imc
INTERNATIONAL MEAL COMPANY

2017 RESULTS

São Paulo, March 27th, 2018 - International Meal Company Alimentação S.A. (B3: MEAL3), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the fourth quarter of 2017 (4Q17). 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.

HIGHLIGHTS

Net Revenue[1]
R$1.54B in 2017
(0.4% down vs. 2016)

Adjusted EBITDA[1]
R$126M in 2017
(+25%|+160bps)

Net Income
R$4M in 2017
(from a R$80M loss in 2016)

MEAL3 on 12.28.2017
R$8.69

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CONFERENCE CALL - PORTUGUESE

3/27/2018
10:00 a.m. (Brasília) / 09:00 a.m. (US ET)

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CONFERENCE CALL - ENGLISH

3/27/2018
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[1] In Constant Currency

MESSAGE FROM MANAGEMENT

We are happy to announce our 2017 results, which show relevant improvements over 2016, reflecting the many initiatives that we implemented since the beginning of the year. Furthermore, there is still a large room for improvement in terms of both margins and top line.

Consolidated Adjusted EBITDA was up 25% YoY reaching R$126M (in constant currency), with an improvement of 160bps in margins that reached 8.2% in 2017. Net revenues reached R$1,535.1M (in constant currency), down 0.4% YoY. **Operating Cash Generation – after maintenance Capex – reached R$58M, or a 48% conversion rate from EBITDA**. **Net income reached R$4M, up from a R$80M net loss in 2016.**

<u>Results improved in all regions:</u> **In Brazil, operating income (including holding expenses) was up 82% YoY (+R$18M) reaching R$39M with a 190bps expansion in margins**. **In the US**, there was **a 13% growth in operating income** (in constant currency) **with a 100bps margin improvement**. **In the Caribbean, operating income was up by 6%** in constant currency, with a 190bps growth in margin.

During 2017 we started to see the positive effects of the implementation of our strategy which has a higher focus on Efficiency, Execution and Growth, aiming at: i) **improving margins -** streamlining Company's costs and expenses structure; ii) **benefit from the operational leverage -** improving same store sales; iii) **organic expansion** - focusing on specific brands – namely, Olive Garden and Margaritaville/Landshark; **all backed by** robust process and management tools **and an aligned management team**.

In 2017, with regards to:

i) **Margin Improvement Based on Costs Reduction– the main initiatives were:**

   a. Overhead/G&A restructuring: we implemented changes in the Brazilian overhead structure (including Holding expenses) that resulted in better margins, and reduced layers and higher accountability in a more aligned and focused team.

   b. **Zero Base Budget**: which is a cost control oriented effort aiming at setting the adequate cost structure for the Company.

   c. **Corporate Restructuring:** we consolidated Frango Assado's fiscal entity into Viena's. That will allow for higher tax efficiency and higher efficiency in food cost as it will enable the central kitchen's specialization.

ii) Operational Leverage = margin improvement based on sales increase and cost control:

   With an important part of our costs being fixed, an improvement in sales drives a disproportional increase in EBITDA / Margins.

   a. Our main focus in 2017 was Frango Assado, given its relevance in Brazil's consolidated results and lower number of points of sale.

      i. Team assessment: measure their fit with the ideal behavior and skills profiles;

      ii. Products and innovation: we revised and updated Frango's core menus;

      iii. Marketing: joint effort of operations and marketing to develop limited time offerings;

      iv. Investments to improve stores' infrastructure;

      v. Research and focus groups.

All of that was crucial to revert the 2016 and early 2017 downward trend in SSS. What should be replicated – among other initiatives – for the other brands during 2018.

iii) Organic expansion – low risk – that moves the needle:

   The organic expansion was (and will be for the short term) mainly focused on Olive Garden in Brazil and Margaritaville/Landshark in the US.

      a. In 2017, we opened 2 Olive Garden restaurants in Brazilian Malls: ~R$1M in sales/month on average.

      b. In the US we opened a Margaritaville restaurant in Cleveland.

iv) Team & Processes

   a. Our team is complete, experienced, well aligned and is the team that led the turnaround;

b. The team is now organized by brand and not by channel;
c. Project Management as core function of the Company;
d. Live KPIs' Monitoring tool, with daily information sent to all store managers;
e. Zero base budget culture.

All in all, we have seen an important improvement in results, especially in Brazil, but there is still more to be captured. Margins in Brazil (including holding expenses) nearly doubled from 2.3% in 2016 to 4.2% in 2017, but there is still a lot of room for improvement that will allow us to reach our 10% minimum target.

In 2018 we will focus on:

i) Costs reduction:

a. Continued effort on the zero base budget to further streamline overall cost structure.
b. Labor Reform in Brazil**:** allows higher flexibility in hiring part time employees.
c. Intelligent Kitchens:

i. We are optimizing and specializing our central kitchens and seeking agreements with suppliers to deliver to our restaurants more and more pre-prepared products. This effort has many positive outcomes: i) improves our productivity; ii) reduces waste → reducing food cost; and iii) It also improves quality and consistency of execution, which is crucial for a high-scale business as ours.

ii. The biggest impact, however, should be in labor cost:

- A relevant amount of time and resources is spent on product pre-preparation, so with a higher percentage of pre-prepared products being delivered to our restaurants, a lower staff will be needed in each restaurant. At a Viena Express restaurant, for example, a back-of-the-house employee spends between 20% and 25% of his time in pre-preparation.

d. RPA: manual processes automation, reducing further the back office overhead.

ii) Sales Improvement efforts

a. Brazil

i. Malls/Viena

- The negative SSS figures has to do with execution as attested by the customers' complaints that show that 65% of those are linked to service and execution.
- Performance is not homogeneous among the restaurants: i) sales: the top-quartile restaurants have presented SSS +1.5% vs. -15.5% on the bottom-quartile.
- We are also investing in new equipment.
- As we did for Frango Assado in 2017, we are assessing the team, investing in research and focus groups and we reinforced the training department.

ii. Airports

- Besides execution, as in malls, airports in Brazil have been suffering from higher competition (at Guarulhos – 80% of the air restaurants segment (excluding catering) – 13 new competitors opened stores in the 2H17).
- Catering – in addition to improving efficiency in existing Air Catering Business, our Catering bases are getting more integrated with the retail operations supplying most of the products and also sharing management. We started with Confins in 2017 and will integrate Brasilia in 2018

iii. Roads

- In 2018 we will continue to implement product innovation and limited time offers, combined with excellence in execution and we will invest in 4 major refurbishments.

b. US

i. The main areas of focus are: i) store infrastructure; ii) group sales; and iii) marketing.

- We are investing US$2-3M to remodel stores;

- We hired the Chief Outsiders Consultants to design a marketing plan per store, develop partnerships with booking apps and reinforce the link of the brand with the "Caribbean Lifestyle spirit".
- We are launching new products and limited time offerings and improving menu engineering.

c. Caribbean

i. The challenge is to sustain the level of sales and efficiency, while introducing new products.

ii. We shall also seek new catering contracts in Colombia

iii) Organic Expansion

a. Brazil

i. Olive Garden

- Our target is to open 4-5 restaurants per year. Therefore, by 2019 we should have 10 restaurants, which should represent R$120M in sales (compared to R$234M of the Malls segment in 2017) and R$12-15M in operating income (compared to R$13M of Malls in 2017).
- We expect that each Olive Garden should have approximately a 3-year payback.

b. US

i. Margaritaville/Landshark

- In the case of Margaritaville/Landshark restaurants we also expect approximately 3-year payback and sizable returns on invested capital as well, with a US$400k-700k margin per year.
- We plan to open two restaurants per year – we have just opened a Landshark in Daytona/FL.

c. Caribbean

i. We will continue the expansion of Carls'Jr in Panama and J&C Delicias in Colombia (at least 1 store each in 2018) while exploring new locations in Tocumen airport.

iv) Processes and Team

a. In 2018 we have an ambitious project to establish individual targets and – consequently – variable compensation to most of employees: back office and store-front.

b. More than "just" establishing the targets for every employee, we are revising the Company's Mission, Vision and Values with the support of Visagio Consultants. The project should be concluded (including implementation) by 3Q18.

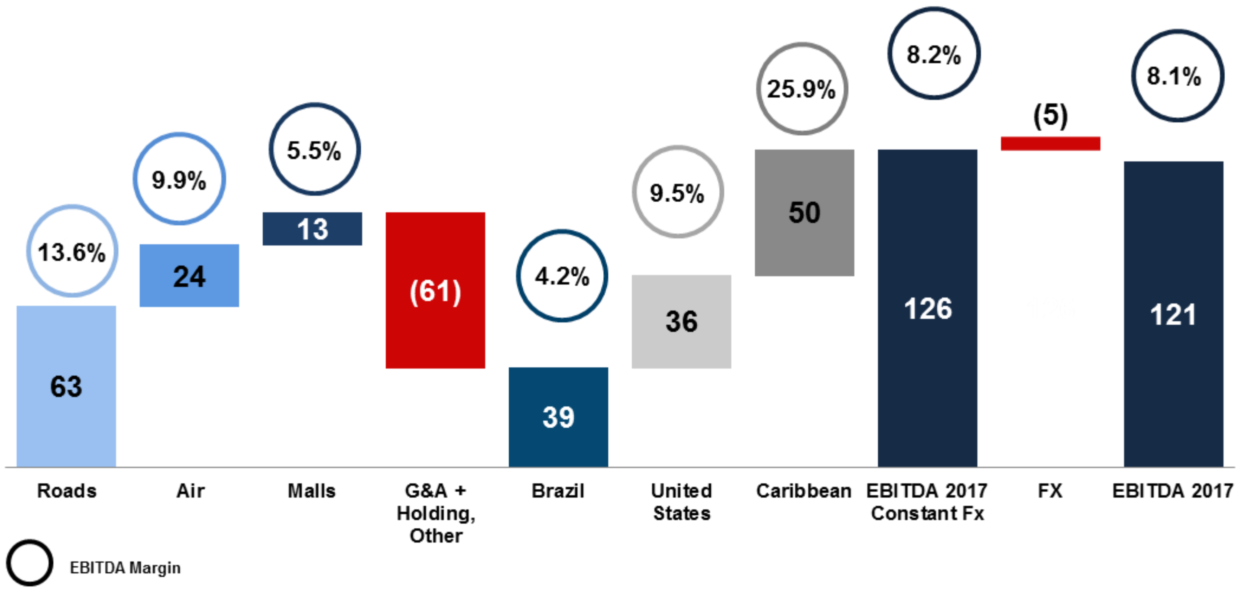
c. We believe that this project could a have a transformational impact on the Company's results with a higher commitment and dedication from every employee, leading to excellence in execution and service.

All in all, we already see the first signs of the Company's improved structure, processes and costs controls materialized in the results, but there is still a lot of room for further improvement in margins, a sizable organic growth opportunity and we have the team and tools the get us there.

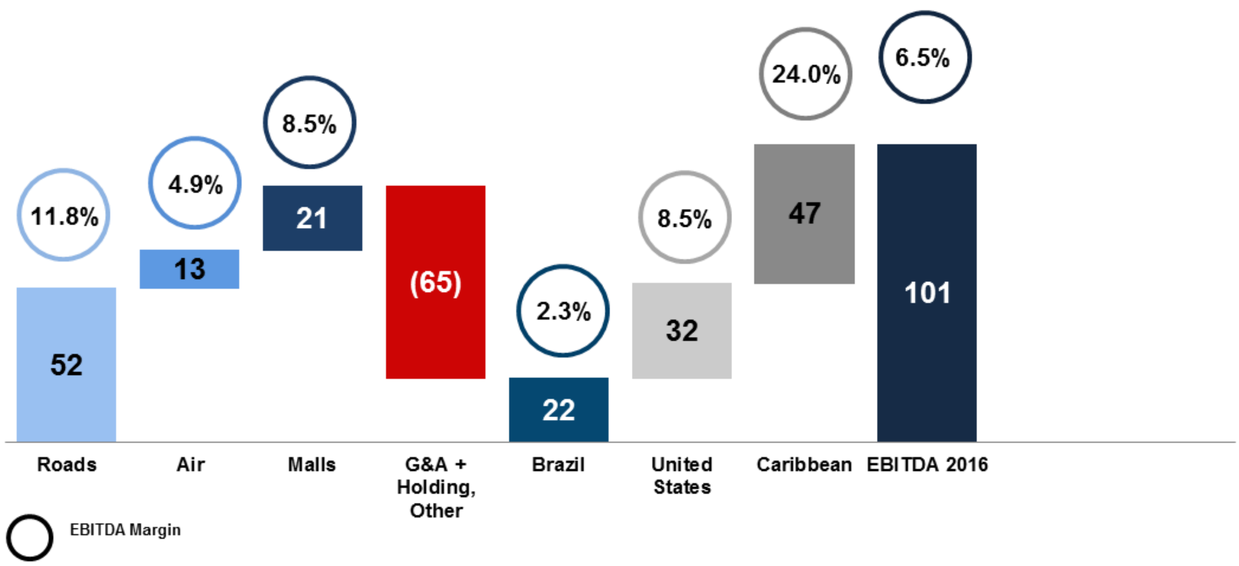
COMMENTS ABOUT IMC'S PERFORMANCE

OVERVIEW OF 2017

EBITDA Bridge 2017



EBITDA Bridge 2016



In 2017, IMC's Adjusted EBITDA was up by 25% with a 160bps margin improvement reaching R$126 million in constant currency, or R$121 million in Reais with a 8.2% margin.

In Brazil, operating income was up 82% YoY (+R$18M) reaching R$39M with a 190bps expansion in margins, reflecting our efforts to improve efficiency on the back of the implementation of the zero base budget in early April, a second phase of adjustments focused on indirect expenses (sales and operating) and G&A in August/September, combined with top line growth in the Roads segment and higher efficiency in the Air segment (mostly driven by the catering operation).

In the US, the 13% (+R$4.3 million) YoY improvement in operating income (in constant currency) was related to new stores combined with the decrease in labor, selling & operating and store pre-opening expenses. Operating income margin had a 100bps improvement.

In the Caribbean, the 6% (+R$3.0 million) growth in operating income (in constant currency) is a consequence of higher efficiency in food cost, store pre-opening expenses and G&A, leading to a 190bps increase in margins.

We continue to have a higher focus on Execution, Efficiency and Growth aiming at improving performance in the short term. We still believe we have room for further adjustments and improvements in the Company's structure, processes and costs in order to have a leaner and more agile Company. On top of that, we continue to invest in demand generation efforts to improve same store sales and seek opportunities to grow organically with new sites to be launched.

CONSOLIDATED RESULTS

(in R$ million)	4Q17	4Q16	%HA	*4Q17[3]*	*% HA[3]*	2017	2016	%HA	*2017[3]*	*% HA[3]*
Net Revenue	**366.9**	**363.2**	**1.0%**	***368.3***	***1.4%***	**1,494.5**	**1,540.6**	**-3.0%**	***1,535.1***	***-0.4%***
Restaurants & Others	311.8	310.5	0.4%	*313.2*	*0.9%*	1,284.5	1,346.3	-4.6%	*1,325.2*	*-1.6%*
Gas Stations	55.1	52.7	4.5%	*55.1*	*4.5%*	210.0	194.3	8.1%	*210.0*	*8.1%*
Brazil	253.9	241.9	5.0%	*253.9*	*5.0%*	947.2	954.4	-0.8%	*947.2*	*-0.8%*
US	67.9	73.3	-7.3%	*68.9*	*-6.1%*	368.1	391.1	-5.9%	*395.7*	*1.2%*
Caribbean	45.1	48.0	-6.0%	*45.6*	*-5.0%*	179.3	195.1	-8.1%	*192.3*	*-1.4%*
Cost of Sales and Services	**(252.8)**	**(257.0)**	**-1.6%**	***(253.7)***	***-1.3%***	**(1,028.9)**	**(1,068.2)**	**-3.7%**	***(1,053.2)***	***-1.4%***
Direct Labor	(93.0)	(96.2)	-3.3%	*(93.4)*	*-2.8%*	(388.5)	(406.1)	-4.3%	*(400.1)*	*-1.5%*
Food	(83.6)	(82.6)	1.2%	*(83.9)*	*1.5%*	(338.8)	(359.8)	-5.8%	*(347.7)*	*-3.3%*
Others	(19.4)	(20.3)	-4.5%	*(19.5)*	*-4.2%*	(79.5)	(88.0)	-9.6%	*(81.3)*	*-7.5%*
Fuel and Automotive Accessories	(45.0)	(43.4)	3.7%	*(45.0)*	*3.7%*	(171.1)	(156.7)	9.2%	*(171.1)*	*9.2%*
Depreciation & Amortization	(11.8)	(14.4)	-18.3%	*(11.9)*	*-17.9%*	(51.0)	(57.7)	-11.5%	*(53.0)*	*-8.0%*
Gross Profit	**114.1**	**106.2**	**7.4%**	***114.7***	***7.9%***	**465.6**	**472.4**	**-1.4%**	***481.9***	***2.0%***
Gross Margin (%)	*31.1%*	*29.3%*	*1.8p.p.*	*31.1%*	*1.9p.p.*	*31.2%*	*30.7%*	*0.5p.p.*	*31.4%*	*0.7p.p.*
Operating Expenses[1]	**(121.2)**	**(112.1)**	**8.1%**	***(122.0)***	***8.8%***	**(426.5)**	**(467.2)**	**-8.7%**	***(440.9)***	***-5.6%***
Selling and Operating	(39.5)	(41.7)	-5.4%	*(39.8)*	*-4.7%*	(167.4)	(177.2)	-5.5%	*(175.1)*	*-1.2%*
Rents of Stores	(34.1)	(35.0)	-2.5%	*(34.2)*	*-2.1%*	(147.0)	(160.2)	-8.3%	*(151.5)*	*-5.4%*
Store Pre-Openings	(2.6)	(2.3)	12.0%	*(2.8)*	*21.1%*	(5.0)	(7.3)	-32.1%	*(5.0)*	*-31.5%*
Depreciation & Amortization	(6.8)	(8.6)	-21.3%	*(6.8)*	*-21.0%*	(28.7)	(35.6)	-19.3%	*(29.4)*	*-17.4%*
J.V. Investment Amortization	(0.5)	(0.5)	-1.5%	*(0.5)*	*0.0%*	(2.0)	(2.2)	-8.3%	*(2.2)*	*0.0%*
Equity income result	1.3	1.2	3.0%	*1.3*	*4.2%*	6.9	8.1	-14.0%	*7.6*	*-5.2%*
Other revenues (expenses)	(12.3)	2.1	-700.3%	*(12.3)*	*-699.7%*	5.5	4.5	20.6%	*5.7*	*26.0%*
General & Administrative	(23.1)	(22.3)	3.4%	*(23.2)*	*3.9%*	(77.3)	(79.5)	-2.7%	*(79.4)*	*-0.1%*
Corporate (Holding)[2]	(3.7)	(5.0)	-26.3%	*(3.7)*	*-26.1%*	(11.6)	(17.9)	-35.1%	*(11.7)*	*-34.6%*
Special Items - Write-offs	0.0	0.0	-	*0.0*	*-*	0.0	0.0	0.0%	*0.0*	
Special Items - Other	(7.0)	(48.6)	-85.5%	*(7.0)*	*-85.5%*	(10.2)	(54.2)	-81.1%	*(10.2)*	*-81.2%*
EBIT	**(14.2)**	**(54.5)**	**-74.0%**	***(14.4)***	***-73.6%***	**28.8**	**(49.1)**	**na**	***30.8***	***na***
(+) D&A and Write-offs	19.1	23.6	-19.0%	*19.2*	*-18.6%*	81.7	95.5	-14.4%	*84.6*	*-11.4%*
EBITDA	**4.9**	**(30.9)**	**-115.9%**	***4.8***	***-115.5%***	**110.5**	**46.4**	**138.3%**	***115.4***	***148.8%***
EBITDA Margin (%)	*1.3%*	*(8.5%)*	*9.8p.p.*	*1.3%*	*9.8p.p.*	*7.4%*	*3.0%*	*4.4p.p.*	*7.5%*	*4.5p.p.*
(+) Special Items - Other	7.0	48.6	-	*7.0*	*-*	10.2	54.2	-81.1%	*10.2*	*-81.2%*
Adjusted EBITDA	**11.9**	**17.7**	**-32.4%**	***11.8***	***-33.1%***	**120.8**	**100.6**	**20.0%**	***125.6***	***24.8%***
Adjusted EBITDA Margin (%)	*3.3%*	*4.9%*	*-1.6p.p.*	*3.2%*	*-1.7p.p.*	*8.1%*	*6.5%*	*1.5p.p.*	*8.2%*	*1.6p.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$1,535.1 million in 2017, down 0.4% vs. 2016 in constant currency. The positive performance of new stores launched in the period partially offset the negative impact of the net store closures of 22 restaurants (19 of which in Brazil), as shown in the section "Number of stores”. In 4Q17 net revenue reached R$366.9 million, up 1.0% in reais compared to 4Q16.

Food cost totaled R$347.7M (in constant currency), down 3.3% compared to 2016, leading to a 70bps improvement YoY.

Direct Labor cost totaled R$400.1 million (in constant currency), compared to R$406.1 million in 2016, as headcount adjustments mitigated inflationary pressures on payroll, leading to a 30bps improvement compared to 2016.

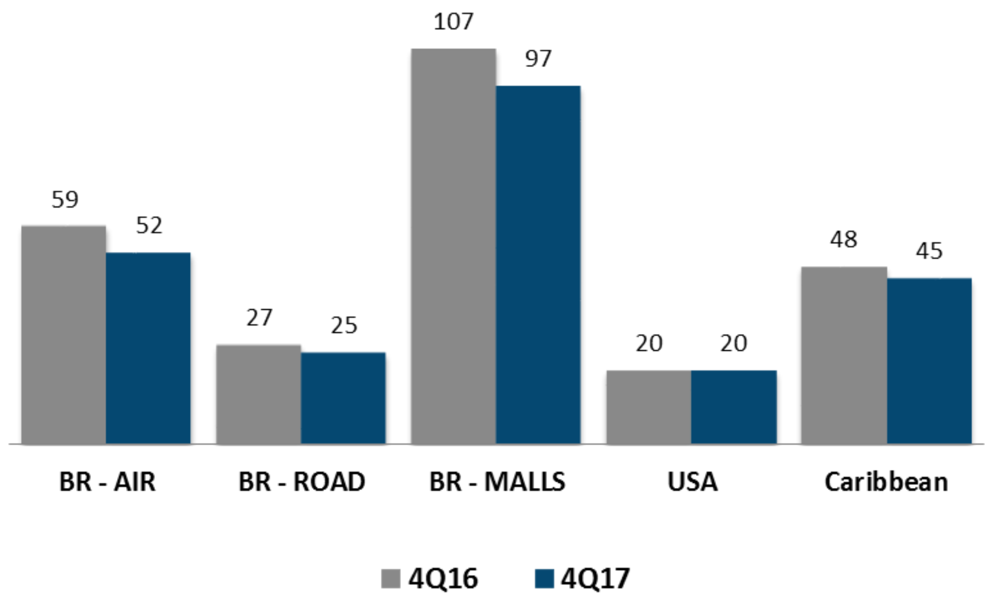
Sales and Operating expenses were R$2.1 million lower YoY (in constant currency), representing a 10bps improvement compared to 2016.

Rent expenses totaled R$151.5 million, a 5.4% reduction YoY, as a consequence of the net closure of 22 stores in the period combined with the higher dilution of rent expenses in Road and Air segments as a consequence of higher sales. Considering 4Q17, there is a 30bps improvement.

With regards to G&A and Holding expenses, the R$6.3 million decrease YoY (in constant currency) reflects the adjustments linked to the zero base budget process that took place in 2017.

All in all, in 2017 the adjusted EBITDA reached R$126 million, 25% up in constant currency. Adjusted EBITDA margin reached 8.2% in constant currency, a 160 bps increase YoY.

NUMBER OF STORES



NUMBER OF STORES (end of period)	4Q17	4Q16	YoY Var. (%)	YoY Var. (#)
Brazil	**174**	**193**	**-9.8%**	**-19**
Air	*52*	*59*	*-11.9%*	*-7*
Roads	*25*	*27*	*-7.4%*	*-2*
Shopping Malls	*97*	*107*	*-9.3%*	*-10*
USA	**20**	**20**	**0.0%**	**0**
Caribbean	**45**	**48**	**-6.3%**	**-3**
Total Number of Stores	**239**	**261**	**-8.4%**	**-22**

At the end of the quarter, the Company had 239 stores, a net reduction of 22 stores YoY, 19 in Brazil and 3 in the Caribbean. Most store closures in Brazil were part of the loss-making store closure program.

SAME-STORE SALES (SSS) – YoY Changes

(in R$ million)	4Q17	2017
Brazil	**0.5%**	**0.4%**
BR - Air	8.8%	-1.2%
BR - Roads	2.1%	4.5%
BR - Roads - Restaurants	*4.8%*	*2.4%*
BR - Roads - Gas Station	*-1.1%*	*7.1%*
BR - Malls	-10.9%	-6.2%
USA	**-9.3%**	**-14.0%**
Caribbean	**-4.5%**	**-8.9%**
Total Same Store Sales	**-2.2%**	**-4.6%**

In constant currencies (in R$ million)	4Q17	2017
Brazil	0.5%	0.4%
USA	-8.1%	-7.7%
Caribbean	-3.4%	-2.4%
Total Same Store Sales	**-1.8%**	**-2.1%**

Same store sales totaled a 2.1% reduction in constant currencies in 2017.

In Brazil, the 0.4% increase in same store sales was led by Roads with a 4.5% increase YoY with a positive performance in both restaurants (+2.4%) and gas stations (+7.1%).

In Brazilian airports, SSS decreased by 1.2% in 2017 due to the negative performance of air restaurants that offset the positive performance of catering.

Same stores sales in the Malls segment fell by 6.2% in 2017.

USA SSS in local currency was -7.7% YoY in 2017. We were impacted by Hurricane Irma, which affected all 7 stores in Florida, mainly in 3Q17 and early 4Q17.

In the Caribbean, SSS were nearly flat in the quarter as Panama’s positive performance was offset by lower sales in Colombia. The Hurricanes also affected the region in 2017 as a large number of flights were cancelled.

RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

(in R$ million)	Brazil 2017	USA 2017	Caribbean 2017	Consolidated 2017	% VA	Brasil 2016	EUA 2016	Caribbe 2016	Consolidated 2016	% VA	% HA
Net Revenue	**947.2**	**368.1**	**179.3**	**1,494.5**	**100.0%**	**954.4**	**391.1**	**195.1**	**1,540.6**	**100.0%**	**-3.0%**
Restaurants & Others	737.2	368.1	179.3	1,284.5	86.0%	760.1	391.1	195.1	1,346.3	87.4%	-4.6%
Gas Stations	210.0	0.0	0.0	210.0	14.0%	194.3	0.0	0.0	194.3	12.6%	8.1%
Cost of Sales and Services	**(718.2)**	**(227.0)**	**(83.7)**	**(1,028.9)**	**-68.8%**	**(727.2)**	**(247.3)**	**(93.7)**	**(1,068.2)**	**-69.3%**	**-3.7%**
Direct Labor	(243.5)	(113.4)	(31.7)	(388.5)	-26.0%	(247.8)	(123.8)	(34.6)	(406.1)	-26.4%	-4.3%
Food	(217.2)	(72.6)	(49.1)	(338.8)	-22.7%	(227.4)	(76.6)	(55.8)	(359.8)	-23.4%	-5.8%
Others	(54.8)	(23.1)	(1.6)	(79.5)	-5.3%	(61.1)	(25.4)	(1.5)	(88.0)	-5.7%	-9.6%
Fuel and Automotive Accessories	(171.1)	0.0	0.0	(171.1)	-11.4%	(156.7)	0.0	0.0	(156.7)	-10.2%	9.2%
Depreciation & Amortization	(31.8)	(17.9)	(1.4)	(51.0)	-3.4%	(34.3)	(21.5)	(1.8)	(57.7)	-3.7%	-11.5%
Gross Profit	**228.9**	**141.1**	**95.5**	**465.6**	**31.2%**	**227.2**	**143.9**	**101.3**	**472.4**	**30.7%**	**-1.4%**
Operating Expenses[1]	**(240.9)**	**(126.9)**	**(58.7)**	**(426.5)**	**-28.5%**	**(264.4)**	**(136.9)**	**(65.9)**	**(467.2)**	**-30.3%**	**-8.7%**
Selling and Operating	(68.7)	(74.3)	(24.3)	(167.4)	-11.2%	(71.8)	(79.8)	(25.6)	(177.2)	-11.5%	-5.5%
Rents of Stores	(87.0)	(40.9)	(19.0)	(147.0)	-9.8%	(100.1)	(39.8)	(20.3)	(160.2)	-10.4%	-8.3%
Store Pre-Openings	(4.4)	(0.6)	(0.0)	(5.0)	-0.3%	(3.3)	(2.8)	(1.3)	(7.3)	-0.5%	-32.1%
Depreciation & Amortization	(19.7)	(1.2)	(7.8)	(28.7)	-1.9%	(24.6)	(1.4)	(9.7)	(35.6)	-2.3%	-19.3%
J.V. Investment Amortization	0.0	(2.0)	0.0	(2.0)	-0.1%	0.0	(2.2)	0.0	(2.2)	-0.1%	-8.3%
Equity income result	0.0	6.9	0.0	6.9	0.5%	0.0	8.1	0.0	8.1	0.5%	-14.0%
Other revenues (expenses)	1.8	2.4	1.3	5.5	0.4%	3.2	(0.1)	1.5	4.5	0.3%	n/a
General & Administative	(51.3)	(17.2)	(8.8)	(77.3)	-5.2%	(50.0)	(18.9)	(10.6)	(79.5)	-5.2%	-2.7%
Corporate (Holding)[2]	(11.6)	0.0	0.0	(11.6)	-0.8%	(17.9)	0.0	0.0	(17.9)	-1.2%	-35.1%
(+) Depreciation & Amortization	51.4	21.1	9.2	81.7	5.5%	58.9	25.1	11.5	95.5	6.2%	-14.4%
Operating Income	**39.4**	**35.3**	**46.1**	**120.8**	**8.1%**	**21.7**	**32.1**	**46.9**	**100.6**	**6.5%**	**20.0%**
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(10.2)	-0.7%				(54.2)	-3.5%	-81.1%
EBIT	**(12.0)**	**14.2**	**36.9**	**28.8**	**1.9%**	**(37.2)**	**7.0**	**35.4**	**(49.1)**	**-3.2%**	
(+) D&A and Write-offs				81.7	5.5%				95.5		-14.4%
EBITDA				**110.5**	**7.4%**				**46.4**	**3.0%**	**138.3%**
(+) Special Items				10.2	0.7%				54.2	3.5%	-81.1%
Adjusted EBITDA				**120.8**	**8.1%**				**100.6**	**6.5%**	**20.0%**

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

RESULTS OF THE BRAZILIAN OPERATIONS

(in R$ million)	4Q17	% VA	4Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**253.9**	**100.0%**	**241.9**	**100.0%**	**5.0%**	**947.2**	**100.0%**	**954.4**	**100.0%**	**-0.8%**
Restaurants & Others	198.7	78.3%	189.1	78.2%	5.1%	737.2	77.8%	760.1	79.6%	-3.0%
Gas Stations	55.1	21.7%	52.7	21.8%	4.5%	210.0	22.2%	194.3	20.4%	8.1%
Cost of Sales and Services	**(185.5)**	**-73.1%**	**(182.6)**	**-75.5%**	**1.6%**	**(718.2)**	**-75.8%**	**(727.2)**	**-76.2%**	**-1.2%**
Direct Labor	(61.0)	-24.0%	(61.2)	-25.3%	-0.4%	(243.5)	-25.7%	(247.8)	-26.0%	-1.7%
Food	(57.5)	-22.7%	(55.1)	-22.8%	4.4%	(217.2)	-22.9%	(227.4)	-23.8%	-4.5%
Others	(14.3)	-5.6%	(14.7)	-6.1%	-2.6%	(54.8)	-5.8%	(61.1)	-6.4%	-10.3%
Fuel and Automotive Accessories	(45.0)	-17.7%	(43.4)	-18.0%	3.7%	(171.1)	-18.1%	(156.7)	-16.4%	9.2%
Depreciation & Amortization	(7.7)	-3.0%	(8.2)	-3.4%	-6.6%	(31.8)	-3.4%	(34.3)	-3.6%	-7.4%
Gross Profit	**68.4**	**26.9%**	**59.3**	**24.5%**	**15.4%**	**228.9**	**24.2%**	**227.2**	**23.8%**	**0.8%**
Operating Expenses[1]	**(78.6)**	**-31.0%**	**(64.6)**	**-26.7%**	**21.7%**	**(240.9)**	**-25.4%**	**(264.4)**	**-27.7%**	**-8.9%**
Selling and Operating	(16.7)	-6.6%	(18.2)	-7.5%	-8.5%	(68.7)	-7.3%	(71.8)	-7.5%	-4.2%
Rents of Stores	(22.0)	-8.7%	(22.1)	-9.1%	-0.6%	(87.0)	-9.2%	(100.1)	-10.5%	-13.1%
Store Pre-Openings	(2.8)	-1.1%	(2.0)	-0.8%	41.7%	(4.4)	-0.5%	(3.3)	-0.3%	35.7%
Depreciation & Amortization	(4.6)	-1.8%	(5.6)	-2.3%	-19.3%	(19.7)	-2.1%	(24.6)	-2.6%	-20.0%
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]	(13.7)	-5.4%	1.7	0.7%	-913.7%	1.8	0.2%	3.2	0.3%	-42.8%
General & Administative[2]	(15.2)	-6.0%	(13.3)	-5.5%	14.5%	(51.3)	-5.4%	(50.0)	-5.2%	2.7%
Corporate (Holding)[2]	(3.7)	-1.5%	(5.0)	-2.1%	-26.3%	(11.6)	-1.2%	(17.9)	-1.9%	-35.1%
(+) Depreciation & Amortization	12.2	4.8%	13.8	5.7%	-11.8%	51.4	5.4%	58.9	6.2%	-12.7%
Operating Income	**2.0**	**0.8%**	**8.5**	**3.5%**	**-76.8%**	**39.4**	**4.2%**	**21.7**	**2.3%**	**81.9%**
Expansion Capex	7.4	2.9%	16.4	6.8%	-55.0%	23.7	2.5%	26.3	2.8%	-9.8%
Maintenance Capex	2.5	1.0%	1.1	0.4%	134.8%	14.7	1.6%	4.3	0.5%	242.2%
Total Capex	**9.9**	**3.9%**	**17.4**	**7.2%**	**-43.3%**	**38.4**	**4.1%**	**30.6**	**3.2%**	**25.6%**
Operating Inc. - Maintenance Capex[3]	**(0.5)**	**-27.8%**	**7.4**	**87.4%**	**-115.2%**	**24.7**	**62.7%**	**17.4**	**80.2%**	**-17.5%**

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

Brazilian operations' top line was nearly flat in the 2017 (-0.8%) as a result of the improvement in Roads same store sales (+4.5%,respectively) that mitigated lower same store sales in the Malls and Air segments, as well as the net reduction of 19 restaurants compared to 2016 (-7 in airports, -2 in roads and -10 in shopping malls). In the 4Q17 the revenues of Brazilian operations grew by 5.0% compared to 4Q16.

In terms of costs and expenses there was a 130 bps reduction in rent expenses, due to the expenses dilution from higher sales in the Road segment and better catering performance in the Air segment. Regarding labor cost and expenses, "direct labor cost" and "sales and operating expenses" combined resulted in R$312.2 million in 2017, compared to R$319.5 million in 2016, as a consequence of headcount reduction that offset the inflation pressure on payroll. With regards to G&A and Holding expenes (combined), the R$4.9 million decrease reflects the adjustments linked to the zero base budget process that took place in 2017.

Consequently, Brazilian operations posted an operating income of R$39.4 million in 2017, up 82% YoY, with a 190 bps increase in operating margin. In 4Q17, operating income reached R$2.2 million, down 77% YoY.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R$ million)	4Q17	% VA	4Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**131.4**	**100.0%**	**117.8**	**100.0%**	**11.6%**	**467.2**	**100.0%**	**440.9**	**100.0%**	**6.0%**
Restaurants & Others	76.3	58.1%	65.0	55.2%	17.3%	257.2	55.1%	246.6	55.9%	4.3%
Gas Stations	55.1	41.9%	52.7	44.8%	4.5%	210.0	44.9%	194.3	44.1%	8.1%
Cost of Sales and Services	**(100.0)**	**-76.1%**	**(96.3)**	**-81.8%**	**3.8%**	**(376.8)**	**-80.6%**	**(362.4)**	**-82.2%**	**4.0%**
Direct Labor	(23.7)	-18.0%	(23.6)	-20.0%	0.5%	(91.7)	-19.6%	(92.5)	-21.0%	-0.9%
Food	(22.1)	-16.8%	(20.4)	-17.3%	8.3%	(79.6)	-17.0%	(77.8)	-17.7%	2.3%
Others	(6.0)	-4.5%	(5.7)	-4.9%	4.0%	(21.8)	-4.7%	(22.7)	-5.2%	-4.2%
Fuel and Automotive Accessories	(45.0)	-34.3%	(43.4)	-36.9%	3.7%	(171.1)	-36.6%	(156.7)	-35.5%	9.2%
Depreciation & Amortization	(3.1)	-2.4%	(3.1)	-2.6%	0.5%	(12.6)	-2.7%	(12.6)	-2.9%	0.2%
Gross Profit	**31.4**	**23.9%**	**21.4**	**18.2%**	**46.6%**	**90.4**	**19.4%**	**78.5**	**17.8%**	**15.1%**
Operating Expenses¹	**(11.1)**	**-8.4%**	**(10.9)**	**-9.3%**	**1.6%**	**(42.9)**	**-9.2%**	**(42.6)**	**-9.7%**	**0.7%**
Selling and Operating	(5.7)	-4.4%	(5.8)	-4.9%	-0.9%	(23.4)	-5.0%	(21.5)	-4.9%	8.9%
Rents of Stores	(4.6)	-3.5%	(4.2)	-3.5%	9.7%	(15.8)	-3.4%	(17.5)	-4.0%	-9.7%
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%	(0.3)	-0.1%	0.0	0.0%	0.0%
Depreciation & Amortization	(0.8)	-0.6%	(1.0)	-0.8%	-18.0%	(3.3)	-0.7%	(3.6)	-0.8%	-6.6%
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 & Administative²	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	3.9	3.0%	4.1	3.5%	-3.8%	15.9	3.4%	16.1	3.7%	-1.3%
Operating Income	**24.2**	**18.4%**	**14.6**	**12.4%**	**66.2%**	**63.5**	**13.6%**	**52.1**	**11.8%**	**21.8%**
Expansion Capex	3.2	2.4%	6.6	5.6%	-52.4%	10.3	2.2%	10.1	2.3%	1.5%
Maintenance Capex	1.6	1.2%	0.7	0.6%	123.8%	8.9	1.9%	1.3	0.3%	576.6%
Total Capex	**4.8**	**3.6%**	**7.4**	**6.3%**	**-35.1%**	**19.1**	**4.1%**	**11.4**	**2.6%**	**67.4%**
Operating Inc. - Maintenance Capex³	**22.6**	**93.3%**	**13.9**	**95.0%**	**-1.7%**	**54.6**	**86.0%**	**50.8**	**97.5%**	**-11.4%**

¹Before special items; ² not allocated in segments; ³VA vs. Op. Inc.

The Roads segment operating income increased by R$11.4 million in 2017, with a 180bps improvement on margins mainly due to:

i) Improvement in sales (+6.0% YoY), as a consequence of the improvement of 4.5% in SSS.

ii) 130bps gain in labor cost, as a result of positive operational leverage (led by higher sales) and headcount reduction (linked to the zero base budget initiative).

iii) 60bps improvement in food expenses also due to positive operational leverage.

iv) 60bps improvement in rent expenses also due to positive operational leverage and a contract renegotiation effort.

v) Fuel cost was 110bps higher in 2017, as we implemented a higher discount policy in some gas stations to increase sales (also in the restaurant) and improve scale with further dilution of fixed costs and expenses such as labor and rent.

In 2017, operating income reached R$63.5 million, with a 13.6% margin, and R$54.6 million after maintenance Capex, which represents an 86% cash conversion rate.

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R$ million)	4Q17	% VA	4Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**65.3**	**100.0%**	**60.2**	**100.0%**	**8.5%**	**245.6**	**100.0%**	**260.6**	**100.0%**	**-5.8%**
Restaurants & Others	65.3	100.0%	60.2	100.0%	8.5%	245.6	100.0%	260.6	100.0%	-5.8%
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	**(44.3)**	**-67.8%**	**(42.4)**	**-70.4%**	**4.5%**	**(171.0)**	**-69.6%**	**(184.2)**	**-70.7%**	**-7.1%**
Direct Labor	(20.5)	-31.5%	(19.8)	-32.9%	3.7%	(80.7)	-32.9%	(81.9)	-31.4%	-1.5%
Food	(18.1)	-27.7%	(16.0)	-26.6%	12.8%	(67.4)	-27.4%	(73.2)	-28.1%	-7.9%
Others	(3.5)	-5.4%	(4.0)	-6.7%	-12.7%	(13.8)	-5.6%	(18.1)	-7.0%	-23.6%
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	(2.1)	-3.3%	(2.5)	-4.2%	-15.1%	(9.1)	-3.7%	(11.0)	-4.2%	-17.4%
Gross Profit	**21.0**	**32.2%**	**17.8**	**29.6%**	**18.1%**	**74.6**	**30.4%**	**76.4**	**29.3%**	**-2.4%**
Operating Expenses¹	**(17.8)**	**-27.3%**	**(20.6)**	**-34.3%**	**-13.6%**	**(73.8)**	**-30.0%**	**(92.8)**	**-35.6%**	**-20.5%**
Selling and Operating	(5.4)	-8.3%	(6.6)	-11.0%	-18.1%	(23.3)	-9.5%	(27.8)	-10.7%	-16.1%
Rents of Stores	(9.1)	-13.9%	(9.1)	-15.1%	-0.3%	(36.0)	-14.7%	(45.1)	-17.3%	-20.0%
Store Pre-Openings	0.0	0.0%	(0.8)	-1.4%	-100.0%	(0.0)	0.0%	(1.8)	-0.7%	-97.6%
Depreciation & Amortization	(3.3)	-5.1%	(4.1)	-6.8%	-18.3%	(14.4)	-5.9%	(18.2)	-7.0%	-20.8%
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 & Administative²	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	5.5	8.4%	6.6	11.0%	-17.1%	23.5	9.6%	29.2	11.2%	-19.5%
Operating Income¹	**8.7**	**13.3%**	**3.8**	**6.3%**	**130.2%**	**24.3**	**9.9%**	**12.8**	**4.9%**	**89.3%**
Expansion Capex	0.0	0.1%	4.7	7.9%	-99.1%	5.7	2.3%	7.9	3.0%	-28.6%
Maintenance Capex	0.4	0.7%	0.3	0.5%	53.6%	1.8	0.7%	1.5	0.6%	23.2%
Total Capex	**0.5**	**0.8%**	**5.0**	**8.4%**	**-90.2%**	**7.5**	**3.0%**	**9.4**	**3.6%**	**-20.4%**
Operating Inc. - Maintenance Capex³	**8.2**	**94.8%**	**3.5**	**92.2%**	**2.6%**	**22.4**	**92.5%**	**11.3**	**88.5%**	**4.0%**

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

The Brazilian Airport segment operating income reached R$24.3 million in 2017, up 89% YoY with a 500bps increase in margins mainly due to:

i) Revenues were -5.8 YoY, as catering positive same store sales was offset by lower restaurants same store sales and by new concepts/kiosks with lower sales/unit.

ii) The reduction in food cost (an improvement of 60bps),

iii) The reduction in selling and operating expenses (an improvement of 120bps, as a result of lower personnel cost – due to the zero base budget adjustments);

iv) The reduction in "other costs" – mainly utilities (an improvement of 130bps),

v) The reduction in rent expenses (an improvement of 260bps, as a result of expenses dilution from a positive performance in catering),

In 2017, operating income after maintenance capex reached R$22.4 million, or an 92% cash conversion rate.

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R$ million)	4Q17	% VA	4Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**57.1**	**100.0%**	**63.9**	**100.0%**	**-10.6%**	**234.4**	**100.0%**	**252.9**	**100.0%**	**-7.3%**
Restaurants & Others	57.1	100.0%	63.9	100.0%	-10.6%	234.4	100.0%	252.9	100.0%	-7.3%
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	**(41.2)**	**-72.2%**	**(43.9)**	**-68.7%**	**-6.1%**	**(170.4)**	**-72.7%**	**(180.7)**	**-71.4%**	**-5.7%**
Direct Labor	(16.7)	-29.2%	(17.8)	-27.8%	-6.2%	(71.0)	-30.3%	(73.3)	-29.0%	-3.1%
Food	(17.4)	-30.4%	(18.7)	-29.2%	-7.1%	(70.1)	-29.9%	(76.4)	-30.2%	-8.1%
Others	(4.8)	-8.4%	(4.9)	-7.6%	-2.0%	(19.2)	-8.2%	(20.2)	-8.0%	-5.2%
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	(2.4)	-4.2%	(2.6)	-4.0%	-6.9%	(10.1)	-4.3%	(10.7)	-4.2%	-6.2%
Gross Profit	**15.9**	**27.8%**	**20.0**	**31.3%**	**-20.5%**	**64.0**	**27.3%**	**72.2**	**28.6%**	**-11.5%**
Operating Expenses[1]	**(17.1)**	**-29.9%**	**(16.4)**	**-25.6%**	**4.2%**	**(63.2)**	**-27.0%**	**(64.4)**	**-25.5%**	**-1.9%**
Selling and Operating	(5.5)	-9.6%	(5.8)	-9.0%	-5.0%	(22.1)	-9.4%	(22.5)	-8.9%	-2.1%
Rents of Stores	(8.3)	-14.6%	(8.8)	-13.8%	-5.6%	(35.1)	-15.0%	(37.5)	-14.8%	-6.4%
Store Pre-Openings	(2.8)	-4.9%	(1.2)	-1.8%	143.0%	(4.1)	-1.7%	(1.5)	-0.6%	173.7%
Depreciation & Amortization	(0.4)	-0.8%	(0.6)	-1.0%	-27.8%	(1.9)	-0.8%	(2.9)	-1.1%	-31.9%
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	2.8	4.9%	3.2	5.0%	-11.0%	12.0	5.1%	13.6	5.4%	-11.6%
Operating Income	**1.6**	**2.9%**	**6.8**	**10.6%**	**-75.8%**	**12.8**	**5.5%**	**21.4**	**8.5%**	**-40.3%**
Expansion Capex	4.2	7.3%	5.0	7.8%	-16.4%	7.8	3.3%	8.3	3.3%	-5.8%
Maintenance Capex	0.4	0.8%	0.1	0.1%	704.2%	4.0	1.7%	1.5	0.6%	166.4%
Total Capex	**4.6**	**8.1%**	**5.0**	**7.9%**	**-8.4%**	**11.8**	**5.0%**	**9.8**	**3.9%**	**21.0%**
Operating Inc. - Maintenance Capex[3]	**1.2**	**72.6%**	**6.7**	**99.2%**	**-26.6%**	**8.7**	**68.4%**	**19.9**	**92.9%**	**-24.5%**

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

The Malls segment operating income decreased by R$8.6 million YoY in 2017, totaling R$12.8 million with a 300bps reduction on margins mainly due to:

i) a 7.4% decrease in sales, as a consequence of the net closure of 10 stores combined with a reduction of 6.2% in SSS, as a result of the worsening performance of the segment specially in Rio de Janeiro with a tougher macroeconomic environment in the State. Out of the 97 stores in Malls 37 are located in Rio de Janeiro.

ii) a 180bps increase in labor (“direct labor cost” combined with “selling and operating expenses”), a 20bps increase in others – mainly utilities and a 20bps increase in rent expenses.

iii) Mitigating the aforementioned effects, we experienced a 30bps decrease in food cost.

Operating income after maintenance Capex totaled R$8.7 million, or a 68% cash conversion rate.

RESULTS OF U.S. OPERATIONS

(in US$ Million)	4Q17	% VA	4Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**20.9**	**100.0%**	**22.3**	**100.0%**	**-6.2%**	**114.9**	**100.0%**	**113.9**	**100.0%**	**0.9%**
Restaurants & Others	20.9	100.0%	22.3	100.0%	-6.2%	114.9	100.0%	113.9	100.0%	0.9%
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	**(14.1)**	**-67.2%**	**(15.9)**	**-71.2%**	**-11.5%**	**(70.9)**	**-61.7%**	**(71.7)**	**-62.9%**	**-1.1%**
Direct Labor	(7.3)	-34.9%	(8.1)	-36.5%	-10.2%	(35.4)	-30.8%	(35.8)	-31.4%	-1.1%
Food	(4.1)	-19.8%	(4.4)	-19.5%	-4.8%	(22.7)	-19.7%	(22.3)	-19.6%	1.6%
Others	(1.5)	-6.9%	(1.6)	-7.2%	-9.9%	(7.2)	-6.3%	(7.4)	-6.5%	-2.1%
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	(1.2)	-5.6%	(1.8)	-8.0%	-35.0%	(5.6)	-4.9%	(6.2)	-5.4%	-9.6%
Gross Profit	**6.9**	**32.8%**	**6.4**	**28.8%**	**7.0%**	**44.0**	**38.3%**	**42.2**	**37.1%**	**4.2%**
Operating Expenses[1]	**(8.5)**	**-40.5%**	**(8.9)**	**-39.9%**	**-4.8%**	**(39.6)**	**-34.5%**	**(39.7)**	**-34.9%**	**-0.3%**
Selling and Operating	(5.1)	-24.5%	(5.2)	-23.1%	-0.3%	(23.2)	-20.2%	(23.1)	-20.3%	0.4%
Rents of Stores	(2.2)	-10.7%	(2.4)	-10.8%	-6.8%	(12.8)	-11.1%	(11.6)	-10.2%	10.1%
Store Pre-Openings	0.1	0.3%	(0.0)	-0.1%	-293%	(0.2)	-0.2%	(0.8)	-0.7%	-78.9%
Depreciation & Amortization	(0.1)	-0.4%	(0.1)	-0.4%	-8.0%	(0.4)	-0.3%	(0.4)	-0.3%	-4.0%
J.V. Investment Amortization	(0.2)	-0.7%	(0.2)	-0.7%	0.0%	(0.6)	-0.5%	(0.6)	-0.5%	0.0%
Equity income result	0.4	1.9%	0.4	1.7%	4.0%	2.2	1.9%	2.3	2.0%	-5.0%
Other revenues (expenses)	0.3	1.4%	0.1	0.3%	397.7%	0.7	0.6%	(0.0)	0.0%	-4876.6%
General & Administative	(1.6)	-7.6%	(1.5)	-6.7%	6.8%	(5.4)	-4.7%	(5.4)	-4.8%	-0.9%
(+) Depreciation & Amortization	1.4	6.7%	2.0	9.2%	-31.1%	6.6	5.7%	7.2	6.3%	-8.4%
Operating Income	**(0.2)**	**-1.0%**	**(0.5)**	**-2.0%**	**-54.1%**	**11.0**	**9.5%**	**9.7**	**8.5%**	**13.3%**
Expansion Capex	1.8	8.5%	0.8	3.6%	119.5%	2.8	2.4%	5.8	5.1%	-51.6%
Maintenance Capex	0.1	0.7%	0.1	0.3%	102.1%	0.6	0.5%	0.8	0.7%	-29.0%
Total Capex	**1.9**	**9.2%**	**0.9**	**4.0%**	**118.1%**	**3.4**	**3.0%**	**6.6**	**5.8%**	**-48.7%**
Operating Inc. - Maintenance Capex[2]	**(0.3)**	**166.8%**	**(0.5)**	**115.2%**	**51.6%**	**10.4**	**94.5%**	**8.8**	**91.3%**	**3.3%**

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

The operations in the United States consist mainly of Margaritaville and currently has 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. It is important to note that the restaurants in the US are located mostly in summer destinations, therefore, most of the profitability is concentrated in the second and third quarters.

Net revenues came in at US$114.9 million in 2017, up 0.9% YoY due to the positive performance of the recently opened restaurants, which offset the impact from lower same store sales (-7.7%), due to the impacts from Hurricane Irma affecting Florida's 7 stores that were closed for several days, specially in 3Q17.

Margins (+100bps, in US$) were impacted by an improvement (as a % of sales) in labor cost, G&A, store pre-opening expenses, selling and operating expenses in 2017. Such positive result was partially mitigated by higher rent expenses.

In 2017, operating income in the US reached US$11.0 million (up 13.3% YoY), with a 9.5% margin (up 100bps YoY). Operating income after maintenance capex totaled US$10.4 million, or a cash conversion rate of 95%.

RESULTS OF THE CARIBBEAN OPERATIONS

(in R$ million)	4Q17	4Q16	% HA	4Q17²	% HA²	2017	2016	% HA	2017²	% HA²
Net Revenue	**45.1**	**48.0**	**-6.0%**	***45.6***	***-5.0%***	**179.3**	**195.1**	**-8.1%**	***192.3***	***-1.4%***
Restaurants & Others	45.1	48.0	-6.0%	*45.6*	*-5.0%*	179.3	195.1	-8.1%	*192.3*	*-1.4%*
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)**	**(22.0)**	**-1.7%**	***(21.8)***	***-0.8%***	**(83.7)**	**(93.7)**	**-10.7%**	***(89.4)***	***-4.6%***
Direct Labor	(8.3)	(8.1)	1.7%	*(8.4)*	*2.6%*	(31.7)	(34.6)	-8.2%	*(33.8)*	*-2.2%*
Food	(12.6)	(13.2)	-4.6%	*(12.7)*	*-3.6%*	(49.1)	(55.8)	-12.1%	*(52.5)*	*-5.9%*
Others	(0.4)	(0.4)	13.5%	*(0.4)*	*14.0%*	(1.6)	(1.5)	4.8%	*(1.7)*	*10.0%*
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	(0.4)	(0.3)	13.0%	*(0.4)*	*14.1%*	(1.4)	(1.8)	-25.0%	*(1.5)*	*-19.8%*
Gross Profit	**23.5**	**26.0**	**-9.7%**	***23.8***	***-8.6%***	**95.5**	**101.3**	**-5.7%**	***102.8***	***1.5%***
Operating Expenses¹	**(15.1)**	**(18.2)**	**-17.0%**	***(15.2)***	***-16.1%***	**(58.7)**	**(65.9)**	**-11.0%**	***(62.9)***	***-4.6%***
Selling and Operating	(6.1)	(6.5)	-6.4%	*(6.2)*	*-5.5%*	(24.3)	(25.6)	-5.0%	*(25.9)*	*1.4%*
Rents of Stores	(4.8)	(4.9)	-2.3%	*(4.9)*	*-1.1%*	(19.0)	(20.3)	-6.0%	*(20.6)*	*1.5%*
Store Pre-Openings	(0.0)	(0.2)	-99.4%	*(0.0)*	*-99.4%*	(0.0)	(1.3)	-99.9%	*(0.0)*	*-99.9%*
Depreciation & Amortization	(1.9)	(2.6)	-27.1%	*(1.9)*	*-26.4%*	(7.8)	(9.7)	-18.7%	*(8.4)*	*-12.8%*
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)	0.4	0.2	114.1%	*0.4*	*116.7%*	1.3	1.5	-9.4%	*1.4*	*-2.4%*
General & Administative	(2.6)	(4.0)	-34.9%	*(2.7)*	*-34.2%*	(8.8)	(10.6)	-17.0%	*(9.4)*	*-11.6%*
(+) Depreciation & Amortization	2.3	3.0	-22.8%	*2.3*	*-22.0%*	9.2	11.5	-19.7%	*9.9*	*-13.9%*
Operating Income	**10.7**	**10.8**	**-0.8%**	***10.8***	***0.5%***	**46.1**	**46.9**	**-1.7%**	***49.8***	***6.3%***
Expansion Capex	10.5	0.5	2100.5%	*10.6*	*2124.3%*	10.9	1.5	636.4%	*11.7*	*689.8%*
Maintenance Capex	1.0	1.1	-12.3%	*1.0*	*-11.3%*	3.0	4.2	-28.5%	*3.2*	*-23.3%*
Total Capex	**11.5**	**1.6**	**614.3%**	***11.6***	***622.0%***	**13.9**	**5.6**	**146.7%**	***14.9***	***164.6%***
Operating Inc. - Maintenance Capex³	**9.7**	**9.7**	**0.5%**	***9.8***	***1.9%***	**43.1**	**42.7**	**0.9%**	***46.6***	***9.2%***

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

The information in the table above is presented in Reais and in Reais in constant currency (using the 2016 FX rate to convert the results on 2016 and 2017), to eliminate the effect of exchange rate changes. The comments below refer to 2017 constant currency numbers.

Net revenues reached R$192.3 million, down 1.4% YoY, as a result of a softer performance in Colombia (airports and malls) that offset the positive performance in Panama (airports and malls), which was also impacted by the hurricanes in the region.

As a consequence of lower sales, there was a lower dilution of selling and operating expenses (-40bps).

The focus on operational excellence partially mitigated those impacts with an improvement in food cost of 130bps, a 10pbs improvement in labor cost and a 60bps improvement in G&A expenses. There was also a 70bps reduction in store pre-opening expenses.

Operating income came in at R$49.8 million in 2017, up 6.3% compared to 2016, with an operating margin of 25.9% up from 24.0% in 4Q16.

Operating income after maintenance Capex reached R$46.6 million, or a 94% cash conversion rate.

ADJUSTED EBITDA AND ADJUSTED MARGIN

EBITDA RECONCILIATION (R$ million)	4Q17	4Q16	HA (%)	2017	2016	HA (%)
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	**(16.0)**	**(65.1)**	**-75.5%**	**3.7**	**(80.4)**	**n.a.**
(+) Income Taxes	(1.6)	8.6	n.a.	16.1	16.0	0.5%
(+) Net Financial Result	3.4	2.0	n.a.	9.1	15.3	-40.8%
(+) D&A and Write-offs	18.6	23.0	-19.4%	79.7	93.3	-14.5%
(+) Amortization of Investments in Joint Venture	0.5	0.5	-1.5%	2.0	2.2	-8.3%
EBITDA	**4.9**	**(30.9)**	**-115.9%**	**110.5**	**46.4**	**138.3%**
(+) Special Items	7.0	48.6	-85.5%	10.2	54.2	-81.1%
Adjusted EBITDA	**11.9**	**17.7**	**-32.4%**	**120.8**	**100.6**	**20.0%**
EBITDA / Net Revenues	*1.3%*	*-8.5%*		*7.4%*	*3.0%*	
Adjusted EBITDA / Net Revenues	*3.3%*	*4.9%*		*8.1%*	*6.5%*	

The Company's Adjusted EBITDA, excluding special items, reached R$120.8 million in 2017, with an adjusted EBITDA margin of 8.1% vs. 6.5% in 2016. The special items refer to the stock option plan.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R$9.1 million, compared to R$15.3 million in 2016.

Income taxes totaled a R$16.1 million in 2017, versus R$16.0 million in 2016.

The Company recorded a net income of R$3.7 million in 2017, compared to a net loss of R$80.4 million in 2016.

SELECTED CASH FLOW INFORMATION

OPERATING ACTIVITIES

EBITDA Reconcilation to Operating Cash Flow (R$ Million)	4Q17	4Q16	Var. (%)	2017	2016	Var. (%)
Adjusted EBITDA	**11.9**	**17.7**	**-32.4%**	**120.8**	**100.6**	**20.0%**
Special Items	(7.0)	(48.6)	n.a.	(10.2)	(54.2)	n.a.
(+/-) Other Non-Cash Impact on IS	(0.2)	28.6		8.2	51.8	
(+/-) Working Capital	10.5	28.7		(24.3)	12.1	
Operating Cash Before Taxes and Interest	**15.3**	**26.4**	**-42.1%**	**94.4**	**110.3**	**-14.4%**
(-) Paid Taxes	(2.4)	(6.3)		(12.7)	(10.2)	
(-) Maintenance Capex	(7.2)	(3.3)		(23.4)	(16.3)	
Net Cash Generated by Operating Activities	**5.7**	**16.8**	**-65.9%**	**58.2**	**83.8**	**-30.6%**
Operating Net Cash/EBITDA	**48.0%**	**95.1%**	**-47.1 p.p.**	**48.2%**	**83.3%**	**-35.1 p.p.**

Operating cash flow totaled +R$58.2 million in 2017 (compared to +R$83.8 million in 2016), mostly impacted by improved results and higher working capital needs and higher maintenance capex. Operating net cash over Adjusted EBITDA reached 48% in 2017, from 83% in 2016.

INVESTING ACTIVITIES

(R$ million)	4Q17	4Q16	HA (%)	2017	2016	HA (%)
Property and Equipment	(21.8)	(21.5)	1.5%	(56.1)	(61.0)	-8.0%
Additions to Intangible Assets	(5.5)	(1.6)	237.6%	(9.7)	(39.2)	-75.3%
(=) Total Invested (CAPEX)	**(27.3)**	**(23.1)**	**18.1%**	**(65.8)**	**(100.2)**	**-34.3%**
Payment of Acquisitions	(2.6)	(0.1)	2100.9%	(7.3)	(79.5)	-90.8%
Dividends Received	1.6	2.0	-21.5%	9.4	10.4	-9.1%
Sale of controlling interest in discontinued operations, net of cash	0.0	0.0		0.0	174.8	
Total Investments	**(28.3)**	**(21.2)**	**33.3%**	**(63.6)**	**5.5**	**na**

CAPEX (in R$ million)	4Q17	4Q16	HA (%)	2017	2016	HA (%)
Expansion						
Brazilian Operations	**7.4**	**16.4**	**-55.0%**	**23.7**	**26.3**	**-9.8%**
Brazil - Air	0.0	4.7	-99.1%	5.7	7.9	-28.6%
Brazil - Roads	3.2	6.6	-52.4%	10.3	10.1	1.5%
Brazil - Malls	4.2	5.0	-16.4%	7.8	8.3	-5.8%
USA Operations	**5.8**	**2.7**	**116.7%**	**9.0**	**19.9**	**-54.9%**
Caribbean Operations	**10.5**	**0.5**	**2100.5%**	**10.9**	**1.5**	**636.4%**
Holding	**0.3**	**0.3**	**-4.1%**	**2.6**	**36.2**	**-92.9%**
Total Expansion Investments	**24.0**	**19.8**	**20.9%**	**46.2**	**83.9**	**-44.9%**
Maintenance						
Brazilian Operations	**2.5**	**1.1**	**134.8%**	**14.7**	**4.3**	**242.2%**
Brazil - Air	0.4	0.3	53.6%	1.8	1.5	23.2%
Brazil - Roads	1.6	0.7	na	8.9	1.3	na
Brazil - Malls	0.4	0.1	704.2%	4.0	1.5	166.4%
USA Operations	**0.4**	**0.2**	**99.6%**	**1.9**	**2.9**	**-33.8%**
Caribbean Operations	**1.0**	**1.1**	**-12.3%**	**3.0**	**4.2**	**-28.5%**
Holding	**3.2**	**0.9**	**273.7%**	**3.8**	**4.9**	**-22.0%**
Total Maintenance Investments	**7.2**	**3.3**	**118.2%**	**23.4**	**16.3**	**44.1%**
Total CAPEX Investments	**31.2**	**23.1**	**34.7%**	**69.6**	**100.2**	**-30.5%**

Regarding Expansion CAPEX, in 2017 IMC invested mainly in new stores or in existing stores to increase their capacity in all regions.

FINANCING ACTIVITIES

The Company's financing cash flow in 2017 was mainly affected by the capital reduction that took place in September (affecting the “Capital Contributions” line) and the new debt issued / debt payment.

(R$ million)	4Q17	4Q16	HA (%)	2017	2016	HA (%)
Capital Contribuitions	0.0	0.0	n.a.	(48.3)	46.8	-203.3%
Treasury Shares	1.8	(8.6)	-121.2%	(2.6)	(19.0)	-86.1%
New Loans	79.3	0.0	n.a.	142.0	2.3	n.a.
Payment of Loans	(6.7)	(16.8)	-60.1%	(101.7)	(172.2)	-40.9%
Net Cash Generated by Financing A	**76.6**	**(25.4)**	**-401.9%**	**(10.7)**	**(142.0)**	**-92.4%**

NET DEBT

The Company ended 2017 with a net debt position of R$22.3 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.

R$ million	4Q17	4Q16
Debt	169.5	140.9
Financing of past acquisitions	36.4	27.5
Point of Sales rights	0.0	4.5
Total Debt	**205.9**	**173.0**
(-) Cash	**(183.6)**	**(222.4)**
Net Debt	**22.3**	**(49.4)**

CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	4Q17	4Q16	2017	2016
NET REVENUE	**366,911**	**363,196**	**1,494,511**	**1,540,638**
COST OF SALES AND SERVICES	**(252,807)**	**(256,956)**	**(1,028,936)**	**(1,068,226)**
GROSS PROFIT	**114,104**	**106,240**	**465,575**	**472,412**
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(73,546)	(76,672)	(314,314)	(337,334)
General and administrative expenses	(36,307)	(30,479)	(104,072)	(111,238)
Depreciation and amortization	(6,765)	(8,598)	(28,720)	(35,608)
Impairment	784	(27,753)	784	(27,753)
Other income (expenses)	(13,202)	(17,920)	4,617	(15,432)
Equity income result	766	721	4,934	5,879
Net financial expenses	(3,373)	(2,019)	(9,086)	(15,349)
INCOME (LOSS) BEFORE INCOME TAXES	**(17,539)**	**(56,480)**	**19,718**	**(64,423)**
Income Taxes	**1,585**	**(8,646)**	**(16,052)**	**(15,979)**
NET INCOME (LOSS) FOR THE QUARTER FROM CONTINUED OPERATIONS	**(15,954)**	**(65,126)**	**3,666**	**(80,402)**
RESULT FROM DISCONTINUED OPERATIONS	**0**	**0**	**0**	**3,972**
NET INCOME (LOSS) FOR THE QUARTER	**(15,954)**	**(65,126)**	**3,666**	**(76,430)**

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION (R$ thousand)	4Q17	4Q16
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	183,588	190,108
Accounts receivable	86,882	70,567
Inventories	43,670	35,101
Derivatives	1,066	5,169
Other current assets	57,319	48,038
Assets from discontinued operations	0	0
Total current assets	**372,525**	**348,983**
NONCURRENT ASSETS		
Deferred income taxes	877	626
Derivatives	653	1,399
Other noncurrent assets	56,126	63,197
Property and equipment	244,141	252,429
Intangible assets	838,102	836,774
Total noncurrent assets	**1,139,899**	**1,154,425**
TOTAL ASSETS	**1,512,424**	**1,503,408**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	89,525	85,815
Loans and financing	50,604	61,797
Salaries and payroll charges	61,889	63,976
Other current liabilities	42,613	37,005
Liabilities from Discontinued operations	0	0
Total current liabilities	**244,631**	**248,593**
NONCURRENT LIABILITIES		
Loans and financing	157,034	104,313
Provision for labor, civil and tax disputes	12,539	26,997
Deferred income tax liability	69,622	62,569
Other noncurrent liabilities	24,633	20,140
Total noncurrent liabilities	**263,828**	**214,019**
EQUITY		
Capital and reserves	1,006,056	1,152,775
Accumulated losses	2,795	(104,097)
Other comprehensive income	(12,549)	(18,024)
Total equity	**996,302**	**1,030,654**
Non-Controlling Interest	7,663	10,142
TOTAL LIABILITIES AND EQUITY	**1,512,424**	**1,503,408**

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	4Q17	4Q16	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss) for the quarter	(15,954)	(65,126)	3,666	(80,402)
Depreciation and amortization	18,561	23,036	79,729	93,272
Impairment of intangible assets (using)	(836)	(19,450)	(20,172)	(33,286)
Impairment of intangible assets (provision)	(784)	27,753	(784)	27,753
Investiment amortization	508	515	1,998	2,178
Equity income result	(1,274)	(1,236)	(6,932)	(8,057)
Provision for labor, civil and tax disputes	4,157	7,682	5,670	10,822
Income taxes	(1,585)	8,646	16,052	15,979
Interest expenses	3,521	3,687	13,513	23,399
Disposal of property and equipment	2,111	20,724	22,360	35,371
Deferred Revenue, Rebates	(1,416)	(2,194)	(5,568)	(5,578)
Expenses in payments to employees based in stock plan	5,175	(3,331)	8,355	2,323
Others	(7,979)	(2,234)	763	(8,964)
Changes in operating assets and liabilities	**10,546**	**28,720**	**(24,322)**	**12,107**
Cash generated from operations	15,274	26,392	94,405	110,292
Income tax paid	(2,359)	(6,278)	(12,733)	(10,172)
Interest paid	(8,959)	(5,350)	(11,914)	(24,566)
Net cash generated by (used in) operating activities	**3,956**	**14,764**	**69,758**	**75,554**
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisitions of controlling interest, net of cash	(2,575)	(117)	(7,281)	(79,456)
Dividends received	1,575	2,006	9,419	10,365
Sale of controlling interest in discontinued operations, net of cash	-	-	-	174,796
Additions to intangible assets	(5,479)	(1,623)	(9,689)	(39,164)
Additions to property and equipment	(21,840)	(21,515)	(56,096)	(61,005)
Net cash used in investing activities from continued operations	**(28,319)**	**(21,249)**	**(63,647)**	**5,536**
Net cash used in investing activities from discontinued operations	-	-	-	-
Net cash used in investing activities	**(28,319)**	**(21,249)**	**(63,647)**	**5,536**
CASH FLOW FROM FINANCING ACTIVITIES				
Capital contribuitions	-	-	(48,333)	46,807
Shares in Treasury	1,831	(8,642)	(2,644)	(19,017)
New loans	79,343	-	142,037	2,297
Payment of loans	(6,682)	(16,762)	(101,746)	(172,243)
Net cash used in financing activities	**76,630**	**(25,384)**	**(10,686)**	**(141,978)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,301	(427)	(1,945)	(38,394)
NET INCREASE (DECREASE) FOR THE PERIOD	**53,568**	**(32,296)**	**(6,520)**	**(99,282)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**130,020**	**222,404**	**190,108**	**289,390**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**183,588**	**190,108**	**183,588**	**190,108**

APPENDIX - CURRENCY CONVERSION TABLE

	US$		COP	
	EoP	Average	EoP	Average
1Q16	3.559	3.857	0.001183	0.001201
2Q16	3.210	3.501	0.001149	0.001174
3Q16	3.246	3.246	0.001115	0.001102
4Q16	3.298	3.245	0.001116	0.001093
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101
3Q17	3.168	3.190	0.001079	0.001082
4Q17	3.308	3.249	0.001109	0.001088

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, excluding 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.