imc INTERNATIONAL MEAL COMPANY

2Q18 RESULTS

São Paulo, August 14th, 2018 - International Meal Company Alimentação S.A. (B3: MEAL3), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the second quarter of 2018 (2Q18). Unless otherwise indicated, the information herein is presented in a consolidated manner and in millions of Brazilian reais (R$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

HIGHLIGHTS

Net Revenue
R$397M in 2Q18
(5.3% up vs. 2Q17)

Adjusted EBITDA
R$35M in 2Q18
(-7%|-120bps)

Net Profit
R$2.6M in 2Q18
(from R$14.9M in 2Q17)

MEAL3 on 6.29.2018
R$7.93

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CONFERENCE CALL - PORTUGUESE

8/15/2018
9:00 a.m. (Brasília) / 8:00 a.m. (US ET)

Webcast: click here

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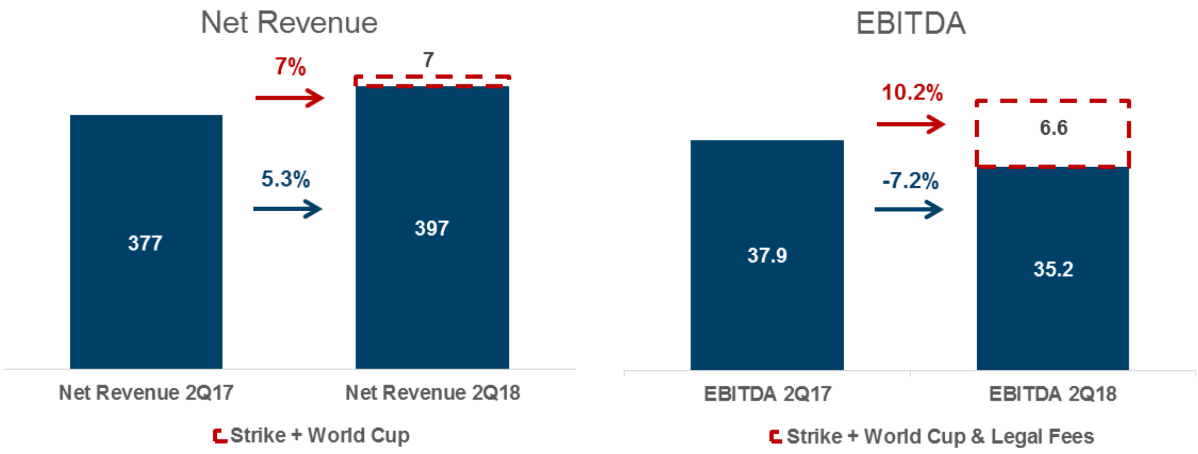
MESSAGE FROM MANAGEMENT

We must note that 2Q18 results had specific impacts in Brazil and the USA. In Brazil - especially in the highways segment, but also in shopping malls - **the results were negatively impacted by the truckers' strike and the World Cup**; we estimated that the **combined effects on revenue were ~R$ 7 million** (R$6 million in road restaurants and R$1 million in shopping malls) and **~R$ 5 million in EBITDA** (R$4 million in restaurants on roads and R$0.6 million in shopping malls). **In the US, we had non-recurring legal expenses due to a legal dispute of ~ $ 0.5 million**. Consequently we had a total impact of R$ 6.6 million in EBITDA, **excluding these effects, EBITDA would have been R$ 41.8 million, equivalent to a 10% growth YoY. With regards to revenue, we would have had a consolidated growth of 7% and 2% in Brazil.**



Consolidated net revenue reached R$ 397 million, a growth of 5.3% vs. 2Q17, impacted by the effects described above.

Consolidated Adjusted EBITDA was down 7% YoY reaching R$35M, with a reduction of 120bps in margins that reached 8.9% in 2Q18. Net revenues reached R$397M, up 5.3% YoY. We posted a **Net profit of R$3M, from a R$15M in 2Q17.**

In Brazil, operating income (including holding expenses) was down 43% YoY (-R$4M) reaching R$5.8M with a 190bps reduction in margins, which was mostly impacted by the truck drivers' strike and world cup which we estimate to have impacted results in approximately R$5M. It is worth noting the positive performance at Brazilian Airports, where operating income grew by 219% due to the recovery in both Catering and restaurants. The same is true for Shopping Malls, where efficiency efforts and cost adjustments have led to an improvement of 180bps in margins or a 15% growth in operating income.

In the US, there was **a increase in operating income due to the positive impact of the exchange rate.** In US$ operating margins were impacted by higher G&A expenses due to legal fees, excluding that effect margins would have been flat YoY. **In the Caribbean, operating income was in line with last year** in reais.

The 2Q18 also marks an important change in IMC's history with the signing of the association agreement with Sapore, establishing the basis for the combination of the two Companies.

The merger represents the creation of a leading Company in the food services and retail markets in Latam with over R$3B in revenues, R$220M in EBITDA and nearly 1.4k points of sale across Brazil, Colombia, Panama, Mexico and the USA.

Relevant synergies will be generated with the merger:

- **Purchasing and Food Cost**: the opportunity stems from centralized purchasing, resulting in purchasing terms matching, higher bargaining power and SKUs optimization. IMC (in Brazil alone) and Sapore spent over R$900M in food cost in 2017 – excluding logistics costs.
- **Logistics, Distribution, Supply Chain**: most of IMC logistics is done internally, with 3 central kitchens distributing products in: SP, RJ and Brasilia, while Sapore has a logistic network with 7 distribution centers located in: SP, RJ, BA, AM, PR, RS, PE. Hence, IMC will be able to lever

Sapore's network, especially outside of SP. IMC (in Brazil alone) and Sapore spent over R$60M in logistics in 2017.

- **G&A Expenses**: streamline administrative structure, elimination of redundant areas, systems and other G&A expenses. IMC (in Brazil alone) and Sapore spent over R$160M in G&A in 2017

Besides synergies, **best practices sharing between the companies should speed up the margin gains in IMC.** For example, IMC started in late 2017 its intelligent kitchen project aiming at: i) improving product quality and consistency; ii) improving productivity and reducing costs related to waste and labor. All of that supported by the pre-preparation of products at central kitchens or by suppliers and sent to the restaurants, which will have new equipment (combi-steamers). Sapore has been the sector benchmark for that and has started this process over 10 years ago focusing on 3 dimensions: i) people: constant training; ii) product: pre-preparation of products done by an extensive chain of suppliers; and iii) equipment: optimized kitchen area, higher productivity and consistency and lower utilities expenses. Consequently our target to reach 10% EBITDA Margin in IMC Brazil could happen faster, and with lower execution.

The merger also creates important cross-selling opportunities:

- **IMC's Cafés/Kiosks in Sapore's Clients**: open IMC's recognized Cafés/Kiosks Brands (Brunella, Viena Café, Viena Snacks, V. Café) at Sapores Clients. IMC currently has 24 Cafés/Kiosks, while Sapore has over 1,100 restaurant clients in Brazil.
- **IMC's Products sold to Sapore's Clients**: IMC has a wide range of pastries, sweets, snacks and cakes that could be sold to Sapore's clients - Sapore serves more 1M people on a daily basis.
- **IMC expansion throughout Brazil**: Speed-up IMC's expansion throughout Brazil (i.e.: Olive Garden in all major State Capitals) leveraging on Sapore's Supply Chain and commercial teams - Sapore has 7 distribution centers and 10 commercial offices across the country.
- **Speed-up Sapore's Growth**: i) expansion into the Healthcare industry in Brazil, where IMC is already exposed to leading providers - IMC's main Hospital clients: Albert Einstein, Samaritano, AC Camargo, Oswaldo Cruz; and ii) expansion in Colombia leveraging IMC's team, supply chain and connections - IMC has 8 Catering operations in Colombia; 8 stores in 3 different airports; and 14 J&C Restaurants in Malls.

In addition there are still substantial organic growth potential across all segments in which we operate for the short-term and also mid-long-term. Especially with regards to the new segment that we will be exposed from now on - Corporate restaurants - we believe that there is much room for expansion:

- The corporate restaurants market is growing and should benefit by the improvements in the economy and formal labor. The market is still fragment, bearing an important growth and consolidation opportunity for Sapore. Also, there are segments to be explored such as healthcare in which Sapore has just 2% market share compared to the 10% overall market share.

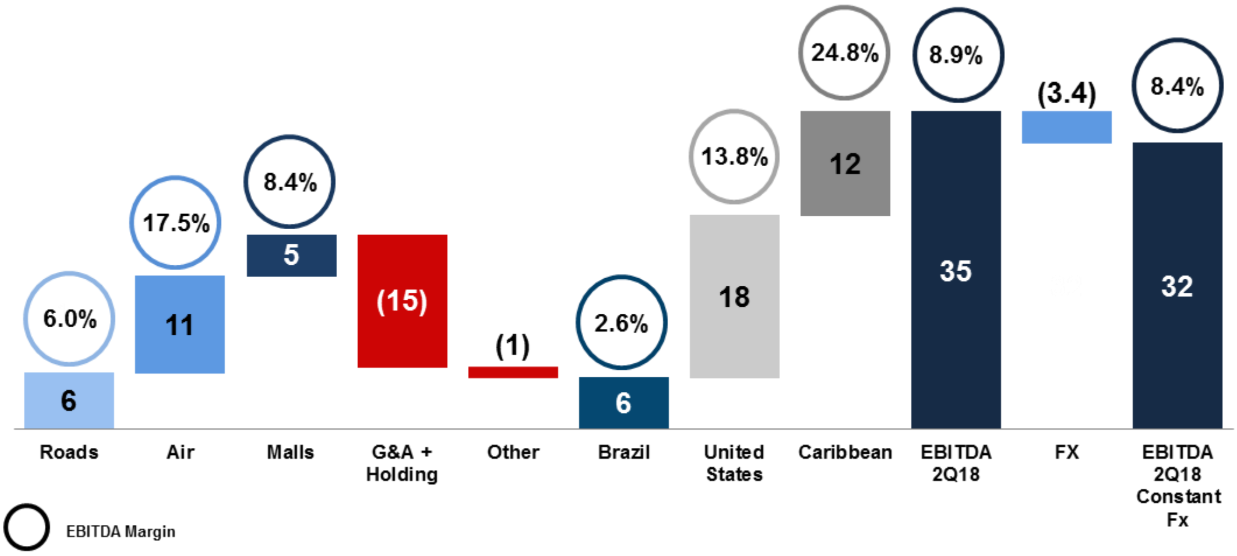
We are extremely optimistic about the merger and the Company's perspectives. Currently we are in the final stages of the legal and financial due-diligence. The next steps are to complete the merger protocol, convene and conduct the shareholders meeting and launch the tender offer. An important part of the process has been already concluded which was the analysis and approval by the anti-trust authority CADE.

All in all, 2Q results have been mostly impacted by a specific effect in Brazil and in the USA, but we remain confident that we are in the right direction and there is a lot to be captured specially now with the merger with Sapore that creates a larger Company, with the potential to be more efficient.

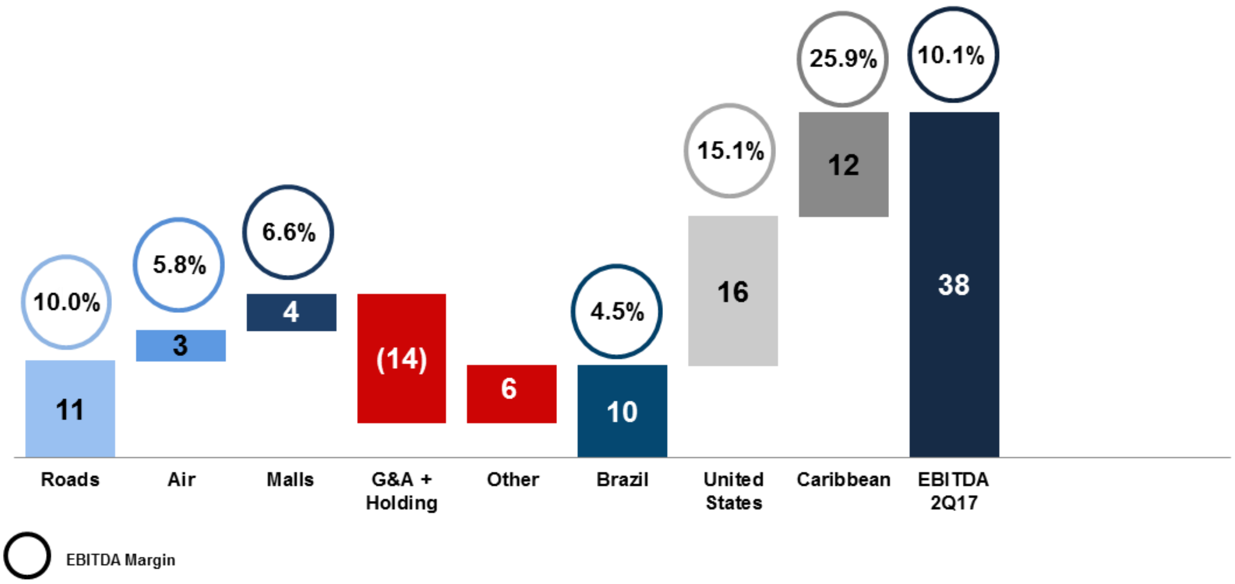
COMMENTS ABOUT IMC'S PERFORMANCE

OVERVIEW OF 2Q18

EBITDA Bridge 2Q18

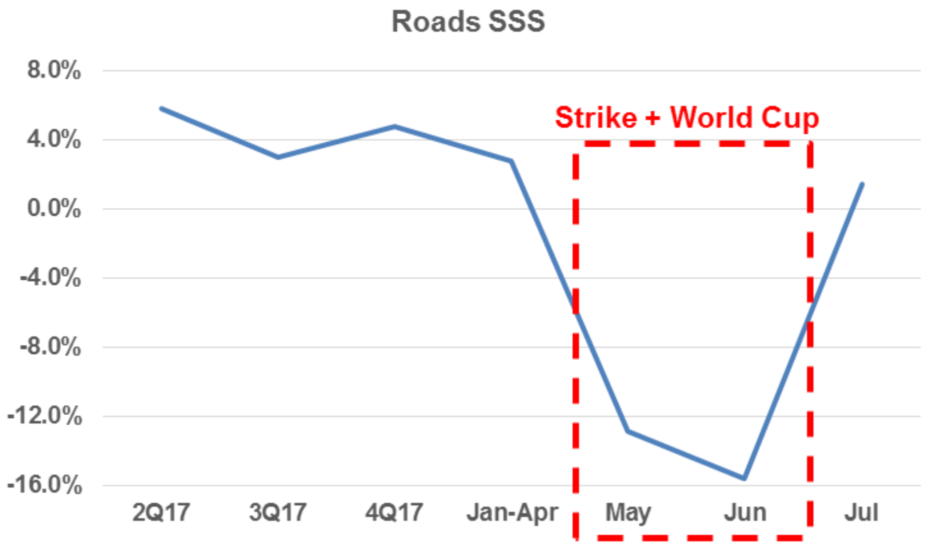


EBITDA Bridge 2Q17



In 2Q18, IMC's Adjusted EBITDA was down by 7% with a 120bps margin decrease reaching R$35 million in in Reais (or R$32 million constant currency) with a 8.9% margin.

In Brazil, operating income was -R$4M (-43% YoY) reaching R$5.8M with a 190bps reduction in margins. Results were negatively impacted by the truck drivers' strike and the world cup, which we estimate to be R$7M in sales and R$5M in EBITDA. The main impact was in the Road segment as the traffic was down by 14% (according to ABCR) in May, reverting the positive trend observed in the previous 11 months. Such impact resulted in a 11% negative SSS performance in Roads restaurants in the quarter. However, we believe that this was a specific impact, as sales in July are positive again.



On top of that, on a relative basis, the Brazil 2Q17 results had also the positive impact of R$6M (other income line) from tax recoveries.

In the US, results were positively impacted by the exchange rate in the quarter. In terms of sales new stores positive performance continue to offset the negative SSS. In terms of margins, results were negatively impacted by higher G&A expenses related to legal fees of ~US$0.5M; excluding that, margins would have been flat YoY.

In the Caribbean, the FX also helped operating income to remain flat on YoY basis. Margins (-100bps) were mainly pressured by labor expenses as lower SSS reduced the dilution of fixed costs.

CONSOLIDATED RESULTS

(in R$ million)	2Q18	2Q17	%HA	2Q18[3]	% HA[3]	2018	2017	%HA	2018[3]	% HA[3]
Net Revenue	**396.7**	**376.9**	**5.3%**	***376.8***	***0.0%***	**759.5**	**727.5**	**4.4%**	***735.1***	***1.0%***
Restaurants & Others	342.2	327.5	4.5%	*322.2*	*-1.6%*	646.7	621.8	4.0%	*622.3*	*0.1%*
Gas Stations	54.5	49.3	10.4%	*54.5*	*10.4%*	112.8	105.8	6.6%	*112.8*	*6.6%*
Brazil	220.7	224.0	-1.4%	*220.7*	*-1.4%*	465.3	462.7	0.6%	*465.3*	*0.6%*
US	129.5	108.4	19.4%	*115.2*	*6.2%*	204.1	176.5	15.7%	*187.0*	*6.0%*
Caribbean	46.5	44.5	4.4%	*40.9*	*-8.1%*	90.1	88.4	1.9%	*82.7*	*-6.4%*
Cost of Sales and Services	**(267.7)**	**(259.3)**	**3.2%**	***(256.8)***	***-1.0%***	**(522.1)**	**(512.7)**	**1.8%**	***(508.6)***	***-0.8%***
Direct Labor	(103.7)	(100.2)	3.4%	*(98.5)*	*-1.7%*	(198.6)	(194.6)	2.0%	*(192.2)*	*-1.3%*
Food	(84.5)	(85.5)	-1.2%	*(80.2)*	*-6.2%*	(164.5)	(164.7)	-0.1%	*(159.3)*	*-3.3%*
Others	(22.0)	(20.1)	9.6%	*(21.0)*	*4.9%*	(41.2)	(39.0)	5.8%	*(40.1)*	*2.8%*
Fuel and Automotive Accessories	(44.9)	(40.2)	11.8%	*(44.9)*	*11.8%*	(93.3)	(87.1)	7.1%	*(93.3)*	*7.1%*
Depreciation & Amortization	(12.6)	(13.4)	-5.5%	*(12.1)*	*-9.7%*	(24.5)	(27.3)	-10.4%	*(23.8)*	*-12.9%*
Gross Profit	**129.0**	**117.5**	**9.7%**	***120.0***	***2.1%***	**237.4**	**214.8**	**10.5%**	***226.4***	***5.4%***
Gross Margin (%)	*32.5%*	*31.2%*	*1.3p.p.*	*31.8%*	*0.7p.p.*	*31.3%*	*29.5%*	*1.7p.p.*	*30.8%*	*1.3p.p.*
Operating Expenses	**(113.9)**	**(100.7)**	**13.1%**	***(107.4)***	***6.7%***	**(220.4)**	**(203.2)**	**8.5%**	***(212.3)***	***4.5%***
Selling and Operating	(45.6)	(43.8)	4.3%	*(42.0)*	*-4.0%*	(87.3)	(84.5)	3.3%	*(82.8)*	*-2.0%*
Rents of Stores	(39.5)	(38.1)	3.8%	*(37.5)*	*-1.6%*	(74.2)	(71.9)	3.2%	*(71.7)*	*-0.3%*
Store Pre-Openings	(0.9)	(0.8)	7.3%	*(0.9)*	*10.3%*	(3.4)	(1.9)	76.8%	*(3.4)*	*76.5%*
Depreciation & Amortization	(6.9)	(7.2)	-3.8%	*(6.7)*	*-7.5%*	(13.8)	(15.1)	-8.5%	*(13.4)*	*-10.9%*
J.V. Investment Amortization	(0.6)	(0.5)	12.1%	*(0.5)*	*0.0%*	(1.1)	(1.0)	7.7%	*(1.0)*	*0.0%*
Equity income result	3.5	2.7	29.7%	*3.1*	*15.7%*	5.9	4.7	25.7%	*5.4*	*15.5%*
Other revenues (expenses)	(0.5)	7.4	-106.8%	*(0.6)*	*-107.8%*	(2.2)	8.4	-125.4%	*(2.2)*	*-126.5%*
General & Administative	(21.6)	(17.9)	20.6%	*(20.6)*	*15.2%*	(40.6)	(36.2)	11.9%	*(39.4)*	*8.7%*
Corporate (Holding)[2]	(1.8)	(2.5)	-28.3%	*(1.8)*	*-29.4%*	(3.8)	(5.7)	-33.9%	*(3.8)*	*-34.5%*
Special Items - Write-offs	0.0	0.0	-	*0.0*	-	0.0	0.0	0.0%	*0.0*	
Special Items - Other	(2.9)	(0.7)	312.9%	*(2.9)*	312.9%	(5.4)	(1.8)	195.4%	*(5.4)*	195.4%
EBIT	**12.2**	**16.1**	**-24.4%**	***9.7***	***-40.1%***	**11.5**	**9.8**	**na**	***8.7***	***na***
(+) D&A and Write-offs	20.1	21.1	-4.5%	*19.2*	*-8.7%*	39.4	43.4	-9.3%	*38.2*	*-11.9%*
EBITDA	**32.3**	**37.2**	**-13.1%**	***28.9***	***-22.3%***	**50.9**	**53.2**	**-4.3%**	***46.9***	***-11.8%***
EBITDA Margin (%)	*8.2%*	*9.9%*	*-1.7p.p.*	*7.7%*	*-2.2p.p.*	*6.7%*	*7.3%*	*-0.6p.p.*	*6.4%*	*-0.9p.p.*
(+) Special Items - Other	2.9	0.7	-	*2.9*	-	5.4	1.8	195.4%	*5.4*	*195.4%*
Adjusted EBITDA [1]	**35.2**	**37.9**	**-7.2%**	***31.8***	***-16.2%***	**56.3**	**55.0**	**2.4%**	***52.4***	***-4.8%***
Adjusted EBITDA Margin (%)	*8.9%*	*10.1%*	*-1.2p.p.*	*8.4%*	*-1.6p.p.*	*7.4%*	*7.6%*	*-0.1p.p.*	*7.1%*	*-0.4p.p.*

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

Net revenue totaled R$396.7 million in 2Q18, up 5.3% vs. 2Q17. The positive performance of new stores launched in the period (in Brazil and USA) offset the negative impact of the net store closures of 16 restaurants (18 of which in Brazil), as shown in the section "Number of stores”. Net revenue totaled R$759.5 million in 1H18, up 4.4% vs. 1H17.

Food cost totaled R$84.5M, down 1.2% compared to 2Q17, leading to a 140bps improvement YoY.

Direct Labor cost totaled R$103.7 million, compared to R$100.2 million in 2Q17, as headcount adjustments mitigated inflationary pressures on payroll, leading to a 50bps improvement compared to 2Q17.

Fuel cost totaled R$44.9M, up 11.8% compared to 2Q17, leading to a 70bps reduction YoY, as a consequence of higher discounts policy that resulted in an R$0.5M increase in fuel gross margin.

Sales and Operating expenses were R$1.8 million higher YoY, but representing a 10bps improvement compared to 2Q17.

Rent expenses totaled R$39.5 million, a 3.8% increase YoY, but equivalent to a 10bps improvement YoY.

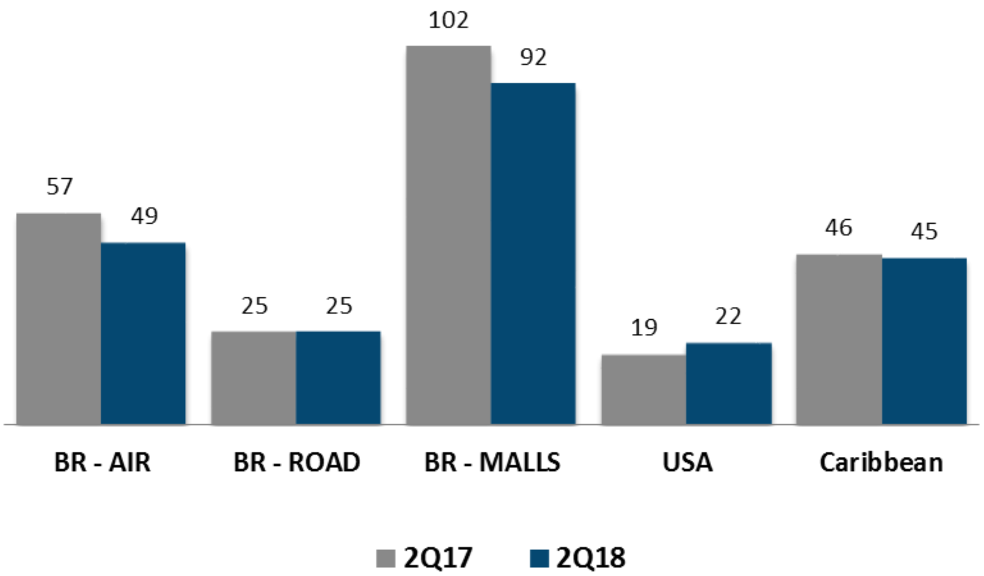
With regards to G&A and Holding expenses, the R$1.2 million increase YoY reflects higher G&A expenses in the USA due to higher legal fees, offsetting the costs reduction that took place throughout 2017.

Other income (expenses) were down R$7.9M in 2Q18 vs. 2Q17 as 2Q17 result was impacted by ~R$6M in tax recoveries.

All in all, in 2Q18 the adjusted EBITDA reached R$35.2 million, 7% down. Adjusted EBITDA margin reached 8.9%, a 120 bps decrease YoY. In 1H18 adjusted EBITDA reached R$56.3 million, up 2.4%, with a 7.4% margin.

NUMBER OF STORES

NUMBER OF STORES (end of period)	2Q18	2Q17	YoY Var. (%)	YoY Var. (#)
Brazil	**166**	**184**	**-9.8%**	**-18**
Air	*49*	*57*	*-14.0%*	*-8*
Roads	*25*	*25*	*0.0%*	*0*
Shopping Malls	*92*	*102*	*-9.8%*	*-10*
USA	**22**	**19**	**15.8%**	**3**
Caribbean	**45**	**46**	**-2.2%**	**-1**
Total Number of Stores	**233**	**249**	**-6.4%**	**-16**



At the end of the quarter, the Company had 233 stores, a net reduction of 16 stores YoY, 18 in Brazil and 1 in the Caribbean, and 3 new stores in the USA.

SAME-STORE SALES (SSS) – 2Q18

Brazil

-3.6%
Road: -3.2%
Air: +4.3%
Malls: -13.8%

US

+9.4%
(BRL)
-2.7%
(Constant Currency)

Caribbean

+7.7%
(BRL)
-5.3%
(Constant Currency)

Total

+1.8%
(BRL)
-3.5%
(Constant Currency)

Same store sales totaled a 3.5% reduction in constant currencies in 2Q18, or a 1.8% growth in reais.

In Brazil, the 3.6% decrease in same store sales was led by malls with a 13.7% negative performance in the quarter and roads -3.2% - both impacted by the strike and the world cup, which was partially offset by the positive performance of Air +4.3% (lead by catering).

USA SSS in Reais was +9.4% and in local currency was -2.7% YoY in 2Q18.

In the Caribbean, SSS were +7.7% in Reais and -5.3% in constant currency in the quarter as Colombia's positive performance was offset by lower sales in Panama, especially in airports due to refurbishments in the airport that impacted the flow of customers in our stores.

RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

(in R$ million)	Brazil 2018	USA 2018	Caribbean 2018	Consolidated 2018	% VA	Brasil 2017	EUA 2017	Caribbe 2017	Consolidated 2017	% VA	% HA
Net Revenue	**465.3**	**204.1**	**90.1**	**759.5**	**100.0%**	**462.7**	**176.5**	**88.4**	**727.5**	**100.0%**	**4.4%**
Restaurants & Others	352.6	204.1	90.1	646.7	85.2%	356.9	176.5	88.4	621.8	85.5%	4.0%
Gas Stations	112.8	0.0	0.0	112.8	14.8%	105.8	0.0	0.0	105.8	14.5%	6.6%
Cost of Sales and Services	**(355.3)**	**(124.6)**	**(42.2)**	**(522.1)**	**-68.7%**	**(359.3)**	**(112.2)**	**(41.2)**	**(512.7)**	**-70.5%**	**1.8%**
Direct Labor	(118.4)	(63.0)	(17.1)	(198.6)	-26.1%	(122.8)	(56.1)	(15.7)	(194.6)	-26.8%	2.0%
Food	(100.9)	(40.2)	(23.4)	(164.5)	-21.7%	(105.7)	(34.9)	(24.1)	(164.7)	-22.6%	-0.1%
Others	(27.5)	(12.8)	(1.0)	(41.2)	-5.4%	(27.4)	(10.8)	(0.8)	(39.0)	-5.4%	5.8%
Fuel and Automotive Accessories	(93.3)	0.0	0.0	(93.3)	-12.3%	(87.1)	0.0	0.0	(87.1)	-12.0%	7.1%
Depreciation & Amortization	(15.2)	(8.6)	(0.7)	(24.5)	-3.2%	(16.3)	(10.4)	(0.6)	(27.3)	-3.8%	-10.4%
Gross Profit	**110.1**	**79.4**	**47.9**	**237.4**	**31.3%**	**103.4**	**64.2**	**47.2**	**214.8**	**29.5%**	**10.5%**
Operating Expenses[1]	**(117.9)**	**(72.8)**	**(29.7)**	**(220.4)**	**-29.0%**	**(114.4)**	**(59.8)**	**(29.0)**	**(203.2)**	**-27.9%**	**8.5%**
Selling and Operating	(31.2)	(44.2)	(11.8)	(87.3)	-11.5%	(36.3)	(36.2)	(12.0)	(84.5)	-11.6%	3.3%
Rents of Stores	(43.0)	(21.4)	(9.8)	(74.2)	-9.8%	(43.2)	(19.2)	(9.4)	(71.9)	-9.9%	3.2%
Store Pre-Openings	(2.2)	(1.1)	(0.2)	(3.4)	-0.5%	(1.5)	(0.4)	0.0	(1.9)	-0.3%	76.8%
Depreciation & Amortization	(9.2)	(0.6)	(4.0)	(13.8)	-1.8%	(10.4)	(0.6)	(4.0)	(15.1)	-2.1%	-8.5%
J.V. Investment Amortization	0.0	(1.1)	0.0	(1.1)	-0.1%	0.0	(1.0)	0.0	(1.0)	-0.1%	7.7%
Equity income result	0.0	5.9	0.0	5.9	0.8%	0.0	4.7	0.0	4.7	0.6%	25.7%
Other revenues (expenses)	(3.3)	0.4	0.7	(2.2)	-0.3%	6.7	1.2	0.6	8.4	1.2%	n/a
General & Administative	(25.2)	(10.7)	(4.7)	(40.6)	-5.3%	(23.9)	(8.2)	(4.2)	(36.2)	-5.0%	11.9%
Corporate (Holding)[2]	(3.8)	0.0	0.0	(3.8)	-0.5%	(5.7)	0.0	0.0	(5.7)	-0.8%	-33.9%
(+) Depreciation & Amortization	24.4	10.3	4.7	39.4	5.2%	26.7	12.0	4.7	43.4	6.0%	-9.3%
Operating Income	**16.6**	**16.9**	**22.9**	**56.3**	**7.4%**	**15.7**	**16.5**	**22.8**	**55.0**	**7.6%**	**2.4%**
Special Items - Write-offs				0.0	0.0%						
Special Items - Other				(5.4)	-0.7%				(1.8)	-0.3%	195.4%
EBIT	**(7.8)**	**6.6**	**18.2**	**11.5**	**1.5%**	**(11.0)**	**4.5**	**18.1**	**9.8**	**1.3%**	
(+) D&A and Write-offs				39.4	5.2%				43.4	6.0%	-9.3%
EBITDA				**50.9**	**6.7%**				**53.2**	**7.3%**	**-4.3%**
(+) Special Items				5.4	0.7%				1.8	0.3%	195.4%
Adjusted EBITDA				**56.3**	**7.4%**				**55.0**	**7.6%**	**2.4%**

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

RESULTS OF THE BRAZILIAN OPERATIONS

(in R$ million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
Net Revenue	**220.7**	**100.0%**	**224.0**	**100.0%**	**-1.4%**	**465.3**	**100.0%**	**462.7**	**100.0%**	**0.6%**
Restaurants & Others	166.2	75.3%	174.6	78.0%	-4.8%	352.6	75.8%	356.9	77.1%	-1.2%
Gas Stations	54.5	24.7%	49.3	22.0%	10.4%	112.8	24.2%	105.8	22.9%	6.6%
Cost of Sales and Services	**(170.9)**	**-77.4%**	**(174.5)**	**-77.9%**	**-2.1%**	**(355.3)**	**-76.3%**	**(359.3)**	**-77.7%**	**-1.1%**
Direct Labor	(57.6)	-26.1%	(61.0)	-27.2%	-5.4%	(118.4)	-25.4%	(122.8)	-26.5%	-3.6%
Food	(47.2)	-21.4%	(52.1)	-23.3%	-9.4%	(100.9)	-21.7%	(105.7)	-22.8%	-4.5%
Others	(13.6)	-6.2%	(13.2)	-5.9%	3.2%	(27.5)	-5.9%	(27.4)	-5.9%	0.2%
Fuel and Automotive Accessories	(44.9)	-20.4%	(40.2)	-17.9%	11.8%	(93.3)	-20.0%	(87.1)	-18.8%	7.1%
Depreciation & Amortization	(7.6)	-3.4%	(8.1)	-3.6%	-6.6%	(15.2)	-3.3%	(16.3)	-3.5%	-6.8%
Gross Profit	**49.8**	**22.6%**	**49.5**	**22.1%**	**0.7%**	**110.1**	**23.7%**	**103.4**	**22.3%**	**6.5%**
Operating Expenses[1]	**(56.2)**	**-25.5%**	**(52.4)**	**-23.4%**	**7.2%**	**(117.9)**	**-25.3%**	**(114.4)**	**-24.7%**	**3.0%**
Selling and Operating	(13.4)	-6.1%	(17.7)	-7.9%	-24.2%	(31.2)	-6.7%	(36.3)	-7.8%	-14.0%
Rents of Stores	(21.1)	-9.6%	(21.4)	-9.6%	-1.5%	(43.0)	-9.2%	(43.2)	-9.3%	-0.6%
Store Pre-Openings	(1.3)	-0.6%	(0.5)	-0.2%	153.8%	(2.2)	-0.5%	(1.5)	-0.3%	48.4%
Depreciation & Amortization	(4.6)	-2.1%	(4.9)	-2.2%	-5.5%	(9.2)	-2.0%	(10.4)	-2.3%	-11.6%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	(1.1)	-0.5%	6.3	2.8%	-118.2%	(3.3)	-0.7%	6.7	1.4%	-148.9%
General & Administative[2]	(12.9)	-5.8%	(11.7)	-5.2%	10.4%	(25.2)	-5.4%	(23.9)	-5.2%	5.5%
Corporate (Holding)[2]	(1.8)	-0.8%	(2.5)	-1.1%	-28.3%	(3.8)	-0.8%	(5.7)	-1.2%	-33.9%
(+) Depreciation & Amortization	12.2	5.5%	13.0	5.8%	-6.2%	24.4	5.2%	26.7	5.8%	-8.7%
Operating Income	**5.8**	**2.6%**	**10.0**	**4.5%**	**-42.5%**	**16.6**	**3.6%**	**15.7**	**3.4%**	**5.5%**
Expansion Capex	15.6	7.1%	4.5	2.0%	244.6%	23.8	5.1%	12.8	2.8%	86.4%
Maintenance Capex	1.3	0.6%	1.4	0.6%	-8.2%	2.8	0.6%	5.6	1.2%	-49.9%
Total Capex	**16.9**	**7.6%**	**5.9**	**2.6%**	**185.1%**	**26.6**	**5.7%**	**18.3**	**4.0%**	**45.1%**
Operating Inc. - Maintenance Capex[3]	**4.5**	**77.8%**	**8.7**	**86.1%**	**-8.3%**	**13.8**	**83.2%**	**10.1**	**64.6%**	**18.6%**

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

Brazilian operations’ top line was down in 2Q18 by 1.4% (-4.8% in restaurants and +10.4% in gas stations) as a result of the negative impact from the truck drivers’ strike (in May) and the World Cup (June) that reduced the traffic mainly in Roads and Malls, and consequently pressured sales. Roads’ Restaurants top line was down by 10.8% (or R$6.1M), while Malls top line was down by 9.8% (or R$5.9M). We estimate that the combined impact from the strike and world cup was ~R$7M in sales and ~R$5M in Operating Income, due to our high operational leverage.

In terms of costs and expenses there was a R$3.3M (-1.4%) reduction in labor cost as a consequence of the headcount reduction. Food cost was down by R$4.9M and Others (mainly utilities) up by R$0.4M. Fuel costs, as a consequence of higher discounts and higher sales were up by R$4.8M.

There was also an improvement of R$4.3M in selling and operating expenses (related to the indirect labor cost reduction) and a R$0.5M increase in G&A and Holding expenses combined. Other expenses had a negative impact of 330bps or R$7.4M as a result of positive result in 2Q17 from a ~R$6M tax credits recoveries.

Consequently, Brazilian operations posted an operating income of R$5.8 million in 2Q18, down 43% YoY, with a 190 bps decrease in operating margin. Operating income in 1H18 reached R$16.6M up 5.5% vs. 1H17, with an operating margin of 3.6% compared to 3.4% in 1H17.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R$ million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
Net Revenue	**105.2**	**100.0%**	**106.2**	**100.0%**	**-0.9%**	**228.8**	**100.0%**	**225.9**	**100.0%**	**1.3%**
Restaurants & Others	50.7	48.2%	56.8	53.5%	-10.8%	116.0	50.7%	120.1	53.2%	-3.4%
Gas Stations	54.5	51.8%	49.3	46.5%	10.4%	112.8	49.3%	105.8	46.8%	6.6%
Cost of Sales and Services	**(92.2)**	**-87.7%**	**(88.9)**	**-83.7%**	**3.8%**	**(193.9)**	**-84.8%**	**(188.2)**	**-83.3%**	**3.1%**
Direct Labor	(21.9)	-20.8%	(22.2)	-20.9%	-1.4%	(45.6)	-19.9%	(45.8)	-20.3%	-0.5%
Food	(16.7)	-15.9%	(18.3)	-17.2%	-8.5%	(37.6)	-16.4%	(38.0)	-16.8%	-1.0%
Others	(5.6)	-5.3%	(5.1)	-4.8%	9.6%	(11.2)	-4.9%	(10.9)	-4.8%	2.6%
Fuel and Automotive Accessories	(44.9)	-42.7%	(40.2)	-37.8%	11.8%	(93.3)	-40.8%	(87.1)	-38.5%	7.1%
Depreciation & Amortization	(3.1)	-3.0%	(3.1)	-3.0%	-0.9%	(6.2)	-2.7%	(6.4)	-2.8%	-1.9%
Gross Profit	**13.0**	**12.3%**	**17.3**	**16.3%**	**-24.9%**	**34.9**	**15.2%**	**37.7**	**16.7%**	**-7.6%**
Operating Expenses[1]	**(10.6)**	**-10.1%**	**(10.7)**	**-10.1%**	**-0.7%**	**(21.6)**	**-9.5%**	**(22.0)**	**-9.7%**	**-1.5%**
Selling and Operating	(5.5)	-5.2%	(6.1)	-5.7%	-10.0%	(11.2)	-4.9%	(12.4)	-5.5%	-9.9%
Rents of Stores	(4.3)	-4.1%	(3.5)	-3.3%	24.0%	(8.9)	-3.9%	(7.6)	-3.3%	17.8%
Store Pre-Openings	0.0	0.0%	(0.2)	-0.2%	-100.0%	0.0	0.0%	(0.2)	-0.1%	-100.0%
Depreciation & Amortization	(0.8)	-0.7%	(0.8)	-0.8%	-6.6%	(1.6)	-0.7%	(1.8)	-0.8%	-11.9%
(+) Depreciation & Amortization	3.9	3.7%	4.0	3.8%	-2.1%	7.8	3.4%	8.1	3.6%	-4.1%
Operating Income	**6.3**	**6.0%**	**10.6**	**10.0%**	**-40.7%**	**21.0**	**9.2%**	**23.9**	**10.6%**	**-12.1%**
Expansion Capex	8.9	8.5%	3.1	3.0%	183.2%	12.0	5.2%	4.3	1.9%	181.8%
Maintenance Capex	0.2	0.2%	0.9	0.8%	-74.8%	0.3	0.1%	2.6	1.1%	-87.1%
Total Capex	**9.1**	**8.7%**	**4.0**	**3.8%**	**128.1%**	**12.3**	**5.4%**	**6.8**	**3.0%**	**81.0%**
Operating Inc. - Maintenance Capex[3]	**6.1**	**96.6%**	**9.7**	**91.9%**	**4.6%**	**20.7**	**98.4%**	**21.4**	**89.3%**	**9.1%**

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

The Roads segment operating income decreased by 41% in 2Q18, with a 400bps reduction on margins mainly due to:

i) reduction in sales (-0.9% YoY | -10.8%/R$6.1M in restaurants and +10.4%/R$5.2M in gas stations), as a consequence the lower traffic due to truck drivers' strike and the world cup, impacting mostly restaurant sales.

ii) lower pace of reduction in food and labor costs (-8.5% and -1.4%, respectively) compared to the restaurants' sales reduction, due to our high operational leverage.

iii) higher fuel expenses (+11.8%) as a consequence of higher sales and higher discounts, impacting fuel gross margin in % terms (-100bps), but with positive impact in nominal terms: +R$0.4M.

iv) higher other costs (R$0.5M), mainly utilities.

v) higher rent expenses (+R$0.8M), partially offset by lower selling and operating expenses (-R$0.6M)

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R$ million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
Net Revenue	**61.4**	**100.0%**	**57.8**	**100.0%**	**6.2%**	**124.0**	**100.0%**	**116.1**	**100.0%**	**6.8%**
Restaurants & Others	61.4	100.0%	57.8	100.0%	6.2%	124.0	100.0%	116.1	100.0%	6.8%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(40.6)**	**-66.2%**	**(41.8)**	**-72.3%**	**-2.8%**	**(82.6)**	**-66.6%**	**(83.2)**	**-71.7%**	**-0.7%**
Direct Labor	(19.4)	-31.6%	(20.1)	-34.9%	-3.6%	(39.2)	-31.6%	(40.0)	-34.4%	-2.0%
Food	(15.4)	-25.1%	(15.8)	-27.4%	-2.8%	(31.9)	-25.7%	(31.7)	-27.3%	0.7%
Others	(3.7)	-6.0%	(3.4)	-5.9%	9.1%	(7.3)	-5.9%	(6.8)	-5.9%	7.6%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.1)	-3.4%	(2.4)	-4.2%	-12.9%	(4.2)	-3.4%	(4.7)	-4.1%	-11.4%
Gross Profit	**20.8**	**33.8%**	**16.0**	**27.7%**	**29.8%**	**41.4**	**33.4%**	**32.9**	**28.3%**	**25.9%**
Operating Expenses[1]	**(15.6)**	**-25.4%**	**(18.7)**	**-32.3%**	**-16.5%**	**(34.1)**	**-27.5%**	**(38.0)**	**-32.7%**	**-10.2%**
Selling and Operating	(3.3)	-5.3%	(6.0)	-10.5%	-46.2%	(9.3)	-7.5%	(12.4)	-10.7%	-25.1%
Rents of Stores	(8.9)	-14.5%	(9.0)	-15.6%	-1.3%	(17.9)	-14.5%	(17.9)	-15.4%	0.3%
Store Pre-Openings	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	(0.0)	0.0%	-100.0%
Depreciation & Amortization	(3.5)	-5.6%	(3.6)	-6.3%	-4.7%	(6.8)	-5.5%	(7.6)	-6.5%	-10.0%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	5.5	9.0%	6.0	10.4%	-8.0%	11.0	8.9%	12.3	10.6%	-10.5%
Operating Income[1]	**10.7**	**17.5%**	**3.4**	**5.8%**	**219.0%**	**18.3**	**14.8%**	**7.3**	**6.2%**	**152.6%**
Expansion Capex	1.4	2.3%	0.9	1.6%	49.2%	1.8	1.4%	5.0	4.3%	-64.2%
Maintenance Capex	0.1	0.2%	0.3	0.5%	-64.6%	0.1	0.1%	0.8	0.7%	-88.5%
Total Capex	**1.5**	**2.4%**	**1.2**	**2.1%**	**23.2%**	**1.9**	**1.5%**	**5.8**	**5.0%**	**-67.7%**
Operating Inc. - Maintenance Capex[3]	**10.6**	**99.1%**	**3.1**	**91.8%**	**7.3%**	**18.2**	**99.5%**	**6.4**	**88.3%**	**11.1%**

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

The Brazilian Airport segment operating income reached R$10.7 million in 2Q18, up 219% YoY with a 1,170bps increase in margins mainly due to:

i) The increase of +6.2% in revenues, as catering positive same store sales offset lower restaurants same store sales.

ii) The improvement in labor cost (-R$0.7M, 330bps improvement).

iii) The improvement in food cost (-R$0.4M, 230bps improvement).

iv) The improvement in selling and operating expenses (-R$2.8M - an improvement of 520bps, as a result of lower indirect personnel cost);

v) Rent expenses dilution due to higher sales (an improvement of 110bps),

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R$ million)	2Q18	% VA	2Q17	% VA	% HA	2017	% VA	2016	% VA	% HA
Net Revenue	**54.1**	**100.0%**	**60.0**	**100.0%**	**-9.8%**	**112.5**	**100.0%**	**120.7**	**100.0%**	**-6.8%**
Restaurants & Others	54.1	100.0%	60.0	100.0%	-9.8%	112.5	100.0%	120.7	100.0%	-6.8%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(38.1)**	**-70.4%**	**(43.8)**	**-73.1%**	**-13.1%**	**(78.7)**	**-69.9%**	**(87.9)**	**-72.9%**	**-10.5%**
Direct Labor	(16.4)	-30.2%	(18.6)	-31.1%	-12.2%	(33.6)	-29.9%	(37.0)	-30.7%	-9.2%
Food	(15.0)	-27.8%	(17.9)	-29.9%	-16.1%	(31.4)	-27.9%	(36.0)	-29.9%	-12.8%
Others	(4.3)	-8.0%	(4.7)	-7.9%	-8.0%	(8.9)	-7.9%	(9.6)	-8.0%	-7.7%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(2.4)	-4.4%	(2.6)	-4.3%	-7.8%	(4.7)	-4.2%	(5.2)	-4.3%	-8.8%
Gross Profit	**16.0**	**29.6%**	**16.2**	**26.9%**	**-0.8%**	**33.8**	**30.1%**	**32.8**	**27.1%**	**3.2%**
Operating Expenses[1]	**(14.2)**	**-26.3%**	**(15.2)**	**-25.3%**	**-6.4%**	**(29.9)**	**-26.5%**	**(31.5)**	**-26.1%**	**-5.2%**
Selling and Operating	(4.7)	-8.7%	(5.6)	-9.3%	-15.9%	(10.7)	-9.5%	(11.5)	-9.5%	-6.5%
Rents of Stores	(7.9)	-14.6%	(8.9)	-14.9%	-11.7%	(16.1)	-14.3%	(17.8)	-14.7%	-9.4%
Store Pre-Openings	(1.3)	-2.3%	(0.3)	-0.4%	401.5%	(2.2)	-2.0%	(1.2)	-1.0%	83.7%
Depreciation & Amortization	(0.4)	-0.8%	(0.5)	-0.8%	-10.4%	(0.8)	-0.7%	(1.0)	-0.9%	-22.1%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses)[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
General & Administative[2]	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
(+) Depreciation & Amortization	2.8	5.1%	3.0	5.0%	-8.2%	5.5	4.9%	6.2	5.2%	-11.0%
Operating Income	**4.6**	**8.4%**	**4.0**	**6.6%**	**15.0%**	**9.5**	**8.4%**	**7.5**	**6.2%**	**26.7%**
Expansion Capex	5.3	9.8%	0.5	0.8%	1074.3%	10.0	8.9%	3.6	3.0%	181.5%
Maintenance Capex	1.0	1.8%	0.3	0.4%	264.7%	2.4	2.1%	2.2	1.8%	9.4%
Total Capex	**6.3**	**11.6%**	**0.7**	**1.2%**	**774.5%**	**12.4**	**11.0%**	**5.7**	**4.7%**	**116.7%**
Operating Inc. - Maintenance Capex[3]	**3.6**	**78.9%**	**3.7**	**93.3%**	**-14.5%**	**7.1**	**75.2%**	**5.3**	**71.3%**	**3.9%**

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

The Malls segment operating income increased by R$0.6 million YoY in 2Q18, totaling R$4.6 million with a 180bps improvement in margins mainly due to:

i) a 9.8% decrease in sales, as a consequence of the net closure of 10 stores combined with a reduction of 13.8% in SSS (impacted by the strike and world cup), which were partially offset by the positive performance of new Olive Garden Restaurants. The negative impact in sales was offset by the improvement in:

ii) labor cost -R$2.3M (+80bps), food cost -R$2.9M (+210bps), selling and operating expenses -R$0.9M (+60bps) and rent expenses -R$1.0M (+30bps).

RESULTS OF U.S. OPERATIONS

(in US$ Million)	2Q18	% VA	2Q17	% VA	% HA	2018	% VA	2017	% VA	% HA
Net Revenue	**35.7**	**100.0%**	**33.7**	**100.0%**	**6.1%**	**58.6**	**100.0%**	**55.3**	**100.0%**	**5.9%**
Restaurants & Others	35.7	100.0%	33.7	100.0%	6.1%	58.6	100.0%	55.3	100.0%	5.9%
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Cost of Sales and Services	**(20.7)**	**-58.0%**	**(19.9)**	**-59.2%**	**3.9%**	**(36.0)**	**-61.4%**	**(35.2)**	**-63.7%**	**2.2%**
Direct Labor	(10.3)	-28.8%	(9.7)	-28.9%	5.6%	(18.2)	-31.1%	(17.6)	-31.8%	3.5%
Food	(7.0)	-19.5%	(6.6)	-19.7%	4.8%	(11.6)	-19.7%	(10.9)	-19.8%	5.7%
Others	(2.2)	-6.1%	(2.0)	-6.0%	8.0%	(3.7)	-6.3%	(3.4)	-6.1%	8.7%
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Depreciation & Amortization	(1.3)	-3.6%	(1.5)	-4.6%	-15.6%	(2.5)	-4.3%	(3.3)	-5.9%	-23.6%
Gross Profit	**15.0**	**42.0%**	**13.7**	**40.8%**	**9.3%**	**22.6**	**38.6%**	**20.1**	**36.3%**	**12.6%**
Operating Expenses[1]	**(11.7)**	**-32.7%**	**(10.5)**	**-31.1%**	**11.8%**	**(21.1)**	**-36.0%**	**(18.8)**	**-33.9%**	**12.4%**
Selling and Operating	(7.2)	-20.0%	(6.2)	-18.5%	15.1%	(12.8)	-21.8%	(11.4)	-20.5%	12.7%
Rents of Stores	(3.7)	-10.3%	(3.7)	-11.0%	-0.7%	(6.2)	-10.5%	(6.0)	-10.9%	2.4%
Store Pre-Openings	0.1	0.4%	(0.1)	-0.3%	-241%	(0.3)	-0.6%	(0.1)	-0.2%	145.2%
Depreciation & Amortization	(0.1)	-0.3%	(0.1)	-0.3%	-3.7%	(0.2)	-0.3%	(0.2)	-0.3%	-7.3%
J.V. Investment Amortization	(0.2)	-0.4%	(0.2)	-0.5%	0.0%	(0.3)	-0.5%	(0.3)	-0.6%	0.0%
Equity income result	1.0	2.7%	0.8	2.5%	15.4%	1.7	2.9%	1.5	2.7%	15.3%
Other revenues (expenses)	0.1	0.2%	0.3	0.8%	-76.3%	0.1	0.2%	0.4	0.7%	-68.7%
General & Administative	(1.8)	-5.0%	(1.3)	-3.8%	39.7%	(3.1)	-5.3%	(2.6)	-4.6%	20.6%
(+) Depreciation & Amortization	1.5	4.3%	1.8	5.3%	-13.6%	3.0	5.1%	3.8	6.8%	-20.9%
Operating Income	**4.9**	**13.6%**	**5.1**	**15.1%**	**-3.8%**	**4.5**	**7.7%**	**5.1**	**9.3%**	**-11.6%**
Expansion Capex	0.4	1.2%	0.2	0.6%	106.5%	1.2	2.1%	0.5	0.9%	136.6%
Maintenance Capex	0.2	0.7%	0.1	0.3%	120.1%	0.4	0.6%	0.2	0.4%	76.2%
Total Capex	**0.7**	**1.9%**	**0.3**	**0.9%**	**111.3%**	**1.6**	**2.7%**	**0.7**	**1.3%**	**119.9%**
Operating Inc. - Maintenance Capex[2]	**4.6**	**95.0%**	**5.0**	**97.8%**	**-2.8%**	**4.2**	**92.2%**	**4.9**	**96.1%**	**-3.9%**

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

The operations in the United States consist mainly of Margaritaville and currently has 22 restaurants. The comments below (as well as the table above) are in local currency (US$) to provide a better understanding of the region's results eliminating the impact of FX. It is important to note that the restaurants in the US are located mostly in summer destinations, therefore, most of the profitability is concentrated in the second and third quarters.

Net revenues came in at US$35.7 million in 2Q18, up 6.1% YoY due to the positive performance of the recently opened restaurants, which offset the impact from lower same store sales (-2.7%).

Operating margins (-150bps, in US$) were impacted by higher G&A expenses related to legal fees of ~US$0.5M. Excluding that effect, operating margin would have been flat compared to 2Q17.

Higher marketing expenses (selling and operating expenses line) relates to the increased marketing efforts to revert the same stores sales trend. Such effect was fully offset by higher efficiency on labor and food costs and rent expenses.

RESULTS OF THE CARIBBEAN OPERATIONS

(in R$ million)	2Q18	% VA	2Q17	% VA	% HA	2Q18[2]	% VA[2]	% HA[2]	2018	2017	% HA	2018[2]	% AV[2]	% HA[2]
Net Revenue	**46.5**	**100.0%**	**44.5**	**100.0%**	**4.4%**	***40.9***	***100.0%***	***-8.1%***	**90.1**	**88.4**	**1.9%**	***82.7***	***100.0%***	***-6.4%***
Restaurants & Others	46.5	100.0%	44.5	100.0%	4.4%	*40.9*	*100.0%*	*-8.1%*	90.1	88.4	1.9%	*82.7*	*100.0%*	*-6.4%*
Gas Stations	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*	*0.0%*
Cost of Sales and Services	**(21.9)**	**-47.0%**	**(20.7)**	**-46.5%**	**5.7%**	***(19.2)***	***-46.9%***	***-7.3%***	**(42.2)**	**(41.2)**	**2.5%**	***(38.7)***	***-46.7%***	***-6.1%***
Direct Labor	(8.9)	-19.1%	(7.9)	-17.8%	12.0%	*(7.8)*	*-19.0%*	*-1.9%*	(17.1)	(15.7)	9.3%	*(15.7)*	*-19.0%*	*0.0%*
Food	(12.1)	-26.0%	(12.0)	-27.0%	0.5%	*(10.6)*	*-26.0%*	*-11.7%*	(23.4)	(24.1)	-3.0%	*(21.4)*	*-25.9%*	*-11.0%*
Others	(0.5)	-1.1%	(0.4)	-0.9%	30.1%	*(0.5)*	*-1.1%*	*12.8%*	(1.0)	(0.8)	26.3%	*(0.9)*	*-1.1%*	*14.1%*
Fuel and Automotive Accessories	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*	*0.0%*
Depreciation & Amortization	(0.4)	-0.8%	(0.3)	-0.7%	14.8%	*(0.3)*	*-0.8%*	*1.1%*	(0.7)	(0.6)	13.8%	*(0.7)*	*-0.8%*	*4.5%*
Gross Profit	**24.6**	**53.0%**	**23.8**	**53.5%**	**3.4%**	***21.7***	***53.1%***	***-8.9%***	**47.9**	**47.2**	**1.4%**	***44.1***	***53.3%***	***-6.6%***
Operating Expenses[1]	**(15.5)**	**-33.2%**	**(14.6)**	**-32.9%**	**5.6%**	***(13.6)***	***-33.3%***	***-7.0%***	**(29.7)**	**(29.0)**	**2.2%**	***(27.3)***	***-33.0%***	***-6.1%***
Selling and Operating	(6.3)	-13.6%	(6.0)	-13.6%	4.6%	*(5.5)*	*-13.5%*	*-8.2%*	(11.8)	(12.0)	-1.3%	*(10.8)*	*-13.1%*	*-9.7%*
Rents of Stores	(5.1)	-11.0%	(4.7)	-10.6%	8.2%	*(4.5)*	*-11.1%*	*-4.2%*	(9.8)	(9.4)	3.8%	*(9.0)*	*-10.9%*	*-4.2%*
Store Pre-Openings	(0.2)	-0.3%	0.0	0.0%	0.0%	*(0.1)*	*-0.3%*	*0.0%*	(0.2)	0.0	0.0%	*(0.1)*	*-0.2%*	*0.0%*
Depreciation & Amortization	(2.0)	-4.2%	(2.0)	-4.5%	-1.3%	*(1.7)*	*-4.3%*	*-13.0%*	(4.0)	(4.0)	-1.8%	*(3.6)*	*-4.4%*	*-9.6%*
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*	*0.0%*
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	*0.0*	*0.0%*	*0.0%*	0.0	0.0	0.0%	*0.0*	*0.0%*	*0.0%*
Other revenues (expenses)	0.4	0.9%	0.3	0.6%	60.5%	*0.4*	*0.9%*	*42.0%*	0.7	0.6	24.2%	*0.7*	*0.8%*	*14.3%*
General & Administative	(2.3)	-5.0%	(2.2)	-4.8%	9.1%	*(2.1)*	*-5.0%*	*-4.6%*	(4.7)	(4.2)	12.4%	*(4.3)*	*-5.2%*	*3.0%*
(+) Depreciation & Amortization	2.3	5.0%	2.3	5.2%	1.0%	*2.1*	*5.1%*	*-11.0%*	4.7	4.7	0.4%	*4.3*	*5.2%*	*-7.7%*
Operating Income	**11.5**	**24.8%**	**11.5**	**25.9%**	**0.0%**	***10.2***	***24.8%***	***-11.7%***	**22.9**	**22.8**	**0.2%**	***21.1***	***25.5%***	***-7.5%***
Expansion Capex	0.2	0.5%	0.0	0.0%	4797.9%	*0.2*	*0.5%*	*4208.8%*	4.6	0.4	995.6%	*4.2*	*5.1%*	*906.1%*
Maintenance Capex	0.4	0.8%	0.2	0.3%	137.6%	*0.3*	*0.8%*	*109.0%*	0.7	1.4	-45.2%	*0.7*	*0.8%*	*-49.7%*
Total Capex	**0.6**	**1.2%**	**0.2**	**0.4%**	**271.0%**	***0.5***	***1.2%***	***226.4%***	**5.4**	**1.8**	**201.3%**	***4.9***	***6.0%***	***176.7%***
Operating Inc. - Maintenance Capex[3]	**11.1**	**96.9%**	**11.4**	**98.7%**	**-1.8%**	***9.8***	***96.9%***	***-13.3%***	**22.1**	**21.5**	**3.1%**	***20.4***	***96.8%***	***-4.8%***

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

The information in the table above is presented in Reais and in Reais in constant currency (using the 2017 FX rate to convert the 2018 and 2017 results), to eliminate the effect of exchange rate flutuations. The comments below refer to 2Q18 constant currency numbers.

Net revenues reached R$40.9 million, down 8.1% YoY, as a result of a softer SSS performance in Panama (airports – mostly due to refurbishments that affected traffic flow in our restaurants – and malls) and the 1-store net reduction that offset the positive performance in Colombia (mainly catering).

As a consequence of lower sales, there was a lower dilution of labor costs (-120bps), rent expenses (-50bps) and G&A expenses (-20bps).

The focus on operational excellence mitigated those impacts with an improvement in food cost of 110bps.

Operating income came in at R$10.2 million in 2Q18, down 10.2% compared to 2Q17, with an operating margin of 24.8% from 25.9% in 2Q17.

ADJUSTED EBITDA AND ADJUSTED MARGIN

EBITDA RECONCILIATION (R$ million)	2Q18	2Q17	HA (%)	2018	2017	HA (%)
NET INCOME (LOSS)	**2.6**	**14.9**	**-82.6%**	**(3.8)**	**(2.2)**	**n.a.**
(+) Income Taxes	6.8	(1.1)	n.a.	12.0	9.0	33.3%
(+) Net Financial Result	2.8	2.3	n.a.	3.3	3.0	13.0%
(+) D&A and Write-offs	19.6	20.6	-4.9%	38.3	42.4	-9.7%
(+) Amortization of Investments in Joint Venture	0.6	0.5	12.1%	1.1	1.0	7.7%
EBITDA	**32.3**	**37.2**	**-13.1%**	**50.9**	**53.2**	**-4.2%**
(+) Special Items	2.9	0.7	312.9%	5.4	1.8	195.4%
Adjusted EBITDA	**35.2**	**37.9**	**-7.1%**	**56.3**	**55.0**	**2.4%**
EBITDA / Net Revenues	*8.2%*	*9.9%*		*6.7%*	*7.3%*	
Adjusted EBITDA / Net Revenues	*8.9%*	*10.1%*		*7.4%*	*7.6%*	

The Company's Adjusted EBITDA, excluding special items, reached R$35.2 million in 2Q18, with an adjusted EBITDA margin of 8.9% vs. 10.1% in 2Q17. The special items refer to the stock option plan provisioning, with no cash impact.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The Company recorded a net financial expense of R$2.8 million, compared to R$2.3 million in 2Q17.

Income taxes (current and differed) totaled a R$6.8 million expense in 2Q18, versus R$1.1 million reversion in 2Q17.

The Company recorded a net profit of R$2.6 million in 2Q18, compared to a net profit of R$14.9 million in 2Q17.

SELECTED CASH FLOW INFORMATION

OPERATING ACTIVITIES

EBITDA Reconcilation to Operating Cash Flow (R$ Million)	2Q18	2Q17	Var. (%)	2018	2017	Var. (%)
Adjusted EBITDA	**35.2**	**37.9**	**-7.2%**	**56.3**	**55.0**	**2.4%**
Special Items	(2.9)	(0.7)	n.a.	(5.4)	(1.8)	n.a.
(+/-) Other Non-Cash Impact on IS	(3.9)	(3.5)		(4.5)	10.4	
(+/-) Working Capital	(11.0)	3.6		(21.2)	(19.3)	
Operating Cash Before Taxes and Interest	**17.4**	**37.3**	**-53.3%**	**25.2**	**44.3**	**-43.1%**
(-) Paid Taxes	(0.8)	(3.1)		(2.4)	(10.1)	
(-) Maintenance Capex	(3.7)	(2.0)		(6.7)	(7.9)	
Net Cash Generated by Operating Activities	**12.9**	**32.3**	**-60.0%**	**16.1**	**26.3**	**-38.7%**
Operating Net Cash/EBITDA	**36.7%**	**85.1%**	**-48,4 p.p.**	**28.6%**	**47.8%**	**-19,2 p.p.**

Operating cash flow totaled +R$12.9 million in 2Q18 (compared to R$32.3 million in 2Q17), mostly impacted by higher working capital needs related to annual bonus and contingencies payments and higher maintenance capex. Operating net cash over Adjusted EBITDA reached 37% in 2Q18, from 85% in 2Q17.

INVESTING ACTIVITIES

(R$ million)	2Q18	2Q17	HA (%)	2018	2017	HA (%)
Property and Equipment	(21.0)	(5.6)	277.8%	(35.5)	(21.3)	66.7%
Additions to Intangible Assets	(0.5)	(2.2)	-76.6%	(4.8)	(2.2)	115.0%
(=) Total Invested (CAPEX)	**(21.5)**	**(7.7)**	**178.4%**	**(40.3)**	**(23.5)**	**71.2%**
Payment of Acquisitions	(1.6)	(4.5)	-65.7%	(3.6)	(4.6)	-22.4%
Dividends Received	3.1	2.6	17.7%	5.0	4.4	12.6%
Total Investments	**(20.0)**	**(9.6)**	**107.8%**	**(38.9)**	**(23.7)**	**63.9%**

CAPEX (in R$ million)	2Q18	2Q17	HA (%)	2018	2017	HA (%)
Expansion						
Brazilian Operations	**15.6**	**4.5**	**244.6%**	**23.8**	**12.8**	**86.4%**
Brazil - Air	1.4	0.9	49.2%	1.8	5.0	-64.2%
Brazil - Roads	8.9	3.1	183.2%	12.0	4.3	181.8%
Brazil - Malls	5.3	0.5	1074.3%	10.0	3.6	181.5%
USA Operations	**1.5**	**0.7**	**132.5%**	**4.3**	**1.7**	**158.3%**
Caribbean Operations	**0.2**	**0.0**	**4797.9%**	**4.6**	**0.4**	**995.6%**
Holding	**0.5**	**0.5**	**1.5%**	**0.8**	**0.7**	**14.7%**
Total Expansion Investments	**17.9**	**5.7**	**213.0%**	**33.6**	**15.6**	**115.3%**
Maintenance						
Brazilian Operations	**1.3**	**1.4**	**-8.2%**	**2.8**	**5.6**	**-49.9%**
Brazil - Air	0.1	0.3	-64.6%	0.1	0.8	-88.5%
Brazil - Roads	0.2	0.9	-74.8%	0.3	2.6	na
Brazil - Malls	1.0	0.3	264.7%	2.4	2.2	9.4%
USA Operations	**0.9**	**0.4**	**147.7%**	**1.2**	**0.6**	**92.3%**
Caribbean Operations	**0.4**	**0.2**	**137.6%**	**0.7**	**1.4**	**-45.2%**
Holding	**1.2**	**0.1**	**1290.6%**	**1.9**	**0.4**	**426.0%**
Total Maintenance Investments	**3.7**	**2.0**	**85.7%**	**6.7**	**7.9**	**-15.6%**
Total CAPEX Investments	**21.5**	**7.7**	**180.2%**	**40.3**	**23.5**	**71.2%**

Regarding Expansion CAPEX, in 2Q18 IMC invested mainly in new stores or in existing stores to increase their capacity. In the case of Roads, the expansion Capex relates to new store to be launched (in 4Q18) in SP – Rod. Castelo Branco; and with regards to malls, the expansion Capex relates to new Olive Garden restaurant that was opened in August.

FINANCING ACTIVITIES

The Company's financing cash flow in 2Q18 was mainly affected by the debt payment of R$16.7 million.

(R$ million)	2Q18	2Q17	HA (%)	2017	2016	HA (%)
Dividends payment	(0.9)	0.0	n.a.	(0.9)	0.0	n.a.
Treasury Shares	0.2	(7.5)	n.a.	0.4	(5.6)	n.a.
New Loans	0.0	0.0	n.a.	(0.0)	0.0	n.a.
Payment of Loans	(16.7)	(15.0)	11.4%	(24.2)	(33.3)	-27.3%
Net Cash Generated by Financing Activities	**(17.4)**	**(22.5)**	**-22.7%**	**(24.7)**	**(38.9)**	**-36.6%**

NET DEBT

The Company ended 2Q18 with a net debt position of R$57.1 million, including cash, cash equivalents and short-term investments, as well as sellers finance and agreements entered into with the current operators of concessions at private airports.

R$ million	2Q18	4Q17
Debt	169.3	169.5
Financing of past acquisitions	39.1	36.4
Point of Sales rights	0.0	0.0
Total Debt	**208.5**	**205.9**
(-) Cash	**(151.4)**	**(183.6)**
Net Debt	**57.1**	**22.3**

CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	2Q18	2Q17	2018	2017
NET REVENUE	**396,673**	**376,860**	**759,494**	**727,523**
COST OF SALES AND SERVICES	**(267,675)**	**(259,312)**	**(522,124)**	**(512,698)**
GROSS PROFIT	**128,998**	**117,548**	**237,370**	**214,825**
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(85,128)	(81,822)	(161,486)	(156,363)
General and administrative expenses	(27,162)	(21,961)	(53,221)	(45,771)
Depreciation and amortization	(6,945)	(7,218)	(13,787)	(15,061)
Impairment	0	0	0	0
Other income (expenses)	(503)	7,382	(2,151)	8,449
Equity income result	2,950	2,206	4,812	3,686
Net financial expenses	(2,830)	(2,335)	(3,347)	(2,962)
EARNINGS BEFORE TAXES	**9,380**	**13,800**	**8,190**	**6,803**
Income Taxes	**(6,798)**	**1,059**	**(12,034)**	**(9,025)**
NET PROFIT (LOSS)	**2,582**	**14,859**	**(3,844)**	**(2,222)**

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION (R$ thousand)	2Q18	4Q17
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	151,422	183,588
Accounts receivable	81,456	86,882
Inventories	41,398	43,670
Derivatives	31	1,066
Other current assets	79,170	57,319
Total current assets	**353,477**	**372,525**
NONCURRENT ASSETS		
Deferred income taxes	157	877
Derivatives	39	653
Other noncurrent assets	55,105	56,126
Property and equipment	264,127	244,141
Intangible assets	866,529	838,102
Total noncurrent assets	**1,185,957**	**1,139,899**
TOTAL ASSETS	**1,539,434**	**1,512,424**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	67,563	89,525
Loans, financing and acquisitions' payables	46,956	50,604
Salaries and payroll charges	55,890	61,889
Other current liabilities	48,482	42,613
Total current liabilities	**218,891**	**244,631**
NONCURRENT LIABILITIES		
Loans, financing and acquisitions' payables	161,586	157,034
Provision for labor, civil and tax disputes	9,406	12,539
Deferred income tax liability	81,639	69,622
Other noncurrent liabilities	25,061	24,633
Total noncurrent liabilities	**277,692**	**263,828**
EQUITY		
Capital and reserves	1,011,500	1,006,056
Accumulated losses	(1,049)	2,795
Other comprehensive income	23,838	(12,549)
Total equity	**1,034,289**	**996,302**
Non-Controlling Interest	8,562	7,663
TOTAL LIABILITIES AND EQUITY	**1,539,434**	**1,512,424**

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	2Q18	2Q17	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the quarter	2,582	14,859	(3,844)	(2,222)
Depreciation and amortization	19,566	20,578	38,298	42,403
Impairment of intangible assets (using)	(1,913)	292	(3,526)	(19,286)
Impairment of intangible assets (provision)	-	-	-	-
Investiment amortization	562	502	1,069	993
Equity income result	(3,512)	(2,709)	(5,881)	(4,679)
Provision for labor, civil and tax disputes	1,942	937	3,970	1,604
Income taxes	6,798	(1,059)	12,034	9,025
Interest expenses	3,330	2,588	6,249	5,942
Effect of exchange rate changes	1,867	196	2,322	(115)
Disposal of property and equipment	1,058	(430)	3,043	19,699
Deferred Revenue, Rebates	-	(76)	-	(76)
Expenses in payments to employees based in stock plan	2,620	736	4,995	1,841
Others	(6,447)	(2,654)	(12,312)	8,485
Changes in operating assets and liabilities	(11,024)	3,557	(21,229)	(19,332)
Cash generated from operations	17,429	37,317	25,188	44,282
Income tax paid	(837)	(3,075)	(2,386)	(10,065)
Interest paid	(2,974)	(61)	(5,122)	(232)
Net cash generated by (used in) operating activities	**13,618**	**34,181**	**17,680**	**33,985**
CASH FLOW FROM INVESTING ACTIVITIES				
Payment of business acquisitions made in prior years	(1,551)	(4,521)	(3,597)	(4,635)
Dividends received	3,115	2,646	5,002	4,443
Sale of controlling interest in discontinued operations, net of cash	-	-	1,322	-
Additions to intangible assets	(507)	(2,170)	(4,766)	(2,217)
Additions to property and equipment	(21,027)	(5,566)	(35,504)	(21,300)
Net cash used in investing activities	**(19,970)**	**(9,611)**	**(37,543)**	**(23,709)**
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Payments	(871)	-	(871)	-
Capital contribuitions from minority interest	-	-	-	-
Shares in Treasury	210	(7,465)	449	(5,634)
New loans	-	-	-	-
Payment of loans	(16,737)	(15,029)	(24,190)	(33,272)
Net cash used in financing activities	**(17,398)**	**(22,494)**	**(24,612)**	**(38,906)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	10,498	2,657	12,309	874
NET INCREASE (DECREASE) FOR THE PERIOD	**(13,252)**	**4,733**	**(32,166)**	**(27,756)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**164,674**	**157,619**	**183,588**	**190,108**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**151,422**	**162,352**	**151,422**	**162,352**

APPENDIX - CURRENCY CONVERSION TABLE

	US$		COP	
	EoP	Average	EoP	Average
1Q16	3.559	3.857	0.001183	0.001201
2Q16	3.210	3.501	0.001149	0.001174
3Q16	3.246	3.246	0.001115	0.001102
4Q16	3.298	3.625	0.001116	0.001093
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101
3Q17	3.168	3.190	0.001079	0.001082
4Q17	3.308	3.249	0.001109	0.001088
1Q18	3.324	3.247	0.001190	0.001137
2Q18	3.856	3.604	0.001320	0.001269

MANAGEMENT NOTE

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

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

APPENDIX – IMC + SAPORE MERGER

The merger will happen in two steps:

1. **Voluntary Tender Offer ("VTO"):**
   a. Sapore will launch a voluntary tender offer to acquire up to 25% of IMC, equivalent to 41.632.900 shares
   b. Voluntary Tender Offer will be launched at a price of R$9.30 / share
   c. Sapore or its controlling shareholder will leverage the company to pursue VTO (R$387 mm)
2. **Incorporação da Sapore na IMC:**
   a. Following the VTO, Sapore will be merged into IMC at an exchange ratio of 65% IMC / 35% Sapore (excluding the shares acquired in the VTO)
   b. Upon conclusion of the transaction, Sapore's controlling shareholder could end with a final stake of up to 41.79% of the combined company
   c. If Sapore doesn't acquire the full amount on the VTO (25%), IMC will do a capital reduction in order for Sapore to reach the envisaged stake (41.79%)

Implied Valuation:

Exchange Ratio

	imc	Sapore
Exchange Ratio (%)	65.0%	35.0%
Price per Share	9.30[1]	9.30
# of Shares (mm)	166.5	89.7
Implied Equity Value (R$ mm)	1,548.7	833.9
Net Debt 17A[2]	30.0	74.4
Implied EV (R$ mm)	1,578.7	908.2
EBITDA 17A (R$mm)	121	104
EV/EBITDA 17A	13.1x	8.7x

Tender Offer

# of Shares	(41.6)[3] # of shares
Implied Equity Value	(387.2) R$ mm
Net Debt	+387.2 R$ mm

Post Tender Offer [3]

	imc	Sapore
% of NewCo	58.2%	41.8%
Price per Share	9.30[1]	9.30
# of Shares (mm)	124.9	89.7
Implied Equity Value (R$ mm)	1,161.6	833.9
Net Debt 17A[2]	417.1	74.4
Implied EV (R$ mm)	1,578.7	908.2
EBITDA 17A (R$mm)	121	104
EV/EBITDA 17A	13.1x	8.7x

Notes:
1 R$9.30/share implying a premium of 17% to the 60 day VWAP (VWAP prior to media publishing regarding the merger, on June 12th, 2018)
2 Net Debt calculation includes minorities
3 Assumes that IMC re-buys and cancels the shares acquired in the tender offer

Governance:

- Corporate governance according to the Novo Mercado standards, the highest in the market
- Newton Maia to continue as CEO
- IMC Management to remain
- Voting rights limited to 15% of total outstanding shares for a period of 36 months

Note:
The Transaction is subject to satisfactory conclusion of due diligence of the companies, conclusion of the definitive instruments, approval of the Merger by the shareholders of IMC and other customary conditions in this type of operation.

GLOSSARY

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

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

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

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

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

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

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

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

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

DISCLAIMER

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