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Information From Company / Paid-up Capital

Number of shares (Units)	Current Quarter 03/31/2017
Paid-in Capital	
Common	166,531,600
Preferred	0
Total	166,531,600
Treasury shares	
Common	4,075,000
Preferred	0
Total	4,075,000

Individual FSs / Statements of Financial Positions - Assets**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Current Period 03/31/2017	Previous Period 12/31/2016
1	Total Assets	1,121,708	1,149,581
1.01	Total Current Assets	49,125	54,492
1.01.01	Cash and Cash Equivalents	11,116	14,673
1.01.03	Trade receivables	16,368	16,932
1.01.04	Inventories	4,167	4,363
1.01.06	Taxes recoverable	13,629	15,404
1.01.07	Prepaid Expenses	3,306	2,424
1.01.08	Other Current Assets	539	696
1.01.08.03	Other current assets	539	696
1.01.08.03.01	Other assets and advances	539	518
1.01.08.03.02	Derivatives – “Swap”	0	178
1.02	Total Noncurrent Assets	1,072,583	1,095,089
1.02.01	Assets Realizable over the Long Term	13,607	24,572
1.02.01.01	Short-term investments	350	589
1.02.01.03	Trade receivables	956	969
1.02.01.08	Receivables from Related Parties	1,005	12,473
1.02.01.09	Other Noncurrent Assets	11,296	10,541
1.02.01.09.03	Judicial Deposits	4,505	4,335
1.02.01.09.05	Other Noncurrent Assets	6,791	6,206
1.02.02	Investments	884,121	891,940
1.02.03	Property, Plant and Equipment	31,702	32,501
1.02.04	Intangible assets	143,153	146,076

Individual FSs / Statements of Financial Positions - Liabilities**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Current Period 03/31/2017	Previous Period 12/31/2016
2	Liabilities and equity	1,121,708	1,149,581
2.01	Current liabilities	43,577	68,945
2.01.01	Payroll and related taxes	19,984	18,365
2.01.02	Trade Payables	20,157	27,550
2.01.03	Taxes payable	884	9,518
2.01.04	Borrowings	936	11,495
2.01.05	Other Obligations	1,616	2,017
2.01.05.02	Others	1,616	2,017
2.02	Total Noncurrent Liabilities	67,439	49,982
2.02.01	Borrowings	380	451
2.02.02	Other Obligations	29,259	16,793
2.02.03	Deferred Taxes	29,004	23,922
2.02.03.01	Deferred income tax and social contribution	29,004	23,922
2.02.04	Provisions	7,317	7,253
2.02.04.01	Provisions For Labor, Civil and Tax Risks	7,317	7,253
2.02.06	Deferred revenue	1,479	1,563
2.02.06.02	Deferred revenue	1,479	1,563
2.03	Equity	1,010,692	1,030,654
2.03.01	Issued capital	924,614	924,614
2.03.02	Capital Reserve	231,097	228,161
2.03.05	Accumulated losses	-121,178	-104,097
2.03.08	Other Comprehensive Income	-23,841	-18,024

Individual FSs / Statements of profit or loss**Financial Statements in Thousands of Reais**

		Accumulated in the Current Period 01/01/2016 to 12/31/2016	Accumulated in Previous Period 01/01/2015 to 12/31/2015
Account Code	Description of Account		
3.01	Net Revenue	35,732	45,444
3.02	Cost of sales and Services	-28,566	-32,967
3.03	Gross Profit	7,166	12,477
3.04	Operating Income (Expenses)	-19,257	-48,935
3.04.01	Selling and operating expenses	-6,560	-10,847
3.04.01.01	Selling and operating expenses	-6,560	-10,847
3.04.02	General and Administrative Expenses	-10,298	-11,386
3.04.02.01	General and Administrative Expenses	-6,803	-6,910
3.04.02.02	Depreciation and amortization	-3,495	-4,476
3.04.04	Other Operating Income	439	1,380
3.04.05	Other Operating Expenses	-836	-1,162
3.04.06	Share of profit (loss) of investees	-2,002	-26,920
	Operating Profit (Loss) Before Finance Income (Costs)		
3.05	and Income Tax and Social Contribution	-12,091	-36,458
3.06	Financial Income (expenses), Net	92	3,449
3.07	Loss Before Income Tax and Social Contribution	-11,999	-33,009
3.08	Income Tax and Social Contribution	-5,082	5,620
	Profit (loss) for the period from continuing		
3.09	operations	-17,081	-27,389
3.10	Profit for the period from discontinued operations	0	3,972
3.11	Profit (Loss) in the Period	-17,081	-23,417
3.99	Earnings (loss) per share – R\$		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	-0.10256	-0.14395
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	-0.10256	-0.14395

Individual FSs / Statements of Comprehensive Loss**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
4.01	Profit (loss) for the period	-17,081	-23,417
4.02	Losses on foreign currency translation adjustments	-5,817	-87,311
4.03	Total Comprehensive loss for the period	-22,898	-110,728

Individual FSs / Statements of Cash Flows - Indirect Method
Financial Statements in Thousands of Reais

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
6.01	Net cash provided by (used in) operating activities	10,538	1,290
6.01.01	Cash Provided by Operating Activities	-574	4,160
6.01.01.01	Loss for the period from continuing operations	-17,081	-27,389
6.01.01.02	Depreciation and Amortization	4,902	6,233
6.01.01.03	Equity in Subsidiaries	2,002	26,920
6.01.01.04	Deferred revenue and discounts	-485	-430
6.01.01.05	Provision for (reversal of) labor, civil and tax risks	546	359
6.01.01.06	Income tax and social contribution	5,082	-5,620
6.01.01.07	Interest on Borrowings	679	367
6.01.01.08	Write-off of Property, Plant and Equipment and Intangible Assets	11,115	5,159
6.01.01.09	Interest on Acquisition of Companies and Rights Over Point of Sales	0	1,745
6.01.01.10	Share of profit (loss) of investees	2,694	-2,512
6.01.01.13	Share-based payment	1,105	1,457
6.01.01.15	Impairment of property, plant and equipment and intangible assets (utilization)	-10,788	-3,440
6.01.01.16	Exchange gains (losses)	-345	1,311
6.01.02	Changes in Operating Assets and Liabilities	16,465	-2,090
6.01.02.01	Trade receivables	565	2,012
6.01.02.02	Inventories	196	-1,222
6.01.02.03	Taxes recoverable	467	-2,708
6.01.02.04	Prepaid Expenses	-882	-2,515
6.01.02.05	Trade Payables	-13,481	3,962
6.01.02.06	Related Parties	23,934	0
6.01.02.07	Other Assets and Liabilities	5,666	-1,619
6.01.03	Others	-5,353	-780
6.01.03.01	Income tax and social contribution paid	-5,353	0
6.01.03.02	Interest paid on borrowings	0	-735
6.01.03.03	Interest paid on acquisitions of companies and rights over points of sales	0	-45
6.02	Net Cash Used in Investing Activities	-4,824	-130,045
6.02.01	Additions to intangible assets, net of balance payable in installments	0	-2,939
6.02.02	Additions to property, plant and equipment, net of balance payable in installments.	-4,824	-1,724
6.02.06	Capital increase in subsidiaries	0	-20,012
6.02.07	Borrowing granted to Parent, net of returns	0	-105,370
6.03	Net Cash Provided By (Used in) Financing Activities	-9,271	46,145
6.03.01	Payment of borrowings	-11,102	-238
6.03.07	Capital increase	0	46,383
6.03.08	Purchase of treasury shares	1,831	0
6.05	Net change in the period	-3,557	-82,610

Individual FSs / Statements of Cash Flows - Indirect Method
Financial Statements in Thousands of Reais

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
6.05.01	Cash and Cash Equivalents at the beginning of the period	14,673	233,996
6.05.02	Cash and Cash Equivalents at the end of period	11,116	151,386

Individual FSs / Statements of Changes in Equity 01/01/2017 to 03/31/2017**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Capital	Capital Reserves. Options Granted and Shares in Treasury	Earnings Reserves	Retained Earnings (Profits or Losses Accumulated)	Other Comprehensive Income	Total Equity
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 increase	0	2,936	0	0	0	2,936
5.04.08	Stock option plan	0	1,105	0	0	0	1,105
5.04.11	Treasury shares sold	0	1,831	0	0	0	1,831
5.05	Total Comprehensive loss	0	0	0	-17,081	-5,817	-22,898
5.05.01	Profit in the Period	0	0	0	-17,081	0	-17,081
5.05.02	Other comprehensive loss	0	0	0	0	-5,817	-5,817
5.05.02.04	Losses on foreign currency translation adjustments	0	0	0	0	-5,817	-5,817
5.07	End Balances	924,614	231,097	0	-121,178	-23,841	1,010,692

Individual FSs / Statements of Changes in Shareholders' Equity 01/01/2016 to 03/31/2016**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Capital	Capital Reserves, Options Granted and Shares in Treasury	Earnings Reserves	Retained Earnings (Accumulated Profits or Losses)	Other Comprehensive Income	Total Equity
5.01	Initial Balances	908,256	214,406	0	-27,667	97,134	1,192,129
5.03	Initial Adjusted Balances	908,256	214,406	0	-27,667	97,134	1,192,129
5.04	Capital Transactions with the Partners	11,596	36,244	0	0	0	47,840
5.04.01	Capital Increase	11,596	34,787	0	0	0	46,383
5.04.08	Stock option plan	0	1,457	0	0	0	1,457
5.05	Total Comprehensive loss	0	0	0	-23,417	-87,311	-110,728
5.05.01	Profit in the Period	0	0	0	-23,417	0	-23,417
5.05.02	Other comprehensive loss	0	0	0	0	-87,311	-87,311
5.05.02.04	Translation adjustments in the statement of financial position of foreign subsidiaries	0	0	0	0	-5,151	-5,151
5.05.02.08	Reclassification of foreign currency translation adjustments from discontinued operations to statement of loss	0	0	0	0	-82,160	-82,160
5.07	End Balances	919,852	250,650	0	-51,084	9,823	1,129,241

Individual FSs / Statements of Value Added**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Accumulated in the Current Period	Accumulated in Previous Period
		01/01/2017 to 03/31/2017	01/01/2016 to 03/31/2016
7.01	Revenues	40,223	52,128
7.01.01	Sales of Goods, Products and Services	39,796	50,764
7.01.02	Other Revenues	439	1,380
7.01.04	Allowance for Doubtful Debts	-12	-16
7.02	Input Acquired from Third Parties	-12,304	-17,247
7.02.01	Cost of Sales and Services	-10,562	-12,355
	Materials, Electric power, outside services and		
7.02.02	others	-6,138	-7,568
7.02.04	Others	4,396	2,676
7.03	Gross Value Added	27,919	34,881
7.04	Retentions	-4,902	-6,233
7.04.01	Depreciation, Amortization	-4,902	-6,233
7.05	Wealth Created by the Company	23,017	28,648
7.06	Wealth Received In Transfer	-1,231	-20,463
7.06.01	Share of profit (loss) of investees	-2,002	-26,920
7.06.02	Finance Income	426	7,768
7.06.03	Others	345	-1,311
7.06.03.01	Exchange rate changes	345	-1,311
7.07	Total Wealth For Distribution	21,786	8,185
7.08	Wealth Distributed	21,786	8,185
7.08.01	Personnel	26,419	27,632
7.08.01.01	Payroll and Related Taxes	22,326	24,781
7.08.01.04	Others	4,093	2,851
7.08.01.04.01	Management Fees	2,988	1,394
7.08.01.04.02	Share-based payment	1,105	1,457
7.08.02	Taxes, Fees and Contributions	8,979	-496
7.08.03	Lenders and Lessors	3,469	8,438
7.08.03.01	Interest	679	2,112
7.08.03.02	Royalties	2,745	6,241
7.08.03.03	Rentals	45	85
7.08.04	Shareholders	-17,081	-27,389
	Retained Earnings (Accumulated Losses) for The		
7.08.04.03	Period	-17,081	-27,389

Consolidated FSs / Statements of Financial Positions - Assets**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Current Period 03/31/2017	Previous Period 03/31/2016
1	Total Assets	1,445,260	1,503,408
1.01	Current Assets	312,425	348,983
1.01.01	Cash and Cash Equivalents	157,619	190,108
1.01.03	Trade Receivable	68,432	70,567
1.01.04	Inventories	32,260	35,101
1.01.06	Taxes Recoverable	33,310	33,995
1.01.07	Prepaid Expenses	7,645	5,782
1.01.08	Other Current Assets	13,159	13,430
1.01.08.03	Others Current Assets	13,159	13,430
1.01.08.03.01	Other assets and advances	9,654	8,261
1.01.08.03.02	Derivatives – “Swap”	3,505	5,169
1.02	Total Noncurrent Assets	1,132,835	1,154,425
1.02.01	Assets Realizable over the Long Term	36,091	36,053
1.02.01.01	Short-term investments	350	589
1.02.01.03	Trade Receivable	2,299	1,705
1.02.01.03.01	Customers	2,299	1,705
1.02.01.06	Deferred Income Tax and Social Contribution	268	626
1.02.01.06.01	Deferred Income Tax and Social Contribution	268	626
1.02.01.09	Other Noncurrent Assets	33,174	33,133
1.02.01.09.03	Judicial Deposits	14,707	13,992
1.02.01.09.05	Other Noncurrent Assets	16,715	17,742
1.03.01.09.06	Derivatives – “Swap”	1,752	1,399
1.02.02	Investments	28,173	29,169
1.02.03	Property, Plant and Equipment	242,412	252,429
1.02.04	Intangible assets	826,159	836,774

Consolidated FSs / Statements of Financial Positions - Liabilities**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Current Period 03/31/2017	Previous Period 03/31/2016
2	Liabilities and equity	1,445,260	1,503,408
2.01	Current liabilities	212,235	248,593
2.01.01	Payroll and related taxes	64,471	63,976
2.01.01.02	Payroll and related taxes	64,471	63,976
2.01.02	Trade Payables	65,670	85,815
2.01.03	Taxes payable	9,562	15,858
2.01.04	Borrowings	42,778	52,987
2.01.05	Other Obligations	29,754	29,957
2.01.05.02	Others	29,754	29,957
2.01.05.02.04	Deferred revenue	5,040	5,007
2.01.05.02.06	Installment payment of acquisitions of companies	7,054	5,786
2.01.05.02.07	Installment payment of rights over points of sales	3,051	3,024
2.01.05.02.08	Other Current Liabilities	14,609	16,140
2.02	Total Noncurrent Liabilities	212,547	214,019
2.02.01	Borrowings	67,477	76,292
2.02.02	Other Obligations	37,120	39,108
2.02.02.02	Others	37,120	39,108
2.02.02.02.03	Installment Payment of Business Acquisitions	26,297	28,021
2.02.02.02.05	Other Noncurrent Liabilities	10,823	11,087
2.02.03	Deferred Taxes	71,341	62,569
2.02.03.01	Deferred Income Tax and Social Contribution	71,341	62,569
2.02.04	Provisions	25,307	26,997
2.02.04.01	Provisions For Labor, Civil and Tax Risks	25,307	26,997
2.02.06	Deferred revenue	11,302	9,053
2.02.06.02	Deferred revenue	11,302	9,053
2.03	Equity	1,020,478	1,040,796
2.03.01	Issued Capital	924,614	924,614
2.03.02	Capital Reserve	231,097	228,161
2.03.05	Accumulated losses	-121,178	-104,097
2.03.08	Other Comprehensive Income	-23,841	-18,024
2.03.09	Non-Controlling Interest	9,786	10,142

Consolidated FSs / Statements of Profit or Loss**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
3.01	Net Revenue	350,663	388,483
3.02	Cost of Sales and Services	-253,386	-277,235
3.03	Gross Profit	97,277	111,248
3.04	Operating Income (Expenses)	-103,647	-119,741
3.04.01	Selling and Operating Expenses	-74,541	-84,873
3.04.01.01	Selling and Operating Expenses	-74,541	-84,873
3.04.02	General and Administrative Expenses	-31,653	-35,837
3.04.02.01	General and Administrative Expenses	-23,810	-26,222
3.04.02.02	Depreciation and amortization	-7,843	-9,615
3.04.04	Other Operating Income	1,995	2,491
3.04.05	Other Operating Expenses	-928	-3,719
3.04.06	Share of Profit (Loss) of Investees	1,480	2,197
3.05	Operating Profit (Loss) Before Finance Income (Cost) and Income Tax and Social Contribution	-6,370	-8,493
3.06	Finance Income (expens), Net	-627	-21,643
3.07	Loss Before Income Tax and Social Contribution	-6,997	-30,136
3.08	Income Tax and Social Contribution	-10,084	2,747
3.09	Profit (loss) for the Period from Continuing Operations	-17,081	-27,389
3.10	Profit for the period from Discontinued Operations	0	3,972
3.11	Profit (Loss) in the Period	-17,081	-23,417
3.11.01	Owners of the Company	-17,081	-23,417
3.99	Earnings (loss) per Share – R\$		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	-0.10256	-0.14395
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	-0.10256	-0.14395

Individual FSs / Statements of Comprehensive Loss**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
4.01	Profit Loss for the Period	-17,081	-23,417
4.02	Losses on foreign currency translation adjustments	-6,100	-88,374
4.03	Total Comprehensive loss for the period	-23,181	-111,791
4.03.01	Comprehensive loss attributable to owners of the Company	-22,898	-110,728
4.03.02	Non-Controlling interest	-283	-1,063

Consolidated FSs / Statements of Cash Flow - Indirect Method
Financial Statements in Thousands of Reais

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
6.01	Net cash generated by (used in) operating activities	-196	8,363
6.01.01	Cash Provided by Operating Activities	29,854	26,605
6.01.01.01	Loss for the period from continuing operations	-17,081	-27,389
6.01.01.02	Depreciation and Amortization	21,825	25,022
6.01.01.03	Equity in Subsidiaries	-1,970	-2,806
6.01.01.04	Deferred Income and Rebates Recognized	1,136	-952
6.01.01.05	Provision for Labor, Civil and Tax Risks	667	1,589
6.01.01.06	Income Tax and Social Contribution	10,084	-2,747
6.01.01.07	Interest on Loans	2,835	7,532
6.01.01.08	Write-off of Property, Plant and Equipment and Intangible Assets	20,129	3,788
6.01.01.09	Interest on Acquisition of Companies and Rights Over Point of Sales	519	2,845
6.01.01.10	Several Provisions and Others	10,003	-3,407
6.01.01.11	Amortization of Investment in Joint Venture	491	609
6.01.01.13	Share-based payment	1,105	1,457
6.01.01.15	Impairment of property, plant and equipment and intangible assets (utilization)	-19,578	-3,552
6.01.01.16	Exchange gains (losses)	-311	24,616
6.01.02	Changes in Operating Assets and Liabilities	-22,889	-6,914
6.01.02.01	Trade receivables	1,045	5,036
6.01.02.02	Inventories	3,352	2,243
6.01.02.03	Taxes recoverable	-323	-1,199
6.01.02.04	Prepaid Expenses	-1,944	-2,256
6.01.02.05	Trade Payables	-16,138	-7,126
6.01.02.07	Vendor allowance	1,147	21
6.01.02.08	Other Assets and Liabilities	-10,028	-3,633
6.01.03	Others	-7,161	-11,328
6.01.03.01	Income tax and social contribution paid	-6,990	-1,742
6.01.03.02	Interest paid on borrowings	-171	-7,448
6.01.03.03	Interest paid on acquisitions of companies and rights over points of sales	0	-2,138
6.02	Net Cash Used in Investing Activities	-14,098	77,266
6.02.01	Additions to intangible assets, net of balance payable in installments	-47	-3,029
6.02.02	Additions to property, plant and equipment, net of balance payable in installments.	-15,734	-12,661
6.02.03	Proceeds from sale of discontinued operation, net of transferred cash	0	169,080
6.02.04	Dividends received	1,797	2,067
6.02.05	Loans granted to Parent, net of returns	-114	-78,191
6.03	Net Cash Provided By (Used in) Financing Activities	-16,412	-15,519
6.03.01	Repayment of borrowings	-18,243	-61,902
6.03.05	Capital increase	0	46,383

Consolidated FSs / Statements of Cash Flow - Indirect Method
Financial Statements in Thousands of Reais

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
6.03.06	Purchase of treasury shares	1,831	0
	Exchange Rate Variation on Cash and Cash		
6.04	Equivalents	-1,783	-23,396
6.05	Net change in the period	-32,489	46,714
	Cash and Cash Equivalents at the beginning of the		
6.05.01	period	190,108	289,390
6.05.02	Cash and Cash Equivalents at the end of period	157,619	336,104

Consolidated FSs / Statements of Changes in Equity 01/01/2017 to 03/31/2017**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Capital	Capital Reserves. Options Granted and Shares in Treasury	Earnings Reserves	Retained Earnings (Profits or Losses Accumulated)	Other Comprehensive Income	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
5.04	Capital increase	0	2,936	0	0	0	2,936	-73	2,863
5.04.08	Stock option plan	0	1,105	0	0	0	1,105	0	1,105
5.04.11	Capital increase through exercise of stock options	0	1,831	0	0	0	1,831	0	1,831
5.04.12	Exercise of stock options using treasury shares	0	0	0	0	0	0	-73	-73
5.05	Total Comprehensive Income loss for the period	0	0	0	-17,081	-5,817	-22,898	-283	-23,181
5.05.01	Profit in the Period	0	0	0	-17,081	0	-17,081	0	-17,081
5.05.02	Other comprehensive loss	0	0	0	0	-5,817	-5,817	-283	-6,100
5.05.02.04	Losses on foreign currency translation adjustments	0	0	0	0	-5,817	-5,817	-283	-6,100
5.07	End Balances	924,614	231,097	0	-121,178	-23,841	1,010,692	9,786	1,020,478

Consolidated FSs / Statements of Changes in Equity 01/01/2016 to 03/31/2016**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Capital	Capital Reserves. Options Granted and Shares in Treasury	Earnings Reserves	Retained Earnings (Profits or Losses Accumulated)	Other Comprehensive Income	Equity	Participation of Non-controlling Shareholders	Consolidated Equity
5.01	Initial Balances	908,256	214,406	0	-27,667	97,134	1,192,129	11,999	1,204,128
5.03	Initial Adjusted Balances	908,256	214,406	0	-27,667	97,134	1,192,129	11,999	1,204,128
5.04	Capital Transactions with the Partners	11,596	36,244	0	0	0	47,840	0	47,840
5.04.01	Capital Increase	11,596	34,787	0	0	0	46,383	0	46,383
5.04.08	Stock option plan	0	1,457	0	0	0	1,457	0	1,457
5.05	Total Comprehensive loss	0	0	0	-23,417	-87,311	-110,728	-1,063	-111,791
5.05.01	Profit in the Period	0	0	0	-23,417	0	-23,417	0	-23,417
5.05.02	Other comprehensive loss	0	0	0	0	-87,311	-87,311	-1,063	-88,374
	Losses on foreign currency translation								
5.05.02.04	adjustments	0	0	0	0	-5,151	-5,151	-1,063	-6,214
	Reclassification of foreign currency translation								
	adjustments from discontinued operations to								
5.05.02.08	statement of loss	0	0	0	0	-82,160	-82,160	0	-82,160
5.07	End Balances	919,852	250,650	0	-51,084	9,823	1,129,241	10,936	1,140,177

Consolidated FSs / Statements of Value Added**Financial Statements in Thousands of Reais**

Account Code	Description of Account	Accumulated in the Current Period 01/01/2017 to 03/31/2017	Accumulated in Previous Period 01/01/2016 to 03/31/2016
7.01	Revenues	378,442	421,682
7.01.01	Sales of Goods, Products and Services	376,910	419,255
7.01.02	Other Revenues	1,995	2,491
7.01.04	Allowance for Doubtful Debts	-463	-64
7.02	Input Acquired from Third Parties	-185,464	-208,425
7.02.01	Cost of Sales and Services	-128,399	-140,304
	Materials, Electric power, outside services and		
7.02.02	others	-35,618	-43,198
7.02.04	Others	-21,447	-24,923
7.03	Gross Value Added	192,978	213,257
7.04	Retentions	-22,316	-25,631
7.04.01	Depreciation, Amortization	-22,316	-25,631
7.05	Wealth Created by the Company	170,662	187,626
7.06	Wealth Received In Transfer	5,205	-6,592
7.06.01	Share of profit (loss) of investees	1,970	2,806
7.06.02	Finance Income	2,924	15,218
7.06.03	Others	311	-24,616
7.06.03.01	Exchange rate changes	311	-24,616
7.07	Total Wealth For Distribution	175,867	181,034
7.08	Wealth Distributed	175,867	181,034
7.08.01	Personnel	117,740	126,246
7.08.01.01	Payroll and Related Taxes	113,647	123,395
7.08.01.04	Others	4,093	2,851
7.08.01.04.01	Management Fees	2,988	1,394
7.08.01.04.02	Share-based payment	1,105	1,457
7.08.02	Taxes, Fees and Contributions	32,449	23,321
7.08.03	Lenders and Lessors	42,759	58,856
7.08.03.01	Interest	3,354	10,377
7.08.03.02	Rentals	34,968	43,218
7.08.03.03	Others	4,437	5,261
7.08.04	Shareholders	-17,081	-27,389
7.08.04.03	Retained Earnings (Accumulated Losses) for The Period	-17,081	-27,389

MESSAGE FROM MANAGEMENT

São Paulo, May 10th, 2017 - International Meal Company Alimentação S.A. (**BM&FBOVESPA: MEAL3**), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the **first quarter of 2017 (1Q17)**. Unless otherwise indicated, the information herein is presented in a consolidated manner and in millions of Brazilian reais (R\$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

HIGHLIGHTS

Net Revenue: R\$350.7 million in 1Q17 **(9.7% down vs. 1Q16)**

Adjusted EBITDA: R\$19.4 million in 1Q17 **(+4%|+40bps in constant currency)**

Zero Leverage: R\$16.2M Net Cash Position

In 1Q17 the Company presented an improvement of 4% in the Adjusted EBITDA YoY with a 40bps improvement in margins in constant currency. Such result was obtained despite the pressure on revenues (-9.7% in BRL or -3.6% in constant currency). Brazilian revenues were down by 7% and operating income by 18%. In the Caribbean, operating income was up by 12% in constant currency, as a consequence of improved margins. Holding expenses were down by 34% in 1Q17, reflecting the structural changes in G&A implemented over the last quarters. In the US, lower same store sales on a seasonally weaker quarter and higher expenses on store pre-opening and rent expenses led to a 50bps margin reduction.

With regards to Operating Cash Flow (after maintenance Capex), there was a consumption of R\$5.9 million, however this figure was impacted in R\$5 million by taxes payments related to the capital gains from the assets sales of 2016 equivalent.

At the outset of 2017, IMC is focused on Execution and Efficiency, seeking to improve performance and in the first 100 days of the new management we have had important developments. The Zero Based Budget for April through December has been revised and implemented, reducing costs and expenses, including G&A. However, we have not just cut cost, we have also invested in and enhanced areas that needed more support that are crucial for our business and the new phase in which the company is in. Areas such as IT, Marketing and Engineering. All in all, there was a net reduction of over 200 employees in April compared to January.

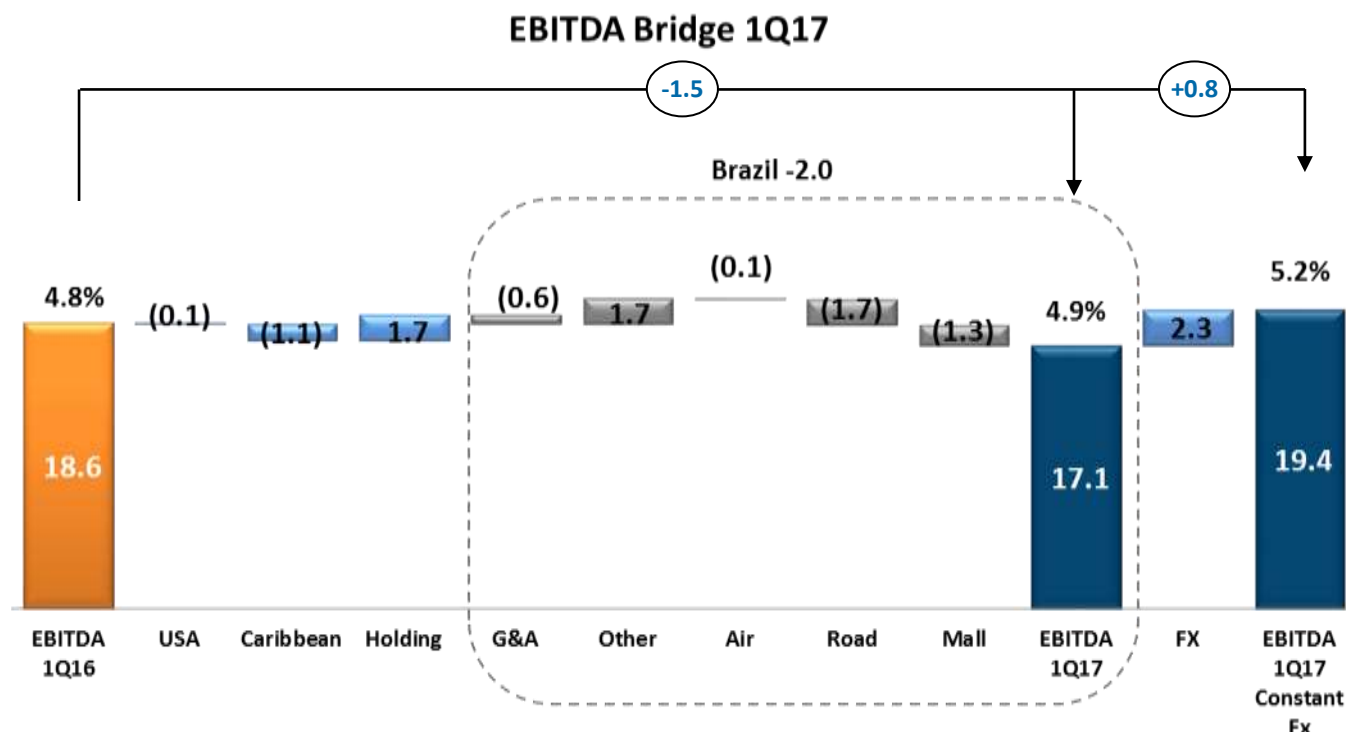
With regards to the PMO we are monitoring over 300 initiatives (180+ projects + Capex related developments) with systemic support and weekly meetings. Of the 300+ initiatives, three are especially relevant: i) Live KPI Monitoring - daily reports with important KPI's and benchmarking comparisons sent to operations – implemented in Brazil and to be rolled-out throughout May to the International operations; ii) international corporate restructuring that should allow dividend transfers from US and Caribbean to Brazil; and iii) corporate restructuring in Brazil that should boost our central kitchens efficiency with specialized production and improve tax efficiency.

Finally, regarding our international operations we continue to monitor them closely (weekly results meetings) and we are strengthening the relationship with important stakeholders, who will be key for the development of our businesses abroad.

We are taking strong actions to improve the Company's structure, processes and costs in order to have a leaner and more agile Company.

COMMENTS ABOUT IMC'S PERFORMANCE

OVERVIEW OF THE 1Q17



In 1Q17, IMC's Adjusted EBITDA was up by 4.1% with a 40bps margin improvement reaching R\$19.4 million in constant currency with a 5.2% margin.

In the US, the R\$0.1 million YoY reduction (or -R\$0.4 million in constant currency) was related to the increase on rent, selling & operating and store pre-opening expenses, combined with the reduction on the equity income result. US results were impacted by the calendar change with Easter moving to April in 2017 from March in 2016.

In the Caribbean, the R\$1.1 million reduction is related to the FX changes YoY. In constant currency the result was R\$1.5 million higher as a consequence of improved margins with lower food and labor costs, leading to a 360bps improvement in margins.

The Company also posted a reduction of R\$1.7 million in holding expenses or a 30bps improvement, more than offsetting the R\$0.6 million increase in G&A in Brazil. The "Other Income" line in Brazil that includes provisions and tax reversions, presented a R\$1.7 million improvement YoY.

Finally, the major pressure on results once again came from the Brazilian operations. Same store sales reached -3.0% in Brazil (-7.3% in 4Q16, -8.9% in 3Q16, -6.3% in 2Q16 and +1.0% in 1Q16). The biggest offender has been the Air segment whose pressure on SSS came from the reduction in passenger flow in airports and also from the reduction in the number of flights impacting the catering division as well, however, reduced rent expenses led to an improvement in margins in the segment. Road and Malls margins are still under pressure due to lower top line.

Given the nature of the Company's business and its high operating leverage, the pressure on volumes directly affects margins. To mitigate the effect of lower sales we have taken cost out of our structure and taken actions to improve productivity. Another source of pressure on the results in Brazil derives from inflation, which has been mitigated by pricing policies and improved product mix.

Consequently, EBITDA in Brazil reached R\$8.9 million, which represents a R\$2.0 million reduction YoY, with an EBITDA margin of 3.7% down from 4.2% in 1Q16.

Nevertheless, we started 2017 with a higher focus on Execution and Efficiency aiming at improving performance in the short term. We are taking strong actions to improve the Company's structure, processes and costs in order to have a leaner and more agile Company.

In March we revised the Zero Based Budget for April through December, a process which was comprised of over 50 meetings with more than 70 people involved. In the process 550 expense lines were reviewed leading to a reduction in headcount of over 200 people, comparing April to January. Systemic locks were implemented to prevent expenses that were not considered in the budget.

CONSOLIDATED RESULTS

(in R\$ million)	1Q17	% AV	1Q16	%VA	%HA	1Q17 ³	% HA ³
Net Revenue	350.7	100.0%	388.5	100.0%	-9.7%	374.4	-3.6%
Restaurants & Others	294.2	83.9%	334.0	86.0%	-11.9%	318.0	-4.8%
Gas Stations	56.4	16.1%	54.5	14.0%	3.5%	56.4	3.5%
Brazil	238.7	68.1%	257.9	66.4%	-7.4%	238.7	-7.4%
US	68.1	19.4%	77.1	19.8%	-11.7%	380.2	393.3%
Caribbean	43.9	12.5%	53.5	13.8%	-18.0%	195.9	266.0%
Cost of Sales and Services	(253.4)	-72.3%	(277.2)	-71.4%	-8.6%	(268.1)	-3.3%
Direct Labor	(94.4)	-26.9%	(102.4)	-26.4%	-7.9%	(101.5)	-0.9%
Food	(79.2)	-22.6%	(93.2)	-24.0%	-15.0%	(84.4)	-9.4%
Others	(18.9)	-5.4%	(22.1)	-5.7%	-14.4%	(20.0)	-9.7%
Fuel and Automotive Accessories	(46.9)	-13.4%	(44.1)	-11.4%	6.3%	(46.9)	6.3%
Depreciation & Amortization	(14.0)	-4.0%	(15.4)	-4.0%	-9.3%	(15.4)	-0.3%
Gross Profit	97.3	27.7%	111.2	28.6%	-12.6%	106.3	-4.5%
<i>Gross Margin (%)</i>	<i>27.7%</i>		<i>28.6%</i>			<i>28.4%</i>	
Operating Expenses¹	(102.5)	-29.2%	(118.3)	-30.4%	-13.3%	(111.1)	-6.0%
Selling and Operating	(40.7)	-11.6%	(43.5)	-11.2%	-6.4%	(45.5)	4.6%
Rents of Stores	(33.8)	-9.6%	(41.3)	-10.6%	-18.2%	(36.4)	-11.8%
Store Pre-Openings	(1.1)	-0.3%	(0.9)	-0.2%	27.2%	(1.1)	29.8%
Depreciation & Amortization	(7.8)	-2.2%	(9.6)	-2.5%	-18.4%	(8.3)	-14.0%
J.V. Investment Amortization	(0.5)	-0.1%	(0.6)	-0.2%	-19.4%	(0.6)	0.0%
Equity income result	2.0	0.6%	2.8	0.7%	-29.8%	2.4	-14.6%
Other revenues (expenses)	1.1	0.3%	(1.2)	-0.3%	-186.9%	1.4	-211.4%
General & Administrative	(18.3)	-5.2%	(19.0)	-4.9%	-3.5%	(19.7)	3.6%
Corporate (Holding) ²	(3.2)	-0.9%	(4.9)	-1.3%	-34.2%	(3.3)	-33.6%
Special Items - Write-offs	0.0	0.0%	0.0	0.0%	0.0%	0.0	
Special Items - Other	(1.1)		(1.5)		-21.3%	(1.2)	-20.8%
EBIT	(6.4)	-1.8%	(8.5)	-2.2%	na	(6.0)	na
(+) D&A and Write-offs	22.3	6.4%	25.6	6.6%	-12.9%	24.2	-5.4%
EBITDA	15.9	4.5%	17.1	4.4%	-7.0%	18.2	6.3%
<i>EBITDA Margin (%)</i>	<i>4.5%</i>		<i>4.4%</i>		<i>0,1p.p.</i>	<i>4.9%</i>	<i>0,5p.p.</i>
(+) Special Items - Other	1.1	0.3%	1.5	0.4%	-21.3%	1.2	-20.8%
Adjusted EBITDA	17.1	4.9%	18.6	4.8%	-8.1%	19.4	4.1%
<i>Adjusted EBITDA Margin (%)</i>	<i>4.9%</i>		<i>4.8%</i>		<i>0,1p.p.</i>	<i>5.2%</i>	<i>0,4p.p.</i>

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

Net revenue totaled R\$350.7 million in 1Q17, down 9.7% vs. 1Q16 or down 3.6% in constant currencies. Sales were negatively affected by a net store closures of 13 restaurants (18 of which in Brazil), as shown in the section "Number of stores".

Direct Labor cost totaled R\$101.5 million (in constant currency), compared to R\$102.4 million in 1Q16, as headcount adjustments mitigated inflationary pressures on payroll, but were not sufficient to offset the impact of lower volumes in Brazil.

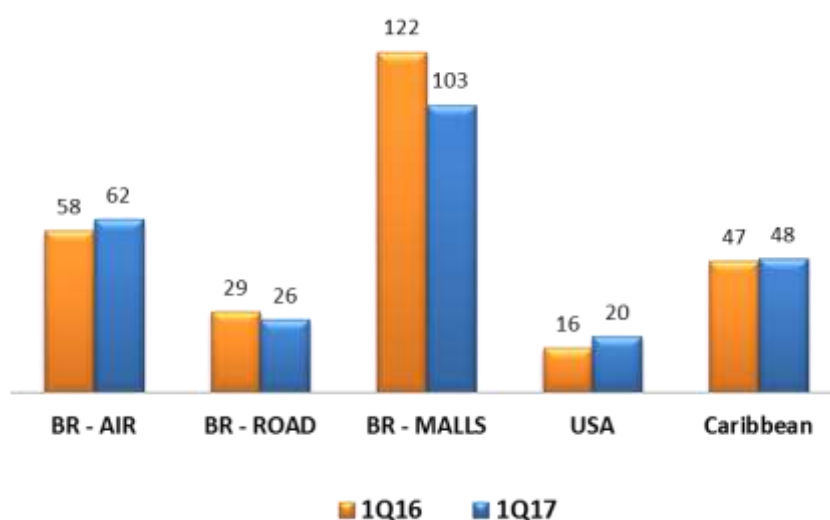
Sales and Operating expenses were R\$2.0 million higher YoY (in constant currency) as a result of higher publicity and commercial expenses in general and higher operating expenses, mainly in the US.

Rent expenses totaled R\$36.4 million, a 13.5% reduction YoY, as a consequence of the net closure of 13 stores in the period combined with new rent agreements in Brazilian Airports (a 410bps reduction in the segment YoY), which mitigated the impact from inflation – mostly in Brazil, leading to a 90bps consolidated improvement.

With regards to G&A, the R\$0.7 million increase YoY (in constant currency) – mostly related to Brazilian payroll expenses. Regarding holding expenses, there was a R\$1.7 million decrease (in constant currency), as a result of the first round of headcount count adjustments promoted in January, the second round of adjustments took place between end of March and early April, therefore only impacting 2Q17 results onwards.

In 1Q17, the adjusted EBITDA was R\$19.4 million, 4.1% up in constant currency. EBITDA margin reached 5.2% in constant currency, a 40 bps increase YoY.

Number of stores



NUMBER OF STORES (end of period)	1Q17	1Q16	YoY	
			Var. (%)	Var. (#)
Brazil	191	209	-8.6%	-18
<i>Air</i>	62	58	6.9%	4
<i>Roads</i>	26	29	-10.3%	-3
<i>Shopping Malls</i>	103	122	-15.6%	-19
USA	20	16	25.0%	4
Caribbean	48	47	2.1%	1
Total Number of Stores	259	272	-4.8%	-13

At the end of the quarter, the Company had 259 stores, a net reduction of 13 stores YoY, 18 in Brazil, while 1 net opening in the Caribbean and 4 in the US in the period. Most store closures in Brazil are part of with the loss-making store closure program.

Same-store sales (SSS)

(in R\$ million)	1Q17	1Q16	YoY
Brazil	225.6	232.7	-3.0%
BR - Air	52.7	60.7	-13.2%
BR - Roads	119.7	117.2	2.2%
BR - Roads - Restaurants	63.3	65.4	-3.1%
BR - Roads - Gas Station	56.4	51.8	8.9%
BR - Malls	53.2	54.9	-3.0%
USA	57.1	74.7	-23.6%
Caribbean	40.6	51.3	-20.8%
Total Same Store Sales	323.4	358.8	-9.9%
In constant currencies (in R\$ million)	1Q17	1Q16	YoY
Brazil	225.6	232.7	-3.0%
USA	70.1	74.7	-6.2%
Caribbean	48.1	51.3	-6.2%
Total Same Store Sales	343.9	358.8	-4.2%

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

Same store sales totaled R\$323.4 million in 1Q17, down 9.9% YoY in Brazilian reais or 4.2% in constant currencies.

In Brazil, the 3.0% decrease in same store sales was led by Brazilian airports that fell by 13.2% in 1Q17 following a sharp drop in the flow of passengers throughout Brazilian airports that impacted both restaurant and catering operations.

In the Road segment, SSS increased by 2.2% YoY – led by the positive performance of gas stations, offsetting the pressure on the restaurants as a consequence of the lower flow of toll-paying vehicles (heavy, light and motorcycles) YoY according to *Associação Brasileira de Concessionárias de Rodovias*, or the Brazilian Association of Highway Concessionaires (ABCR), combined with increased competition due to new store openings.

Same stores sales in the Malls segment fell by 3.0% in 1Q17. Industry sales continue to suffer from the softer macroeconomic environment. In March 2017, we opened the first Olive Garden restaurant in the Malls segments, with inspiring results thus far.

US SSS in local currency was -6.2% YoY in 1Q17, impacted by the Easter calendar change – from March in 2016 to April in 2017 – and also a supply problem with regards to retail merchandise affecting March sales.

In the Caribbean, the calendar change (Easter) also affected SSS, which were -6.2% in the quarter.

RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

(in R\$ million)	1Q17	1Q17	1Q17	2016	% VA	1Q16	1Q16	1Q16	1Q16	% VA	% HA
Net Revenue	238.7	68.1	43.9	350.7	100.0%	257.9	77.1	53.5	388.5	100.0%	-9.7%
Restaurants & Others	182.3	68.1	43.9	294.2	83.9%	203.4	77.1	53.5	334.0	86.0%	-11.9%
Gas Stations	56.4	0.0	0.0	56.4	16.1%	54.5	0.0	0.0	54.5	14.0%	3.5%
Cost of Sales and Services	(184.8)	(48.1)	(20.5)	(253.4)	-72.3%	(195.9)	(54.5)	(26.8)	(277.2)	-71.4%	-8.6%
Direct Labor	(61.9)	(24.8)	(7.7)	(94.4)	-26.9%	(64.5)	(28.5)	(9.5)	(102.4)	-26.4%	-7.9%
Food	(53.6)	(13.5)	(12.1)	(79.2)	-22.6%	(61.8)	(15.2)	(16.1)	(93.2)	-24.0%	-15.0%
Others	(14.2)	(4.3)	(0.4)	(18.9)	-5.4%	(16.5)	(5.2)	(0.4)	(22.1)	-5.7%	-14.4%
Fuel and Automotive Accessories	(46.9)	0.0	0.0	(46.9)	-13.4%	(44.1)	0.0	0.0	(44.1)	-11.4%	6.3%
Depreciation & Amortization	(8.2)	(5.5)	(0.3)	(14.0)	-4.0%	(9.0)	(5.6)	(0.8)	(15.4)	-4.0%	-9.3%
Gross Profit	53.9	20.0	23.4	97.3	27.7%	62.0	22.6	26.7	111.2	28.6%	-12.6%
Operating Expenses¹	(58.7)	(26.1)	(14.4)	(99.3)	-28.3%	(66.7)	(28.9)	(17.8)	(113.4)	-29.2%	-12.4%
Selling and Operating	(18.6)	(16.2)	(6.0)	(40.7)	-11.6%	(18.6)	(17.9)	(7.1)	(43.5)	-11.2%	-6.4%
Rents of Stores	(21.8)	(7.3)	(4.7)	(33.8)	-9.6%	(28.3)	(7.4)	(5.6)	(41.3)	-10.6%	-18.2%
Store Pre-Openings	(1.0)	(0.1)	0.0	(1.1)	-0.3%	(0.3)	(0.0)	(0.5)	(0.9)	-0.2%	27.2%
Depreciation & Amortization	(5.5)	(0.3)	(2.0)	(7.8)	-2.2%	(6.6)	(0.4)	(2.7)	(9.6)	-2.5%	-18.4%
J.V. Investment Amortization	0.0	(0.5)	0.0	(0.5)	-0.1%	0.0	(0.6)	0.0	(0.6)	-0.2%	-19.4%
Equity income result	0.0	2.0	0.0	2.0	0.6%	0.0	2.8	0.0	2.8	0.7%	-29.8%
Other revenues (expenses)	0.4	0.3	0.3	1.1	0.3%	(1.3)	(0.1)	0.2	(1.2)	-0.3%	n/a
General & Administrative	(12.2)	(4.1)	(2.0)	(18.3)	-5.2%	(11.6)	(5.3)	(2.1)	(19.0)	-4.9%	-3.5%
(+) Depreciation & Amortization	13.7	6.3	2.4	22.3	6.4%	15.6	6.6	3.5	25.6	6.6%	-12.9%
Operating Income	8.9	0.1	11.3	20.3	5.8%	10.9	0.2	12.4	23.5	6.1%	-13.5%
Corporate (Holding) ²				(3.2)	-0.9%				(4.9)	-1.3%	-34.2%
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(1.1)	-0.3%				(1.5)	-0.4%	-21.3%
EBIT	(4.8)	(6.1)	9.0	(6.4)	-1.8%	(4.7)	(6.3)	8.9	(8.5)	-2.2%	
(+) D&A and Write-offs				22.3	6.4%				25.6		-12.9%
EBITDA				15.9	4.5%				17.1	4.4%	-7.0%
(+) Special Items				1.1	0.3%				1.5	0.4%	-21.3%
Adjusted EBITDA				17.1	4.9%				18.6	4.8%	-8.1%

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

Results of the Brazilian Operations

(in R\$ million)	1Q17	% VA	1Q16	% VA	% HA
Net Revenue	238.7	100.0%	257.9	100.0%	-7.4%
Restaurants & Others	182.3	76.4%	203.4	78.9%	-10.4%
Gas Stations	56.4	23.6%	54.5	21.1%	3.5%
Cost of Sales and Services	(184.8)	-77.4%	(195.9)	-76.0%	-5.7%
Direct Labor	(61.9)	-25.9%	(64.5)	-25.0%	-4.0%
Food	(53.6)	-22.5%	(61.8)	-24.0%	-13.3%
Others	(14.2)	-6.0%	(16.5)	-6.4%	-13.7%
Fuel and Automotive Accessories	(46.9)	-19.6%	(44.1)	-17.1%	6.3%
Depreciation & Amortization	(8.2)	-3.4%	(9.0)	-3.5%	-9.5%
Gross Profit	53.9	22.6%	62.0	24.0%	-13.0%
Operating Expenses¹	(58.7)	-24.6%	(66.7)	-25.9%	-11.9%
Selling and Operating	(18.6)	-7.8%	(18.6)	-7.2%	0.0%
Rents of Stores	(21.8)	-9.1%	(28.3)	-11.0%	-23.0%
Store Pre-Openings	(1.0)	-0.4%	(0.3)	-0.1%	224.8%
Depreciation & Amortization	(5.5)	-2.3%	(6.6)	-2.5%	-16.2%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses) ²	0.4	0.2%	(1.3)	-0.5%	-130.6%
General & Administrative ²	(12.2)	-5.1%	(11.6)	-4.5%	5.5%
(+) Depreciation & Amortization	13.7	5.7%	15.6	6.1%	-12.3%
Operating Income	8.9	3.7%	10.9	4.2%	-18.4%
Expansion Capex	8.3	3.5%	3.7	1.4%	123.8%
Maintenance Capex	4.2	1.7%	2.1	0.8%	97.1%
Total Capex	12.4	5.2%	5.8	2.2%	114.1%
Operating Inc. - Maintenance Capex³	4.7	53.2%	8.8	80.6%	-27.4%

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

Brazilian operations top line was mainly impacted by the softer macroeconomic scenario, that impacted consumer confidence leading to a lower flow of passengers in Airports, lower spending in shopping malls and also a lower flow of vehicles in roads, all of which impacted same store sales. It is also important to note that compared to 1Q16, there was a net reduction of 18 restaurants in the Brazilian operations (+4 in airports, -3 in roads and -19 in shopping malls) in 1Q17. Those effects were partially mitigated by IMC's sales initiatives that included: i) pricing: separating the stores in regional-brand clusters setting specific prices for each specific product; ii) menu engineering: focusing on higher margin products and suggestive sales; iii) product assortment and mix; iv) up selling; v) product quality and product innovation; among others.

All in all, the revenues of Brazilian operations fell by 7.4% in 1Q17.

In terms of costs and expenses it is important to highlight the 190 bps reduction on rent expenses, as the first positive outcome from the airport contracts renegotiations. Regarding labor cost and expenses, "direct labor cost" and "sales and operating expenses" combined resulted in R\$80.5 million in 1Q17, compared to R\$83.0 million in 1Q16, as a consequence of headcount reduction that more than offset the inflation pressure on payroll. With regards to G&A, the increase has been more than compensated by the reduction in holding expenses, and as of April we shall see further reduction on both G&A expenses in Brazil and Holding Expenses as a result of the headcount adjustments executed between the end of March and early April.

Consequently, Brazilian operations posted an operating income of R\$8.9 million in 1Q17, down 18.4% YoY, with a nearly 50 bps reduction in operating margin.

Results of the Brazilian Operations – AIR

(in R\$ million)	1Q17	% VA	1Q16	% VA	% HA
Net Revenue	58.3	100.0%	71.5	100.0%	-18.5%
Restaurants & Others	58.3	100.0%	71.5	100.0%	-18.5%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	(41.4)	-71.1%	(48.9)	-68.4%	-15.3%
Direct Labor	(19.8)	-34.0%	(21.7)	-30.3%	-8.5%
Food	(15.8)	-27.2%	(19.6)	-27.5%	-19.4%
Others	(3.4)	-5.9%	(4.7)	-6.6%	-27.5%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.3)	-4.0%	(2.9)	-4.0%	-18.0%
Gross Profit	16.9	28.9%	22.6	31.6%	-25.4%
Operating Expenses¹	(19.3)	-33.1%	(26.3)	-36.8%	-26.7%
Selling and Operating	(6.4)	-11.0%	(7.5)	-10.5%	-14.4%
Rents of Stores	(8.9)	-15.2%	(13.8)	-19.3%	-35.7%
Store Pre-Openings	(0.0)	-0.1%	(0.2)	-0.3%	-76.9%
Depreciation & Amortization	(4.0)	-6.8%	(4.8)	-6.8%	-17.9%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses) ²	0.0	0.0%	0.0	0.0%	0.0%
General & Administrative ²	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	6.3	10.8%	7.7	10.8%	-17.9%
Operating Income	3.9	6.7%	4.0	5.6%	-2.6%
Expansion Capex	4.0	6.9%	2.8	3.9%	42.7%
Maintenance Capex	0.6	1.0%	0.8	1.2%	-30.6%
Total Capex	4.6	7.9%	3.6	5.1%	26.1%
Operating Inc. - Maintenance Capex³	3.3	85.3%	3.2	79.4%	5.9%

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

The Brazilian Airport segment operating income reached R\$3.9 million in 1Q17, down 2.6% YoY with a 110bps increase in margins mainly due to:

- i) Decrease in sales, as a consequence of the of 13.2% reduction in SSS, as a result of the decrease in passenger flow in the airports that the Company operates, which impacted margins in the following ways:
 - a. 420bps increase in labor – in nominal terms labor expenses (“direct labor cost” combined with “selling and operating expenses”) totaled R\$26.2 million compared to R\$29.1 million in 1Q16, as a consequence of headcount adjustments in the operations.
- ii) Those impacts were partially mitigated by:
 - a. 410bps improvement or R\$4.9 million reduction on rent expenses as a consequence of the renegotiated airport contracts.
 - b. 30bps decrease in food expenses, as a consequence of higher efficiency and stricter controls, 70bps decrease in others and 20bps decrease in store pre-opening expenses.

Results of the Brazilian Operations – ROADS

(in R\$ million)

	1Q17	% VA	1Q16	% VA	% HA
Net Revenue	119.7	100.0%	121.1	100.0%	-1.1%
Restaurants & Others	63.3	52.9%	66.6	55.0%	-4.9%
Gas Stations	56.4	47.1%	54.5	45.0%	3.5%
Cost of Sales and Services	(99.3)	-82.9%	(99.3)	-82.0%	0.0%
Direct Labor	(23.6)	-19.7%	(23.6)	-19.5%	0.3%
Food	(19.7)	-16.4%	(21.9)	-18.1%	-10.3%
Others	(5.9)	-4.9%	(6.4)	-5.3%	-9.0%
Fuel and Automotive Accessories	(46.9)	-39.2%	(44.1)	-36.4%	6.3%
Depreciation & Amortization	(3.2)	-2.7%	(3.2)	-2.6%	0.6%
Gross Profit	20.5	17.1%	21.8	18.0%	-6.3%
Operating Expenses¹	(11.3)	-9.4%	(10.9)	-9.0%	3.3%
Selling and Operating	(6.3)	-5.2%	(5.4)	-4.4%	17.2%
Rents of Stores	(4.1)	-3.4%	(4.7)	-3.9%	-13.4%
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(0.9)	-0.8%	(0.9)	-0.7%	8.6%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses) ²	0.0	0.0%	0.0	0.0%	0.0%
General & Administrative ²	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	4.2	3.5%	4.1	3.4%	2.3%
Operating Income	13.3	11.1%	15.0	12.4%	-11.0%
Expansion Capex	1.1	0.9%	0.0	0.0%	0.0%
Maintenance Capex	1.7	1.4%	0.8	0.6%	125.9%
Total Capex	2.8	2.4%	0.8	0.6%	273.7%
Operating Inc. - Maintenance Capex³	11.6	87.2%	14.2	95.0%	-7.7%

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

The Roads segment operating income decreased by R\$1.7 million in the 1Q17, with a 120bps reduction on margins mainly due to:

- Reduction on sales (-1.1% YoY), as a consequence of the net closure of 3 stores, mitigated by the improvement of 2.2% in SSS, mostly driven by Gas Stations SSS growth (8.9%), which pressured mix, as fuel sales have lower margins than restaurant sales.
- Inflation pressure on payroll and higher fuel cost that led to an increase of expenses of 110bps and 270bps, respectively.
- Those impacts were partially mitigated by higher efficiency on food cost (170bps reduction), on rent (50bps) and utilities (40bps).

Results of the Brazilian Operations – Malls

(in R\$ million)	1Q17	% VA	1Q16	% VA	% HA
Net Revenue	60.7	100.0%	65.3	100.0%	-7.1%
Restaurants & Others	60.7	100.0%	65.3	100.0%	-7.1%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	(44.1)	-72.7%	(47.8)	-73.2%	-7.7%
Direct Labor	(18.4)	-30.3%	(19.2)	-29.4%	-4.2%
Food	(18.1)	-29.9%	(20.2)	-31.0%	-10.5%
Others	(4.9)	-8.1%	(5.3)	-8.1%	-7.1%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.6)	-4.3%	(3.0)	-4.6%	-12.2%
Gross Profit	16.6	27.3%	17.5	26.8%	-5.2%
Operating Expenses¹	(16.3)	-26.9%	(16.5)	-25.3%	-1.4%
Selling and Operating	(5.9)	-9.7%	(5.7)	-8.8%	2.8%
Rents of Stores	(8.8)	-14.6%	(9.8)	-15.0%	-9.8%
Store Pre-Openings	(1.0)	-1.6%	(0.1)	-0.2%	676.5%
Depreciation & Amortization	(0.6)	-1.0%	(0.9)	-1.3%	-31.3%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses) ²	0.0	0.0%	0.0	0.0%	0.0%
General & Administrative ²	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	3.2	5.3%	3.9	5.9%	-16.4%
Operating Income	3.5	5.8%	4.8	7.4%	-27.3%
Expansion Capex	3.1	5.1%	0.9	1.3%	259.7%
Maintenance Capex	1.9	3.1%	0.5	0.8%	253.8%
Total Capex	5.0	8.2%	1.4	2.1%	257.4%
Operating Inc. - Maintenance Capex³	1.6	46.5%	4.3	89.0%	-42.5%

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

The Malls segment operating income decreased by R\$1.3 million YoY in the 1Q17, totaling R\$3.5 million with a 160bps reduction on margins mainly due to:

- i) a 7.1% decrease in sales, as a consequence of the net closure of 19 stores combined with a reduction of 3.0% in SSS, as a result of the macroeconomic headwinds that led to a reduction on consumer spending in malls.
- ii) a 180bps in labor (“direct labor cost” combined with “selling and operating expenses”) and 140bps in store pre-opening expenses (related to the new Olive Garden restaurant).
- iii) That were mitigated by a 120bps decrease in food expenses and 40bps reduction on rent expense.

IMC continues to focus on streamlining the Shopping Mall portfolio in Brazil. The Company is also working on closing loss-making stores. Furthermore, IMC continues seeking to improve customers' experience at Viena locations. The Company launched the first pilot store for Viena Express (buffet style – food court restaurant) in June and the second in December; also in December, the Company launched a flagship store for Viena Delicatessen called Delish and two Brunella kiosks (coffee, pastries and ice-cream). Furthermore, the first Olive Garden at shopping malls in Brazil was launched in March, 2017.

Results of U.S. Operations

(in US\$ Million)	1Q17	% VA	1Q16	% VA	% HA
Net Revenue	21.7	100.0%	20.0	100.0%	8.5%
Restaurants & Others	21.7	100.0%	20.0	100.0%	8.5%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	(15.3)	-70.6%	(14.1)	-70.4%	8.9%
Direct Labor	(7.9)	-36.4%	(7.3)	-36.8%	7.3%
Food	(4.3)	-19.8%	(3.9)	-19.7%	9.3%
Others	(1.4)	-6.4%	(1.3)	-6.7%	2.3%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(1.7)	-8.0%	(1.4)	-7.2%	21.8%
Gross Profit	6.4	29.4%	5.9	29.6%	7.6%
Operating Expenses¹	(8.3)	-38.3%	(7.5)	-37.3%	11.5%
Selling and Operating	(5.1)	-23.7%	(4.6)	-23.1%	11.7%
Rents of Stores	(2.3)	-10.7%	(1.9)	-9.6%	20.8%
Store Pre-Openings	(0.0)	-0.2%	(0.0)	-0.1%	225.4%
Depreciation & Amortization	(0.1)	-0.4%	(0.1)	-0.5%	-0.9%
J.V. Investment Amortization	(0.2)	-0.7%	(0.2)	-0.8%	0.0%
Equity income result	0.6	2.9%	0.7	3.7%	-14.0%
Other revenues (expenses)	0.1	0.5%	(0.0)	-0.1%	-464.7%
General & Administrative	(1.3)	-6.0%	(1.4)	-6.8%	-5.0%
(+) Depreciation & Amortization	2.0	9.2%	1.7	8.4%	18.5%
Operating Income	0.1	0.3%	0.2	0.8%	-63.6%
Expansion Capex	0.3	1.5%	1.4	7.2%	-77.4%
Maintenance Capex	0.1	0.4%	0.2	1.1%	-56.8%
Total Capex	0.4	1.9%	1.7	8.3%	-74.8%
Operating Inc. - Maintenance Capex²	(0.0)	n.a.	(0.1)	n.a.	n.a.

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

The operations in the United States consist mainly of Margaritaville and currently has 20 restaurants. The comments below (as well as the table above) are in local currency (US\$) to provide a better understanding of the region's results eliminating the impact of FX. It is important to note that the restaurants in the US are located mostly in summer destinations, therefore, most of the profitability is concentrated in the second and third quarters.

Net revenues came in at US\$21.7 million in 1Q17, up 8.5% YoY despite lower same store sales (-6.2%), that were offset by the net opening of 4 restaurants.

Margins (-50bps, in US\$) were impacted by higher rent and selling and operating expenses, that were mitigated by improved labor and G&A and other (utilities) expenses.

Results of the Caribbean Operations

(in R\$ million)	1Q17	1Q16	% HA	1Q17 ²	% HA ²
Net Revenue	43.9	53.5	-18.0%	52.0	-2.8%
Restaurants & Others	43.9	53.5	-18.0%	52.0	-2.8%
Gas Stations	0.0	0.0	0.0%	0.0	0.0%
Cost of Sales and Services	(20.5)	(26.8)	-23.6%	(24.0)	-10.5%
Direct Labor	(7.7)	(9.5)	-18.2%	(9.0)	-4.8%
Food	(12.1)	(16.1)	-25.4%	(14.2)	-12.1%
Others	(0.4)	(0.4)	-10.5%	(0.4)	-0.3%
Fuel and Automotive Accessories	0.0	0.0	0.0%	0.0	0.0%
Depreciation & Amortization	(0.3)	(0.8)	-59.1%	(0.4)	-51.7%
Gross Profit	23.4	26.7	-12.4%	28.0	5.0%
Operating Expenses¹	(14.4)	(17.8)	-18.9%	(16.9)	-4.9%
Selling and Operating	(6.0)	(7.1)	-15.7%	(7.0)	-1.4%
Rents of Stores	(4.7)	(5.6)	-16.1%	(5.7)	1.4%
Store Pre-Openings	0.0	(0.5)	-100.0%	0.0	-100.0%
Depreciation & Amortization	(2.0)	(2.7)	-23.7%	(2.4)	-10.5%
J.V. Investment Amortization	0.0	0.0	0.0%	0.0	0.0%
Equity income result	0.0	0.0	0.0%	0.0	0.0%
Other revenues (expenses)	0.3	0.2	57.3%	0.5	161.1%
General & Administrative	(2.0)	(2.1)	-3.3%	(2.3)	12.8%
(+) Depreciation & Amortization	2.4	3.5	-31.8%	2.8	-19.9%
Operating Income	11.3	12.4	-8.6%	13.9	12.3%
Expansion Capex	0.4	0.9	-54.1%	0.5	-45.6%
Maintenance Capex	1.2	1.1	3.4%	1.4	22.6%
Total Capex	1.6	2.0	-22.4%	1.9	-8.0%
Operating Inc. - Maintenance Capex³	10.2	11.3	-9.8%	12.5	11.2%

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

The comments regarding the Caribbean operations (Panama and Colombia), are in Reais and in Reais in constant currencies (using the 1Q16 FX rate to convert the results in 1Q16 and 1Q17) to eliminate the effect of exchange rate changes. They do not consider the results from discontinued operations (Mexico, the Dominican Republic and Puerto Rico).

Net revenues reached R\$52.0 million, down 2.8% YoY.

The focus on operational excellence combined with costs reduction, led to a 400bps improvement in gross margins, with a 40bps reduction in labor cost and 290bps reduction in food cost. As a result, gross profit reached R\$28.0 million in 1Q17, up 5.0% compared to 1Q16.

Regarding operating expenses in 1Q17, there was a reduction in: store pre-opening expenses (-100bps) and other (-60bps). Those impacts were partially mitigated by higher G&A expenses (+60bps), selling and operating (+20bps) and higher rent expenses (+50bps).

Operating income came in at R\$13.9 million in 1Q17, up 12.3% compared to 1Q16, with an operating margin of 26.7% up from 23.1% in 1Q16.

ADJUSTED EBITDA AND ADJUSTED MARGIN

EBITDA RECONCILIATION

(R\$ million)	1Q17	1Q16	HA (%)
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	(17.1)	(27.4)	n.a.
(+) Income Taxes	10.1	(2.7)	n.a.
(+) Net Financial Result	0.6	21.6	-97.1%
(+) D&A and Write-offs	21.8	25.0	-12.8%
(+) Amortization of Investments in Joint Venture	0.5	0.6	n.a.
EBITDA	15.9	17.1	-7.0%
(+) Special Items	1.1	1.5	-21.3%
Adjusted EBITDA	17.1	18.6	-8.1%
<i>EBITDA / Net Revenues</i>	<i>4.5%</i>	<i>4.4%</i>	
<i>Adjusted EBITDA / Net Revenues</i>	<i>4.9%</i>	<i>4.8%</i>	

* See EBITDA and Adjusted EBITDA definitions in the Glossary.

The Company's Adjusted EBITDA, excluding non-recurring items, reached R\$17.1 million in 1Q17, with an adjusted EBITDA margin of 4.9% vs. 4.8% in 1Q16. The special items refer to the stock option plan.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R\$0.6 million, compared to a net financial expense of R\$21.6 million in 1Q16, as a result of the deleveraging processes that started in 1Q16.

Income taxes totaled R\$10.1 million, versus a tax recovery of R\$2.7 million in 1Q16.

The Company recorded a net loss of R\$17.1 million in 1Q17, compared to a net loss of R\$27.4 million in 1Q16.

SELECTED CASH FLOW INFORMATION

OPERATING ACTIVITIES

EBITDA Reconciliation to Operating Cash Flow (R\$ Million)	1Q17	1Q16	Var. (%)
Adjusted EBITDA	17.1	18.6	-8.1%
Special Items	(1.1)	(1.5)	n.a.
(+/-) Other Non-Cash Impact on IS	13.9	9.5	
(+/-) Working Capital	(22.9)	(6.9)	
Operating Cash Before Taxes and Interest	7.0	19.7	-64.6%
(-) Paid Taxes	(7.0)	(1.7)	
(-) Maintenance Capex	(5.9)	(4.0)	
Net Cash Generated by Operating Activities	(5.9)	13.9	n.a.
Operating Net Cash/EBITDA	-34.6%	74.8%	n.a.

Operating cash flow totaled -R\$5.9 million in 1Q17 (compared to +R\$13.9 million in 1Q16), mostly impacted by higher taxes paid (related to 2016's assets sales ~R\$5M).

INVESTING ACTIVITIES

Investing Activities (in R\$ million)	1Q17	1Q16	HA (%)
Fixed Assets Addition	(15.7)	(12.7)	24.3%
Intangible Assets Addition	(0.0)	(3.0)	n.a.
(=) TOTAL CAPEX Investment	(15.8)	(15.7)	0.6%
Payment from previous acquisitions	(0.1)	(78.2)	n.a.
Proceeds from Assets Sale	0.0	169.1	n.a.
Total investments in the period	(15.9)	75.2	n.a.

CAPEX (in R\$ million)	1Q17	1Q16	HA (%)
Expansion			
Brazilian Operations	8.3	3.7	123.8%
<i>Brazil - Air</i>	<i>4.0</i>	<i>2.8</i>	<i>42.7%</i>
<i>Brazil - Roads</i>	<i>1.1</i>	<i>0.0</i>	<i>-</i>
<i>Brazil - Malls</i>	<i>3.1</i>	<i>0.9</i>	<i>259.7%</i>
USA Operations	1.0	5.6	-81.6%
Caribbean Operations	0.4	0.9	-54.1%
Holding	0.2	1.5	-86.1%
Total Expansion Investments	9.9	11.6	-15.0%
Maintenance			
Brazilian Operations	4.2	2.1	97.1%
<i>Brazil - Air</i>	<i>0.6</i>	<i>0.8</i>	<i>-30.6%</i>
<i>Brazil - Roads</i>	<i>1.7</i>	<i>0.8</i>	<i>125.9%</i>
<i>Brazil - Malls</i>	<i>1.9</i>	<i>0.5</i>	<i>253.8%</i>
USA Operations	0.3	0.8	-64.8%
Caribbean Operations	1.2	1.1	na
Holding	0.3	0.0	-
Total Maintenance Investments	5.9	4.0	45.5%
Total CAPEX Investments	15.8	15.7	0.6%

Regarding Expansion CAPEX, in 1Q17 IMC invested mainly in the new stores opened at the Brazilian airports and new stores in malls; Miami airport and Jackson Memorial Hospital, in the US; and in malls in Colombia.

FINANCING ACTIVITIES

The Company's financing cash flow in 1Q17 was mainly affected by loan amortizations.

FINANCING ACTIVITIES (R\$ million)	1Q17	1Q16
Capital Contributions	0.0	46.4
Capital Contributions - minority interest	0.0	0.0
Treasury Shares	1.8	0.0
New Loans	(0.0)	0.0
Payment of Loans	(18.2)	(61.9)
Net Cash Generated by Financing Activities	(16.5)	(15.5)

Considering payments to former owners of companies acquired in the past (seller finance) as debt, debt amortization totaled R\$18.4 million in 1Q17.

Total debt amortization (R\$ million)	1Q17	1Q16
Acquisitions, net of cash (Sellers Financing)	(0.1)	(78.2)
New Loans	0.0	0.0
Loan Amortization	(18.2)	(61.9)
Total debt amortization	(18.4)	(140.1)

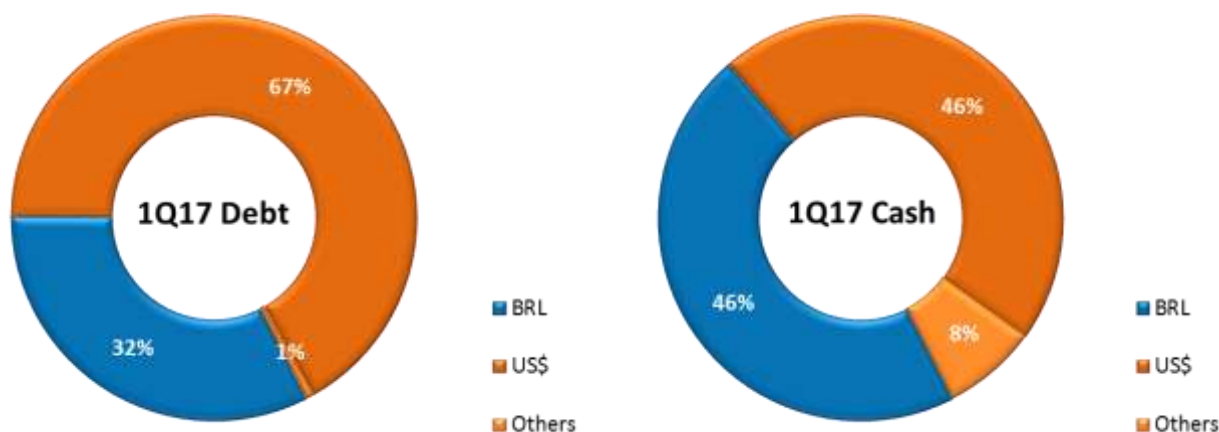
DEBT

Net Debt

The Company ended the first quarter with a net cash position of R\$16.2 million, including cash, cash equivalents and short-term investments, as well as sellers finance and agreements entered into with the current operators of concessions at private airports. The table below shows the debts of continuing operations.

<i>R\$ million</i>	1Q17	1Q16
Debt	105.0	248.3
Financing of past acquisitions	33.4	10.7
Point of Sales rights	3.1	51.9
Total Debt	141.4	310.9
(-) Cash	-157.6	-336.1
Net Debt	(16.2)	(25.2)

Below is the breakdown of our total debt and cash by currency in 1Q17.



CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R\$ thousand)	1Q17	1Q16
NET REVENUE	350,663	388,483
COST OF SALES AND SERVICES	(253,386)	(277,235)
GROSS PROFIT	97,277	111,248
OPERATING INCOME (EXPENSES)		
Commercial and operating expenses	(74,541)	(84,873)
General and administrative expenses	(23,810)	(26,222)
Depreciation and amortization	(7,843)	(9,615)
Impairment	0	0
Other income (expenses)	1,067	(1,228)
Equity income result	1,480	2,197
Net financial expenses	(627)	(21,643)
INCOME (LOSS) BEFORE INCOME TAXES	(6,997)	(30,136)
Income Taxes	(10,084)	2,747
NET INCOME (LOSS) FOR THE QUARTER FROM CONTINUED OPERATIONS	(17,081)	(27,389)
RESULT FROM DISCONTINUED OPERATIONS	0	3,972
NET INCOME (LOSS) FOR THE QUARTER	(17,081)	(23,417)

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

(R\$ thousand)

3/31/2017

12/31/2016

ASSETS**CURRENT ASSETS**

Cash and cash equivalents	157,619	190,108
Accounts receivable	68,432	70,567
Inventories	32,260	35,101
Derivatives	3,505	5,169
Other current assets	50,609	48,038
Assets from discontinued operations	0	0
Total current assets	312,425	348,983

NONCURRENT ASSETS

Deferred income taxes	268	626
Derivatives	1,752	1,399
Other noncurrent assets	62,244	63,197
Property and equipment	242,412	252,429
Intangible assets	826,159	836,774
Total noncurrent assets	1,132,835	1,154,425

TOTAL ASSETS

1,445,260	1,503,408
------------------	------------------

LIABILITIES AND EQUITY**CURRENT LIABILITIES**

Trade accounts payable	65,670	85,815
Loans and financing	52,883	61,797
Salaries and payroll charges	64,471	63,976
Other current liabilities	29,211	37,005
Liabilities from Discontinued operations	0	0
Total current liabilities	212,235	248,593

NONCURRENT LIABILITIES

Loans and financing	93,774	104,313
Provision for labor, civil and tax disputes	25,307	26,997
Deferred income tax liability	71,341	62,569
Other noncurrent liabilities	22,125	20,140
Total noncurrent liabilities	212,547	214,019

EQUITY

Capital and reserves	1,155,711	1,152,775
Accumulated losses	(121,178)	(104,097)
Other comprehensive income	(23,841)	(18,024)
Amounts recognized in other comprehensive income and accumulated in equity related to assets held for sale	0	0
Total equity	1,010,692	1,030,654
Non-Controlling Interest	9,786	10,142

TOTAL LIABILITIES AND EQUITY

1,445,260	1,503,408
------------------	------------------

CASH FLOW STATEMENT**CONDENSED STATEMENTS OF CASH FLOWS**

(R\$ thousand)

	1Q17	1Q16
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss) for the quarter	(17,081)	(27,389)
Depreciation and amortization	21,824	25,022
Impairment of intangible assets (using)	(19,578)	(3,552)
Impairment of intangible assets (provision)	-	-
Investment amortization	491	609
Equity income result	(1,970)	(2,806)
Provision for labor, civil and tax disputes	667	1,589
Income taxes	10,084	(2,747)
Interest expenses	3,312	10,377
Effect of exchange rate changes	(311)	24,616
Disposal of property and equipment	20,129	3,788
Deferred Revenue, Rebates	1,136	(952)
Expenses in payments to employees based in stock plan	1,105	1,457
Others	10,046	(3,407)
Changes in operating assets and liabilities	(22,539)	(6,914)
Cash generated from operations	7,315	19,691
Income tax paid	(6,990)	(1,742)
Interest paid	(171)	(9,586)
Net cash generated by (used in) operating activities	154	8,363
CASH FLOW FROM INVESTING ACTIVITIES		
Capital increase in subsidiaries	-	-
Acquisitions of controlling interest, net of cash	(114)	(78,191)
Dividends received	1,797	2,067
Sale of controlling interest in discontinued operations, net of cash	-	169,080
Additions to intangible assets	(47)	(3,029)
Additions to property and equipment	(15,734)	(12,661)
Net cash used in investing activities from continued operations	(14,098)	77,266
Net cash used in investing activities from discontinued operations	-	-
Net cash used in investing activities	(14,098)	77,266
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contributions	-	46,383
Capital contributions from minority interest	-	-
Treasury shares	1,831	-
New loans	-	-
Payment of loans	(18,243)	(61,902)
Net cash used in financing activities	(16,412)	(15,519)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,783)	(23,396)
NET INCREASE (DECREASE) FOR THE PERIOD	(32,139)	46,714
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	190,108	289,390
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	157,969	336,104

APPENDIX - CURRENCY CONVERSION TABLE

	US\$		COP	
	EoP	Average	EoP	Average
1Q13	2.019	1.995	0.0011	0.0011
2Q13	2.226	2.062	0.0012	0.0011
3Q13	2.235	2.285	0.0012	0.0012
4Q13	2.348	2.272	0.0012	0.0012
1Q14	2.266	2.369	0.0012	0.0012
2Q14	2.205	2.234	0.0012	0.0012
3Q14	2.438	2.276	0.0012	0.0012
4Q14	2.687	2.548	0.0011	0.0012
1Q15	3.208	2.865	0.0012	0.0012
2Q15	3.103	3.073	0.0012	0.0012
3Q15	3.973	3.540	0.0013	0.0013
4Q15	3.905	3.841	0.0012	0.0013
1Q16	3.559	3.857	0.0012	0.0012
2Q16	3.210	3.501	0.0011	0.0012
3Q16	3.246	3.246	0.0011	0.0011
4Q16	3.298	3.285	0.0011	0.0011
1Q17	3.168	3.145	0.0011	0.0011

Management Note:

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

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

GLOSSARY

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

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

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

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

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

do not have a standardized meaning in the market, and the Company's definition may not be the same definition of same-store sales in used by other companies.

DISCLAIMER

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

(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 BM&FBOVESPA S. A. - Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") 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 March 31, 2017, the Group conducts business in Brazil, Panama, Colombia, and the United States of America.

As detailed in the individual and consolidated financial statements for the year ended December 31, 2016, disclosed on March 27, 2017, the Group completed the sale of the total direct and indirect interests in its subsidiaries located in Mexico, Puerto Rico and the Dominican Republic on January 29 and February 26, 2016, respectively.

1.2. Sale of investments

In order to reach a better capital structure and reduce the Company's leverage, in the first quarter of 2016 the sale of interests in the companies located in Mexico, Puerto Rico and the Dominican Republic was completed.

a) Mexico

On January 29, 2016, the Company completed the sale of its direct and indirect interests in the subsidiaries located in Mexico to Taco Holding, S.A.P.I de C.V. and Distribuidora de Alimentos TH, S.A. de C.V. The sale comprises Inversionistas en Restaurantes de Carnes y Cortes, S. de R.L. de C.V. ("IRCyC"), Grupo Restaurantero del Centro, S.A. de C.V., Servicios de Personal Gastronómico IMC S. de R.L. de C.V. and Servicios Administrativos IMC S. de R.L. de C.V.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

1. General information--Continued

1.2. Sale of investments--Continued

b) Puerto Rico and the Dominican Republic

On February 26, 2016, the Company completed the sale of the total direct and indirect interests in the subsidiaries located in Puerto Rico and the Dominican Republic to Management Group Investor, LLC. The sale comprises Airport Shoppes Corp., Cargo Service Corporation, Airport Aviation Service Inc., Carolina Catering Corp., Airport Catering Service Corporation and Aeroparque Corporation, located in Puerto Rico, and International Meal Company DR S.R.L. and Inversiones Llers S.A., both located in the Dominican Republic.

2. Preparation and presentation of 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.

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, 2016, disclosed on March 27, 2017), which, since there were no significant changes in the quarter, have not been fully included in this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

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

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, 2016
Business acquisitions	Note 6
Investments – full note	Note 13
Trade payables	Note 16
Payroll and related taxes	Note 18
Installment payment of acquisitions of companies – full note	Note 19
Deferred revenue	Note 21
Income tax and social contribution – full note	Note 22
Operating lease - stores	Note 32
Commitments, contractual obligations and rights	Note 33
Discontinued operations	Note 34

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, 2016, disclosed on March 27, 2017; accordingly, they should be read together. 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 this 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.

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

3. Significant accounting policies--Continued

3.1. Basis of consolidation--Continued

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, 2016, disclosed on March 27, 2017.

3.2. Functional and reporting currency

The financial statements of each subsidiary included in the consolidated financial statements 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 profit or 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 the CPC adopted, 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 ended December 31, 2016, disclosed on March 27, 2017 and, therefore, should be read together.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

4. International financial reporting standards--Continued

In addition to such disclosures, there are no other standards or interpretations issued by the IASB and the CPC not yet effective that could, based on the Management's assessment, have a significant impact on the profit or loss for the period or equity disclosed by the Company. 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, 2017, as disclosed in note 4 to the individual and consolidated financial statements for the year ended December 31, 2016, disclosed on March 27, 2017.

Because of the CPC's and the CVM's commitment to keep the set of standards issued up-to-date as changes are made by the IASB, such standards are expected to be issued by the CPC and approved by the CVM by the date they become effective.

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 three-month period ended March 31, 2017 are the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2016, disclosed on March 27, 2017.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

6. Segment information

The information reported to the Group's chief decision maker (executive board and the chairman of each subsidiary), for the purpose of fund 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, interest, income tax and social contribution.

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

- 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.

The Group's reportable segments as at March 31, 2017 and 2016 are represented by the Company's operations after the sale of equity interests in subsidiaries in Mexico, Puerto Rico and the Dominican Republic, as mentioned in note 1.b).

	Consolidated				
	Shopping malls	Airports	Highways	United States of America	Others
					Total
March 31, 2017					
Net sales revenue	73,904	88,954	119,746	68,059	-
Operating profit (loss)	389	10,432	9,390	79	(4,344)
Depreciation and amortization	(4,218)	(7,455)	(4,152)	(6,265)	(226)
Finance income (costs), net	1,711	(904)	(218)	(1,026)	(190)
Income tax benefit (expense)	(1,995)	(5,532)	(1,514)	(1,043)	-
					(10,084)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

6. Segment information--Continued

	Consolidated					Total
	Shopping malls	Airports	Highways	United States of America	Others	
March 31, 2016						
Net sales revenue	81,362	108,961	121,085	77,075	-	388,483
Operating profit (loss)	1,130	12,567	9,577	244	(6,380)	17,138
Depreciation and amortization	(5,113)	(9,666)	(4,057)	(6,561)	(234)	(25,631)
Finance income (costs), net	(31)	1,470	(3,212)	3,856	(23,726)	(21,643)
Income tax benefit (expense)	(899)	176	(1,349)	120	4,699	2,747

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

	Consolidated	
	3/31/2017	3/31/2016
Reconciliation of loss for the period:		
Operating profit (loss) from reportable segments	20,290	23,518
Operating profit (loss) from other segments	(4,344)	(6,380)
	15,946	17,138
Depreciation and amortization	(22,316)	(25,631)
Finance income (costs), net	(627)	(21,643)
Income tax and social contribution	(10,084)	2,747
Loss for the period from continuing operations	(17,081)	(27,389)
Profit for the period from discontinued operations	-	3,972
Loss for the period	(17,081)	(23,417)

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

	Consolidated	
	3/31/2017	12/31/2016
Shopping malls	410,542	419,800
Airports	368,160	399,573
Highways	351,143	354,636
United States of America	304,307	317,952
Subtotal	1,434,152	1,491,961
Assets not allocated to the segment	11,108	11,447
	1,445,260	1,503,408

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

6. Segment information--Continued

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	
	3/31/2017	3/31/2016
Net revenue:		
Brazil	238,741	257,899
The Caribbean	43,863	53,509
United States of America	68,059	77,075
	350,663	388,483

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 funds 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.

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 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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

7. Financial instruments--Continued

b) Significant accounting policies

For details on the significant accounting policies and methods adopted, including the criteria used to recognize revenue and expenses for each class of financial assets and financial liabilities, and equity, see the individual and consolidated financial statements for the year ended December 31, 2016, disclosed on March 27, 2017.

c) Categories of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the individual and consolidated interim financial information approximate their fair values. 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	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Financial assets				
Trade receivables and receivables:				
Cash and cash equivalents	11,116	14,673	157,619	190,108
Financial investments (noncurrent)	350	589	350	589
Currency swap instrument (item f)	-	178	5,257	6,568
Trade receivables	17,324	17,901	70,731	72,272
Receivables from related parties	1,005	12,473	-	-
	29,795	45,814	233,957	269,537
Financial liabilities				
Financial liabilities recognized:				
Trade payables	20,157	27,550	65,670	85,815
Borrowings	1,316	11,946	110,255	129,279
Payables to related parties	29,259	16,793	-	-
Installment payment of rights over points of sales	-	-	3,051	3,024
Installment payment of business acquisitions	-	-	33,351	33,807
	50,732	56,289	212,327	251,925

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

7. Financial instruments--Continued

c) Categories of financial instruments--Continued

The Group's management believes that these financial instruments, recognized in the individual and consolidated interim financial information at their amortized cost, approximate their respective fair values, except for intercompany loans.

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 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 three-month period ended March 31, 2017. Accordingly, the disclosed balances do not match the balances stated in the statements of financial position.

	Weighted average effective interest rate - %	Parent					Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	
March 31, 2017							
Trade payables	-	(19,847)	(183)	(45)	(82)	-	(20,157)
Trade receivables	-	14,541	775	1,052	956	-	17,324
Borrowings	15.25	(93)	(185)	(692)	(413)	-	(1,383)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

7. Financial instruments--Continued

d) Liquidity – Continued

	Weighted average effective interest rate - %	Consolidated					Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	
March 31, 2017							
Trade payables	-	(56,733)	(7,674)	(437)	(826)	-	(65,670)
Trade receivables	-	58,071	6,331	4,030	2,299	-	70,731
Currency swap derivatives (item f))	13.36	-	-	3,871	2,607	-	6,478
Borrowings	10.44	157	12,064	32,558	84,684	-	129,463
Installment payment of business acquisitions	13.36	3,744	-	3,871	20,643	10,033	38,291
Installment payment of acquisitions of goodwill	4.57	1,506	-	1,568	-	-	3,074

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 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 debts', as described in note 10.

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

7. Financial instruments--Continued

f) Currency risk

As referred to in note 15, the Group contracted 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 1.75% to 3.1% per year.

As at March 31, 2017 and 2016, due to this financial instrument, the following results were obtained:

	3/31/2017	3/31/2016
Notional amount in US dollars - US\$ thousand	29,124	32,229
Average contracting rate - real - R\$	2.49	2.56
Notional amount in real - R\$	72,570	82,550
Long position (purchased)		
US dollar - US\$ thousand plus interest from 4.05% to 4.81% per year	5,257	27,675
Short position (sold)		
CDI plus interest from 1.75% to 3.1% per year	(933)	(3,095)
Gain for the period	4,324	24,580

g) Interest rate risk

The Group has loans and debt agreements denominated in U.S. dollars (US\$) and Brazilian reais (R\$), indexed to LIBOR (long-term rate), Long-Term Interest Rate - TJLP (agreements with the National Bank for Economic and Social Development - BNDES), Interbank Deposit Rate - CDI and National Consumer Price Index – INPC, calculated by the Brazilian Institute of Geography and Statistics – IBGE. There is an inherent risk in these liabilities due to usual fluctuations in this market.

The Group does not have any derivative contract to mitigate this risk since Management understands that the interest rates pegged to these interest rates do not pose a significant risk.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

7. Financial instruments--Continued

g) Interest rate risk -- Continued

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:

	Consolidated		
	Probable	Scenario I	Scenario II
Swap (per year) - CDI plus interest from 1.75% to 3.1% per year	15.99%	19.33%	22.67%
Estimated charges	5,199	6,284	7,370
Libor (per year) plus interest of 3.6% per year	5.13%	5.42%	5.70%
Estimated charges	3,315	3,498	3,682
TJLP (per year) plus interest of 3.8% per year	11.31%	13.19%	15.06%
Estimated charges	426	497	568

Installment payment of acquisitions of companies

	Consolidated		
	Probable	Scenario I	Scenario II
Installment payment of acquisitions of companies (per year) - CDI	13.36%	16.70%	20.04%
Estimated charges	490	612	735

Installment payment of rights over points of sales

	Consolidated		
	Probable	Scenario I	Scenario II
Installment payment of rights over points of sale (per year) – INPC	4.57%	5.71%	6.86%
Estimated charges	139	174	209

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

7. Financial instruments--Continued

h) Debt-to-equity ratio

	Parent		Consolidated	
	3/31/2017	12/31/2016	3/31/2016	12/31/2016
Debt (i)	1,316	11,946	110,255	129,279
Currency swap derivatives	-	(178)	(5,257)	(6,568)
Installment payment of business acquisitions	-	-	33,351	33,807
Installment payment of rights over points of sales	-	-	3,051	3,024
Cash and cash equivalents (financial investments)	(11,116)	(14,673)	(157,619)	(190,108)
Net debt	(9,800)	(2,905)	(16,219)	(30,566)
Equity (ii)	1,010,692	1,030,654	1,020,478	1,040,796
Net debt-to-equity ratio	(0.010)	(0.003)	(0.016)	(0.029)

(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	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Cash	247	412	4,051	6,914
Banks	111	72	76,059	77,122
Financial investments	10,758	14,189	77,509	106,072
	11,116	14,673	157,619	190,108

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

8. Cash and cash equivalents--Continued

Transactions	Average yield	Liquidity	Country	Parent	
				3/31/2017	12/31/2016
Debentures – repurchase agreements	90% to 101.7% of CDI	Immediate	Brazil	7,463	10,905
Automatic investment	30% to 60% of CDI	Immediate	Brazil	2,946	2,964
Others	80% to 100% of CDI	Immediate	Brazil	349	320
				10,758	14,189

Transactions	Average yield	Liquidity	Country	Consolidated	
				3/31/2017	12/31/2016
Debentures – repurchase agreements	90% to 101.7% of CDI	Immediate	Brazil	60,583	84,412
Automatic investment	30% to 60% of CDI	Immediate	Brazil	8,382	11,669
Automatic investment	7.33% p.a.	Immediate	Colombia	8,195	9,671
Others	80% to 100% of CDI	Immediate	Brazil	349	320
				77,509	106,072

9. Trade receivables

	Parent		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Means of payment (credit and debit cards, and meal tickets)	1,114	1,250	29,336	35,999
Trade receivables	13,486	13,581	27,028	26,446
Vendor allowance	2,856	3,306	15,550	10,852
Others	117	-	604	300
	17,573	18,137	72,518	73,597
Allowance for doubtful accounts	(249)	(236)	(1,787)	(1,325)
	17,324	17,901	70,731	72,272
Current	16,368	16,932	68,432	70,567
Noncurrent	956	969	2,299	1,705
	17,324	17,901	70,731	72,272

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

(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 currencies of the countries where the Group operates:

	Consolidated	
	3/31/2017	12/31/2016
In Brazilian reais - R\$	50,268	54,916
In US dollars - US\$ (*)	9,338	9,316
In Mexican pesos - MXN\$ (*)	3,492	616
In Colombian pesos - COP\$ (*)	9,420	8,749
	72,518	73,597

(*) 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	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Current	14,949	16,133	67,523	59,900
Past due:				
Up to 30 days	1,374	1,768	1,808	11,079
31 to 60 days	992	-	650	895
61 to 90 days	128	-	692	419
Over 90 days	130	236	1,845	1,304
Allowance for doubtful accounts	(249)	(236)	(1,787)	(1,325)
	17,324	17,901	70,731	72,272

As described in note 16, the Group pledged receivables from credit and debit card companies as collateral for borrowings. As at March 31, 2017, the balance receivable related to this collateral is R\$9,006 (R\$4,908 at December 31, 2016) in consolidated and R\$456 at December 31, 2016, in parent. 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 on the maturity date. This collateral could be enforced by banks in case of default on a borrowing.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

(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	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Balance at the beginning of the period	(236)	(162)	(1,325)	(762)
Additions	(153)	(288)	(590)	(2,674)
Reversals and write-offs	140	214	134	2,091
Exchange rate changes	-	-	(6)	20
Balance at the end of the period	(249)	(236)	(1,787)	(1,325)

Vendor allowance

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

The Group did not recognize any adjustment to present value since 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	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Food and beverages	2,461	2,587	18,584	19,300
Fuel and vehicle accessories	-	-	3,310	4,475
Nonfood products and souvenirs for resale	-	-	5,768	6,770
Supplies and fixtures	1,721	1,776	5,555	6,001
Provision for inventory obsolescence	(15)	-	(957)	(1,445)
	4,167	4,363	32,260	35,101

As at March 31, 2017, the total cost of inventories sold disclosed in line item 'Cost of sales and services' totals R\$10,562 (R\$12,355 at March 31, 2016) in Parent and R\$128,399 (R\$140,304 at March 31, 2016) in Consolidated.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

11. Taxes recoverable

	Parent		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Prepaid Income tax and social contribution	-	1,317	8,004	8,089
Withholding income tax (IRRF) on financial investments	5,484	5,369	8,611	7,704
Taxes on revenue (PIS and COFINS)	7,893	8,473	15,567	16,668
Others	252	245	1,128	1,534
	13,629	15,404	33,310	33,995

12. Investments

The list of the Company's subsidiaries and the variations in investments for the year ended December 31, 2016 are presented in the financial statements for the year then ended, disclosed on March 27, 2017. The changes occurred in the period ended March 31, 2017 are shown in the table listing the consolidated entities, in note 3.

Information on subsidiaries

The variations in investments in subsidiaries for the three-month period ended March 31, 2017 are as follows:

	Parent					
	Tob's	Viena Chain	Frango Assado Chain	IMC USA/Mexico	IMC The Caribbean	Total
Balance at December 31, 2016	5,315	288,451	294,159	153,922	150,093	891,940
Share of profit (loss) of investees	(8)	(5,267)	3,290	(8,162)	8,145	(2,002)
Translation adjustments	-	-	-	(4,373)	(1,444)	(5,817)
Balance at March 31, 2017	5,307	283,184	297,449	141,387	156,794	884,121

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

12. Investments--Continued

Information on subsidiaries--Continued

The variations in investments in joint ventures, presented in the consolidated interim financial information, are as follows:

	Margaritaville (Orlando)
Balance at December 31, 2016	29,169
Share of profit (loss) of investees (*)	1,480
Dividends received	(1,797)
Translation adjustments of foreign joint ventures	(679)
Balance at March 31, 2017	28,173

(*) Share of profit (loss) of investees net of the amortization of investment in joint venture incurred in the three-month period ended March 31, 2017, amounting to R\$491. The investment is amortized because the joint venture has finite duration.

13. Property, plant and equipment

The variations in property, plant and equipment for the year ended December 31, 2016 are presented in the financial statements for the year then ended, disclosed on March 27, 2017. The variations in the three-month period ended March 31, 2017 are as follows:

	Parent		
	Balance at 12/31/2016	Additions (*)	Transfers, write- offs, and others
			Balance at 3/31/2017
<u>Cost</u>			
Machinery, equipment and facilities	23,945	-	662
Furniture and fixtures	8,158	-	152
Leasehold improvements	29,624	-	(428)
Computers, vehicles and other items	24,197	-	17
Works and construction in progress	3,641	1,680	(4,788)
Total cost	89,565	1,680	(4,385)
			86,860
<u>Depreciation</u>			
Machinery, equipment and facilities	(14,947)	(751)	767
Furniture and fixtures	(5,233)	(297)	276
Leasehold improvements	(15,127)	(532)	776
Computers, vehicles and other items	(18,609)	(506)	536
Total depreciation	(53,916)	(2,086)	2,355
			(53,647)
<u>Provision for impairment of assets</u>			
Machinery, equipment and facilities	(603)	-	99
Leasehold improvements	(2,481)	-	1,554
Computers, vehicles and other items	(64)	-	(16)
Total provision	(3,148)	-	1,637
			(1,511)
Total, net	32,501	(406)	(393)
			31,702

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

13. Property, plant and equipment--Continued

	Consolidated				
	Balance at 12/31/2016	Effects of exchange differences	Additions (*)	Transfers, write-offs, and others	Balance at 3/31/2017
Cost					
Land and buildings	3,722	45	-	-	3,767
Machinery, equipment and facilities	161,314	(338)	1,227	4,136	166,339
Furniture and fixtures	69,083	(758)	433	1,879	70,637
Leasehold improvements	284,688	(3,050)	653	4,642	286,933
Computers, vehicles and other items	63,956	(166)	268	210	64,268
Works and construction in progress	15,807	(107)	6,698	(18,384)	4,014
Total cost	598,570	(4,374)	9,279	(7,517)	595,958
Depreciation					
Buildings	(2,028)	(13)	(44)	-	(2,085)
Machinery, equipment and facilities	(104,798)	244	(4,411)	1,391	(107,574)
Furniture and fixtures	(42,247)	371	(2,561)	404	(44,033)
Leasehold improvements	(133,483)	1,145	(8,493)	1,826	(139,005)
Computers, vehicles and other items	(49,009)	95	(1,531)	735	(49,710)
Total depreciation	(331,565)	1,842	(17,040)	4,356	(342,407)
Provision for impairment of assets					
Machinery, equipment and facilities	(2,126)	-	-	-	(2,126)
Furniture and fixtures	(203)	-	-	505	302
Leasehold improvements	(11,866)	-	-	2,948	(8,918)
Computers, vehicles and other items	(381)	-	-	(16)	(397)
Total provision	(14,576)	-	-	3,437	(11,139)
Total, net	252,429	(2,532)	(7,761)	276	242,412

(*) The additions to property, plant and equipment presented in the statements of cash flows are net of the installments paid, related to previous acquisitions. Accordingly, the amount of R\$3,144, Parent and R\$6,455, consolidated, were added in additions to property, plant and equipment in the three-month period ended March 31, 2017 in the statements of cash flows.

Net balances in	Parent		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	3/31/2016
Land and buildings	-	-	1,682	1,694
Machinery, equipment and facilities	9,172	8,395	56,639	54,390
Furniture and fixtures	3,056	2,925	26,906	26,633
Leasehold improvements	13,386	12,016	139,010	139,339
Computers, vehicles and other items	5,555	5,524	14,161	14,566
Works and construction in progress	533	3,641	4,014	15,807
	31,702	32,501	242,412	252,429

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

13. Property, plant and equipment--Continued

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Allocated to cost of sales and services	1,578	2,057	14,660	16,273
Allocated to general and administrative expenses	508	350	2,380	2,682
Total depreciation expenses	2,086	2,407	17,040	18,955
PIS and COFINS credits on depreciation (*)	(171)	(300)	(678)	(865)
Total depreciation expenses, net of tax credits	1,915	2,107	16,362	18,090

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

Assets pledged as collateral

The obligations assumed under finance lease agreements are collateralized by the ownership of the leased assets by the lessor, whose carrying amount as at March 31, 2017 is R\$1,502 (R\$1,787 as at December 31, 2016) in Parent and in Consolidated.

14. Intangible assets

The variations in intangible assets for the year ended December 31, 2016 are presented in the financial statements for the year then ended, disclosed on March 27, 2017. The variations in intangible assets for the period ended March 31, 2017 are as follows:

	Balance at 12/31/2016	Parent		Balance at 3/31/2017
		Additions (*)	Transfers, write-offs, and others	
<u>Cost:</u>				
Goodwill	91,790	-	-	91,790
Software	15,194	-	(31)	15,163
Rights over trademarks	4,100	-	-	4,100
Rights over points of sales	35,558	-	(191)	35,367
Licensing rights	70,625	-	-	70,625
Leasehold rights	25,532	-	-	25,532
Intangibles in progress	1,865	-	-	1,865
Total cost	244,664	-	(222)	244,442
<u>Amortization:</u>				
Software	(13,866)	(246)	14	(14,098)
Rights over points of sales	(11,371)	(1,037)	(5)	(12,413)
Licensing rights	(49,426)	(1,211)	208	(50,429)
Leasehold rights	(19,273)	(494)	-	(19,767)
Total amortization	(93,936)	(2,988)	217	(96,707)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

14. Intangible assets--Continued

	Balance at 12/31/2016	Additions (*)	Parent		Balance at 3/31/2017
			Transfers, write- offs, and others		
<u>Provision for impairment of assets</u>					
Software	(8)	-	8	-	-
Rights over trademarks	(1,427)	-	216	(1,211)	(1,211)
Rights over points of sales	(3,074)	-	(296)	(3,370)	(3,370)
Licensing rights	(143)	-	142	(1)	(1)
Total provision	(4,652)	-	70	(4,582)	(4,582)
	146,076	(2,988)	65	143,153	
Consolidated					
	Balance at 12/31/2016	Additions (*)	Transfers, write- offs, and others	Effects of exchange differences	Balance at 3/31/2017
<u>Cost</u>					
Goodwill	657,014	-	-	(4,005)	653,009
Software	26,728	67	60	(168)	26,687
Rights over trademarks	62,618	-	-	125	62,743
Rights over points of sales	122,574	32	(7,621)	-	114,985
Licensing rights	103,503	(52)	-	(1,458)	101,993
Leasehold rights	28,699	-	-	(1,338)	27,361
Non-compete agreements	2,905	-	-	36	2,941
Intangibles in progress and other assets	2,539	-	-	10	2,549
Total cost	1,006,580	47	(7,561)	(6,798)	992,268
<u>Amortization</u>					
Software	(24,156)	(403)	95	(174)	(24,638)
Rights over points of sales	(39,901)	(2,730)	3,904	1,800	(36,927)
Licensing rights	(69,092)	(1,724)	-	(1,033)	(71,849)
Leasehold rights	(19,273)	(494)	-	-	(19,767)
Non-compete agreements	(1,269)	(91)	-	(316)	(1,676)
Intangibles in progress and other assets	(343)	(21)	-	(64)	(428)
Total amortization	(154,034)	(5,463)	3,999	213	(155,285)
<u>Provision for impairment of assets</u>					
Software	(76)	-	(2)	-	(78)
Rights over trademarks	(4,261)	-	225	-	(4,036)
Rights over points of sales	(9,616)	-	4,867	-	(4,749)
Licensing rights	(1,819)	-	(142)	-	(1,961)
Total provision	(15,772)	-	4,948	-	(10,824)
Total cost	836,774	(5,416)	1,386	(6,585)	826,159

(*) The additions to intangible assets presented in the statements of cash flows are added by the installments paid in previous acquisitions. Accordingly, the amount of R\$2 in consolidated, was added in additions to property, plant and equipment in the three-month period ended March 31, 2017 in the statements of cash flows.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

14. Intangible assets--Continued

<u>Net balances in</u>	<u>Parent</u>		<u>Consolidated</u>	
	<u>3/31/2017</u>	<u>12/31/2016</u>	<u>3/31/2017</u>	<u>12/31/2016</u>
Goodwill (a)	91,790	91,790	653,009	657,014
Software	1,065	1,320	1,971	2,496
Rights over trademarks (b)	2,889	2,673	58,707	58,357
Rights over points of sales (c)	19,584	21,113	73,309	73,057
Licensing rights (d)	20,195	21,056	28,183	32,592
Leasehold rights (e)	5,765	6,259	7,594	9,426
Non-compete agreements	-	-	1,265	1,636
Intangibles in progress and other assets	1,865	1,865	2,121	2,196
	143,153	146,076	826,159	836,774

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 goodwill was allocated to the following cash-generating units:

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

14. Intangible assets--Continued

Main intangible assets--Continued

a) *Goodwill--Continued*

	Consolidated	
	3/31/2017	12/31/2016
Brazil:		
Shopping malls	187,905	187,905
Airports	91,790	91,790
Highways	206,187	206,187
	<u>485,882</u>	<u>485,882</u>
The Caribbean:		
Shopping malls	955	944
Airports	18,310	18,093
	<u>19,265</u>	<u>19,037</u>
United States of America	147,862	152,095
	<u>653,009</u>	<u>657,014</u>

b) *Rights over trademarks*

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

c) *Rights over points of sales*

Refer to amounts paid to acquire rights over points of sales (commercial rights) and/or for the allocation of part of the prices paid for the acquisition of businesses.

d) *Licensing rights*

A portion of the price attributable to the acquisition of catering operations was allocated to the licenses to operate airline-catering services on board of aircraft, and licenses and permits to operate restaurants in certain commercial regions.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

(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 company 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 at March 31, 2017 there are no indications that any of the cash-generating units is impaired.

15. Borrowings

	Financial charges	Maturity	Parent		Consolidated	
			3/31/2017	12/31/2016	3/31/2017	12/31/2016
CCB international swap - Brazil (a)	CDI + spread from 1.75% to 3.00% p.a.	Quarterly up to 9/14/20	-	10,391	37,776	49,641
Bank Credit Note - CCB – United States of America (b)	90-day LIBOR + spread of 4.0% per year	Quarterly up to 4/1/2021	-	-	64,566	71,186
BNDDES	TJLP or exchange rate change + spread from 3.81% to 5.8% per year	Monthly up to 11/15/19	-	-	5,877	4,173
Others			1,316	1,555	2,036	4,279
			1,316	11,946	110,255	129,279

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

15. Borrowings--Continued

Classified as:

	Parent		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Current:				
Foreign currency-denominated borrowings	-	10,391	39,432	49,418
Local currency-denominated borrowings (R\$)	936	1,104	3,346	3,569
	936	11,495	42,778	52,987
Noncurrent:				
Foreign currency-denominated borrowings	-	-	62,911	71,412
Local currency-denominated borrowings (R\$)	380	451	4,566	4,880
	380	451	67,477	76,292

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 the Company's subsidiaries and a swap collateral assignment arising from sales made by the Company's subsidiaries using 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 1.75% to 3.1% 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 with 16 quarterly installments remaining at March 31, 2017 and collateralized by the subsidiaries of IMSMV Holdings Inc. Under this borrowing agreement, the Group is required to comply with certain positive and negative covenants on a consolidated basis. The financial ratios established in the agreement are evaluated by the financial institution semiannually beginning December 31, 2016 and consist basically in the net debt-to-EBITDA ratios.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

15. Borrowings--Continued

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

	Parent	Consolidated
2018	58	20,774
2019	171	23,831
2020	111	18,865
2021 and thereafter	40	4,007
	380	67,477

16. Installment payment of business acquisitions

	Parent		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Business acquisitions in Brazil	-	-	3,667	3,630
Business acquisitions in other countries	-	-	29,684	30,177
Total	-	-	33,351	33,807
Current	-	-	7,054	5,786
Noncurrent	-	-	26,297	28,021

17. 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	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Labor and social security (a)	6,602	6,950	18,443	20,347
Tax (b)	-	-	305	309
Civil (c)	715	303	6,559	6,341
	7,317	7,253	25,307	26,997

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

17. Provision for labor, civil and tax risks---Continued

- (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 if such risks materialize.
- (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 Company's legal counsel's opinion, who assessed the risk of an unfavorable outcome as probable.

The Group is party to other lawsuits that, according to the opinion of its legal counsel, involve possible risk of losses amounting to R\$5,352 in Parent and R\$16,824 in Consolidated. No provision for tax and civil risks was recognized since the likelihood of loss is not probable, while a provision for labor risks was set up based on the Group's history of losses.

Among the main lawsuits classified as possible loss we highlight the infringement notices issued against the subsidiary Comercial Frango Assado 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\$ 5,669. The lawsuit is under discussion at the administrative level.

The variations in the provision for risks in the periods are as follows:

	Parent			
	Labor and social security	Tax	Civil	Total
Balance at December 31, 2015	2,540	1,628	278	4,446
Additions	398	118	-	516
Reversals	(157)	-	-	(157)
Uses	(98)	-	(1)	(99)
Balance at March 31, 2016	2,683	1,746	277	4,706
Balance at December 31, 2016	6,950	-	303	7,253
Additions	134	-	412	546
Reversals	-	-	-	-
Uses	(482)	-	-	(482)
Balance at March 31, 2017	6,602	-	715	7,317

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

17. Provision for labor, civil and tax risks---Continued

	Consolidated			
	Labor and social security	Tax	Civil	Total
Balance at December 31, 2015	6,775	6,488	333	13,596
Additions	1,151	1,075	-	2,226
Reversals	(637)	-	-	(637)
Uses	(719)	-	-	(719)
Exchange rate changes	(124)	-	-	(124)
Balance at March 31, 2016	6,446	7,563	333	14,342
Balance at December 31, 2016	20,347	309	6,341	26,997
Additions	254	-	413	667
Reversals	-	-	-	-
Uses	(2,158)	(4)	(18)	(2,180)
Exchange rate changes	-	-	(177)	(177)
Balance at March 31, 2017	18,443	305	6,559	25,307

18. 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 at March 31, 2017 and December 31, 2016, deferred income tax is as follows:

	Parent	
	3/31/2017	12/31/2016
Tax loss carryforwards	615	615
Temporary differences:		
Provision for labor, civil and tax risks	2,488	2,466
Provision for disposal of assets	2,049	5,766
Deferred income tax liability on amortization of goodwill of companies acquired	(40,761)	(40,646)
Deferred tax liability arising from fair value allocations of business combinations	(3,862)	(3,522)
Accrued liabilities and others	10,467	11,399
Total	(29,004)	(23,922)
Assets	-	-
Liabilities	(29,004)	(23,922)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

18. Income tax and social contribution--Continued

a) Deferred income tax and social contribution--Continued

	Consolidated	
	3/31/2017	12/31/2016
Tax loss carryforwards	61,902	61,902
Temporary differences:		
Provision for labor, civil and tax risks	6,725	7,246
Provision for disposal of assets	9,841	14,342
Accrued liabilities	11,417	12,088
Asset appreciation and difference between accounting and tax law depreciation rates	19,351	19,709
Deferred income tax liability on amortization of goodwill of companies acquired and merged and/or derived from fair value allocations of business combinations	(179,497)	(177,174)
Others	(812)	(56)
	(71,073)	(61,943)
Assets	268	626
Liabilities	(71,341)	(62,569)

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
Year		
2017	11,085	34,207
2018	1,233	18,353
2019	-	18,889
2020	1,650	14,626
2021 and thereafter	1,651	23,161
	15,619	109,236

As at March 31, 2017, the Group has tax loss carryforwards amounting to R\$345,783 (R\$290,092 as at December 31, 2016) for which it recognized a deferred tax asset up to the amount that can be offset against future taxable profits. Tax loss carryforwards are distributed among the Group's subsidiaries as follows:

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

18. Income tax and social contribution--Continued

b) Reconciliation of income tax and social contribution at statutory and effective rates

	Parent	
	3/31/2017	3/31/2016
Loss before income tax and social contribution from continuing operations	(11,999)	(33,009)
Statutory tax rate	34%	34%
Income tax and social contribution credit at statutory rate	4,080	11,223
Adjustments made:		
Permanent differences (*)		
Taxable profit (loss) of investments in foreign subsidiaries	-	(3,240)
Share of profit (loss) of investees	(681)	(2,331)
Deferred income tax credits on tax loss carryforwards not recognized or recognized in losses of prior years	(8,032)	-
Other permanent differences	(449)	(32)
Income tax and social contribution	(5,082)	5,620
Current	-	6,884
Deferred	(5,082)	(1,264)
	Consolidated	
	3/31/2017	3/31/2016
Loss before income tax and social contribution from continuing operations	(6,997)	(30,136)
Statutory tax rate	34%	34%
Income tax and social contribution credit at statutory rate	2,379	10,246
Adjustments made:		
Permanent differences (*)	(1,446)	(676)
Effect on differences of statutory tax rates of foreign subsidiaries	(73)	(5,950)
Deductible profit (loss) of investments in foreign subsidiaries	-	3,582
Deferred income tax credits on tax loss carryforwards not recognized or recognized in losses of prior years	(12,139)	(3,903)
Others	1,195	(552)
Income tax and social contribution	(10,084)	2,747
Current	(823)	5,797
Deferred	(9,261)	(3,050)

(*) 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

March 31, 2017

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

19. Equity

Advent International Corporation ("Advent") holds the Company's control through its investments in FIP – Fundo de Investimento em Participações – Brasil Empreendimentos, which holds 20.17% of the Company and in which Advent has 69.76% of the shares and through Semolina Fundo de Investimento em Participações with 23.19%, totaling 43.36% of the Company's interest.

a) Capital

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

At March 31, 2017 and December 31, 2016, the Company's capital comprised 166,531,600 shares that represent an amount of R\$924,614.

In the first quarter of 2016, the amounts of R\$11,596 and R\$34,786 were recognized as capital increase and capital reserve, respectively, as a result of the capital contribution related to the subscription of 11,595,022 common shares.

At the Extraordinary General Meeting held on July 22, 2016, the Company's Board of Directors approved the adjustment of R\$ 4,762 in the Company's capital, amount corresponding to 337,257 treasury shares of International Meal Company Holdings S.A, Group's parent company until December 1, 2014, when it was merged into International Meal Company Alimentação S.A. As a result, the Company's capital is currently R\$ 924,614 divided into 166,531,600.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

19. Equity--Continued

b) 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.

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.

c) Treasury shares

On March 28, 2016, the Company's Board of Directors approved the "Program to Buy Back" shares effective for up to one year and for a volume of up to 9,049,066 common shares in order to generate value for the shareholders through an appropriate management of the Company's capital structure, and for any exercise of options under the Company's Stock Option Plan.

Accordingly, the Company acquired 4,262,743 common shares during the year 2016, at the average purchase price of 4.46. The net disbursement for such buyback of shares in the period was R\$ 19,017.

On September 22, 2016, treasury shares decreased by R\$ 425 due to the exercise of 100,000 stock options by one of the plan's beneficiaries.

The variations in treasury shares in the first quarter of 2017 were as follows:

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

19. Equity--Continued

c) Treasury shares - Continued

	Number of shares	Amount	Average price per share - R\$
Balance at December 31, 2016	4,500,000	23,354	5.19
(-) Stock options exercised	(425,000)	(1,831)	(4.31)
Balance at the end of the period	4,075,000	21,523	5.28

d) Other comprehensive income

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

20. Share-based payment plan

Under the Stock Option Plan ("Plan"), 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 share 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 Plan will be managed by the Company's Board of Directors or, at its discretion, by the Compensation Committee ("Committee"), and, where applicable, they 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 strike 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 Vargas (IGP-M/FGV) from the grant date.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

20. Share-based payment plan--Continued

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.

The position of the granted options outstanding as at March 31, 2017 is as follows:

Exercise of grant	Number of shares				Fair value of the option ⁽¹⁾	Strike price ⁽¹⁾	
	Granted	Not exercised due to withdrawal ⁽³⁾	Exercised ⁽³⁾	Outstanding		On grant	Updated
2015	2,700,000	(1,308,000)	(492,000)	900,000	4.33 ⁽⁴⁾	4.00 ⁽⁵⁾	4.32
2016 ⁽²⁾	3,900,000	(867,000)	(33,000)	3,000,000	1.52	4.00	4.12
2017	800,000	-	-	800,000	1.85	4.00	4.03
	7,400,000	(2,175,000)	(525,000)	4,700,000			

⁽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 strike price was set at R\$4.00 per share, subject to the variation of the Extended National Price Index - IPCA of the National Institute of Geography and Statistics - IBGE, 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⁾ Movements occurred in the year ended December 31, 2016. 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⁾ Strike price set in amendment of March 24, 2016.

The Plan fair value 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:

Exercise of grant	YTD – at 3/31/2017	Amounts to be recorded in future periods ⁽¹⁾
2015	4,974	1,044
2016 ⁽²⁾	1,311	3,303
2017	190	1,293
Total	6,475	5,640

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

20. Share-based payment plan--Continued

- (1) The weighted average of the remaining contractual period is of 22 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 strike price was set at R\$4.00 per share, subject to the variation of the Extended National Price Index - IPCA of the National Institute of Geography and Statistics - IBGE, 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:

	Weighted average
Expected life of the option (1)	4.1 years
Volatility (2)	45.2%
Risk rate (3)	6.7%

- (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 uses as risk-free interest rate the reference rate of BM&F available at the calculation date and with maturity equivalent to the option term.

The Plan substitutes IMCHSA Stock Plan approved at the Extraordinary General Meeting held on February 15, 2011 and adopted by the Company as a result of the merger of IMCHSA into the Company, as approved at the Company's Extraordinary General Meeting held on December 1, 2014 ("Stock Plan"), subject, however, to the effectiveness of and compliance by the Company with all terms and conditions in the Stock Option Agreements entered into within the scope of the Stock Plan, as approved at such Extraordinary General Meeting.

The options to be created as a result of liquidity event, as defined in the Stock Plan, and the shares already delivered within the scope of the Stock Plan will be considered for purposes of the limit of 5% of the Company's capital.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

21. Net revenue

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Gross revenue	39,796	50,764	376,910	419,255
Taxes on sales	(3,897)	(5,124)	(22,365)	(26,068)
Returns and rebates	(167)	(196)	(3,882)	(4,704)
	35,732	45,444	350,663	388,483

22. Selling and operating expenses

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Payroll	(2,214)	(2,639)	(5,995)	(6,105)
Publicity and advertising	(293)	(200)	(4,925)	(5,354)
Rental expenses	(2,497)	(5,873)	(33,810)	(41,335)
Third- party services	(646)	(714)	(8,460)	(8,766)
Credit and debit card commissions	(127)	(212)	(4,625)	(5,223)
Royalties	(45)	(85)	(4,437)	(5,261)
Maintenance	(26)	(8)	(3,152)	(4,067)
Logistics	(235)	(320)	(999)	(1,324)
Communication infrastructure	(127)	(266)	(823)	(907)
Fees and charges	(119)	(215)	(2,839)	(2,677)
Other expenses	(231)	(315)	(4,476)	(3,854)
	(6,560)	(10,847)	(74,541)	(84,873)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

23. General and administrative expenses

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Payroll	(9,463)	(8,453)	(15,771)	(16,179)
Office rental	(93)	(337)	(302)	(620)
Third- party services	(1,714)	(2,336)	(2,554)	(4,444)
Travel expenses	(193)	(332)	(512)	(808)
Maintenance and utilities	(496)	(418)	(829)	(717)
Share-based payments	(1,105)	(1,457)	(1,147)	(1,457)
Store launchings	(36)	(22)	(1,100)	(865)
Expense recovery – related parties	7,150	7,074	-	-
Infrastructure and communication	(39)	(49)	(160)	(208)
Other general and administrative expenses	(814)	(580)	(1,435)	(924)
Total	(6,803)	(6,910)	(23,810)	(26,222)

24. Other operating income (expenses), net

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Other expenses:				
Write-off of fixed assets	-	(26)	(2)	(244)
Provision for labor, civil and tax risks, net of reversals	(546)	(359)	(667)	(1,589)
Organizational restructuring	-	(636)	-	(834)
Other expenses	(290)	(141)	(259)	(1,052)
	(836)	(1,162)	(928)	(3,719)
Other income:				
Vendor allowance	376	368	777	511
Sales of fixed assets and sales points	63	-	299	-
Recovery of tax credits	-	942	531	1,863
Other revenues	-	70	388	117
	439	1,380	1,995	2,491
Total, net	(397)	218	1,067	(1,228)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

25. Finance income (costs), net

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Finance income:				
Income from financial investments	338	7,390	2,426	8,109
Inflation adjustment gains	-	187	-	187
Exchange gains	345	-	311	-
Financial discount granted on payment of installments of business acquisitions	-	-	85	6,922
Other finance income	88	191	413	-
	771	7,768	3,235	15,218
Finance costs:				
Interest on borrowings	(679)	(367)	(2,835)	(7,533)
Interest on business acquisitions and on acquisitions of rights over points of sales	-	(1,745)	(519)	(2,844)
Exchange losses	-	(1,311)	-	(24,616)
Inflation adjustment, interest and banking fees	-	(896)	(412)	(1,758)
Others	-	-	(96)	(110)
	(679)	(4,319)	(3,862)	(36,861)
Total, net	92	3,449	(627)	(21,643)

26. Expenses by nature

	Parent		Consolidated	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Inventory costs	(10,562)	(12,355)	(128,399)	(140,304)
Personnel expenses	(26,419)	(27,632)	(117,740)	(126,247)
Selling expenses	(293)	(200)	(4,925)	(5,354)
Third- party services	(2,364)	(3,051)	(11,143)	(13,265)
Operating expenses	(6,525)	(11,143)	(67,741)	(80,679)
Depreciation and amortization	(4,902)	(6,233)	(21,825)	(25,022)
Amortization of investment in joint venture	-	-	(491)	(609)
Expense recovery – related parties	7,150	7,074	-	-
Share of profit (loss) of investees	(2,002)	(26,920)	1,970	2,806
Other expenses	(1,509)	(1,660)	(7,806)	(7,074)
	(47,426)	(82,120)	(358,100)	(395,748)
Classified as:				
Cost of sales and services	(28,566)	(32,967)	(253,386)	(277,235)
Selling and operating expenses	(6,560)	(10,847)	(74,541)	(84,873)
General and administrative expenses	(6,803)	(6,910)	(23,810)	(26,222)
Depreciation and amortization	(3,495)	(4,476)	(7,843)	(9,615)
Share of profit (loss) of investees	(2,002)	(26,920)	1,480	2,197
	(47,426)	(82,120)	(358,100)	(395,748)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

27. 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	
	3/31/2017	3/31/2016
<u>Sales transactions</u>		
Viena Chain	774	969
Frango Assado Chain	69	226
	843	1,195
	Parent	
	3/31/2017	3/31/2016
<u>Reimbursement of Expenses</u>		
Viena Chain	4,505	4,458
Frango Assado Chain	2,645	2,616
	7,150	7,074

b) Assets

	Parent	
	3/31/2017	12/31/2016
Viena Chain	-	11,081
Frango Assado Chain	-	584
USA	1,005	808
	1,005	12,473

c) Liabilities

	Parent	
	3/31/2017	12/31/2016
Tob's	1,278	1,272
Panama	15,180	15,521
Viena Chain	8,254	-
Frango Assado Chain	4,547	-
	29,259	16,793

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

27. Related parties--Continued

Compensation of key management personnel

For the three-month period ended March 31, 2017, key management compensation totaled R\$4,093 (R\$2,851 at March 31, 2016) in Parent and Consolidated, out of which R\$1,105 (R\$1,457 at March 31, 2016) 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 long-term benefits.

28. 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 at March 31, 2017, insurance coverage is as follows:

	<u>Consolidated</u>
Civil liability	48,549
Sundry risks - inventories and property, plant and equipment	736,945
Vehicles	69,155
Others	75,642
	<u>930,291</u>

29. 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 issued in the period.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

March 31, 2017

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

29. Earnings (loss) per share--Continued

Diluted

Diluted earnings (loss) per share are 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:

	Parent and Consolidated	
	3/31/2017	3/31/2016
Basic and diluted numerator		
Loss used to calculate basic and diluted earnings per share from continuing operations	(17,081)	(27,389)
Loss for the period from discontinued operations	-	3,972
Loss for the period attributable to Company's shareholders used to calculate total basic and diluted loss per share	(17,081)	(23,417)
Available shares:		
Basic and diluted denominator (thousands of shares)	162,269	162,667
Weighted average number of stock options granted	-	-
Weighted average number of available shares	162,269	162,667
Basic loss per share from continuing operations – R\$.	(0.10256)	(0.16837)
Basic loss per share from continuing operations – R\$.	(0.10256)	(0.16837)
Basic earnings per share from discontinued operations – R\$	-	0.02442
Diluted earnings per share from discontinued operations – R\$	-	0.02442
Basic loss per share - R\$	(0.10256)	(0.14395)
Diluted loss per share - R\$	(0.10256)	(0.14395)

30. Authorization of the individual and consolidated interim financial information

The meeting of the Board of Directors held on May 9, 2017 approved and authorized for disclosure this individual and quarterly 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.

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 March 31, 2017, which comprise the balance sheet as at March 31, 2017 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-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 Brazilian and International Standards on Auditing 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 three-month period ended March 31, 2017, 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, May 9, 2017.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

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

Opinion of the supervisory board or equivalent institute

Not applicable

Declaration of the supervisory board about the interim 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 quarter ended March 31, 2017.

São Paulo, May 09, 2017.

Newton Maia Salomão Alves
Chief Executive Officer

José Agote
Chief Financial Officer

Declaration of the supervisory board about the independent auditors' 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 quarter ended March 31, 2017.

São Paulo, May 09, 2017.

Newton Maia Salomão Alves
Chief Executive Officer

José Agote
Chief Financial Officer