

## **Interim Financial Information**

**International Meal Company  
Alimentação S.A. and Subsidiaries**

June 30, 2018

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**Company information / Capital composition**

<b>Number of shares (Units)</b>	<b>Current Quarter 6/30/2018</b>
<b>Paid-up capital</b>	
Common shares	166,531,600
Preferred shares	0
<b>Total</b>	166,531,600
<b>Treasury shares</b>	
Common shares	3,727,000
Preferred shares	0
<b>Total</b>	3,727,000

**Parent company financial statements / Balance sheet - assets****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 6/30/2018</b>	<b>Previous year 12/31/2017</b>
1	Total assets	1,185,093	1,150,248
1.01	Total current assets	51,521	45,260
1.01.01	Cash and cash equivalents	2,952	3,750
1.01.03	Trade receivables	22,831	21,526
1.01.04	Inventories	2,163	3,200
1.01.06	Taxes recoverable	19,576	13,666
1.01.07	Prepaid expenses	3,104	2,364
1.01.08	Other current assets	895	754
1.01.08.03	Other current assets	895	754
1.01.08.03.01	Other assets and advances	895	754
1.02	Total noncurrent assets	1,133,572	1,104,988
1.02.01	Assets realizable over the long term	10,742	16,644
1.02.01.03	Trade receivables	2,656	3,057
1.02.01.08	Receivables from related parties	1,875	5,413
1.02.01.09	Other noncurrent assets	6,211	8,174
1.02.01.09.03	Judicial deposits	2,459	2,563
1.02.01.09.09	Other noncurrent assets	3,752	5,611
1.02.02	Investments in subsidiaries and joint-venture	966,007	925,172
1.02.03	Property, plant and equipment	25,061	27,444
1.02.04	Intangible assets	130,862	135,728

**Parent company financial statements / Balance sheet – liabilities and equity****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 6/30/2018</b>	<b>Previous year 12/31/2017</b>
2	Liabilities and equity	1,185,093	1,150,248
2.01	Current liabilities	30,185	39,781
2.01.01	Payroll and related taxes	14,240	19,621
2.01.02	Trade payables	13,981	16,086
2.01.03	Taxes payables	817	1,301
2.01.04	Borrowings	0	75
2.01.05	Other obligations	1,147	2,698
2.01.05.02	Others	1,147	2,698
2.01.05.02.04	Deferred revenue	769	1,382
2.01.05.02.05	Proposed dividend	0	871
2.01.05.02.09	Agreements and installment payment of labor	378	445
2.02	Total Noncurrent Liabilities	120,619	114,165
2.02.02	Other obligations	88,426	82,796
2.02.02.01	Payables to related parties	88,426	82,796
2.02.03	Deferred taxes	27,539	23,062
2.02.03.01	Deferred income tax and social contribution	27,539	23,062
2.02.04	Provisions	2,960	3,806
2.02.04.01	Provisions for labor, civil and tax risks	2,960	3,806
2.02.06	Deferred revenue	1,694	4,501
2.02.06.02	Deferred revenue	1,694	4,501
2.03	Equity	1,034,289	996,302
2.03.01	Capital	876,281	876,281
2.03.02	Capital reserve	135,219	129,775
2.03.02.07	Capital reserve	116,499	116,050
2.03.02.08	Reserve for stock option plan	18,720	13,725
2.03.04	Earnings reserve	2,795	2,795
2.03.05	Accumulated losses	-3,844	0
2.03.08	Other comprehensive loss	23,838	-12,549

**Parent company financial statements / Statements of income****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current period 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Current Period 1/1/2018 to 6/30/2018</b>	<b>Current period 4/1/2017 to 6/30/2017</b>	<b>Accumulated in the Current Period 1/1/2017 to 6/30/2017</b>
3.01	Net revenue	42,065	85,699	35,621	71,353
3.02	Cost of sales and services	-28,411	-58,255	-28,006	-56,572
3.03	Gross profit	13,654	27,444	7,615	14,781
3.04	Operating income (expenses)	-7,111	-25,330	3,279	-15,978
3.04.01	Selling and operating expenses	-3,822	-10,703	-6,329	-12,889
3.04.01.01	Selling and operating expenses	-3,822	-10,703	-6,329	-12,889
3.04.02	General and administrative expenses	-9,703	-18,845	-8,455	-18,753
3.04.02.01	General and administrative expenses	-6,688	-12,882	-5,277	-12,080
3.04.02.02	Depreciation and amortization	-3,015	-5,963	-3,178	-6,673
3.04.04	Other operating income	1,035	1,183	653	1,092
3.04.05	Other operating expenses	-1,506	-2,313	-1,374	-2,210
3.04.06	Share of profit (loss) of investees	6,885	5,348	18,784	16,782
	Operating profit (loss) before finance income (expense) and income tax and social contribution	6,543	2,114	10,894	-1,197
3.05					
3.06	Financial income (expense), net	-1,472	-1,418	-1,679	-1,587
	Profit (loss) before income tax and social contribution	5,071	696	9,215	-2,784
3.07					
3.08	Income tax and social contribution	-2,489	-4,540	5,644	562
	Current income tax and social contribution	0	-63	0	0
3.08.01					
	Deferred income tax and social contribution	-2,489	-4,477	5,644	562
3.08.02					
3.09	Profit (loss) for the period	2,582	-3,844	14,859	-2,222
3.11	Profit (loss) for the period	2,582	-3,844	14,859	-2,222
3.99	Earnings (loss) per share – R\$				
3.99.01	Basic (cents per share)				
3.99.01.01	ON	0.01587	-0.02363	0.09185	-0.01374
3.99.02	Diluted (cents per share)				
3.99.02.01	ON	0.01588	-0.02363	0.09185	-0.01374

**Parent company financial statements / Statements of comprehensive income**

**Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current period</b>	<b>Accumulated in the Current Period</b>	<b>Previous period</b>	<b>Accumulated in Previous Period</b>
		<b>4/1/2018 to 6/30/2018</b>	<b>1/1/2018 to 6/30/2018</b>	<b>4/1/2017 to 6/30/2017</b>	<b>1/1/2017 to 6/30/2017</b>
4.01	Profit (loss) for the period	2,582	-3,844	14,859	-2,222
4.02	Other comprehensive loss	30,653	36,387	9,335	3,518
4.03	Total comprehensive income for the period	33,235	32,543	24,194	1,296

**Parent company financial statements / Statements of cash flows - Indirect method****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 1/1/2018 to 6/30/2018</b>	<b>Previous quarter 1/1/2017 to 6/30/2017</b>
6.01	Net cash provided by (used in) operating activities	2,602	10,051
6.01.01	Cash provided by operating activities	6,028	-2,386
6.01.01.01	Profit (loss) for the year from continuing operations	-3,844	-2,222
6.01.01.02	Depreciation and amortization	8,465	9,541
6.01.01.03	Deferred revenue	0	-1,111
6.01.01.04	Provision for (reversal of) labor, civil and tax risks	1,117	1,016
6.01.01.05	Income tax and social contribution	4,540	-562
6.01.01.06	Interest on borrowings	27	686
6.01.01.08	Write-off of property, plant and equipment and Intangible assets	1,180	8,130
6.01.01.09	Share of profit (loss) of investees	-5,348	-16,782
6.01.01.10	Several provisions and others	-7,869	3,426
6.01.01.11	Impairment of intangible assets (utilization)	-54	-6,058
6.01.01.13	Share-based payment	4,995	1,841
6.01.01.14	Exchange gains (losses)	2,819	-291
6.01.02	Changes in operating assets and liabilities	-3,336	17,790
6.01.02.01	Trade receivables	-770	1,543
6.01.02.02	Inventories	1,037	365
6.01.02.03	Taxes recoverable	-3,918	-91
6.01.02.04	Prepaid expenses	-323	-492
6.01.02.05	Trade payables	-1,937	-15,129
6.01.02.06	Related parties	11,979	26,819
6.01.02.07	Rebates and commercial agreements	-3,419	678
6.01.02.08	Other assets and liabilities	-4,219	4,097
6.01.02.09	Labor, civil and tax risks	-1,766	0
6.01.03	Others	-90	-5,353
6.01.03.01	Income tax and social contribution	-63	-5,353
6.01.03.02	Interest paid on borrowings paid	-27	0
6.02	Net cash used in investing activities	-2,903	-5,372
6.02.02	Additions to intangible assets, net of balance payable in installments	-489	0
6.02.03	Additions to property, plant and equipment, net of balance payable in installments	-2,414	-5,372
6.03	Net Cash used in financing activities	-497	-17,083
6.03.02	Payment of borrowings	-75	-11,449
6.03.03	Dividends payment	-871	0
6.03.05	Treasury shares sold	449	2,472
6.03.08	Purchase of treasury shares	0	-8,106
6.05	Net change in the period	-798	-12,404
6.05.01	Cash and Cash Equivalents at the beginning of the period	3,750	14,673
6.05.02	Cash and Cash Equivalents at the end of period	2,952	2,269



**Parent company financial statements / Statements of changes in equity 1/1/2018 to 6/30/2018****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Capital</b>	<b>Capital reserve and reserve for stock option plan</b>	<b>Earnings reserve</b>	<b>Accumulated losses</b>	<b>Other comprehensive loss</b>	<b>Total equity</b>
5.01	Initial balances	876,281	129,775	2,795	0	-12,549	996,302
5.03	Initial adjusted balances	876,281	129,775	2,795	0	-12,549	996,302
5.04	Capital increase	0	5,444	0	0	0	5,444
5.04.05	Treasury shares sold	0	449	0	0	0	449
5.04.08	Stock option plan	0	4,995	0	0	0	4,995
5.05	Total comprehensive income	0	0	0	-3,844	36,387	32,543
5.05.01	Loss for the period	0	0	0	-3,844	0	-3,844
5.05.02	Other comprehensive loss	0	0	0	0	36,387	36,387
	Translation adjustments in the statement of financial position			0			
5.05.02.04	of foreign subsidiaries	0	0		0	36,387	36,387
5.07	End balances	876,281	135,219	2,795	-3,844	23,838	1,034,289

**Parent company financial statements / Statements of changes in equity 1/1/2017 to 6/30/2017****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Capital</b>	<b>Capital reserve and reserve for stock option plan</b>	<b>Earnings reserve</b>	<b>Accumulated losses</b>	<b>Other comprehensive loss</b>	<b>Total equity</b>
5.01	Initial balances	924,614	228,161	0	-104,097	-18,024	1,030,654
5.03	Initial adjusted balances	924,614	228,161	0	-104,097	-18,024	1,030,654
5.04	Capital transactions with the partners	0	-3,793	0	0	0	-3,793
5.04.04	Treasury shares acquired	0	-8,106	0	0	0	-8,106
5.04.15	Treasury shares sold	0	2,472	0	0	0	2,472
5.04.08	Stock option plan	0	1,841	0	0	0	1,841
5.05	Total comprehensive loss	0	0	0	-2,222	3,518	1,296
5.05.01	Loss for the period	0	0	0	-2,222	0	-2,222
5.05.02	Other comprehensive loss	0	0	0	0	3,518	3,518
5.05.02.04	Translation adjustments in the statement of financial position of foreign subsidiaries	0	0	0	0	3,518	3,518
5.07	End balances	924,614	224,368	0	-106,319	-14,506	1,028,157

**Parent company financial statements / Statements of value added****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 1/1/2018 to 6/30/2018</b>	<b>Previous quarter 1/1/2017 to 6/30/2017</b>
7.01	Revenues	91,946	80,535
7.01.01	Sales of goods, products and services	90,630	79,286
7.01.02	Other revenues	1,183	1,092
7.01.04	Allowance for doubtful accounts	133	157
7.02	Inputs purchased from third parties	-24,412	-36,449
7.02.01	Cost of sales and services	-22,896	-20,960
7.02.02	Materials, electric power, outside services and others	-12,345	-11,623
7.02.04	Others	10,829	-3,866
7.03	Gross value added	67,534	44,086
7.04	Retentions	-8,465	-9,541
7.04.01	Depreciation and amortization	-8,465	-9,541
7.05	Value added created by the company	59,069	34,545
7.06	Value added received In transfer	2,754	17,110
7.06.01	Share of profit (loss) of investees	5,348	16,782
7.06.02	Finance Income	225	619
7.06.03	Others	-2,819	-291
7.06.03.01	Exchange rate changes	-2,819	-291
7.07	Total value added for distribution	61,823	51,655
7.08	Value added distributed	61,823	51,655
7.08.01	Personnel	51,098	51,649
7.08.01.01	Payroll and related taxes	43,803	47,044
7.08.01.04	Others	7,295	4,605
7.08.01.04.01	Management fees	3,357	2,764
7.08.01.04.02	Share-based payments	3,938	1,841
7.08.02	Taxes, fees and contributions	8,979	7,054
7.08.03	Lenders and lessors	5,590	-4,826
7.08.03.01	Interest	27	686
7.08.03.02	Rentals	5,563	-5,593
7.08.03.03	Royalties	0	81
7.08.04	Shareholders	-3,844	-2,222
7.08.04.03	Profit (loss) for the period	-3,844	-2,222

**Consolidated financial statements / Balance sheet – assets****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 6/30/2018</b>	<b>Previous year 12/31/2017</b>
1	Total assets	1,539,434	1,512,424
1.01	Current assets	353,477	372,525
1.01.01	Cash and cash equivalents	151,422	183,588
1.01.03	Trade receivables	81,456	86,882
1.01.04	Inventories	41,398	43,670
1.01.06	Taxes recoverable	59,459	45,768
1.01.07	Prepaid expenses	15,690	6,725
1.01.08	Other current assets	4,052	5,892
1.01.08.03	Others current assets	4,052	5,892
1.01.08.03.01	Other assets and advances	4,021	4,826
1.01.08.03.02	Derivatives financial instruments	31	1,066
1.02	Total noncurrent assets	1,185,957	1,139,899
1.02.01	Assets realizable over the long term	26,439	32,540
1.02.01.01	Financial investments	40	86
1.02.01.03	Trade receivables	4,432	5,963
1.02.01.06	Deferred income tax and social contribution	157	877
1.02.01.09	Other noncurrent assets	21,810	25,614
1.02.01.09.03	Judicial deposits	11,730	11,732
1.02.01.09.05	Other noncurrent assets	10,041	13,229
1.02.01.09.06	Derivatives financial instruments	39	653
1.02.02	Investments in subsidiaries and joint-venture	28,862	25,116
1.02.03	Property, plant and equipment	264,127	244,141
1.02.04	Intangible assets	866,529	838,102

**Consolidated financial statements / Balance sheet – liabilities and equity****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 6/30/2018</b>	<b>Previous year 12/31/2017</b>
2	Liabilities and equity	1,539,434	1,512,424
2.01	Current liabilities	218,891	244,631
2.01.01	Payroll and related taxes	55,890	61,889
2.01.02	Trade payable	67,563	89,525
2.01.03	Taxes payable	17,567	16,016
2.01.04	Borrowings	40,977	45,359
2.01.05	Other obligations	36,894	31,842
2.01.05.02	Others	36,894	31,842
2.01.05.02.04	Deferred revenue	6,997	6,453
2.01.05.02.05	Proposed dividends	0	871
2.01.05.02.06	Installment payment of business acquisitions	5,979	5,245
2.01.05.02.08	Other current liabilities	21,700	15,163
2.01.05.02.09	Agreements and installment payment of labor	2,218	4,110
2.02	Total noncurrent liabilities	277,692	263,828
2.02.01	Borrowings	128,432	125,861
2.02.02	Other obligations	46,639	42,285
2.02.02.02	Others	46,639	42,285
2.02.02.02.03	Installment payment of business acquisitions	33,154	31,173
2.02.02.02.05	Other noncurrent liabilities	13,154	10,805
2.02.02.02.06	Agreements and installment payment of labor	331	307
2.02.03	Deferred taxes	81,639	69,622
2.02.03.01	Deferred income tax and social contribution	81,639	69,622
2.02.04	Provisions	9,406	12,539
2.02.04.01	Provisions for labor, civil and tax risks	9,406	12,539
2.02.06	Deferred revenue	11,576	13,521
2.02.06.02	Deferred revenue	11,576	13,521
2.03	Equity	1,042,851	1,003,965
2.03.01	Capital	876,281	876,281
2.03.02	Capital reserve	135,219	129,775
2.03.02.07	Capital reserve	116,499	116,050
2.03.02.08	Reserve for stock option plan	18,720	13,725
2.03.04	Earnings reserve	2,795	2,795
2.03.05	Accumulated losses	-3,844	0
2.03.08	Other comprehensive loss	23,838	-12,549
2.03.09	Non Controlling Interest	8,562	7,663

**Consolidated financial statements / Statements of income****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current period 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Current Period 1/1/2018 to 6/30/2018</b>	<b>Current period 4/1/2017 to 6/30/2017</b>	<b>Accumulated in the Current Period 1/1/2017 to 6/30/2017</b>
3.01	Net Revenue	396,673	759,494	376,860	727,523
3.02	Cost of Sales and Services	-267,673	-522,124	-259,312	-512,698
3.03	Gross Profit	128,998	237,370	117,548	214,825
3.04	Operating Income (expenses)	-116,788	-225,833	-101,413	-205,060
3.04.01	Selling and operating expenses	-85,128	-161,486	-81,822	-156,363
3.04.01.01	Selling and operating expenses	-85,128	-161,486	-81,822	-156,363
3.04.02	General and administrative expenses	-34,107	-67,008	-29,179	-60,832
3.04.02.01	General and administrative expenses	-27,162	-53,221	-21,961	-45,771
3.04.02.02	Depreciation and amortization	-6,945	-13,787	-7,218	-15,061
3.04.04	Other operating income	2,817	3,917	8,618	10,613
3.04.05	Other operating expenses	-3,320	-6,068	-1,234	-2,164
3.04.06	Share of profit (loss) of investees	2,950	4,812	2,206	3,686
3.05	Operating profit (loss) before finance income (expense) and income tax and social contribution	12,210	11,537	16,135	9,765
3.06	Finance income (expense), net	-2,830	-3,347	-2,335	-2,962
3.07	Profit (loss) before income tax and social contribution	9,380	8,190	13,800	6,803
3.08	Income tax and social contribution	-6,798	-12,034	1,059	-9,025
3.08.01	Current	-2,859	-4,588	-4,581	-5,404
3.08.02	Deferred	-3,939	-7,446	5,640	-3,621
3.09	Profit (loss) for period	2,582	-3,844	14,859	-2,222
3.11	Profit (loss) for period	2,582	-3,844	14,859	-2,222
3.99	Earnings (loss) per share – R\$				
3.99.01	Basic (cents per share)				
3.99.01.01	ON	0.01587	-0.02363	0.09185	-0.01374
3.99.02	Diluted (cents per share)				
3.99.02.01	ON	0.01588	-0.02363	0.09185	-0.01374

**Consolidated financial statements / Statements of comprehensive income****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current period 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Current Period 1/1/2018 to 6/30/2018</b>	<b>Previous period 4/1/2017 to 6/30/2017</b>	<b>Accumulated in Previous Period 1/1/2017 to 6/30/2017</b>
4.01	Profit (loss) for the period	2,582	-3,844	14,859	-2,222
4.02	Other comprehensive loss	31,664	37,286	10,176	4,163
4.03	Total comprehensive income for the period	34,246	33,442	25,035	1,941
4.03.01	Owners of the Company	33,235	32,543	24,194	1,296
4.03.02	Noncontrolling interest	1,011	899	841	645

**Consolidated financial statements / Statements of cash flows - Indirect method****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 1/1/2018 to 6/30/2018</b>	<b>Previous quarter 1/1/2017 to 6/30/2017</b>
6.01	Net cash generated by (used in) operating activities	17,680	33,985
6.01.01	Cash provided by operating activities	46,417	63,614
6.01.01.01	Profit (loss) for the year from continuing operations	-3,844	-2,222
6.01.01.02	Depreciation and amortization	38,298	42,403
6.01.01.03	Deferred revenue	0	-76
6.01.01.04	Provision for (reversal of) labor, civil and tax risks	3,970	1,604
6.01.01.05	Income tax and social contribution	12,034	9,025
6.01.01.06	Interest on borrowings	5,291	5,062
6.01.01.07	Interest on business acquisitions and commercial rights	958	880
6.01.01.08	Write-off of property, plant and equipment and intangible assets	3,043	19,699
6.01.01.09	Share of profit (loss) of investees	-5,881	-4,679
6.01.01.10	Several provisions and others	-12,312	8,485
6.01.01.11	Impairment of intangible assets (utilization)	-3,526	-19,286
6.01.01.13	Share-based payment	4,995	1,841
6.01.01.14	Exchange gains (losses)	2,322	-115
6.01.01.15	Amortization of investment in joint venture	1,069	993
6.01.02	Changes in operating assets and liabilities	-21,229	-19,332
6.01.02.01	Trade receivables	10,624	936
6.01.02.02	Inventories	5,730	-2,004
6.01.02.03	Taxes recoverable	362	-1,277
6.01.02.04	Prepaid expenses	-6,707	-4,141
6.01.02.05	Trade payables	-16,216	-6,732
6.01.02.07	Fees and sales agreements	-1,375	3,567
6.01.02.08	Other assets and liabilities	-5,394	-9,681
6.01.02.09	Labor, civil and tax risks	-8,253	0
6.01.03	Others	-7,508	-10,297
6.01.03.01	Income tax and social contribution paid	-2,386	-10,065
6.01.03.02	Interest paid on borrowings	-4,791	-189
6.01.03.03	Interest payments on business acquisition	-331	-43
6.02	Net cash used in investing activities	-37,543	-23,709
6.02.02	Additions to intangible assets, net of balance payable in installments	-4,766	-2,217
6.02.03	Additions to property, plant and equipment, net of balance payable in installments	-35,504	-21,300
6.02.04	Dividends received	5,002	4,443
6.02.05	Loans granted to Parent, net of returns	-3,597	-4,635
6.02.06	Proceeds from sale of discontinued operation, net of transferred cash	1,322	0
6.03	Net cash used in financing activities	-24,612	-38,906
6.03.02	Payment of borrowings	-24,190	-33,272
6.03.03	Dividends payment	-871	0
6.03.05	Treasury shares sold	449	2,472



**Consolidated financial statements / Statements of cash flows - Indirect method****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 1/1/2018 to 6/30/2018</b>	<b>Previous quarter 1/1/2017 to 6/30/2017</b>
6.03.08	Purchase of treasury shares	0	-8,106
6.04	Exchange rate variation on cash and cash equivalents	12,309	874
6.05	Net change in the period	-32,166	-27,756
6.05.01	Cash and cash equivalents at the beginning of the period	183,588	190,108
6.05.02	Cash and cash equivalents at the end of period	151,422	162,352

**Consolidated financial statements / Statements of Changes in Equity 1/1/2018 to 6/30/2018****Financial statements in Thousands of Reais**

Account Code	Description of Account	Capital	Capital reserve and Reserve for stock option plan	Earnings reserve	Accumulated losses	Other comprehensive loss	Equity	Participation of Non-controlling Shareholders	Consolidated Equity
5.01	Initial balances	876,281	129,775	2,795	0	-12,549	996,302	7,663	1,003,965
5.03	Initial adjusted balances	876,281	129,775	2,795	0	-12,549	996,302	7,663	1,003,965
5.04	Capital increase	0	5,444	0	0	0	5,444	0	5,444
5.04.05	Treasury shares sold	0	449	0	0	0	449	0	449
5.04.08	Stock option plan	0	4,995	0	0	0	4,995	0	4,995
5.05	Total comprehensive income	0	0	0	-3,844	36,387	32,543	899	33,442
5.05.01	Loss for the period	0	0	0	-3,844	0	-3,844	0	-3,844
5.05.02	Other comprehensive loss	0	0	0	0	36,387	36,387	899	37,286
5.05.02.04	Translation adjustments in the statement of financial position of foreign subsidiaries	0	0	0	0	36,387	36,387	899	37,286
5.07	End balances	876,281	135,219	2,795	-3,844	23,838	1,034,289	8,562	1,042,851

**Consolidated financial statements / Statements of changes in equity 1/1/2017 to 6/30/2017****Financial statements in Thousands of Reais**

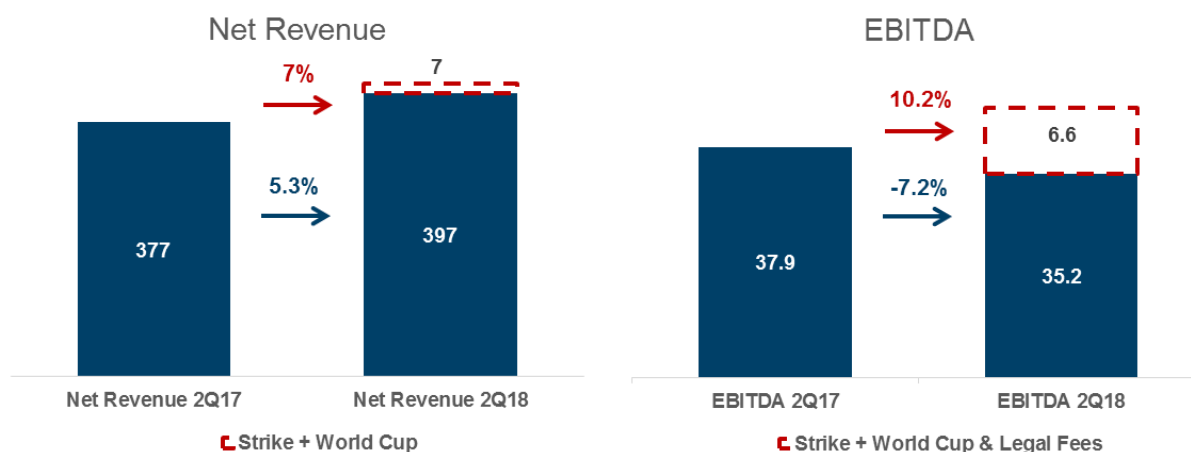
Account Code	Description of Account	Capital	Capital reserve and reserve for stock option plan	Earnings reserve	Accumulated losses	Other comprehensive loss	Equity	Participation of non-controlling shareholders	Consolidated equity
5.01	Initial balances	924,614	228,161	0	-104,097	-18,024	1,030,654	10,142	1,040,796
5.03	Initial adjusted balances	924,614	228,161	0	-104,097	-18,024	1,030,654	10,142	1,040,796
	Capital transactions with the			0					
5.04	partners	0	-3,793		0	0	-3,793	0	-3,793
5.04.04	Treasury shares acquired	0	-8,106	0	0	0	-8,106	0	-8,106
5.04.15	Treasury shares sold	0	2,472	0	0	0	2,472	0	2,472
5.04.08	Stock option plan	0	1,841	0	0	0	1,841	0	1,841
5.05	Total comprehensive loss	0	0	0	-2,222	3,518	1,296	645	1,941
5.05.01	Loss for the period	0	0	0	-2,222	0	-2,222	0	-2,222
5.05.02	Other comprehensive loss	0	0	0	0	3,518	3,518	645	4,163
	Translation adjustments in the statement of financial position of								
5.05.02.04	foreign subsidiaries	0	0	0	0	3,518	3,518	645	4,163
5.07	End balances	924,614	224,368	0	-106,319	-14,506	1,028,157	10,787	1,038,944

**Consolidated financial statements / Statements of value added****Financial statements in Thousands of Reais**

<b>Account code</b>	<b>Description of account</b>	<b>Current quarter 1/1/2018 to 6/30/2018</b>	<b>Previous quarter 1/1/2017 to 6/30/2017</b>
7.01	Revenues	807,062	791,829
7.01.01	Sales of goods, products and services	802,994	780,981
7.01.02	Other revenues	3,917	10,613
7.01.04	Allowance for doubtful accounts	151	235
7.02	Input acquired from third parties	-403,189	-377,343
7.02.01	Cost of sales and services	-265,463	-258,346
7.02.02	Materials, electric power, outside services and others	-83,737	-72,830
7.02.04	Others	-53,989	-46,167
7.03	Gross value added	403,873	414,486
7.04	Retentions	-39,367	-43,396
7.04.01	Depreciation and amortization	-39,367	-43,396
7.05	Value added created by the Company	364,506	371,090
7.06	Value added received in transfer	10,514	9,665
7.06.01	Share of profit (loss) of investees	5,881	4,679
7.06.02	Finance income	6,955	5,101
7.06.03	Others	-2,322	-115
7.06.03.01	Exchange rate changes	-2,322	-115
7.07	Total value added for distribution	375,020	380,755
7.08	Value added distributed	375,020	380,755
7.08.01	Personnel	242,571	239,538
7.08.01.01	Payroll and related taxes	235,276	234,933
7.08.01.04	Others	7,295	4,605
7.08.01.04.01	Management fees	3,357	2,764
7.08.01.04.02	Share-based payment	3,938	1,841
7.08.02	Taxes, fees and contributions	41,220	52,967
7.08.03	Lenders and lessors	95,073	90,472
7.08.03.01	Interest	6,249	5,943
7.08.03.02	Rentals	77,644	74,528
7.08.03.03	Others	11,180	10,001
7.08.04	Shareholders	-3,844	-2,222
7.08.04.03	Profit (loss) for the period	-3,844	-2,222

## MESSAGE FROM MANAGEMENT

We must note that 2Q18 results had specific impacts in Brazil and the USA. In Brazil - especially in the highways segment, but also in shopping malls - the results were negatively impacted by the truckers' strike and the World Cup; we estimated that the combined effects on revenue were ~R\$ 7 million (R\$6 million in road restaurants and R\$1 million in shopping malls) and ~R\$ 5 million in EBITDA (R\$4 million in restaurants on roads and R\$0.6 million in shopping malls). In the US, we had non-recurring legal expenses due to a legal dispute of ~ \$ 0.5 million. Consequently we had a total impact of R\$ 6.6 million in EBITDA, excluding these effects, EBITDA would have been R\$ 41.8 million, equivalent to a 10% growth YoY. With regards to revenue, we would have had a consolidated growth of 7% and 2% in Brazil.



Consolidated net revenue reached R\$ 397 million, a growth of 5.3% vs. 2Q17, impacted by the effects described above.

Consolidated Adjusted EBITDA was down 7% YoY reaching R\$35M, with a reduction of 120bps in margins that reached 8.9% in 2Q18. Net revenues reached R\$397M, up 5.3% YoY. We posted a Net profit of R\$3M, from a R\$15M in 2Q17.

In Brazil, operating income (including holding expenses) was down 43% YoY (-R\$4M) reaching R\$5.8M with a 190bps reduction in margins, which was mostly impacted by the truck drivers' strike and world cup which we estimate to have impacted results in approximately R\$5M. It is worth noting the positive performance at Brazilian Airports, where operating income grew by 219% due to the recovery in both Catering and restaurants. The same is true for Shopping Malls, where efficiency efforts and cost adjustments have led to an improvement of 180bps in margins or a 15% growth in operating income.

In the US, there was a increase in operating income due to the positive impact of the exchange rate. In US\$ operating margins were impacted by higher G&A expenses due to legal fees, excluding that effect margins would have been flat YoY. In the Caribbean, operating income was in line with last year in reais.

The 2Q18 also marks an important change in IMC's history with the signing of the association agreement with Sapore, establishing the basis for the combination of the two Companies.

The merger represents the creation of a leading Company in the food services and retail markets in Latam with over R\$3B in revenues, R\$220M in EBITDA and nearly 1.4k points of sale across Brazil, Colombia, Panama, Mexico and the USA.

Relevant synergies will be generated with the merger:

- **Purchasing and Food Cost:** the opportunity stems from centralized purchasing, resulting in purchasing terms matching, higher bargaining power and SKUs optimization. IMC (in Brazil alone) and Sapore spent over R\$900M in food cost in 2017 – excluding logistics costs.
- **Logistics, Distribution, Supply Chain:** most of IMC logistics is done internally, with 3 central kitchens distributing products in: SP, RJ and Brasilia, while Sapore has a logistic network with 7 distribution centers located in: SP, RJ, BA, AM, PR, RS, PE. Hence, IMC will be able to lever

Sapore's network, especially outside of SP. IMC (in Brazil alone) and Sapore spent over R\$60M in logistics in 2017.

- **G&A Expenses:** streamline administrative structure, elimination of redundant areas, systems and other G&A expenses. IMC (in Brazil alone) and Sapore spent over R\$160M in G&A in 2017

Besides synergies, **best practices sharing between the companies should speed up the margin gains in IMC.** For example, IMC started in late 2017 its intelligent kitchen project aiming at: i) improving product quality and consistency; ii) improving productivity and reducing costs related to waste and labor. All of that supported by the pre-preparation of products at central kitchens or by suppliers and sent to the restaurants, which will have new equipment (combi-steamers). Sapore has been the sector benchmark for that and has started this process over 10 years ago focusing on 3 dimensions: i) people: constant training; ii) product: pre-preparation of products done by an extensive chain of suppliers; and iii) equipment: optimized kitchen area, higher productivity and consistency and lower utilities expenses. Consequently our target to reach 10% EBITDA Margin in IMC Brazil could happen faster, and with lower execution.

**The merger also creates important cross-selling opportunities:**

- **IMC's Cafés/Kiosks in Sapore's Clients:** open IMC's recognized Cafés/Kiosks Brands (Brunella, Viena Café, Viena Snacks, V. Café) at Sapores Clients. IMC currently has 24 Cafés/Kiosks, while Sapore has over 1,100 restaurant clients in Brazil.
- **IMC's Products sold to Sapore's Clients:** IMC has a wide range of pastries, sweets, snacks and cakes that could be sold to Sapore's clients - Sapore serves more 1M people on a daily basis.
- **IMC expansion throughout Brazil:** Speed-up IMC's expansion throughout Brazil (i.e.: Olive Garden in all major State Capitals) leveraging on Sapore's Supply Chain and commercial teams - Sapore has 7 distribution centers and 10 commercial offices across the country.
- **Speed-up Sapore's Growth:** i) expansion into the Healthcare industry in Brazil, where IMC is already exposed to leading providers - IMC's main Hospital clients: Albert Einstein, Samaritano, AC Camargo, Oswaldo Cruz; and ii) expansion in Colombia leveraging IMC's team, supply chain and connections - IMC has 8 Catering operations in Colombia; 8 stores in 3 different airports; and 14 J&C Restaurants in Malls.

In addition there are still substantial organic growth potential across all segments in which we operate for the short-term and also mid-long-term. Especially with regards to the new segment that we will be exposed from now on - Corporate restaurants - we believe that there is much room for expansion:

- The corporate restaurants market is growing and should benefit by the improvements in the economy and formal labor. The market is still fragment, bearing an important growth and consolidation opportunity for Sapore. Also, there are segments to be explored such as healthcare in which Sapore has just 2% market share compared to the 10% overall market share.

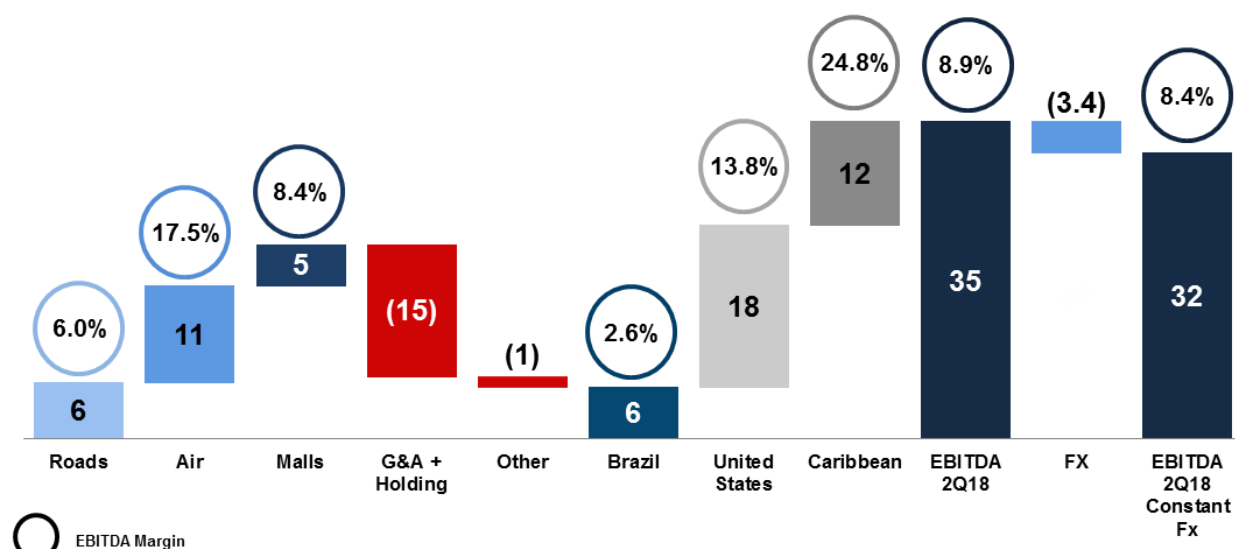
We are extremely optimistic about the merger and the Company's perspectives. Currently we are in the final stages of the legal and financial due-diligence. The next steps are to complete the merger protocol, convene and conduct the shareholders meeting and launch the tender offer. An important part of the process has been already concluded which was the analysis and approval by the anti-trust authority CADE.

All in all, 2Q results have been mostly impacted by a specific effect in Brazil and in the USA, but we remain confident that we are in the right direction and there is a lot to be captured specially now with the merger with Sapore that creates a larger Company, with the potential to be more efficient.

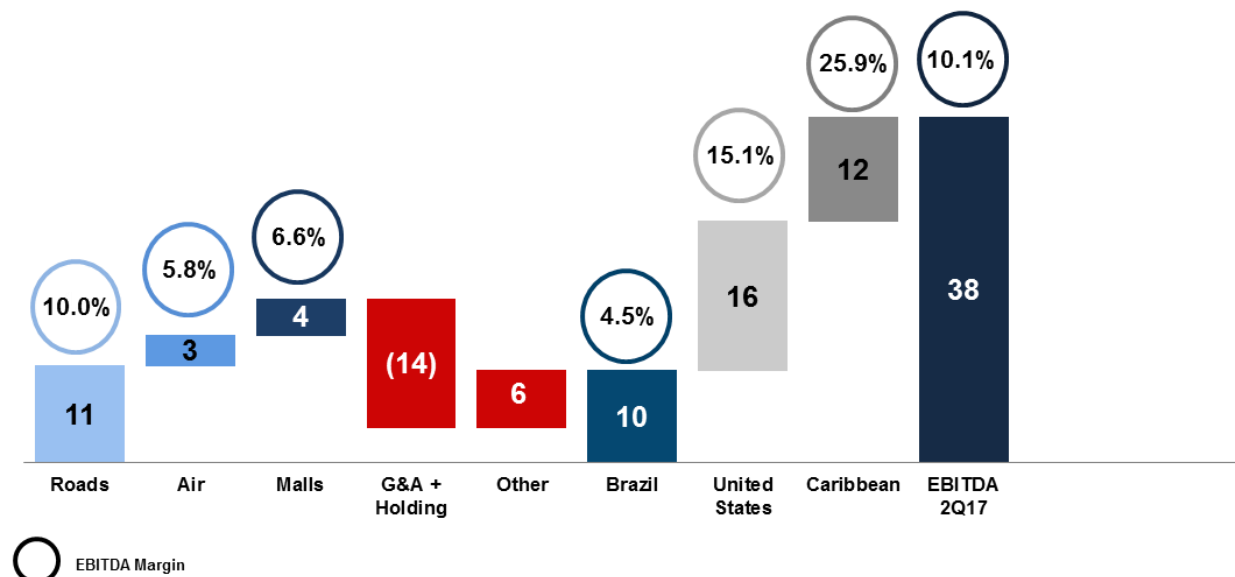
## COMMENTS ABOUT IMC'S PERFORMANCE

### OVERVIEW OF 2Q18

#### EBITDA Bridge 2Q18



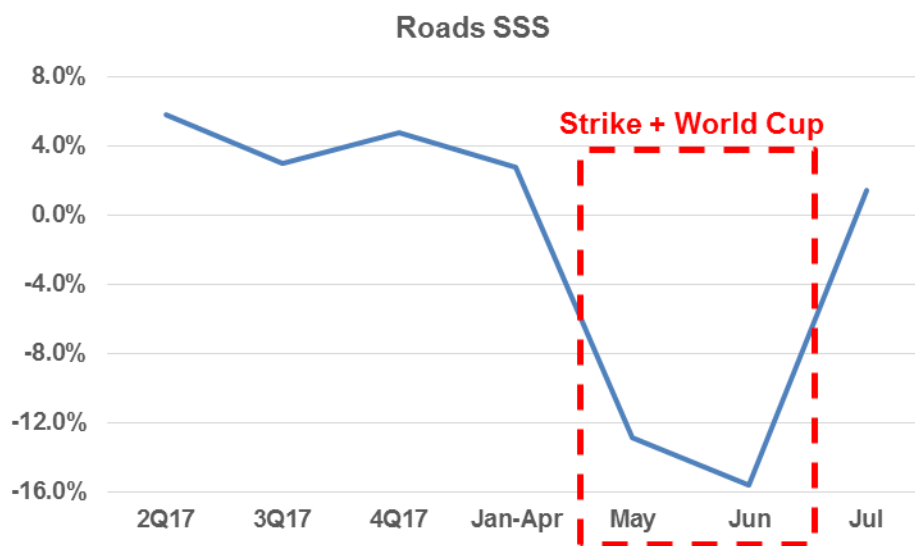
#### EBITDA Bridge 2Q17



In 2Q18, IMC's Adjusted EBITDA was down by 7% with a 120bps margin decrease reaching R\$35 million in in Reais (or R\$32 million constant currency) with a 8.9% margin.

In Brazil, operating income was -R\$4M (-43% YoY) reaching R\$5.8M with a 190bps reduction in margins. Results were negatively impacted by the truck drivers' strike and the world cup, which we estimate to be R\$7M in sales and R\$5M in EBITDA. The main impact was in the Road segment as

the traffic was down by 14% (according to ABCR) in May, reverting the positive trend observed in the previous 11 months. Such impact resulted in a 11% negative SSS performance in Roads restaurants in the quarter. However, we believe that this was a specific impact, as sales in July are positive again.



On top of that, on a relative basis, the Brazil 2Q17 results had also the positive impact of R\$6M (other income line) from tax recoveries.

In the US, results were positively impacted by the exchange rate in the quarter. In terms of sales new stores positive performance continue to offset the negative SSS. In terms of margins, results were negatively impacted by higher G&A expenses related to legal fees of ~US\$0.5M; excluding that, margins would have been flat YoY.

In the Caribbean, the FX also helped operating income to remain flat on YoY basis. Margins (-100bps) were mainly pressured by labor expenses as lower SSS reduced the dilution of fixed costs.



## CONSOLIDATED RESULTS

(in R\$ million)	2Q18	2Q17	%HA	2Q18 <sup>3</sup>	% HA <sup>3</sup>	2018	2017	%HA	2018 <sup>3</sup>	% HA <sup>3</sup>
<b>Net Revenue</b>	<b>396.7</b>	<b>376.9</b>	<b>5.3%</b>	<b>376.8</b>	<b>0.0%</b>	<b>759.5</b>	<b>727.5</b>	<b>4.4%</b>	<b>735.1</b>	<b>1.0%</b>
Restaurants & Others	342.2	327.5	4.5%	322.2	-1.6%	646.7	621.8	4.0%	622.3	0.1%
Gas Stations	54.5	49.3	10.4%	54.5	10.4%	112.8	105.8	6.6%	112.8	6.6%
Brazil	220.7	224.0	-1.4%	220.7	-1.4%	465.3	462.7	0.6%	465.3	0.6%
US	129.5	108.4	19.4%	115.2	6.2%	204.1	176.5	15.7%	187.0	6.0%
Caribbean	46.5	44.5	4.4%	40.9	-8.1%	90.1	88.4	1.9%	82.7	-6.4%
<b>Cost of Sales and Services</b>	<b>(267.7)</b>	<b>(259.3)</b>	<b>3.2%</b>	<b>(256.8)</b>	<b>-1.0%</b>	<b>(522.1)</b>	<b>(512.7)</b>	<b>1.8%</b>	<b>(508.6)</b>	<b>-0.8%</b>
Direct Labor	(103.7)	(100.2)	3.4%	(98.5)	-1.7%	(198.6)	(194.6)	2.0%	(192.2)	-1.3%
Food	(84.5)	(85.5)	-1.2%	(80.2)	-6.2%	(164.5)	(164.7)	-0.1%	(159.3)	-3.3%
Others	(22.0)	(20.1)	9.6%	(21.0)	4.9%	(41.2)	(39.0)	5.8%	(40.1)	2.8%
Fuel and Automotive Accessories	(44.9)	(40.2)	11.8%	(44.9)	11.8%	(93.3)	(87.1)	7.1%	(93.3)	7.1%
Depreciation & Amortization	(12.6)	(13.4)	-5.5%	(12.1)	-9.7%	(24.5)	(27.3)	-10.4%	(23.8)	-12.9%
<b>Gross Profit</b>	<b>129.0</b>	<b>117.5</b>	<b>9.7%</b>	<b>120.0</b>	<b>2.1%</b>	<b>237.4</b>	<b>214.8</b>	<b>10.5%</b>	<b>226.4</b>	<b>5.4%</b>
Gross Margin (%)	32.5%	31.2%	1.3p.p.	31.8%	0.7p.p.	31.3%	29.5%	1.7p.p.	30.8%	1.3p.p.
<b>Operating Expenses</b>	<b>(113.9)</b>	<b>(100.7)</b>	<b>13.1%</b>	<b>(107.4)</b>	<b>6.7%</b>	<b>(220.4)</b>	<b>(203.2)</b>	<b>8.5%</b>	<b>(212.3)</b>	<b>4.5%</b>
Selling and Operating	(45.6)	(43.8)	4.3%	(42.0)	-4.0%	(87.3)	(84.5)	3.3%	(82.8)	-2.0%
Rents of Stores	(39.5)	(38.1)	3.8%	(37.5)	-1.6%	(74.2)	(71.9)	3.2%	(71.7)	-0.3%
Store Pre-Openings	(0.9)	(0.8)	7.3%	(0.9)	10.3%	(3.4)	(1.9)	76.8%	(3.4)	76.5%
Depreciation & Amortization	(6.9)	(7.2)	-3.8%	(6.7)	-7.5%	(13.8)	(15.1)	-8.5%	(13.4)	-10.9%
J.V. Investment Amortization	(0.6)	(0.5)	12.1%	(0.5)	0.0%	(1.1)	(1.0)	7.7%	(1.0)	0.0%
Equity income result	3.5	2.7	29.7%	3.1	15.7%	5.9	4.7	25.7%	5.4	15.5%
Other revenues (expenses)	(0.5)	7.4	-106.8%	(0.6)	-107.8%	(2.2)	8.4	-125.4%	(2.2)	-126.5%
General & Administrative	(21.6)	(17.9)	20.6%	(20.6)	15.2%	(40.6)	(36.2)	11.9%	(39.4)	8.7%
Corporate (Holding) <sup>2</sup>	(1.8)	(2.5)	-28.3%	(1.8)	-29.4%	(3.8)	(5.7)	-33.9%	(3.8)	-34.5%
Special Items - Write-offs	0.0	0.0	-	0.0	-	0.0	0.0	0.0%	0.0	-
Special Items - Other	(2.9)	(0.7)	312.9%	(2.9)	312.9%	(5.4)	(1.8)	195.4%	(5.4)	195.4%
<b>EBIT</b>	<b>12.2</b>	<b>16.1</b>	<b>-24.4%</b>	<b>9.7</b>	<b>-40.1%</b>	<b>11.5</b>	<b>9.8</b>	<b>na</b>	<b>8.7</b>	<b>na</b>
(+) D&A and Write-offs	20.1	21.1	-4.5%	19.2	-8.7%	39.4	43.4	-9.3%	38.2	-11.9%
<b>EBITDA</b>	<b>32.3</b>	<b>37.2</b>	<b>-13.1%</b>	<b>28.9</b>	<b>-22.3%</b>	<b>50.9</b>	<b>53.2</b>	<b>-4.3%</b>	<b>46.9</b>	<b>-11.8%</b>
EBITDA Margin (%)	8.2%	9.9%	-1.7p.p.	7.7%	-2.2p.p.	6.7%	7.3%	-0.6p.p.	6.4%	-0.9p.p.
(+) Special Items - Other	2.9	0.7	-	2.9	-	5.4	1.8	195.4%	5.4	195.4%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>35.2</b>	<b>37.9</b>	<b>-7.2%</b>	<b>31.8</b>	<b>-16.2%</b>	<b>56.3</b>	<b>55.0</b>	<b>2.4%</b>	<b>52.4</b>	<b>-4.8%</b>
Adjusted EBITDA Margin (%)	8.9%	10.1%	-1.2p.p.	8.4%	-1.6p.p.	7.4%	7.6%	-0.1p.p.	7.1%	-0.4p.p.

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

Net revenue totaled R\$396.7 million in 2Q18, up 5.3% vs. 2Q17. The positive performance of new stores launched in the period (in Brazil and USA) offset the negative impact of the net store closures of 16 restaurants (18 of which in Brazil), as shown in the section "Number of stores". Net revenue totaled R\$759.5 million in 1H18, up 4.4% vs. 1H17.

Food cost totaled R\$84.5M, down 1.2% compared to 2Q17, leading to a 140bps improvement YoY.

Direct Labor cost totaled R\$103.7 million, compared to R\$100.2 million in 2Q17, as headcount adjustments mitigated inflationary pressures on payroll, leading to a 50bps improvement compared to 2Q17.

Fuel cost totaled R\$44.9M, up 11.8% compared to 2Q17, leading to a 70bps reduction YoY, as a consequence of higher discounts policy that resulted in an R\$0.5M increase in fuel gross margin.

Sales and Operating expenses were R\$1.8 million higher YoY, but representing a 10bps improvement compared to 2Q17.

Rent expenses totaled R\$39.5 million, a 3.8% increase YoY, but equivalent to a 10bps improvement YoY.

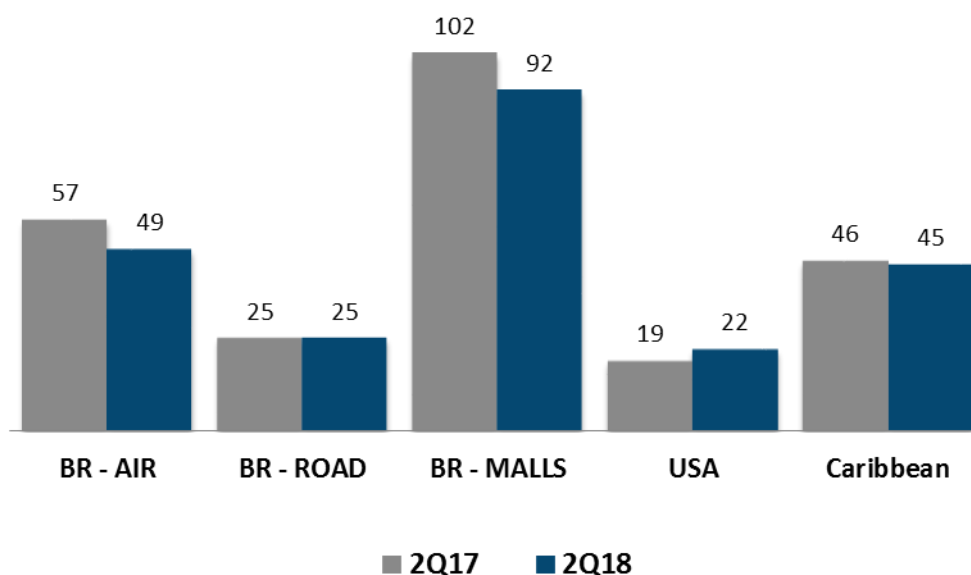
With regards to G&A and Holding expenses, the R\$1.2 million increase YoY reflects higher G&A expenses in the USA due to higher legal fees, offsetting the costs reduction that took place throughout 2017.

Other income (expenses) were down R\$7.9M in 2Q18 vs. 2Q17 as 2Q17 result was impacted by ~R\$6M in tax recoveries.

All in all, in 2Q18 the adjusted EBITDA reached R\$35.2 million, 7% down. Adjusted EBITDA margin reached 8.9%, a 120 bps decrease YoY. In 1H18 adjusted EBITDA reached R\$56.3 million, up 2.4%, with a 7.4% margin.

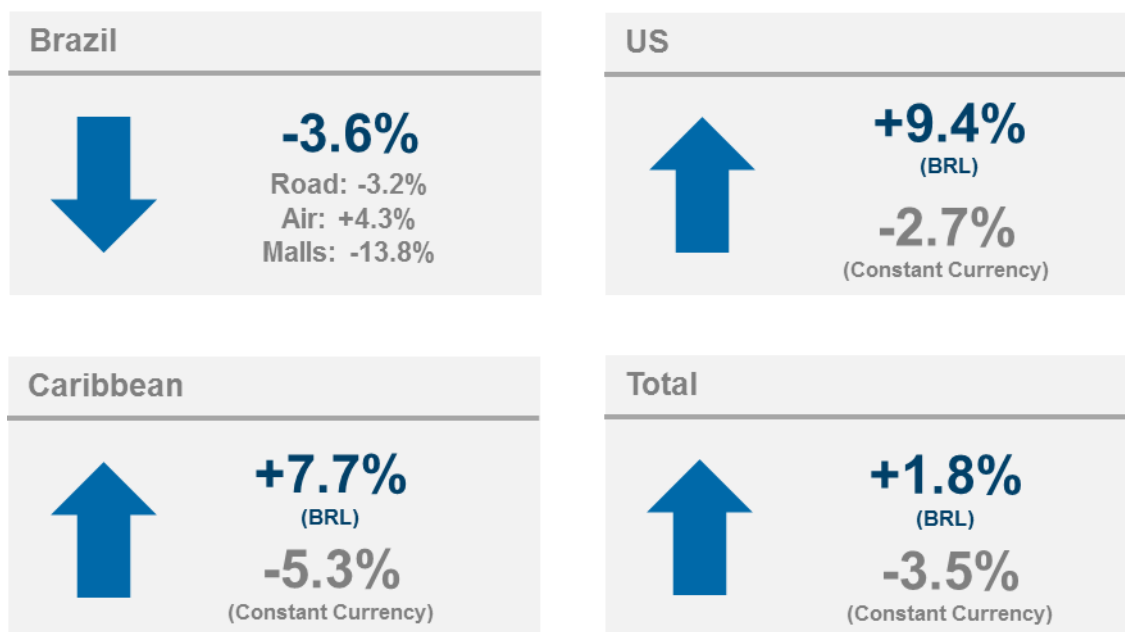
## NUMBER OF STORES

NUMBER OF STORES (end of period)	2Q18	2Q17	YoY	
			Var. (%)	Var. (#)
<b>Brazil</b>	<b>166</b>	<b>184</b>	<b>-9.8%</b>	<b>-18</b>
<i>Air</i>	<i>49</i>	<i>57</i>	<i>-14.0%</i>	<i>-8</i>
<i>Roads</i>	<i>25</i>	<i>25</i>	<i>0.0%</i>	<i>0</i>
<i>Shopping Malls</i>	<i>92</i>	<i>102</i>	<i>-9.8%</i>	<i>-10</i>
<b>USA</b>	<b>22</b>	<b>19</b>	<b>15.8%</b>	<b>3</b>
<b>Caribbean</b>	<b>45</b>	<b>46</b>	<b>-2.2%</b>	<b>-1</b>
<b>Total Number of Stores</b>	<b>233</b>	<b>249</b>	<b>-6.4%</b>	<b>-16</b>



At the end of the quarter, the Company had 233 stores, a net reduction of 16 stores YoY, 18 in Brazil and 1 in the Caribbean, and 3 new stores in the USA.

## SAME-STORE SALES (SSS) – 2Q18



Same store sales totaled a 3.5% reduction in constant currencies in 2Q18, or a 1.8% growth in reais.

In Brazil, the 3.6% decrease in same store sales was led by malls with a 13.7% negative performance in the quarter and roads -3.2% - both impacted by the strike and the world cup, which was partially offset by the positive performance of Air +4.3% (lead by catering).

USA SSS in Reais was +9.4% and in local currency was -2.7% YoY in 2Q18.

In the Caribbean, SSS were +7.7% in Reais and -5.3% in constant currency in the quarter as Colombia's positive performance was offset by lower sales in Panama, especially in airports due to refurbishments in the airport that impacted the flow of customers in our stores.

## RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

(in R\$ million)	Brazil 2018	USA 2018	Caribbean 2018	Consolidated 2018	% VA	Brasil 2017	EUA 2017	Caribbe 2017	Consolidated 2017	% VA	% HA
<b>Net Revenue</b>	<b>465.3</b>	<b>204.1</b>	<b>90.1</b>	<b>759.5</b>	<b>100.0%</b>	<b>462.7</b>	<b>176.5</b>	<b>88.4</b>	<b>727.5</b>	<b>100.0%</b>	<b>4.4%</b>
Restaurants & Others	352.6	204.1	90.1	646.7	85.2%	356.9	176.5	88.4	621.8	85.5%	4.0%
Gas Stations	112.8	0.0	0.0	112.8	14.8%	105.8	0.0	0.0	105.8	14.5%	6.6%
<b>Cost of Sales and Services</b>	<b>(355.3)</b>	<b>(124.6)</b>	<b>(42.2)</b>	<b>(522.1)</b>	<b>-68.7%</b>	<b>(359.3)</b>	<b>(112.2)</b>	<b>(41.2)</b>	<b>(512.7)</b>	<b>-70.5%</b>	<b>1.8%</b>
Direct Labor	(118.4)	(63.0)	(17.1)	(198.6)	-26.1%	(122.8)	(56.1)	(15.7)	(194.6)	-26.8%	2.0%
Food	(100.9)	(40.2)	(23.4)	(164.5)	-21.7%	(105.7)	(34.9)	(24.1)	(164.7)	-22.6%	-0.1%
Others	(27.5)	(12.8)	(1.0)	(41.2)	-5.4%	(27.4)	(10.8)	(0.8)	(39.0)	-5.4%	5.8%
Fuel and Automotive Accessories	(93.3)	0.0	0.0	(93.3)	-12.3%	(87.1)	0.0	0.0	(87.1)	-12.0%	7.1%
Depreciation & Amortization	(15.2)	(8.6)	(0.7)	(24.5)	-3.2%	(16.3)	(10.4)	(0.6)	(27.3)	-3.8%	-10.4%
<b>Gross Profit</b>	<b>110.1</b>	<b>79.4</b>	<b>47.9</b>	<b>237.4</b>	<b>31.3%</b>	<b>103.4</b>	<b>64.2</b>	<b>47.2</b>	<b>214.8</b>	<b>29.5%</b>	<b>10.5%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(117.9)</b>	<b>(72.8)</b>	<b>(29.7)</b>	<b>(220.4)</b>	<b>-29.0%</b>	<b>(114.4)</b>	<b>(59.8)</b>	<b>(29.0)</b>	<b>(203.2)</b>	<b>-27.9%</b>	<b>8.5%</b>
Selling and Operating	(31.2)	(44.2)	(11.8)	(87.3)	-11.5%	(36.3)	(36.2)	(12.0)	(84.5)	-11.6%	3.3%
Rents of Stores	(43.0)	(21.4)	(9.8)	(74.2)	-9.8%	(43.2)	(19.2)	(9.4)	(71.9)	-9.9%	3.2%
Store Pre-Openings	(2.2)	(1.1)	(0.2)	(3.4)	-0.5%	(1.5)	(0.4)	0.0	(1.9)	-0.3%	76.8%
Depreciation & Amortization	(9.2)	(0.6)	(4.0)	(13.8)	-1.8%	(10.4)	(0.6)	(4.0)	(15.1)	-2.1%	-8.5%
J.V. Investment Amortization	0.0	(1.1)	0.0	(1.1)	-0.1%	0.0	(1.0)	0.0	(1.0)	-0.1%	7.7%
Equity income result	0.0	5.9	0.0	5.9	0.8%	0.0	4.7	0.0	4.7	0.6%	25.7%
Other revenues (expenses)	(3.3)	0.4	0.7	(2.2)	-0.3%	6.7	1.2	0.6	8.4	1.2%	n/a
General & Administrative	(25.2)	(10.7)	(4.7)	(40.6)	-5.3%	(23.9)	(8.2)	(4.2)	(36.2)	-5.0%	11.9%
Corporate (Holding) <sup>2</sup>	(3.8)	0.0	0.0	(3.8)	-0.5%	(5.7)	0.0	0.0	(5.7)	-0.8%	-33.9%
(+) Depreciation & Amortization	24.4	10.3	4.7	39.4	5.2%	26.7	12.0	4.7	43.4	6.0%	-9.3%
<b>Operating Income</b>	<b>16.6</b>	<b>16.9</b>	<b>22.9</b>	<b>56.3</b>	<b>7.4%</b>	<b>15.7</b>	<b>16.5</b>	<b>22.8</b>	<b>55.0</b>	<b>7.6%</b>	<b>2.4%</b>
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(5.4)	-0.7%				(1.8)	-0.3%	195.4%
<b>EBIT</b>	<b>(7.8)</b>	<b>6.6</b>	<b>18.2</b>	<b>11.5</b>	<b>1.5%</b>	<b>(11.0)</b>	<b>4.5</b>	<b>18.1</b>	<b>9.8</b>	<b>1.3%</b>	
(+) D&A and Write-offs				39.4	5.2%				43.4	6.0%	-9.3%
<b>EBITDA</b>				<b>50.9</b>	<b>6.7%</b>				<b>53.2</b>	<b>7.3%</b>	<b>-4.3%</b>
(+) Special Items				5.4	0.7%				1.8	0.3%	195.4%
<b>Adjusted EBITDA</b>				<b>56.3</b>	<b>7.4%</b>				<b>55.0</b>	<b>7.6%</b>	<b>2.4%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments

## RESULTS OF THE BRAZILIAN OPERATIONS

(in R\$ million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
<b>Net Revenue</b>	<b>220.7</b>	<b>100.0%</b>	<b>224.0</b>	<b>100.0%</b>	<b>-1.4%</b>	<b>465.3</b>	<b>100.0%</b>	<b>462.7</b>	<b>100.0%</b>	<b>0.6%</b>
Restaurants & Others	166.2	75.3%	174.6	78.0%	-4.8%	352.6	75.8%	356.9	77.1%	-1.2%
Gas Stations	54.5	24.7%	49.3	22.0%	10.4%	112.8	24.2%	105.8	22.9%	6.6%
<b>Cost of Sales and Services</b>	<b>(170.9)</b>	<b>-77.4%</b>	<b>(174.5)</b>	<b>-77.9%</b>	<b>-2.1%</b>	<b>(355.3)</b>	<b>-76.3%</b>	<b>(359.3)</b>	<b>-77.7%</b>	<b>-1.1%</b>
Direct Labor	(57.6)	-26.1%	(61.0)	-27.2%	-5.4%	(118.4)	-25.4%	(122.8)	-26.5%	-3.6%
Food	(47.2)	-21.4%	(52.1)	-23.3%	-9.4%	(100.9)	-21.7%	(105.7)	-22.8%	-4.5%
Others	(13.6)	-6.2%	(13.2)	-5.9%	3.2%	(27.5)	-5.9%	(27.4)	-5.9%	0.2%
Fuel and Automotive Accessories	(44.9)	-20.4%	(40.2)	-17.9%	11.8%	(93.3)	-20.0%	(87.1)	-18.8%	7.1%
Depreciation & Amortization	(7.6)	-3.4%	(8.1)	-3.6%	-6.6%	(15.2)	-3.3%	(16.3)	-3.5%	-6.8%
<b>Gross Profit</b>	<b>49.8</b>	<b>22.6%</b>	<b>49.5</b>	<b>22.1%</b>	<b>0.7%</b>	<b>110.1</b>	<b>23.7%</b>	<b>103.4</b>	<b>22.3%</b>	<b>6.5%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(56.2)</b>	<b>-25.5%</b>	<b>(52.4)</b>	<b>-23.4%</b>	<b>7.2%</b>	<b>(117.9)</b>	<b>-25.3%</b>	<b>(114.4)</b>	<b>-24.7%</b>	<b>3.0%</b>
Selling and Operating	(13.4)	-6.1%	(17.7)	-7.9%	-24.2%	(31.2)	-6.7%	(36.3)	-7.8%	-14.0%
Rents of Stores	(21.1)	-9.6%	(21.4)	-9.6%	-1.5%	(43.0)	-9.2%	(43.2)	-9.3%	-0.6%
Store Pre-Openings	(1.3)	-0.6%	(0.5)	-0.2%	153.8%	(2.2)	-0.5%	(1.5)	-0.3%	48.4%
Depreciation & Amortization	(4.6)	-2.1%	(4.9)	-2.2%	-5.5%	(9.2)	-2.0%	(10.4)	-2.3%	-11.6%
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) <sup>2</sup>	(1.1)	-0.5%	6.3	2.8%	-118.2%	(3.3)	-0.7%	6.7	1.4%	-148.9%
General & Administrative <sup>2</sup>	(12.9)	-5.8%	(11.7)	-5.2%	10.4%	(25.2)	-5.4%	(23.9)	-5.2%	5.5%
Corporate (Holding) <sup>2</sup>	(1.8)	-0.8%	(2.5)	-1.1%	-28.3%	(3.8)	-0.8%	(5.7)	-1.2%	-33.9%
(+) Depreciation & Amortization	12.2	5.5%	13.0	5.8%	-6.2%	24.4	5.2%	26.7	5.8%	-8.7%
<b>Operating Income</b>	<b>5.8</b>	<b>2.6%</b>	<b>10.0</b>	<b>4.5%</b>	<b>-42.5%</b>	<b>16.6</b>	<b>3.6%</b>	<b>15.7</b>	<b>3.4%</b>	<b>5.5%</b>
Expansion Capex	15.6	7.1%	4.5	2.0%	244.6%	23.8	5.1%	12.8	2.8%	86.4%
Maintenance Capex	1.3	0.6%	1.4	0.6%	-8.2%	2.8	0.6%	5.6	1.2%	-49.9%
<b>Total Capex</b>	<b>16.9</b>	<b>7.6%</b>	<b>5.9</b>	<b>2.6%</b>	<b>185.1%</b>	<b>26.6</b>	<b>5.7%</b>	<b>18.3</b>	<b>4.0%</b>	<b>45.1%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>4.5</b>	<b>77.8%</b>	<b>8.7</b>	<b>86.1%</b>	<b>-8.3%</b>	<b>13.8</b>	<b>83.2%</b>	<b>10.1</b>	<b>64.6%</b>	<b>18.6%</b>

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

Brazilian operations' top line was down in 2Q18 by 1.4% (-4.8% in restaurants and +10.4% in gas stations) as a result of the negative impact from the truck drivers' strike (in May) and the World Cup (June) that reduced the traffic mainly in Roads and Malls, and consequently pressured sales. Roads' Restaurants top line was down by 10.8% (or R\$6.1M), while Malls top line was down by 9.8% (or R\$5.9M). We estimate that the combined impact from the strike and world cup was ~R\$7M in sales and ~R\$5M in Operating Income, due to our high operational leverage.

In terms of costs and expenses there was a R\$3.3M (-1.4%) reduction in labor cost as a consequence of the headcount reduction. Food cost was down by R\$4.9M and Others (mainly utilities) up by R\$0.4M. Fuel costs, as a consequence of higher discounts and higher sales were up by R\$4.8M.

There was also an improvement of R\$4.3M in selling and operating expenses (related to the indirect labor cost reduction) and a R\$0.5M increase in G&A and Holding expenses combined. Other expenses had a negative impact of 330bps or R\$7.4M as a result of positive result in 2Q17 from a ~R\$6M tax credits recoveries.

Consequently, Brazilian operations posted an operating income of R\$5.8 million in 2Q18, down 43% YoY, with a 190 bps decrease in operating margin. Operating income in 1H18 reached R\$16.6M up 5.5% vs. 1H17, with an operating margin of 3.6% compared to 3.4% in 1H17.

## RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R\$ million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
<b>Net Revenue</b>	<b>105.2</b>	<b>100.0%</b>	<b>106.2</b>	<b>100.0%</b>	<b>-0.9%</b>	<b>228.8</b>	<b>100.0%</b>	<b>225.9</b>	<b>100.0%</b>	<b>1.3%</b>
Restaurants & Others	50.7	48.2%	56.8	53.5%	-10.8%	116.0	50.7%	120.1	53.2%	-3.4%
Gas Stations	54.5	51.8%	49.3	46.5%	10.4%	112.8	49.3%	105.8	46.8%	6.6%
<b>Cost of Sales and Services</b>	<b>(92.2)</b>	<b>-87.7%</b>	<b>(88.9)</b>	<b>-83.7%</b>	<b>3.8%</b>	<b>(193.9)</b>	<b>-84.8%</b>	<b>(188.2)</b>	<b>-83.3%</b>	<b>3.1%</b>
Direct Labor	(21.9)	-20.8%	(22.2)	-20.9%	-1.4%	(45.6)	-19.9%	(45.8)	-20.3%	-0.5%
Food	(16.7)	-15.9%	(18.3)	-17.2%	-8.5%	(37.6)	-16.4%	(38.0)	-16.8%	-1.0%
Others	(5.6)	-5.3%	(5.1)	-4.8%	9.6%	(11.2)	-4.9%	(10.9)	-4.8%	2.6%
Fuel and Automotive Accessories	(44.9)	-42.7%	(40.2)	-37.8%	11.8%	(93.3)	-40.8%	(87.1)	-38.5%	7.1%
Depreciation & Amortization	(3.1)	-3.0%	(3.1)	-3.0%	-0.9%	(6.2)	-2.7%	(6.4)	-2.8%	-1.9%
<b>Gross Profit</b>	<b>13.0</b>	<b>12.3%</b>	<b>17.3</b>	<b>16.3%</b>	<b>-24.9%</b>	<b>34.9</b>	<b>15.2%</b>	<b>37.7</b>	<b>16.7%</b>	<b>-7.6%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(10.6)</b>	<b>-10.1%</b>	<b>(10.7)</b>	<b>-10.1%</b>	<b>-0.7%</b>	<b>(21.6)</b>	<b>-9.5%</b>	<b>(22.0)</b>	<b>-9.7%</b>	<b>-1.5%</b>
Selling and Operating	(5.5)	-5.2%	(6.1)	-5.7%	-10.0%	(11.2)	-4.9%	(12.4)	-5.5%	-9.9%
Rents of Stores	(4.3)	-4.1%	(3.5)	-3.3%	24.0%	(8.9)	-3.9%	(7.6)	-3.3%	17.8%
Store Pre-Openings	0.0	0.0%	(0.2)	-0.2%	-100.0%	0.0	0.0%	(0.2)	-0.1%	-100.0%
Depreciation & Amortization	(0.8)	-0.7%	(0.8)	-0.8%	-6.6%	(1.6)	-0.7%	(1.8)	-0.8%	-11.9%
(+) Depreciation & Amortization	3.9	3.7%	4.0	3.8%	-2.1%	7.8	3.4%	8.1	3.6%	-4.1%
<b>Operating Income</b>	<b>6.3</b>	<b>6.0%</b>	<b>10.6</b>	<b>10.0%</b>	<b>-40.7%</b>	<b>21.0</b>	<b>9.2%</b>	<b>23.9</b>	<b>10.6%</b>	<b>-12.1%</b>
Expansion Capex	8.9	8.5%	3.1	3.0%	183.2%	12.0	5.2%	4.3	1.9%	181.8%
Maintenance Capex	0.2	0.2%	0.9	0.8%	-74.8%	0.3	0.1%	2.6	1.1%	-87.1%
<b>Total Capex</b>	<b>9.1</b>	<b>8.7%</b>	<b>4.0</b>	<b>3.8%</b>	<b>128.1%</b>	<b>12.3</b>	<b>5.4%</b>	<b>6.8</b>	<b>3.0%</b>	<b>81.0%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>6.1</b>	<b>96.6%</b>	<b>9.7</b>	<b>91.9%</b>	<b>4.6%</b>	<b>20.7</b>	<b>98.4%</b>	<b>21.4</b>	<b>89.3%</b>	<b>9.1%</b>

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

The Roads segment operating income decreased by 41% in 2Q18, with a 400bps reduction on margins mainly due to:

- i) reduction in sales (-0.9% YoY | -10.8%/R\$6.1M in restaurants and +10.4%/R\$5.2M in gas stations), as a consequence the lower traffic due to truck drivers' strike and the world cup, impacting mostly restaurant sales.
- ii) lower pace of reduction in food and labor costs (-8.5% and -1.4%, respectively) compared to the restaurants' sales reduction, due to our high operational leverage.
- iii) higher fuel expenses (+11.8%) as a consequence of higher sales and higher discounts, impacting fuel gross margin in % terms (-100bps), but with positive impact in nominal terms: +R\$0.4M.
- iv) higher other costs (R\$0.5M), mainly utilities.
- v) higher rent expenses (+R\$0.8M), partially offset by lower selling and operating expenses (-R\$0.6M)

## RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R\$ million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
<b>Net Revenue</b>	<b>61.4</b>	<b>100.0%</b>	<b>57.8</b>	<b>100.0%</b>	<b>6.2%</b>	<b>124.0</b>	<b>100.0%</b>	<b>116.1</b>	<b>100.0%</b>	<b>6.8%</b>
Restaurants & Others	61.4	100.0%	57.8	100.0%	6.2%	124.0	100.0%	116.1	100.0%	6.8%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
<b>Cost of Sales and Services</b>	<b>(40.6)</b>	<b>-66.2%</b>	<b>(41.8)</b>	<b>-72.3%</b>	<b>-2.8%</b>	<b>(82.6)</b>	<b>-66.6%</b>	<b>(83.2)</b>	<b>-71.7%</b>	<b>-0.7%</b>
Direct Labor	(19.4)	-31.6%	(20.1)	-34.9%	-3.6%	(39.2)	-31.6%	(40.0)	-34.4%	-2.0%
Food	(15.4)	-25.1%	(15.8)	-27.4%	-2.8%	(31.9)	-25.7%	(31.7)	-27.3%	0.7%
Others	(3.7)	-6.0%	(3.4)	-5.9%	9.1%	(7.3)	-5.9%	(6.8)	-5.9%	7.6%
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)	-3.4%	(2.4)	-4.2%	-12.9%	(4.2)	-3.4%	(4.7)	-4.1%	-11.4%
<b>Gross Profit</b>	<b>20.8</b>	<b>33.8%</b>	<b>16.0</b>	<b>27.7%</b>	<b>29.8%</b>	<b>41.4</b>	<b>33.4%</b>	<b>32.9</b>	<b>28.3%</b>	<b>25.9%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(15.6)</b>	<b>-25.4%</b>	<b>(18.7)</b>	<b>-32.3%</b>	<b>-16.5%</b>	<b>(34.1)</b>	<b>-27.5%</b>	<b>(38.0)</b>	<b>-32.7%</b>	<b>-10.2%</b>
Selling and Operating	(3.3)	-5.3%	(6.0)	-10.5%	-46.2%	(9.3)	-7.5%	(12.4)	-10.7%	-25.1%
Rents of Stores	(8.9)	-14.5%	(9.0)	-15.6%	-1.3%	(17.9)	-14.5%	(17.9)	-15.4%	0.3%
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	(0.0)	0.0%	-100.0%
Depreciation & Amortization	(3.5)	-5.6%	(3.6)	-6.3%	-4.7%	(6.8)	-5.5%	(7.6)	-6.5%	-10.0%
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) <sup>2</sup>	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administrative <sup>2</sup>	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	5.5	9.0%	6.0	10.4%	-8.0%	11.0	8.9%	12.3	10.6%	-10.5%
<b>Operating Income<sup>1</sup></b>	<b>10.7</b>	<b>17.5%</b>	<b>3.4</b>	<b>5.8%</b>	<b>219.0%</b>	<b>18.3</b>	<b>14.8%</b>	<b>7.3</b>	<b>6.2%</b>	<b>152.6%</b>
Expansion Capex	1.4	2.3%	0.9	1.6%	49.2%	1.8	1.4%	5.0	4.3%	-64.2%
Maintenance Capex	0.1	0.2%	0.3	0.5%	-64.6%	0.1	0.1%	0.8	0.7%	-88.5%
<b>Total Capex</b>	<b>1.5</b>	<b>2.4%</b>	<b>1.2</b>	<b>2.1%</b>	<b>23.2%</b>	<b>1.9</b>	<b>1.5%</b>	<b>5.8</b>	<b>5.0%</b>	<b>-67.7%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>10.6</b>	<b>99.1%</b>	<b>3.1</b>	<b>91.8%</b>	<b>7.3%</b>	<b>18.2</b>	<b>99.5%</b>	<b>6.4</b>	<b>88.3%</b>	<b>11.1%</b>

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

The Brazilian Airport segment operating income reached R\$10.7 million in 2Q18, up 219% YoY with a 1,170bps increase in margins mainly due to:

- i) The increase of +6.2% in revenues, as catering positive same store sales offset lower restaurants same store sales.
- ii) The improvement in labor cost (-R\$0.7M, 330bps improvement).
- iii) The improvement in food cost (-R\$0.4M, 230bps improvement).
- iv) The improvement in selling and operating expenses (-R\$2.8M - an improvement of 520bps, as a result of lower indirect personnel cost);
- v) Rent expenses dilution due to higher sales (an improvement of 110bps),

## RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R\$ million)	2Q18	% VA	2Q17	% VA	% HA	2017	% VA	2016	% VA	% HA
<b>Net Revenue</b>	<b>54.1</b>	<b>100.0%</b>	<b>60.0</b>	<b>100.0%</b>	<b>-9.8%</b>	<b>112.5</b>	<b>100.0%</b>	<b>120.7</b>	<b>100.0%</b>	<b>-6.8%</b>
Restaurants & Others	54.1	100.0%	60.0	100.0%	-9.8%	112.5	100.0%	120.7	100.0%	-6.8%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
<b>Cost of Sales and Services</b>	<b>(38.1)</b>	<b>-70.4%</b>	<b>(43.8)</b>	<b>-73.1%</b>	<b>-13.1%</b>	<b>(78.7)</b>	<b>-69.9%</b>	<b>(87.9)</b>	<b>-72.9%</b>	<b>-10.5%</b>
Direct Labor	(16.4)	-30.2%	(18.6)	-31.1%	-12.2%	(33.6)	-29.9%	(37.0)	-30.7%	-9.2%
Food	(15.0)	-27.8%	(17.9)	-29.9%	-16.1%	(31.4)	-27.9%	(36.0)	-29.9%	-12.8%
Others	(4.3)	-8.0%	(4.7)	-7.9%	-8.0%	(8.9)	-7.9%	(9.6)	-8.0%	-7.7%
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	(2.4)	-4.4%	(2.6)	-4.3%	-7.8%	(4.7)	-4.2%	(5.2)	-4.3%	-8.8%
<b>Gross Profit</b>	<b>16.0</b>	<b>29.6%</b>	<b>16.2</b>	<b>26.9%</b>	<b>-0.8%</b>	<b>33.8</b>	<b>30.1%</b>	<b>32.8</b>	<b>27.1%</b>	<b>3.2%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(14.2)</b>	<b>-26.3%</b>	<b>(15.2)</b>	<b>-25.3%</b>	<b>-6.4%</b>	<b>(29.9)</b>	<b>-26.5%</b>	<b>(31.5)</b>	<b>-26.1%</b>	<b>-5.2%</b>
Selling and Operating	(4.7)	-8.7%	(5.6)	-9.3%	-15.9%	(10.7)	-9.5%	(11.5)	-9.5%	-6.5%
Rents of Stores	(7.9)	-14.6%	(8.9)	-14.9%	-11.7%	(16.1)	-14.3%	(17.8)	-14.7%	-9.4%
Store Pre-Openings	(1.3)	-2.3%	(0.3)	-0.4%	401.5%	(2.2)	-2.0%	(1.2)	-1.0%	83.7%
Depreciation & Amortization	(0.4)	-0.8%	(0.5)	-0.8%	-10.4%	(0.8)	-0.7%	(1.0)	-0.9%	-22.1%
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) <sup>2</sup>	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administrative <sup>2</sup>	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	2.8	5.1%	3.0	5.0%	-8.2%	5.5	4.9%	6.2	5.2%	-11.0%
<b>Operating Income</b>	<b>4.6</b>	<b>8.4%</b>	<b>4.0</b>	<b>6.6%</b>	<b>15.0%</b>	<b>9.5</b>	<b>8.4%</b>	<b>7.5</b>	<b>6.2%</b>	<b>26.7%</b>
Expansion Capex	5.3	9.8%	0.5	0.8%	1074.3%	10.0	8.9%	3.6	3.0%	181.5%
Maintenance Capex	1.0	1.8%	0.3	0.4%	264.7%	2.4	2.1%	2.2	1.8%	9.4%
<b>Total Capex</b>	<b>6.3</b>	<b>11.6%</b>	<b>0.7</b>	<b>1.2%</b>	<b>774.5%</b>	<b>12.4</b>	<b>11.0%</b>	<b>5.7</b>	<b>4.7%</b>	<b>116.7%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>3.6</b>	<b>78.9%</b>	<b>3.7</b>	<b>93.3%</b>	<b>-14.5%</b>	<b>7.1</b>	<b>75.2%</b>	<b>5.3</b>	<b>71.3%</b>	<b>3.9%</b>

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

The Malls segment operating income increased by R\$0.6 million YoY in 2Q18, totaling R\$4.6 million with a 180bps improvement in margins mainly due to:

- i) a 9.8% decrease in sales, as a consequence of the net closure of 10 stores combined with a reduction of 13.8% in SSS (impacted by the strike and world cup), which were partially offset by the positive performance of new Olive Garden Restaurants. The negative impact in sales was offset by the improvement in:
- ii) labor cost -R\$2.3M (+80bps), food cost -R\$2.9M (+210bps), selling and operating expenses -R\$0.9M (+60bps) and rent expenses -R\$1.0M (+30bps).



## RESULTS OF U.S. OPERATIONS

(in US\$ Million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
<b>Net Revenue</b>	<b>35.7</b>	<b>100.0%</b>	<b>33.7</b>	<b>100.0%</b>	<b>6.1%</b>	<b>58.6</b>	<b>100.0%</b>	<b>55.3</b>	<b>100.0%</b>	<b>5.9%</b>
Restaurants & Others	35.7	100.0%	33.7	100.0%	6.1%	58.6	100.0%	55.3	100.0%	5.9%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
<b>Cost of Sales and Services</b>	<b>(20.7)</b>	<b>-58.0%</b>	<b>(19.9)</b>	<b>-59.2%</b>	<b>3.9%</b>	<b>(36.0)</b>	<b>-61.4%</b>	<b>(35.2)</b>	<b>-63.7%</b>	<b>2.2%</b>
Direct Labor	(10.3)	-28.8%	(9.7)	-28.9%	5.6%	(18.2)	-31.1%	(17.6)	-31.8%	3.5%
Food	(7.0)	-19.5%	(6.6)	-19.7%	4.8%	(11.6)	-19.7%	(10.9)	-19.8%	5.7%
Others	(2.2)	-6.1%	(2.0)	-6.0%	8.0%	(3.7)	-6.3%	(3.4)	-6.1%	8.7%
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	(1.3)	-3.6%	(1.5)	-4.6%	-15.6%	(2.5)	-4.3%	(3.3)	-5.9%	-23.6%
<b>Gross Profit</b>	<b>15.0</b>	<b>42.0%</b>	<b>13.7</b>	<b>40.8%</b>	<b>9.3%</b>	<b>22.6</b>	<b>38.6%</b>	<b>20.1</b>	<b>36.3%</b>	<b>12.6%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(11.7)</b>	<b>-32.7%</b>	<b>(10.5)</b>	<b>-31.1%</b>	<b>11.8%</b>	<b>(21.1)</b>	<b>-36.0%</b>	<b>(18.8)</b>	<b>-33.9%</b>	<b>12.4%</b>
Selling and Operating	(7.2)	-20.0%	(6.2)	-18.5%	15.1%	(12.8)	-21.8%	(11.4)	-20.5%	12.7%
Rents of Stores	(3.7)	-10.3%	(3.7)	-11.0%	-0.7%	(6.2)	-10.5%	(6.0)	-10.9%	2.4%
Store Pre-Openings	0.1	0.4%	(0.1)	-0.3%	-241%	(0.3)	-0.6%	(0.1)	-0.2%	145.2%
Depreciation & Amortization	(0.1)	-0.3%	(0.1)	-0.3%	-3.7%	(0.2)	-0.3%	(0.2)	-0.3%	-7.3%
J.V. Investment Amortization	(0.2)	-0.4%	(0.2)	-0.5%	0.0%	(0.3)	-0.5%	(0.3)	-0.6%	0.0%
Equity income result	1.0	2.7%	0.8	2.5%	15.4%	1.7	2.9%	1.5	2.7%	15.3%
Other revenues (expenses)	0.1	0.2%	0.3	0.8%	-76.3%	0.1	0.2%	0.4	0.7%	-68.7%
General & Administrative	(1.8)	-5.0%	(1.3)	-3.8%	39.7%	(3.1)	-5.3%	(2.6)	-4.6%	20.6%
(+) Depreciation & Amortization	1.5	4.3%	1.8	5.3%	-13.6%	3.0	5.1%	3.8	6.8%	-20.9%
<b>Operating Income</b>	<b>4.9</b>	<b>13.6%</b>	<b>5.1</b>	<b>15.1%</b>	<b>-3.8%</b>	<b>4.5</b>	<b>7.7%</b>	<b>5.1</b>	<b>9.3%</b>	<b>-11.6%</b>
Expansion Capex	0.4	1.2%	0.2	0.6%	106.5%	1.2	2.1%	0.5	0.9%	136.6%
Maintenance Capex	0.2	0.7%	0.1	0.3%	120.1%	0.4	0.6%	0.2	0.4%	76.2%
<b>Total Capex</b>	<b>0.7</b>	<b>1.9%</b>	<b>0.3</b>	<b>0.9%</b>	<b>111.3%</b>	<b>1.6</b>	<b>2.7%</b>	<b>0.7</b>	<b>1.3%</b>	<b>119.9%</b>
<b>Operating Inc. - Maintenance Capex<sup>2</sup></b>	<b>4.6</b>	<b>95.0%</b>	<b>5.0</b>	<b>97.8%</b>	<b>-2.8%</b>	<b>4.2</b>	<b>92.2%</b>	<b>4.9</b>	<b>96.1%</b>	<b>-3.9%</b>

<sup>1</sup>Before special items; <sup>2</sup>VA vs. Op. Inc.

The operations in the United States consist mainly of Margaritaville and currently has 22 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\$35.7 million in 2Q18, up 6.1% YoY due to the positive performance of the recently opened restaurants, which offset the impact from lower same store sales (-2.7%).

Operating margins (-150bps, in US\$) were impacted by higher G&A expenses related to legal fees of ~US\$0.5M. Excluding that effect, operating margin would have been flat compared to 2Q17.

Higher marketing expenses (selling and operating expenses line) relates to the increased marketing efforts to revert the same stores sales trend. Such effect was fully offset by higher efficiency on labor and food costs and rent expenses.

## RESULTS OF THE CARIBBEAN OPERATIONS

(in R\$ million)	2Q18	% VA	2Q17	% VA	% HA	2Q18 <sup>2</sup>	% VA <sup>2</sup>	% HA <sup>2</sup>	2018	2017	% HA	2018 <sup>2</sup>	% AV <sup>2</sup>	% HA <sup>2</sup>
<b>Net Revenue</b>	<b>46.5</b>	<b>100.0%</b>	<b>44.5</b>	<b>100.0%</b>	<b>4.4%</b>	<b>40.9</b>	<b>100.0%</b>	<b>-8.1%</b>	<b>90.1</b>	<b>88.4</b>	<b>1.9%</b>	<b>82.7</b>	<b>100.0%</b>	<b>-6.4%</b>
Restaurants & Others	46.5	100.0%	44.5	100.0%	4.4%	40.9	100.0%	-8.1%	90.1	88.4	1.9%	82.7	100.0%	-6.4%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0	0.0%	0.0%
<b>Cost of Sales and Services</b>	<b>(21.9)</b>	<b>-47.0%</b>	<b>(20.7)</b>	<b>-46.5%</b>	<b>5.7%</b>	<b>(19.2)</b>	<b>-46.9%</b>	<b>-7.3%</b>	<b>(42.2)</b>	<b>(41.2)</b>	<b>2.5%</b>	<b>(38.7)</b>	<b>-46.7%</b>	<b>-6.1%</b>
Direct Labor	(8.9)	-19.1%	(7.9)	-17.8%	12.0%	(7.8)	-19.0%	-1.9%	(17.1)	(15.7)	9.3%	(15.7)	-19.0%	0.0%
Food	(12.1)	-26.0%	(12.0)	-27.0%	0.5%	(10.6)	-26.0%	-11.7%	(23.4)	(24.1)	-3.0%	(21.4)	-25.9%	-11.0%
Others	(0.5)	-1.1%	(0.4)	-0.9%	30.1%	(0.5)	-1.1%	12.8%	(1.0)	(0.8)	26.3%	(0.9)	-1.1%	14.1%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(0.4)	-0.8%	(0.3)	-0.7%	14.8%	(0.3)	-0.8%	1.1%	(0.7)	(0.6)	13.8%	(0.7)	-0.8%	4.5%
<b>Gross Profit</b>	<b>24.6</b>	<b>53.0%</b>	<b>23.8</b>	<b>53.5%</b>	<b>3.4%</b>	<b>21.7</b>	<b>53.1%</b>	<b>-8.9%</b>	<b>47.9</b>	<b>47.2</b>	<b>1.4%</b>	<b>44.1</b>	<b>53.3%</b>	<b>-6.6%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(15.5)</b>	<b>-33.2%</b>	<b>(14.6)</b>	<b>-32.9%</b>	<b>5.6%</b>	<b>(13.6)</b>	<b>-33.3%</b>	<b>-7.0%</b>	<b>(29.7)</b>	<b>(29.0)</b>	<b>2.2%</b>	<b>(27.3)</b>	<b>-33.0%</b>	<b>-6.1%</b>
Selling and Operating	(6.3)	-13.6%	(6.0)	-13.6%	4.6%	(5.5)	-13.5%	-8.2%	(11.8)	(12.0)	-1.3%	(10.8)	-13.1%	-9.7%
Rents of Stores	(5.1)	-11.0%	(4.7)	-10.6%	8.2%	(4.5)	-11.1%	-4.2%	(9.8)	(9.4)	3.8%	(9.0)	-10.9%	-4.2%
Store Pre-Openings	(0.2)	-0.3%	0.0	0.0%	0.0%	(0.1)	-0.3%	0.0%	(0.2)	0.0	0.0%	(0.1)	-0.2%	0.0%
Depreciation & Amortization	(2.0)	-4.2%	(2.0)	-4.5%	-1.3%	(1.7)	-4.3%	-13.0%	(4.0)	(4.0)	-1.8%	(3.6)	-4.4%	-9.6%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0	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	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)	0.4	0.9%	0.3	0.6%	60.5%	0.4	0.9%	42.0%	0.7	0.6	24.2%	0.7	0.8%	14.3%
General & Administrative	(2.3)	-5.0%	(2.2)	-4.8%	9.1%	(2.1)	-5.0%	-4.6%	(4.7)	(4.2)	12.4%	(4.3)	-5.2%	3.0%
(+) Depreciation & Amortization	2.3	5.0%	2.3	5.2%	1.0%	2.1	5.1%	-11.0%	4.7	4.7	0.4%	4.3	5.2%	-7.7%
<b>Operating Income</b>	<b>11.5</b>	<b>24.8%</b>	<b>11.5</b>	<b>25.9%</b>	<b>0.0%</b>	<b>10.2</b>	<b>24.8%</b>	<b>-11.7%</b>	<b>22.9</b>	<b>22.8</b>	<b>0.2%</b>	<b>21.1</b>	<b>25.5%</b>	<b>-7.5%</b>
Expansion Capex	0.2	0.5%	0.0	0.0%	4797.9%	0.2	0.5%	4208.8%	4.6	0.4	995.6%	4.2	5.1%	906.1%
Maintenance Capex	0.4	0.8%	0.2	0.3%	137.6%	0.3	0.8%	109.0%	0.7	1.4	-45.2%	0.7	0.8%	-49.7%
<b>Total Capex</b>	<b>0.6</b>	<b>1.2%</b>	<b>0.2</b>	<b>0.4%</b>	<b>271.0%</b>	<b>0.5</b>	<b>1.2%</b>	<b>226.4%</b>	<b>5.4</b>	<b>1.8</b>	<b>201.3%</b>	<b>4.9</b>	<b>6.0%</b>	<b>176.7%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>11.1</b>	<b>96.9%</b>	<b>11.4</b>	<b>98.7%</b>	<b>-1.8%</b>	<b>9.8</b>	<b>96.9%</b>	<b>-13.3%</b>	<b>22.1</b>	<b>21.5</b>	<b>3.1%</b>	<b>20.4</b>	<b>96.8%</b>	<b>-4.8%</b>

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

The information in the table above is presented in Reais and in Reais in constant currency (using the 2017 FX rate to convert the 2018 and 2017 results), to eliminate the effect of exchange rate fluctuations. The comments below refer to 2Q18 constant currency numbers.

Net revenues reached R\$40.9 million, down 8.1% YoY, as a result of a softer SSS performance in Panama (airports – mostly due to refurbishments that affected traffic flow in our restaurants – and malls) and the 1-store net reduction that offset the positive performance in Colombia (mainly catering).

As a consequence of lower sales, there was a lower dilution of labor costs (-120bps), rent expenses (-50bps) and G&A expenses (-20bps).

The focus on operational excellence mitigated those impacts with an improvement in food cost of 110bps.

Operating income came in at R\$10.2 million in 2Q18, down 10.2% compared to 2Q17, with an operating margin of 24.8% from 25.9% in 2Q17.

## ADJUSTED EBITDA AND ADJUSTED MARGIN

### EBITDA RECONCILIATION

(R\$ million)	2Q18	2Q17	HA (%)	2018	2017	HA (%)
<b>NET INCOME (LOSS)</b>	<b>2.6</b>	<b>14.9</b>	<b>-82.6%</b>	<b>(3.8)</b>	<b>(2.2)</b>	<b>n.a.</b>
(+) Income Taxes	6.8	(1.1)	n.a.	12.0	9.0	33.3%
(+) Net Financial Result	2.8	2.3	n.a.	3.3	3.0	13.0%
(+) D&A and Write-offs	19.6	20.6	-4.9%	38.3	42.4	-9.7%
(+) Amortization of Investments in Joint Venture	0.6	0.5	12.1%	1.1	1.0	7.7%
<b>EBITDA</b>	<b>32.3</b>	<b>37.2</b>	<b>-13.1%</b>	<b>50.9</b>	<b>53.2</b>	<b>-4.2%</b>
(+) Special Items	2.9	0.7	312.9%	5.4	1.8	195.4%
<b>Adjusted EBITDA</b>	<b>35.2</b>	<b>37.9</b>	<b>-7.1%</b>	<b>56.3</b>	<b>55.0</b>	<b>2.4%</b>
<i>EBITDA / Net Revenues</i>	<i>8.2%</i>	<i>9.9%</i>		<i>6.7%</i>	<i>7.3%</i>	
<i>Adjusted EBITDA / Net Revenues</i>	<i>8.9%</i>	<i>10.1%</i>		<i>7.4%</i>	<i>7.6%</i>	

The Company's Adjusted EBITDA, excluding special items, reached R\$35.2 million in 2Q18, with an adjusted EBITDA margin of 8.9% vs. 10.1% in 2Q17. The special items refer to the stock option plan provisioning, with no cash impact.

### FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R\$2.8 million, compared to R\$2.3 million in 2Q17.

Income taxes (current and differed) totaled a R\$6.8 million expense in 2Q18, versus R\$1.1 million reversion in 2Q17.

The Company recorded a net profit of R\$2.6 million in 2Q18, compared to a net profit of R\$14.9 million in 2Q17.

## SELECTED CASH FLOW INFORMATION

### OPERATING ACTIVITIES

EBITDA Reconciliation to Operating Cash Flow (R\$ Million)	2Q18	2Q17	Var. (%)	2018	2017	Var. (%)
<b>Adjusted EBITDA</b>	<b>35.2</b>	<b>37.9</b>	<b>-7.2%</b>	<b>56.3</b>	<b>55.0</b>	<b>2.4%</b>
Special Items	(2.9)	(0.7)	n.a.	(5.4)	(1.8)	n.a.
(+/-) Other Non-Cash Impact on IS	(3.9)	(3.5)		(4.5)	10.4	
(+/-) Working Capital	(11.0)	3.6		(21.2)	(19.3)	
<b>Operating Cash Before Taxes and Interest</b>	<b>17.4</b>	<b>37.3</b>	<b>-53.3%</b>	<b>25.2</b>	<b>44.3</b>	<b>-43.1%</b>
(-) Paid Taxes	(0.8)	(3.1)		(2.4)	(10.1)	
(-) Maintenance Capex	(3.7)	(2.0)		(6.7)	(7.9)	
<b>Net Cash Generated by Operating Activities</b>	<b>12.9</b>	<b>32.3</b>	<b>-60.0%</b>	<b>16.1</b>	<b>26.3</b>	<b>-38.7%</b>
<b>Operating Net Cash/EBITDA</b>	<b>36.7%</b>	<b>85.1%</b>	<b>-48,4 p.p.</b>	<b>28.6%</b>	<b>47.8%</b>	<b>-19,2 p.p.</b>

Operating cash flow totaled +R\$12.9 million in 2Q18 (compared to R\$32.3 million in 2Q17), mostly impacted by higher working capital needs related to annual bonus and contingencies payments and higher maintenance capex. Operating net cash over Adjusted EBITDA reached 37% in 2Q18, from 85% in 2Q17.

### INVESTING ACTIVITIES

(R\$ million)	2Q18	2Q17	HA (%)	2018	2017	HA (%)
Property and Equipment	(21.0)	(5.6)	277.8%	(35.5)	(21.3)	66.7%
Additions to Intangible Assets	(0.5)	(2.2)	-76.6%	(4.8)	(2.2)	115.0%
<b>(=) Total Invested (CAPEX)</b>	<b>(21.5)</b>	<b>(7.7)</b>	<b>178.4%</b>	<b>(40.3)</b>	<b>(23.5)</b>	<b>71.2%</b>
Payment of Acquisitions	(1.6)	(4.5)	-65.7%	(3.6)	(4.6)	-22.4%
Dividends Received	3.1	2.6	17.7%	5.0	4.4	12.6%
<b>Total Investments</b>	<b>(20.0)</b>	<b>(9.6)</b>	<b>107.8%</b>	<b>(38.9)</b>	<b>(23.7)</b>	<b>63.9%</b>

CAPEX (in R\$ million)	2Q18	2Q17	HA (%)	2018	2017	HA (%)
<b>Expansion</b>						
<b>Brazilian Operations</b>	<b>15.6</b>	<b>4.5</b>	<b>244.6%</b>	<b>23.8</b>	<b>12.8</b>	<b>86.4%</b>
Brazil - Air	1.4	0.9	49.2%	1.8	5.0	-64.2%
Brazil - Roads	8.9	3.1	183.2%	12.0	4.3	181.8%
Brazil - Malls	5.3	0.5	1074.3%	10.0	3.6	181.5%
<b>USA Operations</b>	<b>1.5</b>	<b>0.7</b>	<b>132.5%</b>	<b>4.3</b>	<b>1.7</b>	<b>158.3%</b>
<b>Caribbean Operations</b>	<b>0.2</b>	<b>0.0</b>	<b>4797.9%</b>	<b>4.6</b>	<b>0.4</b>	<b>995.6%</b>
<b>Holding</b>	<b>0.5</b>	<b>0.5</b>	<b>1.5%</b>	<b>0.8</b>	<b>0.7</b>	<b>14.7%</b>
<b>Total Expansion Investments</b>	<b>17.9</b>	<b>5.7</b>	<b>213.0%</b>	<b>33.6</b>	<b>15.6</b>	<b>115.3%</b>
<b>Maintenance</b>						
<b>Brazilian Operations</b>	<b>1.3</b>	<b>1.4</b>	<b>-8.2%</b>	<b>2.8</b>	<b>5.6</b>	<b>-49.9%</b>
Brazil - Air	0.1	0.3	-64.6%	0.1	0.8	-88.5%
Brazil - Roads	0.2	0.9	-74.8%	0.3	2.6	na
Brazil - Malls	1.0	0.3	264.7%	2.4	2.2	9.4%
<b>USA Operations</b>	<b>0.9</b>	<b>0.4</b>	<b>147.7%</b>	<b>1.2</b>	<b>0.6</b>	<b>92.3%</b>
<b>Caribbean Operations</b>	<b>0.4</b>	<b>0.2</b>	<b>137.6%</b>	<b>0.7</b>	<b>1.4</b>	<b>-45.2%</b>
<b>Holding</b>	<b>1.2</b>	<b>0.1</b>	<b>1290.6%</b>	<b>1.9</b>	<b>0.4</b>	<b>426.0%</b>
<b>Total Maintenance Investments</b>	<b>3.7</b>	<b>2.0</b>	<b>85.7%</b>	<b>6.7</b>	<b>7.9</b>	<b>-15.6%</b>
<b>Total CAPEX Investments</b>	<b>21.5</b>	<b>7.7</b>	<b>180.2%</b>	<b>40.3</b>	<b>23.5</b>	<b>71.2%</b>

Regarding Expansion CAPEX, in 2Q18 IMC invested mainly in new stores or in existing stores to increase their capacity. In the case of Roads, the expansion Capex relates to new store to be launched (in 4Q18) in SP – Rod. Castelo Branco; and with regards to malls, the expansion Capex relates to new Olive Garden restaurant that was opened in August.

## FINANCING ACTIVITIES

The Company's financing cash flow in 2Q18 was mainly affected by the debt payment of R\$16.7 million.

(R\$ million)	2Q18	2Q17	HA(%)	2017	2016	HA(%)
Dividends payment	(0.9)	0.0	n.a.	(0.9)	0.0	n.a.
Treasury Shares	0.2	(7.5)	n.a.	0.4	(5.6)	n.a.
New Loans	0.0	0.0	n.a.	(0.0)	0.0	n.a.
Payment of Loans	(16.7)	(15.0)	11.4%	(24.2)	(33.3)	-27.3%
<b>Net Cash Generated by Financing Activities</b>	<b>(17.4)</b>	<b>(22.5)</b>	<b>-22.7%</b>	<b>(24.7)</b>	<b>(38.9)</b>	<b>-36.6%</b>

## NET DEBT

The Company ended 2Q18 with a net debt position of R\$57.1 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.

<b>R\$ million</b>	<b>2Q18</b>	<b>4Q17</b>
Debt	169.3	169.5
Financing of past acquisitions	39.1	36.4
Point of Sales rights	0.0	0.0
<b>Total Debt</b>	<b>208.5</b>	<b>205.9</b>
<b>(-) Cash</b>	<b>(151.4)</b>	<b>(183.6)</b>
<b>Net Debt</b>	<b>57.1</b>	<b>22.3</b>

## CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R\$ thousand)	2Q18	2Q17	2018	2017
<b>NET REVENUE</b>	<b>396,673</b>	<b>376,860</b>	<b>759,494</b>	<b>727,523</b>
<b>COST OF SALES AND SERVICES</b>	<b>(267,675)</b>	<b>(259,312)</b>	<b>(522,124)</b>	<b>(512,698)</b>
<b>GROSS PROFIT</b>	<b>128,998</b>	<b>117,548</b>	<b>237,370</b>	<b>214,825</b>
<b>OPERATING INCOME (EXPENSES)</b>				
Commercial and operating expenses	(85,128)	(81,822)	(161,486)	(156,363)
General and administrative expenses	(27,162)	(21,961)	(53,221)	(45,771)
Depreciation and amortization	(6,945)	(7,218)	(13,787)	(15,061)
Impairment	0	0	0	0
Other income (expenses)	(503)	7,382	(2,151)	8,449
Equity income result	2,950	2,206	4,812	3,686
Net financial expenses	(2,830)	(2,335)	(3,347)	(2,962)
<b>EARNINGS BEFORE TAXES</b>	<b>9,380</b>	<b>13,800</b>	<b>8,190</b>	<b>6,803</b>
<b>Income Taxes</b>	<b>(6,798)</b>	<b>1,059</b>	<b>(12,034)</b>	<b>(9,025)</b>
<b>NET PROFIT (LOSS)</b>	<b>2,582</b>	<b>14,859</b>	<b>(3,844)</b>	<b>(2,222)</b>

**CONDENSED BALANCE SHEET****CONDENSED STATEMENTS OF FINANCIAL POSITION**

(R\$ thousand)

**2Q18****4Q17****ASSETS****CURRENT ASSETS**

Cash and cash equivalents	151,422	183,588
Accounts receivable	81,456	86,882
Inventories	41,398	43,670
Derivatives	31	1,066
Other current assets	79,170	57,319

<b>Total current assets</b>	<b>353,477</b>	<b>372,525</b>
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**NONCURRENT ASSETS**

Deferred income taxes	157	877
Derivatives	39	653
Other noncurrent assets	55,105	56,126
Property and equipment	264,127	244,141
Intangible assets	866,529	838,102

<b>Total noncurrent assets</b>	<b>1,185,957</b>	<b>1,139,899</b>
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<b>TOTAL ASSETS</b>	<b>1,539,434</b>	<b>1,512,424</b>
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**LIABILITIES AND EQUITY****CURRENT LIABILITIES**

Trade accounts payable	67,563	89,525
Loans, financing and acquisitions' payables	46,956	50,604
Salaries and payroll charges	55,890	61,889
Other current liabilities	48,482	42,613

<b>Total current liabilities</b>	<b>218,891</b>	<b>244,631</b>
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**NONCURRENT LIABILITIES**

Loans, financing and acquisitions' payables	161,586	157,034
Provision for labor, civil and tax disputes	9,406	12,539
Deferred income tax liability	81,639	69,622
Other noncurrent liabilities	25,061	24,633

<b>Total noncurrent liabilities</b>	<b>277,692</b>	<b>263,828</b>
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**EQUITY**

Capital and reserves	1,011,500	1,006,056
Accumulated losses	(1,049)	2,795
Other comprehensive income	23,838	(12,549)

<b>Total equity</b>	<b>1,034,289</b>	<b>996,302</b>
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Non-Controlling Interest	8,562	7,663
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<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,539,434</b>	<b>1,512,424</b>
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## CASH FLOW STATEMENT

<b>CONDENSED STATEMENTS OF CASH FLOWS</b> (R\$ thousand)	<b>2Q18</b>	<b>2Q17</b>	<b>2018</b>	<b>2017</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss for the quarter	2,582	14,859	(3,844)	(2,222)
Depreciation and amortization	19,566	20,578	38,298	42,403
Impairment of intangible assets (using)	(1,913)	292	(3,526)	(19,286)
Impairment of intangible assets (provision)	-	-	-	-
Investment amortization	562	502	1,069	993
Equity income result	(3,512)	(2,709)	(5,881)	(4,679)
Provision for labor, civil and tax disputes	1,942	937	3,970	1,604
Income taxes	6,798	(1,059)	12,034	9,025
Interest expenses	3,330	2,588	6,249	5,942
Effect of exchange rate changes	1,867	196	2,322	(115)
Disposal of property and equipment	1,058	(430)	3,043	19,699
Deferred Revenue, Rebates	-	(76)	-	(76)
Expenses in payments to employees based in stock plan	2,620	736	4,995	1,841
Others	(6,447)	(2,654)	(12,312)	8,485
Changes in operating assets and liabilities	(11,024)	3,557	(21,229)	(19,332)
Cash generated from operations	17,429	37,317	25,188	44,282
Income tax paid	(837)	(3,075)	(2,386)	(10,065)
Interest paid	(2,974)	(61)	(5,122)	(232)
<b>Net cash generated by (used in) operating activities</b>	<b>13,618</b>	<b>34,181</b>	<b>17,680</b>	<b>33,985</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment of business acquisitions made in prior years	(1,551)	(4,521)	(3,597)	(4,635)
Dividends received	3,115	2,646	5,002	4,443
Sale of controlling interest in discontinued operations, net of cash	-	-	1,322	-
Additions to intangible assets	(507)	(2,170)	(4,766)	(2,217)
Additions to property and equipment	(21,027)	(5,566)	(35,504)	(21,300)
<b>Net cash used in investing activities</b>	<b>(19,970)</b>	<b>(9,611)</b>	<b>(37,543)</b>	<b>(23,709)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Payments	(871)	-	(871)	-
Capital contributions from minority interest	-	-	-	-
Shares in Treasury	210	(7,465)	449	(5,634)
New loans	-	-	-	-
Payment of loans	(16,737)	(15,029)	(24,190)	(33,272)
<b>Net cash used in financing activities</b>	<b>(17,398)</b>	<b>(22,494)</b>	<b>(24,612)</b>	<b>(38,906)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>				
	10,498	2,657	12,309	874
<b>NET INCREASE (DECREASE) FOR THE PERIOD</b>	<b>(13,252)</b>	<b>4,733</b>	<b>(32,166)</b>	<b>(27,756)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>164,674</b>	<b>157,619</b>	<b>183,588</b>	<b>190,108</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>151,422</b>	<b>162,352</b>	<b>151,422</b>	<b>162,352</b>

## 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	3.625	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
1Q18	3.324	3.247	0.001190	0.001137
2Q18	3.856	3.604	0.001320	0.001269

## 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.

## APPENDIX – IMC + SAPORE MERGER

The merger will happen in two steps:

### 1. Voluntary Tender Offer (“VTO”):

- Sapore will launch a voluntary tender offer to acquire up to 25% of IMC, equivalent to 41.632.900 shares
- Voluntary Tender Offer will be launched at a price of R\$9.30 / share
- Sapore or its controlling shareholder will leverage the company to pursue VTO (R\$387 mm)

### 2. Incorporação da Sapore na IMC:

- Following the VTO, Sapore will be merged into IMC at an exchange ratio of 65% IMC / 35% Sapore (excluding the shares acquired in the VTO)
- Upon conclusion of the transaction, Sapore's controlling shareholder could end with a final stake of up to 41.79% of the combined company
- If Sapore doesn't acquire the full amount on the VTO (25%), IMC will do a capital reduction in order for Sapore to reach the envisaged stake (41.79%)

Implied Valuation:

Exchange Ratio			Tender Offer	Post Tender Offer <sup>3</sup>		
	imc	Sapore			imc	Sapore
Exchange Ratio (%)	65.0%	35.0%		% of NewCo	58.2%	41.8%
Price per Share	9.30 <sup>1</sup>	9.30		Price per Share	9.30 <sup>1</sup>	9.30
	x	x			x	x
# of Shares (mm)	166.5	89.7	(41.6) <sup>3</sup> # of shares	# of Shares (mm)	124.9	89.7
	=	=			=	=
Implied Equity Value (R\$ mm)	1,548.7	833.9	(387.2) R\$ mm	Implied Equity Value (R\$ mm)	1,161.6	833.9
	+	+			+	+
Net Debt 17A <sup>2</sup>	30.0	74.4	+387.2 R\$ mm	Net Debt 17A <sup>2</sup>	417.1	74.4
	=	=			=	=
Implied EV (R\$ mm)	1,578.7	908.2		Implied EV (R\$ mm)	1,578.7	908.2
EBITDA 17A (R\$mm)	121	104		EBITDA 17A (R\$mm)	121	104
EV/EBITDA 17A	13.1x	8.7x		EV/EBITDA 17A	13.1x	8.7x

Notes:

<sup>1</sup> R\$9.30/share implying a premium of 17% to the 60 day VWAP (VWAP prior to media publishing regarding the merger, on June 12<sup>th</sup>, 2018)

<sup>2</sup> Net Debt calculation includes minorities

<sup>3</sup> Assumes that IMC re-buys and cancels the shares acquired in the tender offer

### Governance:

- Corporate governance according to the Novo Mercado standards, the highest in the market
- Newton Maia to continue as CEO
- IMC Management to remain
- Voting rights limited to 15% of total outstanding shares for a period of 36 months

### Note:

The Transaction is subject to satisfactory conclusion of due diligence of the companies, conclusion of the definitive instruments, approval of the Merger by the shareholders of IMC and other customary conditions in this type of operation.

## 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 and Adjusted EBITDA:** The Company calculates EBITDA as net income, before income tax and social contribution tax, financial income (expenses) and depreciation and amortization.

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, such as provisions for store closures, corporate restructuring expenses, consulting expenses related to projects’ implementation.

According to the accounting practices adopted in IFRS, EBITDA and the 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.

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 Adjusted 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 Adjusted 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 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, 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 been opened for more than eighteen months and 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.

## **International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### **1. General information**

#### **1.1. Operations**

International Meal Company Alimentação S.A. ("Company"), headquartered at Avenida das Nações Unidas, 4.777, 12o andar, in the City of São Paulo, State of São Paulo, established in 1965, is a publicly-held company with shares traded on B3 S.A. - - Brasil. Bolsa. Balcão ("B3 ") under the ticker symbol "MEAL3" and listed in the Novo Mercado (New Market) segment.

The Company and its subsidiaries ("Group") are engaged in the sale of food and beverages to restaurants, snack bars and coffee shops ("stores") and in the sale of food for airline catering services ("catering"). The Group also subleases stores and spaces for promotional and commercial purposes in its store chain, upon the sale of fuel, and provides general services related to these segments.

As of June 30, 2018, the Group has operations in Brazil, Panama, Colombia, and the United States of America.

#### **1.2. Signing of Association Agreement**

On June 15, 2018, the Company's Board of Directors approved the Signing of the Association Agreement with Abanzai Representações S.A. and its subsidiary Sapore S.A., establishing the bases for a potential business combination.

The Association Agreement establishes that the shareholders of Sapore will become holders of the Company's shares corresponding to up 41.79% of the share capital at the end of the transaction.

The transaction was approved by the Brazilian Antitrust Agency (CADE), without restrictions, on July 16, 2018. The implementation of the transaction is still subject to the other conditions provided for in the Association Agreement and disclosed in the material fact of June 15, 2018.

### **2. Preparation and presentation of the interim financial information**

The Company's individual and consolidated interim financial information has been prepared in accordance with CPC 21 (R1) – Demonstração intermediária and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR), identified as "Parent" and "Consolidated", respectively.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 2. Preparation and presentation of interim financial information--Continued

The individual and consolidated interim financial information has been prepared based on the historical cost, except for (i) certain financial instruments; and (ii) assets and liabilities arising from business combinations measured at their fair values, when applicable.

As required by CVM Official Letter 03, of April 28, 2011, the following are the explanatory notes that were included in the latest annual financial statements (year ended December 31, 2017, disclosed on March 27, 2018), which, since there were no significant changes in the quarter, have not been fully included in this individual and consolidated interim financial information.

Explanatory notes not included in the interim financial information	Location of the full explanatory note in the annual financial statements for the year ended December 31, 2017
Investments – full note	Note 13
Payroll and related taxes	Note 18
Installment payment of business acquisitions – full note	Note 19
Deferred revenue	Note 21
Income tax and social contribution – full note	Note 22
Operating lease - stores	Note 32

### 3. Significant accounting policies

The accounting policies adopted in preparing this individual and consolidated interim financial information were the same as those adopted in preparing the individual and consolidated financial statements for the year ended December 31, 2017, disclosed on March 27, 2018, and accordingly, they should be read in conjunction. The accounting practices adopted in Brazil comprise the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

#### 3.1. Basis of consolidation

The consolidated interim financial information includes the interim financial information of the Company and its subsidiaries and joint ventures through the equity method of accounting.

Control over an entity is achieved when the company has the power to govern the financial and operating policies of an entity so as to benefit from its activities.

When necessary, the subsidiaries' and joint ventures' interim financial information is adjusted to conform their accounting policies to those set by the Group.

## **International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### **3. Significant accounting policies--Continued**

#### **3.1. Basis of consolidation--Continued**

All intragroup transactions, balances, income, and expenses were fully eliminated in the consolidated interim financial information.

In the Company's individual interim financial information, investments in subsidiaries and joint ventures are accounted for under the equity method.

The investments disclosed in note 12 represent the same consolidated companies and joint ventures disclosed in the individual and consolidated financial statements for the year ended December 31, 2017, disclosed on March 27, 2018, except for:

- The merger of Centro de Serviços Frango Assado Suleste into Centro de Serviços Frango Assado Norte Ltda., Company's direct subsidiary, on February 1, 2018.
- The merger of Posto Benetton Ltda. into Centro de Serviços Frango Assado Norte Ltda., Company's direct subsidiary, on March 1, 2018.
- The merger of gas stations Auto Posto Nova Taubaté Ltda. and Centro de Serviços Frango Assado Jaguariúna into Centro de Serviços Frango Assado Norte Ltda., Company's direct subsidiary, on April 1, 2018.

#### **3.2. Functional and reporting currency**

The financial statements of each subsidiary included in the consolidated interim financial information are prepared based on the functional currency of each entity. The functional currency of an entity is the currency of the primary economic environment in which it operates. The Company defines the functional currency of each of its subsidiaries analyzing which currency significantly influences the sales price of its products and services and the currency in which most of its operating and administrative costs is paid or incurred.

The financial statements are presented in reais (R\$), which is the Group's reporting currency, and the translation adjustments are recognized in the statement of comprehensive income (loss) in line item "Translation adjustments in the statement of financial position of foreign subsidiaries"

### **4. International financial reporting standards**

The main new and revised standards, amendments and interpretations issued by the IASB and adopted by the CPC, and the standards issued and not yet effective are consistent with those adopted and disclosed in note 4 to the individual and consolidated financial statements for the year



## **International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### **4. International financial reporting standards--Continued**

ended December 31, 2017, disclosed on March 27, 2018 and, therefore, should be read in conjunction.

Additionally, no significant impacts on the individual and consolidated interim financial information were determined due to the adoption of the new and revised standards, amendments and interpretations issued by the IASB effective for annual periods beginning on or after January 1, 2018, as disclosed in note 4 to the individual and consolidated financial statements for the year ended December 31, 2017, disclosed on March 27, 2018.

### **5. Key estimates and judgments**

The preparation of interim financial information requires the Company's management to use certain accounting estimates and judgment in applying the accounting policies. The accounting estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be reasonable in the circumstances. Actual results may differ from those estimates. The effects resulting from the revision of accounting estimates are recognized in the period in which the review is made.

The key assumptions and estimates used for the individual and consolidated interim financial information for the six-month period ended June 30, 2018 are the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2017, disclosed on March 27, 2018.

### **6. Segment information**

The information reported to the Group's chief decision maker, for the purpose of capital allocation and segment performance evaluation, is more specifically focused on the categories of customer for each type of product and service. The main categories of customers for these products and services are restaurants in shopping malls, airports and highways. Each of these operating segments is managed separately, considering that each one of these product lines requires different resources, including marketing approaches. The Company's main products consist of meals and related services.

The chief operating decision maker evaluates the performance of the operating segments based on the operating profit before depreciation and amortization, finance income (expense), income tax and social contribution.

Therefore, the Group's reportable segments pursuant to CPC 22/IFRS 8 – Segment Reporting are as follows:

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 6. Segment information--Continued

- Shopping malls: meals in restaurant chains and coffee shops in shopping malls in Brazil and in the Caribbean.
- Airports: supply of meals in restaurants and coffee shops and for airline companies (catering) in Brazil and in the Caribbean.
- Highways: food courts in service stations and restaurant chains located along highways, and sale of vehicle fuel.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.
- Others: comprise corporate costs not allocated directly to each of the business segments.

	Consolidated					Total
	Shopping malls	Airports	Highways	United States of America	Others	
June 30, 2018						
Net revenue	138,235	188,378	228,792	204,089	-	759,494
Operating profit (loss)	(8,075)	34,279	17,029	16,909	(9,238)	50,904
Depreciation and amortization	(7,452)	(13,797)	(7,805)	(10,275)	(38)	(39,367)
Finance income (expense)	2,620	(2,912)	(405)	(3,123)	473	(3,347)
Income tax benefit (expense)	(6,063)	(5,783)	(1,399)	1,211	-	(12,034)

	Consolidated					Total
	Shopping malls	Airports	Highways	United States of America	Others	
June 30, 2017						
Net revenue	147,747	177,405	225,908	176,463	-	727,523
Operating profit (loss)	5,231	19,826	19,209	16,490	(7,595)	53,161
Depreciation and amortization	(8,268)	(14,566)	(8,135)	(12,004)	(423)	(43,396)
Finance income (expense)	3,091	(3,177)	(222)	(2,659)	5	(2,962)
Income tax benefit (expense)	3,180	(575)	(6,166)	(2,418)	(3,046)	(9,025)

(\*) Excluding the effects of depreciation and amortization.

The reconciliation of operating loss, adjusted by loss before taxes and discontinued operations, is as follows:

	Consolidated	
	6/30/2018	6/30/2017
Reconciliation of loss for the period:		
Operating profit from reportable segments	60,142	60,756
Operating loss from other segments, excluding the effects of depreciation and amortization	(9,238)	(7,595)
	50,904	53,161
Depreciation and amortization	(39,367)	(43,396)
Finance income (expense)	(3,347)	(2,962)
Income tax and social contribution	(12,034)	(9,025)
Loss for the period	(3,844)	(2,222)

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 6. Segment information--Continued

The Company's total assets by business segment are as follows:

	Consolidated	
	6/30/2018	12/31/2017
Shopping malls	375,769	388,819
Airports	347,226	356,791
Highways	427,349	427,358
United States of America	387,733	332,609
Subtotal	1,536,077	1,505,577
Assets not allocated to the segments	3,357	6,847
	<u>1,539,434</u>	<u>1,512,424</u>

#### a) Disclosures at the Company's level

##### *Geographical information*

The Group operates in the following main areas: Brazil, the Caribbean (Colombia and Panama), and the United States of America. Segment reporting on the Group's sales by geographic market based on the location of its customers, regardless of the origin of assets/services, is as follows:

	Consolidated	
	6/30/2018	6/30/2017
Net revenue:		
Brazil	465,326	462,698
The Caribbean	90,079	88,362
United States of America	204,089	176,463
	<u>759,494</u>	<u>727,523</u>

#### b) Information on major customers

The Group does not have customers or a group of customers under common control accounting for more than 10% of its revenue.

### 7. Financial instruments

#### a) Capital management

The Group's management manages the Group's capital to ensure the continuity of the Group as a going concern and to maximize its funds to allow for investments in new stores, refurbishments, and redesign of existing stores, as well as the acquisition of other entities.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 7. Financial instruments--Continued

#### a) Capital management--Continued

The Group's capital structure consists of financial liabilities with financial institutions, currency swap derivatives, cash and cash equivalents, and financial investments, including capital and retained earnings.

The Group can change its capital type and structure, depending on economic conditions, to optimize its financial leverage. In addition, Management periodically reviews the capital structure and its capacity to settle its liabilities taking the appropriate actions, when necessary, to balance the Group's debt and liquidity ratios.

#### b) Significant accounting policies

For details on the significant accounting policies and practices adopted, including the criteria used to recognize revenues and expenses for each class of financial assets and financial liabilities, see the individual and consolidated financial statements for the year ended December 31, 2017, disclosed on March 27, 2018.

#### c) Categories of financial instruments

Management considers that the carrying amounts of financial assets and liabilities recorded at amortized cost in the individual and consolidated interim financial information approximate their fair values, since these are short-term instruments or are instruments indexed to the variation of the CDI for the main financial assets, or indexed to the LIBOR interest rate for the main financial liabilities. The Group conducted swap derivative transactions, which are used only to mitigate the exposure to foreign currency fluctuations of certain borrowings, so that the balance of the capital structure is maintained. The main financial instruments are distributed as follows:

	Carrying amount and fair value			
	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Financial assets				
Trade receivables and receivables at amortized cost:				
Cash and cash equivalents	2,952	3,750	151,422	183,588
Financial investments (noncurrent)	-	-	40	86
Derivative financial instruments (item f)	-	-	70	1,719
Trade receivables	25,487	24,583	85,888	92,845
Receivables from related parties	1,875	5,413	-	-
	<b>30,314</b>	<b>33,746</b>	<b>237,420</b>	<b>278,238</b>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 7. Financial instruments--Continued

#### c) Categories of financial instruments--Continued

	Carrying amount and fair value			
	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Financial liabilities				
Financial liabilities recognized at amortized cost:				
Trade payables	13,981	16,086	67,563	89,525
Borrowings	-	75	169,409	171,220
Payables to related parties	88,426	82,796	-	-
Installment payment of business acquisitions	-	-	39,133	36,418
	102,407	98,957	276,105	297,163

#### d) Liquidity

Liquidity management entails maintaining sufficient funds, such as cash, securities, and committed credit facilities, to manage the capacity to settle our obligations.

Management monitors the Group's liquidity level considering the expected cash flows against unused credit facilities.

The table below details the remaining contractual maturity of the Group's financial assets and financial liabilities, and the agreed repayment terms. The tables below were prepared using the undiscounted cash flows of the financial assets and financial liabilities based on the nearest date on which the Group can be required to make the related payment or collect its receivables. As interest flows are based on floating rates, the undiscounted amount obtained is based on the interest curves in the six-month period ended June 30, 2018. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

	Weighted average effective interest rate - %	Parent				Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 year s	
June 30, 2018						
Trade payables	-	(13,639)	(269)	(73)	-	(13,981)
Trade receivables	-	21,623	1,068	140	2,656	25,487

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 7. Financial instruments--Continued

#### d) Liquidity--Continued

	Weighted average effective interest rate - %	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 year s	Total
June 30, 2018						
Trade payables		(65,954)	(1,226)	(368)	(15)	(67,563)
Trade receivables		72,115	2,810	6,531	4,432	85,888
Derivative financial instruments (item f))	10.35%	-	-	33	44	77
Borrowings	6.60%	-	(16,382)	(27,552)	(154,350)	(198,284)
Installment payment of business acquisitions	5.75%	(9)	(1,949)	(2,378)	(37,310)	(41,646)

#### e) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Group. Group sales are basically made using various means of payment, especially credit and debit cards, which reduce significantly the risk of default. A portion of the catering segment sales is made to airlines, the creditworthiness of which is monitored. As a result of such management, expected losses are recorded in 'Allowance for doubtful accounts', as described in note 9.

The Group is also exposed to credit risks related to financial instruments contracted for the management of its business, which consist basically of cash and cash equivalents and short-term investments. Management believes that the credit risk of transactions with financial institutions is low, as these are considered by the market as prime banks.

#### f) Currency risk

As referred to in note 16, the Group has a US dollar-denominated loan plus a spread from 4.05% to 4.81% per year, with a swap instrument classified in Level 2, contracted on the same date and with the same financial institution, exchanging 100% of this debt for the interbank deposit rate (CDI) plus spread from 2.35% to 3.0% per year.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 7. Financial instruments--Continued

#### f) Currency risk--Continued

As of June 30, 2018, and 2017, due to this financial instrument, the following results were obtained:

	6/30/2018	6/30/2017
Notional amount in thousands of US dollars - US\$	4,528	29,124
Average contracting rate - real - R\$	3.87	2.49
Notional amount in reais - R\$	17,510	72,570
Long position (purchased)		
US dollar - US\$ thousand plus interest from 4.05% to 4.81% per year	70	4,208
Short position (sold)		
CDI plus interest from 2.35% to 3.0% per year	31	(131)
Balances at the end of the period	101	4,077

#### g) Interest rate risk

The Group has loans and debt agreements denominated in U.S. dollars (US\$), Colombian pesos (COP) and Brazilian reais (R\$), indexed to LIBOR (long-term rate), Colombian Banking Reference Index - IBR and Interbank Deposit Rate - CDI. There is an inherent risk in these liabilities due to usual fluctuations of rates in the markets in which they were contracted.

The Group does not have any derivative contract to mitigate this risk since Management understands there is no significant risk of abrupt fluctuation of these interest rates.

#### *Sensitivity analysis*

In order to conduct the sensitivity analysis of the interest rate charged on existing borrowings and other obligations, the Group uses, for a probable scenario, the market rate obtained on Brazilian stock exchanges, and considers a 25% and 50% increase in such rate for Scenarios I and II, respectively. The sensitivity analysis results for a twelve-month period are as follows:

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 7. Financial instruments--Continued

#### g) Interest rate risk--Continued

##### *Sensitivity analysis--Continued*

	Consolidated		
	Probable	Scenario I	Scenario II
Swap (per year) - CDI plus interest from 1.75% to 3.1% per year	10.35%	12.19%	14.03%
Estimated charges	819	964	1,110
180-day LIBOR plus interest from 3.40% to 4.05% per year	6.22%	6.84%	7.47%
Estimated charges	8,754	9,633	10,511
IBR (per year) plus interest of 3.70% per year	7.88%	8.92%	9.96%
Estimated charges	1,458	1,651	1,844

#### h) Debt-to-equity ratio

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Debt (i)	-	75	169,409	171,220
Currency swap derivatives	-	-	(70)	(1,719)
Installment payment of business acquisitions	-	-	39,133	36,418
Cash and cash equivalents and financial investments	(2,952)	(3,750)	(151,422)	(183,588)
Net debt / (Net asset)	(2,952)	(3,675)	57,050	22,331
Equity (ii)	1,034,289	996,302	1,042,851	1,003,965
Net debt-to-equity ratio	(0.003)	(0.004)	0.055	0.022

(i) Debt is defined as short- and long-term loans, as detailed in note 16.

(ii) Equity includes the Group's total share capital and reserves, managed as capital.

### 8. Cash and cash equivalents

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Cash	245	343	5,900	7,928
Banks	2	738	75,357	61,640
Financial investments	2,705	2,669	70,165	114,020
	2,952	3,750	151,422	183,588



## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 8. Cash and cash equivalents--Continued

Financial investments classified as cash and cash equivalents are broken down as follows:

Transactions	Average yield	Liquidity	Country	Parent	
				6/30/2018	12/31/2017
Bank deposit certificate	90% to 100% of CDI	Immediate	Brazil	377	-
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	2,328	2,301
Others	80% to 100% of CDI	Immediate	Brazil	-	368
				<b>2,705</b>	<b>2,669</b>

Transactions	Average yield	Liquidity	Country	Consolidated	
				6/30/2018	12/31/2017
Bank deposit certificate	101.0% to 101.5% of CDI	Immediate	Brazil	12,225	78,473
Lease bill	101.5% of CDI	Immediate	Brazil	15,831	-
Bank deposit certificate	60% to 98.3% of CDI	Immediate	Brazil	13,039	3,361
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	4,906	6,059
Overnight deposits	7.41% p.a.	Immediate	Colombia	23,789	25,759
Others	90% of CDI	Immediate	Brazil	375	368
				<b>70,165</b>	<b>114,020</b>

### 9. Trade receivables

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Means of payment (credit and debit cards, and meal tickets)	998	1,183	30,984	38,028
Trade receivables	19,995	18,823	37,540	28,715
Rebates and commercial agreements	4,394	4,544	16,913	26,215
Others	105	171	1,159	746
	<b>25,492</b>	<b>24,721</b>	<b>86,596</b>	<b>93,704</b>
Allowance for doubtful accounts	(5)	(138)	(708)	(859)
	<b>25,487</b>	<b>24,583</b>	<b>85,888</b>	<b>92,845</b>

Current	22,831	21,526	81,456	86,882
Noncurrent	2,656	3,057	4,432	5,963
	<b>25,487</b>	<b>24,583</b>	<b>85,888</b>	<b>92,845</b>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 9. Trade receivables--Continued

The balance of 'Trade receivables' before deduction of allowance for doubtful accounts is denominated in the following local currencies of the countries where the Group operates:

	Consolidated	
	6/30/2018	12/31/2017
In Brazilian reais - R\$	<b>59,169</b>	67,182
In US dollars - US\$ (*)	<b>15,749</b>	14,377
In Mexican pesos - MXN\$ (*)	<b>1,494</b>	3,543
In Colombian pesos - COP\$ (*)	<b>10,184</b>	8,602
	<b>86,596</b>	93,704

(\*) The foreign currency-denominated balances refer to trade receivables from the corresponding countries of origin; therefore, there are no foreign exchange differences between the recognized revenue and the related receivables disclosed in the statement of profit or loss.

The balance of 'Trade receivables' refers mainly to receivables from airlines.

Receivables are comprised of current and past-due receivables, as follows:

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Current	<b>19,070</b>	22,104	<b>76,353</b>	88,578
Past due:				
Up to 30 days	<b>5,208</b>	1,564	<b>7,759</b>	2,992
31 to 60 days	<b>1,068</b>	912	<b>1,638</b>	1,184
61 to 90 days	<b>141</b>	3	<b>138</b>	118
Over 90 days	<b>5</b>	138	<b>708</b>	832
Allowance for doubtful accounts	<b>(5)</b>	(138)	<b>(708)</b>	(859)
	<b>25,487</b>	24,583	<b>85,888</b>	92,845

As described in note 16, the Group pledged receivables from credit and debit card companies as collateral for borrowings. As of June 30, 2018, the balance receivable related to this collateral is R\$10,641 (R\$10,238 as of December 31, 2017) in consolidated. The terms and conditions of this transaction include mainly pledging to banks as collateral current and future receivables originating from credit and debit card sales up to the debt limit. This collateral could be enforced by banks in case of default of a borrowing.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 9. Trade receivables--Continued

#### Allowance for doubtful accounts

The rollforward of the allowance for doubtful accounts is as follows:

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Balance at the beginning of the period/year	(138)	(236)	(859)	(1,325)
Additions	(106)	(345)	(192)	(1,030)
Reversals and write-offs	239	443	270	1,567
Exchange rate changes	-	-	73	(71)
Balance at the end of the period/year	(5)	(138)	(708)	(859)

#### Rebates and commercial agreements

These amounts are set in contracts or agreements and comprise amounts relating to discounts based on sales volume, joint marketing programs and other similar programs.

The Group did not recognize any adjustment to present value since all transactions are short term and it considers the effect of these adjustments immaterial when compared with the individual and consolidated interim financial information taken as a whole.

### 10. Inventories

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Food and beverages	1,676	2,600	18,276	20,700
Fuel and vehicle accessories	-	-	6,023	5,457
Nonfood products and souvenirs for resale	-	-	13,637	13,941
Supplies and fixtures	508	695	4,991	5,170
Provision for inventory losses	(21)	(95)	(1,529)	(1,598)
	2,163	3,200	41,398	43,670

As of June 30, 2018, the total cost of inventories sold disclosed in line item 'Cost of sales and services' was R\$22,896 (R\$20,960 as of June 30, 2017) in Parent and R\$265,463 (R\$258,346 as of June 30, 2017) in Consolidated (See note 27).

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 11. Taxes recoverable

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Prepaid income tax and social contribution	-	-	12,814	8,656
Withholding income tax (IRRF) on financial investments	6,044	6,055	9,924	9,532
Taxes on revenue (PIS and COFINS)	13,430	7,569	35,940	26,659
Others	102	42	781	921
	<b>19,576</b>	<b>13,666</b>	<b>59,459</b>	<b>45,768</b>

### 12. Investments in subsidiaries

The list of the Company's subsidiaries and the activity in investments for the year ended December 31, 2017 are presented in the financial statements for the year then ended, disclosed on March 27, 2018. The changes occurred in the period ended June 30, 2018 are shown in note 3.1.

#### Information on subsidiaries

The activity in investments in subsidiaries for the six-month period ended June 30, 2018 are as follows:

	Parent					Total
	Tob's	Pimenta Verde and Niad	Gas stations	IMC USA	IMC The Caribbean	
Balance as of December 31, 2017	4,983	553,407	50,507	165,929	150,346	925,172
Share of profit (loss) of investees	(165)	(14,070)	(367)	4,204	15,746	5,348
Translation adjustments	-	-	-	26,463	9,924	36,387
Balance as of June 30, 2018	<b>4,818</b>	<b>539,337</b>	<b>50,140</b>	<b>196,596</b>	<b>176,016</b>	<b>966,907</b>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 12. Investments in subsidiaries--Continued

#### Information on subsidiaries

The activity in investments in joint venture presented in the consolidated interim financial information is as follows:

	<b>Margaritaville (Orlando)</b>
Balance as of December 31, 2017	25,116
Share of profit (loss) of investees (*)	<b>4,812</b>
Dividends received	<b>(5,002)</b>
Translation adjustments of foreign joint venture	<b>3,936</b>
Balance as of June 30, 2018	<b>28,862</b>

(\*) Share of profit (loss) of subsidiaries net of the amortization of investment in joint venture incurred in the six-month period ended June 30, 2018 amounting to R\$1,069. The investment is amortized because the joint venture has finite duration.

### 13. Property, plant and equipment

The activity in property, plant and equipment for the year ended December 31, 2017 is presented in the financial statements for the year then ended, disclosed on March 27, 2018. The activity in the six-month period ended June 30, 2018 is as follows:

	<b>Balance as of 12/31/2017</b>	<b>Uses</b>	<b>Parent Additions (*)</b>	<b>Transfers, write- offs, and others</b>	<b>Balance as of 6/30/2018</b>
<u>Cost</u>					
Machinery and equipment	23,324	-	-	378	<b>23,702</b>
Furniture and fixtures	7,492	-	-	13	<b>7,505</b>
Leasehold improvements	27,611	-	-	(1,038)	<b>26,573</b>
Computers, vehicles and other items	24,663	-	-	1,241	<b>25,904</b>
Works and construction in progress	515	-	<b>2,107</b>	<b>(2,404)</b>	<b>218</b>
Total cost	<b>83,605</b>	<b>-</b>	<b>2,107</b>	<b>(1,810)</b>	<b>83,902</b>
<u>Depreciation</u>					
Machinery and equipment	(15,635)	-	(1,039)	108	<b>(16,566)</b>
Furniture and fixtures	(5,321)	-	(437)	-	<b>(5,758)</b>
Leasehold improvements	(15,411)	-	(806)	523	<b>(15,694)</b>
Computers, vehicles and other items	(19,740)	-	(1,083)	-	<b>(20,823)</b>
Total depreciation	<b>(56,107)</b>	<b>-</b>	<b>(3,365)</b>	<b>631</b>	<b>(58,841)</b>
<u>Provision for impairment of assets</u>					
Leasehold improvements	(53)	<b>53</b>	-	-	-
Computers, vehicles and other items	(1)	<b>1</b>	-	-	-
Total provision	<b>(54)</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total, net	<b>27,444</b>	<b>54</b>	<b>(1,258)</b>	<b>(1,179)</b>	<b>25,061</b>

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**13. Property, plant and equipment--Continued**

	Consolidated					
	Balance as of 12/31/2017	Effects of exchange differences	Uses	Additions (*)	Transfers, write-offs, and others	Balance as of 6/30/2018
<u>Cost</u>						
Land and buildings	3,801	723	-			4,524
Machinery and equipment	171,994	5,787	-	2,343	3,042	183,166
Furniture and fixtures	72,951	5,487	-	680	755	79,873
Leasehold improvements	291,034	23,650	-	2,282	8,902	325,868
Computers, vehicles and other items	67,982	3,694	-	883	2,248	74,807
Works and construction in progress	24,904	882	-	27,121	(23,028)	29,879
Total cost	632,666	40,223	-	33,309	(8,081)	698,117
<u>Depreciation</u>						
Buildings	(2,250)	(438)	-	(94)		(2,782)
Machinery and equipment	(119,172)	(3,854)	-	(7,676)	1,381	(129,321)
Furniture and fixtures	(51,202)	(3,833)	-	(4,807)	106	(59,736)
Leasehold improvements	(158,802)	(13,185)	-	(13,818)	3,306	(182,499)
Computers, vehicles and other items	(53,246)	(2,762)	-	(3,088)	89	(59,007)
Total depreciation	(384,672)	(24,072)		(29,483)	4,882	(433,345)
<u>Provision for impairment of assets</u>						
Machinery and equipment	(418)	-	418	-	-	-
Leasehold improvements	(3,363)	-	2,790	-	-	(573)
Computers, vehicles and other items	(72)	-	-	-	-	(72)
Total provision	(3,853)	-	3,208	-	-	(645)
Total, net	244,141	16,151	3,208	3,826	(3,199)	264,127

(\*) The additions to property, plant and equipment presented in the statements of cash flows include the installments paid in previous acquisitions. Thus, in the statements of cash flows, from the additions of property, plant and equipment items in the six-month period ended June 30, 2018, the amount of R\$307 was added in Parent, and R\$2,195 in Consolidated..

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
<u>Net balances</u>				
Land and buildings	-	-	1,742	1,551
Machinery and equipment	7,136	7,689	53,845	52,404
Furniture and fixtures	1,747	2,171	20,137	21,748
Leasehold improvements	10,879	12,147	142,796	128,869
Computers, vehicles and other items	5,081	4,922	15,728	14,665
Works and construction in progress	218	515	29,879	24,904
	25,061	27,444	264,127	244,141

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 13. Property, plant and equipment--Continued

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Allocated to cost of sales and services	<b>2,808</b>	3,207	<b>25,734</b>	28,683
Allocated to general and administrative expenses	<b>557</b>	794	<b>3,749</b>	4,374
Total depreciation expenses	<b>3,365</b>	4,001	<b>29,483</b>	33,057
PIS and COFINS credits on depreciation (*)	<b>(306)</b>	(339)	<b>(1,223)</b>	(1,341)
Total depreciation expenses, net of tax credits	<b>3,059</b>	3,662	<b>28,260</b>	31,716

(\*) PIS and COFINS credits on items on property, plant and equipment allocated to operations.

#### Assets pledged as collateral

As of December 31, 2017, the obligations assumed under finance lease agreements were collateralized by the ownership of the leased assets by the lessor, whose carrying amount as of December 31, 2017 is R\$1,268 in Parent and in Consolidated.

### 14. Intangible assets

The activity in intangible assets for the year ended December 31, 2017 is presented in the financial statements for the year then ended, disclosed on March 27, 2018. The activity in the six-month period ended June 30, 2018 is as follows:

	Parent		
	Balance as of 12/31/2017	Additions (*)	Transfers, write-offs, and others
<u>Cost:</u>			Balance as of 6/30/2018
Goodwill	91,790	-	-
Software	18,010	-	695
Rights over trademarks	4,100	-	-
Commercial rights	30,748	-	35
Licensing rights	70,130	-	-
Leasehold rights	25,532	-	-
Intangibles in progress	273	489	(679)
Total cost	240,583	489	51
<u>Amortization:</u>			
Software	(14,841)	(437)	-
Commercial rights	(12,867)	(1,597)	-
Licensing rights	(54,049)	(2,384)	-
Leasehold rights	(21,250)	(988)	-
Total amortization	(103,007)	(5,406)	-

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**14. Intangible assets--Continued**

	Balance as of 12/31/2017	Parent			Balance as of 6/30/2018
		Additions	Transfers, write-offs, and others		
<u>Provision for impairment of assets</u>					
Rights over trademarks	(1,848)	-	-		(1,848)
Total provision	(1,848)	-	-		(1,848)
Total, net	135,728	(4,917)	51		130,862

	Balance as of 12/31/2017	Consolidated				Balance as of 6/30/2018
		Additions (*)	Transfers, write-offs, and others	Uses	Effects of exchange differences	
<u>Cost:</u>						
Goodwill	667,590	-	-	-	30,568	698,158
Software	30,930	350	1,950	-	302	33,532
Rights over trademarks	62,895	-	-	-	1,966	64,861
Commercial rights	106,330	-	(634)	-	548	106,244
Licensing rights	111,561	-	198	-	5,209	116,968
Leasehold rights	28,223	-	(72)	-	424	28,575
Non-compete agreements	2,968	-	-	-	565	3,533
Intangibles in progress and other assets	1,619	489	(1,377)	-	-	731
Total cost	1,012,116	839	65	-	39,582	1,052,602
<u>Amortization</u>						
Software	(25,493)	(829)	31	-	(220)	(26,511)
Commercial rights	(43,784)	(4,436)	463	-	(259)	(48,016)
Licensing rights	(76,137)	(3,586)	-	-	(1,952)	(81,675)
Leasehold rights	(21,250)	(988)	-	-	-	(22,238)
Non-compete agreements	(1,592)	(161)	-	-	(319)	(2,072)
Intangibles in progress and other assets	(420)	(38)	-	-	(83)	(541)
Total amortization	(168,676)	(10,038)	494	-	(2,833)	(181,053)
<u>Provision for impairment of assets</u>						
Software	(8)	-	-	8	-	-
Rights over trademarks	(4,684)	-	-	-	-	(4,684)
Commercial rights	(646)	-	-	310	-	(336)
Total provision	(5,338)	-	-	318	-	(5,020)
Total, net	838,102	(9,199)	559	318	36,749	866,529

(\*) The additions to intangible assets presented in the statements of cash flows include the installments paid in previous acquisitions. Thus, in the statements of cash flows, from the additions of intangible assets in the six-month period ended June 30, 2018, the amount of R\$3,927 was added in Consolidated.



## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 14. Intangible assets--Continued

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
<u>Net balances</u>				
Goodwill (a)	<b>91,790</b>	91,790	<b>698,158</b>	667,590
Software	<b>3,427</b>	3,169	<b>7,021</b>	5,429
Rights over trademarks (b)	<b>2,252</b>	2,252	<b>60,176</b>	58,211
Commercial rights (c)	<b>16,319</b>	17,881	<b>57,892</b>	61,900
Licensing rights (d)	<b>13,697</b>	16,081	<b>35,294</b>	35,424
Leasehold rights (e)	<b>3,294</b>	4,282	<b>6,337</b>	6,973
Non-compete agreements	-	-	<b>1,461</b>	1,376
Intangibles in progress and other assets	<b>83</b>	273	<b>190</b>	1,199
	<b>130,862</b>	135,728	<b>866,529</b>	838,102

Amortization charges on other intangible assets are recognized in line item 'General and administrative expenses', in the statement of profit or loss.

#### Main intangible assets

##### a) *Goodwill*

##### Allocation of goodwill to cash-generating units

Goodwill is allocated to each cash-generating unit, defined as follows:

- Shopping malls - Brazil: fast food in restaurant chains and coffee shops located in shopping malls in Brazil.
- Shopping malls - the Caribbean (Panama and Colombia): fast food in restaurant chains and coffee shops located in shopping malls in the Caribbean.
- Airports - Brazil: meals served in restaurants and coffee shops, and airline catering and other related services in Brazil.
- Airports - the Caribbean (Panama and Colombia): meals served in restaurants and coffee shops, and airline catering and other related services in the Caribbean.
- Highways - Brazil: food courts in service stations and restaurant chains located along highways, and sale of vehicle fuel.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.

The carrying amount of the goodwill was allocated to the following cash-generating units:

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 14. Intangible assets--Continued

#### Main intangible assets--Continued

##### a) *Goodwill--Continued*

	Consolidated	
	6/30/2018	12/31/2017
Brazil:		
Shopping malls	187,905	187,905
Airports	91,790	91,790
Highways	206,187	206,187
	<b>485,882</b>	<b>485,882</b>
The Caribbean:		
Shopping malls	1,148	964
Airports	21,992	18,477
	<b>23,140</b>	<b>19,441</b>
United States of America	189,136	162,267
	<b>698,158</b>	<b>667,590</b>

##### b) *Rights over trademarks*

Refers to those trademarks identified in the acquisitions made, including Viena, Frango Assado, Batata Inglesa, Brunella, Rede J&C Delicias (the Caribbean).

##### c) *Commercial rights*

Refer to amounts paid to acquire commercial rights and/or acquired in business combinations.

##### d) *Licensing rights*

A portion of the price attributable to the acquisition of catering operations was allocated to the licenses and permits to operate airline-catering services and restaurants in certain airports.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 14. Intangible assets--Continued

#### Main intangible assets--Continued

##### e) *Leasehold rights*

Refers to the portion of the purchase price allocated to lease agreements entered into with airport authorities (leasehold rights) and/or airport managers for the lease of space in the airports to operate restaurants, snack bars, coffee shops, and other similar retail outlets.

#### Impairment testing for assets with indefinite useful lives

Assets with indefinite useful lives are tested for impairment annually or whenever there are indications that some of the cash-generating units might be impaired. Management concluded that as of June 30, 2018 there are no indications that any of the cash-generating units is impaired.

### 15. Trade payables

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Product suppliers	5,393	6,676	44,674	64,787
Service providers	8,413	8,928	22,802	24,476
Suppliers - others	175	482	87	262
Total	13,981	16,086	67,563	89,525

### 16. Borrowings

	Financial charges	Maturity	Parent		Consolidated	
			6/30/2018	12/31/2017	6/30/2018	12/31/2017
CCB international Swap - Brazil (a)	CDI + spread from 2.35% to 3.00% p.a.	Quarterly up to 9/14/20	-	-	7,982	17,851
Bank Credit Note - CCB - United States of America (b)	120-day LIBOR + spread of 4.05% p.a.	Semi-annual up to 9/21/22	-	-	70,374	67,087
Bank Credit Note - CCB - The Caribbean (c)	180-day LIBOR (or IBR 6-months) + spread from 3.4% to 3.7% p.a.	Semi-annual up to 10/12/2022	-	-	88,860	84,127
Others			-	75	2,193	2,155
			-	75	169,409	171,220

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**16. Borrowings--Continued**

Classified as:

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Current:				
Foreign currency-denominated borrowings	-	-	40,977	44,781
Local currency-denominated borrowings (R\$)	-	75	-	578
	-	75	40,977	45,359
Noncurrent:				
Foreign currency-denominated borrowings	-	-	126,239	123,781
Local currency-denominated borrowings (R\$)	-	-	2,193	2,080
	-	-	128,432	125,861

**Guarantees and commitments**

- (a) US-dollar denominated loan subject to 4.05% to 4.81% interest per year plus exchange fluctuation. This loan is backed by the co-obligated guarantors represented by certain subsidiaries of the Company, a swap collateral assignment and liens on debit and credit rights arising from sales made by the Company's subsidiaries using debit and credit cards. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio and the debt service coverage ratio, annually calculated based on the financial statements. The Group conducts swap transactions to exchange US dollar-denominated payables at fixed interest rates for the Brazilian real (R\$) pegged to 100% of the CDI plus spread from 2.35% to 3.0% per year. The Group conducts swap transactions with the same counterparty. These transactions are classified as derivatives, as described in note 7.f.
- (b) Borrowing repayable in 10 semiannual installments beginning March 2018 and collateralized by the Company and certain Company's subsidiaries. Under this borrowing agreement, the Group is required to comply with certain covenants on a consolidated basis. The financial ratios established in the agreement are evaluated semiannually by financial institutions and consist basically of net debt-to-EBITDA ratios. As of June 30, 2018, the Company complied with the ratios mentioned above.
- (c) Borrowings payable in 10 semiannual installments beginning March 2018 and collateralized by certain Company's subsidiaries. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio, the debt service coverage ratio and the total indebtedness, calculated based on the financial statements.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 16. Borrowings--Continued

The maturities of the portion recorded in noncurrent liabilities are as follows:

	<u>Consolidated</u>
2019	32,229
2020	36,698
2021	37,296
2022 and thereafter	<u>22,209</u>
	<u>128,432</u>

### 17. Installment payment of business acquisitions

	<u>Consolidated</u>	
	<u>6/30/2018</u>	<u>12/31/2017</u>
Business acquisitions in other countries	<b>39,133</b>	36,418
Total	<b><u>39,133</u></b>	<u>36,418</u>
Current	<b>5,979</b>	5,245
Noncurrent	<b>33,154</b>	31,173

The maturities of the portion recorded in noncurrent liabilities are as follows:

	<u>Consolidated</u>
2019	4,673
2020	6,605
2021	6,993
2022	7,262
2023	<u>7,621</u>
	<u>33,154</u>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 18. Provision for labor, civil and tax risks

The Group is a party to tax, labor and social security, and civil proceedings. The Group filed appeals against claims filed with courts. Judicial deposits were made when required by the authorities.

	Parent		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Labor and social security (a)	<b>2,236</b>	3,082	<b>7,604</b>	10,181
Tax (b)	-	-	<b>22</b>	298
Civil (c)	<b>724</b>	724	<b>1,780</b>	2,060
	<b>2,960</b>	3,806	<b>9,406</b>	12,539

- (a) Provision recognized to cover labor and social security risks arising from labor relationships established in the normal course of its businesses. Based on the legal counsel's opinion, the Group recorded a provision to cover probable losses if such risks materialize.
- (b) The Group is exposed to risks related to challenges by tax authorities (federal, state and municipal) and, based on the opinion of its legal counsel, recognized a provision to cover probable losses for such risks.
- (c) The Group is a party to civil and various other lawsuits, such as, claim of economic imbalance or claims filed by suppliers / manufacturers, related to quality discounts. Management recognized a provision for these lawsuits based on the opinion of the Company's legal counsel, who assessed the risk of an unfavorable outcome as probable.

The Group is a party to tax and civil lawsuits that, according to the opinion of its legal counsel, involve possible risk of losses amounting to R\$10,061 in Parent and R\$23,507 in Consolidated. No provision for these lawsuits was recognized since the likelihood of loss is not probable. For labor claims, a provision was recognized considering the Group's history of losses.

Among the main lawsuits classified as possible loss we highlight the infringement notices issued against the subsidiary Pimenta Verde Alimentos Ltda. in November 2012, relating to the requirement of PIS and COFINS tax credit for the period from January to December 2009. The amount involved is R\$6,049. The lawsuit is under discussion at the administrative level.

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**18. Provision for labor, civil and tax risks--Continued**

The activity in the provision for risks in the periods is as follows:

	Parent			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2016	6,950	-	303	7,253
Additions	604	-	412	1,016
Uses	(1,211)	-	-	(1,211)
Balance as of June 30, 2017	6,343	-	715	7,058
Balance as of December 31, 2017	3,082	-	724	3,806
Additions	1,064	53	-	1,117
Uses	(1,910)	(53)	-	(1,963)
Balance as of June 30, 2018	2,236	-	724	2,960

	Consolidated			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2016	20,347	309	6,341	26,997
Additions	1,170	-	434	1,604
Uses of provisions for risks associated to discontinued operations	-	-	(4,523)	(4,523)
Uses	(4,232)	(5)	(298)	(4,535)
Balance as of June 30, 2017	17,285	304	1,954	19,543
Balance as of December 31, 2017	10,181	298	2,060	12,539
Additions	3,864	53	178	4,095
Reversals	-	(125)	-	(125)
Uses of provisions for risks associated to discontinued operations	-	-	(560)	(560)
Uses*	(6,441)	(204)	-	(6,645)
Exchange rate changes	-	-	102	102
Balance as of June 30, 2018	7,604	22	1,780	9,406

(\*) The uses of the provision for tax risks in the six-month period ended June 30, 2018 plus the use of the provision for agreements and installment payment of labor suits totaled R\$ 1,977 in Parent and R\$ 8,309 in consolidated.

Based on a decision issued by the Supreme Federal Court (STF) on March 15, 2017, of general repercussion, the ICMS (state VAT) must be excluded from the PIS and COFINS tax base. The Company filed a lawsuit in prior years claiming for the right to such exclusion, but paid normally the PIS and COFINS taxes. However, some specific decisions of the STF are still pending, including the analysis and definition of the application of the decision and its effects. The Company is performing a detailed analysis to determine

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 18. Provision for labor, civil and tax risks--Continued

the best estimate of the respective credits for disclosure purposes, in accordance with item 89 of CPC 25.

According to a notice to the market released by the Company on November 13, 2017, in reply to a report from the CBN Radio station on the same date, the Company had become aware of allegations made by a former employee involving the provision for legal claims and engaged outside legal and forensic counselors to conduct an investigation of these allegations. After the technically feasible and appropriate procedures were completed to the extent possible and sufficient to assess the allegations, the investigation process was concluded at the meeting of the Board of Directors on July 30, 2018, and no evidences corroborating the allegations made by the former employee presented in the report of the CBN Radio were found. Notwithstanding, recommendations for improvements in internal controls were made, which support the Company's management of the labor lawsuits and contingencies, which are in implementation stage.

### 19. Income tax and social contribution

#### a) Deferred income tax and social contribution

Deferred income tax and social contribution arise from recognized tax loss carryforwards and temporary differences. These tax credits are recorded in noncurrent assets and noncurrent liabilities, based on expected future earnings, as per the prevailing tax law.

As of June 30, 2018 and December 31, 2017, deferred income tax and social contribution is as follows:

	Parent	
	6/30/2018	12/31/2017
Tax loss carryforwards	8,920	10,741
Temporary differences:		
Provision for labor, civil and tax risks	1,006	1,294
Provision for disposal of assets	629	677
Deferred income tax liability on amortization of goodwill of companies acquired	(40,750)	(40,738)
Deferred tax liability arising from fair value allocation of business combinations	(2,514)	(2,850)
Accrued liabilities and others	5,170	7,814
Total	(27,539)	(23,062)
Assets	-	-
Liabilities	(27,539)	(23,062)



## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 19. Income tax and social contribution--Continued

#### a) Deferred income tax and social contribution--Continued

	Consolidated	
	6/30/2018	12/31/2017
Tax loss carryforwards	76,145	76,945
Temporary differences:		
Provision for labor, civil and tax risks	2,967	3,818
Provision for disposal of assets	1,927	3,155
Accrued liabilities	5,531	11,551
Asset appreciation and difference between accounting and tax law depreciation rates	21,841	20,705
Deferred income tax liability on amortization of goodwill of companies acquired and merged and/or derived from fair value allocation of business combinations	(188,890)	(185,109)
Other temporary differences	(1,003)	190
	<b>(81,482)</b>	<b>(68,745)</b>
Assets	157	877
Liabilities	<b>(81,639)</b>	<b>(69,622)</b>
	<b>(81,482)</b>	<b>(68,745)</b>

In accordance with CPC 32, the Company, based on the expected generation of future taxable profits and based on a technical study approved by Management, recognizes the tax assets and liabilities on the deductible temporary differences and on the accumulated tax losses, which can be carried forward indefinitely and can be utilized up to the limit of 30% of the annual taxable profits. The carrying amount of the deferred tax asset and liability is reviewed quarterly and the projections are reviewed annually.

#### b) Realization of deferred income tax and social contribution

Based on the history of realization of assets and liabilities that gave rise to the balance of deferred income tax and social contribution, as well as the projected profit or loss for the next years, the realization schedule was estimated as follows:

	Parent	Consolidated
Up to 1 year	3,468	19,042
From 1 to 2 years	335	7,503
From 2 to 3 years	735	11,100
From 3 to 5 years	2,514	30,068
From 5 to 7 years	6,006	19,577
From 7 to 10 years	2,667	29,074
	<b>15,725</b>	<b>116,364</b>

As of June 30, 2018, the Group has tax loss carryforwards amounting to R\$296,271 (R\$261,303 as of December 31, 2017) for which it recognized a deferred tax asset up to the amount that can be offset against future taxable profits.

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**19. Income tax and social contribution--Continued****b) Reconciliation of income tax and social contribution at statutory and effective rates**

	<b>Parent</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>
Profit (loss) before income tax and social contribution	<b>696</b>	(2,784)
Statutory tax rate	<b>34%</b>	34%
Income tax and social contribution benefit (expense) at statutory rate	<b>(237)</b>	947
Adjustments made:		
Permanent differences (*)	<b>(1,450)</b>	(640)
Share of profit (loss) of investees	<b>1,819</b>	5,708
Deferred income tax credits on tax loss carryforwards not recognized or recognized on losses/bases of prior years	<b>(4,511)</b>	(5,116)
Other permanent differences	<b>(161)</b>	(337)
Income tax and social contribution	<b>(4,540)</b>	562
Current	<b>(63)</b>	-
Deferred	<b>(4,477)</b>	562
	<b>(4,540)</b>	562
	<b>Consolidated</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>
Profit before income tax and social contribution	<b>8,190</b>	6,803
Statutory tax rate	<b>34%</b>	34%
Income tax and social contribution benefit (expense) at statutory rate	<b>(2,785)</b>	(2,313)
Adjustments made:		
Permanent differences (*)	<b>(1,960)</b>	(743)
Effect on differences of statutory tax rates of foreign subsidiaries	<b>509</b>	(179)
Deferred income tax credits on tax loss carryforwards not recognized or recognized on losses/bases of prior years	<b>(8,466)</b>	(2,407)
Others	<b>668</b>	(3,383)
Income tax and social contribution	<b>(12,034)</b>	(9,025)
Current	<b>(4,588)</b>	(5,404)
Deferred	<b>(7,446)</b>	(3,621)
	<b>(12,034)</b>	(9,025)

(\*) Include: (a) expenses on foreign subsidiaries' nondeductible depreciation or amortization expenses; (b) share of profit (loss) of investees expenses; and (ii) other nondeductible expenses.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 20. Equity

In November 2017, the Company completed the secondary public offering of shares, conducted in accordance with CVM Instruction 476 ("Restricted Offering"), with the distribution of 21,990,290 shares held by Semolina Fundo de Investimento em Participações Multiestratégia and 33,583,791 shares held by Fundo de Investimento em Participações Multiestratégia - Brasil Empreendimentos.

With this transaction, the interest of Advent International Corporation ("Advent") in the Company through its investments in the FIPs mentioned above, became 9.99%.

#### a) Capital

The Company is authorized to increase capital by up to 40,584,077 common shares without par value.

As of June 30, 2018, the Company's capital comprises 166,531,600 shares that represent an amount of R\$876,281 (R\$876,281 as of December 31, 2017).

At the Extraordinary General Meeting held on June 12, 2017, the Company's Board of Directors approved the reduction of the Company's capital by R\$48,333, without reduction in the number of shares, which was carried out on September 21, 2017.

#### b) Capital reserve

In 2017, the Company's Board of Directors approved the utilization of the capital reserve to absorb the balance of accumulated losses as of December 31, 2016 in the amount of R\$104,097.

#### c) Allocation of profit

A portion of 5% of the profit shall be deducted to recognize the legal reserve, which cannot exceed 20% of the capital.

Shareholders are entitled to a noncumulative annual dividend of at least 25% of the profit, in conformity with Article 202 of Law 6404/76.

The remaining balance, after deducting legal costs, shall be allocated as decided by the Annual Shareholders' Meeting, in conformity with applicable legislation.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 20. Equity--Continued

#### d) Allocation of profit--Continued

In conformity with applicable legal provisions and as decided by the Annual Shareholders' Meeting, the Company may pay to its shareholders interest on capital which may be deducted from the mandatory minimum dividend.

As of December 31, 2017, Management proposed dividends amounting to R\$ 871, which correspond to 25% of the profit for the year after the recognition of the legal reserve.

#### e) Treasury shares

On May 18, 2017, the Company's Board of Directors approved the new "Program to Buy Back" shares effective until May 17, 2018 and for a volume of up to 5,169,159 common shares in order to generate value for the shareholders. Thus, in the second quarter of 2017, the Company acquired 1,500,000 common shares at the average price of R\$ 5.40. The amount disbursed was R\$ 8,106.

The activity in treasury shares in the six-month period ended June 30, 2018 was as follows:

	<b>Number of shares</b>	<b>Amount</b>	<b>Average price per share - R\$</b>
Balance as of December 31, 2017	3,950,000	20,714	5.24
(-) Stock options exercised	(223,000)	(1,169)	5.24
Balance as of June 30, 2018	<b>3,727,000</b>	<b>19,545</b>	5.24

#### f) Other comprehensive income (loss)

Refer to differences arising on translating foreign currency-denominated profit or loss calculated on the equity of foreign subsidiaries.

## **International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### **21. Share-based payment plan**

Under the Stock Option Plan ("Stock Option Plan - 2015"), approved at the Extraordinary General Meeting held on April 30, 2015, the Company's and its subsidiaries' management and employees ("Beneficiaries") are eligible to receive stock options for common shares issued by the Company ("Option").

The granting of Options must meet the maximum limit of 8,326,580 common shares, corresponding to 5% of the Company's capital.

The Stock Option Plan – 2015 is managed by the Company's Board of Directors or, at its discretion, by the Compensation Committee ("Committee"), and, where applicable, its members will have full powers to, subject to the terms and conditions of the plan and, in the case of the Committee, the guidelines of the Company's Board of Directors, organize and manage the plan and the stock option agreements within its scope.

The Board of Directors or the Committee, where appropriate, will define: (a) the Beneficiaries; (b) the total number of Company's shares subject to grant; (c) the division of grant in lots, if applicable; (d) the exercise price; (e) possible restrictions on the shares received through the exercise of the option; and (f) possible provisions on penalties, in conformity with the general guidelines set forth in the Plan, and will determine the terms and conditions of each option in a Stock Option Agreement ("Agreement"), to be entered into among the Company and each Beneficiary. The Agreement will define the number and class of shares which the Beneficiary will be entitled to acquire or subscribe upon exercise of the option and any other terms and conditions, in conformity with the general guidelines set forth in the Plan.

The exercise price is updated monthly by the fluctuation of the Extended Consumer Price Index (IPCA) or the variation of the General Market Price Index from Fundação Getúlio Varagas (IGP-M/FGV) from the grant date.

Subject to the condition of remaining in the Company, at every 12 months the Beneficiaries will acquire the right to exercise the percentage of vested options set out in each Agreement, within a maximum period of up to two years after the vesting period.

The options will be exercised through the issuance of new shares and/or disposal of treasury shares held by the Company, based on the option to be adopted by the Board of Directors or Committee.

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 21. Share-based payment plan--Continued

With characteristics similar to the Stock Option Plan - 2015, on October 27, 2017, the Board of Directors approved the Stock Options Plan - 2017 with option grants limited to 4,550,000 common shares, equivalent on that date to 2.73% of the Company's capital. Different from Stock Option Plan - 2015, under this plan, the beneficiaries may exercise the vested options within a maximum period of six months after the vesting period.

The position of the granted options outstanding as of June 30, 2018 is as follows:

Exercise of grant	Number of shares				Fair value of the option <sup>(1)</sup>	Exercise price <sup>(1)</sup>	
	Granted	Not exercised due to withdrawal <sup>(3)</sup>	Exercised	Outstanding		On grant	Updated
Stock Option Plan - 2015							
2015	2,700,000	(1,508,000)	(992,000)	200,000	4.75 <sup>(4)</sup>	4.00 <sup>(5)</sup>	4.49
2016 <sup>(2)</sup>	3,900,000	(1,067,000)	(1,133,000)	1,700,000	2.19	4.00	4.27
2017	4,050,000	(680,000)	(248,000)	3,122,000	3.01	6.84	7.26
	<b>10,650,000</b>	<b>(3,255,000)</b>	<b>(2,373,000)</b>	<b>5,022,000</b>			
Stock Option Plan - 2017							
2017	4,300,000	(200,000)	-	4,100,000	2.40	9.48	9.91
2018	100,000	-	-	100,000	1.82	8.75	9.18
	<b>4,400,000</b>	<b>(200,000)</b>	<b>-</b>	<b>4,200,000</b>			
	<b>15,050,000</b>	<b>(3,455,000)</b>	<b>(2,373,000)</b>	<b>9,222,000</b>			

(1) Amounts expressed in R\$.

(2) On March 24, 2016, the programs that had the grant carried out in 2015 were amended as follows: (i) the number of shares granted in each plan was increased by approximately 50%; (ii) the exercise price was set at R\$4.00 per share, subject to the variation of the General Market Price Index (IGP-M/FGV), from January 1, 2016 to the actual payment date. The amendment to the original stock option plan generated an incremental cost of R\$1,528.

(3) As set out in the grant agreement, the beneficiaries who resigned and/or are terminated from the Company lose the right to exercise the non-vested options.

(4) Corresponds to the fair value of the stock option plan at the grant date, without the impact of the clauses amended in 2016.

(5) Exercise price set in amendment of March 24, 2016.

The activity in granted options outstanding as of June 30, 2018 is as follows:

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**21. Share-based payment plan--Continued**

	<b>Stock Option Plan - 2015</b>	<b>Stock Option Plan - 2017</b>	<b>Total</b>
Number of options outstanding as of December 31, 2016	4,325,000	-	4,325,000
(+) Options granted in 2017	4,050,000	4,300,000	8,350,000
(-) Not exercised due to withdrawal			
2017 grant	(500,000)	-	(500,000)
2016 grant	(200,000)	-	(200,000)
2015 grant	(200,000)	-	(200,000)
(-) Exercised			
2017 grant	(75,000)	-	(75,000)
2016 grant	(1,050,000)	-	(1,050,000)
2015 grant	(925,000)	-	(925,000)
Number of options outstanding as of December 31, 2017	5,425,000	4,300,000	9,725,000
(+) Options granted in 2018	-	100,000	100,000
(-) Not exercised due to withdrawal			
2017 grant	(180,000)	(200,000)	(380,000)
2016 grant	-	-	-
2015 grant	-	-	-
(-) Exercised			
2017 grant	(173,000)	-	(173,000)
2016 grant	(50,000)	-	(50,000)
2015 grant	-	-	-
<b>Number of options outstanding as of June 30, 2018</b>	<b>5,022,000</b>	<b>4,200,000</b>	<b>9,222,000</b>

The fair value of the options was calculated on the grant date of each plan and based on the "Black & Scholes" pricing model. The effects were reflected in line item 'General and administrative expenses' in the statement of profit or loss, and in line item 'Reserve for stock option plan' in equity, as follows:

<b>Exercise of grant</b>	<b>As of 6/30/2018</b>	<b>Amounts to be recorded in future periods <sup>(1)</sup></b>
Stock Option Plan - 2015		
2015	5,531	128
2016 <sup>(2)</sup>	5,595	617
2017	5,049	5,096
	<b>16,175</b>	<b>5,841</b>
Stock Option Plan - 2017		
2017	2,539	7,307
2018	6	177
	<b>2,545</b>	<b>7,484</b>
<b>Total</b>	<b>18,720</b>	<b>13,325</b>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 21. Share-based payment plan--Continued

- (1) The weighted average of the remaining contractual period is of 28 months.
- (2) On March 24, 2016, the programs that had the grant carried out in 2015 were amended as follows: (i) the number of shares granted in each plan was increased by approximately 50%; (ii) the exercise price was set at R\$4.00 per share, subject to the variation of the General Market Price Index (IGP-M/FGV), from January 1, 2016 to the actual payment date. The amendment to the original stock option plan generated an incremental cost of R\$1,528.

In determining the fair value of stock options, the following economic assumptions were used:

	<b>Weighted average</b>
Expected life of the option <sup>(1)</sup>	<b>3.9 years</b>
Volatility <sup>(2)</sup>	<b>44.6%</b>
Risk-free rate <sup>(3)</sup>	<b>5.5%</b>

- (1) Represents the period in which it is believed that the options will be exercised and was determined based on the assumption that the beneficiaries will exercise their options within the limit of maturity;
- (2) The estimated volatility took into consideration the weighing of the history of trading of Company shares.
- (3) The Company used as risk-free interest rate the reference rate of BM&F available at the calculation date and with maturity equivalent to the option term.

### 22. Net revenue

	<b>Parent</b>		<b>Consolidated</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
Gross revenue	<b>90,630</b>	79,286	<b>802,993</b>	780,981
Taxes on sales	<b>(4,439)</b>	(7,616)	<b>(29,185)</b>	(43,942)
Returns and rebates	<b>(492)</b>	(317)	<b>(14,314)</b>	(9,516)
	<b>85,699</b>	71,353	<b>759,494</b>	727,523



**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**23. Selling and operating expenses**

	<b>Parent</b>		<b>Consolidated</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
Payroll	<b>(2,687)</b>	(4,328)	<b>(7,744)</b>	(11,564)
Publicity and advertising	<b>(258)</b>	(515)	<b>(13,939)</b>	(11,219)
Rental expenses	<b>(4,731)</b>	(4,937)	<b>(74,184)</b>	(71,874)
Third party services	<b>(1,426)</b>	(1,241)	<b>(18,259)</b>	(17,239)
Credit and debit card fees	<b>(120)</b>	(241)	<b>(9,375)</b>	(9,605)
Royalties	-	(81)	<b>(11,180)</b>	(10,001)
Maintenance	<b>(19)</b>	(41)	<b>(7,738)</b>	(6,358)
Logistics	<b>(538)</b>	(421)	<b>(2,252)</b>	(1,979)
Communication infrastructure	<b>(407)</b>	(305)	<b>(2,082)</b>	(1,600)
Fees and charges	<b>(168)</b>	(228)	<b>(5,878)</b>	(5,766)
Other expenses	<b>(349)</b>	(551)	<b>(8,855)</b>	(9,158)
	<b>(10,703)</b>	(12,889)	<b>(161,486)</b>	(156,363)

**24. General and administrative expenses**

	<b>Parent</b>		<b>Consolidated</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
Payroll	<b>(16,510)</b>	(18,359)	<b>(29,089)</b>	(30,732)
Office rental	<b>(587)</b>	(381)	<b>(1,293)</b>	(788)
Third party services	<b>(3,652)</b>	(3,269)	<b>(8,372)</b>	(5,666)
Travel expenses	<b>(406)</b>	(338)	<b>(1,311)</b>	(1,087)
Maintenance and utilities	<b>(1,016)</b>	(791)	<b>(1,853)</b>	(1,397)
Share-based payments	<b>(4,995)</b>	(1,841)	<b>(4,995)</b>	(1,841)
Store launchings	-	(36)	<b>(3,429)</b>	(1,939)
Expense recovery – apportionment among related parties	<b>16,225</b>	14,243	-	-
Other general and administrative expenses	<b>(1,941)</b>	(1,308)	<b>(2,879)</b>	(2,321)
Total	<b>(12,882)</b>	(12,080)	<b>(53,221)</b>	(45,771)

**International Meal Company Alimentação S.A. and Subsidiaries**

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

**25. Other operating income (expenses), net**

	Parent		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Other expenses:				
Loss on sale and/or write-off of fixed assets	-	(2)	(59)	(97)
Provision for labor, civil and tax risks, net of reversals	(1,117)	(1,016)	(3,970)	(1,604)
Costs with closure of stores	(1,196)	-	(412)	-
Other expenses	-	(1,192)	(1,627)	(463)
	<b>(2,313)</b>	<b>(2,210)</b>	<b>(6,068)</b>	<b>(2,164)</b>
Other income:				
Rebates and commercial agreements	243	769	1,645	2,678
Sales of fixed assets and commercial rights	-	82	10	348
Recovery of tax credits	738	241	1,827	7,374
Other income	202	-	435	213
	<b>1,183</b>	<b>1,092</b>	<b>3,917</b>	<b>10,613</b>
Total, net	<b>(1,130)</b>	<b>(1,118)</b>	<b>(2,151)</b>	<b>8,449</b>

**26. Finance income (expense), net**

	Parent		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Finance income:				
Income from financial investments	-	420	1,736	4,092
Inflation adjustment gains	943	-	3,004	-
Exchange gains	336	-	342	-
Financial discount granted on payment of installments of business acquisitions	-	-	-	85
Other finance income	225	199	1,873	924
	<b>1,504</b>	<b>619</b>	<b>6,955</b>	<b>5,101</b>
Finance expense:				
Interest on borrowings	(27)	(686)	(5,291)	(5,062)
Interest on business acquisitions and acquisitions of commercial rights	-	-	(958)	(880)
Exchange losses	(2,819)	(291)	(2,322)	(115)
Inflation adjustment, interest and banking fees	-	(1,161)	(1,731)	(1,837)
Others	(76)	(68)	-	(169)
	<b>(2,922)</b>	<b>(2,206)</b>	<b>(10,302)</b>	<b>(8,063)</b>
Total, net	<b>(1,418)</b>	<b>(1,587)</b>	<b>(3,347)</b>	<b>(2,962)</b>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 27. Expenses by nature

	Parent		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Inventory costs	(22,896)	(20,960)	(265,463)	(258,346)
Personnel expenses	(51,098)	(51,649)	(242,571)	(239,538)
Selling expenses	(258)	(515)	(13,939)	(11,219)
Third party services	(5,078)	(4,513)	(26,747)	(23,067)
Operating expenses	(13,065)	(12,615)	(148,634)	(141,075)
Depreciation and amortization	(8,465)	(9,541)	(38,298)	(42,402)
Expense recovery – related parties	16,225	14,243	-	-
Amortization of investment in joint venture	-	-	(1,069)	(993)
Share of profit (loss) of investees	5,348	16,782	5,881	4,679
Other expenses	(3,168)	(2,664)	(14,966)	(14,246)
	<b>(82,455)</b>	<b>(71,432)</b>	<b>(745,806)</b>	<b>(726,207)</b>
Classified as:				
Cost of sales and services	(58,255)	(56,572)	(522,124)	(512,698)
Selling and operating expenses	(10,703)	(12,889)	(161,486)	(156,363)
General and administrative expenses	(12,882)	(12,080)	(53,221)	(45,771)
Depreciation and amortization	(5,963)	(6,673)	(13,787)	(15,061)
Share of profit (loss) of investees	5,348	16,782	4,812	3,686
	<b>(82,455)</b>	<b>(71,432)</b>	<b>(745,806)</b>	<b>(726,207)</b>

### 28. Related parties

The subsidiaries conduct intragroup purchases and apportion intragroup expenses, relating to services contracted, employees' salary and others, which have been fully eliminated in the preparation of the consolidated financial statements. Intragroup purchase transactions are carried out under conditions established between the parties: The transactions between the Company and its related parties are as follows:

#### a) Transactions recognized in the statement of profit or loss

	Parent	
	6/30/2018	6/30/2017
<u>Sales transactions</u>		
Viena Chain	1,029	1,354
Frango Assado Chain	83	118
	<b>1,112</b>	<b>1,472</b>
<u>Reimbursement of expenses</u>		
Viena Chain	13,910	8,592
Frango Assado Chain	2,315	5,651
	<b>16,225</b>	<b>14,243</b>

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 28. Related parties--Continued

#### b) Assets

	Parent	
	6/30/2018	12/31/2017
Viena Chain	-	4,370
Frango Assado Chain	1,875	1,043
	<u>1,875</u>	<u>5,413</u>

#### c) Liabilities

	Parent	
	6/30/2018	12/31/2017
Tob's	2,934	1,108
Panama	85,492	81,688
	<u>88,426</u>	<u>82,796</u>

The guarantees provided by Group companies for own or related-party financing are disclosed in Note 16.

### 29. Compensation of key management personnel

For the six-month period ended June 30, 2018, key management compensation totaled R\$7,295 (R\$4,605 as of June 30, 2017) in Parent and Consolidated, out of which R\$3,938 (R\$1,841 as of June 30, 2017) related to the share-based payment plan. This amount was recorded in line item "General and administrative expenses". Management does not have post-retirement benefits or other short- and long-term benefits.

### 30. Insurance

The Group has an insurance policy that considers principally risk of concentration and its materiality, providing insurance coverage considered sufficient in light of the type of business and according to advice from insurance brokers.

As of June 30, 2018, insurance coverage is as follows:

## International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais - R\$, unless otherwise stated)

### 30. Insurance--Continued

	<u>Consolidated</u>
Civil liability	55,737
Sundry risks - inventories and property, plant and equipment	760,672
Vehicles	69,103
Others	95,026
	<u>980,538</u>

### 31. Earnings (loss) per share

#### Basic

Basic earnings (loss) per share are calculated by dividing profit (loss) for the period by the weighted average number of common shares in the period.

#### Diluted

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of outstanding common shares, considering the conversion of all potential common shares that would result in dilution.

The table below shows the calculation of earnings (loss) per share pursuant to CPC 41/IAS 33- Earnings per Share:

	<u>Parent and Consolidated</u>	
	<u>6/30/2018</u>	<u>6/30/2017</u>
Basic and diluted numerator		
Loss for the period attributable to Company's shareholders used to calculate total basic and diluted loss per share	(3,844)	(2,222)
Outstanding shares:		
Basic denominator (thousands of shares)	162,663	161,769
Weighted average number of available shares	<u>162,663</u>	<u>161,769</u>
Basic and diluted loss per share - R\$	(0.02363)	(0.01374)

### 32. Authorization of the individual and consolidated interim financial information

The meeting of the Board of Directors held on August 13, 2018 approved and authorized for disclosure this individual and consolidated interim financial information.

### **Comments on the business projections**

There are no comments to be reported

### **Other relevant information**

There is no relevant information to be disclosure.

**A free translation from Portuguese into English of Independent Auditor's Report on Review of Quarterly Financial Information**

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## **Independent auditor's report on review of quarterly financial information**

The Shareholders and Officers  
**International Meal Company Alimentação S.A.**  
São Paulo – SP – Brazil

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of International Meal Company Alimentação S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2018, which comprise the balance sheet as at June 30, 2018 and the related statements of income and comprehensive income for the three and six-month periods then ended, and of changes in equity and cash flows for the six-month period then ended, including other explanatory information.

Management is responsible for the preparation of individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) - *Demonstração Intermediária* and International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of the review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*) and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with audit standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion on the interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of quarterly financial information (ITR), consistently with the rules issued by the CVM.

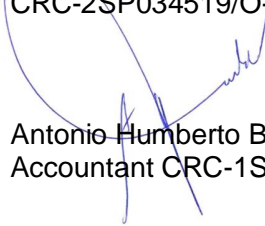
## **Other matters**

### **Statements of value added**

We have also reviewed the individual and consolidated statements of value added for the six-month period ended June 30, 2018, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the rules issued by the CVM applicable to preparation of Quarterly Financial Information (ITR), and considered as supplementary information under IFRS – International Financial Reporting Standards, which does not require the presentation of the statement of value added. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in a manner consistent with the overall individual and consolidated interim financial information.

São Paulo, August 13, 2018.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6



Antonio Humberto Barros dos Santos  
Accountant CRC-1SP161745/O-3

**Opinion of the supervisory board or equivalent institute**

Not applicable

## **Opinion of Executive Board on the Financial Statements**

In accordance with section VI of article 25 of CVM Instruction 480, of December 7, 2009, the Board states that in the reviewed, discussed and agreed with the Company's Interim Financial Information Form (ITR), for the year end June 30, 2018.

São Paulo, August 13, 2018.

Newtom Maia Salomão Alves  
Chief Executive Officer

José Agote  
Chief Financial Officer

### **Opinion of Executive Board on Independent Auditor's Report**

In accordance with section V of article 25 of CVM Instruction 480, of December 7, 2009, the Board states that in the reviewed, discussed and agreed with the Independent Auditors' Report on the Company's Interim Financial Information Form (ITR) , for the year end June 30, 2018.

São Paulo, August 13, 2018.

Newtom Maia Salomão Alves  
Chief Executive Officer

José Agote  
Chief Financial Officer