash flow, or as an indicator of liquidity. Adjusted EBITDA does not have a standard meaning and the Company’s definition of adjusted EBITDA may not be comparable with the definition of the adjusted EBITDA used by other companies. However, because adjusted EBITDA does not consider certain costs inherent in its business, which could, in turn, significantly affect earnings, such as interest, taxes, depreciation, capital expenditures and other related charges, adjusted EBITDA has limitations that affect its use as an indicator of the Company’s profitability.

Same-store sales (SSS): corresponds to the sales of stores that have maintained operations in comparable periods, including stores that were temporarily closed. If a store is included in the calculation of comparable store sales for only a part of one of the periods compared, then this store will be included in the calculation of the corresponding portion of another period. Some of the reasons for the temporary closure of the Company’s stores include renovation or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store included in comparable store sales, said store is excluded from the comparable store sales. The variations in same-store sales is a measure used in the retail market as an indicator of the performance of the implemented business strategies and initiatives, and also represent the trends of the local economy and consumers. The Company’s sales are recorded and analyzed based on the functional currency of each country where the Company operates. Therefore, as the Company’s financial information is converted and demonstrated in reais (R$), Brazilian currency, using average exchange rates of the periods compared, the values of same-store sales may present gains or losses resulting from the exchange rate of the currency of the country where that same store is located. Same-store sales are not a measure of financial performance according to the accounting practices adopted in Brazil (BR GAAP) or IFRS. Same-store sales do not have a standardized meaning in the market, and the Company's definition may not be the same definition of same-store sales in used by other companies.

DISCLAIMER

This report contains forward-looking information. Such information does not refer to historical facts only, but reflect IMC's management's wishes and expectations. The words "anticipates", "wants", "expects", "forecasts", "intends", "plans", "predicts", "projects", "aims" and the like are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency, currency fluctuations, supply and production hurdles and changes in product sales, among other risks. This report also contains information prepared by the Company only for information and reference purposes; therefore, it has not been audited. This report is up-to-date, and IMC has no obligation to update it with new information and/or future events. There may some minor differences between the financial information presented in the charts and graphs in this release and that in the Audited Financial Statements due to rounding. Any and all non-accounting information or information arising from non-accounting figures, in addition to comparable historical information, has not been reviewed by the independent auditors.