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Information From Company / Paid-up Capital

Number of shares (Units)	Current Quarter 06/30/2017
Paid-in Capital	
Common	166,531,600
Preferred	0
Total	**166,531,600**
Treasury shares	
Common	5,475,000
Preferred	0
Total	**5,475,000**

Individual FSs / Statements of Financial Positions - Assets

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current Period 06/30/2017	Previous Period 12/31/2016
1	Total Assets	1,134,117	1,149,581
1.01	Total Current Assets	39,465	54,492
1.01.01	Cash and Cash Equivalents	2,269	14,673
1.01.03	Trade receivables	15,547	16,932
1.01.04	Inventories	3,998	4,363
1.01.06	Taxes recoverable	13,886	15,404
1.01.07	Prepaid Expenses	2,915	2,424
1.01.08	Other Current Assets	850	696
1.01.08.03	Other current assets	850	696
1.01.08.03.01	Other assets and advances	850	518
1.01.08.03.02	Derivatives – “Swap”	0	178
1.02	Total Noncurrent Assets	1,094,652	1,095,089
1.02.01	Assets Realizable over the Long Term	12,262	24,572
1.02.01.01	Short-term investments	0	589
1.02.01.03	Trade receivables	1,107	969
1.02.01.08	Receivables from Related Parties	0	12,473
1.02.01.09	Other Noncurrent Assets	11,155	10,541
1.02.01.09.03	Judicial Deposits	4,773	4,335
1.02.01.09.05	Other Noncurrent Assets	6,382	6,206
1.02.02	Investments	912,240	891,940
1.02.03	Property, Plant and Equipment	29,214	32,501
1.02.04	Intangible assets	140,936	146,076

Individual FSs / Statements of Financial Positions - Liabilities

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current Period 06/30/2017	Previous Period 12/31/2016
2	Liabilities and equity	1,134,117	1,149,581
2.01	Current liabilities	42,192	68,945
2.01.01	Payroll and related taxes	18,957	18,365
2.01.02	Trade Payables	20,274	27,550
2.01.03	Taxes payable	965	9,518
2.01.04	Borrowings	732	11,495
2.01.05	Other Obligations	1,264	2,017
2.01.05.02	Others	1,264	2,017
2.02	Total Noncurrent Liabilities	63,768	49,982
2.02.01	Borrowings	326	451
2.02.02	Other Obligations	31,142	16,793
2.02.03	Deferred Taxes	23,360	23,922
2.02.03.01	Deferred income tax and social contribution	23,360	23,922
2.02.04	Provisions	7,058	7,253
2.02.04.01	Provisions For Labor, Civil and Tax Risks	7,058	7,253
2.02.06	Deferred revenue	1,882	1,563
2.02.06.02	Deferred revenue	1,882	1,563
2.03	Equity	1,028,157	1,030,654
2.03.01	Issued capital	924,614	924,614
2.03.02	Capital Reserve	224,368	228,161
2.03.05	Accumulated losses	-106,319	-104,097
2.03.08	Other Comprehensive Income	-14,506	-18,024

Individual FSs / Statements of profit or loss

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current period 04/01/2017 to 06/30/2017	Accumulated in the Current Period 01/01/2017 to 06/30/2017	Previous period 04/01/2016 to 06/30/2016	Accumulated in Previous Period 01/01/2016 to 06/30/2016
3.01	Net Revenue	35,621	71,353	40,303	85,747
3.02	Cost of sales and Services	-28,006	-56,572	-30,967	-63,934
3.03	Gross Profit	7,615	14,781	9,336	21,813
3.04	Operating Income (Expenses)	3,279	-15,978	-23,375	-72,310
3.04.01	Selling and operating expenses	-6,329	-12,889	-8,829	-19,676
3.04.01.01	Selling and operating expenses	-6,329	-12,889	-8,829	-19,676
3.04.02	General and Administrative Expenses	-8,455	-18,753	-14,426	-25,812
3.04.02.01	General and Administrative Expenses	-5,277	-12,080	-9,662	-16,572
3.04.02.02	Depreciation and amortization	-3,178	-6,673	-4,764	-9,240
3.04.04	Other Operating Income	653	1,092	0	735
3.04.05	Other Operating Expenses	-1,374	-2,210	-3,221	-3,738
3.04.06	Share of profit (loss) of investees	18,784	16,782	3,101	-23,819
3.05	Operating Profit (Loss) Before Finance Income (expense) and Income Tax and Social Contribution	10,894	-1,197	-14,039	-50,497
3.06	Financial Income (expense), Net	-1,679	-1,587	13,580	17,029
3.07	Profit (loss) Before Income Tax and Social Contribution	9,215	-2,784	-459	-33,468
3.08	Income Tax and Social Contribution	5,644	562	650	6,270
3.08.01	Current	0	0	-551	6,333
3.08.02	Deferred	5,644	562	1,201	-63
3.09	Profit (loss) for the period from continuing operations	14,859	-2,222	191	-27,198
3.10	Profit for the period from discontinued operations	0	0	0	3,972
3.11	Profit (Loss) in the Period	14,859	-2,222	191	-23,226
3.99	Earnings (loss) per share – R$				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.09185	-0.01374	0.00116	-0.14147
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.09185	-0.01374	0.00116	-0.14147

Individual FSs / Statements of Comprehensive Loss

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current period 04/01/2017 to 06/30/2017	Accumulated in the Current Period 01/01/2017 to 06/30/2017	Previous period 04/01/2016 to 06/30/2016	Accumulated in Previous Period 01/01/2016 to 06/30/2016
4.01	Profit (loss) for the period	14,859	-2,222	191	-23,226
4.02	Losses on foreign currency translation adjustments	9,335	3,518	-31,132	-36,283
4.03	Total Comprehensive loss for the period	24,194	1,296	-30,941	-59,509

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 06/30/2017	Accumulated in Previous Period 01/01/2016 to 06/30/2016
6.01	Net cash provided by (used in) operating activities	10,051	-8,491
6.01.01	Cash Provided by Operating Activities	-2,386	6,849
6.01.01.01	Loss for the period from continuing operations	-2,222	-27,198
6.01.01.02	Depreciation and Amortization	9,541	12,621
6.01.01.03	Equity in Subsidiaries	-16,782	23,819
6.01.01.04	Deferred revenue and discounts	-1,111	-861
6.01.01.05	Provision for (reversal of) labor, civil and tax risks	1,016	82
6.01.01.06	Income tax and social contribution	-562	-6,270
6.01.01.07	Interest on Borrowings	686	804
6.01.01.08	Write-off of Property, Plant and Equipment and Intangible Assets	8,130	5,402
6.01.01.09	Interest on Acquisition of Companies and Rights Over Point of Sales	0	2,103
6.01.01.10	Share of profit (loss) of investees	3,426	-3,974
6.01.01.13	Share-based payment	1,841	4,491
6.01.01.15	Impairment of property, plant and equipment and intangible assets (utilization)	-6,058	-5,162
6.01.01.16	Exchange gains (losses)	-291	992
6.01.02	Changes in Operating Assets and Liabilities	17,790	-14,458
6.01.02.01	Trade receivables	1,543	4,368
6.01.02.02	Inventories	365	-1,707
6.01.02.03	Taxes recoverable	-91	-3,568
6.01.02.04	Prepaid Expenses	-492	-4,301
6.01.02.05	Trade Payables	-15,129	4,171
6.01.02.06	Related Parties	26,819	0
6.01.02.07	Other Assets and Liabilities	4,775	-13,421
6.01.03	Others	-5,353	-882
6.01.03.01	Income tax and social contribution paid	-5,353	0
6.01.03.02	Interest paid on borrowings	0	-792
6.01.03.03	Interest paid on acquisitions of companies and rights over points of sales	0	-90
6.02	Net Cash Used in Investing Activities	-5,372	-135,796
6.02.01	Additions to intangible assets, net of balance payable in installments	0	-33,085
6.02.02	Additions to property, plant and equipment, net of balance payable in installments.	-5,372	-3,822
6.02.06	Capital increase in subsidiaries	0	-48,913
6.02.07	Borrowing granted to Parent, net of returns	0	-63,176
6.02.08	Dividends Received	0	13,200
6.03	Net Cash Provided By (Used in) Financing Activities	-17,083	37,599
6.03.01	Payment of borrowings	-11,449	-477
6.03.07	Capital increase	0	46,382
6.03.08	Purchase of treasury shares	-8,106	-8,306

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 06/30/2017	Accumulated in Previous Period 01/01/2016 to 06/30/2016
6.03.09	Treasury shares sold	2,472	0
6.05	Net change in the period	-12,404	-106,688
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	2,269	127,308

Individual FSs / Statements of Changes in Equity 01/01/2017 to 06/30/2017

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	-3,793	0	0	0	-3,793
5.04.04	Purchase of treasury shares	0	-8,106	0	0	0	-8,106
5.04.05	Treasury shares sold	0	2,472	0	0	0	2,472
5.04.08	Stock option plan	0	1,841	0	0	0	1,841
5.05	Total Comprehensive loss	0	0	0	-2,222	3,518	1,296
5.05.01	Loss in the Period	0	0	0	-2,222	0	-2,222
5.05.02	Other comprehensive loss	0	0	0	0	3,518	3,518
5.05.02.04	Losses on foreign currency translation adjustments	0	0	0	0	3,518	3,518
5.07	End Balances	924,614	224,368	0	-106,319	-14,506	1,028,157

Individual FSs / Statements of Changes in Shareholders' Equity 01/01/2016 to 06/30/2016

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	30,971	0	0	0	42,567
5.04.01	Capital Increase	11,596	34,786	0	0	0	46,382
5.04.04	Purchase of treasury shares	0	-8,306	0	0	0	-8,306
5.04.08	Stock option plan	0	4,491	0	0	0	4,491
5.05	Total Comprehensive loss	0	0	0	-23,226	-118,443	-141,669
5.05.01	Loss in the Period	0	0	0	-23,226	0	-23,226
5.05.02	Other comprehensive loss	0	0	0	0	-118,443	-118,443
5.05.02.04	Translation adjustments in the statement of financial position of foreign subsidiaries	0	0	0	0	-36,283	-36,283
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	245,377	0	-50,893	-21,309	1,093,027

Individual 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 06/30/2017	Accumulated in Previous Period 01/01/2016 to 06/30/2016
7.01	Revenues	80,535	96,632
7.01.01	Sales of Goods, Products and Services	79,286	95,950
7.01.02	Other Revenues	1,092	735
7.01.04	Allowance for Doubtful Debts	157	-53
7.02	Input Acquired from Third Parties	-36,449	-34,410
7.02.01	Cost of Sales and Services	-20,960	-23,480
7.02.02	Materials, Electric power, outside services and others	-11,623	-14,138
7.02.04	Others	-3,866	3,208
7.03	Gross Value Added	44,086	62,222
7.04	Retentions	-9,541	-12,621
7.04.01	Depreciation, Amortization	-9,541	-12,621
7.05	Wealth Created by the Company	34,545	49,601
7.06	Wealth Received In Transfer	17,110	-2,382
7.06.01	Share of profit (loss) of investees	16,782	-23,819
7.06.02	Finance Income	619	22,429
7.06.03	Others	-291	-992
7.06.03.01	Exchange rate changes	-291	-992
7.07	Total Wealth For Distribution	51,655	47,219
7.08	Wealth Distributed	51,655	47,219
7.08.01	Personnel	51,649	56,479
7.08.01.01	Payroll and Related Taxes	47,044	47,926
7.08.01.04	Others	4,605	8,553
7.08.01.04.01	Management Fees	2,764	4,062
7.08.01.04.02	Share-based payment	1,841	4,491
7.08.02	Taxes, Fees and Contributions	7,054	3,559
7.08.03	Lenders and Lessors	-4,826	14,379
7.08.03.01	Interest	686	2,907
7.08.03.02	Rentals	-5,593	11,292
7.08.03.03	Royalties	81	180
7.08.04	Shareholders	-2,222	-27,198
7.08.04.03	Retained Earnings (Accumulated Losses) for The Period	-2,222	-27,198

Consolidated FSs / Statements of Financial Positions – Assets

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current Period 06/30/2017	Previous Period 12/31/2016
1	Total Assets	1,457,826	1,503,408
1.01	Current Assets	326,351	348,983
1.01.01	Cash and Cash Equivalents	162,352	190,108
1.01.03	Trade Receivable	70,259	70,567
1.01.04	Inventories	37,492	35,101
1.01.06	Taxes Recoverable	38,432	33,995
1.01.07	Prepaid Expenses	9,976	5,782
1.01.08	Other Current Assets	7,840	13,430
1.01.08.03	Others Current Assets	7,840	13,430
1.01.08.03.01	Other assets and advances	5,384	8,261
1.01.08.03.02	Derivatives – “Swap”	2,456	5,169
1.02	Total Noncurrent Assets	1,131,475	1,154,425
1.02.01	Assets Realizable over the Long Term	37,597	36,053
1.02.01.01	Short-term investments	77	589
1.02.01.03	Trade Receivable	3,007	1,705
1.02.01.03.01	Customers	3,007	1,705
1.02.01.06	Deferred Income Tax and Social Contribution	1,752	626
1.02.01.06.01	Deferred Income Tax and Social Contribution	1,752	626
1.02.01.09	Other Noncurrent Assets	32,761	33,133
1.02.01.09.03	Judicial Deposits	16,238	13,992
1.02.01.09.05	Other Noncurrent Assets	13,608	17,742
1.02.01.09.06	Derivatives – “Swap”	2,915	1,399
1.02.02	Investments	28,911	29,169
1.02.03	Property, Plant and Equipment	236,506	252,429
1.02.04	Intangible assets	828,461	836,774

Consolidated FSs / Statements of Financial Positions - Liabilities

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current Period 06/30/2017	Previous Period 12/31/2016
2	Liabilities and equity	1,457,826	1,503,408
2.01	Current liabilities	218,696	248,593
2.01.01	Payroll and related taxes	64,752	63,976
2.01.01.02	Payroll and related taxes	64,752	63,976
2.01.02	Trade Payables	75,468	85,815
2.01.03	Taxes payable	12,299	15,858
2.01.04	Borrowings	38,610	52,987
2.01.05	Other Obligations	27,567	29,957
2.01.05.02	Others	27,567	29,957
2.01.05.02.04	Deferred revenue	5,104	5,007
2.01.05.02.06	Installment payment of acquisitions of companies	3,008	5,786
2.01.05.02.07	Installment payment of rights over points of sales	1,528	3,024
2.01.05.02.08	Other Current Liabilities	17,927	16,140
2.02	Total Noncurrent Liabilities	200,186	214,019
2.02.01	Borrowings	60,769	76,292
2.02.02	Other Obligations	38,614	39,108
2.02.02.02	Others	38,614	39,108
2.02.02.02.03	Installment Payment of Business Acquisitions	27,457	28,021
2.02.02.02.05	Other Noncurrent Liabilities	11,157	11,087
2.02.03	Deferred Taxes	68,672	62,569
2.02.03.01	Deferred Income Tax and Social Contribution	68,672	62,569
2.02.04	Provisions	19,543	26,997
2.02.04.01	Provisions For Labor, Civil and Tax Risks	19,543	26,997
2.02.06	Deferred revenue	12,588	9,053
2.02.06.02	Deferred revenue	12,588	9,053
2.03	Equity	1,038,944	1,040,796
2.03.01	Issued Capital	924,614	924,614
2.03.02	Capital Reserve	224,368	228,161
2.03.05	Accumulated losses	-106,319	-104,097
2.03.08	Other Comprehensive Income	-14,506	-18,024
2.03.09	Non-Controlling Interest	10,787	10,142

Consolidated FSs / Statements of Profit or Loss

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current period 04/01/2017 to 06/30/2017	Accumulated in the Current Period 01/01/2017 to 06/30/2017	Previous period 04/01/2016 to 06/30/2016	Accumulated in Previous Period 01/01/2016 to 06/30/2016
3.01	Net Revenue	376,860	727,523	387,793	776,276
3.02	Cost of Sales and Services	-259,312	-512,698	-264,729	-541,964
3.03	Gross Profit	117,548	214,825	123,064	234,312
3.04	Operating Income (Expenses)	-101,413	-205,060	-126,351	-246,092
3.04.01	Selling and Operating Expenses	-81,822	-156,363	-89,105	-173,978
3.04.02	General and Administrative Expenses	-29,179	-60,832	-36,164	-72,001
3.04.02.01	General and Administrative Expenses	-21,961	-45,771	-26,713	-52,935
3.04.02.02	Depreciation and amortization	-7,218	-15,061	-9,451	-19,066
3.04.04	Other Operating Income	8,618	10,613	1,666	4,157
3.04.05	Other Operating Expenses	-1,236	-2,164	-4,771	-8,490
3.04.06	Share of Profit (Loss) of Investees	2,206	3,686	2,023	4,220
3.05	Operating Profit (Loss) Before Finance Income (expense) and Income Tax and Social Contribution	16,135	9,765	-3,287	-11,780
3.06	Finance Income (expense), Net	-2,335	-2,962	9,191	-12,452
3.07	Profit (loss) Before Income Tax and Social Contribution	13,800	6,803	5,904	-24,232
3.08	Income Tax and Social Contribution	1,059	-9,025	-5,713	-2,966
3.08.01	Current	-4,581	-5,404	-754	5,043
3.08.02	Deferred	5,640	-3,621	-4,959	-8,009
3.09	Profit (loss) for the Period from Continuing Operations	14,859	-2,222	191	-27,198
3.10	Profit for the period from Discontinued Operations	0	0	0	3,972
3.11	Profit (Loss) in the Period	14,859	-2,222	191	-23,226
3.11.01	Owners of the Company	14,859	-2,222	191	-23,226
3.99	Earnings (loss) per Share – R$				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.09185	-0.01374	0.00116	-0.14147
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.09185	-0.01374	0.00116	-0.14147

Consolidated FSs / Statements of Comprehensive Loss

Financial Statements in Thousands of Reais

Account Code	Description of Account	Current period 04/01/2017 to 06/30/2017	Accumulated in the Current Period 01/01/2017 to 06/30/2017	Previous period 04/01/2016 to 06/30/2016	Accumulated in Previous Period 01/01/2016 to 06/30/2016
4.01	Profit Loss for the Period	14,859	-2,222	191	-23,226
4.02	Losses on foreign currency translation adjustments	10,176	4,163	-32,206	-38,420
4.03	Total Comprehensive loss for the period	25,035	1,941	-32,015	-61,646
4.03.01	Comprehensive loss attributable to owners of the Company	24,194	1,296	-30,941	-59,509
4.03.02	Non-Controlling interest	841	645	-1,074	-2,137

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 06/30/2017	Accumulated in Previous Period 01/01/2016 to 06/30/2016
6.01	Net cash generated by (used in) operating activities	33,985	23,683
6.01.01	Cash Provided by Operating Activities	63,614	57,615
6.01.01.01	Loss for the period from continuing operations	-2,222	-27,198
6.01.01.02	Depreciation and Amortization	42,403	48,383
6.01.01.03	Equity in Subsidiaries	-4,679	-5,377
6.01.01.04	Deferred Income and Rebates Recognized	-76	-1,858
6.01.01.05	Provision for Labor, Civil and Tax Risks	1,604	-1,098
6.01.01.06	Income Tax and Social Contribution	9,025	2,966
6.01.01.07	Interest on Loans	5,062	12,110
6.01.01.08	Write-off of Property, Plant and Equipment and Intangible Assets	19,699	10,430
6.01.01.09	Interest on Acquisition of Companies and Rights Over Point of Sales	880	3,334
6.01.01.10	Several Provisions and Others	8,485	-3,659
6.01.01.11	Amortization of Investment in Joint Venture	993	1,157
6.01.01.13	Share-based payment	1,841	4,491
6.01.01.15	Impairment of property, plant and equipment and intangible assets (utilization)	-19,286	-9,905
6.01.01.16	Exchange gains (losses)	-115	23,839
6.01.02	Changes in Operating Assets and Liabilities	-19,332	-15,821
6.01.02.01	Trade receivables	936	5,996
6.01.02.02	Inventories	-2,004	1,237
6.01.02.03	Taxes recoverable	-1,277	435
6.01.02.04	Prepaid Expenses	-4,141	-4,791
6.01.02.05	Trade Payables	-6,732	-7,510
6.01.02.07	Other Assets and Liabilities	-9,681	-11,001
6.01.02.08	Fees and sales agreements	3,567	-187
6.01.03	Others	-10,297	-18,111
6.01.03.01	Income tax and social contribution paid	-10,065	-3,143
6.01.03.02	Interest paid on borrowings	-189	-12,785
6.01.03.03	Interest paid on acquisitions of companies and rights over points of sales	-43	-2,183
6.02	Net Cash Used in Investing Activities	-23,709	34,181
6.02.01	Additions to intangible assets, net of balance payable in installments	-2,217	-33,217
6.02.02	Additions to property, plant and equipment, net of balance payable in installments.	-21,300	-28,790
6.02.04	Dividends received	4,443	5,359
6.02.05	Loans granted to Parent, net of returns	-4,635	-78,251
6.02.09	Proceeds from sale of discontinued operation, net of transferred cash	0	169,080
6.03	Net Cash Provided By (Used in) Financing Activities	-38,906	-44,789
6.03.01	Repayment of borrowings	0	1,333
6.03.02	New borrowings	-33,272	-84,198

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 06/30/2017	Accumulated in Previous Period 01/01/2016 to 06/30/2016
6.03.05	Capital increase	0	46,382
6.03.08	Purchase of treasury shares	-8,106	-8,306
6.03.09	Treasury shares sold	2,472	0
6.04	Exchange Rate Variation on Cash and Cash Equivalents	874	-40,717
6.05	Net change in the period	-27,756	-27,642
6.05.01	Cash and Cash Equivalents at the beginning of the period	190,108	289,390
6.05.02	Cash and Cash Equivalents at the end of period	162,352	261,748

Consolidated FSs / Statements of Changes in Equity 01/01/2017 to 06/30/2017

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	-3,793	0	0	0	-3,793	0	-3,793
5.04.04	Purchase of treasury shares	0	-8,106	0	0	0	-8,106	0	-8,106
5.04.05	Treasury shares sold	0	2,472	0	0	0	2,472	0	2,472
05.04.08	Stock option plan	0	1,841	0	0	0	1,841	0	1,841
5.05	Total Comprehensive loss	0	0	0	-2,222	3,518	1,296	645	1,941
5.05.01	Loss in the Period	0	0	0	-2,222	0	-2,222	0	-2,222
5.05.02	Other comprehensive loss	0	0	0	0	3,518	3,518	645	4,163
5.05.02.04	Losses on foreign currency translation adjustments	0	0	0	0	3,518	3,518	645	4,163
5.07	End Balances	924,614	224,368	0	-106,319	-14,506	1,028,157	10,787	1,038,944

Consolidated FSs / Statements of Changes in Equity 01/01/2016 to 06/30/2016

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	30,971	0	0	0	42,567	0	42,567
5.04.01	Capital Increase	11,596	34,786	0	0	0	46,382	0	46,382
5.04.04	Purchase of treasury shares	0	-8,306	0	0	0	-8,306	0	-8,306
5.04.08	Stock option plan	0	4,491	0	0	0	4,491	0	4,491
5.05	Total Comprehensive loss	0	0	0	-23,226	-118,443	-141,669	-2,137	-143,806
5.05.01	Loss in the Period	0	0	0	-23,226	0	-23,226	0	-23,226
5.05.02	Other comprehensive loss	0	0	0	0	-118,443	-118,443	-2,137	-120,580
5.05.02.04	Translation adjustments in the statement of financial position of foreign subsidiaries	0	0	0	0	-36,283	-36,283	-2,137	-38,420
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	0	-82,160
5.07	End Balances	919,852	245,377	0	-50,893	-21,309	1,093,027	9,862	1,102,889

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 06/30/2017	Accumulated in Previous Period 01/01/2016 to 06/30/2016
7.01	Revenues	791,829	840,429
7.01.01	Sales of Goods, Products and Services	780,981	836,565
7.01.02	Other Revenues	10,613	4,157
7.01.04	Allowance for Doubtful Debts	235	-293
7.02	Input Acquired from Third Parties	-377,343	-407,173
7.02.01	Cost of Sales and Services	-258,346	-269,172
7.02.02	Materials, Electric power, outside services and others	-72,830	-81,750
7.02.04	Others	-46,167	-56,251
7.03	Gross Value Added	414,486	433,256
7.04	Retentions	-43,396	-49,540
7.04.01	Depreciation, Amortization	-43,396	-49,540
7.05	Wealth Created by the Company	371,090	383,716
7.06	Wealth Received In Transfer	9,665	11,774
7.06.01	Share of profit (loss) of investees	4,679	5,377
7.06.02	Finance Income	5,101	30,236
7.06.03	Others	-115	-23,839
7.06.03.01	Exchange rate changes	-115	-23,839
7.07	Total Wealth For Distribution	380,755	395,490
7.08	Wealth Distributed	380,755	395,490
7.08.01	Personnel	239,538	254,442
7.08.01.01	Payroll and Related Taxes	234,933	245,889
7.08.01.04	Others	4,605	8,553
7.08.01.04.01	Management Fees	2,764	4,062
7.08.01.04.02	Share-based payment	1,841	4,491
7.08.02	Taxes, Fees and Contributions	52,968	52,849
7.08.03	Lenders and Lessors	90,471	115,397
7.08.03.01	Interest	5,942	15,444
7.08.03.02	Rentals	74,528	88,218
7.08.03.03	Others	10,001	11,735
7.08.04	Shareholders	-2,222	-27,198
7.08.04.03	Retained Earnings (Accumulated Losses) for The Period	-2,222	-27,198

MANAGEMENT REPORT

São Paulo, August 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 second quarter of 2017 (2Q17). Unless otherwise indicated, the information herein is presented in a consolidated manner and in millions of Brazilian reais (R$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

HIGHLIGHTS

Net Revenue[1]
R$390 million in 2Q17
(0.6% up vs. 2Q16)

Adjusted EBITDA[1]
R$39 million in 2Q17
(+67%|+400bps)

Op. Cash Flow Aft. M. Capex
R$32M Net Cash
85% of Adjusted EBITDA

MEAL3 on 6.30.2017
R$7.30

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CONFERENCE CALL - PORTUGUESE

08/10/2017
11:00 a.m. (Brasília) / 10:00 a.m. (US ET)

Webcast: click here

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

CONFERENCE CALL - ENGLISH

08/10/2017
12:00 p.m. (Brasília) / 11:00 a.m. (US ET)

Webcast: click here

Phone number
+1 (412) 317 6795

ir.internationalmealcompany.com.br

MESSAGE FROM MANAGEMENT

As we continue to implement the Company's strategy with a higher focus on Efficiency, Execution and Growth (which aims at improving margins with organic growth based on a higher focus on fewer brands), we are happy to announce that we are already seeing signs of improvement in the results.

Consolidated Adjusted EBITDA was up 67% YoY reaching R$39M (in constant currency), with an improvement of 400bps in margins that reached 10.1% in 2Q17. Net revenues reached R$390M (in constant currency), up 1% YoY. **Operating Cash Generation – after maintenance Capex – reached R$32M, or a 85% conversion rate from EBITDA, more than 100% up YoY**.

In Brazil, operating income was up 510% YoY (+R$10.5M) reaching R$12.5M with a 470bps expansion in margins, reflecting our efforts to improve efficiency on the back of the implementation of the new zero based budget in early April, combined with top line growth in the Roads segment, better terms in the Airport rent agreements. Another important achievement in Brazil relates to the effort of the Tax Committee that had a positive impact in the "Other Revenues/Expenses" line showing significant tax recovery credits (converted into cash in the short term).

In the US, the new stores combined with higher efficiency on labor cost and selling and operating expenses led to **a 14% growth on operating income with a 170bps margin improvement**. **In the Caribbean, operating income was up by 21%** in constant currency, as a consequence of improved margins. Holding expenses were down by 42% in 2Q17, reflecting the structural changes in G&A implemented over the last quarters as part of the zero-based budget implementation.

These are the early achievements and we are very confident that we still have a lot of room for further improvement (both in terms of margins as well as in terms of expansion in sales) as we continue to implement our strategy based on seven pillars:

i) **Leaner Structure and Zero Based Budget**: a cost control oriented effort;

ii) **PMO Based execution**: which allows us to implement simultaneously over 300 initiatives with systemic support and weekly meetings;

iii) **Live KPI Monitoring**: closer monitoring of operations, with daily reports with important KPIs and benchmarking, allowing prompt actions if needed;

iv) **Demand Generation & Organization by Brand**: higher focus on the brands and operations that "move the needle" aiming to improve same store sales with: new store look and feel, product innovation (with a Chef for each brand) and special campaigns and marketing calendar for each operation;

v) **Alignment & Training:** focused on day-to-day execution with proper incentives aligning store Managers' individual goals with the Company's;

vi) **Processes:** granting proper execution and improved results with efforts such as the Strategic Sourcing, with centralized purchases allowing better terms with suppliers; and Engineering with the maintenance processes review, systemic control of assets and the focus on preventive vs. corrective maintenance;

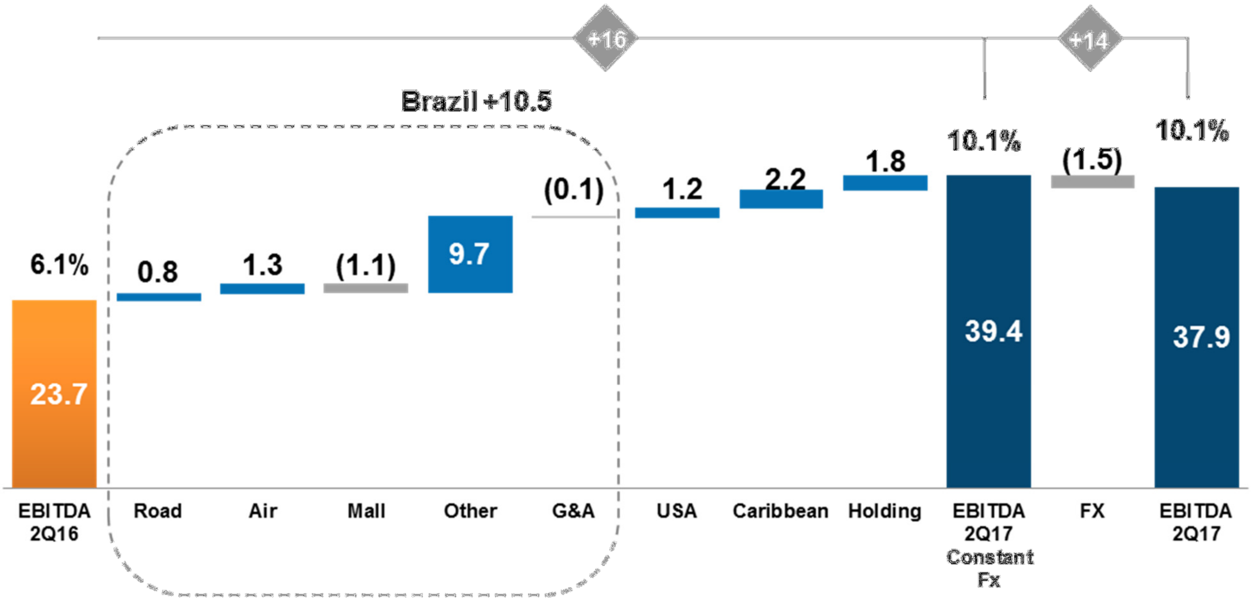
vii) **Expansion:** on top of same store sales growth efforts we are seeking opportunities for expansion of proven concepts like the Olive Garden Restaurant, which we are happy to announce the opening of a new restaurant shortly in São Paulo; or the Margaritaville/LandShark Cleveland unit in the US, which is yielding encouraging results. We should open an additional Margaritaville location in early 2018.

All in all, we already see the early signs of the Company's improved structure, processes and costs controls materialized in the results, with **room for further improvement in margins** (i.e.: Operating Margin in Brazil is still at 5.6% vs. the 10%+ target) and a **sizable organic growth opportunity** in terms of same store sales (especially with the Demand Generation efforts and the Organization by Brand focus) and also through the opening of new locations.

COMMENTS ABOUT IMC'S PERFORMANCE

OVERVIEW OF THE 2Q17

EBITDA Bridge 2Q17



In 2Q17, IMC's Adjusted EBITDA was up by 67% with a 400bps margin improvement reaching R$39.4 million in constant currency, or R$37.9 million in Reais with a 10.1% margin.

In Brazil, operating income was up 510% YoY (+R$10.5M) reaching R$12.5M with a 470bps expansion in margins, reflecting our efforts to improve efficiency on the back of the implementation of the zero based budget in early April, combined with top line growth in the Roads segment, better terms in the Airports rent agreements. Another important achievement in Brazil relates to the effort of the Tax Committee that had a positive impact in the "Other Revenues/Expenses" line showing significant tax recovery credits (converted into cash in the short term). It is important to note that these one-time retroactive credits lower the Company's cash tax burden going forward. On that front, as we disclosed on the 1Q17, we are still working on the Company's corporate restructuring that should be concluded in the coming months, also impacting results positively.

In the US, the R$1.2 million YoY improvement (in constant currency) was related to the decrease in labor, selling & operating and store pre-opening expenses, combined with the improvement in the equity income result. Operating income grew 14% in the quarter with a 170bps margin improvement.

In the Caribbean, the R$2.2 million improvement in constant currency is a consequence of lower food and labor costs, leading to a 380bps improvement in margins or a 21% growth YoY in the Operating income.

Holding expenses were down by 42% in 2Q17 (or -R$1.8M), reflecting the structural changes in G&A implemented over the last quarters as part of the zero-based budget implementation, which represents a 50bps improvement in margins.

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

CONSOLIDATED RESULTS

(in R$ million)	2Q17	2Q16	%HA	*2Q17[3]*	*% HA[3]*	2017	2016	%HA	*2017[3]*	*% HA[3]*
Net Revenue	**376.9**	**387.8**	**-2.8%**	***389.9***	***0.6%***	**727.5**	**776.3**	**-6.3%**	***764.3***	***-1.5%***
Restaurants & Others	327.5	344.2	-4.9%	*340.6*	*-1.1%*	621.8	678.2	-8.3%	*658.6*	*-2.9%*
Gas Stations	49.3	43.6	13.3%	*49.3*	*13.3%*	105.8	98.1	7.9%	*105.8*	*7.9%*
Brazil	224.0	225.1	-0.5%	*224.0*	*-0.5%*	462.7	483.0	-4.2%	*462.7*	*-4.2%*
US	108.4	116.0	-6.5%	*117.9*	*1.7%*	176.5	193.0	-8.6%	*201.6*	*4.4%*
Caribbean	44.5	46.7	-4.7%	*48.1*	*2.9%*	88.4	100.2	-11.8%	*100.1*	*-0.1%*
Cost of Sales and Services	**(259.3)**	**(264.7)**	**-2.0%**	***(266.4)***	***0.6%***	**(512.7)**	**(542.0)**	**-5.4%**	***(534.6)***	***-1.4%***
Direct Labor	(100.2)	(103.8)	-3.4%	*(103.4)*	*-0.4%*	(194.6)	(206.2)	-5.6%	*(204.9)*	*-0.6%*
Food	(85.5)	(89.3)	-4.2%	*(88.3)*	*-1.0%*	(164.7)	(182.4)	-9.7%	*(172.8)*	*-5.3%*
Others	(20.1)	(23.2)	-13.4%	*(20.6)*	*-10.9%*	(39.0)	(45.3)	-13.9%	*(40.6)*	*-10.3%*
Fuel and Automotive Accessories	(40.2)	(34.6)	16.1%	*(40.2)*	*16.1%*	(87.1)	(78.7)	10.6%	*(87.1)*	*10.6%*
Depreciation & Amortization	(13.4)	(13.9)	-3.9%	*(13.9)*	*-0.3%*	(27.3)	(29.3)	-6.7%	*(29.2)*	*-0.3%*
Gross Profit	**117.5**	**123.1**	**-4.5%**	***123.5***	***0.4%***	**214.8**	**234.3**	**-8.3%**	***229.8***	***-1.9%***
Gross Margin (%)	*31.2%*	*31.7%*	*-0.5p.p.*	*31.7%*	*-0,1p.p.*	*29.5%*	*30.2%*	*-0.7p.p.*	*30.1%*	*-0,1p.p.*
Operating Expenses[1]	**(100.7)**	**(123.3)**	**-18.3%**	***(105.9)***	***-14.1%***	**(203.2)**	**(241.6)**	**-15.9%**	***(216.1)***	***-10.6%***
Selling and Operating	(43.8)	(46.2)	-5.2%	*(46.0)*	*-0.3%*	(84.5)	(89.7)	-5.8%	*(91.5)*	*2.0%*
Rents of Stores	(38.1)	(42.9)	-11.3%	*(39.5)*	*-7.9%*	(71.9)	(84.3)	-14.7%	*(76.0)*	*-9.8%*
Store Pre-Openings	(0.8)	(0.9)	-6.8%	*(1.9)*	*105.9%*	(1.9)	(1.8)	9.9%	*(2.0)*	*12.1%*
Depreciation & Amortization	(7.2)	(9.5)	-23.6%	*(7.4)*	*-21.7%*	(15.1)	(19.1)	-21.0%	*(15.7)*	*-17.8%*
J.V. Investment Amortization	(0.5)	(0.5)	-8.4%	*(0.5)*	*0.0%*	(1.0)	(1.2)	-14.2%	*(1.2)*	*0.0%*
Equity income result	2.7	2.6	5.4%	*3.0*	*15.7%*	4.7	5.4	-13.0%	*5.4*	*-0.1%*
Other revenues (expenses)	7.4	(3.1)	-337.8%	*7.4*	*-339.9%*	8.4	(4.3)	-295.0%	*8.8*	*-303.5%*
General & Administative	(17.9)	(18.4)	-2.7%	*(18.5)*	*0.3%*	(36.2)	(37.4)	-3.1%	*(38.1)*	*1.9%*
Corporate (Holding)[2]	(2.5)	(4.4)	-42.6%	*(2.5)*	*-41.6%*	(5.7)	(9.3)	-38.1%	*(5.8)*	*-37.4%*
Special Items - Write-offs	0.0	0.0	-	*0.0*	*-*	0.0	0.0	0.0%	*0.0*	
Special Items - Other	(0.7)	(3.0)	-77.1%	*(0.7)*	*-77.3%*	(1.8)	(4.5)	-59.0%	*(1.8)*	*-59.0%*
EBIT	**16.1**	**(3.3)**	**-591.1%**	***16.9***	***-613.9%***	**9.8**	**(11.8)**	**na**	***11.9***	***na***
(+) D&A and Write-offs	21.1	23.9	-11.8%	*21.8*	*-8.7%*	43.4	49.5	-12.4%	*46.1*	*-7.0%*
EBITDA	**37.2**	**20.6**	**80.5%**	***38.7***	***87.7%***	**53.2**	**37.8**	**40.8%**	***57.9***	***53.4%***
EBITDA Margin (%)	*9.9%*	*5.3%*	*4.6p.p.*	*9.9%*	*4.6p.p.*	*7.3%*	*4.9%*	*2.4p.p.*	*7.6%*	*2.7p.p.*
(+) Special Items - Other	0.7	3.0	-	*0.7*	*-*	1.8	4.5	-59.0%	*1.8*	*-59.0%*
Adjusted EBITDA	**37.9**	**23.7**	**60.3%**	***39.4***	***66.6%***	**55.0**	**42.3**	**30.2%**	***59.8***	***41.5%***
Adjusted EBITDA Margin (%)	*10.1%*	*6.1%*	*4p.p.*	*10.1%*	*4p.p.*	*7.6%*	*5.4%*	*2.1p.p.*	*7.8%*	*2.4p.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$389.9 million in 2Q17, up 0.6% vs. 2Q16 in constant currencies. The positive performance of new stores launched in the period more than offset the negative impact of the net store closures of 22 restaurants (20 of which in Brazil), as shown in the section "Number of stores”. In 1H17 net revenue reached R$764.3 million, down 1.5% in constant currency compared to 1H16.

Direct Labor cost totaled R$103.4 million (in constant currency), compared to R$103.8 million in 2Q16, as headcount adjustments mitigated inflationary pressures on payroll, leading to a 20bps improvement compared to 2Q16.

Sales and Operating expenses were R$1.0 million lower YoY (in constant currency), representing a 30bps improvement compared to 2Q16.

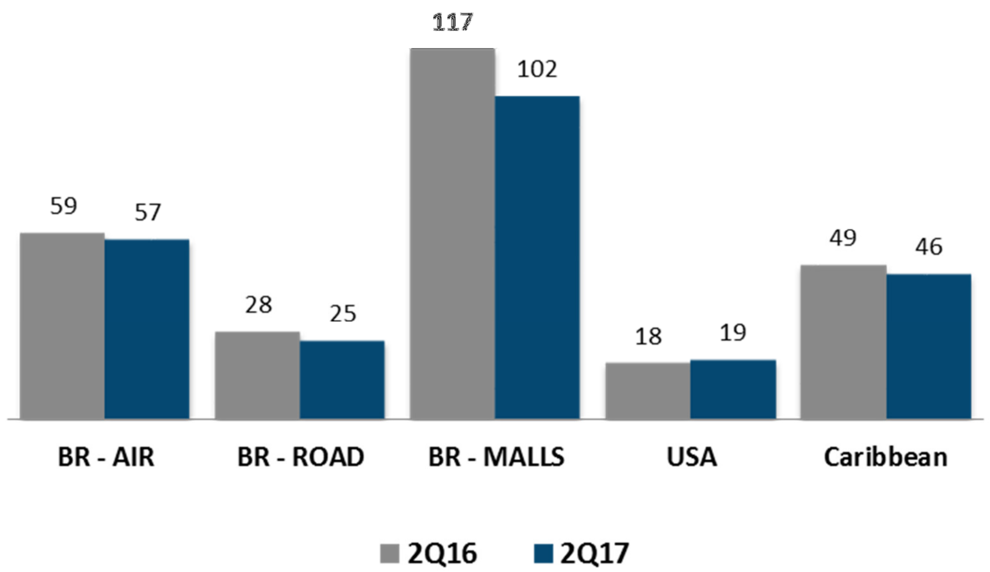
Rent expenses totaled R$39.5 million, a 10.1% reduction YoY, as a consequence of the net closure of 22 stores in the period combined with new rent agreements in Brazilian Airports (a 370bps reduction in the segment YoY), which mitigated the impact from inflation – mostly in Brazil, leading to a 90bps consolidated improvement.

With regards to G&A, the R$0.1 million increase YoY (in constant currency) reflects the strengthening of some departments in Brazil (IT, Marketing and Engineering), which was funded by the adjustments in headcount that were part of the zero-based-budget review that took place between the end of March and early April, which reduced holding expenses by R$1.8 million YoY (in constant currency).

Another important achievement in Brazil relates to the effort of the Tax Committee that had a positive impact in the “Other Revenues/Expenses” line showing significant tax recovery credits (converted into cash in the short term). It is important to note that these one-time retroactive credits lower the Company’s cash tax burden going forward. On that front, as we disclosed on the 1Q17, we are still working on the Company’s corporate restructuring that should be concluded in the coming months, also impacting results positively.

All in all, in 2Q17 the adjusted EBITDA reached R$39.4 million, 67% up in constant currency. Adjusted EBITDA margin reached 10.1% in constant currency, a 400 bps increase YoY.

NUMBER OF STORES



NUMBER OF STORES (end of period)	2Q17	2Q16	YoY Var. (%)	YoY Var. (#)
Brazil	**184**	**204**	**-9.8%**	**-20**
Air	*57*	*59*	*-3.4%*	*-2*
Roads	*25*	*28*	*-10.7%*	*-3*
Shopping Malls	*102*	*117*	*-12.8%*	*-15*
USA	**19**	**18**	**5.6%**	**1**
Caribbean	**46**	**49**	**-6.1%**	**-3**
Total Number of Stores	**249**	**271**	**-8.1%**	**-22**

At the end of the quarter, the Company had 249 stores, a net reduction of 22 stores YoY, 20 in Brazil, 3 in the Caribbean, while 1 net opening in the US in the period. Most store closures in Brazil were part of the loss-making store closure program.

SAME-STORE SALES (SSS)

(in R$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
Brazil	**209.0**	**204.2**	**2.4%**	**434.7**	**436.9**	**-0.5%**
BR - Air	51.5	53.3	-3.4%	104.2	114.0	-8.6%
BR - Roads	106.2	97.3	9.1%	225.9	214.4	5.3%
BR - Roads - Restaurants	*56.8*	*53.7*	*5.8%*	*120.1*	*119.0*	*0.9%*
BR - Roads - Gas Station	*49.3*	*43.6*	*13.3%*	*105.8*	*95.4*	*10.9%*
BR - Malls	51.4	53.6	-4.1%	104.6	108.4	-3.6%
USA	**98.1**	**113.6**	**-13.6%**	**155.2**	**188.3**	**-17.6%**
Caribbean	**41.6**	**44.2**	**-6.0%**	**82.3**	**95.6**	**-13.9%**
Total Same Store Sales	**348.7**	**362.0**	**-3.7%**	**672.2**	**720.8**	**-6.7%**

In constant currencies (in R$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
Brazil	209.0	204.2	2.4%	434.7	436.9	-0.5%
USA	106.6	113.6	-6.1%	176.7	188.3	-6.1%
Caribbean	44.9	44.2	1.5%	93.0	95.6	-2.6%
Total Same Store Sales	**360.6**	**362.0**	**-0.4%**	**704.5**	**720.8**	**-2.3%**

Same store sales totaled R$360.6 million in 2Q17, nearly flat in constant currencies.

In Brazil, the 2.4% increase in same store sales was led by Roads with a 9.1% increase YoY with a positive performance in both restaurants (+5.8%) and gas stations (+13.3%).

In Brazilian airports, SSS fell by 3.4% in 2Q17 following the continuous drop in the flow of passengers throughout Brazilian airports that affected both restaurant and catering operations.

Same stores sales in the Malls segment fell by 4.1% in 2Q17. Industry sales continue to suffer from the softer macroeconomic environment.

USA SSS in local currency was -6.1% YoY in 2Q17, mostly impacted by lower traffic in the Atlantic City (2 stores), Las Vegas and Pigeon Forge stores.

In the Caribbean, there was a 1.5% improvement in the quarter.

RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

(in R$ million)	Brazil 2017	USA 2017	Caribbean 2017	Consolidated 2017	% VA	Brasil 2016	EUA 2016	Caribbe 2016	Consolidated 2016	% VA	% HA
Net Revenue	**462.7**	**176.5**	**88.4**	**727.5**	**100.0%**	**483.0**	**193.0**	**100.2**	**776.3**	**100.0%**	**-6.3%**
Restaurants & Others	356.9	176.5	88.4	621.8	85.5%	385.0	193.0	100.2	678.2	87.4%	-8.3%
Gas Stations	105.8	0.0	0.0	105.8	14.5%	98.1	0.0	0.0	98.1	12.6%	7.9%
Cost of Sales and Services	**(359.3)**	**(112.2)**	**(41.2)**	**(512.7)**	**-70.5%**	**(368.4)**	**(123.4)**	**(50.1)**	**(542.0)**	**-69.8%**	**-5.4%**
Direct Labor	(122.8)	(56.1)	(15.7)	(194.6)	-26.8%	(125.2)	(62.6)	(18.4)	(206.2)	-26.6%	-5.6%
Food	(105.7)	(34.9)	(24.1)	(164.7)	-22.6%	(115.0)	(37.7)	(29.8)	(182.4)	-23.5%	-9.7%
Others	(27.4)	(10.8)	(0.8)	(39.0)	-5.4%	(32.1)	(12.5)	(0.8)	(45.3)	-5.8%	-13.9%
Fuel and Automotive Accessories	(87.1)	0.0	0.0	(87.1)	-12.0%	(78.7)	0.0	0.0	(78.7)	-10.1%	10.6%
Depreciation & Amortization	(16.3)	(10.4)	(0.6)	(27.3)	-3.8%	(17.4)	(10.7)	(1.2)	(29.3)	-3.8%	-6.7%
Gross Profit	**103.4**	**64.2**	**47.2**	**214.8**	**29.5%**	**114.6**	**69.6**	**50.1**	**234.3**	**30.2%**	**-8.3%**
Operating Expenses[1]	**(108.7)**	**(59.8)**	**(29.0)**	**(197.5)**	**-27.1%**	**(132.5)**	**(66.5)**	**(33.4)**	**(232.3)**	**-29.9%**	**-15.0%**
Selling and Operating	(36.3)	(36.2)	(12.0)	(84.5)	-11.6%	(36.3)	(40.1)	(13.3)	(89.7)	-11.6%	-5.8%
Rents of Stores	(43.2)	(19.2)	(9.4)	(71.9)	-9.9%	(54.5)	(19.2)	(10.5)	(84.3)	-10.9%	-14.7%
Store Pre-Openings	(1.5)	(0.4)	0.0	(1.9)	-0.3%	(0.5)	(0.5)	(0.8)	(1.8)	-0.2%	9.9%
Depreciation & Amortization	(10.4)	(0.6)	(4.0)	(15.1)	-2.1%	(13.4)	(0.7)	(5.0)	(19.1)	-2.5%	-21.0%
J.V. Investment Amortization	0.0	(1.0)	0.0	(1.0)	-0.1%	0.0	(1.2)	0.0	(1.2)	-0.1%	-14.2%
Equity income result	0.0	4.7	0.0	4.7	0.6%	0.0	5.4	0.0	5.4	0.7%	-13.0%
Other revenues (expenses)	6.7	1.2	0.6	8.4	1.2%	(4.7)	(0.3)	0.6	(4.3)	-0.6%	n/a
General & Administative	(23.9)	(8.2)	(4.2)	(36.2)	-5.0%	(23.1)	(9.9)	(4.4)	(37.4)	-4.8%	-3.1%
(+) Depreciation & Amortization	26.7	12.0	4.7	43.4	6.0%	30.8	12.6	6.2	49.5	6.4%	-12.4%
Operating Income	**21.4**	**16.5**	**22.8**	**60.8**	**8.4%**	**13.0**	**15.7**	**22.9**	**51.5**	**6.6%**	**17.9%**
Corporate (Holding)[2]				(5.7)	-0.8%				(9.3)	-1.2%	-38.1%
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(1.8)	-0.3%				(4.5)	-0.6%	-59.0%
EBIT	**(5.3)**	**4.5**	**18.1**	**9.8**	**1.3%**	**(17.9)**	**3.2**	**16.7**	**(11.8)**	**-1.5%**	
(+) D&A and Write-offs				43.4	6.0%				49.5	6.4%	-12.4%
EBITDA				**53.2**	**7.3%**				**37.8**	**4.9%**	**40.8%**
(+) Special Items				1.8	0.3%				4.5	0.6%	-59.0%
Adjusted EBITDA				**55.0**	**7.6%**				**42.3**	**5.4%**	**30.2%**

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

RESULTS OF THE BRAZILIAN OPERATIONS

(in R$ million)	2Q17	% VA	2Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**224.0**	**100.0%**	**225.1**	**100.0%**	**-0.5%**	**462.7**	**100.0%**	**483.0**	**100.0%**	**-4.2%**
Restaurants & Others	174.6	78.0%	181.5	80.6%	-3.8%	356.9	77.1%	385.0	79.7%	-7.3%
Gas Stations	49.3	22.0%	43.6	19.4%	13.3%	105.8	22.9%	98.1	20.3%	7.9%
Cost of Sales and Services	**(174.5)**	**-77.9%**	**(172.5)**	**-76.6%**	**1.2%**	**(359.3)**	**-77.7%**	**(368.4)**	**-76.3%**	**-2.5%**
Direct Labor	(61.0)	-27.2%	(60.8)	-27.0%	0.3%	(122.8)	-26.5%	(125.2)	-25.9%	-1.9%
Food	(52.1)	-23.3%	(53.2)	-23.6%	-2.1%	(105.7)	-22.8%	(115.0)	-23.8%	-8.1%
Others	(13.2)	-5.9%	(15.6)	-6.9%	-15.3%	(27.4)	-5.9%	(32.1)	-6.6%	-14.5%
Fuel and Automotive Accessories	(40.2)	-17.9%	(34.6)	-15.4%	16.1%	(87.1)	-18.8%	(78.7)	-16.3%	10.6%
Depreciation & Amortization	(8.1)	-3.6%	(8.4)	-3.7%	-3.4%	(16.3)	-3.5%	(17.4)	-3.6%	-6.6%
Gross Profit	**49.5**	**22.1%**	**52.6**	**23.4%**	**-6.0%**	**103.4**	**22.3%**	**114.6**	**23.7%**	**-9.8%**
Operating Expenses¹	**(49.9)**	**-22.3%**	**(65.8)**	**-29.2%**	**-24.1%**	**(108.7)**	**-23.5%**	**(132.5)**	**-27.4%**	**-18.0%**
Selling and Operating	(17.7)	-7.9%	(17.7)	-7.9%	0.0%	(36.3)	-7.8%	(36.3)	-7.5%	0.0%
Rents of Stores	(21.4)	-9.6%	(26.2)	-11.6%	-18.2%	(43.2)	-9.3%	(54.5)	-11.3%	-20.7%
Store Pre-Openings	(0.5)	-0.2%	(0.2)	-0.1%	217.0%	(1.5)	-0.3%	(0.5)	-0.1%	222.1%
Depreciation & Amortization	(4.9)	-2.2%	(6.8)	-3.0%	-27.9%	(10.4)	-2.3%	(13.4)	-2.8%	-22.1%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)²	6.3	2.8%	(3.4)	-1.5%	-285.8%	6.7	1.4%	(4.7)	-1.0%	-242.3%
General & Administative²	(11.7)	-5.2%	(11.5)	-5.1%	1.2%	(23.9)	-5.2%	(23.1)	-4.8%	3.4%
(+) Depreciation & Amortization	13.0	5.8%	15.2	6.8%	-14.4%	26.7	5.8%	30.8	6.4%	-13.3%
Operating Income	**12.5**	**5.6%**	**2.1**	**0.9%**	**509.6%**	**21.4**	**4.6%**	**13.0**	**2.7%**	**65.6%**
Expansion Capex	4.5	2.0%	32.3	14.4%	-86.0%	12.8	2.8%	36.0	7.5%	-64.6%
Maintenance Capex	1.4	0.6%	1.5	0.7%	-9.0%	5.6	1.2%	2.3	0.5%	146.5%
Total Capex	**5.9**	**2.6%**	**33.9**	**15.0%**	**-82.5%**	**18.3**	**4.0%**	**38.3**	**7.9%**	**-52.1%**
Operating Inc. - Maintenance Capex³	**11.2**	**88.9%**	**0.5**	**25.7%**	**63.2%**	**15.9**	**74.1%**	**10.7**	**82.6%**	**-8.5%**

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

Brazilian operations' top line was nearly flat in the quarter (-0.5%) as a result of the improvement in Roads segment same store sales (+9%) that mitigated lower same store sales in the airports and malls segment, as well as the net reduction of 20 restaurants compared to 2Q16 (-2 in airports, -3 in roads and -15 in shopping malls). In the 1H17 the revenues of Brazilian operations fell by 4.2% compared to 1H16.

In terms of costs and expenses it is important to highlight the 200 bps reduction in 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$78.7 million in 2Q17, compared to R$78.5 million in 2Q16, as a consequence of headcount reduction that partially offset the inflation pressure on payroll. With regards to G&A, the R$0.1 million increase reflects the strengthening of some departments in Brazil (IT, Marketing and Engineering), which was funded by the adjustments in headcount that were part of the zero-based-budget review that took place between the end of March and early April, which reduced holding expenses by R$1.8 million YoY (in constant currency).

Another important achievement in Brazil relates to the effort of the Tax Committee that had a positive impact in the "Other Revenues/Expenses" line showing significant tax recovery credits (converted into cash in the short term). It is important to note that these one-time retroactive credits lower the Company's cash tax burden going forward. On that front, as we disclosed on the 1Q17, we are still working on the Company's corporate restructuring that should be concluded in the coming months, also impacting results positively.

Consequently, Brazilian operations posted an operating income of R$12.5 million in 2Q17, up 510% YoY, with a 470 bps increase in operating margin. In 1H17, operating income reached R$21.4 million, up 66% YoY.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R$ million)	2Q17	% VA	2Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**106.2**	**100.0%**	**98.4**	**100.0%**	**7.9%**	**225.9**	**100.0%**	**219.5**	**100.0%**	**2.9%**
Restaurants & Others	56.8	53.5%	54.8	55.7%	3.7%	120.1	53.2%	121.4	55.3%	-1.0%
Gas Stations	49.3	46.5%	43.6	44.3%	13.3%	105.8	46.8%	98.1	44.7%	7.9%
Cost of Sales and Services	**(88.9)**	**-83.7%**	**(82.3)**	**-83.6%**	**8.0%**	**(188.2)**	**-83.3%**	**(181.5)**	**-82.7%**	**3.7%**
Direct Labor	(22.2)	-20.9%	(22.3)	-22.7%	-0.5%	(45.8)	-20.3%	(45.9)	-20.9%	-0.1%
Food	(18.3)	-17.2%	(16.8)	-17.1%	8.8%	(38.0)	-16.8%	(38.7)	-17.7%	-2.0%
Others	(5.1)	-4.8%	(5.4)	-5.5%	-5.7%	(10.9)	-4.8%	(11.8)	-5.4%	-7.5%
Fuel and Automotive Accessories	(40.2)	-37.8%	(34.6)	-35.2%	16.1%	(87.1)	-38.5%	(78.7)	-35.9%	10.6%
Depreciation & Amortization	(3.1)	-3.0%	(3.2)	-3.2%	-0.7%	(6.4)	-2.8%	(6.4)	-2.9%	0.0%
Gross Profit	**17.3**	**16.3%**	**16.1**	**16.4%**	**7.2%**	**37.7**	**16.7%**	**38.0**	**17.3%**	**-0.6%**
Operating Expenses[1]	**(10.7)**	**-10.1%**	**(10.4)**	**-10.6%**	**2.6%**	**(22.0)**	**-9.7%**	**(21.3)**	**-9.7%**	**3.0%**
Selling and Operating	(6.1)	-5.7%	(5.2)	-5.3%	16.5%	(12.4)	-5.5%	(10.6)	-4.8%	16.9%
Rents of Stores	(3.5)	-3.3%	(4.3)	-4.4%	-19.0%	(7.6)	-3.3%	(9.0)	-4.1%	-16.1%
Store Pre-Openings	(0.2)	-0.2%	0.0	0.0%	0.0%	(0.2)	-0.1%	0.0	0.0%	0.0%
Depreciation & Amortization	(0.8)	-0.8%	(0.9)	-0.9%	-2.8%	(1.8)	-0.8%	(1.7)	-0.8%	2.9%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	4.0	3.8%	4.0	4.1%	-1.1%	8.1	3.6%	8.1	3.7%	0.6%
Operating Income	**10.6**	**10.0%**	**9.7**	**9.9%**	**8.7%**	**23.9**	**10.6%**	**24.7**	**11.3%**	**-3.2%**
Expansion Capex	3.1	3.0%	0.3	0.3%	1014.4%	4.3	1.9%	0.3	0.1%	1408.8%
Maintenance Capex	0.9	0.8%	0.4	0.4%	114.6%	2.6	1.1%	0.5	0.2%	379.6%
Total Capex	**4.0**	**3.8%**	**0.7**	**0.7%**	**488.2%**	**6.8**	**3.0%**	**0.8**	**0.4%**	**736.1%**
Operating Inc. - Maintenance Capex[3]	**9.7**	**91.9%**	**9.3**	**95.9%**	**-4.0%**	**21.4**	**89.3%**	**24.2**	**97.8%**	**-8.5%**

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

The Roads segment operating income increased by R$0.8 million in the 2Q17, with a 10bps improvement on margins mainly due to:

i) Improvement in sales (+7.9% YoY), as a consequence of the improvement of 9% in SSS, that mitigated the net closure of 3 stores vs. 2Q16.

ii) 180bps gain in labor cost, as a result of positive operational leverage (led by higher sales) and headcount reduction (linked to the zero based budget initiative).

iii) 110bps improvement in rent expenses also due to positive operational leverage and a contract renegotiation effort in the quarter.

iv) Fuel cost was 260bps higher in 2Q17, as we implemented a higher discount policy in some gas stations to increase sales (also in the restaurant) and improve scale with further dilution of fixed costs and expenses such as labor and rent.

In 1H17, operating income reached R$23.9 million, with a 10.6% margin, and R$21.4 million after maintenance Capex, which represents an 89% cash conversion rate.

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R$ million)	2Q17	% VA	2Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**57.8**	**100.0%**	**64.1**	**100.0%**	**-9.9%**	**116.1**	**100.0%**	**135.6**	**100.0%**	**-14.4%**
Restaurants & Others	57.8	100.0%	64.1	100.0%	-9.9%	116.1	100.0%	135.6	100.0%	-14.4%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(41.8)**	**-72.3%**	**(45.4)**	**-70.8%**	**-8.0%**	**(83.2)**	**-71.7%**	**(94.3)**	**-69.5%**	**-11.8%**
Direct Labor	(20.1)	-34.9%	(20.2)	-31.5%	-0.3%	(40.0)	-34.4%	(41.9)	-30.9%	-4.5%
Food	(15.8)	-27.4%	(17.6)	-27.4%	-10.0%	(31.7)	-27.3%	(37.2)	-27.5%	-14.9%
Others	(3.4)	-5.9%	(5.0)	-7.7%	-31.8%	(6.8)	-5.9%	(9.7)	-7.2%	-29.7%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.4)	-4.2%	(2.6)	-4.1%	-9.0%	(4.7)	-4.1%	(5.5)	-4.1%	-13.7%
Gross Profit	**16.0**	**27.7%**	**18.7**	**29.2%**	**-14.5%**	**32.9**	**28.3%**	**41.3**	**30.5%**	**-20.5%**
Operating Expenses	**(18.7)**	**-32.3%**	**(24.5)**	**-38.2%**	**-23.8%**	**(38.0)**	**-32.7%**	**(50.8)**	**-37.5%**	**-25.3%**
Selling and Operating	(6.0)	-10.5%	(6.8)	-10.6%	-10.8%	(12.4)	-10.7%	(14.3)	-10.5%	-12.7%
Rents of Stores	(9.0)	-15.6%	(12.4)	-19.3%	-27.2%	(17.9)	-15.4%	(26.2)	-19.3%	-31.7%
Store Pre-Openings	0.0	0.0%	(0.1)	-0.2%	-100.0%	(0.0)	0.0%	(0.3)	-0.2%	-86.3%
Depreciation & Amortization	(3.6)	-6.3%	(5.2)	-8.2%	-30.7%	(7.6)	-6.5%	(10.1)	-7.4%	-24.6%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	6.0	10.4%	7.9	12.3%	-23.4%	12.3	10.6%	15.6	11.5%	-20.7%
Operating Income[1]	**3.4**	**5.8%**	**2.1**	**3.3%**	**61.2%**	**7.3**	**6.2%**	**6.1**	**4.5%**	**19.3%**
Expansion Capex	0.9	1.6%	30.9	48.3%	-97.0%	5.0	4.3%	33.8	24.9%	-85.3%
Maintenance Capex	0.3	0.5%	0.3	0.5%	-20.7%	0.8	0.7%	0.8	0.6%	5.0%
Total Capex	**1.2**	**2.1%**	**31.3**	**48.8%**	**-96.2%**	**5.8**	**5.0%**	**34.6**	**25.5%**	**-83.2%**
Operating Inc. - Maintenance Cape:	**3.1**	**91.8%**	**1.7**	**83.4%**	**8.4%**	**6.4**	**88.3%**	**5.3**	**86.8%**	**1.6%**

The Brazilian Airport segment operating income reached R$3.4 million in 2Q17, up 61% YoY with a 260bps increase in margins mainly due to:

i) The reduction in rent expenses (an improvement of 370bps, as a result of the airport agreements signed in 2H16),

ii) The reduction in “other costs” – mainly utilities (an improvement of 180bps),

iii) The reduction in selling and operating expenses (an improvement of 10bps, as a result of lower personnel cost – due to the zero based budget adjustments);

iv) That mitigated the reduction on sales led by the lower same store sales combined with the net closure of 2 restaurants.

In 1H17, operating income reached R$7.3 million, up 19.3% YoY with an operating margin of 6.2% (+170bps). Operating income after maintenance capex reached R$6.4 million, or an 88% cash conversion rate in 1H17.

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R$ million)	2Q17	% VA	2Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**60.0**	**100.0%**	**62.6**	**100.0%**	**-4.2%**	**120.7**	**100.0%**	**127.9**	**100.0%**	**-5.6%**
Restaurants & Others	60.0	100.0%	62.6	100.0%	-4.2%	120.7	100.0%	127.9	100.0%	-5.6%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(43.8)**	**-73.1%**	**(44.8)**	**-71.6%**	**-2.2%**	**(87.9)**	**-72.9%**	**(92.6)**	**-72.4%**	**-5.1%**
Direct Labor	(18.6)	-31.1%	(18.3)	-29.2%	2.0%	(37.0)	-30.7%	(37.5)	-29.3%	-1.2%
Food	(17.9)	-29.9%	(18.8)	-30.0%	-4.4%	(36.0)	-29.9%	(39.0)	-30.5%	-7.6%
Others	(4.7)	-7.9%	(5.2)	-8.3%	-9.6%	(9.6)	-8.0%	(10.5)	-8.2%	-8.3%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.6)	-4.3%	(2.6)	-4.1%	-1.1%	(5.2)	-4.3%	(5.6)	-4.4%	-7.1%
Gross Profit	**16.2**	**26.9%**	**17.8**	**28.4%**	**-9.0%**	**32.8**	**27.1%**	**35.3**	**27.6%**	**-7.1%**
Operating Expenses	**(15.2)**	**-25.3%**	**(16.0)**	**-25.5%**	**-4.7%**	**(31.5)**	**-26.1%**	**(32.5)**	**-25.4%**	**-3.0%**
Selling and Operating	(5.6)	-9.3%	(5.7)	-9.1%	-2.4%	(11.5)	-9.5%	(11.5)	-9.0%	0.2%
Rents of Stores	(8.9)	-14.9%	(9.5)	-15.2%	-6.0%	(17.8)	-14.7%	(19.3)	-15.1%	-7.9%
Store Pre-Openings	(0.3)	-0.4%	(0.0)	0.0%	736.0%	(1.2)	-1.0%	(0.2)	-0.1%	688.2%
Depreciation & Amortization	(0.5)	-0.8%	(0.7)	-1.2%	-37.3%	(1.0)	-0.9%	(1.6)	-1.2%	-34.1%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	3.0	5.0%	3.3	5.3%	-9.1%	6.2	5.2%	7.2	5.6%	-13.0%
Operating Income[1]	**4.0**	**6.6%**	**5.1**	**8.2%**	**-22.4%**	**7.5**	**6.2%**	**10.0**	**7.8%**	**-24.8%**
Expansion Capex	0.5	0.8%	1.1	1.8%	-59.6%	3.6	3.0%	2.0	1.5%	79.7%
Maintenance Capex	0.3	0.4%	0.8	1.3%	-66.3%	2.2	1.8%	0.9	0.7%	135.4%
Total Capex	**0.7**	**1.2%**	**1.9**	**3.0%**	**-62.4%**	**5.7**	**4.7%**	**2.9**	**2.3%**	**97.3%**
Operating Inc. - Maintenance Capex[3]	**3.7**	**93.3%**	**4.3**	**84.7%**	**8.7%**	**5.3**	**71.3%**	**9.1**	**90.8%**	**-19.5%**

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

The Malls segment operating income decreased by R$1.1 million YoY in the 2Q17, totaling R$4.0 million with a 160bps reduction on margins mainly due to:

i) a 4.2% decrease in sales, as a consequence of the net closure of 15 stores combined with a reduction of 4.1% in SSS, as a result of the macroeconomic headwinds that led to a reduction on consumer spending in malls.

ii) a 200bps increase in labor ("direct labor cost" combined with "selling and operating expenses") and 40bps in store pre-opening expenses (related to the new Olive Garden restaurant).

iii) Mitigating the aforementioned effect, we experienced a 50bps decrease in other costs (mainly utilities) and 30bps reduction on rent expense.

In 1H17, operating income reached R$7.5 million, with a 6.2% margin compared to R$10.0 million and 7.8% in 1S16, respectively. Operating income after maintenance Capex totaled R$5.3 million, or a 71% cash conversion rate.

RESULTS OF U.S. OPERATIONS

(in US$ Million)	2Q17	% VA	2Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**33.7**	**100.0%**	**33.1**	**100.0%**	**1.6%**	**55.3**	**100.0%**	**53.1**	**100.0%**	**4.2%**
Restaurants & Others	33.7	100.0%	33.1	100.0%	1.6%	55.3	100.0%	53.1	100.0%	4.2%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(19.9)**	**-59.2%**	**(19.7)**	**-59.4%**	**1.3%**	**(35.2)**	**-63.7%**	**(33.7)**	**-63.5%**	**4.5%**
Direct Labor	(9.7)	-28.9%	(9.7)	-29.4%	0.1%	(17.6)	-31.8%	(17.1)	-32.1%	3.2%
Food	(6.6)	-19.7%	(6.4)	-19.4%	3.6%	(10.9)	-19.8%	(10.4)	-19.5%	5.7%
Others	(2.0)	-6.0%	(2.1)	-6.2%	-2.9%	(3.4)	-6.1%	(3.4)	-6.4%	-0.8%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(1.5)	-4.6%	(1.5)	-4.4%	5.4%	(3.3)	-5.9%	(2.9)	-5.4%	13.5%
Gross Profit	**13.7**	**40.8%**	**13.5**	**40.6%**	**2.1%**	**20.1**	**36.3%**	**19.4**	**36.5%**	**3.7%**
Operating Expenses[1]	**(10.5)**	**-31.1%**	**(10.7)**	**-32.4%**	**-2.5%**	**(18.8)**	**-33.9%**	**(18.2)**	**-34.2%**	**3.2%**
Selling and Operating	(6.2)	-18.5%	(6.3)	-19.2%	-2.1%	(11.4)	-20.5%	(11.0)	-20.6%	3.7%
Rents of Stores	(3.7)	-11.0%	(3.4)	-10.2%	9.7%	(6.0)	-10.9%	(5.3)	-10.0%	13.7%
Store Pre-Openings	(0.1)	-0.3%	(0.1)	-0.4%	-19%	(0.1)	-0.2%	(0.1)	-0.3%	-1.8%
Depreciation & Amortization	(0.1)	-0.3%	(0.1)	-0.3%	-1.3%	(0.2)	-0.3%	(0.2)	-0.4%	-1.1%
J.V. Investment Amortization	(0.2)	-0.5%	(0.2)	-0.5%	0.0%	(0.3)	-0.6%	(0.3)	-0.6%	0.0%
Equity income result	0.8	2.5%	0.7	2.2%	15.8%	1.5	2.7%	1.5	2.8%	0.8%
Other revenues (expenses)	0.3	0.8%	(0.0)	-0.1%	-667.0%	0.4	0.7%	(0.1)	-0.1%	-586.8%
General & Administative	(1.3)	-3.8%	(1.3)	-3.9%	-1.5%	(2.6)	-4.6%	(2.7)	-5.0%	-3.3%
(+) Depreciation & Amortization	1.8	5.3%	1.7	5.2%	4.6%	3.8	6.8%	3.4	6.4%	11.5%
Operating Income	**5.1**	**15.1%**	**4.4**	**13.4%**	**14.0%**	**5.1**	**9.3%**	**4.6**	**8.7%**	**11.5%**
Expansion Capex	0.2	0.6%	2.2	6.5%	-90.6%	0.5	0.9%	3.6	6.8%	-85.5%
Maintenance Capex	0.1	0.3%	0.4	1.3%	-74.1%	0.2	0.4%	0.6	1.2%	-68.3%
Total Capex	**0.3**	**0.9%**	**2.6**	**7.8%**	**-87.9%**	**0.7**	**1.3%**	**4.2**	**8.0%**	**-82.9%**
Operating Inc. - Maintenance Capex[2]	**5.0**	**97.8%**	**4.0**	**90.4%**	**7.4%**	**4.9**	**96.1%**	**4.0**	**86.2%**	**9.9%**

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

The operations in the United States consist mainly of Margaritaville and currently has 19 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$33.7 million in 2Q17, up 1.6% YoY due to the positive performance of the recently opened restaurants, which offset the impact from lower same store sales (-6.1%).

Margins (+170bps, in US$) were impacted by an improvement (as a % of sales) in labor cost, G&A, selling and operating expenses and higher equity income in 2Q17. Such positive result was partially mitigated by higher food cost and rent expenses.

In 1H17, operating income in the US reached US$5.1 million (up 11.5% YoY), with a 9.3% margin (up 60bps YoY). Operating income after maintenance capex totaled US$4.9 million, or a cash conversion rate of 96%.

RESULTS OF THE CARIBBEAN OPERATIONS

(in R$ million)	2Q17	2Q16	% HA	*2Q17²*	*% HA²*	2017	2016	% HA	*2017²*	*% HA²*
Net Revenue	**44.5**	**46.7**	**-4.7%**	***48.1***	***2.9%***	**88.4**	**100.2**	**-11.8%**	***100.1***	***-0.1%***
Restaurants & Others	44.5	46.7	-4.7%	*48.1*	*2.9%*	88.4	100.2	-11.8%	*100.1*	*-0.1%*
Gas Stations	0.0	0.0	0.0%	*0.0*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*
Cost of Sales and Services	**(20.7)**	**(23.3)**	**-11.3%**	***(22.1)***	***-5.3%***	**(41.2)**	**(50.1)**	**-17.9%**	***(46.1)***	***-8.1%***
Direct Labor	(7.9)	(8.9)	-11.2%	*(8.3)*	*-6.9%*	(15.7)	(18.4)	-14.8%	*(17.3)*	*-5.8%*
Food	(12.0)	(13.6)	-11.8%	*(13.0)*	*-4.8%*	(24.1)	(29.8)	-19.2%	*(27.2)*	*-8.8%*
Others	(0.4)	(0.4)	12.8%	*(0.4)*	*20.2%*	(0.8)	(0.8)	0.5%	*(0.8)*	*9.4%*
Fuel and Automotive Accessories	0.0	0.0	0.0%	*0.0*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*
Depreciation & Amortization	(0.3)	(0.4)	-18.4%	*(0.4)*	*-11.9%*	(0.6)	(1.2)	-45.4%	*(0.7)*	*-38.2%*
Gross Profit	**23.8**	**23.4**	**1.8%**	***26.0***	***11.1%***	**47.2**	**50.1**	**-5.8%**	***54.0***	***7.8%***
Operating Expenses¹	**(14.6)**	**(15.6)**	**-6.3%**	***(15.8)***	***1.2%***	**(29.0)**	**(33.4)**	**-13.0%**	***(32.7)***	***-2.1%***
Selling and Operating	(6.0)	(6.2)	-2.8%	*(6.5)*	*4.7%*	(12.0)	(13.3)	-9.6%	*(13.5)*	*1.5%*
Rents of Stores	(4.7)	(4.9)	-4.1%	*(5.1)*	*4.1%*	(9.4)	(10.5)	-10.5%	*(10.8)*	*2.6%*
Store Pre-Openings	0.0	(0.3)	-100.0%	*0.0*	*-100.0%*	0.0	(0.8)	-100.0%	*0.0*	*-100.0%*
Depreciation & Amortization	(2.0)	(2.3)	-13.1%	*(2.2)*	*-6.2%*	(4.0)	(5.0)	-18.8%	*(4.5)*	*-8.5%*
J.V. Investment Amortization	0.0	0.0	0.0%	*0.0*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*
Equity income result	0.0	0.0	0.0%	*0.0*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*
Other revenues (expenses)	0.3	0.4	-38.7%	*0.3*	*-33.5%*	0.6	0.6	-7.8%	*0.8*	*29.3%*
General & Administative	(2.2)	(2.3)	-8.3%	*(2.3)*	*-1.1%*	(4.2)	(4.4)	-6.0%	*(4.7)*	*5.4%*
(+) Depreciation & Amortization	2.3	2.7	-13.9%	*2.5*	*-7.1%*	4.7	6.2	-23.9%	*5.3*	*-14.3%*
Operating Income	**11.5**	**10.5**	**9.7%**	***12.7***	***21.2%***	**22.8**	**22.9**	**-0.2%**	***26.6***	***16.4%***
Expansion Capex	0.0	0.0	-77.1%	*0.0*	*-75.3%*	0.4	0.9	-54.6%	*0.5*	*-48.6%*
Maintenance Capex	0.2	0.4	-65.6%	*0.2*	*-62.8%*	1.4	1.6	-13.0%	*1.5*	*-1.4%*
Total Capex	**0.2**	**0.5**	**-66.1%**	***0.2***	***-63.4%***	**1.8**	**2.5**	**-28.5%**	***2.0***	***-19.0%***
Operating Inc. - Maintenance Capex³	**11.4**	**10.0**	**13.0%**	***12.5***	***24.9%***	**21.5**	**21.3**	**0.8%**	***25.1***	***17.7%***

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 2Q16 FX rate to convert the results on 2Q16 and 2Q17), to eliminate the effect of exchange rate changes. The comments below are reference the 2Q17 constant currency numbers.

Net revenues reached R$48.1 million, up 2.9% YoY.

The focus on operational excellence combined with costs reduction, led to a 400bps improvement in gross margins, with a 180bps reduction in labor cost and 220bps reduction in food cost. As a result, gross profit reached R$26.0 million in 2Q17, up 11.0% compared to 2Q16.

Regarding operating expenses in 2Q17, there was a reduction in: store pre-opening expenses (+60bps). Those impacts were partially mitigated by higher selling and operating expenses (-20bps) and higher rent expenses (-10bps).

Operating income came in at R$12.7 million in 2Q17, up 21.2% compared to 2Q16, with an operating margin of 26.4% up from 22.4% in 2Q16.

In 1H17, operating income totaled R$26.6 million, with a 26.6% margin from R$22.9 million and 22.8% in 1H16, respectively. Operating income after maintenance Capex reached R$25.1 million, or a 94.2% cash conversion rate.

ADJUSTED EBITDA AND ADJUSTED MARGIN

EBITDA RECONCILIATION (R$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	**14.9**	**0.2**	**7679.6%**	**(2.2)**	**(27.2)**	**n.a.**
(+) Income Taxes	(1.1)	5.7	n.a.	9.0	3.0	204.3%
(+) Net Financial Result	2.3	(9.2)	n.a.	3.0	12.5	-76.2%
(+) D&A and Write-offs	20.6	23.4	-11.9%	42.4	48.4	-12.4%
(+) Amortization of Investments in Joint Venture	0.5	0.5	-8.4%	1.0	1.2	-14.2%
EBITDA	**37.2**	**20.6**	**80.5%**	**53.2**	**37.8**	**40.8%**
(+) Special Items	0.7	3.0	-77.1%	1.8	4.5	-59.0%
Adjusted EBITDA	**37.9**	**23.7**	**60.3%**	**55.0**	**42.3**	**30.2%**
EBITDA / Net Revenues	*9.9%*	*5.3%*		*7.3%*	*4.9%*	
Adjusted EBITDA / Net Revenues	*10.1%*	*6.1%*		*7.6%*	*5.4%*	

The Company's Adjusted EBITDA, excluding non-recurring items, reached R$37.9 million in 2Q17, with an adjusted EBITDA margin of 10.1% vs. 6.1% in 2Q16. The special items refer to the stock option plan. In 1H17, Adjusted EBITDA reached R$55.0 million, from R$42.3 million in 1H16, with a margin of 7.6%, 220bps higher YoY.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R$2.3 million, compared to a net financial income of R$9.2 million in 2Q16.

Income taxes totaled a R$1.1 million recovery in 2Q17, versus an income tax expense of R$5.7 million in 2Q16.

The Company recorded a net income of R$14.9 million in 2Q17, compared to a net income of R$0.2 million in 2Q16. In 1H17 the Company had a net loss of R$2.2 million compared to a net loss of R$27.2 million in 1H16.

SELECTED CASH FLOW INFORMATION

OPERATING ACTIVITIES

EBITDA Reconcilation to Operating Cash Flow (R$ Million)	2Q17	2Q16	Var. (%)	2017	2016	Var. (%)
Adjusted EBITDA	**37.9**	**23.7**	**60.3%**	**55.0**	**42.3**	**30.2%**
Special Items	(0.7)	(3.0)	n.a.	(1.8)	(4.5)	n.a.
(+/-) Other Non-Cash Impact on IS	(3.5)	10.4		10.4	19.9	
(+/-) Working Capital	3.6	(8.9)		(19.3)	(15.8)	
Operating Cash Before Taxes and Interest	**37.3**	**22.1**	**68.8%**	**44.3**	**41.8**	**6.0%**
(-) Paid Taxes	(3.1)	(1.4)		(10.1)	(3.1)	
(-) Maintenance Capex	(2.0)	(5.1)		(7.9)	(9.2)	
Net Cash Generated by Operating Activities	**32.3**	**15.6**	**106.8%**	**26.3**	**29.5**	**-10.8%**
Operating Net Cash/EBITDA	**85.1%**	**65.9%**	**19.1 p.p.**	**47.8%**	**69.8%**	**-22 p.p.**

Operating cash flow totaled +R$32.3 million in 2Q17 (compared to +R$15.6 million in 2Q16), mostly impacted by improved results and lower working capital needs. Operating net cash over Adjusted EBITDA reached 85% in 2Q17, from 66% in 2Q16.

INVESTING ACTIVITIES

(R$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
Property and Equipment	(5.6)	(16.1)	-65.5%	(21.3)	(28.8)	-26.0%
Additions to Intangible Assets	(2.2)	(30.2)	-92.8%	(2.2)	(33.2)	-93.3%
(=) Total Invested (CAPEX)	**(7.7)**	**(46.3)**	**-83.3%**	**(23.5)**	**(62.0)**	**-62.1%**
Payment of Acquisitions	(4.5)	(0.1)	7435.0%	(4.6)	(78.3)	-94.1%
Dividends Received	2.6	3.3	-19.6%	0.0	169.1	-100.0%
Total Investments	**(9.6)**	**(43.1)**	**-77.7%**	**(28.2)**	**28.8**	**-197.7%**

CAPEX (in R$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
Expansion						
Brazilian Operations	**4.5**	**32.3**	**-86.0%**	**12.8**	**36.0**	**-64.6%**
Brazil - Air	0.9	30.9	-97.0%	5.0	33.8	-85.3%
Brazil - Roads	3.1	0.3	1014.4%	4.3	0.3	1408.8%
Brazil - Malls	0.5	1.1	-59.6%	3.6	2.0	79.7%
USA Operations	**0.7**	**7.6**	**-91.4%**	**1.7**	**13.1**	**-87.2%**
Caribbean Operations	**0.0**	**0.0**	**-77.1%**	**0.4**	**0.9**	**-54.6%**
Holding	**0.5**	**1.3**	**-59.3%**	**0.7**	**2.8**	**-73.7%**
Total Expansion Investments	**5.7**	**41.2**	**-86.2%**	**15.6**	**52.9**	**-70.5%**
Maintenance						
Brazilian Operations	**1.4**	**1.5**	**-9.0%**	**5.6**	**2.3**	**146.5%**
Brazil - Air	0.3	0.3	-20.7%	0.8	0.8	5.0%
Brazil - Roads	0.9	0.4	114.6%	2.6	0.5	379.6%
Brazil - Malls	0.3	0.8	-66.3%	2.2	0.9	135.4%
USA Operations	**0.4**	**1.5**	**-76.1%**	**0.6**	**2.3**	**-72.2%**
Caribbean Operations	**0.2**	**0.4**	**na**	**1.4**	**1.6**	**na**
Holding	**0.1**	**1.6**	**-94.9%**	**0.4**	**3.0**	**-87.9%**
Total Maintenance Investments	**2.0**	**5.1**	**-61.2%**	**7.9**	**9.2**	**-13.5%**
Total CAPEX Investments	**7.7**	**46.3**	**-83.4%**	**23.5**	**62.0**	**-62.1%**

Regarding Expansion CAPEX, in 2Q17 IMC invested mainly in stores at the Brazilian roads and airports, as well as in new stores in the US.

FINANCING ACTIVITIES

The Company's financing cash flow in 2Q17 was mainly affected by loan amortizations and the share buy-back plan.

(R$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
Capital Contribuitions	0.0	0.0	n.a.	0.0	46.4	-100.0%
Treasury Shares	(7.5)	(8.3)	-10.1%	(5.6)	(8.3)	-32.2%
New Loans	0.0	1.3	-100.0%	(0.0)	1.3	n.a.
Payment of Loans	(15.0)	(22.3)	-32.6%	(33.3)	(84.2)	-60.5%
Net Cash Generated by Financing	**(22.5)**	**(29.3)**	**-23.1%**	**(38.9)**	**(44.8)**	**-13.0%**

Considering payments to former owners of companies acquired in the past (seller finance) as debt, debt amortization totaled R$19.6 million in 2Q17.

Total debt amortization (R$ million)	2Q17	2Q16	2017	2016
Acquisitions, net of cash (Sellers Financing)	(4.5)	(0.1)	(4.6)	(78.3)
New Loans	0.0	1.3	0.0	1.3
Loan Amortization	(15.0)	(22.3)	(33.3)	(84.2)
Total debt amortization	**(19.6)**	**(21.0)**	**(37.9)**	**(161.1)**

NET DEBT

The Company ended the first half of 2017 with a net cash position of R$35.2 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.

R$ million	2Q17	2Q16
Debt	95.2	248.3
Financing of past acquisitions	30.5	10.7
Point of Sales rights	1.5	51.9
Total Debt	**127.2**	**310.9**
(-) Cash	**(162.4)**	**(336.1)**
Net Debt	**(35.2)**	**(25.2)**

CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	2Q17	2Q16	2017	2016
NET REVENUE	**376,860**	**387,793**	**727,523**	**776,276**
COST OF SALES AND SERVICES	**(259,312)**	**(264,729)**	**(512,698)**	**(541,964)**
GROSS PROFIT	**117,548**	**123,064**	**214,825**	**234,312**
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(81,822)	(89,105)	(156,363)	(173,978)
General and administrative expenses	(21,961)	(26,713)	(45,771)	(52,935)
Depreciation and amortization	(7,218)	(9,451)	(15,061)	(19,066)
Impairment	0	0	0	0
Other income (expenses)	7,382	(3,105)	8,449	(4,333)
Equity income result	2,206	2,023	3,686	4,220
Net financial expenses	(2,335)	9,191	(2,962)	(12,452)
INCOME (LOSS) BEFORE INCOME TAXES	**13,800**	**5,904**	**6,803**	**(24,232)**
Income Taxes	**1,059**	**(5,713)**	**(9,025)**	**(2,966)**
NET INCOME (LOSS) FOR THE QUARTER FROM CONTINUED OPERATIONS	**14,859**	**191**	**(2,222)**	**(27,198)**
RESULT FROM DISCONTINUED OPERATIONS	**0**	**0**	**0**	**3,972**
NET INCOME (LOSS) FOR THE QUARTER	**14,859**	**191**	**(2,222)**	**(23,226)**

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION (R$ thousand)	2Q17	4Q16
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	162,352	190,108
Accounts receivable	70,259	70,567
Inventories	37,492	35,101
Derivatives	2,456	5,169
Other current assets	53,792	48,038
Assets from discontinued operations	0	0
Total current assets	**326,351**	**348,983**
NONCURRENT ASSETS		
Deferred income taxes	2,915	626
Derivatives	1,752	1,399
Other noncurrent assets	61,841	63,197
Property and equipment	236,506	252,429
Intangible assets	828,461	836,774
Total noncurrent assets	**1,131,475**	**1,154,425**
TOTAL ASSETS	**1,457,826**	**1,503,408**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	75,468	85,815
Loans and financing	43,146	61,797
Salaries and payroll charges	64,752	63,976
Other current liabilities	35,330	37,005
Liabilities from Discontinued operations	0	0
Total current liabilities	**218,696**	**248,593**
NONCURRENT LIABILITIES		
Loans and financing	88,226	104,313
Provision for labor, civil and tax disputes	19,543	26,997
Deferred income tax liability	68,672	62,569
Other noncurrent liabilities	23,745	20,140
Total noncurrent liabilities	**200,186**	**214,019**
EQUITY		
Capital and reserves	1,148,982	1,152,775
Accumulated losses	(106,319)	(104,097)
Other comprehensive income	(14,506)	(18,024)
Amounts recognized in other comprehensive income and accumulated in equity related to assets held for sale	0	0
Total equity	**1,028,157**	**1,030,654**
Non-Controlling Interest	10,787	10,142
TOTAL LIABILITIES AND EQUITY	**1,457,826**	**1,503,408**

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	2Q17	2Q16	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss) for the quarter	14,859	191	(2,222)	(27,198)
Depreciation and amortization	20,578	23,361	42,403	48,383
Impairment of intangible assets (using)	292	(6,353)	(19,286)	(9,905)
Impairment of intangible assets (provision)	-	-	-	-
Investiment amortization	502	548	993	1,157
Equity income result	(2,709)	(2,571)	(4,679)	(5,377)
Provision for labor, civil and tax disputes	937	(2,687)	1,604	(1,098)
Income taxes	(1,059)	5,713	9,025	2,966
Interest expenses	2,588	5,067	5,942	15,444
Disposal of property and equipment	(430)	6,642	19,699	10,430
Deferred Revenue, Rebates	(1,212)	(906)	(76)	(1,858)
Expenses in payments to employees based in stock plan	736	3,034	1,841	4,491
Others	(1,518)	(252)	8,485	(3,659)
Changes in operating assets and liabilities	**3,557**	**(8,907)**	**(19,332)**	**(15,821)**
Cash generated from operations	37,317	22,103	44,282	41,794
Income tax paid	(3,075)	(1,401)	(10,065)	(3,143)
Interest paid	(61)	(5,382)	(232)	(14,968)
Net cash generated by (used in) operating activities	**34,181**	**15,320**	**33,985**	**23,683**
CASH FLOW FROM INVESTING ACTIVITIES				
Capital increase in subsidiaries	-	-	-	-
Acquisitions of controlling interest, net of cash	(4,521)	(60)	(4,635)	(78,251)
Dividends received	2,646	3,292	4,443	5,359
Sale of controlling interest in discontinued operations, net of cash	-	-	-	169,080
Additions to intangible assets	(2,170)	(30,188)	(2,217)	(33,217)
Additions to property and equipment	(5,566)	(16,129)	(21,300)	(28,790)
Net cash used in investing activities from continued operations	**(9,611)**	**(43,085)**	**(23,709)**	**34,181**
Net cash used in investing activities from discontinued operations	-	-	-	-
Net cash used in investing activities	**(9,611)**	**(43,085)**	**(23,709)**	**34,181**
CASH FLOW FROM FINANCING ACTIVITIES				
Capital contribuitions	-	-	-	46,382
Capital contribuitions from minority interest	-	-	-	-
Shares in Treasury	(7,465)	(8,306)	(5,634)	(8,306)
New loans	-	1,333	-	1,333
Payment of loans	(15,029)	(22,296)	(33,272)	(84,198)
Net cash used in financing activities	**(22,494)**	**(29,269)**	**(38,906)**	**(44,789)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EC	2,657	(17,321)	874	(40,717)
NET INCREASE (DECREASE) FOR THE PERIOD	**4,733**	**(74,355)**	**(27,756)**	**(27,642)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**157,619**	**336,104**	**190,108**	**289,390**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**162,352**	**261,749**	**162,352**	**261,748**

APPENDIX - CURRENCY CONVERSION TABLE

	US$		COP	
	EoP	Average	EoP	Average
1Q13	2.019	1.995	0.001100	0.001100
2Q13	2.226	2.062	0.001200	0.001100
3Q13	2.235	2.285	0.001200	0.001200
4Q13	2.348	2.272	0.001200	0.001200
1Q14	2.266	2.369	0.001200	0.001200
2Q14	2.205	2.234	0.001200	0.001200
3Q14	2.438	2.276	0.001200	0.001200
4Q14	2.687	2.548	0.001100	0.001200
1Q15	3.208	2.865	0.001200	0.001200
2Q15	3.103	3.073	0.001200	0.001200
3Q15	3.973	3.540	0.001300	0.001300
4Q15	3.905	3.841	0.001200	0.001300
1Q16	3.559	3.857	0.001200	0.001200
2Q16	3.210	3.501	0.001100	0.001200
3Q16	3.246	3.246	0.001126	0.001100
4Q16	3.298	3.221	0.001126	0.001100
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101

MANAGEMENT NOTE

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

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

GLOSSARY

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

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

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

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

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

DISCLAIMER

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 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 B3 S.A – Brasil Bolsa Balcão (B3) under the ticker symbol “MEAL3” and listed in the Novo Mercado (New Market) segment.

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

As of June 30, 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) <u>Mexico</u>

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 Gastrónomico 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
June 30, 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 comprised 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
June 30, 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
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 of an entity so as to benefit from its activities.

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

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
June 30, 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
June 30, 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 six-month period ended June 30, 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
June 30, 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 June 30, 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 1.2).

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

6. Segment information--Continued

	Consolidated					
	Shopping malls	Airports	Highways	United States of America	Others	Total
June 30, 2016:						
Net sales revenue	159,015	204,763	219,467	193,031	-	776,276
Operating profit (loss)	2,089	17,456	16,273	15,722	(13,780)	37,760
Depreciation and amortization	(9,479)	(18,182)	(8,085)	(12,566)	(1,228)	(49,540)
Finance income (costs), net	(333)	13,136	(3,553)	2,015	(23,717)	(12,452)
Income tax benefit (expense)	(6,566)	(4,306)	(3,272)	(767)	11,945	(2,966)

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

	Consolidated	
	06/30/2017	06/30/2016
Reconciliation of loss for the period:		
Operating income (profit) from reportable segments	**60,756**	51,540
Operating income (loss) from other segments	**(7,595)**	(13,780)
	53,161	37,760
Depreciation and amortization	**(43,396)**	(49,540)
Finance income (expense), net	**(2,962)**	(12,452)
Income tax and social contribution	**(9,025)**	(2,966)
Loss for the period from continuing operations	**(2,222)**	(27,198)
Income for the period from discontinued operations	**-**	3,972
Loss for the period	**(2,222)**	(23,226)

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

	Consolidated	
	06/30/2017	12/31/2016
Shopping malls	**463,469**	419,800
Airports	**308,878**	399,573
Highways	**353,972**	354,636
United States of America	**325,643**	317,952
Subtotal	**1,451,962**	1,491,961
Assets not allocated to the segment	**5,864**	11,447
	1,457,826	1,503,408

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 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	
	06/30/2017	06/30/2016
Net revenue:		
Brazil	**462,698**	483,018
The Caribbean	**88,362**	100,227
United States of America	**176,463**	193,031
	727,523	776,276

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
June 30, 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 practices adopted, including the criteria used to recognize revenues and expenses for each class of financial assets and financial liabilities, see the individual and consolidated financial statements for the year ended December 31, 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	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Financial assets				
Trade receivables and receivables:				
Cash and cash equivalents	**2,269**	14,673	**162,352**	190,108
Financial investments (noncurrent)	**-**	589	**77**	589
Currency swap instrument (item f)	**-**	178	**4,208**	6,568
Trade receivables	**16,654**	17,901	**73,266**	72,272
Receivables from related parties	**-**	12,473	**-**	-
	18,923	45,814	**239,903**	269,537
Financial liabilities				
Financial liabilities recognized:				
Trade payables	**20,274**	27,550	**75,468**	85,815
Borrowings	**1,058**	11,946	**99,379**	129,279
Payables to related parties	**31,142**	16,793	**-**	-
Installment payment of rights over points of sales	**-**	**-**	**1,528**	3,024
Installment payment of business acquisitions	**-**	**-**	**30,465**	33,807
	52,474	56,289	**206,840**	251,925

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 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 financial liabilities, and the agreed repayment terms. The tables below were prepared using the undiscounted cash flows of the financial assets and financial liabilities based on the nearest date on which the Group can be required to make the related payment or collect its receivables. As interest flows are based on floating rates, the undiscounted amount obtained is based on the interest curves in the six-month period ended June 30, 2017. Accordingly, the disclosed balances do not match the balances stated in the statements of financial position.

	Weighted average effective interest rate - %	Parent				
		Less than 1 month	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Total**
June 30, 2017:						
Trade payables	-	**(19,894)**	**(279)**	**(101)**	**-**	**(20,274)**
Trade receivables	-	**13,692**	**1,017**	**838**	**1,107**	**16,654**
Borrowings	13.25	**(91)**	**(182)**	**(462)**	**(372)**	**(1,107)**

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

7. **Financial instruments**--Continued

d) Liquidity – Continued

	Weighted average effective interest rate - %	Consolidated					
		Less than 1 month	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
June 30, 2017:							
Trade payables	-	**(63,009)**	**(11,019)**	**(1,440)**	**-**	**-**	**(75,468)**
Trade receivables	-	**51,958**	**13,856**	**4,445**	**3,007**	**-**	**73,266**
Currency swap derivatives (item f))	10.14	**-**	**-**	**2,708**	**2,591**	**-**	**5,299**
Borrowings	10.27	**-**	**-**	**(30,824)**	**(87,238)**	**-**	**(118,062)**
Installment payment of business acquisitions	10.14	**(38)**	**(372)**	**(3,829)**	**(20,390)**	**(10,727)**	**(35,356)**
Installment payment of acquisitions of goodwill	2.56	**-**	**(1,545)**	**-**	**-**	**-**	**(1,545)**

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
June 30, 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 June 30, 2017 and 2016, due to this financial instrument, the following results were obtained:

	06/30/2017	**06/30/2016**
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	**4,208**	8,378
Short position (sold)		
CDI plus interest from 1.75% to 3.1% per year	**(131)**	(627)
Gain for the period	**4,077**	7,751

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
June 30, 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	15.27%	18.47%	21.68%
Estimated charges	2,387	2,888	3,388
Libor (per year) plus interest of 3.6% per year	5.43%	5.79%	6.15%
Estimated charges	3,451	3,679	3,906
TJLP (per year) plus interest of 3.8% per year	10.81%	12.56%	14.31%
Estimated charges	188	218	249

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	2.56%	3.20%	3.84%
Estimated charges	39	49	59

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

7. Financial instruments--Continued

h) Debt-to-equity ratio

	Parent		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Debt (i)	**1,058**	11,946	**99,379**	129,279
Currency *swap* derivatives	**-**	(178)	**(4,208)**	(6,568)
Installment payment of business acquisitions	**-**	-	**30,465**	33,807
Installment payment of rights over points of sales	**-**	-	**1,528**	3,024
Cash and cash equivalents (financial investments)	**(2,269)**	(14,673)	**(162,352)**	(190,108)
Net debt	**(1,211)**	(2,905)	**(35,188)**	(30,566)
Equity (ii)	**1,028,157**	1,030,654	**1,038,944**	1,040,796
Net debt-to-equity ratio	**(0.001)**	(0.003)	**(0.034)**	(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	
	06/30/2017	12/31/2016	**06/30/2017**	12/31/2016
Cash	**274**	412	**3,957**	6,914
Banks	**34**	72	**69,926**	77,122
Financial investments	**1,961**	14,189	**88,469**	106,072
	2,269	14,673	**162,352**	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
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

8. Cash and cash equivalents--Continued

Transactions	Average yield	Liquidity	Country	Parent 06/30/2017	Parent 12/31/2016
Debentures – repurchase agreements	90% to 100% of CDI	Immediate	Brazil	**393**	10,905
Automatic investment	30% to 60% of CDI	Immediate	Brazil	**1,568**	2,964
Others	80% to 100% of CDI	Immediate	Brazil	**-**	320
				1,961	14,189

Transactions	Average yield	Liquidity	Country	Consolidated 06/30/2017	Consolidated 12/31/2016
Debentures – repurchase agreements	60% to 101.5% of CDI	Immediate	Brazil	**72,614**	84,412
Automatic investment	30% to 60% of CDI	Immediate	Brazil	**6,475**	11,669
Automatic investment	7.8% p.a.	Immediate	Colombia	**8,318**	9,671
Others	90% of CDI	Immediate	Brazil	**1,062**	320
				88,469	106,072

9. Trade receivables

	Parent		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Means of payment (credit and debit cards, and meal tickets)	**1,114**	1,250	**28,317**	35,999
Trade receivables	**12,508**	13,581	**27,893**	26,446
Fees and sales agreements	**2,995**	3,306	**17,346**	10,852
Others	**116**	-	**800**	300
	16,733	18,137	**74,356**	73,597
Allowance for doubtful accounts	**(79)**	(236)	**(1,090)**	(1,325)
	16,654	17,901	**73,266**	72,272
Current	**15,547**	16,932	**70,259**	70,567
Noncurrent	**1,107**	969	**3,007**	1,705
	16,654	17,901	**73,266**	72,272

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 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	
	06/30/2017	12/31/2016
In Brazilian Reais - R$	**49,382**	54,916
In US dollars - US$ (*)	**10,998**	9,316
In Mexican pesos - MXN$ (*)	**3,986**	616
In Colombian pesos - COP$ (*)	**9,990**	8,749
	74,356	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	
	06/30/2017	12/31/2016	**06/30/2017**	12/31/2016
Current	**14,714**	16,133	**70,515**	59,900
Past due:				
Up to 30 days	**1,200**	1,768	**1,657**	11,079
31 to 60 days	**740**	-	**838**	895
61 to 90 days	**-**	-	**50**	419
Over 90 days	**79**	236	**1,296**	1,304
Allowance for doubtful accounts	**(79)**	(236)	**(1,090)**	(1,325)
	16,654	17,901	**73,266**	72,272
Current	**15,547**	16,932	**70,259**	70,567
Noncurrent	**1,107**	969	**3,007**	1,705

As described in note 16, the Group pledged receivables from credit and debit card companies as collateral for borrowings. As at June 30, 2017, the balance receivable related to this collateral is R$9,331 (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
June 30, 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	
	06/30/2017	12/31/2016	**06/30/2017**	12/31/2016
Balance at the beginning of the period/year	**(236)**	(162)	**(1,325)**	(762)
Additions	**(280)**	(288)	**(853)**	(2,674)
Reversals and write-offs	**437**	214	**1,001**	2,091
Exchange rate changes	**-**	-	**87**	20
Balance at the end of the period/year	**(79)**	(236)	**(1,090)**	(1,325)

Fees and sales agreements

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 all transactions are short term and it considers the effect of these adjustments immaterial when compared with the individual and consolidated interim financial information taken as a whole.

10. Inventories

	Parent		Consolidated	
	06/30/2017	12/31/2016	**06/30/2017**	12/31/2016
Food and beverages	**2,307**	2,587	**18,087**	19,300
Fuel and vehicle accessories	**-**	-	**3,928**	4,475
Nonfood products and souvenirs for resale	**-**	-	**11,248**	6,770
Supplies and fixtures	**1,708**	1,776	**5,550**	6,001
Provision for inventory obsolescence	**(17)**	-	**(1,321)**	(1,445)
	3,998	4,363	**37,492**	35,101

As at June 30, 2017, the total cost of inventories sold disclosed in line item 'Cost of sales and services' totals R$20,960 (R$23,480 at June 30, 2016) in Parent and R$258,346 (R$269,172 at June 30, 2016) in Consolidated.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

11. Taxes recoverable

	Parent		Consolidated	
	06/30/2017	12/31/2016	**06/30/2017**	12/31/2016
Prepaid income tax and social contribution	**-**	1,317	**9,125**	8,089
Withholding income tax (IRRF) on financial investments	**5,328**	5,369	**8,613**	7,704
Taxes on revenue (PIS and COFINS)	**8,307**	8,473	**19,563**	16,668
Others	**251**	245	**1,131**	1,534
	13,886	15,404	**38,432**	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 June 30, 2017 are shown in the table listing the consolidated entities, in note 3.

Information on subsidiaries

The variations in investments in subsidiaries for the six-month period ended June 30, 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	(49)	(345)	4,278	3407	9,491	16,782
Translation adjustments	-	-	-	1,717	1,801	3,518
Balance at June 30, 2017	**5,266**	**288,106**	**298,437**	**159,046**	**161,385**	**912,240**

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

12. **Investments**--Continued

Information on subsidiaries--Continued

The variations in investments in joint venture, 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 (*)	3,686
Dividends received	(4,443)
Translation adjustments of foreign joint venture	499
Balance at June 30, 2017	**28,911**

(*) Share of profit (loss) of investees net of the amortization of investment in joint venture incurred in the six-month period ended June 30, 2017 amounting to R$993. 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 six-month period ended June 30, 2017 are as follows:

	Parent			
	Balance at 12/31/2016	**Additions (*)**	**Transfers, write-offs, and others**	**Balance at 6/30/2017**
Cost				
Machinery and equipment	23,945	-	(629)	**23,316**
Furniture and fixtures	8,158	-	(408)	**7,750**
Leasehold improvements	29,624	-	(1,887)	**27,737**
Computers, vehicles and other items	24,197	-	1	**24,198**
Works and construction in progress	3,641	2,885	(6,486)	**40**
Total cost	89,565	2,885	(9,409)	**83,041**
Depreciation				
Machinery and equipment	(14,947)	(1,465)	1,547	**(14,865)**
Furniture and fixtures	(5,233)	(580)	735	**(5,078)**
Leasehold improvements	(15,127)	(993)	1,316	**(14,804)**
Computers, vehicles and other items	(18,609)	(963)	621	**(18,951)**
Total depreciation	(53,916)	(4,001)	4,219	**(53,698)**
Provision for impairment of assets				
Leasehold improvements	(3,084)	-	3,035	**(49)**
Computers, vehicles and other items	(64)	-	(16)	**(80)**
Total provision	(3,148)	-	3,019	**(129)**
Total, net	32,501	(1,116)	(2,171)	**29,214**

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 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 6/30/2017**
Cost					
Land and buildings	3,722	-	-	-	**3,722**
Machinery and equipment	161,314	280	1,537	3,296	**166,427**
Furniture and fixtures	69,083	457	446	1,833	**71,819**
Leasehold improvements	284,688	1,752	1,083	(2,100)	**285,423**
Computers, vehicles and other items	63,956	119	910	(812)	**64,173**
Works and construction in progress	15,807	64	12,105	(21,726)	**6,250**
Total cost	598,570	2,672	16,081	(19,509)	**597,814**
Depreciation					
Buildings	(2,028)	-	(32)	-	**(2,060)**
Machinery and equipment	(104,798)	(195)	(8,749)	2,582	**(111,160)**
Furniture and fixtures	(42,247)	(308)	(5,058)	997	**(46,616)**
Leasehold improvements	(133,483)	(1,086)	(16,388)	4,965	**(145,992)**
Computers, vehicles and other items	(49,009)	(133)	(2,830)	944	**(51,028)**
Total depreciation	(331,565)	(1,722)	(33,057)	9,488	**(356,856)**
Provision for impairment of assets					
Machinery and equipment	(2,126)	10	-	420	**(1,696)**
Furniture and fixtures	(203)	-	-	-	**(203)**
Leasehold improvements	(11,866)	-	-	9,710	**(2,156)**
Computers, vehicles and other items	(381)	-	-	(16)	**(397)**
Total provision	(14,576)	10	-	10,114	**(4,452)**
Total, net	252,429	960	(16,976)	93	**236,506**

(*) The additions to property, plant and equipment presented in the statements of cash flows include the installments paid, related to previous acquisitions. Accordingly, the amount of R$2,487, Parent, and R$5,219, consolidated, were added in additions to property, plant and equipment in the six-month period ended June 30, 2017 in the statements of cash flows.

	Parent		Consolidated	
Net balances in	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Land and buildings	**-**	-	**1,662**	1,694
Machinery and equipment	**8,451**	8,395	**53,571**	54,390
Furniture and fixtures	**2,672**	2,925	**25,000**	26,633
Leasehold improvements	**12,884**	12,016	**137,275**	139,339
Computers, vehicles and other items	**5,167**	5,524	**12,748**	14,566
Works and construction in progress	**40**	3,641	**6,250**	15,807
	29,214	32,501	**236,506**	252,429

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Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

13. Property, plant and equipment--Continued

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Allocated to cost of sales and services	**(3,207)**	(3,925)	**(28,683)**	(30,931)
Allocated to general and administrative expenses	**(794)**	(661)	**(4,374)**	(5,068)
Total depreciation expenses	**(4,001)**	(4,586)	**(33,057)**	(35,999)
PIS and COFINS credits on depreciation (*)	**339**	544	**1,341**	1,613
Total depreciation expenses, net of tax credits	**(3,662)**	(4,042)	**(31,716)**	(34,386)

(*) 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 June 30, 2017 is R$1,538 (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 June 30, 2017 are as follows:

	Parent			
	Balance at 12/31/2016	Additions (*)	Transfers, write-offs, and others	Balance at 6/30/2017
Cost:				
Goodwill	91,790	-		**91,790**
Software	15,194	-	2,549	**17,743**
Rights over trademarks	4,100	-	-	**4,100**
Rights over points of sales	35,558	-	(4,801)	**30,757**
Licensing rights	70,625	-	(493)	**70,132**
Leasehold rights	25,532	-	-	**25,532**
Intangibles in progress	1,865	-	(1,865)	**-**
Total cost	244,664	-	(4,610)	**240,054**
Amortization:				
Software	(13,866)	(486)	43	**(14,309)**
Rights over points of sales	(11,371)	(1,984)	2,085	**(11,270)**
Licensing rights	(49,426)	(2,421)	182	**(51,665)**
Leasehold rights	(19,273)	(988)	-	**(20,261)**
Total amortization	(93,936)	(5,879)	2,310	**(97,505)**

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

14. Intangible assets--Continued

	Parent			
	Balance at 12/31/2016	**Additions**	**Transfers, write-offs, and others**	**Balance at 6/30/2017**
Provision for impairment of assets				
Software	(8)	-	8	**-**
Rights over trademarks	(1,427)	-	408	**(1,019)**
Rights over points of sales	(3,074)	-	2,480	**(594)**
Licensing rights	(143)	-	143	**-**
Total provision	(4,652)	-	3,039	**(1,613)**
	146,076	(5,879)	739	**140,936**

	Consolidated				
	Balance at 12/31/2016	**Additions (*)**	**Transfers, write-offs, and others**	**Effects of exchange differences**	**Balance at 6/30/2017**
Cost					
Goodwill	657,014	-	-	2,291	**659,305**
Software	26,728	51	2,574	3	**29,356**
Rights over trademarks	62,618	-	-	-	**62,618**
Rights over points of sales	122,574	32	(14,947)	49	**107,708**
Licensing rights	103,503	(29)	(495)	133	**103,112**
Leasehold rights	28,699	-	(250)	36	**28,485**
Non-compete agreements	2,905	-	-	1	**2,906**
Intangibles in progress and other assets	2,539	663	(2,298)	-	**904**
Total cost	1,006,580	717	(15,416)	2,513	**994,394**
Amortization					
Software	(24,156)	(762)	73	(1)	**(24,846)**
Rights over points of sales	(39,901)	(5,220)	5,210	(23)	**(39,934)**
Licensing rights	(69,092)	(3,537)	182	(54)	**(72,501)**
Leasehold rights	(19,273)	(988)	-	-	**(20,261)**
Non-compete agreements	(1,269)	(146)	-	-	**(1,415)**
Intangibles in progress and other assets	(343)	(34)	1	-	**(376)**
Total amortization	(154,034)	(10,687)	5,466	(78)	**(159,333)**
Provision for impairment of assets					
Software	(76)	-	13	-	**(63)**
Rights over trademarks	(4,261)	-	(24)	-	**(4,285)**
Rights over points of sales	(9,616)	-	9,010	-	**(606)**
Licensing rights	(1,819)	-	173	-	**(1,646)**
Total provision	(15,772)	-	9,172	-	**(6,600)**
Total, net	836,774	(9,970)	(778)	2,435	**828,461**

(*) 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$1,500, consolidated, were added in additions to intangible assets in the six-month period ended June 30, 2017 in the statements of cash flows.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

14. Intangible assets--Continued

	Parent		Consolidated	
Net balances in	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Goodwill (a)	**91,790**	91,790	**659,305**	657,014
Software	**3,434**	1,320	**4,447**	2,496
Rights over trademarks (b)	**3,081**	2,673	**58,333**	58,357
Rights over points of sales (c)	**18,894**	21,113	**67,168**	73,057
Licensing rights (d)	**18,466**	21,056	**28,965**	32,592
Leasehold rights (e)	**5,271**	6,259	**8,224**	9,426
Non-compete agreements	**-**	-	**1,491**	1,636
Intangibles in progress and other assets	**-**	1,865	**528**	2,196
	140,936	146,076	**828,461**	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
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

14. Intangible assets--Continued

Main intangible assets--Continued

a) *Goodwill--Continued*

	Consolidated	
	06/30/2017	12/31/2016
Brazil:		
Shopping malls	**187,905**	187,905
Airports	**91,790**	91,790
Highways	**206,187**	206,187
	485,882	485,882
The Caribbean:		
Shopping malls	**944**	944
Airports	**18,093**	18,093
	19,037	19,037
United States of America	**154,386**	152,095
	659,305	657,014

b) *Rights over trademarks*

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

c) *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
June 30, 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 June 30, 2017 there are no indications that any of the cash-generating units is impaired.

15. Trade payables

	Parent		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Product suppliers	**6,030**	8,395	**45,412**	51,910
Service providers	**13,474**	15,897	**29,735**	33,514
Suppliers - others	**770**	3,258	**321**	391
Total	**20,274**	27,550	**75,468**	85,815

16. Borrowings

			Parent		Consolidated	
	Financial charges	**Maturity**	**06/30/2017**	12/31/2016	**06/30/2017**	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	**28,596**	49,641
Bank Credit Note - CCB – United States of America (b)	90-day LIBOR + spread of 4.0% per year	Quarterly up to 4/1/21	**-**	-	**63,535**	71,186
BNDES	TJLP or exchange rate change + spread from 3.81% to 5.8% per year	Monthly up to 11/15/19	**-**	-	**3,498**	4,173
Others			**1,058**	1,555	**3,750**	4,279
			1,058	11,946	**99,379**	129,279

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

16. Borrowings--Continued

Classified as:

	Parent		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Current:				
Foreign currency-denominated borrowings	**-**	10,391	**35,500**	49,418
Local currency-denominated borrowings (R$)	**732**	1,104	**3,110**	3,569
	732	11,495	**38,610**	52,987
Noncurrent:				
Foreign currency-denominated borrowings	**-**	-	**56,631**	71,412
Local currency-denominated borrowings (R$)	**326**	451	**4,138**	4,880
	326	451	**60,769**	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 certain subsidiaries of the Company, a swap collateral assignment and liens on debit and credit rights arising from sales made by the Company's subsidiaries using debit and credit cards. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio and the debt service coverage ratio, annually calculated based on the financial statements. The Group conducts swap transactions to exchange US dollar-denominated payables at fixed interest rates for the Brazilian real (R$) pegged to 100% of the CDI plus spread from 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 15 quarterly installments remaining at June 30, 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. At June 30, 2017, the Group was compliant with such covenants.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

16. Borrowings--Continued

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

	Parent	Consolidated
2018	179	10,583
2019	147	25,688
2020	-	20,251
2021 and thereafter	-	4,247
	326	60,769

17. Installment payment of business acquisitions

	Consolidated	
	06/30/2017	**12/31/2016**
Business acquisitions in Brazil	**-**	3,630
Business acquisitions in other countries	**30,465**	30,177
Total	**30,465**	33,807
Current	**3,008**	5,786
Noncurrent	**27,457**	28,021

18. Provision for labor, civil and tax risks

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

	Parent		Consolidated	
	06/30/2017	12/31/2016	**06/30/2017**	12/31/2016
Labor and social security (a)	**6,343**	6,950	**17,285**	20,347
Tax (b)	**-**	-	**304**	309
Civil (c)	**715**	303	**1,954**	6,341
	7,058	7,253	**19,543**	26,997

(a) Provision recognized to cover labor and social security risks arising from labor relationships established in the normal course of its businesses. Based on the legal counsel's opinion, the Group recorded a provision to cover probable losses if such risks materialize.

(b) The Group is exposed to risks related to challenges by tax authorities (federal, state and municipal) and, based on the opinion of its legal counsel, recognized a provision to cover probable losses for such risks.

(c) The Group is a party to civil and various other lawsuits, such as, claim of economic imbalance or claims filed by suppliers / manufacturers, related to quality discounts. Management recognized a provision for these lawsuits based on the opinion of the Company's legal counsel, who assessed the risk of an unfavorable outcome as probable.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

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

The Group is party tax and civil lawsuits that, according to the opinion of its legal counsel, involve possible risk of losses amounting to R$1,984 in Parent and R$18,560 in Consolidated. No provision for these lawsuits was recognized since the likelihood of loss is not probable. For labor claims, a provision was recognized considering the Group's history of losses.

Among the main lawsuits classified as possible loss we highlight the infringement notices issued against the subsidiary 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$ 5,779. 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	987	188	-	1,175
Reversals	(224)	(869)	-	(1,093)
Uses	(470)	-	-	(470)
Balance at June 30, 2016	2,833	947	278	4,058
Balance at December 31, 2016	6,950	-	303	7,253
Additions	604	-	412	1,016
Uses	(1,211)	-	-	(1,211)
Balance at June 30, 2017	**6,343**	**-**	**715**	**7,058**

	Consolidated			
	Labor and social security	**Tax**	**Civil**	**Total**
Balance at December 31, 2015	6,775	6,488	333	13,596
Additions	4,159	2,020	-	6,179
Reversals	(929)	(4,128)	(24)	(5,081)
Uses	(3,138)	-	-	(3,138)
Balance at June 30, 2016	6,867	4,380	309	11,556
Balance at December 31, 2016	**20,347**	**309**	**6,341**	**26,997**
Additions	**1,170**	**-**	**434**	**1,604**
Uses of provisions for risks associated to discontinued operations	**-**	**-**	**(4,523)**	**(4,523)**
Uses	**(4,232)**	**(5)**	**(298)**	**(4,535)**
Balance at June 30, 2017	**17,285**	**304**	**1,954**	**19,543**

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
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18. Provision for labor, civil and tax risks--Continued

Based on a decision issued by the Supreme Federal Court (STF) on March 15, 2017, of general repercussion, the ICMS (state VAT) must be excluded from the PIS and COFINS tax base. The Company filed a lawsuit in prior years claiming for the right to such exclusion. However, some specific decisions of the STF are still pending, including the analysis and definition of the application of the decision and its effects. The Company is performing a detailed analysis to determine the best estimate of the respective credits for disclosure purposes, in accordance with item 89 of CPC 25.

19. Income tax and social contribution

a) Deferred income tax and social contribution

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

As at June 30, 2017 and December 31, 2016, deferred income tax is as follows:

	Parent	
	06/30/2017	**12/31/2016**
Tax loss carryforwards	**9,313**	615
Temporary differences:		
Provision for labor, civil and tax risks	**2,400**	2,466
Provision for disposal of assets	**543**	5,766
Deferred income tax liability on amortization of goodwill of companies acquired	**(40,692)**	(40,646)
Deferred tax liability arising from fair value allocations of business combinations	**(4,014)**	(3,522)
Accrued liabilities and others	**9,090**	11,399
Total	**(23,360)**	(23,922)
Assets	**-**	-
Liabilities	**(23,360)**	(23,922)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
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19. Income tax and social contribution--Continued

a) Deferred income tax and social contribution--Continued

	Consolidated	
	06/30/2017	**12/31/2016**
Tax loss carryforwards	**74,913**	61,902
Temporary differences:		
Provision for labor, civil and tax risks	**6,259**	7,246
Provision for disposal of assets	**4,523**	14,342
Accrued liabilities	**13,255**	12,088
Asset appreciation and difference between accounting and tax law depreciation rates	**19,025**	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	**(182,821)**	(177,174)
Others	**(911)**	(56)
	(65,757)	(61,943)
Assets	**2,915**	626
Liabilities	**(68,672)**	(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	16,812	42,946
2018	1,233	18,353
2019	-	18,889
2020	1,650	14,626
2021 and thereafter	1,651	23,161
	21,346	117,975

As at June 30, 2017, the Group has tax loss carryforwards amounting to R$376,735 (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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

19. Income tax and social contribution--Continued

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

	Parent	
	06/30/2017	**06/30/2016**
Loss before income tax and social contribution from continuing operations	**(2,776)**	(33,468)
Statutory tax rate	**34%**	34%
Income tax and social contribution credit at statutory rate	**944**	11,379
Adjustments made:		
Permanent differences (*)	**(640)**	(5,111)
Share of profit (loss) of investees	**5,708**	-
Deferred income tax credits on tax loss carryforwards not recognized or recognized on losses/bases of prior years	**(5,116)**	-
Other permanent differences	**(334)**	2
Income tax and social contribution	**562**	6,270
Current	**-**	6,333
Deferred	**562**	(63)

	Consolidated	
	06/30/2017	**06/30/2016**
Profit (loss) before income tax and social contribution from continuing operations	**6,811**	**(24,232)**
Statutory tax rate	**34%**	**34%**
Income tax and social contribution credit (expense) at statutory rate	**(2,316)**	**8,239**
Adjustments made:		
Permanent differences (*)	**(743)**	**1,619**
Effect on differences of statutory tax rates of foreign subsidiaries	**(179)**	**(266)**
Deferred income tax credits on tax loss carryforwards not recognized or recognized on losses/bases of prior years	**(2,407)**	**(12,689)**
Others	**(3,380)**	**131**
Income tax and social contribution	**(9,025)**	**(2,966)**
Current	**(5,404)**	**5,043**
Deferred	**(3,621)**	**(8,009)**

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
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20. Equity

Advent International Corporation ("Advent") holds the Company's control through its investments in FIP – Fundo de Investimento em Participações – Brasil Empreendimentos, which holds 20.2% of the Company and in which Advent has 69.76% of the shares, and through Semolina Fundo de Investimento em Participações with 23.2%, totaling 43.4% 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.

As at June 30, 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 to the Company's capital, amount corresponding to 337,257 treasury shares of International Meal Company Holdings S.A, Group's parent 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 shares.

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
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20. Equity--Continued

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 beneficiaries of the share-based payment plan.

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

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

	Number of shares	**Amount**	**Average price per share - R$**
Balance at December 31, 2016	4,500,000	23,354	5.19
(+) Treasury shares acquired	1,500,000	8,106	5.40
(-) Stock options exercised	(525,000)	(2,472)	(4.70)
Balance at the end of the period	**5,475,000**	**28,988**	5.29

d) Other comprehensive income
Refer to differences arising on translating foreign currency-denominated profit or loss calculated on the equity of foreign subsidiaries.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

21. 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.

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 June 30, 2017 is as follows:

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
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21. Share-based payment plan--Continued

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	(1,508,000)	(592,000)	600,000	4.34 [4]	4.00 [5]	4.20
2016 [2]	3,900,000	(1,067,000)	(33,000)	2,800,000	1.49	4.00	4.02
2017	1,825,000	(400,000)	-	1,425,000	2.56	4.72	4.61
	8,425,000	**(2,975,000)**	**(625,000)**	**4,825,000**			

(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) 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 variations in granted options outstanding as at June 30, 2017 are as follows:

	Consolidated
Number of options outstanding as at December 31, 2016	**4,325,000**
(+) Issued/granted in 2017	1,825,000
(-)Not exercised due to withdrawal:	
2017 grant	(400,000)
2016 grant	(200,000)
2015 grant	(200,000)
(-) Exercised:	
2015 grant	(525,000)
Number of options outstanding as at June 30, 2017	**4,825,000**

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:

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

21. Share-based payment plan--Continued

Exercise of grant	YTD – at 6/30/2017	Amounts to be recorded in future periods[1]
2015	**4,673**	477
2016[2]	**1,779**	2,445
2017	**759**	2,911
Total	**7,211**	5,833

(1) The weighted average of the remaining contractual period is of 24 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]	**4.8 years**
Volatility[2]	**45.0%**
Risk rate[3]	**6.6%**

(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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

21. Share-based payment plan--Continued

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.

22. Net revenue

	Parent		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Gross revenue	**79,286**	95,950	**780,981**	836,565
Taxes on sales	**(7,616)**	(9,829)	**(43,942)**	(49,883)
Returns and rebates	**(317)**	(374)	**(9,516)**	(10,406)
	71,353	85,747	**727,523**	776,276

23. Selling and operating expenses

	Parent		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Payroll	**(4,328)**	(5,009)	**(11,564)**	(11,896)
Publicity and advertising	**(515)**	(397)	**(11,219)**	(11,668)
Rental expenses	**(4,937)**	(10,257)	**(71,874)**	(84,256)
Third party services	**(1,241)**	(1,306)	**(17,239)**	(17,131)
Credit and debit card commissions	**(241)**	(418)	**(9,605)**	(10,421)
Royalties	**(81)**	(180)	**(10,001)**	(11,735)
Maintenance	**(41)**	(21)	**(6,358)**	(8,147)
Logistics	**(421)**	(589)	**(1,979)**	(2,473)
Communication infrastructure	**(305)**	(459)	**(1,600)**	(1,713)
Fees and charges	**(228)**	(399)	**(5,766)**	(5,470)
Other expenses	**(551)**	(641)	**(9,158)**	(9,068)
	(12,889)	(19,676)	**(156,363)**	(173,978)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

24. General and administrative expenses

	Parent		Consolidated	
	06/30/2017	**06/30/2016**	**06/30/2017**	**06/30/2016**
Payroll	**(18,359)**	(17,624)	**(30,732)**	(31,591)
Office rental	**(381)**	(578)	**(788)**	(1,142)
Third- party services	**(3,269)**	(4,784)	**(5,666)**	(8,311)
Travel expenses	**(338)**	(519)	**(1,087)**	(1,499)
Maintenance and utilities	**(791)**	(852)	**(1,397)**	(1,430)
Share-based payments	**(1,841)**	(4,491)	**(1,841)**	(4,491)
Store launchings	**(36)**	(49)	**(1,939)**	(1,765)
Expense recovery – related parties	**14,243**	14,059	**-**	-
Logistics expenses	**(482)**	(487)	**(669)**	(684)
Infrastructure and communication	**(111)**	(125)	**(404)**	(454)
Other general and administrative expenses	**(715)**	(1,122)	**(1,248)**	(1,568)
Total	**(12,080)**	(16,572)	**(45,771)**	(52,935)

25. Other operating income (expenses), net

	Parent		Consolidated	
	06/30/2017	**06/30/2016**	**06/30/2017**	**06/30/2016**
Other expenses:				
Loss on disposal of property, plant and equipment	**(2)**	(50)	**(97)**	(448)
Provision for labor, civil and tax risks, net of reversals	**(1,016)**	(82)	**(1,604)**	(1,098)
Organizational restructuring	**-**	(3,229)	**-**	(6,333)
Other expenses	**(1,192)**	(377)	**(463)**	(611)
	(2,210)	(3,738)	**(2,164)**	(8,490)
Other income:				
Fees and sales agreements	**769**	735	**2,678**	1,039
Sales of fixed assets and sales points	**82**	-	**348**	903
Recovery of tax credits	**241**	-	**7,374**	1,998
Other revenues	**-**	-	**213**	217
	1,092	735	**10,613**	4,157
Total, net	**(1,118)**	(3,003)	**8,449**	(4,333)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

26. Finance income (expense), net

	Parent		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Finance income:				
Income from financial investments	**420**	13,252	**4,092**	14,557
Financial discount granted on payment of installments of business acquisitions	**-**	8,383	**85**	15,305
Other finance income	199	794	**924**	374
	619	22,429	**5,101**	30,236
Finance expense:				
Interest on borrowings	**(686)**	(804)	**(5,062)**	(12,110)
Interest on business acquisitions and on acquisitions of rights over points of sales	**-**	(2,103)	**(880)**	(3,334)
Exchange losses	**(291)**	(992)	**(115)**	(23,839)
Inflation adjustment, interest and banking fees	**(1,161)**	(950)	**(1,837)**	(2,153)
Other	**(68)**	(551)	**(169)**	(1,252)
	(2,206)	(5,400)	**(8,063)**	(42,688)
Total, net	**(1,587)**	17,029	**(2,962)**	(12,452)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

27. Expenses by nature

	Parent		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Inventory costs	**(20,960)**	(23,480)	**(258,346)**	(269,172)
Personnel expenses	**(51,649)**	(56,479)	**(239,538)**	(254,442)
Selling expenses	**(515)**	(397)	**(11,219)**	(11,668)
Third party services	**(4,513)**	(6,106)	**(23,067)**	(25,640)
Operating expenses	**(12,615)**	(20,794)	**(141,075)**	(164,100)
Depreciation and amortization	**(9,541)**	(12,621)	**(42,402)**	(48,383)
Expense recovery – related parties	**14,243**	14,059	**-**	-
Amortization of investment in joint venture	**-**	-	**(993)**	(1,157)
Share of profit (loss) of investees	**16,782**	(23,819)	**4,679**	5,377
Other income and expenses	**(2,664)**	(3,604)	**(14,246)**	(14,538)
	(71,432)	(133,241)	**(726,207)**	(783,723)
Classified as:				
Cost of sales and services	**(56,572)**	(63,934)	**(512,698)**	(541,964)
Selling and operating expenses	**(12,889)**	(19,676)	**(156,363)**	(173,978)
General and administrative expenses	**(12,080)**	(16,572)	**(45,771)**	(52,935)
Depreciation and amortization	**(6,673)**	(9,240)	**(15,061)**	(19,066)
Share of profit (loss) of investees	**16,782**	(23,819)	**3,686**	4,220
	(71,432)	(133,241)	**(726,207)**	(783,723)

28. Related parties

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

a) Transactions recognized in the statement of profit or loss

	Parent	
	06/30/2017	06/30/2016
Sales transactions		
Viena Chain	**1,354**	**2,124**
Frango Assado Chain	**118**	**398**
	1,472	**2,522**

	Parent	
	06/30/2017	06/30/2016
Reimbursement of Expenses		
Viena Chain	**8,592**	8,439
Frango Assado Chain	**5,651**	5,620
	14,243	14,059

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

28. Related parties--Continued

b) Assets

	Parent	
	06/30/2017	12/31/2016
Viena Chain	**-**	11,081
Frango Assado Chain	**-**	584
USA	**-**	808
	-	12,473

c) Liabilities

	Parent	
	06/30/2017	12/31/2016
Tob's	**1,338**	1,272
Panama	**15,988**	15,521
Viena Chain	**8,702**	-
Frango Assado Chain	**5,114**	-
	31,142	16,793

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

Compensation of key management personnel

For the six-month period ended June 30, 2017, key management compensation totaled R$4,605 (R$8,553 as at June 30, 2016) in Parent and Consolidated, out of which R$1,841 (R$4,491 as at June 30, 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-germ benefits.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

29. 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 June 30, 2017, insurance coverage is as follows:

	Consolidated
Civil liability	50,033
Sundry risks - inventories and property, plant and equipment	742,221
Vehicles	64,227
Others	79,395
	935,876

30. 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.

Diluted

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

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2017
(Amounts in thousands of Reais - R$, unless otherwise stated)

30. Earnings (loss) per share--Continued

	Parent and Consolidated	
	06/30/2017	**06/30/2016**
Basic and diluted numerator		
Loss used to calculate basic and diluted earnings per share from continuing operations	**(2,222)**	(27,198)
Profit 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	**(2,222)**	(23,226)
Available shares:		
Basic and diluted denominator (thousands of shares)	**161,769**	164,174
Weighted average number of available shares	**161,769**	164,174
Basic and diluted loss per share - R$	**(0.01374)**	(0.14147)
Basic and diluted loss per share from continuing operations – R$.	**(0.01374)**	(0.16567)
Basic and diluted earnings per share from discontinued operations – R$	**-**	0.02419

31. Authorization of the individual and consolidated interim financial information

The meeting of the Board of Directors held on August 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.

São Paulo Corporate Towers
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A free translation from Portuguese into English of Independent Auditor's Report on Review of Quarterly Financial Information

Independent auditor's report on review of quarterly financial information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of International Meal Company Alimentação S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2017, which comprise the balance sheet as at June 30, 2017 and the related statements of income and comprehensive income for the three and six-month periods then ended, and of changes in equity and cash flows for the six-month period then ended, including other explanatory information.

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

Scope of the review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*) and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

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Conclusion on the interim financial information

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

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the six-month period ended June 30, 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, August 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 June 30, 2017.

São Paulo, August 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 june 30, 2017.

São Paulo, August 09, 2017.

Newton Maia Salomão Alves
Chief Executive Officer

José Agote
Chief Financial Officer