imc
INTERNATIONAL MEAL COMPANY

1Q18 RESULTS

São Paulo, May 11th, 2018 - International Meal Company Alimentação S.A. (B3: MEAL3), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the first quarter of 2018 (1Q18). 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$363M in 1Q18
(3.5% up vs. 1Q17)

Adjusted EBITDA
R$21M in 1Q18
(+24%|+90bps)

Net Loss
-R$6.4M in 1Q18
(from a R$17M loss in 1Q17)

MEAL3 on 3.29.2018
R$8.50

IR CONTACTS
José Agote (CFO, IRO)

Vítor Pini (FP&A & IR Director)
Phone number: +55 (11) 3041-9653
ri@internationalmealcompany.com

CONFERENCE CALL - PORTUGUESE

5/11/2018
9:00 a.m. (Brasília) / 8:00 a.m. (US ET)

Webcast: click here

Phone number
+55 (11) 3127-4971 / 3728-5971

CONFERENCE CALL - ENGLISH

5/11/2018
11:00 a.m. (Brasília) / 10:00 a.m. (US ET)

Webcast: click here

Phone number
+1 (412) 317 6795

MESSAGE FROM MANAGEMENT

We are happy to announce our 1Q18 results, which show relevant improvements over 1Q17, reflecting the many initiatives that were implemented since the beginning of 2017. Furthermore, there is still a lot of room for improvement in terms of both margins and top line.

Consolidated Adjusted EBITDA was up 24% YoY reaching R$21M, with an improvement of 90bps in margins that reached 5.8% in 1Q18. Net revenues reached R$363M, up 3.5% YoY. **Operating Cash Generation – after maintenance Capex – reached R$3M, or a 15% conversion rate from EBITDA, compared to -35% in 1Q17**. We posted a **Net loss of R$6M, from a R$17M net loss in 1Q17.**

In Brazil, operating income (including holding expenses) was up 91% YoY (+R$5M) reaching R$10.8M with a 200bps expansion in margins. **In the US**, there was **a decrease in operating income due to higher store pre-opening expenses, as a result of the recently opened Landshark restaurant in Daytona, FL**. **In the Caribbean, operating income was up by 0.4%**, with a 30bps growth in margin in reais.

All in all, we have seen an important improvement in results, especially in Brazil, but there is still more to be captured. However, we are still in the middle of the turnaround, and even though we remain confident that we are on the right path to achieve our mid and long term targets, we expect a bumpy road and volatility given our high level of operational leverage.

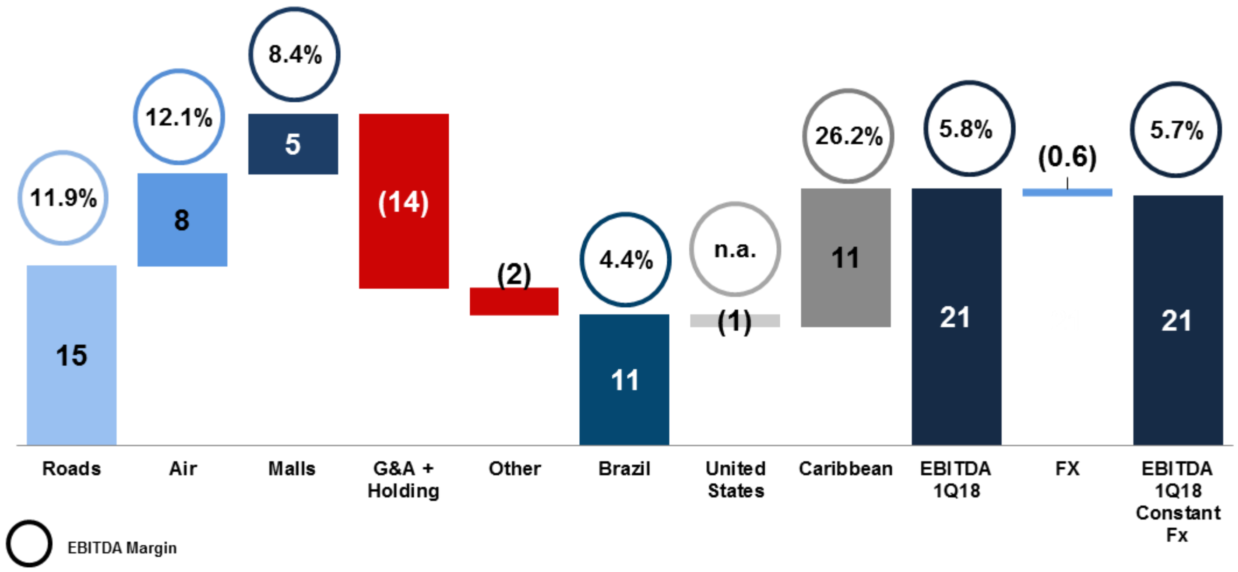
As we disclosed on 4Q17's results, below is our four-pillar strategy and the main initiatives for each block:

- **i) Costs reduction:**
  - **a.** Intelligent Kitchens: lower waste, lower back-of-the-house staff, lower utilities
  - **b.** RPA: manual processes automation, reducing further the back office overhead.
  - **c.** Continued effort on the zero base budget to further streamline overall cost structure.
- **ii) Sales Improvement efforts**
  - **a. Brazil**
    - i. **Viena**
      - i) team assessment + training; ii) intelligent kitchens (higher quality products, higher consistency of execution and higher productivity); iii) research and focus groups.
    - **ii. Frango Assado:**
      - Increase publicity: +50% the number of billboards; social media and digital marketing (including Waze).
  - **b. US**
    - **i.** The main areas of focus are: i) store infrastructure; ii) group sales; and iii) marketing.
  - **c. Caribbean**
    - **i.** The challenge is to sustain the level of sales and efficiency.
    - **ii.** New catering contracts in Colombia.
    - **iii.** Working to get new locations at the Tocumen's Airport in Panama.
- **iii) Organic Expansion**
  - **a. Brazil**
    - i. Olive Garden and Frango Assado (brownfields).
  - **b. US**
    - i. Margaritaville/Landshark: two new units to be signed in 2018 (in addition to Daytona, FL).
- **iv) Processes and Team**
  - **a.** Goal setting project: variable compensation to 100% of employees = higher commitment and better alignment.

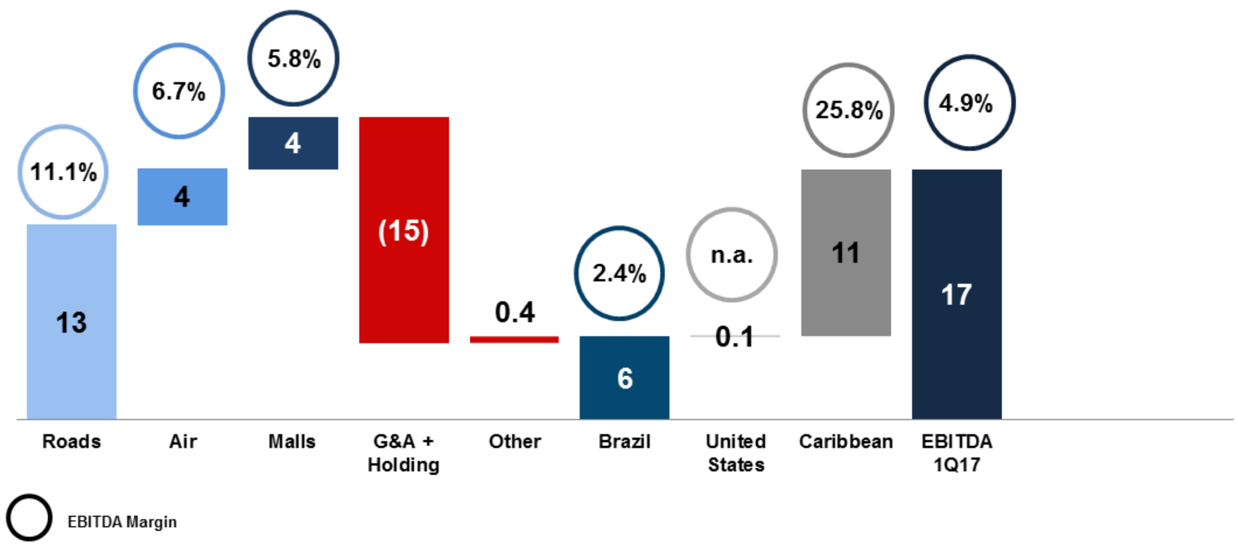
COMMENTS ABOUT IMC'S PERFORMANCE

OVERVIEW OF 1Q18

EBITDA Bridge 1Q18



EBITDA Bridge 1Q17



In 1Q18, IMC's Adjusted EBITDA was up by 24% with a 90bps margin improvement reaching R$21 million in in Reais (or R$20.6 million constant currency) with a 5.8% margin.

In Brazil, operating income was up 91% YoY (+R$5M) reaching R$10.8M with a 200bps expansion in margins, reflecting our efforts to improve efficiency on the back of lower labor and food costs, lower holding, sales & operating expenses, partially offset by higher other expenses (higher provisions for contingencies). Brazilian results were also positively impacted by lower sales taxes in the Air and Malls segments.

In the US, the reduction in operating income was due to the higher store pre-opening expenses related to the launching of the new Landshark restaurant in Daytona (January/18). Excluding that, results would have been flat YoY.

In the Caribbean, the 0.4% growth in operating income is a consequence of higher efficiency in food cost and selling and operating expenses, leading to a 30bps increase in margins in reais.

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

CONSOLIDATED RESULTS

(in R$ million)	1Q18	1Q17	%HA	1Q18[3]	% HA[3]
Net Revenue	**362.8**	**350.7**	**3.5%**	***358.3***	***2.2%***
Restaurants & Others	304.6	294.2	3.5%	*300.1*	*2.0%*
Gas Stations	58.3	56.4	3.3%	*58.3*	*3.3%*
Brazil	244.6	238.7	2.5%	*244.6*	*2.5%*
US	74.6	68.1	9.6%	*71.9*	*5.6%*
Caribbean	43.6	43.9	-0.6%	*41.8*	*-4.6%*
Cost of Sales and Services	**(254.4)**	**(253.4)**	**0.4%**	***(251.8)***	***-0.6%***
Direct Labor	(94.9)	(94.4)	0.5%	*(93.7)*	*-0.8%*
Food	(80.1)	(79.2)	1.1%	*(79.0)*	*-0.2%*
Others	(19.2)	(18.9)	1.7%	*(19.0)*	*0.6%*
Fuel and Automotive Accessories	(48.4)	(46.9)	3.1%	*(48.4)*	*3.1%*
Depreciation & Amortization	(11.9)	(14.0)	-15.0%	*(11.7)*	*-16.0%*
Gross Profit	**108.4**	**97.3**	**11.4%**	***106.5***	***9.5%***
Gross Margin (%)	*29.9%*	*27.7%*	*2.1p.p.*	*29.7%*	*2p.p.*
Operating Expenses	**(106.5)**	**(102.5)**	**3.9%**	***(104.9)***	***2.3%***
Selling and Operating	(41.7)	(40.7)	2.3%	*(40.8)*	*0.2%*
Rents of Stores	(34.7)	(33.8)	2.6%	*(34.2)*	*1.2%*
Store Pre-Openings	(2.5)	(1.1)	129.8%	*(2.5)*	*127.0%*
Depreciation & Amortization	(6.8)	(7.8)	-12.8%	*(6.7)*	*-14.0%*
J.V. Investment Amortization	(0.5)	(0.5)	3.3%	*(0.5)*	*0.0%*
Equity income result	2.4	2.0	20.2%	*2.3*	*15.2%*
Other revenues (expenses)	(1.6)	1.1	-254.4%	*(1.7)*	*-255.7%*
General & Administative	(19.0)	(18.3)	3.5%	*(18.7)*	*2.2%*
Corporate (Holding)[2]	(2.0)	(3.2)	-38.2%	*(2.0)*	*-38.4%*
Special Items - Write-offs	0.0	0.0	-	*0.0*	-
Special Items - Other	(2.6)	(1.1)	124.4%	*(2.6)*	*124.4%*
EBIT	**(0.7)**	**(6.4)**	**-89.4%**	***(1.0)***	***-84.4%***
(+) D&A and Write-offs	19.2	22.3	-13.8%	*19.0*	*-14.9%*
EBITDA	**18.6**	**15.9**	**16.4%**	***18.0***	***12.9%***
EBITDA Margin (%)	*5.1%*	*4.5%*	*0.6p.p.*	*5.0%*	*0.5p.p.*
(+) Special Items - Other	2.6	1.1	-	*2.6*	-
Adjusted EBITDA [1]	**21.1**	**17.1**	**23.7%**	***20.6***	***20.4%***
Adjusted EBITDA Margin (%)	*5.8%*	*4.9%*	*1p.p.*	*5.7%*	*0.9p.p.*

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

Net revenue totaled R$362.8 million in 1Q18, up 3.5% vs. 1Q17. The positive performance of new stores launched in the period and the lower sales taxes in the Air and Malls segement offset the negative impact of the net store closures of 22 restaurants (21 of which in Brazil), as shown in the section "Number of stores".

Food cost totaled R$80.1M, up 1.1% compared to 1Q17, leading to a 50bps improvement YoY.

Direct Labor cost totaled R$94.9 million, compared to R$94.4 million in 1Q17, as headcount adjustments mitigated inflationary pressures on payroll, leading to a 80bps improvement compared to 1Q17.

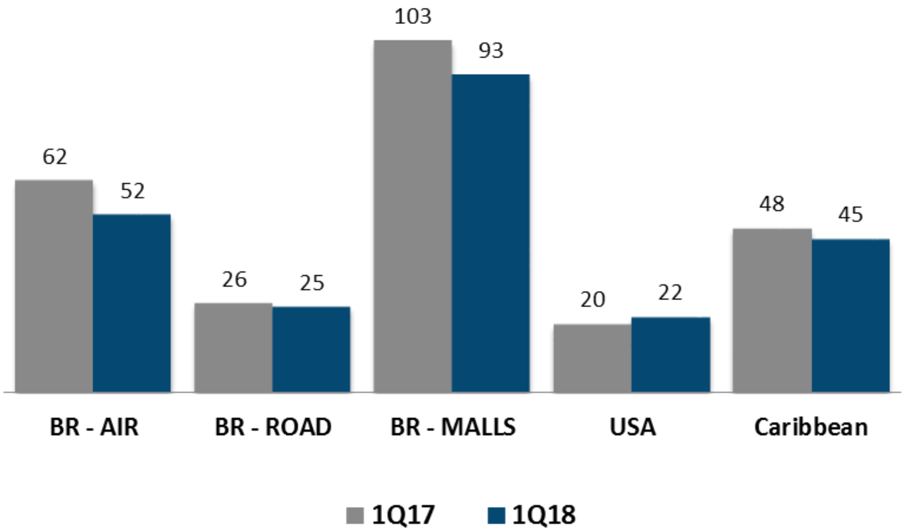
Sales and Operating expenses were R$1.0 million higher YoY, but representing a 10bps improvement compared to 1Q17.

Rent expenses totaled R$34.7 million, a 2.6% increase YoY, but equivalent to a 10bps improvement YoY.

With regards to G&A and Holding expenses, the R$0.6 million decrease YoY reflects costs reduction that took place throughout 2017.

All in all, in 1Q18 the adjusted EBITDA reached R$21.1 million, 24% up. Adjusted EBITDA margin reached 5.8%, a 90 bps increase YoY.

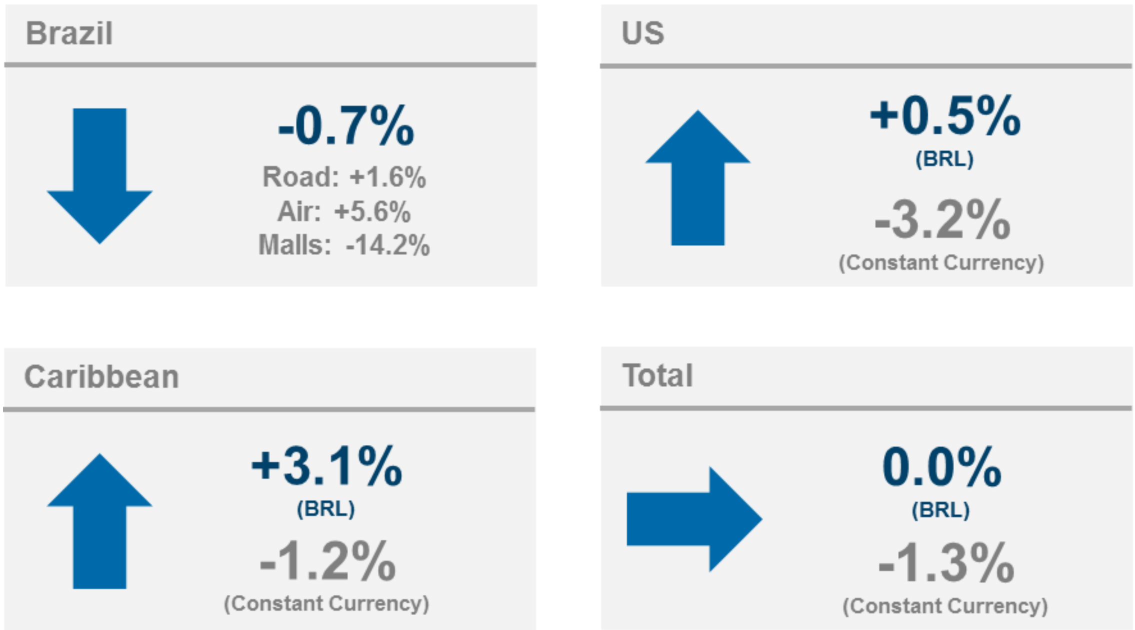
NUMBER OF STORES



NUMBER OF STORES (end of period)	1Q18	1Q17	YoY Var. (%)	YoY Var. (#)
Brazil	**170**	**191**	**-11.0%**	**-21**
Air	*52*	*62*	*-16.1%*	*-10*
Roads	*25*	*26*	*-3.8%*	*-1*
Shopping Malls	*93*	*103*	*-9.7%*	*-10*
USA	**22**	**20**	**10.0%**	**2**
Caribbean	**45**	**48**	**-6.3%**	**-3**
Total Number of Stores	**237**	**259**	**-8.5%**	**-22**

At the end of the quarter, the Company had 237 stores, a net reduction of 22 stores YoY, 21 in Brazil and 3 in the Caribbean, and two new stores in the USA.

SAME-STORE SALES (SSS)



Same store sales totaled a 1.3% reduction in constant currencies in 1Q18, or flat in reais.

In Brazil, the 0.7% decrease in same store sales was led by malls with a 14.2% negative performance in the quarter, which was partially offset by the positive performance of Air +5.6% (lead by catering) and Roads +1.6% (+5.0% in restaurants and -2.2% in gas stations).

USA SSS in Reais was +0.5% and in local currency was -3.2% YoY in 1Q18.

In the Caribbean, SSS were +3.1% in Reais and nearly flat in constant currency in the quarter as Panama's positive performance was offset by lower sales in Colombia, especially in malls.

RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

(in R$ million)	Brazil 2018	USA 2018	Caribbean 2018	Consolidated 2018	% VA	Brasil 2017	EUA 2017	Caribbe 2017	Consolidated 2017	% VA	% HA
Net Revenue	**244.6**	**74.6**	**43.6**	**362.8**	**100.0%**	**238.7**	**68.1**	**43.9**	**350.7**	**100.0%**	**3.5%**
Restaurants & Others	186.3	74.6	43.6	304.6	83.9%	182.3	68.1	43.9	294.2	83.9%	3.5%
Gas Stations	58.3	0.0	0.0	58.3	16.1%	56.4	0.0	0.0	56.4	16.1%	3.3%
Cost of Sales and Services	**(184.4)**	**(49.7)**	**(20.3)**	**(254.4)**	**-70.1%**	**(184.8)**	**(48.1)**	**(20.5)**	**(253.4)**	**-72.3%**	**0.4%**
Direct Labor	(60.7)	(25.9)	(8.3)	(94.9)	-26.2%	(61.9)	(24.8)	(7.7)	(94.4)	-26.9%	0.5%
Food	(53.8)	(15.0)	(11.3)	(80.1)	-22.1%	(53.6)	(13.5)	(12.1)	(79.2)	-22.6%	1.1%
Others	(13.9)	(4.9)	(0.4)	(19.2)	-5.3%	(14.2)	(4.3)	(0.4)	(18.9)	-5.4%	1.7%
Fuel and Automotive Accessories	(48.4)	0.0	0.0	(48.4)	-13.3%	(46.9)	0.0	0.0	(46.9)	-13.4%	3.1%
Depreciation & Amortization	(7.6)	(3.9)	(0.4)	(11.9)	-3.3%	(8.2)	(5.5)	(0.3)	(14.0)	-4.0%	-15.0%
Gross Profit	**60.3**	**24.9**	**23.3**	**108.4**	**29.9%**	**53.9**	**20.0**	**23.4**	**97.3**	**27.7%**	**11.4%**
Operating Expenses[1]	**(61.6)**	**(30.6)**	**(14.2)**	**(106.5)**	**-29.3%**	**(62.0)**	**(26.1)**	**(14.4)**	**(102.5)**	**-29.2%**	**3.9%**
Selling and Operating	(17.8)	(18.4)	(5.5)	(41.7)	-11.5%	(18.6)	(16.2)	(6.0)	(40.7)	-11.6%	2.3%
Rents of Stores	(21.9)	(8.1)	(4.7)	(34.7)	-9.6%	(21.8)	(7.3)	(4.7)	(33.8)	-9.6%	2.6%
Store Pre-Openings	(1.0)	(1.6)	0.0	(2.5)	-0.7%	(1.0)	(0.1)	0.0	(1.1)	-0.3%	129.8%
Depreciation & Amortization	(4.6)	(0.3)	(2.0)	(6.8)	-1.9%	(5.5)	(0.3)	(2.0)	(7.8)	-2.2%	-12.8%
J.V. Investment Amortization	0.0	(0.5)	0.0	(0.5)	-0.1%	0.0	(0.5)	0.0	(0.5)	-0.1%	3.3%
Equity income result	0.0	2.4	0.0	2.4	0.7%	0.0	2.0	0.0	2.0	0.6%	20.2%
Other revenues (expenses)	(2.1)	0.2	0.3	(1.6)	-0.5%	0.4	0.3	0.3	1.1	0.3%	n/a
General & Administative	(12.4)	(4.3)	(2.3)	(19.0)	-5.2%	(12.2)	(4.1)	(2.0)	(18.3)	-5.2%	3.5%
Corporate (Holding)[2]	(2.0)	0.0	0.0	(2.0)	-0.6%	(3.2)	0.0	0.0	(3.2)	-0.9%	-38.2%
(+) Depreciation & Amortization	12.2	4.7	2.3	19.2	5.3%	13.7	6.3	2.4	22.3	6.4%	-13.8%
Operating Income	**10.8**	**(1.0)**	**11.4**	**21.1**	**5.8%**	**5.7**	**0.1**	**11.3**	**17.1**	**4.9%**	**23.7%**
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(2.6)	-0.7%				(1.1)	-0.3%	124.4%
EBIT	**(1.4)**	**(5.7)**	**9.0**	**(0.7)**	**-0.2%**	**(8.0)**	**(6.1)**	**9.0**	**(6.4)**	**-1.8%**	
(+) D&A and Write-offs				19.2	5.3%				22.3	6.4%	-13.8%
EBITDA				**18.6**	**5.1%**				**15.9**	**4.5%**	**16.4%**
(+) Special Items				2.6	0.7%				1.1	0.3%	124.4%
Adjusted EBITDA				**21.1**	**5.8%**				**17.1**	**4.9%**	**23.7%**

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

RESULTS OF THE BRAZILIAN OPERATIONS

(in R$ million)	2018	% VA	2017	% VA	% HA
Net Revenue	**244.6**	**100.0%**	**238.7**	**100.0%**	**2.5%**
Restaurants & Others	186.3	76.2%	182.3	76.4%	2.2%
Gas Stations	58.3	23.8%	56.4	23.6%	3.3%
Cost of Sales and Services	**(184.4)**	**-75.4%**	**(184.8)**	**-77.4%**	**-0.3%**
Direct Labor	(60.7)	-24.8%	(61.9)	-25.9%	-1.8%
Food	(53.8)	-22.0%	(53.6)	-22.5%	0.3%
Others	(13.9)	-5.7%	(14.2)	-6.0%	-2.5%
Fuel and Automotive Accessories	(48.4)	-19.8%	(46.9)	-19.6%	3.1%
Depreciation & Amortization	(7.6)	-3.1%	(8.2)	-3.4%	-7.0%
Gross Profit	**60.3**	**24.6%**	**53.9**	**22.6%**	**11.8%**
Operating Expenses[1]	**(61.6)**	**-25.2%**	**(62.0)**	**-26.0%**	**-0.5%**
Selling and Operating	(17.8)	-7.3%	(18.6)	-7.8%	-4.3%
Rents of Stores	(21.9)	-8.9%	(21.8)	-9.1%	0.3%
Store Pre-Openings	(1.0)	-0.4%	(1.0)	-0.4%	-3.9%
Depreciation & Amortization	(4.6)	-1.9%	(5.5)	-2.3%	-16.9%
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]	(2.1)	-0.9%	0.4	0.2%	-627.7%
General & Administative[2]	(12.4)	-5.1%	(12.2)	-5.1%	0.9%
Corporate (Holding)[2]	(2.0)	-0.8%	(3.2)	-1.4%	-38.2%
(+) Depreciation & Amortization	12.2	5.0%	13.7	5.7%	-11.0%
Operating Income	**10.8**	**4.4%**	**5.7**	**2.4%**	**91.0%**
Expansion Capex	8.2	3.4%	8.3	3.5%	-0.4%
Maintenance Capex	1.5	0.6%	4.2	1.7%	-63.3%
Total Capex	**9.7**	**4.0%**	**12.4**	**5.2%**	**-21.5%**
Operating Inc. - Maintenance Capex[3]	**9.3**	**85.9%**	**1.5**	**26.4%**	**59.4%**

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

Brazilian operations' top line was up in 1Q18 by 2.5% as a result of the improvement in Roads and air same store sales (+1.6% and 5.6%, respectively) and the new stores launched in malls (namely, Olive Garden in Center Norte and Morumbi malls in Sao Paulo) that mitigated lower same store sales in the Malls, as well as the net reduction of 21 restaurants compared to 1Q17 (-10 in airports, -1 in roads and -10 in shopping malls).

In terms of costs and expenses there was a R$1.2M (110bps) reduction in labor cost as a consequence of the headcount reduction that offset the inflation pressure on payroll. Food cost was down by 50bps (R$0.2M higher) and Others (mainly utilities) by R$0.3M (30bps). There was also an improvement of R$0.8M (50bps) in selling and operating expenses (related to the indirect labor cost reduction) and a R$1.0M (60bps) improvement in G&A and Holding expenses combined, reflecting the adjustments linked to the zero base budget process that took place throughout 2017. Other expenses had a negative impact of 100bps as a result of higher provisions for contingencies.

Consequently, Brazilian operations posted an operating income of R$10.8 million in 1Q18, up 91% YoY, with a 200 bps increase in operating margin.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R$ million)	1Q18	% VA	1Q17	% VA	% HA
Net Revenue	**123.6**	**100.0%**	**119.7**	**100.0%**	**3.2%**
Restaurants & Others	65.3	52.9%	63.3	52.9%	3.2%
Gas Stations	58.3	47.1%	56.4	47.1%	3.3%
Cost of Sales and Services	**(101.7)**	**-82.3%**	**(99.3)**	**-82.9%**	**2.5%**
Direct Labor	(23.7)	-19.2%	(23.6)	-19.7%	0.3%
Food	(20.9)	-16.9%	(19.7)	-16.4%	6.1%
Others	(5.7)	-4.6%	(5.9)	-4.9%	-3.4%
Fuel and Automotive Accessories	(48.4)	-39.1%	(46.9)	-39.2%	3.1%
Depreciation & Amortization	(3.1)	-2.5%	(3.2)	-2.7%	-2.9%
Gross Profit	**21.9**	**17.7%**	**20.5**	**17.1%**	**6.9%**
Operating Expenses[1]	**(11.0)**	**-8.9%**	**(11.3)**	**-9.4%**	**-2.3%**
Selling and Operating	(5.7)	-4.6%	(6.3)	-5.2%	-9.8%
Rents of Stores	(4.6)	-3.7%	(4.1)	-3.4%	12.4%
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(0.8)	-0.6%	(0.9)	-0.8%	-16.6%
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 & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	3.9	3.2%	4.2	3.5%	-6.0%
Operating Income	**14.8**	**11.9%**	**13.3**	**11.1%**	**10.8%**
Expansion Capex	3.1	2.5%	1.1	0.9%	178.0%
Maintenance Capex	0.1	0.1%	1.7	1.4%	-93.2%
Total Capex	**3.2**	**2.6%**	**2.8**	**2.4%**	**14.1%**
Operating Inc. - Maintenance Capex[3]	**14.6**	**99.2%**	**11.6**	**87.2%**	**12.0%**

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

The Roads segment operating income increased by 11% in 1Q18, with a 80bps improvement on margins mainly due to:

i) Improvement in sales (+3.2% YoY), as a consequence of the improvement of 1.6% in SSS – mainly driven by restaurants: up 5.0%.

ii) 60bps gain in labor cost, as a result of positive operational leverage (led by higher sales) and headcount reduction (linked to the zero base budget initiative).

iii) 70bps improvement in selling and operating – indirect labor reduction.

iv) 30bps improvement in other costs (mainly utilities); offsetting:

- Higher food cost (50bps) and rent expenses (30bps)

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R$ million)	1Q18	% VA	1Q17	% VA	% HA
Net Revenue	**62.6**	**100.0%**	**58.3**	**100.0%**	**7.4%**
Restaurants & Others	62.6	100.0%	58.3	100.0%	7.4%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(42.0)**	**-67.1%**	**(41.4)**	**-71.1%**	**1.4%**
Direct Labor	(19.8)	-31.5%	(19.8)	-34.0%	-0.4%
Food	(16.5)	-26.4%	(15.8)	-27.2%	4.2%
Others	(3.6)	-5.8%	(3.4)	-5.9%	6.0%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.1)	-3.4%	(2.3)	-4.0%	-9.8%
Gross Profit	**20.6**	**32.9%**	**16.9**	**28.9%**	**22.2%**
Operating Expenses[1]	**(18.5)**	**-29.6%**	**(19.3)**	**-33.1%**	**-4.1%**
Selling and Operating	(6.1)	-9.7%	(6.4)	-11.0%	-5.2%
Rents of Stores	(9.1)	-14.5%	(8.9)	-15.2%	2.0%
Store Pre-Openings	0.0	0.0%	(0.0)	-0.1%	-100.0%
Depreciation & Amortization	(3.4)	-5.4%	(4.0)	-6.8%	-14.9%
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 & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	5.5	8.8%	6.6	11.3%	-16.6%
Operating Income[1]	**7.6**	**12.1%**	**4.2**	**7.1%**	**82.5%**
Expansion Capex	0.4	0.6%	4.0	6.9%	-90.2%
Maintenance Capex	0.0	0.0%	0.6	1.0%	-95.7%
Total Capex	**0.4**	**0.7%**	**4.6**	**7.9%**	**-90.9%**
Operating Inc. - Maintenance Capex[3]	**7.6**	**99.7%**	**3.6**	**86.3%**	**13.4%**

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

The Brazilian Airport segment operating income reached R$7.6 million in 1Q18, up 83% YoY with a 500bps increase in margins mainly due to:

i) The increase of +7.4% in revenues, as catering positive same store sales and lower sales taxes (tax credit gains) offset lower restaurants same store sales and new concepts/kiosks with lower sales/unit.

ii) The improvement in labor cost (-R$0.1M, 250bps improvement)

iii) The improvement in selling and operating expenses (-R$0.3M - an improvement of 130bps, as a result of lower indirect personnel cost);

iv) Food cost dilution due to higher sales (an improvement of 80bps),

v) Rent expenses dilution due to higher sales (an improvement of 80bps),

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R$ million)	1Q18	% VA	1Q17	% VA	% HA
Net Revenue	**58.4**	**100.0%**	**60.7**	**100.0%**	**-3.8%**
Restaurants & Others	58.4	100.0%	60.7	100.0%	-3.8%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(40.6)**	**-69.6%**	**(44.1)**	**-72.7%**	**-7.9%**
Direct Labor	(17.3)	-29.6%	(18.4)	-30.3%	-6.2%
Food	(16.4)	-28.1%	(18.1)	-29.9%	-9.5%
Others	(4.6)	-7.8%	(4.9)	-8.1%	-7.4%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.4)	-4.1%	(2.6)	-4.3%	-9.7%
Gross Profit	**17.8**	**30.4%**	**16.6**	**27.3%**	**7.1%**
Operating Expenses[1]	**(15.6)**	**-26.8%**	**(16.3)**	**-26.9%**	**-4.1%**
Selling and Operating	(6.1)	-10.4%	(5.9)	-9.7%	2.4%
Rents of Stores	(8.2)	-14.1%	(8.8)	-14.6%	-7.0%
Store Pre-Openings	(1.0)	-1.6%	(1.0)	-1.6%	0.4%
Depreciation & Amortization	(0.4)	-0.7%	(0.6)	-1.0%	-31.1%
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 & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	2.8	4.8%	3.2	5.3%	-13.6%
Operating Income	**4.9**	**8.4%**	**3.5**	**5.8%**	**40.0%**
Expansion Capex	4.7	8.1%	3.1	5.1%	52.1%
Maintenance Capex	1.4	2.4%	1.9	3.1%	-26.5%
Total Capex	**6.1**	**10.5%**	**5.0**	**8.2%**	**22.5%**
Operating Inc. - Maintenance Capex[3]	**3.5**	**71.9%**	**1.6**	**46.5%**	**25.4%**

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

The Malls segment operating income increased by R$1.4 million YoY in 1Q18, totaling R$4.9 million with a 260bps improvement in margins mainly due to:

i) a 3.8% decrease in sales, as a consequence of the net closure of 10 stores combined with a reduction of 14.2% in SSS, which were partially offset by the positive performance of new Olive Garden Restaurants and lower sales taxes (tax credit gains). The negative impact in sales was offset by the improvement in:

ii) labor cost -R$1.1M (+80bps), food cost -R$1.7M (+180bps), other costs -R$0.3M (utilities: +30bps).

RESULTS OF U.S. OPERATIONS

(in US$ Million)	1Q18	% VA	1Q17	% VA	% HA
Net Revenue	**22.9**	**100.0%**	**21.7**	**100.0%**	**5.7%**
Restaurants & Others	22.9	100.0%	21.7	100.0%	5.7%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(15.3)**	**-66.8%**	**(15.3)**	**-70.6%**	**-0.1%**
Direct Labor	(8.0)	-34.8%	(7.9)	-36.4%	1.0%
Food	(4.6)	-20.1%	(4.3)	-19.8%	7.2%
Others	(1.5)	-6.6%	(1.4)	-6.4%	9.7%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(1.2)	-5.3%	(1.7)	-8.0%	-30.7%
Gross Profit	**7.6**	**33.2%**	**6.4**	**29.4%**	**19.5%**
Operating Expenses[1]	**(9.4)**	**-41.1%**	**(8.3)**	**-38.3%**	**13.2%**
Selling and Operating	(5.6)	-24.6%	(5.1)	-23.7%	9.7%
Rents of Stores	(2.5)	-10.9%	(2.3)	-10.7%	7.5%
Store Pre-Openings	(0.5)	-2.1%	(0.0)	-0.2%	1383%
Depreciation & Amortization	(0.1)	-0.4%	(0.1)	-0.4%	-10.9%
J.V. Investment Amortization	(0.2)	-0.7%	(0.2)	-0.7%	0.0%
Equity income result	0.7	3.2%	0.6	2.9%	15.1%
Other revenues (expenses)	0.1	0.2%	0.1	0.5%	-50.7%
General & Administative	(1.3)	-5.8%	(1.3)	-6.0%	1.8%
(+) Depreciation & Amortization	1.4	6.3%	2.0	9.2%	-27.4%
Operating Income	**(0.3)**	**-1.5%**	**0.1**	**0.3%**	**-734.4%**
Expansion Capex	0.9	3.8%	0.3	1.5%	165.0%
Maintenance Capex	0.1	0.5%	0.1	0.4%	19.3%
Total Capex	**1.0**	**4.2%**	**0.4**	**1.9%**	**133.0%**
Operating Inc. - Maintenance Capex[2]	**(0.5)**	**131.3%**	**(0.0)**	**-66.5%**	**197.8%**

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

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

Net revenues came in at US$22.9 million in 1Q18, up 5.7% YoY due to the positive performance of the recently opened restaurants, which offset the impact from lower same store sales (-3.2%).

Operating margins (-180bps, in US$) were impacted by higher store pre-opening expenses linked to the launching of the Landshark restaurant in Daytona, FL. Excluding that effect, operating income (-US$0.3M) would have been above last year's US$0.1M.

RESULTS OF THE CARIBBEAN OPERATIONS

(in R$ million)	1Q18	% VA	1Q17	% VA	% HA	*1Q18²*	*% VA²*	*% HA²*
Net Revenue	**43.6**	**100.0%**	**43.9**	**100.0%**	**-0.6%**	***41.8***	***100.0%***	***-4.6%***
Restaurants & Others	43.6	100.0%	43.9	100.0%	-0.6%	*41.8*	*100.0%*	*-4.6%*
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*
Cost of Sales and Services	**(20.3)**	**-46.7%**	**(20.5)**	**-46.7%**	**-0.7%**	***(19.5)***	***-46.5%***	***-4.9%***
Direct Labor	(8.3)	-18.9%	(7.7)	-17.7%	6.7%	*(7.9)*	*-18.9%*	*2.0%*
Food	(11.3)	-25.9%	(12.1)	-27.5%	-6.4%	*(10.8)*	*-25.8%*	*-10.3%*
Others	(0.4)	-1.0%	(0.4)	-0.8%	22.0%	*(0.4)*	*-1.0%*	*15.6%*
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*
Depreciation & Amortization	(0.4)	-0.8%	(0.3)	-0.7%	12.8%	*(0.3)*	*-0.8%*	*8.0%*
Gross Profit	**23.3**	**53.3%**	**23.4**	**53.3%**	**-0.5%**	***22.4***	***53.5%***	***-4.3%***
Operating Expenses¹	**(14.2)**	**-32.7%**	**(14.4)**	**-32.9%**	**-1.2%**	***(13.7)***	***-32.7%***	***-5.2%***
Selling and Operating	(5.5)	-12.7%	(6.0)	-13.6%	-7.3%	*(5.3)*	*-12.7%*	*-11.2%*
Rents of Stores	(4.7)	-10.8%	(4.7)	-10.8%	-0.6%	*(4.5)*	*-10.8%*	*-4.2%*
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*
Depreciation & Amortization	(2.0)	-4.6%	(2.0)	-4.6%	-2.2%	*(1.9)*	*-4.5%*	*-6.4%*
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*
Other revenues (expenses)	0.3	0.7%	0.3	0.7%	-5.5%	*0.3*	*0.7%*	*-8.3%*
General & Administative	(2.3)	-5.3%	(2.0)	-4.6%	16.0%	*(2.2)*	*-5.3%*	*11.2%*
(+) Depreciation & Amortization	2.3	5.4%	2.4	5.4%	-0.1%	*2.2*	*5.4%*	*-4.4%*
Operating Income	**11.4**	**26.1%**	**11.3**	**25.8%**	**0.4%**	***10.9***	***26.2%***	***-3.3%***
Expansion Capex	4.4	10.1%	0.4	1.0%	954.9%	*4.2*	*10.1%*	*912.2%*
Maintenance Capex	0.4	0.9%	1.2	2.6%	-66.8%	*0.4*	*0.9%*	*-68.2%*
Total Capex	**4.8**	**11.0%**	**1.6**	**3.6%**	**203.8%**	***4.6***	***11.0%***	***191.5%***
Operating Inc. - Maintenance Capex³	**11.0**	**96.6%**	**10.2**	**89.8%**	**8.0%**	***10.6***	***96.6%***	***4.1%***

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

The information in the table above is presented in Reais and in Reais in constant currency (using the 2017 FX rate to convert the 2018 and 2017 results), to eliminate the effect of exchange rate flutuations. The comments below refer to 1Q18 constant currency numbers.

Net revenues reached R$41.8 million, down 4.6% YoY, as a result of a softer SSS performance in Colombia (airports and malls) and the 3-store net reduction that offset the positive performance in Panama (airports).

As a consequence of lower sales, there was a lower dilution of labor costs (-120bps) and G&A expenses (-80bps).

The focus on operational excellence mitigated those impacts with an improvement in food cost of 160bps and a 90pbs improvement selling and operating expenses.

Operating income came in at R$10.9 million in 1Q18, down 3.3% compared to 1Q17, but with an operating margin of 26.2% up from 25.8% in 1Q17.

Operating income after maintenance Capex reached R$10.6 million, or a 97% cash conversion rate.

ADJUSTED EBITDA AND ADJUSTED MARGIN

EBITDA RECONCILIATION (R$ million)	1Q18	1Q17	HA (%)
NET INCOME (LOSS)	**(6.4)**	**(17.1)**	**-62.4%**
(+) Income Taxes	5.2	10.1	n.a.
(+) Net Financial Result	0.5	0.6	n.a.
(+) D&A and Write-offs	18.7	21.8	-14.2%
(+) Amortization of Investments in Joint Venture	0.5	0.5	3.3%
EBITDA	**18.6**	**15.9**	**16.4%**
(+) Special Items	2.6	1.1	124.4%
Adjusted EBITDA	**21.1**	**17.1**	**23.7%**
EBITDA / Net Revenues	*5.1%*	*4.5%*	
Adjusted EBITDA / Net Revenues	*5.8%*	*4.9%*	

The Company's Adjusted EBITDA, excluding special items, reached R$21.1 million in 1Q18, with an adjusted EBITDA margin of 5.8% vs. 4.9% in 1Q17. The special items mainly refer to the stock option plan.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R$0.5 million, compared to R$0.6 million in 1Q17.

Income taxes (current and differed) totaled a R$5.2 million expense in 1Q18, versus R$10.1 million expense in 1Q17.

The Company recorded a net loss of R$6.4 million in 1Q18, compared to a net loss of R$17.1 million in 1Q17.

SELECTED CASH FLOW INFORMATION

OPERATING ACTIVITIES

EBITDA Reconcilation to Operating Cash Flow (R$ Million)	1Q18	1Q17	Var. (%)
Adjusted EBITDA	**21.1**	**17.1**	**23.7%**
Special Items	(2.6)	(1.1)	n.a.
(+/-) Other Non-Cash Impact on IS	(0.6)	13.9	
(+/-) Working Capital	(10.2)	(22.9)	
Operating Cash Before Taxes and Interest	**7.8**	**7.0**	**11.4%**
(-) Paid Taxes	(1.5)	(7.0)	
(-) Maintenance Capex	(3.0)	(5.9)	
Net Cash Generated by Operating Activities	**3.2**	**(5.9)**	**n.a.**
Operating Net Cash/EBITDA	**15.2%**	**-34.6%**	**49.8 p.p.**

Operating cash flow totaled +R$3.2 million in 1Q18 (compared to -R$5.9 million in 1Q17), mostly impacted by improved results, lower taxes paid and lower maintenance capex. Operating net cash over Adjusted EBITDA reached 15.2% in 1Q18, from negative 34.6% in 1Q17.

INVESTING ACTIVITIES

(R$ million)	1Q18	1Q17	HA (%)
Property and Equipment	(14.5)	(15.7)	-8.0%
Additions to Intangible Assets	(4.3)	(0.0)	n.a.
(=) Total Invested (CAPEX)	**(18.7)**	**(15.8)**	**18.7%**
Payment of Acquisitions	(2.0)	(0.1)	n.a.
Dividends Received	1.9	1.8	5.0%
Other*	1.3	0.0	
Total Investments	**(17.6)**	**(14.1)**	**24.6%**

*Proceeds from sale of discontinued assets.

CAPEX (in R$ million)	**1Q18**	**1Q17**	**HA (%)**
Expansion			
Brazilian Operations	**8.2**	**8.3**	**-0.4%**
Brazil - Air	0.4	4.0	-90.2%
Brazil - Roads	3.1	1.1	178.0%
Brazil - Malls	4.7	3.1	52.1%
USA Operations	**2.8**	**1.0**	**174.9%**
Caribbean Operations	**4.4**	**0.4**	**954.9%**
Holding	**0.3**	**0.2**	**47.9%**
Total Expansion Investments	**15.7**	**9.9**	**59.0%**
Maintenance			
Brazilian Operations	**1.5**	**4.2**	**-63.3%**
Brazil - Air	0.0	0.6	-95.7%
Brazil - Roads	0.1	1.7	-93.2%
Brazil - Malls	1.4	1.9	-26.5%
USA Operations	**0.4**	**0.3**	**23.8%**
Caribbean Operations	**0.4**	**1.2**	**-66.8%**
Holding	**0.7**	**0.3**	**161.1%**
Total Maintenance Investments	**3.0**	**5.9**	**-49.0%**
Total CAPEX Investments	**18.7**	**15.8**	**18.7%**

Regarding Expansion CAPEX, in 1Q18 IMC invested mainly in new stores or in existing stores to increase their capacity in all regions.

FINANCING ACTIVITIES

The Company's financing cash flow in 1Q18 was mainly affected by the debt payment of R$7.5 million.

(R$ million)	**1Q18**	**1Q17**	**HA (%)**
Capital Contribuitions	0.0	0.0	n.a.
Treasury Shares	0.2	1.8	-86.9%
New Loans	0.0	0.0	n.a.
Payment of Loans	(7.5)	(18.2)	-59.1%
Net Cash Generated by Financing Activities	**(7.2)**	**(16.4)**	**-56.0%**

NET DEBT

The Company ended 1Q18 with a net debt position of R$34.2 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.

R$ million	1Q18	1Q17
Debt	163.9	140.9
Financing of past acquisitions	35.0	27.5
Point of Sales rights	0.0	4.5
Total Debt	**198.9**	**173.0**
(-) Cash	**(164.7)**	**(222.4)**
Net Debt	**34.2**	**(49.4)**

CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	1Q18	1Q17	2018	2017
NET REVENUE	**362,821**	**350,663**	**362,821**	**350,663**
COST OF SALES AND SERVICES	**(254,449)**	**(253,386)**	**(254,449)**	**(253,386)**
GROSS PROFIT	**108,372**	**97,277**	**108,372**	**97,277**
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(76,358)	(74,541)	(76,358)	(74,541)
General and administrative expenses	(26,059)	(23,810)	(26,059)	(23,810)
Depreciation and amortization	(6,842)	(7,843)	(6,842)	(7,843)
Impairment	0	0	0	0
Other income (expenses)	(1,648)	1,067	(1,648)	1,067
Equity income result	1,862	1,480	1,862	1,480
Net financial expenses	(517)	(627)	(517)	(627)
LOSS BEFORE INCOME TAXES	**(1,190)**	**(6,997)**	**(1,190)**	**(6,997)**
Income Taxes	**(5,236)**	**(10,084)**	**(5,236)**	**(10,084)**
LOSS FOR THE QUARTER	**(6,426)**	**(17,081)**	**(6,426)**	**(17,081)**

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION (R$ thousand)	1Q18	4Q17
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	164,674	183,588
Accounts receivable	77,242	86,882
Inventories	41,431	43,670
Derivatives	1,138	1,066
Other current assets	67,826	57,319
Total current assets	**352,311**	**372,525**
NONCURRENT ASSETS		
Deferred income taxes	1,809	877
Derivatives	753	653
Other noncurrent assets	51,745	56,126
Property and equipment	243,128	244,141
Intangible assets	837,445	838,102
Total noncurrent assets	**1,134,880**	**1,139,899**
TOTAL ASSETS	**1,487,191**	**1,512,424**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	72,220	89,525
Loans, financing and acquisitions' payables	52,822	50,604
Salaries and payroll charges	60,234	61,889
Other current liabilities	38,774	42,613
Total current liabilities	**224,050**	**244,631**
NONCURRENT LIABILITIES		
Loans, financing and acquisitions' payables	147,965	157,034
Provision for labor, civil and tax disputes	10,751	12,539
Deferred income tax liability	74,827	69,622
Other noncurrent liabilities	23,823	24,633
Total noncurrent liabilities	**257,366**	**263,828**
EQUITY		
Capital and reserves	1,008,670	1,006,056
Accumulated losses	(3,631)	2,795
Other comprehensive income	(6,815)	(12,549)
Total equity	**998,224**	**996,302**
Non-Controlling Interest	7,551	7,663
TOTAL LIABILITIES AND EQUITY	**1,487,191**	**1,512,424**

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	1Q18	1Q17
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the quarter	(6,426)	(17,081)
Depreciation and amortization	18,732	21,825
Impairment of intangible assets (using)	(1,613)	(19,578)
Impairment of intangible assets (provision)	-	-
Investiment amortization	507	491
Equity income result	(2,369)	(1,970)
Provision for labor, civil and tax disputes	2,028	667
Income taxes	5,236	10,084
Interest expenses	2,919	3,354
Disposal of property and equipment	1,985	20,129
Expenses in payments to employees based in stock plan	2,375	1,105
Others	(5,865)	11,139
Changes in operating assets and liabilities	(10,205)	(22,889)
Cash generated from operations	7,759	6,965
Income tax paid	(1,549)	(6,990)
Interest paid	(2,148)	(171)
Net cash generated by (used in) operating activities	**4,062**	**(196)**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment of business acquisitions made in prior years	(2,046)	(114)
Dividends received	1,887	1,797
Sale of controlling interest in discontinued operations, net of cash	1,322	-
Additions to intangible assets	(4,259)	(47)
Additions to property and equipment	(14,477)	(15,734)
Net cash used in investing activities	**(17,573)**	**(14,098)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contribuitions	-	-
Capital contribuitions from minority interest	-	-
Shares in Treasury	239	1,831
New loans	-	-
Payment of loans	(7,453)	(18,243)
Net cash used in financing activities	**(7,214)**	**(16,412)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,811	(1,783)
NET INCREASE (DECREASE) FOR THE PERIOD	**(18,914)**	**(32,489)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**183,588**	**190,108**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**164,674**	**157,619**

APPENDIX - CURRENCY CONVERSION TABLE

	US$		COP	
	EoP	Average	EoP	Average
1Q16	3.559	3.857	0.001183	0.001201
2Q16	3.210	3.501	0.001149	0.001174
3Q16	3.246	3.246	0.001115	0.001102
4Q16	3.298	3.256	0.001116	0.001093
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101
3Q17	3.168	3.190	0.001079	0.001082
4Q17	3.308	3.249	0.001109	0.001088
1Q18	3.324	3.247	0.001190	0.001137

MANAGEMENT NOTE

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

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

GLOSSARY

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

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

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

Adjusted EBITDA reflects EBITDA, adjusted to exclude the effects of transactions deemed by management as being unrepresentative of the normal course of business and/or do not impact cash generation, such as provisions for store closures, corporate restructuring expenses, consulting expenses related to projects’ implementation.

According to the accounting practices adopted in IFRS, EBITDA and the Adjusted EBITDA is not a measure of financial performance and should not be considered as an alternative to net income as an indicator of operating performance, as an alternative to operating cash flow, or as an indicator of liquidity.

Due to the fact that the calculation of EBITDA does not consider the income tax and social contribution tax, financial income (expense), depreciation and amortization, EBITDA is an indicator of the Company’s overall financial performance, which is unaffected by changes in income tax and social contribution tax rates, fluctuations in interest rates or levels of depreciation and amortization.

Therefore, the Company believes that Adjusted EBITDA serves as a significant comparative tool to measure, periodically, its operating performance and to base certain decisions of an administrative nature. The Company believes that Adjusted EBITDA provides a better understanding of not only of its financial performance, but also its ability to pay interest and principal on its debt and to incur more debt to finance its capital expenditures and working capital.

However, because Adjusted EBITDA does not consider certain costs inherent in its business, which could, in turn, significantly affect earnings, such as interest, taxes, depreciation, capital expenditures and other related charges, EBITDA has limitations that affect its use as an indicator of the Company’s profitability.

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

DISCLAIMER

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