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M A N A G E M E N T R E P O R T

MESSAGE FROM MANAGEMENT

Dear investors,

Last December, we completed one of the most challenging years ever for our Company and we would therefore like to begin by thanking all our employees who have worked so hard to deliver the results presented below.

We closed the year with a workforce of 12,242 employees, more than 11,100 of whom working exclusively in our own stores, constituting our operational DNA. Of this total, 6,897 employees were women and 5,345 men, underlining the diversity and equality of opportunity that characterize our company.

We had 350 stores at year-end, 26.8% more than in 2011, 74 of which added in the year. We acquired four new brands and opened the first store as a master franchisee of one of the largest hamburger chains in the United States, in line with our strategy of providing different solutions for our clients and capturing as many synergies as possible in the markets where we have operations.

Net sales grew by 30.5% in absolute terms and 13.8% under the same-store concept, having broken records in the last three consecutive quarters. In addition, the Batata Inglesa (Brazil) and J&C Delicias (Colombia) chains adapted faster than expected within the projected business plan.

On the macroeconomic front, 2012 was a particularly difficult year for the Brazilian market, which accounts for 75% of our sales. According to the IBGE, annual food and beverage inflation as measured by the IPCA consumer price index came to 9.8%, fueled by the upturn in international grain prices, which particularly impacted the protein segment. On the labor side, the year was marked by a substantial decline in unemployment and a 14.1% increase in the minimum wage, raising labor costs in general.



Nevertheless, we were once again able to reduce our proportional cost of raw materials, which fell from 44.3% of net revenue in 2011 to 43.1% in 2012. Our purchasing became even more centralized, thereby increasing our bargaining power with suppliers, and we made several changes in our product mix in order to combat the above-mentioned inflationary upturn, all of which were vital in pushing up our gross margin somewhat despite the hostile scenario we have just outlined. In fact, our gross margin would have been considerably higher if the stores opened in 2012 had reached maturity; and this improvement should become apparent in the coming quarters.

Operating expenses were slightly higher than in 2011, mainly due to the increased focus on growth and acquisitions. We had already announced a program to reduce expenses in the previous year and that will be one of our main targets in 2013. We also expect to extract some of these gains through synergies with the acquired companies.

Our international operations are also worth highlighting. In May, we acquired the J&C Delicias brand in Colombia and closed the year with an 11-store chain, up from six at the time of the acquisition. The Mexican and Panamanian markets are also worth mentioning, both of which having recorded higher-than-expected growth. The situation was more difficult in Puerto Rico, but we just announced changes to improve profitability in the country. Finally, we see positively the increased number of flights to and from the Dominican Republic, which became a GOL hub in December.

We would also like to welcome the Red Lobster, Olive Garden and Longhorn Steakhouse brands, which will be part of our portfolio as of this year. We believe these well-known U.S. brands will be greatly appreciated by Latin American consumers.

Before closing, we would like to underline our concern with sustainability and social causes, where we have been seeking best practices since our inception. In 2012, we expanded our young apprentice and first job programs and received a number of certificates attesting to our efforts.

In the following pages we will be commenting on our 4Q12 and 2012 results. 2013 has begun on a high note and we will be doing everything possible to exceed the expectations of our customers, investors and employees.

We would like to thank our shareholders, clients, suppliers and workers for standing solidly behind us in our pursuit of constant improvement.

Management



SUMMARY OF RESULTS AND OPERATIONAL HIGHLIGHTS

SUMMARY (R\$ million)	4Q12	4Q11	Var. (%) 4Q12/4Q11	2012	2011	Var. (%) 2012/2011
NUMBER OF STORES (end of period)	350	276	26.8%	350	276	26.8%
SAME STORES SALES (SSS ¹)	278.4	244.7	13.8%	958.4	853.9	12.2%
NET REVENUES	326.2	251.4	29.7%	1172.4	898.7	30.5%
GROSS PROFIT	100.8	73.1	38.0%	348.6	266.1	31.0%
GROSS MARGIN (%)	30.9%	29.1%	1.8 p.p.	29.7%	29.6%	0.1 p.p.
OPERATIONAL EXPENSES	(71.8)	(45.2)	58.8%	(218.5)	(188.7)	15.8%
DEPRECIATION & AMORTIZATION ²	(22.6)	(21.9)	3.1%	(77.4)	(62.6)	23.7%
Adjusted EBITDA ³	51.7	49.8	3.8%	154.0	140.0	10.0%
Adjusted EBITDA MARGIN (%)	15.8%	19.8%	-4.0 p.p.	13.1%	15.6%	-2.4 p.p.
SPECIAL ITEMS ⁴	(4.8)	(14.6)	n/a	(17.1)	(43.5)	n/a
NET FINANCIAL EXPENSES	(6.4)	(4.1)	55.4%	(19.6)	(14.9)	30.9%
INCOME TAX	(13.2)	(1.1)	1136.4%	(22.0)	(17.0)	29.5%
NET PROFIT	4.7	8.1	-42.1%	17.9	1.9	852.3%
NET MARGIN (%)	1.4%	3.2%	-1.8 p.p.	1.5%	0.2%	1.3 p.p.

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

(2) In 4Q12, this item included R\$9.4 million in depreciation and amortization booked under cost of goods and R\$13.1 million in depreciation and amortization booked under operating expenses. In 4Q11, it included R\$10.5 million in depreciation and amortization booked under cost of goods and R\$11.4 million under operating expenses.

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

(4) Non-recurring Items: expenses related to due diligence for the acquisition of the new businesses and non-recurring costs from lay-offs due to implementation of the Company's expense reduction plan.



STORE EXPANSION

The Company closed 2012 with 350 stores, versus 276 in 4Q11 and 332 at the end of 3Q12. The net increase resulted from the opening of 12 Airport stores, 4 Road stores, 56 stores in Shopping Centers and two stores in other segments. In the quarter, we opened 4r new Airport stores, 3 Road stores and 11 stores in Shopping Centers.

In the year, we acquired the Batata Inglesa, Wrap's, Go Fresh and J&C Delicias restaurant chains, in addition to opening our first Carl's Jr. store in Guarulhos International Airport. As mentioned previously, the increase in the number of chains was the first step to consolidate our strategy of having several restaurant brands in the same food courts, increasing synergies and, consequently, profitability.

We are fully confident that this is the most efficient way of improving our Shopping Center segment's results, as well as adding options in the Road and Airport segments, where we have increased our cross selling potential.

The overall store area increased by 10.4 thousand sq. meters, or 11%, over the end of 2011.

Number of Stores per Segment





NET REVENUE

NET REVENUE (R\$ million)	4Q12	4Q11	Var. (%)	2012	2011	Var. (%)
Airports	106.0	95.3	11.2%	462.9	340.1	36.1%
Roads	101.5	83.0	22.3%	360.7	294.6	22.4%
Shopping Centers	100.8	60.1	67.6%	289.7	218.4	32.7%
Other	17.9	12.9	38.6%	59.2	45.5	30.0%
Total Net Revenue	326.2	251.4	29.8%	1,172.4	898.6	30.5%

TOTAL SALES - ROADS

(R\$ million)	4Q12	4Q11	Var. (%)	YTD 2012	YTD 2011	Var. (%)
Food and Beverage	56.4	46.9	20.3%	200.0	161.2	24.1%
Gas	45.1	36.2	24.8%	160.6	133.4	20.4%
Total Sales	101.5	83.0	22.3%	360.7	294.6	22.4%

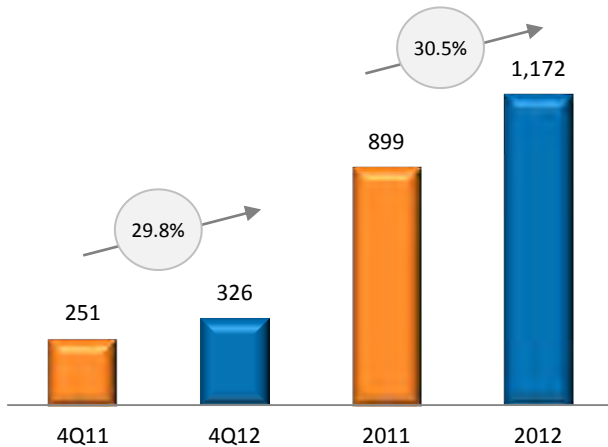
Net Revenue totaled R\$326.2 million in 4Q12, 29.8% more than in 4Q11 (25.0% up excluding the exchange rate impact), driven by a mix of strong same-store sales (SSS) and a high number of new stores. In the year as a whole, Net Revenue came to R\$1.17 billion, 30.5% up on 2011, or 26.2% up excluding the exchange rate impact.

The table above gives a breakdown of the Road segment into food and beverage and fuel sales and their respective shares of total segment sales.

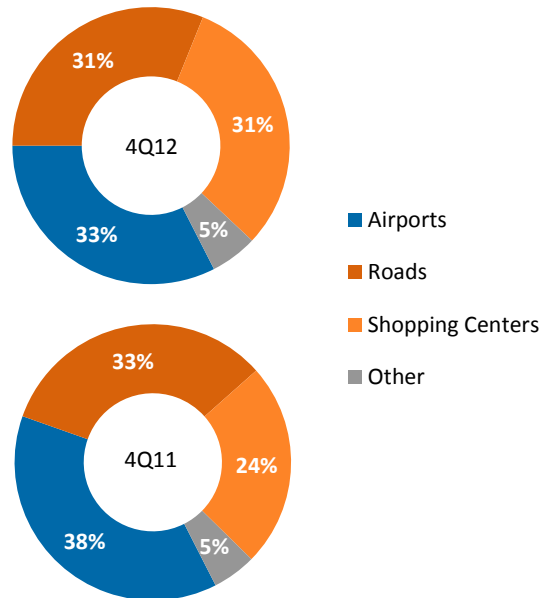
The Road and Airport segments accounted for 63.6% of total sales in 4Q12 and 70.2% in 2012, versus 70.9% and 70.6% respectively, in 4Q11 and 2011.



NET REVENUE
(R\$ million)



**Net Revenue
per Segment**



SAME-STORE SALES

Same-store sales totaled R\$278.4 million in 4Q12, a record increase of 13.8% over the same period the year before, and R\$958.4 million in 2012, 12.2% up on 2011.

As in the previous quarters, the highest contribution to same-store sales came from the Airport and Road segments, whose SSS grew by 19.0% and 14.0%, respectively, in the fourth quarter and 17.4% and 10.9%, respectively, in the full year.

Using the above breakdown of the Road segment, same-store food and beverage sales climbed by 14.5% and 14.3% in 4Q12 and 2012, respectively, while fuel sales increased by 13.4% and 6.9% in the same periods.

The tables below show IMC's same-store sales.



SAME STORE SALES (R\$ million)	4Q12	4Q11	Var. (%)	2012	2011	Var. (%)
Airports	111.1	93.4	19.0%	387.9	330.5	17.4%
Roads	93.1	81.7	14.0%	316.9	285.7	10.9%
Shopping Centers	58.9	57.5	2.5%	208.5	201.5	3.5%
Other	15.3	12.2	26.0%	45.2	36.2	24.7%
Total Same Stores Sales	278.4	244.7	13.8%	958.4	853.9	12.2%

SAME-STORE SALES - ROADS						
(R\$ million)	4Q12	4Q11	Var. (%)	2012	2011	Var. (%)
Food and Beverage	52.2	45.6	14.5%	178.2	156.0	14.3%
Gas	40.9	36.1	13.4%	138.7	129.8	6.9%
Total Same Store Sales	93.1	81.7	14.0%	316.9	285.7	10.9%

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

GROSS PROFIT

GROSS PROFIT (R\$ million)	4Q12	4Q11	Var. (%)	2012	2011	Var. (%)
Net Revenues	326.2	251.4	29.7%	1,172.4	898.6	30.5%
Costs of sales and services	(225.4)	(178.3)	-26.4%	(823.8)	(632.6)	-30.2%
Labour costs	(77.7)	(58.5)	-32.9%	(285.0)	(203.3)	-40.2%
Food, fuel and other	(138.2)	(109.4)	-26.4%	(504.4)	(398.4)	-26.6%
Depreciation and amortization	(9.4)	(10.5)	-10.4%	(34.5)	(30.8)	-11.9%
Gross Profit	100.8	73.1	38.0%	348.6	266.1	31.0%
Gross Margin (%)	30.9%	29.1%		29.7%	29.6%	

The Company closed 4Q12 with Gross Profit of R\$100.8 million, 38.0% up on the R\$73.1 million recorded in 4Q11. Annual Gross Profit came to R\$348.6 million, 31.0% more than the R\$266.1 million reported in 2011.

In 4Q12, the Gross Margin increased by 1.8%, mainly due to the 1.1% decline in the cost of raw materials as a percentage of net revenue, and the 1.3% gain in store depreciation and amortization expenses. The period upturn in labor costs was also substantially less than in previous quarters.

Costs with food, fuel and other accounted for 42.4% and 43.0% of net revenue in 4Q12 and 2012, respectively, versus 43.5% and 44.3% in 4Q11 and 2011.

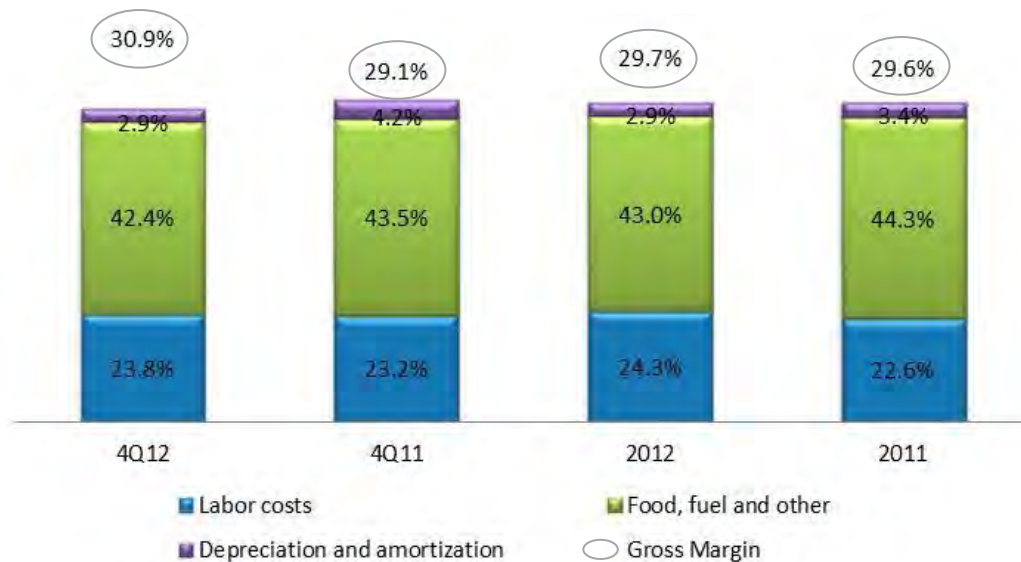


The annual Gross Margin improved by 0.1%, mainly due to the decrease in the cost of raw materials. Once again, we were able to conduct more advantageous negotiations with suppliers and alter the product mix to reduce the relative percentage of raw materials. We expect our sector will be included in the payroll tax exemption rule that the government has been implementing. If so, our gross margin will increase substantially.

The 4Q12 result was exceptionally healthy, especially considering the Shopping Center segment's higher share of revenue.

We would like to emphasize that, irrespective of whether we are included in the government package or not, we will continue to focus on improving productivity, seeking a greater dilution of labor costs.

COGS Breakdown (% of Net Revenue)





OPERATING EXPENSES

OPERATING EXPENSES (R\$ million)	4Q12	4Q11	Var. (%)	2012	2011
Selling expenses	(2.6)	(1.7)	-51.3%	(9.8)	(8.5)
General and administrative expenses	(62.2)	(50.1)	-24.1%	(243.2)	(174.3)
Depreciation and amortization	(13.1)	(11.4)	-15.2%	(42.9)	(31.8)
Other income (expenses)	6.1	18.0	-66.0%	23.9	25.9
Total operating expenses before special items	(71.8)	(45.2)	-58.8%	(272.0)	(188.7)
% Net Revenue	-22.0%	-18.0%		-23.2%	-21.0%
Special items	(4.8)	(14.6)	n/a	(17.1)	(43.5)
Total operating expenses	(76.5)	(59.8)	-27.9%	(289.1)	(232.3)
% Net Revenue	-23.5%	-23.8%		-24.7%	-25.8%

Operating Expenses, excluding non-recurring items, totaled R\$71.8 million in 4Q12, equivalent to 22.0% of net revenue, versus 18.0% in 4Q11, while annual Operating Expenses, also excluding non-recurring items, came to R\$272.0 million, representing 23.2% of net revenue, compared to 21.0% in 2011.

It is worth noting that in 2012 we stopped adjusting pre-operating expenses in the EBITDA calculation and began recognizing them under general and administrative expenses.

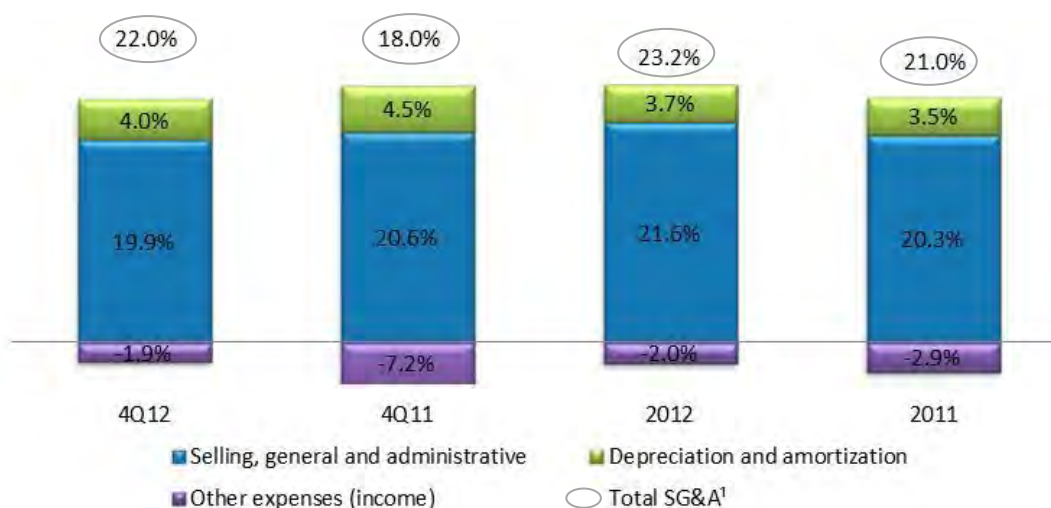
The highlights in these lines above are:

- i. An increase in general and administrative expenses in the quarter. This account consists primarily of expenses with the administrative personnel payroll and outsourced services. The Company will be focusing on reducing even more these expenses in the coming quarters.
- ii. Higher expenses with rents, which, as announced since the IPO, have been increasing, particularly in Brazilian airports. It is worth remembering that international rents are fixed and in certain cases we have been negotiating discounts, such as in Mexico. It is also worth noting that once the three Frango Assado stores opened in December start to generate more revenue, these expenses should decline.
- iii. A reduction in other operating revenue (expenses). Once again, we would like to make it clear that this line is subject to quarterly oscillations, but the improvements are easily perceived in the annual comparison. In the previous quarter, we announced an increase over 3Q11, whereas in 4Q12 the number was slightly below expectations.



Once again, if we consider expenses only, i.e. excluding other operating revenue and expenses, as well as depreciation and amortization, we would have spent 19.9% of net revenue in the fourth quarter, versus 20.6% in 4Q11, and 21.6% in the full year, against 20.3% in 2011. As mentioned previously, this percentage has been recording successive quarterly reductions, accompanying our efforts to reduce expenses.

Breakdown of Operating Expenses¹ (% of Net Revenue)



(1) Excluding non-recurring items.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

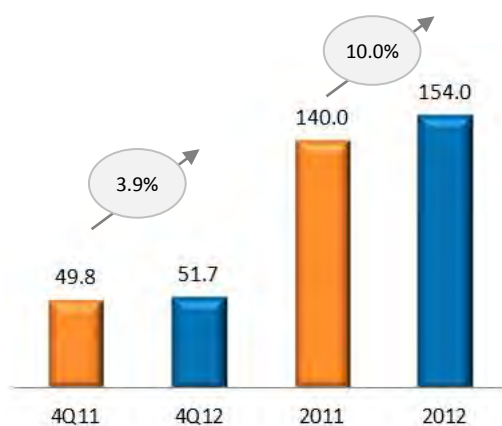
Adjusted EBITDA, net of non-recurring items, totaled R\$51.7 million in 4Q12, 3.8% more than in 3Q11, for the reasons mentioned above. Annual EBITDA came to R\$154.0 million in 2012, 10% up on the R\$140 million reported in 2011.

As mentioned above, the M&A recognition metrics were altered slightly this year, affecting comparability. As of 2013, however, the metrics will be equivalent again, which should benefit comparisons in the coming quarters.

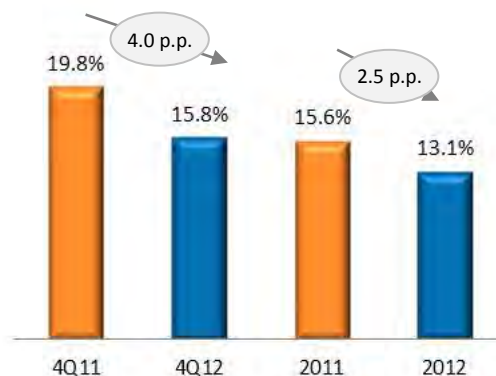
As mentioned in our 3Q12 earnings release, we are focusing on generating a continuous improvement in profitability, due to factors the Company can control, such as tighter controls over costs and expenses, and those that are beyond its control, such as the lower percentage of stores in the ramp up phase. The synergies related to our new brands should also begin bearing fruit in the coming quarters.



EBITDA
(R\$ million)



EBITDA Margin



The Adjusted EBITDA Margin narrowed by 2.5 p.p. in 2012, from 15.6% of net revenue, in 2011, to 13.1%. In 4Q12, we were heavily impacted by lower revenue in the other operating revenue line, as explained above. In the quarter-on-quarter comparison, our 4Q12 margin improved over 3Q12, as expected. It is worth remembering that the 2012 macroeconomic scenario was highly unfavorable, mainly due to the increase in the minimum wage. In addition, although we expanded strongly in the period, accompanied by a gradual improvement in our profit margins over the quarters, the new stores will take some time to show the same results as the mature ones.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The net financial result was an expense of R\$6.4 million in 4Q12, versus an expense of R\$4.1 million in 4Q11. The increase in this expense from 1.6% to 2.0% of net revenue was primarily due to the change in the Company's capital structure and the consequent reduction in the cash position, mainly due to investments in new stores, acquisitions and renovations.

In the year as a whole, IMC posted a net financial expense of R\$19.6 million, versus R\$14.9 million in 2011, remaining flat in percentage-of-net-revenue terms at 1.7%. The reduced cash position in 2012 was partially offset by the period reduction in leverage.

Income tax expenses totaled R\$13.2 million in 4Q12, versus R\$1.1 million in 4Q11, and R\$22.0 million in the full year, compared to R\$17.0 million in 2011.



In December 2011, due to the reassessment of potential tax recoveries based on our subsidiaries' tax loss carry forwards, we booked R\$12.4 in credits from deferred income tax under assets in the quarter, impacting comparability in the fourth quarter.

Note that expenses with current income tax, which effectively impact the Company's cash flow, totaled R\$13.5 million in 2012 versus R\$7.1 million in 2011. This variation was mainly due to higher taxable income in some of our companies with airport operations.

EBITDA RECONCILIATION (R\$ million)	4Q12	4Q11	2012	2011
NET INCOME (LOSS) FOR THE PERIOD	4.7	8.1	17.9	1.9
(-) Income taxes	13.2	1.1	22.0	17.0
(-) Net financial expenses	6.4	4.1	19.6	14.9
(-) Depreciation and amortization	22.6	21.9	77.4	62.6
EBITDA	46.9	35.2	136.9	96.4
(+) Special items	4.8	14.6	17.1	43.5
Adjusted EBITDA	51.7	49.8	154.0	140.0
Adjusted EBITDA / Net Revenue	15.8%	19.8%	13.1%	15.6%

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

The Company ended 4Q12 with net income of R\$4.7 million, versus R\$8.1 million in 4Q11, while annual net income stood at R\$17.9 million, versus R\$1.9 million in 2011.

However, if we exclude the non-recurring stock options paid in 2Q12 due to the sale of shares by the controlling shareholder (R\$6.5 million), Adjusted Net Income came to R\$24.4 million in 2012.



SELECTED CASH FLOW INFORMATION

INVESTING ACTIVITIES

In line with its expansion plan, the Company invested R\$29.3 million in Capex in the fourth quarter, most of which allocated to the addition of property plant and equipment related to the opening and expansion of new points of sale, as well as the addition of the companies mentioned above.

In the full year, Capex totaled R\$127.0 million. The temporary investments at the end of 2011 refer to investment of the IPO proceeds before amortization of part of the Company's debt.

The annual investment figure was slightly below expectations due to the manner of the acquisitions, whereby we paid only a portion up front, using the companies' operating cash flow to pay off the remainder.

INVESTMENT ACTIVITIES (R\$ million)	4Q12	4Q11	2012	2011
Property and equipment	(20.2)	(24.1)	(84.2)	(94.6)
Acquisitions of controlling interest, net of cash	(3.0)	(22.3)	(31.0)	(58.7)
Additions to intangible assets	(6.1)	(8.7)	(11.8)	(13.6)
Total Capex investments	(29.3)	(55.1)	(127.0)	(166.9)
Temporary investments	0.0	140.0	0.0	(2.9)
Total Investments in the period	(29.3)	84.9	(127.0)	(169.8)

FINANCING ACTIVITIES

The Company's main financing activities in 4Q12 corresponded to the amortization of loans and financing with financial institutions totaling R\$9.7 million, versus R\$8.2 million in 4Q11.

Annual loan amortizations totaled R\$38.7 million.



FINANCING ACTIVITIES (R\$ million)	4Q12	4Q11	2012	2011
Capital contributions	0.0	(0.7)	0.0	296.4
Others	6.6	(0.9)	9.5	(0.9)
Payment of loans	(9.7)	(8.2)	(38.7)	(172.0)
Net cash generated by financing activities	(3.1)	(9.8)	(29.1)	123.6

Considering cash, cash equivalents and temporary investments, the Company closed December 2012 with net debt of R\$172.4 million, giving a Net Debt/EBITDA ratio of 1.1x in the last 12 months, reflecting the Company's financial flexibility and ample capacity for additional leverage if necessary.

If receivables are considered as cash, Net Debt came to R\$103.1 million, with a Net Debt/EBITDA ratio of 0.67x.



CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R\$ thousand)	4Q12	4Q11	YTD 2012	YTD 2011
NET REVENUE				
Streets	101,490	83,039	360,657	294,598
Shopping malls	106,001	95,348	462,872	340,084
Airports	100,812	60,093	289,731	218,436
Roads	17,884	12,919	59,167	45,487
NET REVENUE	326,188	251,399	1,172,427	898,606
COST OF SALES AND SERVICES	(225,350)	(178,328)	(823,829)	(632,556)
GROSS PROFIT	100,838	73,071	348,599	266,050
OPERATING INCOME (EXPENSES)				
Commercial, operating and administrative expenses	(82,661)	(71,725)	(313,031)	(258,090)
Commercial expenses	(2,572)	(1,720)	(9,784)	(8,507)
Operating and administrative expenses	(80,088)	(70,065)	(303,246)	(249,583)
Net financial expenses	(6,406)	(4,122)	(19,570)	(14,947)
Financial income	522	3,669	4,745	19,967
Financial expenses	(6,927)	(7,792)	(24,315)	(34,914)
Other income (expenses)	6,127	11,917	23,890	25,878
INCOME (LOSS) BEFORE INCOME TAXES	17,898	9,140	39,888	18,891
Income Taxes	(13,227)	(1,070)	(22,034)	(17,016)
NET INCOME (LOSS) FOR THE QUARTER	4,670	8,070	17,854	1,875



CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION

(R\$ thousand)	31/12/2012	31/12/2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	52,163	138,118
Accounts receivable	69,328	48,313
Inventories	27,900	21,579
Other current assets	39,589	26,792
Total current assets	188,980	234,802
NONCURRENT ASSETS		
Deferred income taxes	13,393	14,030
Other noncurrent assets	27,216	17,426
Property and equipment	294,580	243,771
Intangible assets	906,044	797,795
Total noncurrent assets	1,241,233	1,073,022
TOTAL ASSETS	1,430,213	1,307,824
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	68,666	53,916
Loans and financing	44,063	38,214
Salaries and payroll charges	37,629	31,896
Other current liabilities	51,535	25,783
Total current liabilities	201,893	149,809
NONCURRENT LIABILITIES		
Loans and financing	180,507	204,244
Provision for labor, civil and tax disputes	24,215	27,319
Deferred income tax liability	88,150	78,340
Other noncurrent liabilities	56,411	26,759
Total noncurrent liabilities	349,283	336,662
EQUITY		
Capital and reserves	839,644	833,061
Retained earnings and other adjustments	39,393	-11,708
Total equity	879,037	821,353
TOTAL LIABILITIES AND EQUITY	1,430,213	1,307,824



CONDENSED CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R\$ thousand)	4T12	4Q11	YTD 2012	YTD 2011
CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss) for the quarter	4,669	8,070	17,854	1,875
Depreciation and amortization	22,572	21,912	77,430	62,574
Provision for labor, civil and tax disputes	-3,585	-3,826	-17,526	-14,116
Provision for Doubtful	-777	-104	0	0
Provision for bonus to management and employees	0	0	0	0
Income taxes	13,227	1,070	22,034	17,016
Interest expenses	2,773	5,525	17,187	30,075
Disposal of property and equipment	1,966	853	2,800	1,333
Deferred Revenue, Rebates	3,084	-7,445	-1,455	-10,709
Expenses in payments to employees based in stock plan	0	0	6,520	2,546
Other	-2,987	-1,819	-2,655	606
Changes in operating assets and liabilities	2,299	8,638	-16,479	-9,767
Cash generated from operations	43,241	32,874	105,711	81,433
Income tax paid	-3,213	771	-13,493	-4,288
Interest paid	-678	-2,621	-18,232	-35,824
Net cash generated by (used in) operating activities	39,349	31,025	73,986	41,321
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisitions of controlling interest, net of cash	-2,989	-22,327	-30,973	-58,670
Adições de investimentos em controladas	0	0	0	0
Temporary investments	-	139,977	-	(2,874)
Additions to intangible assets	-6,094	-8,678	-11,792	-13,620
Additions to property and equipment	-20,152	-24,131	-84,215	-94,587
Net cash used in investing activities	-29,236	84,841	-126,980	-169,751
CASH FLOW FROM FINANCING ACTIVITIES				
Capital contributions	0	-717	0	296,404
Treasury shares	0	-1,293	0	-1,293
New loans	6,596	406	9,522	406
Payment of loans	-9,656	-8,233	-38,659	-171,966
Net cash used in financing activities	-3,060	-9,837	-29,136	123,551
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT:	-8,971	-2,185	-3,823	3,026
NET INCREASE (DECREASE) FOR THE PERIOD	-1,917	103,844	-85,954	-1,853
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	138,118	139,971	138,118	139,971
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	136,201	243,815	52,164	138,118

Management Note:

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



GLOSSARY

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 Holdings S.A. or IMC.

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

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

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

*(Convenience Translation into English from the
Original Previously Issued in Portuguese)*

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

*Individual and Consolidated
Financial Statements for the Year
Ended December 31, 2012 and
Independent Auditors' Report*

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITORS' REPORT

To the Shareholders, Directors and Management of
International Meal Company Holdings S.A.
São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of International Meal Company Holdings S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as of December 31, 2012, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board - IASB, and in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of International Meal Company Holdings S.A. as of December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of International Meal Company Holdings S.A. as of December 31, 2012, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board - IASB and accounting practices adopted in Brazil.

Emphasis of matter

We draw attention to Note 3 to the financial statements, which states that the individual financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of the Company, these accounting practices differ from the IFRSs, applicable to separate financial statements, only with respect to the measurement of investments in subsidiaries, associates and joint ventures by the equity method of accounting, which, for purposes of IFRSs, would be measured at cost or fair value. Our opinion regarding this matter is unqualified.

Other matters


Statements of value added

We have also audited the individual and consolidated statements of value added (“DVA”), for the year ended December 31, 2012, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies, and as supplemental information for IFRS that does not require a presentation of a DVA. These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 11, 2013


DELOITTE TOUCHE TOHMATSU
Auditores Independentes


Vagner Ricardo Alves
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

BALANCE SHEET AS OF DECEMBER 31, 2012

(Amounts in thousands of Brazilian reais - R\$)

ASSETS	Note	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)		LIABILITIES AND EQUITY	Note	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
		12/31/12	12/31/11	12/31/12	12/31/11			12/31/12	12/31/11	12/31/12	12/31/11
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	8	11,079	82,622	52,163	138,118	Trade payables	16	150	157	68,666	53,916
Trade receivables	10	-	-	69,328	48,313	Borrowings and financing	17	-	-	44,063	38,214
Inventories	11	-	-	27,900	21,579	Payables for business combinations in installments	18	-	-	15,341	5,242
Recoverable taxes, fees and contributions	12	3,806	2,874	17,380	9,355	Payroll and related taxes		652	110	37,629	31,896
Prepaid expenses		193	186	7,662	4,009	Taxes		-	-	21,473	12,170
Other assets and advances		737	-	14,547	13,428	Deferred revenue	20	-	-	6,453	3,548
Total current assets		<u>15,815</u>	<u>85,682</u>	<u>188,980</u>	<u>234,802</u>	Dividends payable		-	469	-	469
						Other current liabilities		6	-	8,268	4,354
NONCURRENT ASSETS						Total current liabilities		<u>808</u>	<u>736</u>	<u>201,893</u>	<u>149,809</u>
Short-term investments	9	-	-	6,095	2,874	NONCURRENT LIABILITIES					
Escrow deposits		124	124	9,825	5,864	Borrowings and financing	17	-	-	180,507	204,244
Business agreements with suppliers		-	-	-	3,678	Payables for business combinations in installments	18	-	-	45,395	22,172
Deferred income tax and social contribution	21.a	-	-	13,393	14,030	Deferred revenue	20	-	-	7,739	2,693
Other assets		-	-	11,296	5,010	Provision for labor, civil and tax risks	19	-	-	24,215	27,319
Investments	13	863,797	736,145	-	-	Deferred income tax and social contribution	21.a	-	-	88,150	78,340
Property, plant and equipment	14	5	6	294,580	243,771	Other liabilities		-	-	3,277	1,894
Intangible assets	15	104	132	906,044	797,795	Total noncurrent liabilities		-	-	349,283	336,662
Total noncurrent assets		<u>864,030</u>	<u>736,407</u>	<u>1,241,233</u>	<u>1,073,022</u>	EQUITY					
						Capital		615,529	615,466	615,529	615,466
						Capital reserve		224,115	217,595	224,115	217,595
						Accumulated losses		(1,885)	(19,739)	(1,885)	(19,739)
						Other comprehensive income		41,278	8,031	41,278	8,031
						Total equity	22	<u>879,037</u>	<u>821,353</u>	<u>879,037</u>	<u>821,353</u>
TOTAL ASSETS		<u>879,845</u>	<u>822,089</u>	<u>1,430,213</u>	<u>1,307,824</u>	TOTAL LIABILITIES AND EQUITY		<u>879,845</u>	<u>822,089</u>	<u>1,430,213</u>	<u>1,307,824</u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2012

(Amounts in thousands of Brazilian reais - R\$, except earnings per share)

	Note	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
		12/31/12	12/31/11	12/31/12	12/31/11
NET SALES REVENUE	24	-	-	1,172,427	898,606
COST OF SALES AND SERVICES		-	-	(823,829)	(632,556)
GROSS PROFIT		-	-	348,598	266,050
OPERATING INCOME (EXPENSES)					
Selling expenses		-	-	(9,784)	(8,507)
Operating and administrative expenses	25	(12,854)	(9,434)	(303,246)	(249,583)
Other expenses	26	-	-	(2,951)	(774)
Other income	26	-	-	26,841	26,652
Equity in subsidiaries	13	28,283	(5,018)	-	-
Financial income	27	2,755	16,575	4,745	19,967
Financial expenses	27	(330)	(248)	(24,315)	(34,914)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		17,854	1,875	39,888	18,891
INCOME TAX AND SOCIAL CONTRIBUTION	21.c	-	-	(22,034)	(17,016)
INCOME FOR THE YEAR		17,854	1,875	17,854	1,875
Basic earnings per share - R\$		0.2126	0.0224		
Diluted earnings per share - R\$		0.2129	0.0236		

The accompanying notes are an integral part of these individual and consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2012

(Amounts in thousands of Brazilian reais - R\$)

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
INCOME FOR THE YEAR	17,854	1,875	17,854	1,875
OTHER COMPREHENSIVE INCOME				
Translation adjustments in the balance sheet of foreign subsidiaries	33,247	7,546	33,247	7,547
TOTAL COMPREHENSIVE INCOME	<u>51,101</u>	<u>9,421</u>	<u>51,101</u>	<u>9,422</u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousands of Brazilian reais - R\$)

	Capital			Capital reserve	Accumulated losses	Cumulative translation adjustments	Total equity
	Capital	Share offering costs	Net capital				
BALANCES AS OF DECEMBER 31, 2010	434,922	-	434,922	100,482	(21,145)	484	514,743
Income for the year	-	-	-	-	1,875	-	1,875
Translation adjustments	-	-	-	-	-	7,547	7,547
Increase in capital reserve due to stock option plan	-	-	-	2,546	-	-	2,546
Treasury shares acquired	-	-	-	(1,293)	-	-	(1,293)
Contribution of capital from public offering	204,669	(24,125)	180,544	115,860	-	-	296,404
Mandatory minimum dividends	-	-	-	-	(469)	-	(469)
BALANCES AS OF DECEMBER 31, 2011	639,591	(24,125)	615,466	217,595	(19,739)	8,031	821,353
Income for the year	-	-	-	-	17,854	-	17,854
Translation adjustments	-	-	-	-	-	33,247	33,247
Increase in capital reserve due to stock option plan	63	-	63	6,520	-	-	6,583
BALANCES AS OF DECEMBER 31, 2012	<u>639,654</u>	<u>(24,125)</u>	<u>615,529</u>	<u>224,115</u>	<u>(1,885)</u>	<u>41,278</u>	<u>879,037</u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousands of Brazilian reais - R\$)

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/12	12/31/11	12/31/12	12/31/11
CASH FLOW FROM OPERATING ACTIVITIES				
Income for the year	17,854	1,875	17,854	1,875
Depreciation and amortization	28	4	77,430	62,574
Equity in subsidiaries	(28,283)	5,018	-	-
Provision for labor, civil and tax risks	-	-	(17,526)	(14,116)
Income tax and social contribution	-	-	22,034	17,016
Interest on borrowings	-	-	17,187	30,075
Write-off of property, plant and equipment and intangible assets	-	-	2,800	1,333
Deferred revenue and appropriate discounts	-	-	(1,455)	(10,709)
Expenses on share-based compensation	6,520	2,546	6,520	2,546
Other	93	55	(2,655)	606
	<u>(3,788)</u>	<u>9,498</u>	<u>122,189</u>	<u>91,200</u>
Changes in operating assets and liabilities:				
Trade receivables	-	-	(17,254)	(6,390)
Inventories	-	-	(6,170)	(2,113)
Recoverable taxes	-	(2,464)	(1,277)	(2,906)
Prepaid expenses	(6)	(96)	(3,852)	(469)
Trade payables	(5)	156	2,103	2,908
Exclusivity revenue	-	-	16,243	2,897
Other assets and liabilities	(690)	(61)	(6,272)	(3,694)
Cash provided by (used in) operating activities	<u>(4,489)</u>	<u>7,033</u>	<u>105,710</u>	<u>81,433</u>
Income tax and social contribution	(932)	-	(13,493)	(4,288)
Interest	-	-	(18,232)	(35,824)
Net cash provided by (used in) operating activities	<u>(5,421)</u>	<u>7,033</u>	<u>73,985</u>	<u>41,321</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Additions of companies, net of cash	-	-	(30,973)	(58,670)
Additions of investments in subsidiaries	(66,122)	(235,606)	-	-
Additions of temporary investments	-	-	-	(2,874)
Additions to intangible assets	-	(134)	(11,792)	(13,620)
Additions of property, plant and equipment	-	-	(84,215)	(94,587)
Net cash used in investing activities	<u>(66,122)</u>	<u>(235,740)</u>	<u>(126,980)</u>	<u>(169,751)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Capital contribution	-	296,404	-	296,404
Treasury shares	-	(1,293)	-	(1,293)
New borrowings	-	-	9,522	406
Repayment of borrowings	-	-	(38,659)	(171,966)
Net cash provided by (used in) financing activities	<u>-</u>	<u>295,111</u>	<u>(29,137)</u>	<u>123,551</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
	-	-	(3,823)	3,026
NET CHANGES IN THE YEAR	<u>(71,543)</u>	<u>66,404</u>	<u>(85,955)</u>	<u>(1,853)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>82,622</u>	<u>16,218</u>	<u>138,118</u>	<u>139,971</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>11,079</u>	<u>82,622</u>	<u>52,163</u>	<u>138,118</u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousands of Brazilian reais - R\$)

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
REVENUES				
Sales of goods, products and services	-	-	1,259,574	975,419
Other revenue	-	-	26,841	26,652
Allowance for doubtful accounts	-	-	40	592
	<u>-</u>	<u>-</u>	<u>1,286,455</u>	<u>1,002,663</u>
INPUTS ACQUIRED FROM THIRD PARTIES				
Cost of sales and services	-	-	(454,454)	(360,200)
Materials, power, outside services and other	-	-	(107,978)	(105,216)
Other	(1,528)	-	(46,877)	(53,515)
	<u>(1,528)</u>	<u>-</u>	<u>(609,309)</u>	<u>(518,931)</u>
GROSS ADDED VALUE	<u>(1,528)</u>	<u>-</u>	<u>677,146</u>	<u>483,732</u>
DEPRECIATION AND AMORTIZATION	<u>(28)</u>	<u>(4)</u>	<u>(77,430)</u>	<u>(62,574)</u>
WEALTH CREATED BY THE COMPANY	<u>(1,556)</u>	<u>(4)</u>	<u>599,716</u>	<u>421,158</u>
WEALTH RECEIVED IN TRANSFER				
Equity in subsidiaries	28,283	(5,018)	-	-
Finance income	2,755	16,575	4,745	19,967
	<u>31,038</u>	<u>11,557</u>	<u>4,745</u>	<u>19,967</u>
TOTAL WEALTH TO DISTRIBUTE	<u>29,482</u>	<u>11,553</u>	<u>604,461</u>	<u>441,125</u>
DISTRIBUTION OF WEALTH				
Employees:				
Payroll and related taxes	3,713	528	345,732	233,190
Management fees	7,581	8,387	12,209	14,042
	<u>11,294</u>	<u>8,915</u>	<u>357,941</u>	<u>247,232</u>
Taxes, fees and contributions:				
Taxes on sales	-	-	82,320	72,683
Income tax and social contribution	-	-	22,034	17,016
	<u>-</u>	<u>-</u>	<u>104,354</u>	<u>89,699</u>
Debt capital:				
Interest	330	248	24,315	30,075
Rental	4	4	99,997	72,244
Others	-	511	-	-
	<u>334</u>	<u>763</u>	<u>124,312</u>	<u>102,319</u>
Equity capital-				
Retained earnings	17,854	1,875	17,854	1,875
	<u>17,854</u>	<u>1,875</u>	<u>17,854</u>	<u>1,875</u>
WEALTH DISTRIBUTED	<u>29,482</u>	<u>11,553</u>	<u>604,461</u>	<u>441,125</u>

The accompanying notes are an integral part of these individual and consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INTERNATIONAL MEAL COMPANY HOLDINGS S.A. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

1. GENERAL INFORMATION

International Meal Company Holdings S.A. (“Company”), established in Brazil, headquartered at Rua Alexandre Dumas, 1.711, São Paulo, State of São Paulo, and organized on June 25, 2007, is a publicly-held company with shares traded on the São Paulo Mercantile and Stock Exchange (BM&FBOVESPA S.A.), under the ticker symbol “IMCH3”, and is listed in the “Novo Mercado” segment.

The Company, together with its subsidiaries (“Group”), is engaged in the sale of food and beverages in restaurants, snack bars and coffee shops (“stores”) and 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 December 31, 2012, the Group has operations in Brazil, Puerto Rico, the Dominican Republic, Panama, Colombia and Mexico. The Group is controlled by Advent International Corporation through its 69.76% interest in FIP Brasil de Empreendimentos (“FIP - SP - Brazil”), which holds a 48.15% interest in the Company.

2. PREPARATION OF FINANCIAL STATEMENTS

Declaration of conformity

The Company’s financial statements comprise:

- The consolidated financial statements prepared in accordance with the International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB, presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of standard financial statements, identified as “Consolidated - IFRS and BR GAAP”.
- The individual financial statements of the Parent prepared in accordance with accounting practices adopted in Brazil, presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of standard financial statements, identified as “Parent - BR GAAP”.

The accounting practices adopted in Brazil comprise the policies set out in the Brazilian Corporate Law and the technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM.

The individual financial statements present the valuation of investments in subsidiaries under the equity method, pursuant to prevailing Brazilian Corporate Law. Accordingly, these individual financial statements are not considered fully compliant with IFRSs, which require these investments to be stated at fair value or cost in the Parent's separate financial statements.

As there is no difference between the consolidated equity and the consolidated profit or loss attributable to the Parent's shareholders, disclosed in the consolidated financial statements prepared under IFRSs and the accounting practices adopted in Brazil, and the Parent's equity and profit or loss disclosed in the individual financial statements prepared in accordance with accounting practices adopted in Brazil, the Company opted for presenting these individual and consolidated financial statements in a single set, using a side-by-side format.

The financial statements have been prepared based on the historical cost, except for certain financial instruments, which are measured at their fair values.

The significant accounting policies applied to the preparation of these individual and consolidated financial statements are described in Note 3. These policies have been consistently applied in the prior annual reporting period, unless otherwise indicated.

The studies on the allocation of the acquisition price of Inversiones G Serrano M Aeroservicios Ltda. were completed (Note 6). Consequently, certain adjustments to temporary allocations made on the acquisition date were determined in accordance with technical pronouncement CPC 15 (R1) - Business Combination and IFRS 3, representing the comparative balances as of December 31, 2011 to reflect these adjustments and their effects retroactively to the acquisition date. The adjustments made refer mainly to the allocation of trademark rights for catering activities and the related deferred income tax.

In addition, the balances of deferred income taxes were reclassified in the balance sheet to present them at their net amounts, according to the legal right of offset and level of the legal entity. Previously, in the financial statements published on March 14, 2012, the balances were presented gross, separated between noncurrent assets and liabilities.

Consequently, the effects from these adjustments are as follows:

	<u>Consolidated (IFRS and BR GAAP)</u>		
	(Disclosure		
	on		
	03/14/12)		
	<u>12/31/12</u>	<u>Adjustments</u>	<u>12/31/11</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	138,118	-	138,118
Trade receivables	48,313	-	48,313
Inventories	21,579	-	21,579
Recoverable taxes, fees and contributions	9,355	-	9,355
Prepaid expenses	4,009	-	4,009
Other assets and advances	<u>13,428</u>	-	<u>13,428</u>
Total current assets	<u>234,802</u>	-	<u>234,802</u>

	Consolidated (IFRS and BR GAAP)		
	(Disclosure on 03/14/12)		
	<u>12/31/12</u>	<u>Adjustments</u>	<u>12/31/11</u>
NONCURRENT ASSETS			
Short-term investments	2,874	-	2,874
Escrow deposits	5,864	-	5,864
Sales agreements with suppliers	3,678	-	3,678
Deferred income tax and social contribution	43,226	(29,196)	14,030
Other assets	5,010	-	5,010
Property, plant and equipment	244,767	(996)	243,771
Intangible assets	<u>794,634</u>	<u>3,161</u>	<u>797,795</u>
Total noncurrent assets	1,100,053	(27,031)	1,073,022
TOTAL ASSETS	<u><u>1,334,855</u></u>	<u><u>(27,031)</u></u>	<u><u>1,307,824</u></u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade payables	53,916	-	53,916
Borrowings and financing	38,214	-	38,214
Payables for business combinations in installments	5,242	-	5,242
Payroll and related taxes	31,896	-	31,896
Taxes payable	12,170	-	12,170
Deferred revenue	3,548	-	3,548
Dividends payable	469	-	469
Other current liabilities	<u>4,354</u>	<u>-</u>	<u>4,354</u>
Total current liabilities	<u>149,809</u>	<u>-</u>	<u>149,809</u>
NONCURRENT LIABILITIES			
Borrowings and financing	204,244	-	204,244
Payables for business combinations in installments	22,172	-	22,172
Deferred revenue	2,693	-	2,693
Provision for labor, civil, and tax risks	27,319	-	27,319
Deferred income tax and social contribution	105,371	(27,031)	78,340
Other liabilities	<u>1,894</u>	<u>-</u>	<u>1,894</u>
Total noncurrent liabilities	<u>363,693</u>	<u>(27,031)</u>	<u>336,662</u>
EQUITY			
Capital	615,466	-	615,466
Capital reserve	217,595	-	217,595
Accumulated losses	(19,739)	-	(19,739)
Other comprehensive income	<u>8,031</u>	<u>-</u>	<u>8,031</u>
Total equity	821,353	-	821,353
TOTAL LIABILITIES AND EQUITY	<u><u>1,334,855</u></u>	<u><u>(27,031)</u></u>	<u><u>1,307,824</u></u>

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies described below were consistently applied for all years reported in the Group's individual and consolidated financial statements.

a) General principles

Revenues and expenses are recognized on the accrual basis. Sales revenues and related costs are recorded when the risks and rewards incidental to ownership of goods sold and services provided are transferred.

Revenue is measured at the fair value of the consideration received or receivable, less any expected returns and trade discounts.

b) Foreign currency

b.1) Functional and reporting currency

Each subsidiary's financial statements included in the consolidated financial statements have been prepared using the functional currency of each entity. The functional currency of an entity is the currency of the primary economic environment where it operates. To define the functional currency of each subsidiary, the Company considered which currency significantly influences the sales price of its products and services and the currency in which most of its operating and administrative costs are paid or incurred.

The functional currency of each subsidiary is determined by the country where the Group operates, as follows:

<u>Country</u>	<u>Functional currency</u>
Brazil	Brazilian real - R\$
Puerto Rico	U.S. dollar - US\$
Mexico	Mexican peso - P\$
Dominican Republic	Dominican peso - DOP\$
Panama	Balboa - PAB\$
Colombia	Colombian peso - COP

The financial statements are presented in Brazilian reais (R\$), which is the Group's reporting currency, and the translation adjustments are recognized in the statement of comprehensive income under caption "Translation adjustments of foreign subsidiaries' balance sheets".

b.2) Balances and transactions

The Group accounts for foreign currency-denominated transactions at the foreign exchange rate prevailing on the transaction date. Foreign currency-denominated assets and liabilities are translated using the foreign exchange rate prevailing at the end of the reporting periods and the related exchange rate changes are recorded in the statement of income as "Financial income" or "Financial expenses", when earned or incurred.

b.3) Foreign subsidiaries

The results of operations and the financial positions of all subsidiaries included in the financial statements which have a functional currency different from the reporting currency are translated into the reporting currency, as follows:

- (i) Assets and liabilities are translated at the exchange rate prevailing at the balance sheet dates.
- (ii) Income and expense accounts are translated at the average monthly exchange rate.
- (iii) All currency translation differences are recognized in the statement of comprehensive income under the caption "Translation adjustments of foreign subsidiaries' balance sheets".

c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Control is achieved when a specific 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' financial statements are adjusted to conform their accounting policies to those set by the Group.

All intercompany transactions, balances and expenses were fully eliminated in the consolidated financial statements.

Investments in subsidiaries are accounted for by the equity method in the Company's individual financial statements.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of income and of comprehensive income from the actual acquisition date up to the actual disposal date, as applicable.

The companies that were consolidated are as follows:

	12/31/12		12/31/11	
	Direct interest - %	Indirect interest - %	Direct interest - %	Indirect interest - %
Mexico Premier Restaurants LLC (Delaware - USA)	100.00	-	100.00	-
Inversionistas en Restaurantes de Carnes y Cortes, S. de R.L. de C.V. (Mexico)	-	99.99	-	99.99
Operadora IRCyC, S. de R.L. de C.V. (Mexico)	-	100.00	-	100.00
Grupo Restaurantero del Centro, S.A. de C.V. (Mexico)	-	100.00	-	100.00
IMC Puerto Rico Ltd. (Caribe)	100.00	-	100.00	-
Airport Shoppes Corporation (Puerto Rico)	-	100.00	-	100.00
International Meal Company D.R., S.A. (Dominican Republic)	-	99.40	-	99.40
Inversiones Liers, S.A. (Dominican Republic)	-	99.40	-	99.40
Airport Catering Services Corporation (Puerto Rico)	-	100.00	-	100.00
Airport Aviation Services, Inc. (Puerto Rico)	-	100.00	-	100.00
Carolina Catering Services Corporation (Puerto Rico)	-	100.00	-	100.00
Cargo Service Corporation (Puerto Rico)	-	100.00	-	100.00
Aeroparque Corporation (Puerto Rico)	-	100.00	-	100.00
International Meal Company Panamá, S.A. (Panama)	-	100.00	-	100.00
IMC Colombia Air (Colombia)	-	100.00	-	100.00

	12/31/12		12/31/11	
	Direct interest - %	Indirect interest - %	Direct interest - %	Indirect interest - %
IMC Airport Shoppes S.A.S. (Colombia)	-	100.00	-	100.00
RA Catering S.A.S. (Colombia)	-	100.00	-	100.00
Inversiones G Serrano M Aerosevicios Ltda. (Colombia)	-	100.00	-	100.00
J&C Delicias S.A.S. (Colombia)	-	100.00	-	-
RA Catering Ltda. (Brazil)	100.00	-	100.00	-
Pimenta Verde Alimentos Ltda. (Brazil)	99.99	0.01	99.99	0.01
Liki Restaurantes Ltda. (Brazil)	99.99	0.01	99.99	0.01
Viena Norte Ltda. (Brazil)	99.99	0.01	99.99	0.01
Rao Restaurantes Ltda. (Brazil)	-	-	99.99	0.01
Ara Restaurantes Ltda. (Brazil)	99.99	0.01	99.99	0.01
Aratam Restaurantes Ltda. (Brazil)	99.99	0.01	99.99	0.01
Odanrio Restaurantes Ltda. (Brazil)	-	-	99.99	0.01
Rodean Restaurantes Ltda. (Brazil)	-	-	99.99	0.01
Niad Restaurantes Ltda. (Brazil)	99.99	0.01	99.99	0.01
Comercial Frango Assado Ltda. (Brazil)	99.99	0.01	99.99	0.01
Centro de Serviços Frango Assado Norte Ltda. (Brazil)	99.99	0.01	99.99	0.01
Carvalho Pinto Automotivos e Conveniências Ltda. (Brazil)	99.99	0.01	99.99	0.01
Centro de Serviços Frango Assado Sudoeste Ltda. (Brazil)	99.99	0.01	99.99	0.01
Centro de Serviços Frango Assado Suleste Ltda. (Brazil)	99.99	0.01	99.99	0.01
Auto Posto Nova Taubaté Ltda. (Brazil)	-	100.00	-	100.00
Pedro 66 Posto e Serviços Ltda. (Brazil)	0.01	99.99	0.01	99.99
Pedro 66 Lanchonete Ltda. (Brazil)	-	-	0.01	99.99
Tob's Lanches Sul Ltda. (Brazil)	-	100.00	-	100.00
Comissaria Aérea Brasília Ltda. (Brazil)	-	-	0.01	99.99
Comissaria Aérea Brasil Ltda. (Brazil)	-	-	0.01	99.99
Centro de Serviço Frango Assado da Anhanguera Ltda. (Brazil)	0.01	99.99	0.01	99.99
Celma Lanches Dom Pedro Ltda. (Brazil)	-	-	0.01	99.99
Servecom Catering Refeições Ltda. (Brazil)	-	100.00	-	100.00
Comercial de Petróleo ACL Ltda.	0.01	99.99	0.01	99.99
Auto Posto Husch Pereira Ltda. (Fuel Station of Jaguariúna)	0.01	99.99	0.01	99.99
Dedo de Moça Bar e Lanchonete Ltda. (Brazil)	-	100.00	-	-
Latin Foods Franchising Ltda. (Brazil)	-	100.00	-	-
Pepper Bar e Lanchonete Ltda. (Brazil)	-	100.00	-	-
Solidar Convivência Loja de Conveniência Ltda. (Brazil)	-	100.00	-	-
Auto Posto Eco Brasil Ltda. (Brazil)	-	100.00	-	-
Marcas Comestíveis Ltda. (Brazil)	-	100.00	-	-
Orange Fantasy Lanchonete Ltda. (Brazil)	-	100.00	-	-
Squadro Lanchonete Ltda. (Brazil)	-	100.00	-	-

On March 12, 2012, the Company's Board of Directors approved a proposal for the corporate restructuring of its subsidiaries, consisting of the merger of Odanrio Restaurantes Ltda. and Rodean Restaurantes Ltda. into Niad Restaurantes Ltda., and of Rao Restaurantes Ltda. into Pimenta Verde Alimentos Ltda. ("Pimenta Verde") and of empresas Pedro 66 Lanchonete Ltda. and Celma Lanches Dom Pedro Ltda. into Comercial Frango Assado Ltda. These mergers were conducted at the net book value, under the equity method of accounting.

On September 25, 2012, the Company's Board of Directors approved the proposal for corporate restructuring of its subsidiary, consisting of the merger of Comissaria Aérea Brasília Ltda. into RA Catering Ltda.

On November 30, 2012, the Company's Board of Directors approved the proposal for corporate restructuring of its subsidiary, consisting of the merger of Comissaria Aérea Brasil Ltda. into RA Catering Ltda.

On December 17, 2012, the Company's Board of Directors approved the proposal for corporate restructuring of its subsidiaries, consisting of the merger of Traversata S.A.S. and Three Amigos S.A.S., which were acquired in April 2012, into J&C Delicias S.A.S., which was also acquired in April 2012.

d) Business combinations

Business combinations are accounted for using the acquisition method. The cost of business combinations is measured by adding the fair values (on exchange date) of assets transferred, liabilities incurred or assumed, and equity instruments issued by one of the Group's companies in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under technical pronouncement CPC 15 (R1) are accounted for at their fair values on the acquisition date.

Technical pronouncement CPC 15 (R1) changes the recognition and subsequent accounting for contingent payments. Contingent payments were previously recognized only on the acquisition date to the extent they were probable and could be measured reliably; any potential subsequent adjustments were charged to acquisition cost. Under the revised standard, contingent payments are measured at fair value on the acquisition date; subsequent adjustments are recognized as a balancing item to acquisition cost only to the extent that they arise from new information obtained within the measurement period (maximum of 12 months after the acquisition date) about the fair value on the acquisition date. All subsequent adjustments of contingent payments either classified as asset or liability are recognized in profit or loss.

In a business combination between parties that maintain a business relationship, the respective balances receivable/payable will be null and recorded as gain or loss in the statement of income.

Technical pronouncement CPC 15 (R1) prescribes that acquisition costs should be recorded separately from the business combination, which generally results in these costs being recognized as an expense in the statement of income when incurred.

Goodwill arising from acquisition is recognized as an asset and initially stated at cost, which is the excess of the cost of the business combination over the Group's interest in the net fair value of the assets, liabilities and contingent liabilities recognized. The Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeding the acquisition cost, after revaluation, is immediately recognized in profit or loss. Measurement period adjustments refer to adjustments resulting from new information obtained over the "measurement period" (which cannot exceed one year after the acquisition date) about facts and circumstances on the acquisition date.

If the initial accounting of a business combination is not completed by the end of the year in which the combination takes place, the Group presents provisional amounts for items whose accounting is not completed. These provisional amounts are adjusted during the measurement period or additional assets and liabilities are recognized to reflect new information obtained about facts and circumstances on the acquisition date and, if known, that would have affected the amounts recognized on that date.

e) Cash and cash equivalents

Include cash and banks, and highly-liquid short-term investments intended to honor short-term commitments, immediately convertible into cash and without significant value exposure.

f) Trade receivables and allowance for doubtful accounts

Trade receivables are stated at their fair values, and subsequently measured at amortized cost, including allowance for doubtful accounts in an amount considered sufficient by the Group's Management to cover probable losses on the collection of receivables, whose balance is presented net of this allowance.

Trade receivables from sales agreements arise from bonuses and discounts granted by supplies, which are set forth in the agreement and calculated on the purchase volume, marketing campaigns and advertising space assignment, among others.

g) Inventories

Inventories acquired are stated at average cost, including storage and handling costs, to the extent that these costs are necessary to bring inventories to sales conditions in stores, less bonuses received from suppliers. The net realizable value corresponds to the selling price in the normal course of business less estimated costs to sell. Inventories are deducted by the allowance for losses and damages, when necessary, which are periodically analyzed and evaluated with respect to its adequacy.

h) Property, plant and equipment

Stated at acquisition or construction cost less impairment losses, when applicable. Property, plant and equipment items recorded on the entities' acquisition date were stated at the fair value of each item, in accordance with technical pronouncement CPC 15 (R1), as mentioned in item d) above.

Depreciation is calculated under the straight-line method over the estimated useful lives of assets, as shown below:

<u>Category</u>	<u>Useful life (years)</u>
Buildings	25
Machinery, equipment and facilities	9 to 20
Furniture and fixtures	9 to 20
Leasehold improvements	8 to 10
Computers, vehicles and other	3 to 7

i) Intangible assets

Comprise mainly software acquired from third parties, internal use software, commercial rights (right on sales outlets), customers' list, catering operating licenses, remunerated lease and trademark agreements. They are recognized at cost, less amortization and impairment losses.

Internally generated intangible assets, excluding capitalized software development costs, are reflected in profit or loss for the year when earned or incurred.

Intangible assets with finite useful lives are amortized on a straight-line basis. The amortization period and method are reviewed at least at yearend. Changes in the estimated useful life or the expected pattern of consumption of future economic benefits incorporated to the assets are accounted for by alternating the amortization period or method, if applicable, and treated as changes in accounting assumptions.

Intangible assets with indefinite useful lives are not amortized but subject to impairment tests at the end of each year whenever there is indication that their carrying amounts might be impaired, individually or at the cash-generating unit level. The useful life is reviewed annually to determine if the indefinite useful life continues to be valid. Otherwise, the estimated useful life is changed prospectively from indefinite to finite. The gain or loss arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair values on the acquisition date (stated at cost).

After initial recognition, intangible assets acquired in a business combination are stated at initial cost, less accumulated amortization and impairment losses, if applicable.

Intangible assets are amortized based on the useful lives of assets, as follows:

<u>Category</u>	<u>Useful life (years)</u>
Software	5
Licensing rights	5-10
Leasehold rights	5-20
Noncompete agreements	10-12
Rights on retail outlets	20
Other	10

j) Goodwill impairment

For impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the combination synergies. Management defined that cash-generating units correspond to each business segment or region. The cash-generating units to which goodwill was allocated are tested for impairment annually or more frequently when there are indications that the unit might be impaired. If the recoverable value of a cash-generating unit is lower than its carrying amount, impairment losses are firstly allocated to write down the carrying amount of any goodwill allocated to the cash-generating unit and subsequently to the other assets of the cash-generating unit, prorated to the carrying amount of each asset in the unit. An impairment loss on goodwill is not reversed in a subsequent period.

When a subsidiary is sold, the goodwill is included in the calculation of the gains or losses on the sale.

k) Impairment of tangible and intangible assets, except for goodwill

At the end of each year, the Group reviews the carrying amounts of its tangible and intangible assets to determine if there is any indication that such assets might be impaired. If there is any indication of impairment, the recoverable amount of the asset is estimated to measure the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful life or not yet ready for use are tested for impairment at least annually and whenever there is any indication that such assets might be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Estimated future cash flows are discounted to present value to determine the value-in-use at the pretax discount rate that reflects a current market assessment rate of the time value of money and the specific risks for the asset for which the future cash flow estimate was not adjusted.

If the recoverable amount of an asset (or cash-generating unit) is lower than its carrying amount, then the carrying amount of the asset (or cash-generating unit) is written down to its recoverable amount. Impairment losses are immediately recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) increases to the reviewed estimate of its recoverable amount, so that it does not exceed the carrying amount that would have been determined had no impairment losses been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is immediately recognized in profit or loss.

l) Income tax and social contribution

Income tax and social contribution are recorded based on annual net income, as prescribed by the tax laws prevailing in the jurisdiction of each consolidated entity. The tax effects on tax losses and temporary differences between the carrying amounts and the tax base of assets and liabilities are deferred and recognized with respect to deferred income tax and social contribution assets, up to the amount considered as reasonable, in accordance with their expected realization, as disclosed in Note 21.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced when it is no longer probable that taxable income will be available to allow that the whole asset, or part of it, will be recovered.

Deferred tax assets and liabilities are measured at the rates applied when the liability was settled or the asset realized, based on the prevailing tax rates (and tax laws), or substantially prevailing, through the balance sheet dates. The calculation of deferred tax assets and liabilities reflects the Group's expectations, at the end of each year, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax asset against the current tax liability, and when they are related to the income tax imposed by the same tax authority, and the Group has the intention to settle its current tax assets and liabilities at their net amounts.

m) Leases

Leases are classified as finance leases when they substantially transfer all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Leased assets are initially recognized as the Group's assets at their fair values at the commencement of the lease or, if lower, the present value of minimum lease payments. The liability corresponding to the lessor is presented in the balance sheet as a finance lease obligation.

Lease payments are apportioned between financial expenses and the reduction of the outstanding liability, so as to produce a constant rate of interest on the remaining balance of the liability. Financial expenses are immediately recognized in profit or loss.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another approach is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent operating lease payments are recognized as an expense when incurred.

n) Provisions

Recognized when, and only when, a past event gives rise to a legal or constructive obligation, and it is probable that an outflow of resources will be required to settle the obligation, and its amount can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the balance sheet dates, taking into account the risks and uncertainties surrounding the obligation.

o) Other current and noncurrent assets

These are stated at cost and adjusted by the allowance for impairment losses, when applicable.

p) Other current and noncurrent liabilities

Stated at known or estimated amounts, plus charges and inflation adjustments, when applicable.

q) Revenue recognition

Sale of meals and products

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar discounts.

Revenue from the sale of meals and products is recognized when all of the following conditions are met:

- The meal is consumed by the buyer.
- The Group transferred to the buyer the significant risks and rewards of ownership of meals, in case of catering services.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.

r) Discount to present value

Monetary current assets and liabilities, when significant, and noncurrent assets and liabilities should be adjusted to present value. The adjustment to present value is calculated considering contractual cash flows and the related explicit or implicit interest rates, when necessary.

Interest embedded in income, expenses and costs associated with the aforementioned assets and liabilities are adjusted for proper recognition on an accrual basis. The recognition of the adjustment to present value is recorded in the line items, subject to the adoption of the standard, and its balancing item is line item “Financial income (expenses)”.

The recognition of the adjustment to present value of acquisitions should be accounted for in line items “Trade payables” and “Inventories” and its reversal is recorded as a balancing item to “Financial expenses” based on maturity, in the case of “Trade payables”, and inventory realization with respect to amounts recorded as “Inventories”. The discount to present value of sales in installments is recorded as a balancing item to “Trade receivables” and its realization is recorded in line item “Financial income”, based on sales terms.

As of December 31, 2012 and 2011, the Group did not identify any significant adjustment to present value.

s) Deferred revenue

Accounted for by the Group as a liability due to the prepayment of amounts by business partners on account of the preference in the purchase of raw material and exclusive assignment of advertising spaces. It is recognized in profit or loss for the year when the provision of services is confirmed and/or over the term of the agreements.

t) Dividend distribution

Dividend distribution to the Company’s shareholders is recognized as a liability at the end of the year, based on mandatory minimum dividends set out in the bylaws. Probable amounts in excess of such minimum dividends are recorded only on the date in which such additional dividends are approved by the Company’s shareholders.

u) Equity

Common and preferred shares are classified in equity.

When a related party acquires the Company's shares (treasury shares), the compensation paid, including probable directly attributable additional costs, is deducted from equity, until shares are cancelled or reissued. When these shares are subsequently reissued, the probable compensation received, less probable directly attributable transaction, is included in equity. No gains or losses arising from the purchase, sale, issuance or cancellation of the Company's equity instruments are recognized. Probable differences between the carrying amount and the compensation are recognized as "Other capital reserves".

v) Presentation of earnings per share

Pursuant to IAS 33 and technical pronouncement CPC 41 - Earnings per Share, basic and diluted earnings per share are disclosed in Note 35.

w) Segment reporting

The information for operating segments is presented in a manner consistent with the internal reporting provided to the chief operating decision maker.

x) Treasury shares

Own equity instruments that are bought back (treasury shares) and recognized at cost, and deducted from equity. No gain or loss is recognized in the statement of income on the purchase, sale, issuance or cancellation of the Company's equity instruments. Any difference between the carrying amount and the consideration is recognized in "Other capital reserves".

y) Share-based payment

Recognized as an expense in profit or loss, at fair value, during the period in which the right is acquired, after compliance with certain specific conditions.

z) Financial instruments

The financial instruments are recognized on the trading date and are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities are added to or deducted from the fair values of financial assets and liabilities on initial recognition, if applicable. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified in the following specific categories: (i) financial assets at fair value through profit or loss; (ii) held-to-maturity investments; (iii) available-for-sale financial assets; and (iv) loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition. All regular way purchases or sales of financial assets are recognized or derecognized on the trade date. Regular way purchases or sales of financial assets correspond to those requiring the delivery of assets within a period established by standard or market practices.

- Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss represent assets acquired to be realized in the short term and are measured at fair value on the balance sheet date. Interest rates, inflation adjustment, exchange rate changes and fluctuations arising from the fair value measurement are recognized in the statement of income as “Financial income” or “Financial expenses”, when earned or incurred. As of December 31, 2012 and 2011, the Group had no financial assets classified as financial assets at fair value through profit or loss.

- Held-to-maturity investments

Held-to-maturity investments refer to nonderivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has a positive intention or ability to hold to maturity. After initial recognition, held-to-maturity investments are stated at amortized cost using the effective interest method, less possible impairment losses.

- Loans and receivables

Loans and receivables are represented by nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and cash and cash equivalents) are measured at their amortized cost using the effective interest method, less any impairment losses.

Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

- Available-for-sale financial assets

Available-for-sale financial assets refer to nonderivative financial assets designated as available for sale or not classified as: (i) financial assets at fair value through profit or loss; (ii) held-to-maturity investments; or (iii) loans and receivables.

As of December 31, 2012 and 2011, the Company does not have financial assets classified as available for sale.

- Impairment of financial assets

Financial assets, except those designated at fair value through profit or loss, are valued using impairment indicators at the end of each year. Impairment losses are recognized if, and only if, there is objective evidence of impairment of the financial asset as a result of one or more events occurred after initial recognition, with an impact on the estimated future cash flows of such asset.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. The Group's past experience in collection and the increase in the number of past-due payments after an average period of 60 days, in addition to observable changes in domestic or local economic conditions related to receivables default, may represent objective evidences of impairment of a receivables portfolio.

For financial assets stated at amortizable cost, the impairment amount is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted based on the original effective interest rate of the financial asset.

For financial assets recorded at cost, the recorded impairment value corresponds to the difference between the carrying amount of the asset and the present value of future estimated cash flows, discounted at the current return rate of a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced directly by the impairment loss for all financial assets with the exception of trade receivables, in which the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance. Changes in the carrying amount of the allowance are recognized in profit or loss.

- Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and retains control of the transferred asset, the Group recognizes the interest retained and the related liabilities in amounts payable. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognize this asset, as well as a loan collateralized by the revenue received.

Upon full write-off of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and receivable and the accumulated gains or losses recognized in "Other comprehensive income" and accumulated in equity is recognized in profit or loss.

Financial liabilities and equity instruments

- Classification as debt or equity instrument

Debt and equity instruments issued by an entity of the Group are classified as financial liabilities or equity, according to the nature of the contract and the definitions of financial liability and equity instrument.

- Compound instruments

The components comprising the compound instruments issued by the Company (convertible securities) are classified separately as financial liabilities and equity based on the nature of the agreement and the definitions of financial liability and equity instrument. The conversion option that will be settled through the exchange of a fixed cash amount or other financial asset for a fixed number of the Company's equity instruments corresponds to an equity instrument.

As of December 31, 2012 and 2011, the Group has no compound instruments.

Financial liabilities

Financial liabilities are classified either as "Financial liabilities at fair value through profit or loss" or "Other financial liabilities".

- Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when they are either held for trading or designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value and the related gains or losses are recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in line item "Other financial expenses" in the statement of income. The fair value is determined as described in Note 30.

- Other financial liabilities

They are subsequently measured at amortized cost using the effective interest method (including borrowings). The effective interest method is used to calculate the amortized cost of a financial liability and allocate its interest expense to the related period.

- Financial collateral contracts

Under a financial collateral agreement the issuer should make specific payments to reimburse a loss incurred by the owner as a result of default by a specific debtor on the maturity date, in accordance with the debt instrument.

Financial collateral agreements issued by the Group are initially measured at fair value and, if not designated at fair value through profit or loss, they are subsequently measured at the higher of:

- The obligation amount as provided for by the agreement, according to IAS 37 - Provisions, Contingent Assets and Contingent Liabilities (equivalent to technical pronouncement CPC 25).
 - The amount initially recognized less, if applicable, the accumulated amortization recognized according to the revenue recognition policies.
- Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged or cancelled or when they expire. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

Effective interest method

The effective interest method is used to calculate the amortized cost of a debt instrument and allocate its interest income over the related period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the debt instrument or, when appropriate, a shorter period, from the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets at fair value through profit or loss.

aa) Statement of value added (DVA)

This statement is intended to disclose the wealth created by the Company and its distribution during a certain period and is presented by the Company, as required by Brazilian Corporate Law, as part of its individual financial statements and as supplemental information to the consolidated financial statements, since it is neither provided for nor mandatory under IFRSs.

The statement of value added was prepared using information obtained in the same accounting records used to prepare the financial statements and pursuant to the provisions of technical pronouncement CPC 09 - Statement of Value Added. The first part of the DVA presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, other income and the effects of the allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, energy and services from third parties, including the taxes included upon purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (equity in subsidiaries, financial income and other income). The second part of the DVA presents the distribution of wealth among employees, taxes and contributions, compensation to third parties and shareholders.

4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Amendments to the following standard have been issued and were effective as of December 31, 2012. However, they did not significantly impact the Company's financial statements:

<u>Standard</u>	<u>Description</u>
Amendments to IAS 12 - Income Tax (effective for annual periods beginning after January 1, 2012)	Change the definition of recovery of underlying assets when the asset is measured under the fair value framework of IAS 40.

The following new and revised standards and interpretations were not adopted in these financial statements. Management is assessing the potential impact from adopting these amendments.

<u>Standard or interpretation</u>	<u>Description</u>
Amendments to IFRS 9 - Financial Instruments (effective for annual periods beginning on or after January 1, 2013)	IFRS 9 is the first standard issued as part of a wider process to supersede IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 maintains but simplifies the combined measurement model and establishes two main categories to measure financial assets: amortized cost and fair value. The classification base depends on the entity's business model and the contractual characteristics of the cash flow from financial assets. IAS 39 guidelines on the impairment of financial assets and hedge accounting continue to be applicable.
IAS 27 (2011 Revised) - Separate Financial Statements (effective for annual periods beginning on or after January 1, 2013)	The requirements in IAS 27 relating to the consolidated financial statements are superseded by IFRS 10. The requirements applicable to separate financial statements remain unchanged.
IAS 28 (2011 Revised) - Investments in Associates and Joint Ventures (effective for annual periods beginning on or after January 1, 2013)	Revises IAS 28 to include the amendments introduced by IFRSs 10, 11 and 12.
IFRS 10 - Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013)	Supersedes IAS 27 in relation to the requirements applicable to the consolidated financial statements and SIC 12. IFRS 10 establishes a single control-based consolidation model, regardless of the investment nature.
IFRS 11 - Joint Arrangements (effective for annual periods beginning on or after January 1, 2013)	Eliminated the proportionate consolidation model for jointly-controlled entities and maintained the equity method model only. It also eliminates the concept of "jointly-controlled assets" and maintains "jointly-controlled operations" and "jointly-controlled entities" only.

<u>Standard or interpretation</u>	<u>Description</u>
IFRS 12 - Disclosures of Interest in Other Entities (effective for annual periods beginning on or after January 1, 2013)	Increases the requirements for disclosure of both consolidated and unconsolidated entities in the entities in which they have interest.
IFRS 13 - Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013)	Supersedes and consolidates all instructions and requirements related to the fair value measurement contained in other IFRSs in one single standard. IFRS 13 defines the fair value and how to determine the fair value and the disclosure requirements related to the measurement of fair value. However, it does not introduce any new requirement or amendment with respect to items to be measured at fair value, which remain as originally issued.
Amendments to IAS 1- Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2013)	Introduces the requirement that items recorded in other comprehensive income should be segregated into and recorded among items that are subsequently reclassified to profit or loss or not.
IAS 1 - Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2013)	This improvement sets out the difference between the voluntary additional comparative information and the necessary minimum comparative information.
IAS 32 - Financial Instruments: Presentation (effective for annual periods beginning on or after January 1, 2013)	This improvement clarifies that income taxes arising from distributions to shareholders are accounted for under IAS 12 - Income Taxes.

5. MAIN ESTIMATES AND JUDGMENTS

In applying the accounting policies described above, the Group's Management adopted the following assumptions that could have an impact on the financial statements:

a) Impairment of assets

At the balance sheet date, the Group assesses if there are indications that intangible assets and property, plant and equipment might be impaired. If there is any indication of impairment, the Group estimates the recoverable amount of the asset using the future cash flow adjusted to present value, to determine the extent of the impairment loss, if applicable. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

b) Income tax and social contribution

Management calculates income tax and social contribution annually in accordance with tax laws prevailing in the jurisdiction of each entity included in the financial statements.

The Company reviews deferred income tax and social contribution assets on the balance sheet date and reduces that amount when it is no longer probable that future taxable income will be available to allow the recovery of all or part of the assets.

c) Allowance for inventory losses

The allowance for inventory losses considers mainly slow-moving items and losses (breakage). The Group estimates the amount of the allowance based on the age of inventory item, class of product, expected selling price decrease and estimated losses. As of December 31, 2012 and 2011, there was no need to recognize such allowance.

d) Allowance for doubtful accounts

The allowance for doubtful accounts is recognized based on the history of losses in an amount considered by Management as sufficient to cover probable losses.

e) Provision for labor, civil, and tax risks

The provision for labor, civil and tax risks is calculated based on an individual analysis of contingencies and potential contingencies not yet claimed. Based on the opinion of its legal counsel, the Group assesses the likelihood of loss and estimates the probable contingent payments.

6. BUSINESS ACQUISITIONS

6.1. Acquisitions in 2012

a) Brazil

(i) Wraps and Go Fresh chain - Shopping Mall segment

On April 1, 2012, the Group acquired, through its subsidiary Pimenta Verde, 100% of the shares of companies Pepper Bar e Lanchonete Ltda., Dedo de Moça Bar e Lanchonete Ltda. and Latin Foods Franchising Ltda., which jointly form the restaurant chains that operate the trademarks “Wraps” and “Go Fresh”. The transaction was conducted at the price of R\$8,977, divided into one installment of R\$4,489 paid on the acquisition date, and R\$4,488 to be paid in two installments indexed to 100% of the interbank deposit rate (CDI) in 2014 and 2016, amounting to R\$2,000 and R\$2,488, respectively. As contractual collateral, subsidiary Pimenta Verde holds a cash investment made in its own name equivalent to the amount payable to the sellers.

As established in the purchase and sale agreement, the Group may deduct from the amount payable to the sellers any losses incurred by the acquired companies in labor, social security, civil or tax disputes if confirmed after the acquisition date, as a result of triggering events that took place before said acquisition date. The related contingencies are measured at fair value on acquisition date and accounted for as business assets acquired and liabilities assumed. If after the payment of the last installment of the acquisition price the acquired companies still incur losses related to the same type of litigation, the Group may request their reimbursement by the sellers.

The purpose of these acquisitions by the Group is to strengthen its trademarks, retail outlets, and concept restaurants portfolio, especially in shopping malls; the amount paid for these acquisitions, therefore, is substantially based on such intangibles.

The fair value of these intangibles and the assets acquired and liabilities assumed have been measured as provisional amounts since the final studies and valuation reports that will be used to allocate the acquisition price will be completed within one year of the acquisition date. Since part of the studies is in progress, the fair values of contingent liabilities are still being determined, and the liabilities, if any, will be allocated upon the completion of such studies. The provisional fair values are as follows:

	Book value	PPA allocations	Fair value
Cash and cash equivalents	8	-	8
Inventories	75	-	75
Deferred income tax and social contribution	4,827	(1,667)	3,160
Property, plant and equipment	1,320	(327)	993
Commercial rights (rights on sales outlets in shopping malls)	1,033	4,897	5,930
Identified trademarks	-	4,902	4,902
Borrowings and financing	(2,202)	-	(2,202)
Provision for labor, social security, civil and tax risks	(14,197)	-	(14,197)
Other assets and liabilities	<u>(606)</u>	<u>-</u>	<u>(606)</u>
Fair value of assets acquired and liabilities assumed	<u>(9,742)</u>	<u>7,805</u>	(1,937)
Total acquisition cost			<u>8,977</u>
Goodwill			<u>10,914</u>

There is no identified fair value of acquired receivables.

As provisional result of the consideration transferred and business assets acquired and liabilities assumed, the Group determined goodwill of R\$10,914, supported by the synergies expected from the business combination. Out of the generated goodwill, R\$8,977 can be deducted for income tax and social contribution calculation purposes, in accordance with prevailing tax laws.

Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2012, amounted to R\$9,422 and R\$1,914, respectively. Had this acquisition been undertaken on January 1, 2012, it is estimated that the Group's revenue and profit for the year ended December 31, 2012 would be overstated by about R\$12,562 and R\$2,552, respectively.

We did not identify any contingent liability for this acquisition.

(ii) Batata Inglesa - Shopping Mall segment

On July 11, 2012, the Group acquired, through its subsidiary Niad Restaurantes Ltda., 100% of the shares of companies Marcas Comestíveis Ltda., Orange Fantasy Lanchonetes Ltda. and Squadro Lanchonetes Ltda., which jointly form the restaurant chain that operates the trademark “Batata Inglesa”. The transaction was conducted at the price of R\$40,000, divided into one installment of R\$10,000 paid on the acquisition date, and R\$30,000 to be paid in three installments indexed to 100% of the interbank deposit rate (CDI) in 2013, 2014 and 2015, amounting to R\$10,000. This liability is collateralized by letters of guarantee.

As established in the purchase and sale agreement, the Group may deduct from the amount payable to the sellers any losses incurred by the acquired companies in labor, social security, civil or tax disputes if confirmed after the acquisition date, as a result of triggering events that took place before said acquisition date. The related contingencies are measured at fair value on the acquisition date and accounted for as business assets acquired and liabilities assumed. If after the payment of the last installment of the acquisition price the acquired companies still incur losses related to the same type of litigation, the Group may request their reimbursement by the sellers.

The fair value of these intangibles and the assets acquired and liabilities assumed have been measured as provisional amounts since the final studies and valuation reports that will be used to allocate the acquisition price will be completed within one year of the acquisition date. Since part of the studies is in progress, the fair values of contingent liabilities are still being determined, and the liabilities, if any, will be allocated upon the completion of such studies. The provisional fair values are as follows:

	<u>Book value</u>	<u>PPA allocations</u>	<u>Fair value</u>
Cash and cash equivalents	1,957	-	1,957
Trade receivables	905	-	905
Inventories	155	-	155
Property, plant and equipment	2,886	430	3,316
Commercial rights (rights on sales outlets in shopping malls)	1,587	5,974	7,561
Identified trademarks	-	15,700	15,700
Trade payables	(1,808)	-	(1,808)
Payables	(2,227)	-	(2,227)
Deferred income tax and social contribution	-	(5,338)	(5,338)
Other assets and liabilities	<u>(1,078)</u>	<u>-</u>	<u>(1,078)</u>
Fair value of assets acquired and liabilities assumed	<u>2,377</u>	<u>16,766</u>	19,143
Total acquisition cost			<u>40,000</u>
Goodwill			<u>20,857</u>

The fair value of receivables (equal to the gross amount receivable) acquired in these transactions is R\$905, and on the acquisition date it is estimated that the full amount will be received.

As provisional result of the consideration transferred and business assets acquired and liabilities assumed, the Group determined goodwill of R\$20,857, supported by the synergies expected from the business combination. The full amount of the goodwill generated can be deducted for income tax and social contribution calculation purposes, in accordance with prevailing tax laws.

Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2012, amounted to R\$17,215 and R\$2,452, respectively. Had this acquisition been undertaken on January 1, 2012, it is estimated that the Group's revenue and profit for the year ended December 31, 2012 would be overstated by about R\$34,430 and R\$4,904, respectively.

No contingent liability was identified for this acquisition.

(iii) Retail outlets and gas stations - highway segment

On April 1, 2012, the Group acquired, through its subsidiary Centro de Serviços Frango Assado Norte Ltda., 100% of the shares of companies Solidar Convivência Loja de Conveniência Ltda. and Auto Posto Eco Brasil Ltda., owners of a retail outlet where they can operate a diner and a service station in a highway in the municipality of São Sebastião, State of São Paulo. The amount paid for this acquisition was R\$2,293, fully paid on the acquisition date.

As set forth in the purchase and sale agreement, the Group may require the reimbursement by sellers of any losses incurred by the acquired companies in labor, social security, civil or tax disputes, whose triggering events took place before the acquisition date. The related contingencies are measured at fair value on the acquisition date and accounted for as business assets acquired and liabilities assumed.

The fair value of these intangibles and the assets acquired and liabilities assumed have been measured as provisional amounts since the final studies and valuation reports that will be used to allocate the acquisition price will be completed within one year of the acquisition date. Since part of the studies is in progress, the fair values of contingent liabilities are still being determined, and the liabilities, if any, will be allocated upon the completion of such studies. The provisional fair values are as follows:

	Book value	PPA allocations	Fair value
Cash and cash equivalents	49	-	49
Trade receivables	376	-	376
Inventories	182	-	182
Property, plant and equipment	223	-	223
Rights on retail outlets	-	5,065	5,065
Trade payables	(337)	-	(337)
Borrowings and financing	(745)	-	(745)
Provision for labor, social security, civil, tax and other risks	(1,343)	-	(1,343)
Other assets and liabilities	(1,177)	-	(1,177)
Fair value of assets acquired and liabilities assumed	(2,772)	5,065	2,293
Total acquisition cost			<u>2,293</u>
Goodwill			<u>=</u>

The fair value of receivables (equal to the gross amount receivable) acquired in these transactions is R\$376, and on the acquisition date it is estimated that the full amount will be received.

As a provisional result of the consideration transferred and business assets acquired and liabilities assumed, no goodwill was determined.

Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2012, amounted to R\$6,123 and R\$1,203, respectively. Had this acquisition been undertaken on January 1, 2012, it is estimated that the Group's revenue and profit for the year ended December 31, 2012 would be overstated by about R\$8,164 and R\$1,604, respectively.

No contingent liability was identified for this acquisition.

b) The Caribbean

(i) J&C Delicias chain - Shopping Mall segment

On April 12, 2012, the Group acquired, through its subsidiary IMC Airport Shoppes S.A.S., 100% of the shares of companies J&C Delicias S.A.S., Traversata S.A.S. and Three Amigos S.A.S., which jointly form the restaurant chains that operate the trademark "J&C Delicias" in Colombia. The transaction was conducted at the price of R\$13,260, divided into one installment of R\$9,945 paid on the acquisition date, and R\$3,315 to be paid in 18 monthly installments adjusted at the rate of 7.5% per year.

As set forth in the purchase and sale agreement, the Group may deduct from the amount payable to the sellers any losses incurred by the acquired companies in labor, social security, civil or tax disputes if confirmed after the acquisition date, whose triggering events took place before the acquisition date. The related contingencies are measured at fair value on the acquisition date and accounted for as business assets acquired and liabilities assumed. If after the payment of the last installment of the acquisition price the acquired companies still incur losses related to the same type of litigation, the Group may request their reimbursement by the sellers.

The fair value of these intangibles and the assets acquired and liabilities assumed have been measured as provisional amounts since the final studies and valuation reports that will be used to allocate the acquisition price will be completed within one year of the acquisition date. Since part of the studies is in progress, the fair values of contingent liabilities are still being determined, and the liabilities, if any, will be allocated upon the completion of such studies. The provisional fair values are as follows:

	Book value	PPA allocations	Fair value
Cash and cash equivalents	1,207	-	1,207
Trade receivables	867	-	867
Inventories	213	-	213
Property, plant and equipment	1,679	-	1,679
Commercial rights (rights on sales outlets in shopping malls)	-	2,652	2,652
Identified trademarks	-	4,641	4,641
Trade payables	(2,192)	-	(2,192)
Deferred income tax and social contribution	-	(2,188)	(2,188)
Other assets and liabilities	<u>(324)</u>	<u>-</u>	<u>(324)</u>
Fair value of assets acquired and liabilities assumed	<u>1,450</u>	<u>5,105</u>	6,555
Total acquisition cost			<u>13,260</u>
Goodwill			<u>6,705</u>

The fair value of receivables (equal to the gross amount receivable) acquired in these transactions is R\$867, and on the acquisition date it is estimated that the full amount will be received.

As provisional result of the consideration transferred and business assets acquired and liabilities assumed, the Group determined goodwill of R\$6,705, supported by the synergies expected from the business combination. The full amount of the generated goodwill can be deducted for income tax and social contribution calculation purposes, in accordance with prevailing tax laws.

Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2012, amounted to R\$17,713 and R\$2,055, respectively. Had this acquisition been undertaken on January 1, 2012, it is estimated that the Group's revenue and profit for the year ended December 31, 2012 would be overstated by about R\$23,617 and R\$2,740, respectively.

This operation has no contingent payment.

6.2. Acquisitions in 2011

a) Brazil

(i) Snack bar chain in Porto Alegre - Airport segment

On January 7, 2011, the Group acquired, through its subsidiary RA Catering Ltda., 100% interest in Tob's Lanches Sul Ltda., owner of points of sale in Porto Alegre airport, which will be used by the Group to operate restaurants and snack bars. The transaction amounted to R\$10,471, which was fully paid on the acquisition date.

	<u>Amount</u>
Fair value of assets and liabilities acquired:	
Rights on points of sale (see Note 15)	10,866
Fair value of other net liabilities assumed	<u>(395)</u>
Total fair value of net assets acquired	<u>10,471</u>

The fair value of receivables acquired (equivalent to gross amount receivable) in this transaction amounted to R\$122 and the total value is expected to be received on the acquisition date.

This acquisition basically refers to the company with a point of sales to be operated. The Group is engaged in operating in places with new restaurants and snack bars. A portion of the payment considered a premium paid to the owners of this company to obtain the rights on the point of sales.

Tob's Lanches Sul Ltda. was acquired with the main purpose of exercising the rights on its point of sales; therefore, the amount paid on the acquisition mainly resulted from these rights. The amounts related to the fair value of these rights and other assets acquired and liabilities assumed were measured based on the studies and final appraisal reports on the allocation of the acquisition price, and no adjustment to the initial allocation was identified.

Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2011, amounted to R\$10,489 and R\$647, respectively. Had this business acquisition taken place on January 1, 2011, the Group's income and revenue for 2011 would be overstated by R\$10,665 and R\$658, respectively.

This operation has no contingent payment.

(ii) Catering airline services in Brasília and Goiânia - Airport segment

On April 8, 2011, the Group acquired, through its subsidiary RA Catering Ltda., 100% interest in Comissaria Aérea Brasília Ltda. and Comissaria Aérea Brasil Ltda., airline caterers ("catering") in Brasília and Goiânia airports. The transaction was carried out at the amount of R\$38,289, of which R\$20,200 was paid on April 11, 2011, R\$124 was paid on October 28, 2011, and the remaining balance of R\$17,965 to be paid in five years upon renewal of concession agreements (use of airport areas) entered into with Empresa Brasileira de Infra-Estrutura Aeroportuária - Infraero or at any time if the Group intends to sell or discontinue the activities of the acquirees.

	<u>Amount</u>
Fair value of assets acquired and liabilities assumed:	
Property, plant and equipment	4,082
Contractual rights with Infraero	37,207
Fair value of other net liabilities assumed	<u>(3,997)</u>
Total fair value of net assets acquired	<u>37,292</u>
Total acquisition price	<u>38,289</u>
Goodwill	<u>997</u>

Goodwill was allocated to the cash-generating unit in airports (Brazil), as disclosed in Note 15.a). The total goodwill amount may be deductible for income tax purposes, through monthly payments over a period of up to ten years.

The acquirees hold concession rights to use the areas in Brasília and Goiânia airports to provide airline catering services. The Group's purpose with the acquisition is to hold these rights. Therefore, the amount paid for this acquisition mainly results from these rights. The amounts related to the fair value of these rights and other assets acquired and liabilities assumed were measured based on the studies and final appraisal reports on the allocation of the acquisition price, and no adjustment to the initial allocation was identified.

Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2011, amounted to R\$24,095 and R\$2,490, respectively. Had this business acquisition taken place on January 1, 2011, the Group's income and revenue for 2011 would be overstated by R\$32,126 and R\$3,320, respectively.

As mentioned, a portion of the payment for this acquisition, in the amount of R\$17,500, is subject to the renewal of the agreements entered into with Infraero in Brasília airport for an additional period of five years, which currently ends in 2015. Such amount is recognized under caption "Payment in installments of business combinations" and will be adjusted based on the National Consumer Price Index (INPC).

(iii) Catering airline services in Viracopos - Campinas - Airport segment

On September 1, 2011, the Group acquired, through its subsidiary RA Catering Ltda., 100% interest in Servcom Catering Refeições Ltda., airline caterer ("catering") in Viracopos airport, in Campinas. The transaction totaled R\$4,650, out of which R\$2,950 was paid on the date of the acquisition and R\$1,700 was retained as collateral and will be paid through September 2016.

	<u>Amount</u>
Fair value of assets acquired and liabilities assumed:	
Contractual rights with Infraero	7,564
Fair value of other net liabilities assumed	<u>(3,265)</u>
Fair value of net assets acquired	<u>4,299</u>
Total acquisition price	<u>4,650</u>
Goodwill	<u>351</u>

Goodwill was allocated to the cash-generating unit in airports (Brazil), as disclosed in Note 15.a).

The acquiree holds concession rights to use the areas in Viracopos airport, in Campinas, to provide airline catering services. The Group's objective in acquiring such interest is to become the holder of these rights; accordingly, the amount paid for the acquisition was substantially based on these rights. Operating income and revenue from the business acquired, added to the Group's profit or loss in the year ended December 31, 2011, amounted to R\$3,338 and R\$240, respectively. Had this business acquisition taken place on January 1, 2011, the Group's income and revenue for 2011 would be overstated by R\$10,015 and R\$719, respectively.

This operation has no contingent payment.

(iv) Points of sale and gas stations acquired in 2011 - Highway segment

In 2011, the Company completed the following business combinations to expand the number of points of sale in highways:

- On April 2, 2011, the Group acquired, through its subsidiary Centro de Serviços Frango Assado Norte Ltda., 100% interest in Posto Maravilha da Anhanguera Ltda., owner of a point of sales to operate a snack bar and gas station in highways. The point of sales was acquired for R\$1,521, which was fully paid on the acquisition date.
- On July 1, 2011, the Group acquired, through its subsidiary Comercial Frango Assado Ltda., 100% interest in Celma Lanches Ltda. EPP, owner of a point of sales to operate a snack bar and gas station in highways. The point of sales was acquired for R\$1,640, which was fully paid on the acquisition date.
- On December 1, 2011, the Group acquired, through its subsidiary Centro de Serviços Frango Assado Norte Ltda., 100% interest in Comercial de Petróleo ACL Ltda., owner of a point of sales to operate a snack bar and gas station in highways. The point of sales was acquired for R\$1,300, which was fully paid on the acquisition date.
- On December 1, 2011, the Group acquired, through its subsidiary Centro de Serviços Frango Assado Norte Ltda., 100% interest in Auto Posto Husch Pereira Ltda., owner of a point of sales to operate a snack bar and gas station in highways. The point of sales was acquired for R\$600, which was fully paid on the acquisition date. Such acquisition price is subject to changes as a result of the audit work.

The fair value of the abovementioned acquisitions is allocated as follows:

	Posto Maravilha da Anhanguera Ltda.	Celma Lanches Ltda. EPP	Comercial de Petróleo ACL Ltda.	Auto Posto Husch Pereira Ltda.	Total
Rights on points of sale - see Note 15	1,269	3,179	1,306	446	6,200
Fair value of other net assets (liabilities) acquired	<u>252</u>	<u>(1,539)</u>	<u>(6)</u>	<u>154</u>	<u>(1,139)</u>
Total purchase price - remuneration and amount paid in cash	<u>1,521</u>	<u>1,640</u>	<u>1,300</u>	<u>600</u>	<u>5,061</u>

The fair value of receivables (equal to the gross amount receivable) acquired in these transactions is R\$354, and on the acquisition date it is estimated that the full amount will be received.

These companies were acquired with the main purpose of exercising the rights on their point of sales; therefore, the amount paid for this acquisition mainly resulted from these rights. The amounts related to the fair value of these rights and other assets acquired and liabilities assumed were measured based on the studies and final appraisal reports on the allocation of the acquisition price, and no adjustment to the initial allocation was identified.

Operating income and revenue from the business acquired, added to the Group's income or loss in the year ended December 31, 2011, amounted to R\$6,427 and R\$488, respectively. Had this business acquisition taken place on January 1, 2011, the Group's income and loss for 2011 would be overstated by R\$16,539 and R\$1,430, respectively.

These operations have no contingent payments.

b) The Caribbean - Airports

(i) Catering services in Colombia - I

On July 7, 2011, the Group acquired, through its subsidiary IMC Airport Shoppes S.A., 100% interest in Aeroservicios De La Costa Limitada, airline caterer ("catering") in Barranquilla, Cartagena, Rio Negro and Medellín airports, in Colombia. The transaction amounted to R\$8,235, a price adjusted in October 2011 after the accounting, labor, tax and legal due diligence, of which R\$6,308 was paid in October 2011 and R\$1,927 will be payable within up to 18 months from the acquisition date.

	<u>Amount</u>
Fair value of assets acquired and liabilities assumed:	
Rights on contracts entered into with the airport authority	2,980
Fair value of property, plant and equipment	3,998
Fair value of other net assets acquired	<u>720</u>
Fair value of net assets acquired	<u>7,698</u>
Total acquisition price	<u>8,235</u>
Goodwill	<u>537</u>

Goodwill was allocated to the cash-generating unit in airports (Caribbean), as disclosed in Note 15.a).

The acquiree holds concession rights to use the areas in Colombia airports to provide airline catering services. The Group's objective in acquiring such interest is to become the holder of these rights; accordingly, the amount paid for the acquisition was substantially based on these rights. The amounts relating to the fair values of these rights and assets acquired and liabilities assumed were measured and adjusted in relation to provisional amounts, based on studies conducted.

Operating income and revenue from the business acquired, added to the Group's income or loss in the year ended December 31, 2011, amounted to R\$5,185 and R\$213, respectively. Had this business acquisition taken place on January 1, 2011, the Group's income and revenue for 2011 would be overstated by R\$10,371 and R\$426, respectively.

This operation has no contingent payment.

(ii) Catering airline services in Colombia - II - Airport segment

On December 1, 2011, the Group, through subsidiary IMC Airport Shoppes S.A.S., acquired 100% of the shares in Inversiones G Serrano M Aeroservicios Ltda., an airline caterer (“catering”) in Bogotá airport, in Colombia. The transaction amounted to R\$21,855, a price subject to adjustments based on the result of the accounting, labor, tax and legal due diligence in progress, of which R\$14,731 was paid in December 2011 and the remaining amount will be payable within up to 18 months from the acquisition date.

	<u>Amount</u>
Total acquisition price	21,855
Fair value of net assets acquired	<u>(9,291)</u>
Goodwill	<u>12,564</u>

Goodwill was allocated to the cash-generating unit in airports (Caribbean), as disclosed in Note 15.a).

The acquiree holds concession rights to use the areas in Colombia airports to provide airline catering services. The Group’s objective in acquiring such interest is to become the holder of these rights; accordingly, the amount paid for the acquisition was substantially based on these rights, whose study to determine the amounts is in progress. The amounts related to the fair value of these rights and assets acquired and liabilities assumed were measured and adjusted in relation to the provisional amounts, according to the studies conducted.

Operating income and revenue from the business acquired, added to the Group’s income or loss in the year ended December 31, 2011, amounted to R\$2,021 and R\$347, respectively. Had this business acquisition taken place on January 1, 2011, the Group’s income and revenue for 2011 would be overstated by R\$17,924 and R\$2,073, respectively.

This operation has no contingent payment.

6.3. Cash disbursement for acquisitions

a) Disbursement of acquisitions in 2012

For acquisitions in 2012, below is the cash disbursed by the Group in the acquisitions:

	<u>Amount</u>
Wraps and Go Fresh chain	8,977
Batata Inglesa chain	10,000
Solidar Convivência Loja de Conveniência Ltda. and Auto Posto Eco Brasil Ltda.	2,293
J&C Delicias chain	<u>12,924</u>
	34,194
Cash of acquired companies	<u>(3,221)</u>
Net cash outflow	<u>30,973</u>

b) Disbursement of acquisitions in 2011

For acquisitions in 2011, below is the cash disbursed by the Group in the acquisitions:

	<u>Amount</u>
Tob's Lanches Sul Ltda.	10,471
Posto Maravilha da Anhanguera Ltda.	1,521
Celma Lanches Ltda.	1,640
Comercial de Petróleo ACL Ltda.	1,300
Auto Posto Husch Pereira Ltda.	600
Comissaria Aérea Brasília Ltda. and Comissaria Aérea Brasil Ltda.	20,324
Servecom Catering Refeições Ltda.	2,950
Aeroservicios de La Costa Limitada	6,308
Inversiones G Serrano M Aeroservicios Ltda.	<u>14,731</u>
	59,845
Cash of acquired companies	<u>(1,175)</u>
Net cash outflow	<u>58,670</u>

7. SEGMENT REPORTING

The information reported to the Group's chief decision maker (executive board and chairmen of subsidiaries), for the purpose of fund allocation and segment performance evaluation, is more specifically focused on the customer for each product and service. The 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 comprise meals and related services.

The chief operating decision maker evaluates the operating segment performance based on the operating profit measurement.

Therefore, the Group's reportable segments pursuant to IFRS 8 - Segment Reporting (equivalent to technical pronouncement CPC 22 - Segment Reporting) are as follows:

- Shopping malls: meals in restaurant chains and coffee shops in shopping centers.
- Airports: supply of meals in restaurants and coffee shops and airline companies (catering), sale of fuel and other related services.
- Highways: food courts in gas stations and restaurant chains located in highways, in addition to the sale of fuel to vehicles.
- Other: business segment that comprises restaurants located in streets that offer table service and corporate expenses that are not allocated to any of the segments.

	Consolidated (IFRS and BR GAAP)				
	Shopping malls	Airports	Highways	Other	Total
December 31, 2012:					
Net sales revenue	289,731	462,872	360,657	59,167	1,172,427
Operating income (expenses)	26,955	96,836	34,151	(21,054)	136,888
Depreciation and amortization	(14,821)	(44,286)	(14,090)	(4,233)	(77,430)
Financial expenses, net	(6,697)	(8,611)	(6,922)	2,660	(19,570)
Income tax expense	4,450	(21,616)	(3,279)	(1,589)	(22,034)
December 31, 2011:					
Net sales revenue	218,436	340,084	294,598	45,488	898,606
Operating income (expenses)	18,768	64,663	31,003	(18,022)	96,412
Depreciation and amortization	(7,953)	(37,952)	(11,342)	(5,327)	(62,574)
Financial expenses, net	(10,028)	(9,749)	(10,910)	15,740	(14,947)
Income tax expense	1,459	(15,668)	(2,843)	36	(17,016)

As of December 31, 2012, out of the total amount of “Operating income (expenses)” relating to other segments, the negative amount of R\$29,554 (R\$22,731 negative as of December 31, 2011) is substantially impacted by corporate expenses not allocated to any of the segments.

The reconciliation of “Operating income (expenses)”, adjusted by income before taxes and discontinued operations, is as follows:

	Consolidated (IFRS and BR GAAP)	
	12/31/12	12/31/11
Reconciliation of profit:		
Operating income from reporting segments	157,942	114,434
Operating expenses from other segments	<u>(21,054)</u>	<u>(18,022)</u>
	136,888	96,412
Depreciation and amortization	(77,430)	(62,574)
Financial expenses	(19,570)	(14,947)
Income tax and social contribution	<u>(22,034)</u>	<u>(17,016)</u>
Net income	<u>17,854</u>	<u>1,875</u>

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

	Consolidated (IFRS and BR GAAP)	
	12/31/12	12/31/11
Shopping malls	374,938	266,928
Airports	628,830	567,856
Highways	385,488	358,324
Other	<u>40,957</u>	<u>114,716</u>
Total	<u>1,430,213</u>	<u>1,307,824</u>

7.1. Disclosures at the Company's level

- Geographical information

The Group operates in the following main areas: Brazil, the Caribbean (Puerto Rico, the Dominican Republic, Colombia and Panama) and Mexico. 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 (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Net sales revenue:		
Brazil	879,597	718,660
The Caribbean	204,510	115,425
Mexico	88,320	64,521
Total	<u>1,172,427</u>	<u>898,606</u>

7.2. 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 revenues.

8. CASH AND CASH EQUIVALENTS

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Cash	-	-	8,418	6,046
Banks - checking account	59	223	26,225	32,101
Short-term investments	<u>11,020</u>	<u>82,399</u>	<u>17,520</u>	<u>99,971</u>
Total	<u>11,079</u>	<u>82,622</u>	<u>52,163</u>	<u>138,118</u>

Short-term investments classified as cash equivalents are broken down as follows:

Transactions	Average earning	Liquidity	Bank	Parent		Consolidated	
				(BR GAAP)		(IFRS and BR GAAP)	
				12/31/12	12/31/11	12/31/12	12/31/11
Automatic investment	1.25% p.y.	Immediate	Bancolombia Panamá	-	-	-	1,066
Automatic investment	3.6% p.y.	Immediate	IXE Banco S.A.	-	-	3,866	3,866
Automatic investment	50% of CDI	Immediate	Bradesco	-	-	-	8,438
Repurchase agreements - debentures	103% of CDI	Immediate	Santander	2,533	26,771	2,533	26,771
Repurchase agreements - debentures	102% of CDI	Immediate	Bradesco	8,487	55,628	8,487	55,628
Repurchase agreements - debentures	101% of CDI	Immediate	Bradesco	-	-	-	799
Repurchase agreements - debentures	100% of CDI	Immediate	Bradesco	-	-	356	1,029
Repurchase agreements - debentures	100% of CDI	Immediate	Brazil	-	-	248	617
Other	TR/100% of CDI	Immediate	Other	-	-	2,030	1,757
Total				<u>11,020</u>	<u>82,399</u>	<u>17,520</u>	<u>99,971</u>

9. SHORT-TERM INVESTMENTS - NONCURRENT

As of December 31, 2012, the amount of R\$6,095 refers to the installment retained as a guarantee for the amount payable for the acquisitions of the companies (R\$1,700 as of December 31, 2011). As of December 31, 2011, the amount of R\$1,174 refers to the amount blocked by judicial order as a guarantee for the labor claims.

10. TRADE RECEIVABLES

	Consolidated (IFRS and BR GAAP)	
	12/31/12	12/31/11
Trade receivables	31,507	23,644
Credit and debit cards	28,826	22,447
Receivables from priority agreements	8,448	2,670
Other	<u>1,596</u>	<u>641</u>
	70,377	49,402
Allowance for doubtful accounts	<u>(1,049)</u>	<u>(1,089)</u>
Total	<u>69,328</u>	<u>48,313</u>

The balance under “Trade receivables” before deduction of the allowance for doubtful accounts is denominated in domestic and foreign currencies as follows:

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
In Brazilian reais - R\$	46,346	32,141
In U.S. dollars - US\$	10,824	8,827
In Mexican pesos - P\$	3,669	1,959
In Balboa - PAB\$	343	140
In Dominican pesos - DOP\$	530	159
In Colombian pesos - COP	<u>8,665</u>	<u>6,176</u>
Total	<u>70,377</u>	<u>49,402</u>

The balance under the caption “Trade receivables” refers mainly to receivables from airline companies and credit and debit cards companies. Trade receivables comprise current and past-due receivables, as follows:

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Current (up to 30 days)	63,187	42,031
Past due:		
Up to 30 days	4,371	1,699
From 31 to 60 days	738	5,307
From 61 to 90 days	475	224
From 90 to 180 days	1,606	141
Allowance for doubtful accounts	<u>(1,049)</u>	<u>(1,089)</u>
Total	<u>69,328</u>	<u>48,313</u>

As described in Note 17, the Group offered receivables from credit card companies to collateralize borrowings and financing. As of December 31, 2012, the Group had R\$10,903 pledged in guarantee (R\$8,478 in 2011).

The conditions of this transaction include mainly pledging to banks current and future receivables arising from credit and debit card sales up to the debt limit on the maturity date. This pledge may be enforced by banks in case of default under the borrowing or financing.

Allowance for doubtful accounts

The changes in the allowance for doubtful accounts are as follows:

	<u>Consolidated (IFRS and BR GAAP)</u>
Balance as of December 31, 2010	(497)
Additions	(661)
Reversals and write-offs	<u>69</u>
Balance as of December 31, 2011	(1,089)
Additions	(805)
Reversals and write-offs	1,004
Foreign exchange losses	<u>(159)</u>
Balance as of December 31, 2012	<u>(1,049)</u>

Receivables from priority 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 Company did not recognize any adjustment to present value since all transactions are short term and the effect of such adjustment is considered irrelevant when compared to the financial statements taken as a whole.

11. INVENTORIES

	<u>Consolidated (IFRS and BR GAAP)</u>	
	<u>12/31/12</u>	<u>12/31/11</u>
Food and beverages	20,137	14,384
Supplies, fixtures and tools	4,706	4,217
Fuel	<u>3,057</u>	<u>2,978</u>
Total	<u>27,900</u>	<u>21,579</u>

The total cost of inventories recognized as expense and included under the caption "Cost of sales and services" totaled R\$454,454 (R\$360,200 in 2011).

12. RECOVERABLE TAXES, FEES AND CONTRIBUTIONS

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Prepaid income tax and social contribution	-	-	7,988	3,058
Withholding income tax (IRRF) on short-term investments	3,806	2,874	4,550	5,518
Withholding income tax (IRRF) on third-party services	-	-	693	-
Taxes on revenue (PIS and COFINS) recoverable	-	-	897	287
Taxes on value added - IVA (Colombia and Mexico)	-	-	2,366	-
Other	-	-	886	492
Total	<u>3,806</u>	<u>2,874</u>	<u>17,380</u>	<u>9,355</u>

13. INVESTMENTS

Information on subsidiaries

a) As of December 31, 2012

Direct subsidiaries	Interest ownership - %	Total assets	Total liabilities	Equity	Net profit (loss) for the year	Revenues	Equity
Mexico Premier Restaurants LLC (Delaware - USA)	100.00	106,554	19,653	86,902	4,392	88,320	4,392
IMC Puerto Rico Ltd. (Caribbean)	100.00	310,672	137,413	173,264	(20,777)	204,510	(20,777)
RA Chain- RA Catering Ltda. (Brazil)	100.00	257,996	123,234	134,761	28,031	252,604	28,031
Viena Chain: Pimenta Verde Alimentos Ltda. (Brazil)	99.99	184,559	88,901	95,658	(2,148)	146,040	(2,148)
Liki Restaurantes Ltda. (Brazil)	99.99	37,420	10,748	26,672	2,936	20,205	2,936
Viena Norte Ltda. (Brazil)	99.99	14,289	5,072	9,217	266	9,981	266
Ara Restaurantes Ltda. (Brazil)	99.99	12,513	4,986	7,527	516	13,317	516
Aratam Restaurantes Ltda. (Brazil)	99.99	13,411	5,451	7,961	1,293	13,343	1,293
Niad Restaurantes Ltda. (Brazil)	99.99	122,152	70,816	51,336	6,296	63,451	6,296
Frango Assado Chain: Comercial Frango Assado Ltda. (Brazil)	99.99	318,915	101,252	217,663	4,359	216,013	4,359
Centro de Serviços Frango Assado Norte Ltda. (Brazil)	99.99	34,352	16,155	18,197	(658)	59,771	(658)
Carvalho Pinto Automotivos e Conveniências Ltda. (Brazil)	99.99	15,270	4,900	10,371	1,039	21,071	1,039
Centro de Serviços Frango Assado Sudoeste Ltda. (Brazil)	99.99	22,281	6,284	15,997	1,730	42,077	1,730
Centro de Serviços Frango Assado Suleste Ltda. (Brazil)	99.99	11,670	3,392	8,271	1,010	21,724	1,010
Total		<u>11,462,054</u>	<u>598,257</u>	<u>863,797</u>	<u>28,285</u>	<u>1,172,427</u>	<u>28,285</u>

b) As of December 31, 2011

Direct subsidiaries	Interest ownership - %	Total assets	Total liabilities	Equity	Net profit (loss) for the year	Revenues	Equity
Mexico Premier Restaurants LLC (Delaware - USA)	100.00	88,057	18,124	69,934	(2,483)	64,521	(2,483)
IMC Puerto Rico Ltd. (Caribbean)	100.00	268,028	120,540	147,487	(19,817)	115,426	(19,817)
RA Chain-							
RA Catering Ltda. (Brazil)	100.00	250,631	144,314	106,317	11,297	205,625	11,297
Viena Chain:							
Pimenta Verde Alimentos Ltda. (Brazil)	99.99	124,535	50,944	73,591	(2,379)	106,079	(2,379)
Liki Restaurantes Ltda. (Brazil)	99.99	32,561	8,824	23,737	2,933	20,121	2,933
Viena Norte Ltda. (Brazil)	99.99	13,395	4,444	8,952	433	10,177	433
Rao Restaurantes Ltda. (Brazil)	99.99	22,394	7,657	14,736	2,185	16,247	2,185
Ara Restaurantes Ltda. (Brazil)	99.99	11,330	4,318	7,012	484	12,979	484
Aratam Restaurantes Ltda. (Brazil)	99.99	11,354	4,686	6,667	977	12,401	977
Odanrio Restaurantes Ltda. (Brazil)	99.99	22,011	7,726	14,285	(416)	14,621	(416)
Rodean Restaurantes Ltda. (Brazil)	99.99	9,177	3,397	5,780	304	6,999	304
Niad Restaurantes Ltda. (Brazil)	99.99	33,363	24,748	8,615	(2,282)	18,811	(2,282)
Frango Assado Chain:							
Comercial Frango Assado Ltda. (Brazil)	99.99	295,782	89,934	205,848	1,430	177,025	1,430
Centro de Serviços Frango Assado Norte Ltda. (Brazil)	99.99	28,548	16,227	12,322	(914)	36,210	914
Carvalho Pinto Automotivos e Conveniências Ltda. (Brazil)	99.99	14,076	4,744	9,332	1,042	19,746	1,042
Centro de Serviços Frango Assado Sudoeste Ltda. (Brazil)	99.99	20,888	6,621	14,267	1,722	39,940	1,722
Centro de Serviços Frango Assado Suleste Ltda. (Brazil)	99.99	<u>10,643</u>	<u>3,380</u>	<u>7,263</u>	<u>466</u>	<u>21,678</u>	<u>466</u>
Total		<u>1,256,773</u>	<u>520,628</u>	<u>736,145</u>	<u>(5,018)</u>	<u>898,606</u>	<u>(5,018)</u>

Changes in investments in subsidiaries, stated in the individual financial statements, are as follows:

	Parent (BR GAAP)					Total
	IMC Mexico	IMC Caribbean	RA Catering	Viena Chain	Frango Assado Chain	
Balances as of December 31, 2010	69,135	111,673	90,333	55,586	171,284	498,011
Investments	3,848	47,519	4,687	105,550	74,002	235,606
Equity in subsidiaries	(2,483)	(19,817)	11,297	2,239	3,746	(5,018)
Translation adjustments	<u>(566)</u>	<u>8,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,546</u>
Balances as of December 31, 2011	69,934	147,487	106,317	163,375	249,032	736,145
Investments	-	25,883	900	25,350	13,989	66,122
Equity in subsidiaries	4,392	(20,777)	28,031	9,158	7,479	28,283
Translation adjustments	<u>12,576</u>	<u>20,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,247</u>
Balances as of December 31, 2012	<u>86,902</u>	<u>173,264</u>	<u>135,248</u>	<u>197,883</u>	<u>270,500</u>	<u>863,797</u>

14. PROPERTY, PLANT AND EQUIPMENT

In the year ended December 31, 2012, changes in property, plant and equipment refer to the acquisition of new businesses, inclusion of new stores and sales channels in Brazil, Colombia and the Caribbean, as well as write-offs, as shown below:

	Consolidated (IFRS and BR GAAP)						Total
	Land and buildings	Machinery, equipment and facilities	Furniture and fixtures	Improvements and facilities in third-party properties	Computers, vehicles and other	Work and facilities in progress	
<u>Changes in 2011</u>							
<u>Cost</u>							
Balances as of December 31, 2010	6,646	69,769	18,659	98,286	25,686	19,237	238,283
Effect of exchange differences	633	716	186	2,565	238	1,145	5,483
Additions through business combinations	3,186	8,021	3,158	2,948	13,821	78	31,212
Additions	-	18,161	3,224	38,194	6,320	28,688	94,587
Transfers, write-off and other	<u>187</u>	<u>9,318</u>	<u>2,552</u>	<u>15,664</u>	<u>311</u>	<u>(32,413)</u>	<u>(4,381)</u>
Balances as of December 31, 2011	<u>10,652</u>	<u>105,985</u>	<u>27,779</u>	<u>157,657</u>	<u>46,376</u>	<u>16,735</u>	<u>365,184</u>
<u>Depreciation</u>							
Balances as of December 31, 2010	(745)	(21,268)	(5,050)	(28,826)	(11,651)	-	(67,540)
Effect of exchange differences	(213)	(91)	10	(1,748)	(670)	-	(2,712)
Additions through business combinations	(851)	(2,404)	(2,360)	(782)	(9,311)	-	(15,708)
Annual depreciation	(285)	(10,882)	(4,392)	(14,016)	(6,861)	-	(36,436)
Transfers, write-off and other	<u>(176)</u>	<u>(1,087)</u>	<u>12</u>	<u>1,813</u>	<u>421</u>	<u>-</u>	<u>983</u>
Balances as of December 31, 2011	<u>(2,270)</u>	<u>(35,732)</u>	<u>(11,780)</u>	<u>(43,559)</u>	<u>(28,072)</u>	<u>-</u>	<u>(121,413)</u>
Balances as of December 31, 2011, net	<u>8,382</u>	<u>70,253</u>	<u>15,999</u>	<u>114,098</u>	<u>18,304</u>	<u>16,735</u>	<u>243,771</u>
<u>Changes in 2012</u>							
<u>Cost</u>							
Balances as of December 31, 2011	10,652	105,985	27,779	157,657	46,376	16,735	365,184
Effect of exchange differences	1,531	5,098	1,307	8,359	2,656	608	19,559
Additions through business combinations	-	4,031	2,022	4,781	1,633	(1,871)	10,596
Additions	-	10,861	2,463	8,189	4,974	57,728	84,215
Transfers, write-off and other	<u>(1,344)</u>	<u>14,097</u>	<u>3,662</u>	<u>40,690</u>	<u>1,483</u>	<u>(63,355)</u>	<u>(4,767)</u>
Balances as of December 31, 2012	<u>10,839</u>	<u>140,072</u>	<u>37,233</u>	<u>219,676</u>	<u>57,122</u>	<u>9,845</u>	<u>474,787</u>
<u>Depreciation</u>							
Balances as of December 31, 2011	(2,270)	(35,732)	(11,780)	(43,559)	(28,072)	-	(121,413)
Effect of exchange differences	(390)	(4,644)	(724)	(2,711)	156	-	(8,313)
Additions through business combinations	-	(1,370)	(846)	(519)	(519)	-	(3,254)
Annual depreciation	(546)	(17,840)	(4,623)	(17,064)	(8,673)	-	(48,746)
Transfers, write-off and other	<u>211</u>	<u>630</u>	<u>34</u>	<u>682</u>	<u>(38)</u>	<u>-</u>	<u>1,519</u>
Balances as of December 31, 2012	<u>(2,995)</u>	<u>(58,956)</u>	<u>(17,939)</u>	<u>(63,171)</u>	<u>(37,146)</u>	<u>-</u>	<u>(180,207)</u>
Balances as of December 31, 2012, net	<u>7,844</u>	<u>81,116</u>	<u>19,294</u>	<u>156,505</u>	<u>19,976</u>	<u>9,845</u>	<u>294,580</u>

Depreciation charges are allocated as follows:

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Allocated to the cost of sales and services	34,480	30,820
Allocated to operating and administrative expenses	<u>14,266</u>	<u>5,616</u>
Total	<u>48,746</u>	<u>36,436</u>

Impairment tests are conducted on an annual basis or if there are indications of impairment, as described in Note 3.k). Management did not identify any events that could indicate that assets might be impaired as in the year ended December 31, 2012.

Assets pledged as collateral

Obligations assumed under finance lease agreements are collateralized by the ownership of the leased assets by the lessor, whose carrying amount is R\$262 (R\$423 in 2011).

15. INTANGIBLE ASSETS

Changes in intangible assets in the years ended December 31, 2012 and 2011 were as follows:

	Goodwill	Software	Registered trademarks	License Rights	Leasing rights	Non- competition agreements	Rights on points of sale	Other	Total
<u>Cost</u>									
Balances as of December 31, 2010	509,993	13,087	44,875	31,608	138,993	9,496	22,886	2,423	773,361
Effect of exchange differences	(1,327)	-	(97)	-	13,045	(86)	-	(13)	11,522
Additions through business combinations	13,870	-	6	62,153	-	905	6,200	3,473	86,607
Additions	-	7,300	51	71	-	-	6,189	9	13,620
Transfers, write-offs and other	-	176	(527)	(8,711)	12,633	28	2,765	(1,587)	4,777
Balances as of December 31, 2011	<u>522,536</u>	<u>20,563</u>	<u>44,308</u>	<u>85,121</u>	<u>164,671</u>	<u>10,343</u>	<u>38,040</u>	<u>4,305</u>	<u>889,887</u>
<u>Amortization</u>									
Balances as of December 31, 2010	-	(3,702)	-	(17,516)	(26,429)	(7,710)	-	(5,720)	(61,077)
Effect of exchange differences	-	-	-	-	(3,207)	87	(9)	4	(3,125)
Amortization for the year (*)	-	(2,604)	-	(8,499)	(9,833)	(1,779)	(1,488)	(1,935)	(26,138)
Transfers, write-offs and other	-	(179)	-	-	(1,978)	18	(1,108)	1,495	(1,752)
Balances as of December 31, 2011	<u>-</u>	<u>(6,485)</u>	<u>-</u>	<u>(26,015)</u>	<u>(41,447)</u>	<u>(9,384)</u>	<u>(2,605)</u>	<u>(6,156)</u>	<u>(92,092)</u>
Balances as of December 31, 2011, net	<u>522,536</u>	<u>14,078</u>	<u>44,308</u>	<u>59,106</u>	<u>123,224</u>	<u>959</u>	<u>35,435</u>	<u>(1,851)</u>	<u>797,795</u>
<u>Cost</u>									
Balances as of December 31, 2011	522,536	20,563	44,308	85,121	164,671	10,343	38,040	4,305	889,887
Effect of exchange differences	16,178	-	2,725	2,907	13,742	1,966	801	91	38,410
Additions through business combinations	38,476	38	25,255	-	-	-	21,208	2	84,979
Additions	-	1,618	104	1,650	512	-	7,908	-	11,792
Transfers, write-offs and other	-	(1,289)	-	2,506	(406)	-	3,442	(3,337)	916
Balances as of December 31, 2012	<u>577,190</u>	<u>20,930</u>	<u>72,392</u>	<u>92,184</u>	<u>178,519</u>	<u>12,309</u>	<u>71,399</u>	<u>1,061</u>	<u>1,025,984</u>
<u>Amortization</u>									
Balances as of December 31, 2011	-	(6,485)	-	(26,015)	(41,447)	(9,384)	(2,605)	(6,156)	(92,092)
Effect of exchange differences	-	78	-	149	(3,895)	(1,666)	(15)	69	(5,280)
Additions through business combinations	-	-	-	-	-	-	(1,160)	-	(1,160)
Amortization for the year (*)	-	(3,555)	-	(9,922)	(10,651)	(133)	(2,983)	(1,440)	(28,684)
Transfers, write-offs and other	-	-	-	-	-	-	283	6,993	7,276
Balances as of December 31, 2012	<u>-</u>	<u>(9,962)</u>	<u>-</u>	<u>(35,788)</u>	<u>(55,993)</u>	<u>(11,183)</u>	<u>(6,480)</u>	<u>(534)</u>	<u>(119,940)</u>
Balances as of December 31, 2012, net	<u>577,190</u>	<u>10,968</u>	<u>72,392</u>	<u>56,396</u>	<u>122,526</u>	<u>1,126</u>	<u>64,919</u>	<u>527</u>	<u>906,044</u>

(*) Amortization expenses on other intangible assets are recognized in line item "Operating and administrative expenses", in the statement of income.

Significant intangible assets

a) Goodwill

(i) Allocation of goodwill to cash-generating units

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

- Shopping malls: fast food served in restaurant and coffee house chains.
- Airports, Brazil: meals served in restaurants and coffee houses, and airline catering and other related services in Brazil.
- Airports, Caribbean: meals served in restaurants and coffee houses, and airline catering and other related services in the Caribbean.
- Highways, Brazil: food courts in gas stations and restaurant chains located in highways, in addition to the sale of fuel to vehicles.
- Mexico: business sector that encompasses restaurants that provide table service, designed to appeal to a broad customer base by featuring moderate prices and a comfortable atmosphere.

Before recognizing impairment losses, the carrying amount of goodwill was allocated to the cash-generating units, as follows:

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Brazil:		
Shopping malls	198,819	167,048
Airports	91,790	91,790
Highways	<u>206,187</u>	<u>206,187</u>
	496,796	465,025
Caribbean:		
Shopping malls	7,885	-
Airports	<u>27,265</u>	<u>19,141</u>
	35,150	19,141
Mexico	<u>45,244</u>	<u>38,370</u>
Total	<u>577,190</u>	<u>522,536</u>

(ii) Impairment testing

Goodwill is tested for impairment on an annual basis or whenever there are indications that some of the cash-generating units may be impaired. Management concluded that as of December 31, 2012 there are no indications that any of the cash-generating units is impaired.

➤ Brazilian cash-generating units

The recoverable amount of the Brazilian cash-generating units was determined based on the value-in-use, using the cash flows based on five-year financial budgets approved by the Board of Directors and a discount rate, after taxes, of 11.24% per year. The cash flows after the five-year period were exceeded using a fixed annual growth rate of 5.1%, which does not exceed expected inflation rates in Brazil. Management believes that potential additional changes in the main assumptions on which recoverable amounts were based would not cause its carrying amount to exceed recoverable amount.

The main assumptions used to calculate the value-in-use of Brazilian cash-generating units were as follows:

Projected market share	Average market share in the period immediately prior to the projection period, plus an average annual growth rate of 0.3% for the next five years. The amounts attributable to the assumption reflect the past experience, except for the growth factor, which is consistent with Management's plan to concentrate operations in these markets. Management believes that the annual market share growth for the next five years is feasible.
Projected gross margin	Average gross margins in the period immediately prior to the projection period, which were increased as a result of expected efficiency improvements. Reflect past experience, except for efficiency improvements.
Inflation adjustment of the prices of raw materials	Projected consumer price index for the projection period in the countries from which raw materials were purchased. The amounts allocated to the main assumptions are consistent with external sources of information.

➤ Caribbean cash-generating units

The recoverable amount of the Caribbean cash-generating units was determined based on the value-in-use, using the cash flows based on the financial budgets approved by Management and a discount rate of 13% per year. Management believes that potential additional changes in the main assumptions on which recoverable amounts were based would not cause its carrying amount to exceed recoverable amount.

The main assumptions used to calculate the value-in-use of Caribbean cash-generating units were as follows:

Projected market share	Average market share in the period immediately prior to the projection period, plus an average annual growth rate of 1.7%. The amounts attributable to the assumption reflect the past experience, except for the growth factor, which is consistent with Management's plan to concentrate operations in these markets. Management believes that the annual market share growth for the next five years is feasible.
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Projected gross margin	Average gross margins in the period immediately prior to the projection period, which were increased as a result of expected efficiency improvements. Reflect past experience, except for efficiency improvements.
Inflation adjustment of the prices of raw materials	Projected consumer price index for the projection period in the countries from which raw materials were purchased. The amounts allocated to the main assumptions are consistent with external sources of information.

➤ Mexican cash-generating units

The recoverable amount of the Mexican cash-generating units was determined based on the value-in-use, using the cash flows based on five-year financial budgets approved by Management and a discount rate of 8.62% per year. The cash flows after the five-year period were exceeded using a fixed annual growth rate of 3.5%. Management believes that potential additional changes in the main assumptions on which recoverable amounts were based would not cause its carrying amount to exceed recoverable amount.

The main assumptions used to calculate the value-in-use of Mexican cash-generating units were as follows:

Projected market share	Average market share in the period immediately prior to the projection period, plus an average annual contraction rate of 0.4% for the next five years. The amounts attributable to the assumption reflect the past experience, except for the growth factor, which is consistent with Management's plan to concentrate operations in these markets. Management believes that the annual market share growth for the next five years is feasible.
Projected gross margin	Average gross margins in the period immediately prior to the projection period, which were increased as a result of expected efficiency improvements. Reflect past experience, except for efficiency improvements.
Inflation adjustment of the prices of raw materials	Projected consumer price index for the projection period in the countries from which raw materials were purchased. The amounts allocated to the main assumptions are consistent with external sources of information.

b) Registered trademarks

Refer to the trademarks acquired, including Viena, Frango Assado, Batata Inglesa, Wraps, Go Fresh, Brunella, RA Catering and J&C Delicias Chain (Caribbean).

c) License rights

A portion of the acquisition price attributable to the acquisition of catering activities was allocated to the licenses granted in Brazil to provide airline catering services.

d) Lease rights

Caribbean

Refers to the acquisition price portion of the companies, allocated to the lease agreement entered into with the airport authorities (“leasing rights”) for the rental of the spaces in the airports to operate restaurants, snack bars, coffee houses and related stores. The lease agreements’ amounts are amortized over the terms of the relevant agreements, until 2029.

Brazil

The Company recognized the rights on lease agreements entered into with the airport authorities to operate its restaurants and coffee shops as part of the acquisition price of airport operations. The lease agreements’ amounts are amortized over the terms of the relevant agreements, until 2021.

e) Rights on points of sale

Refer to the amounts paid for the acquisition of the rights on the points of sale (commercial rights), and/or for the allocation of a portion of the business acquisition prices.

16. TRADE PAYABLES

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Product providers	-	-	47,001	36,266
Service providers	-	-	20,844	15,127
Trade payables - other	<u>150</u>	<u>157</u>	<u>821</u>	<u>2,523</u>
Total	<u>150</u>	<u>157</u>	<u>68,666</u>	<u>53,916</u>

17. BORROWINGS AND FINANCING

	Charges	Maturity	Consolidated (IFRS and BR GAAP)	
			<u>12/31/12</u>	<u>12/31/11</u>
Banco Itaú S.A. (a)	CDI + 1.4% p.y.	Quarterly up to 1/29/2015	62,140	79,999
Banco Bradesco S.A. (b)	CDI + 2.25% p.y.	Semiannually up to 9/23/2015	61,462	62,133
Firstbank (Puerto Rico) (c)	90-day LIBOR + spread of 1.75% to 2.50% based on leverage ratio	Quarterly up to 1/1/2017	80,908	85,839
BNDES	TJLP or exchange rate + 5.8% p.y.	Monthly up to 6/15/2016	8,771	4,445
BNDES/PEC	TJLP + 8% p.y.	Monthly up to 1/15/2013	134	1,751
Other (d)			<u>11,155</u>	<u>8,291</u>
Total			<u>224,570</u>	<u>242,458</u>
<u>Classified as</u>				
Current assets:				
	Foreign currency borrowings		18,353	13,255
	Local currency-denominated borrowings (R\$)		<u>25,710</u>	<u>24,959</u>
Total			<u>44,063</u>	<u>38,214</u>

	Charges	Maturity	Consolidated (IFRS and BR GAAP)	
			12/31/12	12/31/11
Noncurrent:				
Foreign currency borrowings			70,928	79,170
Local currency-denominated borrowings (R\$)			<u>109,579</u>	<u>125,074</u>
Total			<u>180,507</u>	<u>204,244</u>

LIBOR - London Interbank Offered Rate

TJLP - Long-term Interest Rate

Guarantees and commitments

- (a) Loan obtained from Banco Itaú S.A. by the Group in 2007 and 2008, in two tranches, in the amount of R\$185,000, through the issuance of Bank Credit Notes (CCBs), with final maturity in January 2015 and financial charges indexed to the CDI fluctuation, plus spread of 1.4% per year, collateralized by the pledge of 100% of the Company's interest in certain subsidiaries and receivables from sales made by Company's subsidiaries using credit cards. If the flow of receivables becomes insufficient, the Group will be required to provide an additional guarantee. The agreement contains certain covenants calculated based on combined financial statements of the former companies of RA Catering and Viena chain's operations, prepared in accordance with accounting practices adopted in Brazil. These covenants consist basically of the annually calculated net debt-to-Earnings Before Interest, Taxes, Depreciation and Amortization - EBITDA ratio and the debt service coverage ratio, from 2010 until the loan is fully settled. As of December 31, 2012, the Group was compliant with all covenants.
- (b) Loan obtained from Banco Bradesco S.A. by the Group, in the amount of R\$120,000, through the issuance of Bank Credit Notes (CCBs), and financial charges indexed to the CDI fluctuation, plus spread of 2.25% per year, collateralized by the pledge of 100% of the Company's interest in certain subsidiaries and receivables from sales made by Company's subsidiaries using credit cards. In addition, the Group assumed the commitment of not distributing dividends higher than the minimum mandatory dividends required by local law and of complying with, based on the combined financial statements of the Frango Assado companies, prepared in accordance with accounting practices adopted in Brazil, certain covenants annually calculated based on net debt-to-EBITDA ratios and debt service coverage ratios from 2009 until the related loan is fully settled. As of December 31, 2012, the Group was compliant with all covenants.
- (c) Term loan with Firstbank amounting to US\$51 million, repayable in 24 quarterly installments, commencing in April 2011. The term loan is also collateralized by the assets and 100% of the issued shares of the IMC Puerto Rico Ltd. (Caribbean) and lease revenue from its franchise agreements. The loan agreement also requires that the IMC Puerto Rico Ltd. comply, on a consolidated basis, with certain affirmative and negative covenants, and limits dividend distribution to 50% of net profit for the year. The financial ratios established in the loan agreement shall be evaluated by the financial institution on a quarterly basis, commencing on March 31, 2009. As of December 31, 2012, the Group was compliant with all covenants.
- (d) Collateralized by promissory notes.

Maturities of noncurrent liabilities are as follows:

	Consolidated (IFRS and BR GAAP)
2014	24,451
2015	69,886
2016 onwards	<u>86,170</u>
Total	<u>180,507</u>

- (c) The Group is a party to civil and various other lawsuits, such as claim of economic imbalance or claims filed by manufacturers, related to quality discounts. Management recognized a provision for those claims assessed, supported by the opinion of the Company's legal counsel, as probable losses.

The Group is also a party to other claims involving probable risk of losses: tax - R\$7,794, labor and social security - R\$7,302, and civil - R\$1,177. Based on the analysis of the related contingencies and the opinion of the Group's legal counsel, Management believes that the likelihood of loss on these claims is possible and did not recognize a provision for contingencies.

Changes in the provision for the year are as follows:

	Consolidated (IFRS and BR GAAP)			
	<u>Labor and social security</u>	<u>Tax</u>	<u>Civil</u>	<u>Total</u>
Balances as of December 31, 2011	18,067	8,676	576	27,319
Additions for acquisition of subsidiaries	4,372	10,581	-	14,953
Additions	4,608	329	32	4,969
Reversals	(15,153)	(6,974)	(368)	(22,495)
Use	<u>(531)</u>	<u>-</u>	<u>-</u>	<u>(531)</u>
Balances as of December 31, 2012	<u>11,363</u>	<u>12,612</u>	<u>240</u>	<u>24,215</u>

The main changes recorded as operating and administrative expenses in the statement of income refer to:

- Contingencies related to lawsuits recognized by the acquired entities referred to in Note 6.
- Reversals of contingencies related to expired claims and risks.

20. DEFERRED REVENUE

Refers to bonuses and discounts received from suppliers and service providers arising from the preferential and exclusive use of their services and/or resale of their products. These bonuses and discounts are recognized in "Other income" in the statement of income when the service is provided based on the expiration of the agreements entered into between the Group and its suppliers.

21. INCOME TAX AND SOCIAL CONTRIBUTION

a) Deferred income tax and social contribution

Deferred income tax and social contribution assets arise from tax loss carryforwards and temporary differences recognized. These credits are recorded in noncurrent assets and noncurrent liabilities, based on expected future earnings, pursuant to the legislation prevailing in each subsidiary's jurisdiction.

As of December 31, 2012 and 2011, deferred income tax is broken down as follows:

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Tax loss carryforwards	46,380	30,352
Temporary differences:		
Accrued liabilities	7,294	3,478
Provision for risks	8,178	8,643
Deferred income tax liabilities on goodwill amortization for tax purposes	(105,512)	(85,199)
Registered trademarks, license rights, and leasehold rights allocated in business acquisitions	(28,297)	(20,123)
Other	<u>(2,800)</u>	<u>(1,461)</u>
	<u>(74,757)</u>	<u>(64,310)</u>
Assets	13,393	14,030
Liabilities	(88,150)	(78,340)

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 income or loss for the next years, the realization schedule was estimated as follows:

<u>Year</u>	<u>Consolidated</u>
2013	3,583
2014	1,658
2015	2,891
2016	4,271
2017 onwards	<u>49,449</u>
Total	<u>61,852</u>

As of December 31, 2012, the Group has tax loss carryforwards amounting to R\$220,177 (R\$192,083 in 2011) for which it recognized a deferred tax asset up to the amount that can be offset against future taxable income. Tax loss carryforwards are distributed among the Group's subsidiaries as follows:

	Consolidated (IFRS and BR GAAP)	
	<u>2012</u>	<u>2011</u>
Brazil	190,813	168,821
Caribbean	5,592	1,552
Mexico	<u>23,772</u>	<u>21,710</u>
Total	<u>220,177</u>	<u>192,083</u>

In September 2012, the Company reassessed its deferred income tax asset recognition basis. Based on this analysis, which consisted of the five-year projected realization of tax loss carryforwards, Management decided to recognize R\$11,048 in 2012 (R\$12,435 in 2011) relating to a portion of deferred income tax assets charged to tax loss carryforwards.

For the Brazilian subsidiaries, the local tax law allows tax loss carryforwards to be offset indefinitely against future taxable income; however, the law limits the utilization of tax loss carryforwards in a given year to 30% of taxable income.

In Puerto Rico, generally net operating tax loss carryforwards can be offset against taxes on future taxable income within up to seven years. The utilization period of tax loss carryforwards incurred in fiscal years beginning after December 31, 2004 and before December 31, 2012 is ten years for usual taxes. Tax loss carryforwards recognized by Puerto Rico can only be utilized to offset against revenues generated only by fully taxable operations (and not revenue subject to special income tax rates arising from tax incentive laws). Additionally, as a rule, for minimum alternative tax purposes the Company can utilize tax loss carryforwards as a tax allowance in any given year, deducted from up to 90% of the applicable minimum alternative revenue determined disregarding such allowances.

In Mexico, tax loss carryforwards can be offset against future taxable income within the ten years following the year in which the tax loss carryforwards were generated, or otherwise such losses will expire.

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

	Consolidated (IFRS and BR GAAP)	
	<u>2012</u>	<u>2011</u>
Income before income tax and social contribution	39,888	18,891
Statutory rate	<u>34%</u>	<u>34%</u>
Income tax and social contribution at statutory rate	(13,562)	(6,423)
Adjustments made:		
Permanent differences	(1,340)	(8,167)
Effect on differences of tax rates of subsidiaries prevailing in other countries	(11)	(418)
Expenses with share-based payment, nondeductible	(2,216)	(866)
Deferred income tax assets on unrecognized tax loss carryforwards from previous years	(4,905)	(1,038)
Other	<u>-</u>	<u>(104)</u>
Income tax and social contribution	<u>(22,034)</u>	<u>(17,016)</u>

In Brazil, income tax returns are subject to audit by tax authorities during a five-year period from the end of the year such returns were filed, which in practice means six years, as returns are filed in June of the calendar year following the reporting year. Additional taxes or fines can be imposed as a result of such tax audits, that would be subject to interest. However, Management believes that all such taxes have been paid or properly accrued.

In Puerto Rico, the income tax returns are generally subject to the inspection by the tax authorities for a four-year period (six years, if certain conditions are met) as from the effective submission date of such returns (15th day of the 4th month as from the balance sheet date, plus eventual postponement), in order to review the year analyzed (any year may be reviewed in order to reduce the tax losses transferred to a year not reviewed). Additional taxes or fines can be imposed as a result of such tax audits, that would be subject to interest. However, Management believes that all such taxes have been paid or properly accrued.

In Mexico, income tax returns are subject to audit by tax authorities during a five-year period from the date such return is filed, which is in March of the following year.

22. EQUITY

The Company is authorized to increase capital up to 125,066,870 common shares without par value.

Reconciliation of shares at the beginning and end of the year is as follows:

	<u>Parent (BR GAAP)</u>
Share position as of December 31, 2010	59,744,290
New shares issued in 2011	<u>23,936,506</u>
Share position as of December 31, 2011	83,680,796
New shares issued in 2012	<u>398,715</u>
Share position as of December 31, 2012	<u>84,079,511</u>

As of December 31, 2012, the Company's share capital is comprised of 84,079,511 shares representing an amount of R\$615,529, net of initial public offering ("IPO") costs (R\$615,466 in 2011).

On March 3, 2011, as approved by the Shareholders' Meeting, the Company conducted its IPO, resulting in a capital contribution of R\$191,490, corresponding to 22,214,667 common shares issued by the Company, and increase in capital reserves in the amount of R\$108,408. The shares sold were settled on March 10, 2011.

On April 5, 2011, an overallotment of shares was sold in the amount of R\$13,179, through the issuance and payment of 1,527,258 common shares issued by the Company and increase in capital reserves in the amount of R\$7,453, due to the partial exercise of the option granted to Banco de Investimentos Credit Suisse (Brasil) S.A., as prescribed by the IPO underwriting agreements (Green Shoe) entered into by the parties. The offering expenses were recorded in a specific line item as a reduction of equity, in the amount of R\$24,125.

On May 3, 2011, the Company issued 194,581 shares as part of the share-based payment plan described in Note 23.

On May 11, 2012, the Company issued 398,715 shares as part of the share-based payment plan described in Note 23.

Allocation of net income

A portion of 5% of net income should be deducted to recognize the legal reserve, which shall not exceed 20% of capital.

Shareholders are entitled to a noncumulative annual dividend of at least 25% of net income, 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.

Capital reserve

Refers to the share subscription premium on capital contributions made in 2010 and 2011. In May 2012, according to Note 23, the capital reserve was increased by R\$6,520 due to the Company's share-based compensation plan (R\$2,546 in 2011)

Treasury shares

The crisis in international financial markets triggered in August 2011 adversely affected the performance of the Company's shares, whose trading price was lower than the share price in the IPO. Therefore, on October 27, 2011, the Company's Board of Directors approved a share buyback program effective for up to one year consisting of up to 10% of outstanding shares. Management believes that such program reflected the Company's prospects and contributed substantially to preserve the shareholders' equity.

The number of shares acquired in the year ended December 31, 2012 was 105,000 common shares, which were held in treasury.

The weighted average unit acquisition cost was R\$12.30 and minimum and maximum costs on the buyback dates were R\$12.00 and R\$12.50, respectively.

Net buyback disbursements amounted to R\$1,293.

As of December 31, 2012, the fair value of 105,000 treasury shares, calculated based on the last stock quotation, on the stock exchange or over-the-counter market, prior to the balance sheet date, is R\$2,657.

Other comprehensive income (loss)

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

23. SHARE-BASED PAYMENT

On February 15, 2011, the Extraordinary Shareholders' Meeting approved the Company's Share Rights Plan. Under the terms and conditions approved, this Plan will be managed by the Board of Directors, which is also responsible for granting the share rights and set the specific terms applicable to each grant, by defining the percentage of rights, the exercise conditions, the final exercise deadline, and the exercise price.

The maximum limits of shares subject to these rights are up to 5% of the Company's total capital, taking into consideration in this calculation all rights granted, exercised or not, except for those cancelled. The exercise price was set at R\$0.15.

After the approval of the Plan, each beneficiary entered into a separate agreement establishing specific criteria, on an individual basis. According to this Plan's regulation, the liquidity event that entitles the participants with the rights is the sale of the shares by the controlling shareholder. The rights of 194,581 shares were granted through December 31, 2011. The condition for the exercise of such rights is immediate. Therefore, considering the fair value of shares on grant date, of R\$13.50, the consideration for the services received totaled R\$2,546, recognized as an increase of the capital reserves as a balancing item to operating and administrative expenses for the year ended December 31, 2011.

The termination period of this Plan is defined at the Company's General Meeting.

According to the regulation, the Plan's participant that provides services for at least 36 months and decides to discontinue the services before the liquidity event will lose 50% of the portion of the rights of shares not acquired. The remaining 50% of the rights will be held by the participant for 24 months after his/her dismissal.

Should the continued services of the beneficiaries be terminated by the Company before the liquidity event, the total rights will be maintained for 24 months after their dismissal.

The Plan's rights granted to the beneficiaries may be transferred to their heirs, according to their indications and legal provisions.

In May 2012, upon the Board of Directors' approval, rights of 398,715 shares were distributed in April 2012 resulting from the liquidity event, which were partially exercised by the beneficiaries through September 30, 2012. The exercise right is immediate. Therefore, considering the fair value of shares on grant date, of R\$16.50, the consideration for the services received totaled R\$6,520, recognized as an increase of the capital reserves as a balancing item to operating and administrative expenses.

The fair value of shares was set based on the market value of the Company's shares.

24. NET SALES REVENUE

Below is the reconciliation of gross revenue and net revenue recorded in the statement of income:

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Gross sales revenue	1,259,574	975,419
Taxes on sales	(82,320)	(72,683)
Returns and rebates	<u>(4,827)</u>	<u>(4,130)</u>
Total	<u>1,172,427</u>	<u>898,606</u>

25. OPERATING AND ADMINISTRATIVE EXPENSES

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Payroll	(3,714)	(528)	(62,454)	(43,825)
Rent	(4)	(4)	(99,997)	(72,202)
Outside services	(1,306)	(1,799)	(30,416)	(30,922)
Credit card commissions	-	-	(13,513)	(10,601)
Sundry materials	-	-	(20,819)	(15,644)
Travel expenses	(18)	-	(3,839)	(3,402)
Utilities and maintenance	-	-	(3,670)	(1,920)
Depreciation and amortization	(28)	(4)	(42,950)	(31,754)
Share-based payment expenses	(6,520)	(2,546)	(6,520)	(2,546)
IPO expenses	-	(2,476)	-	(17,698)
Other expenses	<u>(1,264)</u>	<u>(2,077)</u>	<u>(19,068)</u>	<u>(19,069)</u>
Total	<u>(12,854)</u>	<u>(9,434)</u>	<u>(303,246)</u>	<u>(249,583)</u>

26. OTHER INCOME AND EXPENSES

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Other expenses:		
Write-off of fixed assets	(2,689)	(722)
Other expenses	<u>(262)</u>	<u>(52)</u>
Total	<u>(2,951)</u>	<u>(774)</u>

	Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Other income:		
Preemptive agreements	6,399	5,345
Sale of fixed assets	4,050	773
Renegotiation with customers and suppliers	5,405	9,925
Court-ordered State VAT (ICMS) refund	3,961	2,092
Tax recovery	-	1,471
Income from subleases	4,745	4,431
Revenue (vending machines)	318	1,014
Other	<u>1,963</u>	<u>1,601</u>
Total	<u>26,841</u>	<u>26,652</u>

27. FINANCIAL INCOME (EXPENSES)

	Parent (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Financial income:				
Income from short-term investments	2,755	16,575	3,456	18,889
Inflation adjustment	-	-	543	-
Discounts obtained	-	-	122	-
Other	-	-	<u>624</u>	<u>1,078</u>
Total	<u>2,755</u>	<u>16,575</u>	<u>4,745</u>	<u>19,967</u>
Financial expenses:				
Interest on financing (*)	-	(45)	(17,187)	(30,075)
Inflation adjustment, interest and bank fees	(330)	(196)	(5,977)	(3,902)
Other	-	(7)	<u>(1,151)</u>	<u>(937)</u>
Total	<u>(330)</u>	<u>(248)</u>	<u>(24,315)</u>	<u>(34,914)</u>

(*) As of December 31, 2012, the main borrowings that contributed to the expense incurred with interests on financing refer to Banco Itaú S.A. - R\$6,608 (R\$14,341 in 2011), Banco Bradesco S.A. - R\$6,368 (R\$11,774 in 2011) and Firstbank - R\$2,442 (R\$2,320 in 2011).

28. EXPENSES BY NATURE

	Parent		Consolidated	
	(BR GAAP)		(IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Inventory costs	-	-	(454,454)	(360,200)
Personnel	(3,714)	(528)	(347,450)	(248,602)
Share-based payment expenses	(6,520)	(2,546)	(6,520)	(2,546)
IPO expenses	-	(5,841)	-	(17,698)
Selling expenses	-	-	(9,784)	(8,507)
Outside services	(1,306)	(1,799)	(30,416)	(30,922)
Operating expenses	(22)	(4)	(154,123)	(113,923)
Depreciation and amortization	(28)	(4)	(77,430)	(62,574)
Other income and expenses	<u>(1,264)</u>	<u>1,288</u>	<u>(56,682)</u>	<u>(45,674)</u>
Total	<u>(12,854)</u>	<u>(9,434)</u>	<u>(1,136,859)</u>	<u>(890,646)</u>

29. RELATED PARTIES

The subsidiaries conduct intercompany purchases and apportion intercompany expenses, which have been fully eliminated in consolidation. The eliminated amounts are as follows:

<u>Subsidiaries</u>	Consolidated	
	<u>12/31/12</u>	<u>12/31/11</u>
Frango Assado Chain	10,176	12,135
Viena Chain	29,683	28,871
RA Catering	<u>8,724</u>	<u>5,930</u>
Total	<u>48,583</u>	<u>46,936</u>

In 2009, the Group acquired from Dufry Americas y Caribe Corp., through subsidiary Airport Shoppes Corporation, 100% of the shares of Inversiones Liers, S.A., an entity controlled by Advent Funds, based in the Dominican Republic, for R\$16,468. Under the lease agreement, such acquisition will be paid in annual installments through February 17, 2029 and no interest is levied on the outstanding balance. As of December 31, 2012, the balance at present value is R\$7,115 (R\$6,442 as of December 31, 2011) and, in the year ended December 31, 2012, the expense with interest related to this liability is R\$354 (R\$287 in 2011).

The Group's subsidiaries in the Dominican Republic entered into agreements to rent the stores in the Santo Domingo Airport, where its restaurants are located, with the administrator of the airport, Aeropuertos Dominicanos Siglo XXI, S.A., a company controlled by Fundos Advent. The amounts are paid on a monthly basis in accordance with the prices practiced with third parties. As of December 31, 2012, the balance payable to this company in connection with the agreements is R\$45. In the year ended December 31, 2012, the total rental expenses amounted to R\$2,203 (R\$1,260 in 2011).

The Group's subsidiaries in Mexico entered into agreements to rent the stores in the Mexico City Airport, where its restaurants are located, with the administrator of the airport, Imobiliária Fumisa, S.A. de C.V., a company controlled by Fundos Advent. The amounts are paid on a monthly basis in accordance with the prices practiced with third parties. As of December 31, 2012, the balance payable to this company in connection with the agreements is R\$43. In the year ended December 31, 2012, the total rental expenses amounted to R\$3,308 (R\$3,127 in 2011).

Subsidiary Comercial Frango Assado Ltda. (Highway segment) has entered into operating leases with one of the Group's investors involving part of the properties used in its operations. These lease agreements are effective for 20 years and provided for a monthly fixed rental adjusted every 12 months using the General Market Price Index of Fundação Getúlio Vargas - IGP-M/FGV. Under these agreements, the parties waive the rights to file any rental adjustment action provided for by the Rental Law, and a revision of contractual terms can be made after ten years so that the annual rental amount is equivalent to 8% of the market value of the leased building and land. As of December 31, 2012, the balance payable to these investors is R\$559. In the year ended December 31, 2012, the rental expenses totaled R\$6,498 (R\$6,280 in 2011).

As of December 31, 2012, the Group's balance payable to one of the executive officers of its subsidiaries amounts to R\$2,250 in connection with the purchase of one of the businesses.

The guarantees provided by Group companies for own or related-party financing are disclosed in Note 17.

Management compensation

In the year ended December 31, 2012, the key management compensation amounted to R\$12,209 (R\$14,042 in 2011), of which R\$9,540 refers to statutory executive officers and directors and R\$2,669 refers to nonstatutory executive officers. Out of this amount, R\$4,871 refers to the Company's share-based compensation. This amount was recognized in line item "Operating and administrative expenses" and includes only short-term benefits. Management does not receive any postretirement or other long-term benefits.

The Company considers that the implementation of its strategic growth plan depends on the maintenance of the executive officers. Accordingly, Management approved the payment of the bonus to retain such executive officers through December 2013. The bonus totaled R\$3,872, including statutory and nonstatutory executive officers.

30. 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 includes financial liabilities with financial institutions, as disclosed in Note 17, cash and cash equivalents, securities and equity, including share capital and accumulated losses.

The Group is not subject to any external capital requirement.

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 improve the Group's ratios.

In March 2011, the Company received a capital contribution in the amount of R\$191,490, as mentioned in Note 22, which was used to finance the Company's operational growth.

b) Critical accounting policies

Please refer to Note 3 for a detailed description of the critical accounting policies and methods adopted, including the criteria for recognition of revenues and expenses for each class of financial assets and liabilities, as well as equity.

c) Categories of financial instruments

Management believes that the carrying amounts of financial assets and liabilities recorded at amortized cost in the financial statements approximate their fair values. The main financial instruments are distributed as follows:

	Carrying amount and fair value			
	Parent		Consolidated	
	(BR GAAP)		(IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/11</u>
Financial assets-				
Trade receivables and receivables at amortized cost:				
Cash and cash equivalents	11,079	82,622	52,163	138,118
Trade receivables	-	-	69,328	48,313
Total	<u>11,079</u>	<u>82,622</u>	<u>121,491</u>	<u>186,431</u>
Financial liabilities-				
Other financial liabilities recognized at amortized cost:				
Trade payables	150	157	68,666	53,916
Borrowings and financing	-	-	224,570	242,458
Payables for acquisition of business	-	-	60,736	27,414
Total	<u>150</u>	<u>157</u>	<u>353,972</u>	<u>323,788</u>

d) Liquidity and interest rate risk

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

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

The table below details the remaining contractual maturity of the Group's nonderivative financial assets and liabilities and the agreed amortization terms. These tables were prepared using the undiscounted cash flows of the financial liabilities based on the nearest date on which the Group can be required to make the related payment. As interest flows are based on floating rates, the undiscounted amount is based on the interest curves at the end of the year. Contractual maturity is based on the first date the Group can be required to pay.

	Weighted effective average interest rate - %	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
As of December 31, 2011:							
Trade payables	-	53,001	902	3	10	-	53,916
Trade receivables	-	35,941	9,094	3,278	-	-	48,313
Borrowings and financing	12.68	7,953	4,485	24,107	157,365	89,055	282,965
Payables for acquisition of business	10.43	-	-	5,242	-	28,129	33,371
As of December 31, 2012:							
Trade payables	-	48,359	20,270	37	-	-	68,666
Trade receivables	-	47,736	16,009	5,583	-	-	69,328
Borrowings and financing	10.68	9,372	3,384	50,767	193,688	-	257,211
Payables for acquisition of business	9.43	505	1,534	13,466	54,702	-	70,207

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. Sales of the Company and its subsidiaries 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 accounts", as described in Note 10.

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

f) Interest rate risk

The Group has borrowings and debt agreements denominated in U.S. dollars and Brazilian reais, indexed to the LIBOR (long-term rate), the TJLP (agreements with BNDES), the CDI (interbank deposit rate), and the National Consumer Price Index (INPC) calculated by Instituto Brasileiro de Geografia e Estatística - IBGE (Brazilian statistics office), and taxes payable subject to SELIC (Central Bank's policy rate) and TJLP interest. These liabilities contain an inherent risk due to usual market fluctuation. The Company and its subsidiaries do not have any derivative agreement to mitigate this risk as the Company's Management understands that the interest rates pegged to these interest rates do not pose a significant risk.

Sensitivity analysis

In order to conduct the sensitivity analysis of the interest rate charged on existing borrowings and other obligations, the Company and its subsidiaries use, for a probable scenario, the market rate obtained in Brazilian or international stock exchanges, and consider a 25% and 50% increase in such rate for Scenarios I and II, respectively. The sensitivity analysis results are as follows:

	<u>Probable</u>	<u>Scenario I</u>	<u>Scenario II</u>
Loan Banco Itaú S.A. (per year) - CDI	9.80%	11.90%	14.00%
Estimated charges	6,088	7,393	8,698
Loan Banco Bradesco S.A. (per year) - CDI	10.65%	12.75%	14.85%
Estimated charges	6,544	7,835	9,125
LIBOR (per year)	2.81%	2.89%	2.97%
Estimated charges	2,259	2,322	2,384
TJLP (per year)	14.00%	15.38%	16.75%
Estimated charges	1,247	1,369	1,492
<u>Companies' installments</u>	<u>Probable</u>	<u>Scenario I</u>	<u>Scenario II</u>
Companies' installments (per year) - CDI	8.40%	10.50%	12.60%
Estimated charges	3,131	3,914	4,696
Companies' installments (per year) - INPC	6.20%	7.75%	9.30%
Estimated charges	1,193	1,491	7,789

g) Debt ratio

The debt ratio at the yearend is as follows:

	<u>Consolidated (IFRS and BR GAAP)</u>	
	<u>12/31/12</u>	<u>12/31/11</u>
Debt	224,570	242,458
Cash and banks (short-term investments)	<u>(52,163)</u>	<u>(138,118)</u>
Net debt (i)	172,407	104,340
Equity (ii)	<u>875,466</u>	<u>821,353</u>
Debt ratio, net	<u>0.20</u>	<u>0.13</u>

(i) Debt is defined as short and long-term borrowings, as detailed in Note 17.

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

31. OPERATING LEASE - STORES

The Group entered into lease agreements with third parties and related parties (see Note 29). Based on the analysis of these agreements, Management classified them as operating lease agreements.

Such lease agreements are effective from 5 to 20 years and may be automatically renewed for an additional period of ten years. The lease amount corresponds to a monthly fixed installment, plus a percentage on monthly sales made by stores.

Lease expenses as of December 31, 2012 totaled R\$96,446 (R\$69,886 in 2011).

Future operating lease payments are as follows:

	<u>Consolidated (IFRS and BR GAAP)</u>
2013	99,463
2014	104,733
2015	97,172
2016 onwards	<u>909,778</u>
Total	<u>1,211,146</u>

32. COMMITMENTS, CONTRACTUAL OBLIGATIONS AND RIGHTS

The commitments, contractual obligations and rights, either granted or received, are as follows:

<u>Type</u>	<u>Consolidated (IFRS and BR GAAP)</u>	
	<u>12/31/12</u>	<u>12/31/11</u>
Collaterals	26,620	5,725
Credit facilities	15,000	10,000
Commitments related to sales agreements	25,707	84,541

The Group's subsidiaries comprising the former Frango Assado Chain assumed specific commitments to purchase a minimum volume from fuel suppliers, under which the Group is required to pay 10% of the total cost of the volume purchased in the period as a fine in case of default. A portion of the minimum volume set in the related agreements has not been reached, and suppliers have been historically waiving such requirement by extending the original term of the agreements.

33. INSURANCE

The Group has an insurance policy that considers principally risk of concentration and its materiality, providing insurance coverage considered sufficient in light of Group activities and advice of insurance brokers.

As of December 31, 2012, insurance coverage is as follows:

<u>Type</u>	<u>12/31/12</u>
Civil liability	14,042
Sundry risks - property, plant and equipment and inventories	316,943
Vehicles	33,043
Other	<u>3,629</u>
Total	<u>367,657</u>

34. SUPPLEMENTAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

The Company's Management defines as "Cash and cash equivalents" amounts maintained for the purpose of meeting short-term commitments and not for investment or any other purposes. Short-term investments can be immediately converted into a known cash amount and are not subject to significant changes in value. As of December 31, 2012 and 2011, the balances comprising this line item are broken down according to Note 8.

In May 2012, as described in Note 22, the capital reserve was increased by R\$6,520 due to the Company's share-based compensation plan, not affecting the cash (R\$2,546 in 2011).

In April 2012, as described in Note 6.1., item a)(i), the Group acquired the companies Pepper Bar e Lanchonete Ltda., Dedo de Moça Bar e Lanchonete Ltda. and Latin Foods Franchising Ltda., which comprise the restaurant chains that operate under the trademarks "Wraps" and "Go Fresh". As part of the acquisition price, the amount of R\$4,488 will be paid in two installments in 2014 and 2016. This amount increased the Group's assets and liabilities, without cash disbursement, recorded in the statements of cash flows.

In April 2012, as described in Note 6.1., item b)(i), the Group acquired the companies J&C Delicias S.A.S., Traversata S.A.S. and Three Amigos S.A.S., which comprise the restaurant chains that operate under the trademark "J&C Delicias" in Colombia. As part of the acquisition price, R\$3,315 will be paid within 18 monthly installments. This amount represented an increase of the Group's liabilities and assets, without any cash disbursements, in the statements of cash flows.

In July 2012, as described in Note 6.1., item a)(ii), the Group acquired the companies Marcas Comestíveis Ltda., Orange Fantasy Lanchonetes Ltda. and Squadro Lanchonetes Ltda., which comprise the restaurant chain that operates under the trademark "Batata Inglesa". As part of the acquisition price, the amount of R\$30,000 will be paid in three installments in 2013, 2014 and 2015. This amount increased the Group's assets and liabilities, without cash disbursement, recorded in the statements of cash flows.

As mentioned in Note 6.2., items b)(i) and (ii), the Group acquired Aeroservicios De La Costa Limitada, which provides catering services in airports in Colombia, Inversiones G Serrano M Aeroservicios Ltda., which provides airline catering services ("catering") in Bogotá airport, in Colombia, and Servecom Catering Refeições Ltda., which provides catering services in Viracopos airport, in Campinas, Brazil, whose portion in the amount of R\$6,396 will be paid within up to 18 months and the remaining portion of R\$1,700 will be paid within up to five years; therefore, no cash was disbursed.

35. EARNINGS PER SHARE

Basic

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares issued in the year.

Diluted

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

The table below shows the calculation of earnings per share pursuant to technical pronouncement CPC 41 - Earnings per Share:

	Parent (BR GAAP) and Consolidated (IFRS and BR GAAP)	
	<u>12/31/12</u>	<u>12/31/11</u>
Basic and diluted numerator-		
Allocation of net profit to shareholders	17,854	1,875
Shares available:		
Basic and diluted denominator (in thousands of shares)	83,842	79,532
Weighted average of granted share rights (see Notes 22 and 23)	-	38
Weighted average number of outstanding shares	83,842	79,570
Basic earnings per share - R\$	<u>0.2126</u>	<u>0.0224</u>
Diluted earnings per share - R\$	<u>0.2129</u>	<u>0.0236</u>

36. SUBSEQUENT EVENTS

On February 25, 2013, the US Department of Air Transportation approved the privatization of the Luiz Muños Marín Airport, San Juan, Porto Rico. Aerostar Airport Holdings, LLC (“Aerostar”), which won the bidding process, entered into the agreement with the Government of Puerto Rico and will manage this airport for 40 years. The Aerostar’s operational and investment plan includes the restructuring of the terminals to concentrate the flow of passengers, which will increase the airport sales. The Group operates catering and restaurants, snack bars and coffee shops (“stores”), in addition to other services related to the airport operations, and, on March 5, 2013, the Company’s Management entered into an agreement with Aerostar, which gave the Group priority to rent the spaces and obtain the licenses to operate the meal activities in the airport, in addition to the extension of the concession for additional 12 years. This agreement also changes the rental installments, which may vary depending on the sales volume of each store.

On March 11, 2013, the Board of Directors approved the issuance of 394,143 shares in accordance with the share-based compensation plan (see Note 23) in connection with the liquidity event on January 15, 2013. The share-based compensation plan determines, upon any liquidity event, the distribution of stock options to the plan's beneficiaries at the price of R\$0.15 per share. This event will affect the net profit for the first quarter of 2013 in R\$9,853.

37. AUTHORIZATION FOR COMPLETION OF FINANCIAL STATEMENTS

The meeting of the Board of Directors held on March 11, 2013 authorized the completion of these individual and consolidated financial statements, which comprise the events that took place after December 31, 2012, whose financial statements are approved for disclosure.
