imc™

INTERNATIONAL MEAL COMPANY

2Q12

EARNINGS RELEASE

2Q12
Earnings Release

- **IMCH3 price on June 30, 2012**
  R$18.50

- **Market Capitalization on June 30, 2012**
  R$1.6 billion
  USD820 million

- **Results Conference Call**
  Wednesday, August 15, 2012.

  Portuguese
  Time: 11:30 a.m. (Brasília)
  10:30 a.m. (US ET)
  Phone: +55 (11) 2188-0155
  Code: IMC

  English
  Time: 1:00 p.m. (Brasília)
  12:00 p.m. (US ET)
  Phone: +1 (412) 317-6776
  Code: IMC

- **The results presentation will be available at:**
  www.internationalmealcompany.com/ir

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SALES GROW BY 34% IN 2Q12, CONTINUING IMC'S EXPANSION

São Paulo, August 14, 2012. International Meal Company Holdings S.A. (BM&FBOVESPA: IMCH3), one of the largest multi-brand companies in the food service segment in Brazil, is disclosing its results for the second quarter of 2012 (2Q12). Unless otherwise indicated, the information herein is presented in millions of Brazilian reais (R$) and in accordance with accounting principles adopted in Brazil and with international financial reporting standards (IFRS). All comparisons refer to the same period in the previous year.

HIGHLIGHTS OF THE PERIOD

- Total **net revenue reached R$280.7 million** in 2Q12, 34.3% up on 2Q11.
- Same-store sales grew by 13.1% over 2Q11, led by the airport segment with growth of 22.8%.
- The Company totalized the acquisition of two new restaurant chains, Wrap's in Brazil and J&C Delicias in Colombia, brands with a proven reputation with customers and with substantial growth potential in the coming years.

SUBSEQUENT EVENTS

- On July 17, IMC announced the acquisition of Batata Inglesa, a chain with 16 proprietary restaurants and 2 locations to be opened, expanding the Company's presence in Rio de Janeiro, one of its strategic markets.

MESSAGE FROM MANAGEMENT

Dear investors,

We have arrived midway through the year and we have several items of good news to share with you.

As mentioned in our Highlights, we ended the quarter with the announcement of two new brand acquisitions, followed by another at the beginning of July, all in line with our strategy of acquiring businesses with a proven reputation and customer recognition. We are currently focused on adapting them to IMC's processes (systems, central kitchen, quality standard, etc.) in preparation for future expansion.

The acquisitions were conducted in compliance with all our internal criteria and we are certain the new brands will generate exceptionally positive results in the years ahead.

In May, we increased our free float when our controlling shareholder sold 9% of its shares on the marke. It is important to mention that the controlling fund still holds 49% of our shares and is fully committed to our long-term goals.

Additionally, it is worth drawing attention to our 2Q12 operating capacity – even after all the acquisitions, the Company was able to keep margins virtually flat over 2Q11 and record an improvement over 1Q12. As we mentioned in our first-quarter earnings release, we have begun a strong drive to reduce expenses and we believe we will continue improving every quarter.

In the following pages, we will comment on our 2Q12 results which leaves us confident that we will achieve our planned results.

Management.

SUMMARY OF RESULTS AND OPERATIONAL HIGHLIGHTS

SUMMARY (R$ million)	2Q12	2Q11	Var. (%) 2Q12/2Q11
NUMBER OF STORES (end of period)	308	236	30.5%
SAME STORES SALES (SSS[1])	218.7	193.3	13.1%
NET REVENUES	280.7	209.0	34.3%
GROSS PROFIT	82.5	62.8	31.4%
GROSS MARGIN (%)	*29.4%*	*30.0%*	*-0.6 p.p.*
OPERATIONAL EXPENSES	(67.7)	(49.4)	37.1%
ADDED BACK DEPRECIATION & AMORTIZATION[2]	18.8	12.9	45.6%
Adjusted EBITDA[3]	33.6	26.2	28.2%
Adjusted EBITDA MARGIN (%)	*12.0%*	*12.6%*	*-0.6 p.p.*
SPECIAL ITEMS[4]	(8.9)	(4.3)	n/a
NET FINANCIAL EXPENSES	(4.5)	(1.9)	138.9%
INCOME TAX	(4.0)	(5.3)	-24.4%
NET PROFIT	(2.8)	1.8	n/a
NET MARGIN (%)	*-1.0%*	*0.9%*	*-1.9 p.p.*

(1) Same-store sales (SSS) adjusted to exclude non-recurring fuel sales in Porto Rico: See definition in the glossary.

(2) In 2Q12, the item included R$8.1 million in depreciation and amortization booked under cost of goods and R$10.7 million in depreciation and amortization booked under operating expenses. In 2Q11, this line included R$4.3 million in depreciation and amortization booked under cost of goods and R$8.6 million under operating expenses.

(3) Adjusted EBITDA: See definition in the glossary.

(4) Non-recurring Items: Expenses related to due diligence for the acquisition of the new businesses and the stock option plan for the Company's founding executives due to the share issue in April.

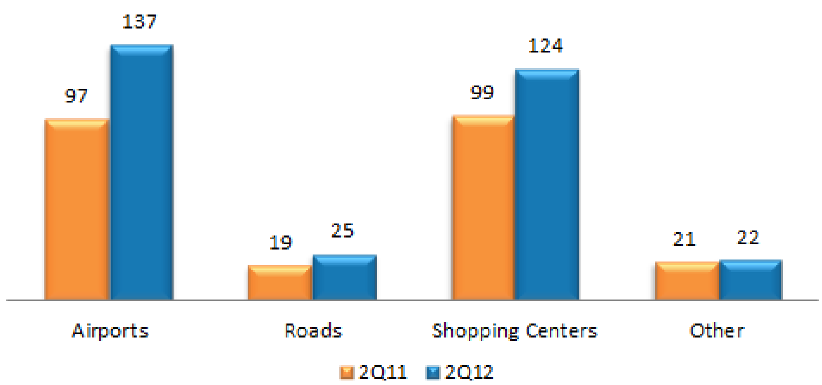
STORE EXPANSION

The Company ended 2Q12 with 308 stores, versus 236 in 2Q11. The net increase resulted from the opening of 40 Airport stores, six Road stores, 25 stores in Shopping Centers and one store in other segments. In the quarter, IMC opened 15 stores and closed six, mainly due to the restructuring in Puerto Rico and the closure of a few less profitable stores in Colombia, improving the store mix in that country.

We also acquired the J&C Delicias and Wrap's restaurant chains, with six and seven stores, respectively (excluding franchises). These are brands with high customer recognition and substantial growth potential in the coming years. We believe this portfolio will allow us to implement our strategy of having several restaurant brands in the same food court, increasing synergies and, consequently, profitability.

The overall store area increased by 15.7 thousand sqm, 17.6% up on the same period last year.

Number of Stores per Segment



NET REVENUE

NET REVENUE (R$ million)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Airports	117.4	78.5	49.6%	224.7	156.7	43.4%
Roads	82.1	67.4	21.7%	166.8	138.3	20.6%
Shopping Centers	67.7	51.5	31.5%	125.1	102.3	22.2%
Other	13.6	11.6	17.1%	26.2	22.0	19.3%
Total Net Revenue	**280.7**	**209.0**	**34.3%**	**542.8**	**419.3**	**29.4%**

NET REVENUE (R$ million)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Food And Beverage	225.3	166.2	35.6%	435.7	325.5	33.9%
Fuel in Roads	37.3	32.0	16.6%	74.1	64.2	15.4%
Aircraft Fuel (Puerto Rico)	12.6	7.3	72.6%	22.4	21.4	4.7%
Other	5.5	3.5	57.1%	10.5	8.2	28.0%
Total Net Revenue	**280.7**	**209.0**	**34.3%**	**542.7**	**419.3**	**29.4%**

Net Revenue totaled R$280.7 million in 2Q12, 34.3% more than in 2Q11, or 30.4% up excluding the exchange rate impact, primarily driven by strong same-store sales and the increased number of stores.

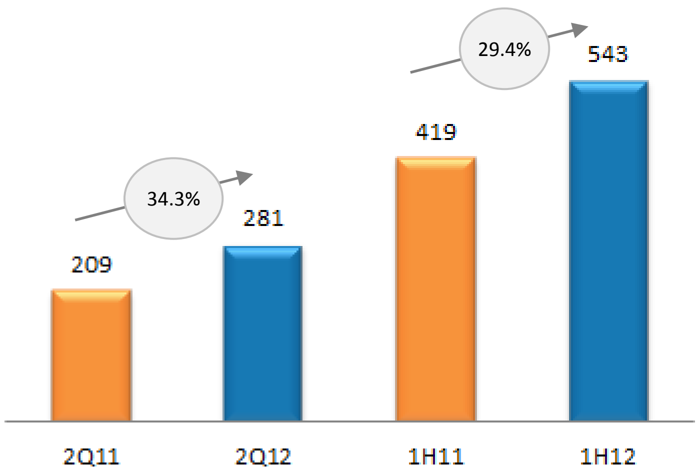
This quarter, the highest contribution to same-store sales came from the Road and, especially, the Airport segment, which recorded growth of 22.8%, the highest figure we reached since the IPO. In fact, it would have been slightly higher if we had included fuel sales in Porto Rico, which were not booked as same-store sales in order not to distort the analysis.

The Brazilian airport market continues to grow faster than we originally expected, mainly due to the higher number of passenger flow through our stores. It is also worth mentioning the Caribbean market, where robust sales have also fueled growth.

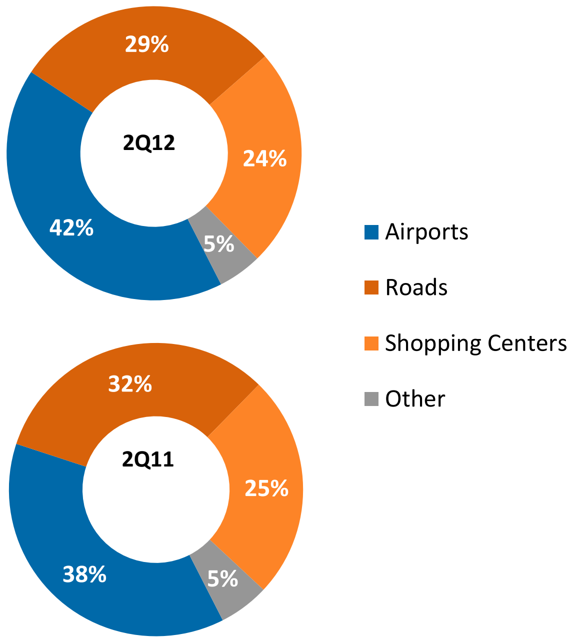
In the Road segment considering just food and beverage sales, without fuel, our SSS increased 11.2%.

As in previous quarters and in line with our post-IPO strategy, the Airport and Road segments continued to record an increase in their joint share of total sales, which moved up from 69.8% in 2Q11 to 71.1% in 2Q12.

Net Revenue
(R$ Million)



Net Revenue per Segment



The increase in 2Q12 sales was primarily due to the following factors:

i. The 17.6% expansion in the overall store area in relation to 2Q11, due to the opening of new stores and the acquisition of the two restaurant chains mentioned above. It is worth noting that the new stores are still in the maturation phase and should generate even higher sales in the coming quarters;

ii. The 13.1% increase in same-store sales (SSS) over 2Q11;

iii. The increase in SSS, referred to in item (ii) above, was mainly driven by sales in the Airport segment, which increased by 22.8%.

The tables below show same-store sales including and excluding fuel sales in Porto Rico.

SAME STORE SALES (R$ million)	2Q12	2Q11	Var. (%)
Airports	91.2	74.3	22.8%
Roads	66.2	62.2	6.4%
Shopping Centers	49.3	46.9	5.1%
Other	12.0	9.9	21.0%
Total Same Store Sales	**218.7**	**193.3**	**13.1%**

(1) See the definition of same-store sales (SSS) in the glossary.

GROSS PROFIT

GROSS PROFIT (R$ million)	2Q12	2Q11	Var. (%)	1H12	1H11	Var. (%)
Net Revenues	280.7	209.0	34.3%	542.8	419.3	29.4%
Costs of sales and services	(198.2)	(146.3)	-35.5%	(386.3)	(296.3)	-30.3%
Labour costs	(68.7)	(47.4)	-44.8%	(133.0)	(92.6)	-43.6%
Food, fuel and other	(121.4)	(94.3)	-28.7%	(237.4)	(192.7)	-23.2%
Depreciation and amortization	(8.1)	(4.5)	-79.2%	(15.9)	(11.0)	-44.2%
Gross Profit	**82.5**	**62.7**	**31.7%**	**156.5**	**123.0**	**27.2%**

The Company closed 2Q12 with Gross Profit of R$82.5 million, 31.7% up on the R$62.7 million recorded in 2Q11 .

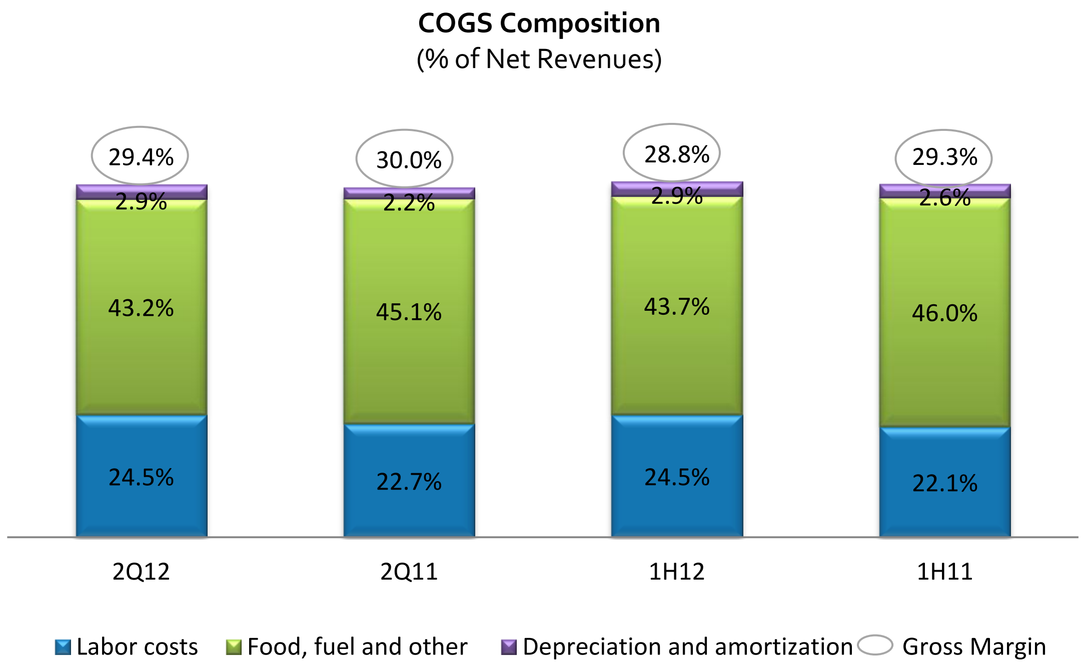
In the same period, the Gross Margin narrowed by 0.6%, mainly due to the increase in labor costs. It is worth mentioning that the Gross Margin was within our estimates this quarter, and we are optimistic in relation to cost controls for the rest of the year.

We are working hard on process automation in order to reduce our dependence on labor and, therefore, decrease the impact from this line. We have already launched a specific project to reduce operational and corporate labor costs.

We would like to highlight that even with the food inflation scenario in the last twelve months, we were once again able to reduce the contribution of the **food, fuel and others** line, which fell from 45.1% of net revenue in 2Q11 to 43.2% in 2Q12, partially offsetting the upturn in labor costs.

Gross Profit reached R$156.5 million in the first half, 27.2% up on 1H11, while the Gross Margin narrowed by 0.5%, from 29.3% to 28.8%, mainly due to the increase in the minimum wage in 2012.

At the end 2Q12 we began a focused effort to reduce labor costs and we believe can post consistent quarter-over-quarter productivity growth, as explained above.



OPERATING EXPENSES

OPERATING EXPENSES (R$ million)	**2Q12**	**2Q11**	**1H12**	**1H11**
Selling expenses	(2.9)	(2.7)	(4.9)	(4.7)
General and administrative expenses	(62.8)	(41.7)	(117.5)	(77.5)
Depreciation and amortization	(10.7)	(8.4)	(20.4)	(13.4)
Other income (expenses)	8.6	3.4	12.8	5.4
Total operating expenses before special items	**(67.7)**	**(49.4)**	**(130.0)**	**(90.2)**
Special items	(9.0)	(4.3)	(9.8)	(27.5)
Total operating expenses	**(76.7)**	**(53.7)**	**(139.7)**	**(117.7)**

Operating Expenses, excluding Special items, totaled R$67.7 million in 2Q12, equivalent to 24.1% of net revenue, 0.5% up on 2Q11. This increase was mainly due to:

i. An increase in G&A expenses, whose biggest component is rents, which, as announced since the IPO, have been increasing, particularly in Brazilian airports. It is worth remembering that international rents are fixed and in certain cases we have been negotiating discounts, such as in Mexico.

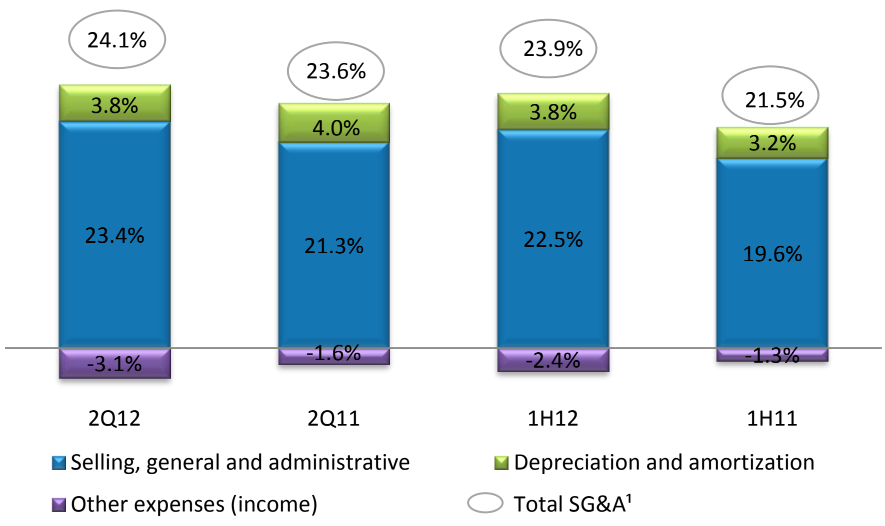
ii. An increase in G&A expenses due to the integration of the businesses acquired during the quarter and whose synergies have not yet been captured.

iii. The temporary reduction in the number of American Airlines flights in Puerto Rico. It is important to mention that the impact this quarter was much lower than in 1Q12. We are confident that this scenario will improve in the coming quarters.

It is also worth mentioning that the other operating income (expenses) lines regained momentum and recorded a year-on-year upturn. Once again, we would like to make it clear that this line is subject to quarter-on-quarter oscillations, but the improvements are easily perceived in the annual comparison.

Year-to-date, total operating expenses were 2.4% above last year, but we believe we will recover part of this difference in the second half, when the acquired operations will begin benefiting from the synergies and our expense reduction plan will begin to be fully implemented.

Breakdown of Operating Expenses[1]
(% of Net Revenue)

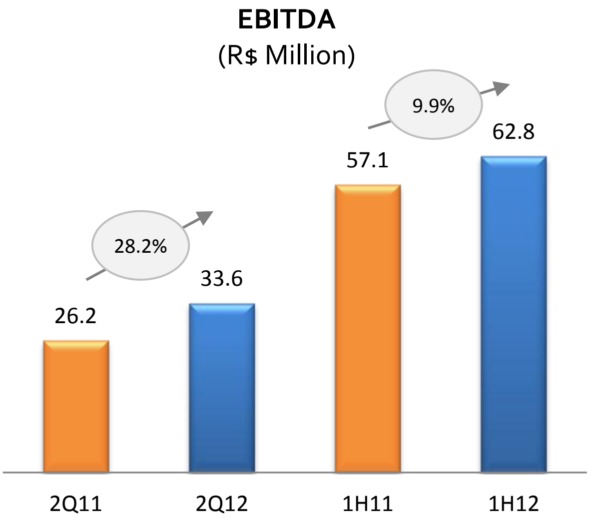


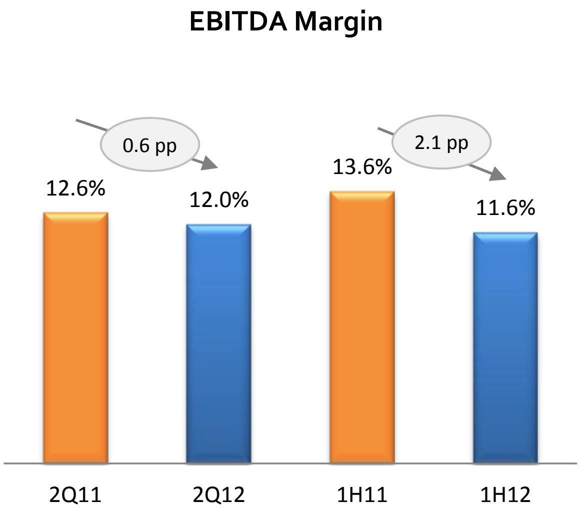
(1) Excluding non-recurring items.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA, net of non-recurring items, totaled R$33.6 million in 2Q12, 28.2% more than in 2Q11, for the reasons mentioned above.

In the first half, Adjusted EBITDA reached R$62.8 million, 9.9% up on 1H11. As mentioned in our 1Q12 earnings release, we are focusing on generating a continuous improvement in profitability, due to factors under the company's direct control, such as tighter controls over costs and expenses, and those that are beyond its control, such as the lower percentage of stores in the ramp up period. The synergies related to the new brands should also begin bearing fruit in the short-term.





The Company's Adjusted EBITDA Margin decreased just 0.6 p.p., from 12.6% to 12.0% of net revenue in 2Q12, despite the unfavorable economic scenario, mainly the increase in minimum wage, and our ramp up, which should ensure even healthier result in the coming quarters.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The net financial result was an expense of R$4.6 million in 2Q12, versus an expense of R$1.9 million in 2Q11. The increase from 0.9% to 1.6% as a percentage of net revenue was primarily due to the change in the Company's capital structure and the reduction in the cash position, due to investments in new stores, acquisitions and renovations.

In the first half, IMC posted a net financial expense of R$8.0 million, very close to the R$8.5 million recorded in 1H11. The reduced cash position in 2012 was offset by the period reduction in leverage over the same period in 2011.

The provision for income and social contribution on net income totaled R$4.0 million in 2Q12, versus R$5.3 million in 2Q11, and R$10.2 million in 1H12 versus R$9.7 million in 1H11.

Note that cash tax in 2Q12, which impact the Company's cash flow, totaled R$3.5 million, versus R$0.8 million in 2Q11. In 1H12, these expenses totaled R$5,0 million, versus R$2.3 million in 1H11. This difference was mainly due to higher taxable income our companies operating in airports.

EBITDA RECONCILIATION (R$ million)	**2Q12**	**2Q11**	**1H12**	**1H11**
NET INCOME (LOSS) FOR THE PERIOD	(2.8)	1.8	(1.4)	(13.0)
(-) Income taxes	4.0	5.3	10.2	9.7
(-) Net financial expenses	4.6	1.9	8.0	8.5
(-) Depreciation and amortization	18.8	12.9	36.2	24.4
EBITDA	24.7	21.9	53.0	29.6
(+) Special items	8.9	4.3	9.8	27.5
Adjusted EBITDA	**33.6**	**26.2**	**62.8**	**57.1**
Adjusted EBITDA / Net Revenues	12.0%	12.6%	11.6%	13.6%

(1) Check the definitions of EBITDA and Adjusted EBITDA in the glossary.

The Company closed 2Q12 with a Net Loss of R$2.8 million, versus net income of R$1.8 million in 2Q11. In 1H12, IMC posted a net loss of R$1.4 million, versus a net loss of R$13 million in 1H11.

If we exclude the non-recurring and non-cash stock options paid in 2Q12 due to the sale of shares by the controlling shareholder (R$6.5 million), we reached an **Adjusted Net Income** of R$3.7 million in 2Q12 and R$5.1 million in 1H12.

SELECTED CASH FLOW INFORMATION

INVESTING ACTIVITIES

In line with its expansion plan, the Company invested R$49.1 million in the second quarter, mainly allocated to the addition of property plant and equipment related to the opening and expansion of new stores, as well as additions from the acquired companies mentioned above.

In the six-monthly comparison the main highlight was the temporary cash investments in 2Q12, related to investment of the IPO proceeds.

INVESTMENT ACTIVITIES (R$ million)	**1H12**	**1H11**	**2Q12**	**2Q11**
Property and equipment	(47.9)	(46.6)	(25.8)	(32.1)
Acquisitions of controlling interest, net of cash	(20.0)	(31.5)	(20.0)	(21.0)
Additions to intangible assets	(4.4)	(5.4)	(3.3)	(4.5)
Total Capex investments	**(72.3)**	**(83.5)**	**(49.1)**	**(57.6)**
Temporary investments	0.0	(165.6)	0.0	(165.6)
Total Investments in the period	**(72.3)**	**(249.1)**	**(49.1)**	**(223.2)**

FINANCING ACTIVITIES

The Company's main financing activities in 2Q12 corresponded to the amortization of loans with financial institutions totaling R$12.1 million, versus R$125.5 million in 2Q11. It is important to mention that in 2011 IMC used part of the IPO proceeds to amortize loans and strengthen the Company's capital structure.

FINANCING ACTIVITIES (R$ million)	**1H12**	**1H11**	**2Q12**	**2Q11**
Capital contribuitions	0.0	297.9	0.0	18.1
Others	2.0	0.0	0.5	0.0
Payment of loans	(20.3)	(151.5)	(12.1)	(125.5)
Net cash generated by financing activities	**(18.4)**	**146.4**	**(11.7)**	**(107.4)**

Considering cash, cash equivalents and temporary investments, the Company closed June 2012 with Net Debt of R$167.2 million, giving a Net Debt/EBITDA ratio of 1.1x in the last 12 months, reflecting the Company's financial flexibility and ample capacity for additional leverage.

If receivables are considered as cash, Net Debt came to R$111.0 million, with a Net Debt/EBITDA ratio of 0.8x.

CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	2Q12	2Q11	1H12	1H11
NET REVENUE				
Streets	82.079	67.435	166.775	138.317
Shopping malls	117.398	78.461	224.685	156.718
Airports	67.716	51.496	125.099	102.335
Roads	13.550	11.573	26.215	21.978
NET REVENUE	280.744	208.966	542.774	419.348
COST OF SALES AND SERVICES	-198.206	-146.238	-386.269	-296.378
GROSS PROFIT	82.538	62.728	156.505	122.970
OPERATING INCOME (EXPENSES)				
Commercial, operating and administrative expenses	-85.378	-57.119	-152.517	-123.143
Commercial expenses	-2.871	-2.693	-4.908	-4.715
Operating and administrative expenses	-82.507	-54.426	-147.608	-118.428
Net financial expenses	-4.507	-1.891	-7.934	-8.513
Other income (expenses)	8.610	3.436	12.776	5.369
INCOME (LOSS) BEFORE INCOME TAXES	1.263	7.154	8.831	-3.317
Income Taxes	-4.015	-5.310	-10.241	-9.716
NET INCOME (LOSS) FOR THE QUARTER	-2.752	1.844	-1.410	-13.033

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION		
(R$ thousand)	30/06/2012	30/06/2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	69.769	206.178
Accounts receivable	56.194	34.797
Inventories	21.597	16.560
Other current assets	42.603	15.598
Total current assets	190.163	273.134
NONCURRENT ASSETS		
Deferred income taxes	18.118	27.018
Other noncurrent assets	26.163	12.780
Property and equipment	280.431	203.305
Intangible assets	845.067	748.951
Total noncurrent assets	1.169.779	992.053
TOTAL ASSETS	1.359.942	1.265.187
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	50.082	43.422
Loans and financing	40.685	25.552
Salaries and payroll charges	39.890	35.673
Other current liabilities	34.009	13.985
Total current liabilities	164.666	118.632
NONCURRENT LIABILITIES		
Loans and financing	196.261	216.253
Provision for labor, civil and	32.448	26.804
Deferred income tax liability	79.768	91.350
Other noncurrent liabilities	31.243	23.248
Total noncurrent liabilities	339.720	357.655
EQUITY		
Capital and reserves	839.634	835.845
Retained earnings and other	15.922	-46.945
Total equity	855.556	788.900
TOTAL LIABILITIES AND EQUIT	1.359.942	1.265.187

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	1H12	1H11
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss) for the quarter	(1,410)	(13,033)
Depreciation and amortization	36,223	24,448
Provision for labor, civil and tax disputes	(10,099)	(6,920)
Provision for bonus to management and employees	(637)	-
Income taxes	10,241	9,716
Interest expenses	9,803	18,670
Disposal of property and equipment	404	-
Deferred Revenue, Rebates	(2,932)	-
Other	4,587	6,311
Changes in operating assets and liabilities	(8,543)	(6,703)
Cash generated from operations	37,637	32,489
Income tax paid	(7,225)	(2,306)
Interest paid	(10,771)	(23,653)
Net cash generated by (used in) operating activities	19,641	6,530
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of controlling interest, net of cash	(19,968)	(31,450)
Adições de investimentos em controladas	-	-
Temporary investments	-	(165,553)
Additions to intangible assets	(4,396)	(5,391)
Additions to property and equipment	(47,865)	(46,601)
Net cash used in investing activities	(72,229)	(248,995)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contribuitions	-	297,895
Treasury shares	-	-
New loans	1,957	-
Payment of loans	(20,349)	(151,521)
Net cash used in financing activities	(18,392)	146,374
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,631	(3,255)
NET INCREASE (DECREASE) FOR THE PERIOD	(68,349)	(99,346)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	138,118	139,971
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	69,769	40,625

Management Note:
The financial information presented in the tables and graphs of this release may present minor differences from the Audited Financial Statements due to rounding.

GLOSSARY

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. 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.

Company: International Meal Company Holdings S.A. or IMC.

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.

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.

Same-store sales (SSS): corresponds to the sales of stores that have maintained operations in comparable periods, including stores that were temporarily closed. If a store is included in the calculation of comparable store sales for only a part of one of the periods compared, then this store will be included in the calculation of the corresponding portion of another period. Some of the reasons for the temporary closure of the Company's stores include renovation or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store included in comparable store sales, said store is excluded from the comparable store sales. The variations in same-store sales is a measure used in the retail market as an indicator of the performance of the implemented business strategies and initiatives, and also represent the trends of the local economy and consumers. The Company's sales are recorded and analyzed based on the functional currency of each country where the Company operates. Therefore, as the Company's financial information is converted and demonstrated in reais (R$), Brazilian currency, using average exchange rates of the periods compared, the values of same-store sales may present certain distortions resulting from the exchange rate of the currency of the country where that same store is located. According to the accounting practices adopted in Brazil (BR GAAP) or IFRS, same-store sales (SSS) 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. 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.