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

International Meal Company Alimentação S.A.

Combined Financial Statements for the Year Ended December 31, 2014 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte Touche Tohmatsu
Rua Alexandre Dumas, 1.981
04717-906 - São Paulo - SP
Brasil

Telefone: (11) 5186-1000
Fac-símile: (11) 5181-2911
www.deloitte.com.br

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Directors and Management of
International Meal Company Alimentação S.A.
Confins - MG

We have audited the combined financial statements of International Meal Company Alimentação S.A. ("Group"), as described in Note 7, which comprise the balance sheet as of December 31, 2014, and the statement of operations, 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 combined financial statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board - IASB, and for such internal control as Management determines is necessary to enable the preparation of combined 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 combined financial statements based on our audit. We conducted 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined financial statements

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of International Meal Company Alimentação S.A. as of December 31, 2014, and its combined financial performance and its combined 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

Without modifying our opinion, the purpose of these combined financial statements is to disclose the Group's comparative financial statements, had the merger referred to in Note 1.b) occurred on January 1, 2013.

Other matters

Statement of value added

We have also audited the combined statements of value added ("DVA"), for the year ended December 31, 2014, prepared under the responsibility of the Company's management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies and as supplemental information for IFRS, which does not require the 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 17, 2015

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Vagner Ricardo Alves
Engagement Partner

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INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

COMBINED BALANCE SHEET AS OF DECEMBER 31, 2014
(Amounts in thousands of Brazilian reais - R$)

ASSETS	Note	12/31/14	12/31/13
CURRENT ASSETS			
Cash and cash equivalents	10	84,820	81,575
Trade receivables	12	89,577	75,209
Inventories	13	47,788	38,026
Recoverable taxes and contributions	14	27,456	31,716
Derivatives		117	90
Prepaid expenses		9,994	9,206
Other assets and advances		5,096	5,066
Total current assets		264,848	240,888
NONCURRENT ASSETS			
Short-term investments	10	5,315	5,915
Derivatives		10,850	1,792
Escrow deposits		14,866	11,929
Deferred income tax and social contribution	24.a)	12,182	13,630
Other noncurrent assets		12,239	13,251
Investments	15	30,815	-
Property, plant and equipment	16	402,337	329,787
Intangible assets	17	1,132,220	1,022,704
Total noncurrent assets		1,620,824	1,399,008
TOTAL ASSETS		1,885,672	1,639,896

LIABILITIES AND EQUITY	Note	12/31/14	12/31/13
CURRENT LIABILITIES			
Trade payables	18	85,499	75,022
Borrowings and financing	19	45,177	69,259
Payroll and related taxes	20	51,390	42,470
Proposed dividends		-	574
Taxes		17,946	23,278
Deferred revenue	23	4,652	5,160
Installment payment of companies acquired	21	98,914	25,587
Rights over point of sales payable	17.c) and e)	11,809	14,578
Other current liabilities		19,309	8,841
Total current liabilities		334,696	264,769
NONCURRENT LIABILITIES			
Borrowings and financing	19	434,257	255,148
Provision for labor, civil and tax risks	22	12,298	16,584
Deferred revenue	23	7,292	5,397
Deferred income tax and social contribution	24.a)	81,721	85,321
Installment payment of companies acquired	21	59,667	37,571
Rights over point of sales payable	17.c) and e)	42,000	50,100
Other noncurrent liabilities		2,669	2,705
Total noncurrent liabilities		639,904	452,826
EQUITY			
Capital	25	837,803	615,586
Earnings reserve		-	232,116
Reserva legal		-	-
Earnings reserve (accumulated losses)		71,234	2,110
Other comprehensive income		2,035	72,489
Total equity		911,072	922,301
TOTAL LIABILITIES AND EQUITY		1,885,672	1,639,896

The accompanying notes are an integral part of these combined financial statements.

INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

COMBINED INCOME STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in thousands of Brazilian reais - R$, except earnings (loss) per share)

	Note	12/31/14
NET SALES REVENUE	27	1,691,261
COST OF SALES AND SERVICES	32	(1,160,296)
GROSS PROFIT		530,965
OPERATING INCOME (EXPENSES)		
Selling and operating expenses	28 and 32	(317,307)
Operating and administrative expenses	29 and 32	(116,286)
Depreciation and amortization	32	(56,174)
Impairment of intangible assets	17	(12,992)
Other operating income (expenses), net	30	913
Equity in subsidiaries	15	1,867
Finance income (costs), net	31	(45,797)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(14,811)
INCOME TAX AND SOCIAL CONTRIBUTION	23.c)	(8,120)
PROFIT (LOSS) FOR THE YEAR		(22,931)
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED - R$	38	(0.2724)

The accompanying notes are an integral part of these combined financial statements.

INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in thousands of Brazilian reais - R$)

	12/31/14	12/31/13
PROFIT (LOSS) FOR THE YEAR	(22,931)	4,569
OTHER COMPREHENSIVE INCOME		
Items that can be reclassified subsequently to the income statement-		
Translation adjustments in the balance sheet of foreign subsidiaries subsidiaries	13,131	31,211
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR	(9,800)	35,780

The accompanying notes are an integral part of these combined financial statements.

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INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in thousands of Brazilian reais - R$)

	Capital				Retained		
	Capital	Cost on share offering	Net capital	Capital reserve	earnings (acummulated losses)	Cumulative translation adjustments	Total equity
BALANCES AS OF DECEMBER 31, 2012	639,654	(24,125)	615,529	224,115	(1,885)	41,278	879,037
Profit for the year	-	-	-	-	4,569	-	4,569
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	31,211	31,211
Comprehensive income for the year	-	-	-	-	4,569	31,211	35,780
Increase of capital reserve due to employee stock option plan	57	-	57	10,022	-	-	10,079
Treasury shares acquired	-	-	-	(2,021)	-	-	(2,021)
Proposed dividends	-	-	-	-	(574)	-	(574)
BALANCES AS OF DECEMBER 31, 2013	639,711	(24,125)	615,586	232,116	2,110	72,489	922,301
Loss for the year	-	-	-	-	(22,931)	-	(22,931)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	13,131	13,131
Comprehensive income for the year	-	-	-	-	(22,931)	13,131	(9,800)
Increase of capital reserve due to employee stock option plan	10	-	10	-	-	-	10
Treasury shares acquired	-	-	-	(1,448)	-	-	(1,448)
Capital increase through merger of companies	198,082	24,125	222,207	(230,668)	92,055	(83,585)	9
BALANCES AS OF DECEMBER 31, 2014	837,803	-	837,803	-	71,234	2,035	911,072

The accompanying notes are an integral part of these combined financial statements.

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INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in thousands of Brazilian reais - R$)

	Note	12/31/14	12/31/13
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) for the year		(22,931)	4,569
Depreciation and amortization	32	112,505	94,446
Impairment of intangible assets	17	12,992	-
Amortization of investment in joint venture	15	950	-
Equity in subsidiaries	15	(2,817)	-
Provision for labor, civil and tax risks	22	(1,345)	(6,693)
Income tax and social contribution	24.c)	8,120	20,197
Interest on borrowings		33,607	21,014
Interest on acquisition of companies and rights over point of sales		9,876	4,464
Write-off of property, plant and equipment and intangible assets		131	1,418
Deferred revenue and appropriate discounts		(6,734)	(10,112)
Expense on share-based payment		-	10,022
Sundry provisions and other		15,263	(6,351)
		159,617	132,974
Changes in operating assets and liabilities:			
Trade receivables		(15,801)	(3,349)
Inventories		(4,170)	(9,406)
Recoverable taxes and contributions		12,649	(1,952)
Prepaid expenses		(2,152)	(657)
Trade payables		7,795	3,211
Fees and sales agreements		8,000	6,029
Other assets and liabilities		3,273	9,273
Cash provided by operating activities		169,211	136,123
Income tax and social contribution		(16,530)	(19,336)
Interest on borrowings		(32,897)	(16,832)
Interest on acquisition of companies and rights over point of sales		(4,935)	(3,181)
Net cash provided by operating activities		114,849	96,774
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of companies, net of cash		(125,764)	(50,606)
Adições de investimentos em controladas			-
Dividends received		2,899	-
Empréstimos concedidos à controladora, líquidos dos valores devolvidos			-
Additions to intangible assets	17 and 37	(28,520)	(19,594)
Additions of property, plant and equipment	16 and 37	(77,095)	(81,843)
Net cash used in investing activities		(228,480)	(152,043)
CASH FLOW FROM FINANCING ACTIVITIES			
Capital contribution		10	57
Treasury shares		(1,448)	(2,021)
Dividendos pagos	24.b)		-
Juros sobre o capital próprio	24.c)		-
New borrowings		137,343	103,896
Repayment of borrowings		(24,127)	(21,241)
Net cash provided by financing activities		111,778	80,691
NET CHANGES IN THE YEAR		3,245	29,412
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		81,575	52,163
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		84,820	81,575

The accompanying notes are an integral part of these combined financial statements.

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INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

COMBINED STATEMENTS OF VALUE ADDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in thousands of Brazilian reais - R$)

	Note	12/31/14	12/31/13
REVENUES			
Sales of goods, products and services	27	1,814,233	1,464,707
Other revenue	30	13,852	23,574
Allowance for doubtful debts		(2,850)	197
		1,825,235	1,488,478
INPUTS ACQUIRED FROM THIRD PARTIES			
Cost of sales and services	32	(612,299)	(508,255)
Materials, power, outside services and other		(151,940)	(112,638)
Other		(130,087)	(97,086)
		(894,326)	(717,979)
GROSS VALUE ADDED		930,909	770,499
DEPRECIATION AND AMORTIZATION	32	(113,455)	(94,446)
IMPAIRMENT OF INTANGIBLE ASSETS	17	(12,992)	-
WEALTH CREATED BY THE COMPANY		804,462	676,053
WEALTH RECEIVED IN TRANSFER			
Equity in subsidiaries	15	2,817	-
Finance income	31	3,633	7,532
		6,450	7,532
TOTAL WEALTH FOR DISTRIBUTION		810,912	683,585
WEALTH DISTRIBUTED			
Employees:			
Payroll and related taxes		494,015	398,693
Management fees	33	7,581	7,485
Share-based payments		-	10,022
	32	501,596	416,200
Taxes, fees and contributions:			
Taxes on sales	27	109,796	92,351
Income tax and social contribution	24.c)	8,120	20,197
		117,916	112,548
Lenders and lessors:			
Interest		43,483	25,478
Rental		170,848	124,790
		214,331	150,268
Shareholders:			
Proposed dividends	25.b)	-	574
Retained earnings (accumulated losses) for the year		(22,931)	3,995
		(22,931)	4,569
WEALTH DISTRIBUTED		810,912	683,585

The accompanying notes are an integral part of these combined financial statements.

1. GENERAL INFORMATION

a) Transaction

International Meal Company Alimentação S.A. ("Company"), headquartered at Rodovia LMG 800, km 9, in the Passenger Terminal of the Tancredo Neves International Airport, in the City of Confins, State of Minas Gerais, established in 1965, is a corporation going public and is the successor through merger of International Meal Company Holdings S.A., a publicly-held company, whose shares are traded on the BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") under ticker symbol "IMCH3" and listed in the Novo Mercado segment. The Company, as set forth in article 223, paragraph 3, of Law 6404/76, will trade its shares on the BM&FBOVESPA under the ticker symbol of its mergee until granting by the Brazilian Securities and Exchange Commission (CVM) of its registration as a publicly-held company.

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

As of December 31, 2014, the Group conducts business in Brazil, Puerto Rico, Dominican Republic, Panama, Colombia, Mexico and United States of America (startup of activities on April 1, 2014, as mentioned in Note 7). The Group is controlled by Advent International Corporation through its 69.76% interest in FIP Brasil de Empreendimentos ("FIP - SP - Brazil"), which holds a 39.75% interest in the Company.

b) Corporate restructuring

On September 30, 2014, the Board of Directors of International Meal Company Holdings S.A. ("IMCHSA"), then the Group's controlling shareholder, approved the Group's corporate restructuring, which was completed on December 1, 2014 and comprised:

(i) The partial spin-off of RA Catering Ltda. (former International Meal Company Alimentação S.A.), then IMCHSA's wholly-owned subsidiary.

(ii) The merger of the net assets of RA Catering Ltda. into Pimenta Verde Alimentos Ltda., IMCHSA's wholly-owned subsidiary.

(iii) The merger of IMCHSA, then a publicly-held company, whose shares are traded on the BM&FBOVESPA, under ticker symbol "IMCH3", listed in the Novo Mercado segment through its wholly-owned subsidiary International Meal Company Alimentação S.A.

2. PREPARATION OF THE COMBINED FINANCIAL STATEMENTS

a) Statement of compliance

The financial statements of the companies included in the combined financial statements have been prepared in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards ("IFRSs"), issued by the International Accounting Standards Board - IASB, and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of combined financial statements.

The Company is presenting its combined financial statements so as to disclose the Group's financial condition, results of operations, changes in equity, and cash flows as the combined companies are under common control, had the merger referred to in Note 1.b) occurred on January 1, 2013.

b) Basis of preparation

The combined financial statements have been prepared based on the historical cost, except for certain financial instruments measured at fair value.

The significant accounting policies applied to the preparation of these combined financial statements are described in Note 3.

The Company made certain reclassifications in the statement of operations and statement of value added for the year ended December 31, 2013, presented for purposes of comparison, to conform them to the presentation adopted in the current year. These policies have been applied consistently with the prior annual reporting periods presented, except if otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies described below were consistently applied for all reporting periods in the Group's combined financial statements.

a) General principles

Revenue and expenses are recorded 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 stated at the fair value of the consideration received or receivable, less any estimated returns and trade discounts.

b) Foreign currency

b.1) Functional and reporting currency

Each subsidiary's financial statements included in the combined 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. When defining the functional currency of each subsidiary, the Company analyzes which currency significantly influences the sales price of its products and services, and the currency in which a substantial part of its operating and administrative costs is paid or incurred.

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

Country	Functional currency
Brazil	Brazilian real - R$
United States of America	US dollar - US$
Puerto Rico	US dollar - US$
Mexico	Mexican peso - MXN$
Dominican Republic	Dominican peso - DOP$
Panama	Balboa - PAB$
Colombia	Colombian peso - COP

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

b.2) Transactions and balances

The Group accounts for foreign currency-denominated transactions at the exchange rate prevailing on the transaction date. Foreign currency-denominated assets and liabilities are translated using the exchange rate prevailing at the balance sheet date and the related exchange rate changes are recorded in the statement of operations as finance income or costs, when earned or incurred.

b.3) Foreign subsidiaries

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

(i) Assets and liabilities are translated using the exchange rate prevailing at the balance sheet date.

(ii) Income and expense accounts are translated using the average monthly exchange rate.

(iii) All currency translation differences are recognized in the statement of comprehensive income under caption “Translation adjustments of foreign subsidiaries’ balance sheets” and accumulated in equity.

c) Business combinations

Business combinations are accounted for under the acquisition method. The cost of business combinations is measured by adding the fair values (on the 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 prescribed by technical pronouncement CPC 15 (R1)/IFRS 3 - Business Combinations are accounted for at fair value on acquisition date.

Technical pronouncement CPC 15 (R1)/IFRS 3 changes the recognition and subsequent accounting for contingent payments. Contingent payments were previously recognized on the acquisition date only 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 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 to contingent payments, either classified as asset or liability, are recognized in profit or loss.

The respective balances receivable/payable will be considered as null and recognized as gain or loss in the statement of operations in a business combination.

Technical pronouncement CPC 15 (R1)/IFRS sets forth that acquisition costs should be recorded separately from the business combination, which generally results in these costs being recognized as an expense in the profit or loss, 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 interests in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeding the business combination cost, is immediately recognized in profit or loss. Measurement period adjustments (which cannot exceed twelve months after the acquisition date) arise from new information obtained about facts and circumstances on the acquisition date.

If the initial accounting for a business combination is not completed by the balance sheet date in which the business 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 so as to reflect new information obtained about facts and circumstances on the acquisition date and, if known, that would affect the amounts recognized on that date.

d) Cash and cash equivalents

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

e) Trade receivables and allowance for doubtful debts

Trade receivables are initially stated in the balance sheet at their fair values and subsequently measured at their carrying amounts, including allowance for doubtful debts 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 arising from commercial agreements result from bonus and discounts granted by suppliers, as set forth in an agreement, and calculated based on purchase volumes, marketing actions and the assignment of spaces for advertising, among others.

f) Inventories

Inventories are stated at the lower of cost and net realizable value. Inventory costs are determined under the average cost method, including warehousing and handling costs, to the extent that such costs are necessary to bring inventories to their current conditions for sales in stores, less bonuses received from suppliers. The net realizable value is the sales price in the normal course of business, less estimated costs to sell. Inventories are deducted from the allowance for inventory losses and damages, when necessary, which is periodically analyzed and assessed with respect to their adequacy.

g) Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, when applicable. Property, plant and equipment items recorded on the entities' acquisition date were stated at the fair value of each item, as prescribed by technical pronouncement CPC 15 (R1)/IFRS 3, as mentioned in "d" above.

Depreciation is calculated under the straight-line method over the estimated useful lives of assets, as shown below. The estimated useful life, residual values and depreciation methods are reviewed at the balance sheet dates and the effect of any changes in estimates is recorded prospectively.

Category	Useful life (years)
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

h) Intangible assets

Intangible assets comprise mainly software acquired from third parties, software developed for internal use, goodwill (sales outlets right), customer list, catering licenses, rental agreement and trademarks. Intangible assets are stated at acquisition cost, less amortization and accumulated impairment losses, if any.

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

Intangible assets with finite useful lives are amortized on a straight-line basis. The amortization period and method are reviewed at least on the balance sheet dates. Changes in the estimated useful life or the expected consumption patter of the future economic benefits incorporated to the asset are accounted for by changing the amortization period or method, as the case may be, and treated as changes in accounting assumptions.

Intangible assets with indefinite useful lives are not amortized but tested for impairment at the balance sheet date or whenever there is an indication that their carrying amounts might be impaired, either individually or at the level of the cash-generating unit. The assessment is annually reviewed to determine whether the indefinite useful life continues to be applicable. Otherwise, the estimated useful life is changed prospectively from indefinite to finite. Any 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 for the year 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 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:

Category	Useful life (years)
Software	5
License rights	5-10
Leasehold rights	5-27
Non-compete agreements	10-12
Rights over point of sales	20
Other	10

i) Impairment of goodwill

For impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the combination synergies. According to Management, cash-generating units correspond to each business segment or country. 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 (CGU) and subsequently to the other assets of the CGU, by the "pro rata" criterion 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 disposal.

j) Impairment of tangible and intangible assets excluding goodwill

At the balance sheet dates, the Group reviews the carrying amount of its tangible and intangible assets to determine if there is any indication that these 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 lives or not yet ready for use are tested for impairment at least annually and when there is any indication that such assets might be impaired.

Recoverable amount is the higher of fair value less costs to sell or 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 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, the carrying amount of the asset (or cash-generating unit) is written down to its recoverable amount. An impairment loss is immediately recognized in profit or loss for the year.

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 periods. The reversal of an impairment loss is immediately recognized in profit or loss for the year.

k) Income tax and social contribution

Income tax and social contribution expenses represent the aggregate of current and deferred taxes.

<u>Current taxes</u>

Income tax and social contribution are recorded based on annual profit, as prescribed by the tax laws prevailing in the jurisdiction of each consolidated entity. Taxable income differs from the profit disclosed in the income statement because it excludes income or expenses taxable or deductible in other years, as well as permanently nontaxable or nondeductible items. The provision for income tax and social contribution is calculated individually for each Group company based on the tax rates prevailing at the balance sheet dates.

<u>Deferred taxes</u>

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 in relation 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 24.

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

Deferred tax assets and liabilities are measured at the rates applied in the year in which the liability is settled or the asset realized, based on the tax rates (and tax laws) prevailing, or substantially prevailing, at the balance sheet dates. The calculation of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet dates, to recover or settle the carrying amount of its assets and liabilities.

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, when they are related to the income tax applied by the same tax authority, and the Group has the intention to settle its current tax assets and liabilities at their net amounts.

l) Leases

Leases are classified as finance leases when lease agreement terms substantially transfer all risks and rewards of 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 finance costs and the reduction of the outstanding liability, so as to produces a constant interest rate on the remaining balance of the liability. Finance costs 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 in the year in which they are incurred.

m) Provisions

A provision is recognized when the Company has a legal or constructive obligation that can be reasonably estimated as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation.

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

n) Other current and noncurrent assets

Stated at cost and adjusted by the allowance for losses, when applicable.

o) Other current and noncurrent liabilities

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

p) Revenue recognition

<u>Sale of meals and products</u>

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

Revenue from the sale of goods is recognized when all of the following conditions are met:

- The meal was 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 arising from the transaction will flow to the Group.

q) Adjustment to present value

Current monetary assets and liabilities, when significant, and noncurrent assets and liabilities must be adjusted to present value. The adjustment to present value is calculated considering contractual cash flows and the related explicit and implicit interest rate, when necessary.

As of December 31, 2014 and 2013, the Group did not identify any significant adjustment to present value.

r) Deferred revenue

Recorded by the Group as a liability arising from the prepayment of amounts received from business partners in connection with the preference in the purchase of raw material and exclusive assignment of advertising spaces. Recognized in profit or loss for the year as services are provided and/or according to contractual terms.

s) Dividend distribution

Dividends distributed to the Company’s shareholders are recognized as liabilities at the balance sheet dates, based on mandatory minimum dividends set out in the bylaws. Any potential amounts exceeding such minimum amount are recorded only on the date such additional dividends are approved by the Company’s shareholders.

On September 30, 2014, the Company was established as a limited liability company and dividends distributed to shareholders were recognized as liabilities, based on the criteria set forth in the articles of association.

t) Equity

Common shares are classified as equity.

When a related party acquires the Company’s shares (treasury shares), the compensation paid, including possible incremental costs directly attributable, is deducted from equity, until the shares are cancelled or reissued. When these shares are subsequently reissued, any possible compensation received, less probable transaction costs directly attributable, is recognized in equity. No gains or losses arising from the purchase, sale, issue or cancellation of instruments representing the Company’s capital are recognized.

Any differences between the carrying amount and the compensation are recognized as “Other capital reserves”.

u) Recognition of earnings per share

As prescribed by IAS 33 and technical pronouncement CPC 41 - Earnings per Share, earnings must be recognized as basic and diluted, as disclosed in Note 38.

v) Segment reporting

The information by operating segments is presented consistently with the internal report used by the chief operating decision makers.

w) Treasury shares

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

x) Share-based payments

Recognized as an expense in profit or loss, at fair value, during the year in which the right is vested, after satisfaction of specific conditions.

y) Financial instruments

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

<u>Classification</u>

Financial assets and financial liabilities held by the Company are classified in the following categories, when applicable: (i) financial assets measured at fair value through profit or loss; (ii) held-to-maturity financial assets; (iii) available-for-sale financial assets; and (iv) loans and receivables. The classification depends on the purpose for which the financial assets and financial liabilities were acquired or contracted.

Financial assets

As of December 31, 2014, the Company had financial instruments classified as loans and receivables, comprising non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category includes cash and cash equivalents (Note 10), short-term investments (Note 11) and trade receivables (Note 12). Interest income is recognized by applying the effective interest method, except for short-term receivables, when the recognition of interest would be immaterial.

Financial liabilities

Financial liabilities are classified as follows:

(i) Financial liabilities measured at fair value through profit or loss

Financial liabilities held for trading or measured at fair value through profit or loss. As of December 31, 2014, the Group has no financial instrument classified under this category.

(ii) Financial liabilities measured at amortized cost

Stated at amortized cost using the effective interest method. As of December 31, 2014, they are represented as described in Note 9.b), which are stated at their original amounts, plus interest, inflation adjustments and exchange rate changes incurred through the balance sheet date, when applicable.

Effective interest method

Used to calculate the amortized cost of a debt instrument and allocate its interest income over the related year. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and amounts paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the debt instrument or, when appropriate, a shorter year, to the net carrying amount on the date of initial recognition.

Gains or losses resulting from changes in the fair value of financial assets at fair value through profit or loss are recognized in the income statement, in line items “Finance income (cost), net” as “Finance income” or “Finance costs”, respectively, in the year in which they occur.

Offset of financial instruments

Financial assets and financial liabilities are offset and the net amount is recorded in the balance sheet when there is a legally enforceable right to set off recognized amounts and intention to either settle them on a net basis, or to recognize the asset and settle the liability simultaneously.

Derivatives

As of December 31, 2014, the Group recognized swap derivatives to manage its exposure to currency risks. Derivatives are initially recognized at fair value at the trade date and subsequently remeasured at fair value at end of the reporting period. Possible gains or losses are immediately recognized in profit or loss, unless the derivative is designated and effective as a hedge instrument; in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Note 9.e) includes more detailed information on swaps.

z) Statement of value added (DVA)

This statement is intended to disclose the wealth created by the Group and its distribution during a given year and is presented by the Group as supplemental information to the combined financial statements, since it is neither provided for nor mandatory for combined financial statements.

The statement of value added was prepared using information obtained in the same accounting records used to prepare the combined 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 revenue and the effects of the allowance for doubtful debts), inputs acquired from third parties (cost of sales and purchases of materials, power and outside services, including 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, finance income and other income). The second part of the DVA presents the distribution of wealth among employees, taxes and contributions, lenders and lessors and shareholders.

aa) Interest on capital

For corporate and accounting purposes, interest on capital is stated as allocation of profit or loss directly in equity. For tax purposes, interest on capital is stated as finance costs, thus reducing the income tax and social contribution tax base.

bb) Investments in joint ventures

Joint venture: A joint venture is a contractual agreement whereby the Company and other parties exercise an economic activity subject to joint control, where the decisions on strategic financial and operating policies relating to the joint venture's activities require the approval of all parties sharing control. As a joint venture, the Company records its interest under the equity method in the combined financial statements, as required by technical pronouncement CPC 19 (R2)/IFRS 11.

4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In preparing these combined financial statements, the Company's management considered, when applicable, new and revised IFRSs interpretations and technical pronouncements, issued by the IASB and the Accounting Pronouncements Committee (CPC), respectively, which are effective for annual periods beginning on or after January 1, 2014.

Pronouncement or interpretation	Description
Amendments to IAS 32/CPC 39 - Presentation of Financial Instruments	Clarify the requirements related to the offset of financial assets and financial liabilities. Specifically, these amendments clarify the meaning of "currently has the legal right of set-off" and "simultaneous realization and settlement".

Pronouncement or interpretation	Description
Amendments to IAS 36/CPC 01 (R1) - Recoverable Amount Disclosures for Non-Financial Assets	Adds guidance on the disclosure of recoverable amounts of non-financial assets.
Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting	Add guidance clarifying that there is no need to discontinue the hedge accounting if the derivative instrument is renewed, provided that certain criteria are met.
IFRIC 21 - Levies	Provides guidance on when to recognize a liability for a levy imposed by a government.

Revised pronouncements already issued and early adopted

In December 2014 CPC enacted and issued a document that amends the technical pronouncements CPC 18 - Investments in Associates, Subsidiaries and Joint Ventures, CPC 35 – Separate Financial Statements and CPC 37 - First-time Adoption of International Financial Reporting Standards, adopting in Brazil the amendments introduced by the IASB in IAS 27 – Investment Entities. CVM Resolution 733/14 approved such change, effective for annual periods beginning or after December 31, 2014.

Since the equity method was already adopted in Brazil in the individual financial statements, such amendment did not impact the financial statements, eliminating the difference between the technical pronouncements issued by the CPC and the IFRSs for the preparation of individual financial statements.

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

Pronouncement or interpretation	Description
Amendments to IFRS 9 - Financial Instruments (effective for annual reporting periods beginning on or after January 1, 2018)	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. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.
IFRS 15 - Revenue from Contracts with Customers (effective for annual reporting periods beginning on or after January 1, 2017)	IFRS supersedes IAS 18, IFRIC 13 and SIC 31 (CPC 30 (R1)), IAS 11 (CPC 17 (R1)), IFRIC 15 (ICPC 02) and IFRIC 18 (ICPC 11). IFRS 15 establishes how and when an entity should recognize the revenue from contracts with customers, as well as determines that these entities should provide more detailed and relevant information to the users of the financial statements. It sets forth, in a single document, the recognition principles applicable to all types of revenues accrued from contracts and/or relationship with customers.

Pronouncement or interpretation	Description
Amendments to IFRS 11/CPC 19 (R2) - Joint Arrangement (effective for annual reporting periods beginning on or after January 1, 2016)	The amendments to IFRS 11/CPC 19 (R2) provide instructions on how to account for the acquisition of a joint arrangement that constitutes a business, as defined by IFRS 3/CPC 15 (R1) - Business Combination. A joint arrangement also requires the disclosure of significant information required by IFRS 3/CPC 15 (R1) and other business combination standards.
Amendments to IAS 16/CPC 27 and IAS 38/CPC 04 (R1) - Clarification of Acceptable Methods of Depreciation and Amortization (effective for annual reporting periods beginning on or after January 1, 2016)	The amendments to IAS 16/CPC 27 prohibit companies of using the revenue-based depreciation method for property, plant and equipment items. The amendments to IAS 38/CPC 04 (R1) introduce the refutable assumption that revenue is not an appropriate basis to determine the amortization of an intangible asset.
Amendments to IAS 16/CPC 27 and IAS 41/CPC 29 - Agriculture: Bearer Plants (effective for annual reporting periods beginning on or after January 1, 2016)	The amendments to IAS 16/CPC 27 and IAS 41/CPC 29 introduce the definition of bearer plants that meet the definition of bearer plants likely to be accounted for as property, plant and equipment, as prescribed by IAS 16/CPC 27, rather than IAS 41/CPC 29. Produce growing on bearer plants continues to be accounted for under IAS 41/CPC 29.
Amendments to IAS 19 / CPC 33 (R1) - Employee Benefits	Clarify how an entity must account for the contributions made by employees or third parties to defined benefit plans, depending on whether these contributions rely on the years of service provided by the employee.
Annual improvements to IFRSs: 2010-2012 Cycle	Amendments to IFRS 2 - definitions of vesting conditions, market and performance; IFRS 3 - description of changes in the measurement of contingent consideration; IFRS 8 - requirement on the disclosures of Management's judgment in the application of the concept of aggregation; IFRS 13 - measurement of short-term receivables and payables; IAS 16 and IAS 38 - revaluation of assets; and IAS 24 - disclosure of entities providing management services.
Annual improvements to IFRSs: 2011-2013 Cycle	Amendments to IFRS 1 - definition of the IFRS versions that can be used upon first-time adoption; IFRS 3 - clarification of the exclusion from the scope of the joint arrangement; IFRS 13 - clarification of the exception to paragraph 52; and IAS 40 - clarification of the interrelation between IFRS 3 and IAS 40 in specific cases.
Annual improvements to IFRSs: 2012-2014 Cycle	Amendments to IFRS 5 - situations of held for sale or distribution; IFRS 7 - clarification of whether a service agreement constitutes continuing involvement with a transferred asset; and IAS 9 - considerations on the discount rate of the postemployment benefit and IAS 34.

There are no other pronouncements and interpretations issued but not yet adopted that can significantly impact profit or loss or equity reported by the Company, based on Management's opinion.

5. KEY ESTIMATES AND JUDGMENTS

In applying the accounting policies described above, the Group's management adopted the following assumptions in the use of estimates that could have an impact on the combined 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 by calculating the future cash flow arising from such asset adjusted to present value to determine 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 estimated income tax and social contribution on the balance sheet date in accordance with tax laws prevailing in the jurisdiction of each entity included in the combined financial statements.

The Group reviews deferred income tax and social contribution assets on the balance sheet dates and writes down that amount when it is no longer probable that sufficient future taxable income will be available to allow the recovery of all or part of the asset.

c) Allowance for inventory impairment losses

The allowance for inventory impairment losses basically arises from slow-moving items and losses and breakage. The Group estimates the amount of the allowance based on the age of inventory items, class of product, expected sales price decrease and estimated losses. As of December 31, 2014 and 2013, there was no need to recognize such allowance.

d) Allowance for doubtful debts

The allowance for doubtful debts is 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 possible 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. ACQUISITION OF COMPANIES

6.1. Acquisitions in 2014

<u>United States of America</u>

On April 1, 2014, IMCHSA, then the Group's controlling shareholder (see information on the corporate restructuring in Note nº 1.b)), through its subsidiary IMCMV Holdings Inc., based in the United States of America, completed the negotiation for acquisition of restaurants under Margaritaville brand in the United States of America and the right to acquire other five restaurants, which are still under construction, totaling 17 stores.

On May 1 and August 1, 2014, the Group assumed the control of four stores, which depended on the authorization for sale of alcoholic drinks by the respective States where these stores are located.

Through December 31, 2014, the transaction amount of the stores already delivered was US$75,020 thousand (R$169,357 on transaction date), of the total amount, US$43,299 thousand (R$97,820 on transaction date) was paid, and the residual value of US$31,721 thousand (R$85,237 as of December 31, 2014) will be paid within up to six years. Out of the amount relating to the stores added on August 1, 2014, the Company can settle the amount equivalent to US$9,635 (R$25,890 as of December 31, 2014) with its shares.

As established in the purchase and sale agreement, the Group may deduct from the amount payable to the sellers any losses incurred in labor, social security, civil or tax disputes as a result of taxable events that took place before the acquisition date.

The purpose of this acquisition by the Group is to strengthen its trademarks and restaurant portfolio; consequently, the amount paid for this acquisition mainly derived from such rights.

The fair value of these rights 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 from the acquisition date. During the acquisition price allocation studies, adjustments to provisional allocations were determined, previously disclosed on August 8, 2014 by IMCHSA, made on the acquisition date, relating to intangible assets and reflected in the financial statements for the year ended December 31,2014, as prescribed by technical pronouncement CPC 15 (R1)/IFRS 3, as follows:

	Previously reported balance	Provisional adjustments	Current balance
Inventories	3,436	2,299	5,735
Property, plant and equipment	56,188	-	56,188
Intangible assets	-	5,300	5,300
Fair value of assets acquired and liabilities assumed	59,624	7,599	67,223
Consideration paid	168,795	562	169,357
Goodwill	109,171	(7,037)	102,134

Goodwill was allocated to the cash-generating unit in the United States of America, as disclosed in Note 17.a).

Revenue and operating income arising from such business combined in the Group’s profit or loss in 2014 amount to R$181,518 and R$4,909, respectively. Had the acquisition taken place on January 1, 2014, the Group’s combined revenues and operating income for the year ended December 31, 2014 would be increased by R$71,260 and R$10,776, respectively.

As mentioned above, on April 1, 2014, the Group entered into an agreement with sellers with the possibility of acquiring another five restaurants still in the project or construction stage. The agreed acquisition amount corresponds to 7.5 times the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of the restaurant determined in the first 12 months of operation. Should the Group decides not to acquire, it must pay a fine of US$500 thousand (R$1,344 as of December 31, 2014) in connection with each store not acquired, whose fine amount is accounted for as a liability in the balance sheet. On June 16, 2014, the Group exercised one of the options and acquired one of the restaurants, which was inaugurated on the same date.

Also on April 1, 2014, the Group, through its subsidiary IMCMV Holdings Inc. (USA), acquired a 50% stake (joint control) of the economic rights in another Margaritaville restaurant, located at Universal Studios, in the city of Orlando, at the amount of US$11,771 thousand (R$26,682 on the transaction date), it being paid, on that date, the amount of US$4,671 thousand (R$10,588 on the transaction date) and the residual value, in the amount of US$7,100 thousand (R$19,078 as of December 31, 2014) will be paid in one single installment in April 2015.

6.2. Acquisitions in 2013

a) Mexico

<u>Gino's restaurant chain</u>

On June 7, 2013, IMCHSA, then the Group's controlling shareholder (see information on the corporate restructuring in Note nº 1.b)), acquired, through its subsidiaries Grupo Restaurantero del Centro, S.A. de C.V. and Inversionistas en Restaurantes de Carnes y Cortes, S. de R.L. de C.V., the Gino's restaurant chain, in addition to 12 own restaurants and 16 franchises. This transaction amounted to R$47,115, the first installment, in the amount of R$34,613, was paid on the acquisition date; R$965 was paid on August 12, 2013 due to price review and adjustment; and the remaining amount of R$11,537 was paid in one single installment in June 2014.

As established in the purchase and sale agreement, the Group may deduct from the amount payable to the sellers any losses incurred in labor, social security, civil or tax disputes as a result of taxable events that took place before the acquisition date.

The purpose of this acquisition by the Group is to strengthen its trademarks, rights over point of sales and restaurant portfolio in Mexico; consequently, the amount paid for this acquisition mainly derived from such rights.

In the first quarter of 2014, the acquisition price allocation studies relating to the Gino's restaurant chain were completed, and, as a result, adjustments to provisional allocations, made on the acquisition date, and reflected in the financial statements for the year ended December 31, 2013, previously disclosed by IMCHSA on February 26, 2014, were determined, mainly in intangible assets, with an impact on the income statements for the year in the amount of R$390, as prescribed by technical pronouncement CPC 15 (R1)/IFRS 3, as follows:

Line Item	Previously reported balance	Final allocation	Current balance
Assets:			
Recoverable taxes	6,499	-	6,499
Property, plant and equipment	5,172	137	5,309
Intangible assets:			
License rights	10,642	(10,008)	634
Rights over point of sales	11,574	(5,514)	6,060
Trademarks	13,228	5,678	18,906
Fair value of assets acquired and liabilities assumed	47,115	(9,707)	37,408
Consideration paid	47,115		47,115
Goodwill	-		9,707

Revenue and operating income arising from the business acquired in the year ended December 31, 2014, amounted to R$14,097 and R$2,173, respectively. Had the acquisition taken place on January 1, 2013, the Group's revenues and operating income for the year ended December 31, 2013 would be R$24,091 and R$3,537, respectively.

b) Brazil

Rights over point of sales and gas station

On July 2, 2013, the Group acquired, through its subsidiary Centro de Serviços Frango Assado Norte Ltda., 100% interest in Auto Posto Mirante Benetton Ltda., owner of a point of sales to operate a snack bar and gas station in a highway in the city of Cesário Lange, State of São Paulo. The acquisition price was R$1,900, fully paid on the acquisition date. 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 company in labor, social security, civil or tax disputes, as a result of taxable events that took place before the acquisition date. The related contingencies are measured at fair value on acquisition date and accounted for as business assets acquired and liabilities assumed.

The purpose of this acquisition was to operate the point of sales under Frango Assado brand in such highway; therefore, the amount paid for this acquisition mainly resulted from such right.

The acquisition price allocation studies relating were completed, and, as a result, no adjustments to the fair values of such rights and assets acquired and liabilities assumed initially measures as provisional amounts made on the acquisition date and reflected in the financial statements for the year ended December 31, 2013, previously disclosed by IMCHSA on February 26, 2014, were determined. Accordingly, the final fair values are as follows:

	Book value	Final allocation	Fair value
Property, plant and equipment	41	-	41
Rights over point of sales	-	2,182	2,182
Borrowings and financing	(36)	-	(36)
Other assets and liabilities	(287)	-	(287)
Fair value of assets acquired and liabilities assumed	(282)	2,182	1,900
Consideration paid			1,900
Goodwill			-

As a final result of the consideration transferred and business assets acquired and liabilities assumed, we did not determine any goodwill.

Revenue and operating loss arising from the business acquired, added to the Group's profit or loss in the year ended December 31, 2013, amounted to R$135 and R$38, respectively. The point of sale and gas station operation started on December 23, 2013. Had this acquisition occurred on January 1, 2013, the Group's estimated revenue and profit for the year ended December 31, 2013 would amount to R$6,075 and R$118, respectively.

6.3. Cash disbursement for acquisitions

a) For acquisitions in 2014, below is the cash disbursed by the Group in the acquisitions:

	R$
Margaritaville	108,409
Payment of business acquisition installments in prior periods	17,355
	125,764
Cash of acquired companies	-
Net cash outflow	125,764

b) For acquisitions in 2013, below is the cash disbursed by the Group in the acquisitions:

	R$
Gino's chain	35,578
Auto Posto Mirante Benetton Ltda.	1,900
Payment of business acquisition installments in prior periods	13,128
	50,606
Cash of acquired companies	-
Net cash outflow	50,606

7. COMBINED FINANCIAL STATEMENTS

The combined balance sheets as of December 31, 2014 and 2013 and related combined income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended have been prepared considering the companies under the common control of FIP - Fundo de Investimento em Participações - Brasil Empreendimentos. 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' and joint venture's financial statements are adjusted to conform their accounting policies to those of the Group.

All intragroup transactions and balances were fully eliminated in the combined financial statements.

The combined companies are as follows:

	12/31/14		12/31/13	
Subsidiaries	Direct ownership interest - %	Indirect ownership interest - %	Direct ownership interest - %	Indirect ownership 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
Grupo Restaurantero del Centro, S.A. de C.V. (Mexico)	-	99.99	-	99.99
Servicios de Personal Gastronomico IMC, S. de R.L. de C.V. (Mexico)	-	99.99	-	99.99
Servicios Administrativos IMC, S. de R.L. de C.V. (Mexico)	-	99.99	-	99.99
IMC Puerto Rico Ltd. (Caribbean)	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
International Meal Company F&B Panamá, S.A. (Panama)	-	100.00	-	100.00
IMC Colômbia S.A.S. (Colombia)	-	100.00	-	100.00
IMC Airport Shoppes S.A.S. (Colombia)	-	100.00	-	100.00
RA Catering S.A.S. (Colombia)	-	-	-	100.00
International Meal Company Alimentação S.A.	-	-	-	100.00
Pimenta Verde Alimentos Ltda. (Brazil)	99.99	0.01	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
Tob's Lanches Sul Ltda. (Brazil)	99.99	0.01	99.99	0.01
Servecom Catering Refeições Ltda. ("Servecom") (Brazil)	-	-	99.99	0.01
Centro de Serviço Frango Assado da Anhanguera Ltda. (Brazil)	0.01	99.99	0.01	99.99
Comercial de Petróleo ACL Ltda. (Brazil)	0.01	99.99	0.01	99.99
Auto Posto Husch Pereira Ltda. (Jaguariúna gas station) (Brazil)	0.01	99.99	0.01	99.99
Auto Posto Eco Brasil Ltda. (Brazil)	-	100.00	-	100.00
Auto Posto Mirante Benetton Ltda. (Brazil)	-	100.00	-	100.00
Brivido Comércio de Alimentos Ltda. (Brazil)	99.99	0.01	99.99	0.01
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

Subsidiaries	12/31/14 Direct ownership interest - %	12/31/14 Indirect ownership interest - %	12/31/13 Direct ownership interest - %	12/31/13 Indirect ownership interest - %
Marcas Comestíveis Ltda. (Brazil)	-	-	-	100.00
Orange Fantasy Lanchonete Ltda. (Brazil)	-	-	-	100.00
Squadro Lanchonete Ltda. (Brazil)	-	-	-	100.00
IMC United States of America:				
IMCMV Holdings Inc.	-	100.00	-	-
IMCMV Atlantic City, LLC	-	100.00	-	-
IMCMV Cincinnati, LLC	-	100.00	-	-
IMCMV Destin, LLC	-	100.00	-	-
IMCMV Connecticut, LLC	-	100.00	-	-
IMCMV Key West Store, LLC	-	100.00	-	-
IMCMV Key West Café, LLC	-	100.00	-	-
IMCMV MB Landshark, LLC	-	100.00	-	-
IMCMV LV, LLC	-	100.00	-	-
IMCMV Chicago, LLC	-	100.00	-	-
IMCMV Panama City, LLC	-	100.00	-	-
IMCMV Myrtle Beach, LLC	-	100.00	-	-
IMCMV Nashville, LLC	-	100.00	-	-
IMCMV Pigeon Forge, LLC	-	100.00	-	-
IMCMV Orlando, LLC	-	100.00	-	-
Joint venture-				
Universal City Restaurant Venture, LLC (*)	-	50.00	-	-

(*) Classified as a joint venture.

8. SEGMENT REPORTING

The information reported to the Group's chief decision maker (executive board and the chairman of each subsidiary), for the purpose of fund allocation and segment performance evaluation, is more specifically focused on the categories of customers for each type of product and service. The main categories of customers for these products and services are restaurants in shopping malls, airports and highways. Each of these operating segments is managed separately, considering that each one of these product lines requires different resources, including marketing approaches. The Company's main products comprise meals and related services.

The chief operating decision maker evaluates the performance of the operating segments based on the operating income before depreciation, interest, corporate income tax and social contribution.

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

- Shopping malls: meals in restaurant chains and coffee shops in shopping malls.
- Airports: supply of meals in restaurants and coffee shops and airline companies (catering), sale of fuel and other related services.
- Highways: food courts in service stations and restaurant chains located along highways, and sale of vehicle fuel.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.

- Other: business sector comprising restaurants that offer table and projected services to attract a wide range of customers, with accessible prices and comfortable environment, in addition to corporate costs.

The Group's reporting segments as of December 31, 2014 and 2013 are as follows:

	Shopping malls	Airports	Highways	United States of America	Other	Total
December 31, 2014:						
Net sales revenue	341,274	621,622	452,980	181,518	93,867	1,691,261
Operating income (expenses)	24,647	89,658	48,214	18,160	(23,246)	157,433
Depreciation and amortization	(22,613)	(53,552)	(18,682)	(10,437)	(8,171)	(113,455)
Impairment of intangible assets	(12,992)	-	-	-	-	(12,992)
Finance costs, net	(9,921)	(17,821)	(8,499)	(6,995)	(2,561)	(45,797)
Income tax expense	3,350	(3,959)	(5,563)	952	(2,900)	(8,120)
December 31, 2013:						
Net sales revenue	325,197	544,751	414,026	-	83,648	1,367,622
Operating income (expenses)	36,618	101,725	35,972	-	(29,061)	145,254
Depreciation and amortization	(24,079)	(44,575)	(18,273)	-	(7,519)	(94,446)
Finance costs, net	(9,403)	(11,911)	(6,779)	-	2,051	(26,042)
Income tax expense	(40)	(16,769)	(2,830)	-	(558)	(20,197)

As of December 31, 2014, out of the total "Operating income (expenses)" relating to other segments, the amount of R$35,078 (R$37,035 as of December 31, 2013) refers to corporate expenditures.

Reconciliation of operating income (expenses), adjusted by profit before taxes and discontinued operations, is as follows:

	12/31/14	12/31/13
Reconciliation of profit or loss:		
Operating income from reporting segments	180,679	174,315
Operating expenses from other segments	(23,246)	(29,061)
	157,433	145,254
Depreciation and amortization	(113,455)	(94,446)
Impairment of intangible assets	(12,992)	-
Finance income (costs)	(45,797)	(26,042)
Income tax and social contribution	(8,120)	(20,197)
Profit (loss) for the year	(22,931)	4,569

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

	12/31/14	12/31/13
Shopping malls	374,936	418,234
Airports	743,207	708,179
Highways	408,013	394,114
United States of America	246,702	-
Other	112,814	119,369
Total	1,885,672	1,639,896

a) 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), Mexico and the United States of America. Segment reporting on the Group's sales by geographic market based on the location of its customers, regardless of the origin of assets/services, is as follows:

	12/31/14	12/31/13
Net sales revenue:		
Brazil	1,075,357	994,060
Caribbean	300,674	254,063
Mexico	133,712	119,499
United States of America	181,518	-
Total	1,691,261	1,367,622

b) Information on major customers

The Group does not have customers or a group of customers under common control accounting for more than 10% of its revenue.

9. FINANCIAL INSTRUMENTS

a) Capital management

The Group's management manages the Group's funds to ensure the continuity of the Group as a going concern and to maximize its funds to allow for investments in new stores, refurbishments, and redesign of existing stores, as well as the acquisition of other entities.

The Group's capital structure consists of financial liabilities with financial institutions, 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 by taking the appropriate actions, when necessary, to improve the Group's ratios.

b) Categories of financial instruments

Management believes that the carrying amounts of financial assets and financial liabilities stated at amortized cost in the financial statements approximate their fair values, except for loans. Derivative transactions are only used to mitigate the Group's exposure to fluctuations in foreign currencies and interest rates, intended to maintain the balance of the capital structure.

The main financial instruments are broken down as follows:

	Carrying amount and fair value	
	12/31/14	12/31/13
Financial assets-		
Trade receivables and receivables at amortized cost:		
Cash and cash equivalents	84,820	81,575
Short-term investments (noncurrent)	5,315	5,915
Derivative	10,967	1,882
Trade receivables	89,577	75,209
Total	190,679	164,581
Financial liabilities-		
Other financial liabilities recognized at amortized cost:		
Trade payables	85,499	75,022
Payroll and related taxes	51,390	42,470
Borrowings and financing	479,434	324,407
Rights over point of sales payable	53,809	64,678
Installment payment of companies acquired	158,581	63,158
Total	828,713	569,735

In the Group's management's opinion, financial instruments, which are recognized in the combined financial statements at their amortized cost, approximate their fair values. However, considering that there is no active market for these instruments, differences may arise if these amounts are settled in advance.

c) Liquidity

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

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

The table below details the remaining contractual maturity of the Group's combined financial assets and liabilities and the agreed amortization terms. The tables were prepared considering undiscounted cash flows of the financial assets and financial liabilities based on the nearest date in which the Group can be required to make the payment or the right to receive. As interest flows are based on floating rates, the undiscounted amount is obtained based on the interest curves at the balance sheet dates. Contractual maturity is based on the first date the Group can be required to pay. Accordingly, the balances reported do not match the balances in the balance sheets.

	Weighted average effective interest rate - %	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
December 31, 2013:							
Trade payables	-	67,862	2,697	4,420	43	-	75,022
Trade receivables	-	63,581	6,330	5,298	-	-	75,209
Derivative - swap (item e))	12.35	-	-	101	2,013	-	2,114
Borrowings and financing	7.31	21,371	4,186	46,723	259,100	65,285	396,665
Rights over point of sales payable	5.91	2,559	2,997	9,604	38,520	22,387	76,067
Installment payment of companies acquired	5.57	16	46	25,593	39,648	-	65,303
December 31, 2014:							
Trade payables		76,812	4,407	4,280	-	-	85,499
Trade receivables		79,167	6,006	4,404	-	-	89,577
Derivative - swap (item e))	11.80	-	-	131	12,130	-	12,261
Borrowings and financing	11.80	10,695	20,440	53,802	427,658	26,459	539,054
Rights over point of sales payable	6.41	-	1,807	10,673	41,755	11,460	65,695
Installment payment of companies acquired	12.95	11,439	41	90,771	58,449	9,448	170,189

d) Credit risk

The credit risk refers to risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Group. The Group's sales are basically made using means of payment, especially credit and debit cards, which significantly reduce the risk of default. A portion of catering segment sales is made to airlines, the creditworthiness of which is monitored. As a result of such management, expected losses are recorded in "Allowance for doubtful debts", as described in Note 12.

The Group is also subject to credit risks related to financial instruments contracted for the management of its 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.

e) Currency risk

As mentioned in Note 19, the Group contracted a borrowing denominated in US dollars (US$) plus a spread of 4.3% per year, with a Level-2 swap instrument contracted at the same date and with the same financial institution, fully exchanging 100% of this debt for a CDI index plus a spread from 1.95% to 2.35% per year.

As of December 31, 2014, as a result of this financial instrument, the following profit or loss was recorded:

	12/31/14	12/31/13
Notional amount in US dollar - thousands of US$	24,528	20,000
Closing rate - Brazilian real - R$	2.24	2.25
Notional amount in Brazilian real - R$	55,060	45,060
Long position (buying)-		
US dollar (US$) thousand - plus interest of 4.81% p.a.	13,141	2,901

	12/31/14	12/31/13
Short position (selling)-		
CDI rate plus interest from 1.95% to 2.35% p.a.	(6,194)	(2,422)
Gain for the year	6,947	479

f) Interest rate risk

The Group has borrowings and debt agreements denominated in U.S. dollars (US$) and Brazilian reais (R$), indexed to LIBOR (long-term rate), TJPL (agreements with National Bank for Economic and Social Development (BNDES)), CDI (interbank deposit rate), and Extended National Consumer Price Index (IPCA) and National Consumer Price Index (INPC) calculated by Brazilian Statistics Office (IBGE), and taxes payable subject to SELIC (Central Bank's policy rate) and TJLP. There is an inherent risk in these liabilities due to usual fluctuations in this market.

The Group does not have any derivative agreement to mitigate this risk as the Group's management understands that 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 Group uses, for a probable scenario, the market rate obtained in Brazilian stock exchanges, and considers a 25% and 50% increase in such rate for scenarios I and II, respectively. The sensitivity analysis results are as follows:

	Combined		
	Probable	Scenario I	Scenario II
CDI plus interest from 1.4% to 2.05% p.a.	12.55%	15.25%	17.95%
Estimated charges	14,931	18,147	21,363
Swap (per year) - CDI plus interest of from 1.95% to 2.35% p.a.	13.09%	15.79%	18.49%
Estimated charges	7,257	8,756	10,254
LIBOR (per year) plus interest from 3.5% to 3.6% p.a.	3.80%	3.86%	3.93%
Estimated charges	8,944	9,088	9,233
TJLP (per year) plus interest of 4.2% p.a.	9.22%	10.47%	11.72%
Estimated charges	733	832	931

Installment payment of amounts payable for companies acquired and rights over point of sales payable

	Combined		
	Probable	Scenario I	Scenario II
Installment payment of companies acquired (per year) - CDI	10.81%	13.51%	16.22%
Estimated charges	2,757	3,446	4,135
Installment payment of companies acquired (per year) - INPC	6.23%	7.79%	9.35%
Estimated charges	1,147	1,433	1,720
Rights over point of sales payable (per year) - IPCA	6.41%	8.01%	9.62%
Estimated charges	3,449	4,311	5,174

g) Debt-to-equity ratio

	12/31/14	12/31/13
Debt (i)	479,434	324,407
Derivative	(10,967)	(1,882)
Installment payment of companies acquired	158,581	63,158
Rights over point of sales payable	53,809	64,678
Cash and cash equivalents (short-term investments)	(84,820)	(81,575)
Net debt	596,037	368,786
Equity (ii)	911,072	922,301
Net debt-to-equity ratio	0.65	0.40

(i) Debt is defined as short- and long-term loans, as detailed in Note 19.

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

10. CASH AND CASH EQUIVALENTS

	12/31/14	12/31/13
Cash	7,264	7,558
Banks	36,610	17,748
Short-term investments	40,946	56,269
Total	84,820	81,575

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

Transactions	Average yield	Liquidity	Country	12/31/14	12/31/13
Debentures - repurchase agreements	90% to 100.8% of CDI	Immediate	Brazil	10,966	27,166
Automatic investment	30% to 60% of CDI	Immediate	Brazil	15,870	10,009
Automatic investment	3.6% p.a.	Immediate	Mexico	13,635	17,474
Other	80% to 100% of CDI	Immediate	Brazil	475	1,620
Total				40,946	56,269

11. SHORT-TERM INVESTMENTS

As of December 31, 2014, R$5,315 (R$5,915 as of December 31, 2013) refers to the portion retained as collateral for the amounts payable for the acquisition of companies.

12. TRADE RECEIVABLES

	12/31/14	12/31/13
Trade receivables	40,807	36,649
Payment methods (credit and debit cards and ticket meal)	36,856	29,176
Fees and sales agreements	13,302	7,164
Other	2,314	3,072
	93,279	76,061
Allowance for doubtful debts	(3,702)	(852)
Total	89,577	75,209

The line item “Trade receivables” before deduction of the allowance for doubtful debts is denominated in the following local and foreign currencies:

	12/31/14	12/31/13
In Brazilian reais - R$	58,720	48,002
In US dollars - US$ (*)	18,235	12,997
In Mexican pesos - Mx$ (*)	6,464	5,968
In Balboa - PAB$ (*)	1,608	1,568
In Dominican pesos - DOP$ (*)	1,319	690
In Colombian pesos - COP$ (*)	6,933	6,836
Total	93,279	76,061

(*) The balances in foreign currencies refer to trade receivables from the respective countries of origin; therefore, the exchange rate changes are not recorded between revenues and respective receivables in the income statement.

The balance under "Trade receivables" refers mainly to receivables from airline companies and credit and debit card operators. Receivables are comprised of current and past-due receivables, as shown below:

	12/31/14	12/31/13
Current	83,023	66,207
Past-due:		
Up to 30 days	6,019	4,036
31 to 60 days	1,320	2,231
61 to 90 days	1,010	1,729
Over 90 days	1,907	1,858
Allowance for doubtful debts	(3,702)	(852)
Total	89,577	75,209

As described in Note 19, the Group pledged receivables from credit card companies as collateral for borrowings and financing. As of December 31, 2014, the balance receivable relating to such collateral amounts to R$12,412 (R$10,455 as of December 31, 2013).

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 maturity date. This pledge may be enforced by banks in case of default under the borrowing or financing.

Allowance for doubtful debts

Changes in the allowance for doubtful debts are as follows:

	12/31/14	12/31/13
Balance at the beginning of year	(852)	(1,049)
Additions	(3,336)	(670)
Reversals and write-offs	559	943
Exchange rate changes	(73)	(76)
Balance at the end of year	(3,702)	(852)

Fees and sales agreements

These amounts are set in contracts or agreements and comprise amounts relating to discounts based on sales volume, joint marketing programs, freight reimbursement and other similar programs.

The Group did not recognize any adjustment to present value, since all transactions mature in the short term and the effect of such adjustment is considered immaterial when compared to the financial statements taken as a whole.

13. INVENTORIES

	12/31/14	12/31/13
Food and beverages	33,775	25,143
Fuel and vehicle accessories	3,862	3,977
Non-food products and souvenirs for resale	2,540	-
Supplies and fixtures	7,611	8,906
Total	47,788	38,026

As of December 31, 2014, the total cost of inventories recognized as an expense and recorded in line item "Cost of sales and services" amounts to R$612,299 (R$508,255 as of December 31, 2013).

14. RECOVERABLE TAXES AND CONTRIBUTIONS

	12/31/14	12/31/13
Prepaid income tax and social contribution	7,367	6,189
Withholding Income Tax (IRRF) on short-term investments	8,325	6,078
Taxes on revenue (PIS and COFINS) recoverable (*)	2,746	9,435
Value-added Tax - IVA (Colombia and Mexico)	7,867	8,599
Other	1,151	1,415
Total	27,456	31,716

(*) In the fourth quarter of 2013, the Group recognized temporary PIS and COFINS credits as a result of the study on the recoverability of such credits on the assets and services used as inputs in the provision of services and production or manufacturing of assets or products for sale.

15. INVESTMENT

Changes in the investments in joint ventures, stated in the combined financial statements, are as follows:

	Margaritaville (Orlando)	Total
Initial investment as of April 1, 2014	26,682	26,682
Equity in subsidiaries (*)	1,867	1,867
Dividends received	(2,899)	(2,899)
Translation adjustments of foreign subsidiaries	5,165	5,165
Balance as of December 31, 2014	30,815	30,815

(*) Equity in subsidiaries, less amortization of investment in joint venture in the year, in the amount of R$950. The investment is amortized since the joint venture has a finite liquidation term.

16. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment in the years ended December 31, 2014 and 2013 were as follows:

Changes in 2013	Balances as of 12/31/12	Additions through business acquisitions	Additions	Transfers, write-offs, and other	Effect of exchange rate changes	Balances as of 12/31/13
Cost						
Land and buildings	10,839	-	9	(7,013)	361	4,196
Machinery, equipment and facilities	140,072	1,381	9,753	11,553	6,126	168,885
Furniture and fixtures	37,233	90	2,219	2,815	988	43,345
Leasehold improvements	219,676	3,645	12,852	31,334	13,307	280,814
Computers, vehicles and other	57,122	193	6,722	(573)	1,921	65,385
Works and construction in progress	9,845	-	51,264	(45,193)	916	16,832
Total cost	474,787	5,309	82,819	(7,077)	23,619	579,457
Depreciation						
Land and buildings	(2,995)	-	(222)	1,670	(201)	(1,748)
Machinery, equipment and facilities	(58,956)	-	(23,312)	1,463	(3,305)	(84,110)
Furniture and fixtures	(17,939)	(10)	(5,702)	1,004	(623)	(23,270)
Leasehold improvements	(63,171)	-	(24,762)	(125)	(5,315)	(93,373)
Computers, vehicles and other	(37,146)	-	(8,966)	296	(1,353)	(47,169)
Total depreciation	(180,207)	(10)	(62,964)	4,308	(10,797)	(249,670)
Total	294,580	5,299	19,855	(2,769)	12,822	329,787

Changes in 2014	Balances as of 12/31/13	Additions through business acquisitions	Additions	Transfers, write-offs, and other	Effect of exchange rate changes	Balances as of 12/31/14
Cost						
Land and buildings	4,195	-	-	-	(330)	3,865
Machinery, equipment and facilities	168,885	939	8,358	1,447	2,509	182,138
Furniture and fixtures	43,345	12,430	1,725	4,578	1,766	63,844
Leasehold improvements	280,814	40,979	11,218	23,772	19,012	375,795
Computers, vehicles and other	65,387	1,776	6,089	(8,109)	801	65,944
Works and construction in progress	16,831	64	49,703	(51,048)	981	16,531
Total cost	579,457	56,188	77,093	(29,360)	24,739	708,117
Depreciation						
Buildings	(1,748)	-	(190)	-	142	(1,796)
Machinery, equipment and facilities	(84,110)	-	(24,301)	12,646	(1,625)	(97,390)
Furniture and fixtures	(23,270)	-	(7,732)	2,677	(505)	(28,830)
Leasehold improvements	(93,373)	-	(34,671)	3,280	(5,089)	(129,853)
Computers, vehicles and other	(47,169)	-	(9,009)	8,478	(211)	(47,911)
Total depreciation	(249,670)	-	(75,903)	27,081	(7,288)	(305,780)
Total	329,787	56,188	1,190	(2,279)	17,451	402,337

Net balances as of	12/31/14	12/31/13
Land and buildings	2,069	2,448
Machinery, equipment and facilities	84,748	84,775
Furniture and fixtures	35,014	20,075
Leasehold improvements	245,942	187,441
Computers, vehicles and other	18,033	18,216
Works and construction in progress	16,531	16,832
Total	402,337	329,787

Depreciation charges are allocated as follows:

	12/31/14	12/31/13
Allocated to the cost of sales and services	58,613	43,985
Allocated to general and administrative expenses	17,290	18,979
PIS and COFINS credits on depreciation (*)	(2,283)	(2,216)
Total	73,620	60,748

(*) Amount relating to PIS and COFINS credits on property, plant and equipment to be used in the operational area.

Impairment tests are conducted on an annual basis or if there are indications of impairment, as described in Note 3.j). Management did not identify any events that could indicate that assets might be impaired for the years ended December 31, 2014 and 2013.

Assets pledged as collateral

The obligations assumed under finance lease agreements are collateralized by the ownership of the leased assets by the lessor, whose carrying amount is R$797 as of December 31, 2014 (R$68 as of December 31, 2013).

17. INTANGIBLE ASSETS

Changes in intangible assets in the years ended December 31, 2014 and 2013 were as follows:

Changes in 2013	Balances as of 12/31/12	Additions through business acquisitions	Additions	Transfers, write-offs, and other	Impairment of intangible assets	Effect of exchange rate changes	Balances as of 12/31/13
Cost							
Goodwill	577,190	9,707	-	(6,842)	-	7,774	587,829
Software	20,930	-	285	1,070	-	7	22,292
Rights on trademarks	72,392	18,906	13	6,045	-	3,073	100,429
Licensing rights	92,184	634	1,260	(43)	-	1,115	95,150
Leasehold rights	178,519	-	-	-	-	22,526	201,045
Non-compete agreements	12,309	-	-	2,030	-	1,649	15,988
Rights over point of sales	71,399	6,060	80,710	(1,582)	-	4,114	160,701
Other	1,061	-	1,691	(1,528)	-	(302)	922
Total	1,025,984	35,307	83,959	(850)	-	39,956	1,184,356

Changes in 2013	Balances as of 12/31/12	Additions through business acquisitions	Additions	Transfers, write-offs, and other	Impairment of intangible assets	Effect of exchange rate changes	Balances as of 12/31/13
Amortization							
Software	(9,962)	-	(4,860)	(176)	-	22	(14,976)
Licensing rights	(35,788)	-	(9,450)	7	-	369	(44,862)
Leasehold rights	(55,993)	-	(9,922)	-	-	(7,370)	(73,285)
Non-compete agreements	(11,183)	-	(501)	-	-	(1,532)	(13,216)
Rights over point of sales	(6,480)	-	(8,891)	351	-	(137)	(15,157)
Other	(534)	-	(74)	459	-	(7)	(156)
Total amortization	(119,940)	-	(33,698)	641	-	(8,655)	(161,652)
Total	906,044	35,307	50,261	(209)	-	31,301	1,022,704

Changes in 2014	Balances as of 12/31/13	Additions through business acquisitions	Additions	Transfers, write-offs, and other	Impairment of intangible assets	Effect of exchange rate changes	Balances as of 12/31/14
Cost							
Goodwill	587,829	102,134	-	-	(10,914)	19,273	698,322
Software	22,292	-	1,506	789	-	(30)	24,557
Rights on trademarks	100,429	-	67	-	(2,078)	(851)	97,567
Licensing rights	95,150	5,300	6,780	235	-	409	107,874
Leasehold rights	201,045	-	-	-	-	25,250	226,295
Non-compete agreements	15,988	-	-	-	-	(225)	15,763
Rights over point of sales	160,701	-	7,744	(553)	-	619	168,511
Intangible assets in progress and other	922	-	790	(945)	-	(61)	706
Total cost	1,184,356	107,434	16,887	(474)	(12,992)	44,384	1,339,595
Amortization							
Software	(14,976)	-	(4,423)	43	-	46	(19,310)
Licensing rights	(44,862)	-	(9,904)	631	-	201	(53,934)
Leasehold rights	(73,285)	-	(9,495)	-	-	(9,325)	(92,105)
Non-compete agreements	(13,216)	-	(318)	-	-	17	(13,517)
Rights over point of sales	(15,157)	-	(14,653)	1,711	-	(191)	(28,290)
Intangible assets in progress and other	(156)	-	(79)	-	-	16	(219)
Total amortization	(161,652)	-	(38,872)	2,385	-	(9,236)	(207,375)
Total	1,022,704	107,434	(21,985)	1,911	(12,992)	35,148	1,132,220

Net balances as of	12/31/14	12/31/13
Goodwill (a)	698,322	587,829
Software	5,247	7,316
Rights on trademarks (b)	97,567	100,429
Licensing rights (c)	53,940	50,288
Leasehold rights (d)	134,190	127,760
Non-compete agreements	2,246	2,772
Rights over point of sales (e)	140,221	145,544
Intangible assets in progress and other	487	766
	1,132,220	1,022,704

Amortization charges on other intangible assets are recognized in line item ‘General and administrative expenses’, in the income statement.

Main 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 - Brazil: fast food in restaurant chains and coffee shops in shopping malls in Brazil.
- Shopping malls – Caribbean (Panama, Colombia and Dominican Republic): fast food in restaurant chains and coffee shops in shopping malls in the Caribbean.
- Airports - Brazil: meals served in restaurants and coffee shops, and airline catering and other related services in Brazil.
- Airports - Caribbean (Panama, Colombia and Dominican Republic): meals served in restaurants and coffee shops, and airline catering and other related services in the Caribbean.
- Highways - Brazil: food courts in service stations and restaurant chains located along highways in Brazil, and sale of vehicle fuel.
- Mexico: business sector comprising restaurants that offer table and projected services to attract a wide range of customers, with accessible prices and comfortable environment.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.

The carrying amount of goodwill was allocated to the cash-generating units as follows:

	12/31/14	12/31/13
Brazil:		
Shopping malls	187,905	198,819
Airports	91,790	91,790
Highways	206,187	206,187
	485,882	496,796
Caribbean:		
Shopping malls	956	1,043
Airports	27,873	28,336
	28,829	29,379
Mexico	61,862	61,654
United States of America	121,749	-
Total	698,322	587,829

(b) Rights on trademarks

Refers to those trademarks identified in the acquisitions made, including Viena, Frango Assado, Batata Inglesa, Wraps, Go Fresh, Brunella, RA Catering, Rede J&C Delicias (the Caribbean) and Gino's (Mexico).

(c) Licensing rights

A portion of the price attributable to the acquisition of catering operations ("catering") was allocated to the licenses to operate airline catering services on board of aircraft, and licenses and authorizations to operate restaurants in certain commercial regions.

(d) Leasehold rights

Refers to the portion of the companies' purchase price allocated to lease agreements entered into with airport authorities (leasehold rights) and/or airport managers for the lease of office spaces at the airports to operate restaurants, snack bars, coffee shops and other.

(e) Rights over point of sales

Refer to amounts paid to acquire point of sales and/or for the allocation of part of the prices paid for the acquisition of businesses.

<u>Analysis of impairment of assets with indefinite useful life</u>

Assets with indefinite useful life are tested for impairment on an annual basis or whenever there are indications that some of the cash-generating units might be impaired.

The recoverable amount of cash-generating units was determined based on the value in use, using the cash flow based on financial budgets approved by the Board of Directors and a discount rate, after income tax and social contribution. The cash flows after the five-year period were extrapolated using a fixed annual growth rate. The main assumptions adopted were:

Projected market share	Average market share in the period immediately prior to the projection year, plus an average annual growth rate (between 0.2% and 1.6%) 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 year immediately prior to the projection year, 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 year in the countries from which raw materials were acquired. The amounts allocated to the main assumptions are consistent with external sources of information.

- Brazilian cash-generating units

  The discount rate applied to projected cash flows was 15.21% p.a. (16.05% p.a. in 2013), and the cash flows beyond the five-year period were extrapolated using a fixed annual growth rate of 5.8% (5.7% p.a. in 2013), which does not exceed projected inflation in Brazil. As a result of the analysis made, the Group accounted for an impairment of goodwill recorded in the Brazilian cash-generating unit - shopping malls, in the amount of R$10,914, and am impairment of the right on trademarks in the amount of R$2,078.

- Caribbean cash-generating units

  The discount rate applied to projected cash flows was 8.1% p.a. (8.9% p.a. in 2013), and the cash flows beyond the five-year period were extrapolated using a fixed annual growth rate of 2% p.a.(3.96% p.a. in 2013).

- Mexican cash-generating units

  The discount rate applied to projected cash flows was 10.98% p.a. (8.99% p.a. in 2013), and the cash flows beyond the five-year period were extrapolated using a fixed annual growth rate of 3.5% (3.4% p.a. in 2013).

- US cash-generating units

  The discount rate applied to projected cash flows was 8.32% p.a., and the cash flows beyond the five-year period were extrapolated using a fixed annual growth rate of 2%.

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.

18. TRADE PAYABLES

	12/31/14	12/31/13
Product suppliers	54,300	50,488
Service providers	29,452	22,475
Suppliers - other	1,747	2,059
Total	85,499	75,022

19. BORROWINGS AND FINANCING

	Charges	Maturity	12/31/14	12/31/13
Bank Credit Note (CCB) - Brazil (a)	CDI + spread from 1.4% to 2.05% p.a.	Semiannual through 09/23/2019	119,005	125,702
Swap - Brazil (b)	CDI + spread from 1.95% to 2.35% p.a.	Semiannual through 06/14/2018	66,420	47,151
CCB - Puerto Rico (c)	90-day LIBOR + spread of 3.5% p.a.	Quarterly through 01/01/17	100,652	94,406
CCB - Mexico (d)	7.99% p.a.	Quarterly through 07/08/18	47,078	37,644
CCB - United States of America (e)	90-day LIBOR + spread of 3.6% p.a.	Quarterly through 04/01/19	134,529	-
BNDES	TJLP or exchange rate change + spread from 3.81% to 5.8% p.a.	Quarterly through 11/15/19	7,942	9,785
Other			3,808	9,719
Total			479,434	324,407

Classified as	12/31/14	12/31/13
Current:		
Foreign currency-denominated borrowings	32,680	13,315
Local currency-denominated borrowings (R$)	12,497	55,944
Total	45,177	69,259
Noncurrent:		
Foreign currency-denominated borrowings	317,055	173,008
Local currency-denominated borrowings (R$)	117,202	82,140
Total	434,257	255,148

Collaterals and commitments

(a) Borrowings obtained by the Group through the issuance of Bank Credit Notes (CCBs) subject to finance charges indexed to the CDI fluctuation plus spread from 1.4% to 2.05% per year, collateralized by the pledge of 100% of the Company's equity interest in certain subsidiaries and receivables from sales made by the Company's subsidiaries using credit cards. If the flow of receivables becomes insufficient, the Group will be required to provide an additional collateral. The Group also assumed the commitment of not distributing dividends above the minimum mandatory amount determined by local laws and maintaining certain financial covenants annually calculated based on the net debt to Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA ratio and the debt service coverage ratio, until the debt is fully settled. As of December 31, 2014, the Group was compliant with all covenants.

(b) US-dollar denominated borrowing subject to 4.09% per year plus exchange rate changes. The loan is backed by the co-obligated guarantors represented by the Company's subsidiaries and swap collateral assignment. The agreement contains certain covenants based on the annually calculated based on the net debt to Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA ratio and the debt service coverage ratio. As of December 31, 2014, the Group was compliant with all covenants.

The Group conducts swap transactions to exchange US dollar-denominated payables at fixed interest rates for the Brazilian real pegged to 100% of the CDI rate plus an interest rate from 1.95% to 2.35% per year. The Group conducts swap transactions with the same counterparty. These transactions are classified as derivatives, as described in Note 9.

(c) Borrowing payable in 40 quarterly installments beginning January 2014, collateralized by assets and 100% of the shares issued by IMC Puerto Rico Ltd. (Caribbean), as well as for rental revenue from franchise assignment agreements. The underlying loan agreement also requires that IMC Puerto Rico Ltd. complies, on a consolidated basis, with certain affirmative and negative covenants, and limits dividend distribution to 50% of its profit for the year. As of December 31, 2014, the Group was compliant with all covenants.

(d) Borrowing payable in 17 quarterly installments beginning June 2014 and subject to 7.99% per year. The underlying loan agreement is collateralized by the trademarks held by Inversionistas en Restaurantes de Carnes y Cortes, S. de R.L. de C.V. (“Inversionistas”). Under this loan agreement, Inversionistas is required to meet certain positive and negative covenants on a consolidated basis. In addition, the Group assumed the commitment of not distributing dividends above the minimum mandatory amount under the Mexican legislation. The financial ratios established in the loan agreement are analyzed by the financial institution on an annual basis beginning December 31, 2013. As of December 31, 2014, the Group was compliant with all covenants.

(e) Borrowing payable in 13 quarterly installments beginning April 2016, collateralized by the subsidiaries of IMCMV Holdings Inc. Under this loan agreement, the Group is also required to meet certain positive and negative covenants on a consolidated basis. The covenants set forth in the agreement are assessed on a semiannual basis by the financial institution beginning December 31, 2014 and basically consist of the net debt/EBTIDA ratios.

The noncurrent portion matures as follows:

2016	165,600
2017	100,768
2018 and thereafter	167,889
Total	434,257

20. PAYROLL AND RELATED TAXES

	12/31/14	12/31/13
Payroll and related taxes	23,470	18,063
Accrued vacation and related taxes	23,403	21,731
Other	4,517	2,676
Total	51,390	42,470

21. INSTALLMENT PAYMENT OF COMPANIES ACQUIRED

	12/31/14	12/31/13
Business combinations in Brazil	43,904	47,074
Business combinations abroad	114,677	16,084
Total	158,581	63,158
Classified as:		
Current	98,914	25,587
Noncurrent	59,667	37,571

The noncurrent portion matures as follows:

2016	14,399
2017	10,530
2018 and thereafter	34,738
Total	59,667

22. PROVISION FOR LABOR, CIVIL AND TAX RISKS

The Group is a party to labor, social security, civil and tax lawsuits. In the case of claims filed, appeals were brought. Escrow deposits were made when required by authorities.

	12/31/14	12/31/13
Labor and social security (a)	6,218	7,634
Tax (b)	6,024	8,928
Civil (c)	56	22
Total	12,298	16,584

(a) Provision for labor and social security risks arising from labor claims in the normal course of business. Based on the opinion of its legal counsel, the Group recognized a provision to cover the probable losses.

(b) The Group is subject to risks relating to challenges by tax authorities (federal, state and municipal) and, based on the opinion of its legal counsel, recognized a provision to cover probable losses arising from these contingencies.

(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 these claims based on the Company's legal counsel opinion, which assessed the likelihood of loss as probable.

The Group is party to other lawsuits involving the potential risk of losses: tax - R$11,121; labor and social security - R$12,477, and civil - R$2.481. 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 risks.

Changes in the provision for the year are as follows:

	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2012	11,362	12,612	241	24,215
Additions	1,904	-	23	1,927
Reversals	(4,694)	(3,684)	(242)	(8,620)
Portion used	(968)	-	-	(968)
Effect of exchange rate changes	30	-	-	30
Balance as of December 31, 2013	7,634	8,928	22	16,584
Additions	6,647	743	34	7,424
Reversals	(5,129)	(3,640)	-	(8,769)
Portion used	(2,942)	(7)	-	(2,949)
Exchange rate changes	8	-	-	8
Balance as of December 31, 2014	6,218	6,024	56	12,298

The main changes recorded as operating and administrative expenses in the income statement refer mainly to reversals of contingencies related to expired claims and risks.

23. 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 "Cost of sales and services" in the income statement when the service is provided and based on the expiration of the agreements entered into between the Group and its suppliers/service providers.

24. 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, in conformity with prevailing legislation.

As of December 31, 2014 and 2013, deferred income tax is as follows:

	12/31/14	12/31/13
Tax loss carryforwards	53,026	53,358
Temporary differences:		
Provision for labor, civil and tax risks	3,980	5,541
Accrued payables	5,955	4,281
Appreciation of assets and difference between accounting and tax depreciation rates	12,457	5,647
Deferred income tax liability on amortization of goodwill for local tax purposes	(108,002)	(109,279)
Registered trademarks, license rights, and leasehold rights allocated in business acquisitions	(38,262)	(31,655)
Other	1,307	416
Total	(69,539)	(71,691)
Asset	12,182	13,630
Liability	(81,721)	(85,321)

b) Realization of deferred income tax and social contribution

Based on the history of realization of assets and liabilities that gave rise to the balance of deferred income tax and social contribution, as well as the projected profit or loss for the next years, the realization schedule was estimated as follows:

2015	19,409
2016	1,128
2017	1,574
2018	2,220
2019 and thereafter	51,087
Total	75,418

As of December 31, 2014, the Group recognizes tax loss carryforwards amounting to R$241,914 (R$255,272 as of December 31, 2013) 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:

	12/31/14
Brazil	214,037
Caribbean	24,334
Mexico	3,543
Total	241,914

In September 2013, the Parent IMCHSA reassessed its deferred income tax asset recognition basis. Based on this analysis, which consisted of the five years projected realization of tax loss carryforwards, Management decided to recognize R$5,891 in 2013, relating to a portion of deferred income tax assets charged to tax loss carryforwards.

In the countries where the Group operates, tax losses can be offset against future taxable income. The term for such offset is seven to ten years in Mexico and Puerto Rico and indefinite in Brazil and other countries. Brazilian tax laws limit the use of tax loss carryforwards on an annual basis to 30% of taxable income.

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

	12/31/14	12/31/13
Profit (loss) before income tax and social contribution	(14,811)	24,766
Statutory tax rates	34%	34%
Income tax and social contribution at statutory rate	5,036	(8,420)
Adjustments made:		
Permanent differences (*)	(13,012)	(3,339)
Effects on differences of prevailing tax rates of foreign subsidiaries	644	(960)
Share-based payment expenses	-	(3,407)
Deferred income tax assets on unrecognized and/or recognized prior-year tax loss carryforwards	(230)	(3,682)
Other	(558)	(389)
Income tax and social contribution	(8,120)	(20,197)
Current	(9,439)	(20,818)
Deferred	1,319	621
Total	(8,120)	(20,197)

(*) Include: (i) amortization or depreciation expenses not deductible in foreign subsidiaries; (ii) taxes calculated under the deemed income regime in local and foreign subsidiaries; and (iii) other non-deductible expenses.

The income tax return of each subsidiary is subject to tax audit by tax authorities in the respective country over a period from three to six years as from the end of the year in which it is delivered. Additional taxes and fines can be imposed as a result of such tax audits, which would be subject to interest. However, Management believes that all taxes have been paid or properly accrued.

Provisional Act 627/13 - Law 12973/14

On May 13, 2014, Provisional Act 627/13, which introduced changes to tax rules, eliminating the Transitional Tax Regime (RTT), was converted into Law 12973. Differently from the Provisional Act, Law 12973/14 determined that companies could elect to early adopt the effects of their changes in calendar year 2014 or mandatorily beginning calendar year 2015.

The Group, based on the opinion of its legal counsel, analyzed the provisions of the abovementioned Provisional Act and Law 12973/14, the implications of early adoption and the impacts that could have on the combined financial statements for the year ended December 31, 2014, and elected not to early adopt it.

25. EQUITY

a) Capital

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:

	Parent
Shareholding position as of December 31, 2013	68,536,917
Merger of capital (Note 1.b))	15,945,876
Shareholding position as of December 31, 2014	84,482,793

On December 1, 2014 the corporate restructuring process, approved on September 30, 2014 by the IMCHSA Board of Directors, the Group's controlling shareholder at the time, was completed, as mentioned in Note 1.b).

As a result of the merger, the Company's capital, in the amount of R$68,537, was increased to R$837,803; therefore, an increase in the amount of R$769,266, corresponding to the carrying amount of IMCHSA's equity, deducting the carrying amount of the interest held by IMCHSA in the Company. Upon capital increase, 15,945,876 new registered common shares without par value were issued so that the Company's total capital, after the merger, is divided by the same number of common shares based on which IMCHSA's capital was divided before the merger.

As a result of the merger, both new common shares issued by the Company and the shares issued by the Company already held by IMCHSA, which correspond to all shares issued by the Company, were delivered to the holders of shares issued by IMCHSA on the date of IMCHSA's general meeting that resolved on the merger, proportionally to their interests in IMCHSA's capital.

Therefore, since, after the capital increase described above, the Company's capital was divided by the same number of shares issued by IMCHSA immediately before the merger, IMCHSA's shareholders are entitled to one common share issued by the Company for each share issued by IMCHSA and held by it.

The Company was IMCHSA's successors in connection with all rights and obligations transferred as a result of the merger approved, with no interruptions.

b) Allocation of profit

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

Shareholders are entitled to a non-cumulative annual dividend of at least 25% of profit, in conformity with article 202 of Law 6404/76.

The remaining balance, after deducting legal costs, shall be allocated as decided by the Annual Shareholders’ Meeting, in conformity with applicable legislation.

In conformity with applicable legal provisions and as decided by the Annual Shareholders’ Meeting, the Group may pay to its shareholders interest on capital, which may be deducted from the mandatory minimum dividend.

c) Treasury shares

As of December 31, 2014, line item “Treasury shares” was broken down as follows:

	Number of shares	Amo unt	Average price per share - R$
Balance at the end of year	337,257	4,762	14.12

d) Other comprehensive income

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

26. SHARE-BASED PLAN

On February 15, 2011, the Management of the then controlling shareholder IMCHSA approved at the Extraordinary General Meeting the Company’s stock option plan (“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 setting 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 purposes of the Plan are the following: (a) enable the Company or its subsidiaries to retain managers, employees or service providers; (b) encourage each employee to achieve his/her highest level of performance and professional development, as a management team member; (c) promote the Company´s long-term financial interests and growth, by attracting, motivating and retaining people with the education, experience and skills that enable them to give a substantial contribution to the success of the Company´s business;(d) motivate the employees by providing them with growth incentives, setting long-term goals; (e) align the Company’s or shareholders’ or its subsidiaries’ interests to those of managers, employees and service providers; and (f) promote the expansion, success and attainment of the Company´s corporate purpose.

Those managers, employees in supervision roles and service providers of the Company or its subsidiaries that have been appointed are eligible to participate in the Plan in conformity with its terms and conditions. The appointment of new beneficiaries may be recommended to the Board of Directors by the Company’s CEO. The maximum number of exercisable shares was set at up to 5% of the Company’s total capital, considering in such calculation all rights already granted, either exercised or not, except for those that were 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. Under the plan regulation, the triggering event (“liquidity event”) for beneficiaries to be granted rights is the sale of shares by the controlling shareholder.

The Plan’s termination date will be determined at the Company’s General Meeting.

Under the regulation, the Plan’s beneficiary who completes at least 36 months of service but who unilaterally decided to terminate the continuing provision of his/her services before a liquidity event may lose 50% of the unvested portion of share rights. The 50% remaining rights will be maintained by the beneficiary over a period of 24 months after his/her termination. If the continuing provision of services by the beneficiaries is terminated by the Company before the liquidity event, all rights will be maintained within a period of 24 months after his/her termination. The rights under such Plan to beneficiaries can be transferred to heirs, according to their indications and legal provisions.

In March 2013, upon approval by the Board of Directors, 403,282 share rights were granted as a result of a liquidity event, which were exercised by the beneficiaries. The exercise right is immediate and, therefore, considering the fair value of shares on grant date, of R$25.00, the amount of the benefit conferred upon the beneficiaries for the services provided to Group was R$10,022, recognized as an increase of the capital reserves as a balancing item to general and administrative expenses.

27. NET REVENUE

The reconciliation of gross revenue with the revenue recorded in the statement of operations is as follows:

	12/31/14	12/31/13
Gross revenue	1,814,233	1,464,707
Taxes on sales	(109,796)	(92,351)
Returns and rebates	(13,176)	(4,734)
Total	1,691,261	1,367,622

28. SELLING AND OPERATING EXPENSES

	12/31/14	12/31/13
Expenses on publicity and advertising	(18,898)	(12,029)
Payroll expenses	(4,362)	(4,349)
Rental expenses	(164,043)	(116,150)
Expenses on outside services	(29,973)	(19,176)
Credit and debit card commissions	(20,241)	(16,023)
Expense on royalties	(14,768)	(3,774)
Expense on maintenance and utilities	(29,132)	(21,284)
Logistics expenses	(6,947)	(6,674)
Expense on communication infrastructure	(2,656)	(2,040)
Rates and fees	(9,423)	(6,996)
Other selling and operating expenses	(16,864)	(8,206)
Total	(317,307)	(216,701)

29. GENERAL AND ADMINISTRATIVE EXPENSES

	12/31/14	12/31/13
Personnel	(63,013)	(58,141)
Office rental	(3,053)	(2,563)
Expenses on outside services	(16,327)	(14,240)
Travels	(7,274)	(4,299)
Expense on maintenance and utilities	(4,137)	(4,266)
Expense on share-based payments	-	(10,022)
Expenses on launching of stores	(5,007)	(9,243)
Expenses on professional services for the acquisition of companies	(6,438)	(6,093)
Logistics expenses	(2,078)	(2,480)
Expense on communication and infrastructure	(1,204)	(1,421)
Other general and administrative expenses	(7,755)	(13,148)
Total	(116,286)	(125,916)

30. OTHER OPERATING INCOME (EXPENSES), NET

	12/31/14	12/31/13
Other expenses:		
Write-off of fixed assets	(257)	(1,339)
Expenses on corporate restructuring	(4,283)	-
Executive personnel reduction plan	(5,550)	-
Expenditures on cost reduction and improvement development project	(1,632)	-
Other expenses	(1,217)	(760)
Total	(12,939)	(2,099)
Other income:		
Reversals for labor, civil and tax risks, net of provisions	1,877	6,884
Fees and sales agreements	3,383	630
Recovery of tax credits	5,323	11,033
Gain on disposal of property, plant and equipment	641	3,173
Other income	2,628	1,854
Total	13,852	23,574
Total, net	913	21,475

31. FINANCE INCOME (COSTS), NET

	12/31/14	12/31/13
Finance income:		
Income from short-term investments	2,631	2,354
Other finance income	1,002	5,178
Total	3,633	7,532
Finance costs:		
Interest on borrowings	(33,607)	(21,014)
Interest on acquisition of companies and rights over point of sales	(9,876)	(4,464)
Inflation adjustment, interest and banking fees	(4,423)	(7,161)
Other	(1,524)	(935)
Total	(49,430)	(33,574)
Total, net	(45,797)	(26,042)

32. EXPENSES BY NATURE

	12/31/14	12/31/13
Inventory costs	(612,299)	(508,255)
Personnel expenses	(501,596)	(406,178)
Selling expenses	(18,898)	(12,029)
Expenses on outside services	(47,586)	(34,120)
Operating expenses	(316,045)	(231,436)
Depreciation and amortization	(112,505)	(94,446)
Impairment of intangible assets	(12,992)	-
Amortization of investment in joint venture	(950)	-
Equity in joint venture	2,817	-
Other income (expenses), net	(41,134)	(51,825)
Total	(1,661,188)	(1,338,289)
Classified as:		
Cost of sales and services	(1,160,296)	(945,197)
Selling and operating expenses	(317,307)	(216,701)
General and administrative expenses	(116,286)	(125,916)
Depreciation and amortization	(56,174)	(50,475)
Impairment of intangible assets	(12,992)	-
Equity in subsidiaries	1,867	-
Total	(1,661,188)	(1,338,289)

33. RELATED PARTIES

The subsidiaries conduct intercompany purchase and expense apportionment transactions, relating to services contracted, employees' salary and others, which have been fully eliminated in the process of preparation of combined financial statements.

In 2009, the Group acquired from Dufry Americas y Caribe Corp. ("Dufry") , through subsidiary Airport Shoppes Corporation, 100% of the shares of Inversiones Liers, S.A., based in the Dominican Republic, for R$16,468. The Chairman of the Board of Directors is the same as in the Company. Such company holds the rights to lease store spaces in Santo Domingo airport. Under the agreement, this acquisition is payable in annual installments through February 17, 2029. As of December 31, 2014, the balance at present value amounts to R$9,453 (R$8,209 as of December 31, 2013) and, in year ended December 31, 2014, interest expenses relating to this obligation amounts to R$495 (R$495 as of December 31, 2013).

The Group subsidiaries in the Dominican Republic have entered into space (store) lease agreements in Santo Domingo Airport, where they operate their restaurants, with the administrator of that airport, Aeropuertos Dominicanos Siglo XXI, S.A., a subsidiary of Fundos Advent. The amounts are paid on a monthly basis and are in line with the prices negotiated with third parties. As of December 31, 2014, payables to such company arising from these agreements amount to R$51 (R$45 as of December 31, 2013). In the year ended December 31, 2014, the total amount of rent expenses was R$2,928 (R$2,711 in 2013).

As of December 31, 2013, Aeropuerto Internacional de la Ciudad de México ("AICM") discontinued the management services provided to Inmobiliaria Fumisa, S.A. de C.V, subsidiary of Fundos Advent, in such airport. On January 1, 2014, the concessions were carried out directly with AICM, without the intermediation of related parties. As of December 31, 2013, the balance payable to this related party amounted to R$678, and the total rental expenses in that year was R$3,827.

The subsidiary Comercial Frango Assado Ltda. (highway segment) has entered into operating leases with one of the Group's indirect 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 10 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, 2014, the balance payable to such investors is R$609 (R$570 as of December 31, 2013). In the year ended December 31, 2014, the total amount of rent expenses was R$7,049 (R$6,815 in 2013).

The guarantees provided by Group companies for own or related-party financing are disclosed in Note 19.

Management compensation

For the year ended December 31, 2014, key management personnel compensation was R$7,581, of which R$5,933 to statutory officers and directors and R$1,648 to non-statutory officers. This amount was recognized in line item ‘General and administrative expenses’ and includes only short-term benefits. Management does not receive any postemployment or other long-term benefits.

For the year ended December 31, 2013, key management personnel compensation was R$15,278, of which R$12,297 to statutory officers and directors and R$2,981 to non-statutory officers. Out of this amount, R$7,793 refers to share-based payments recorded under caption “General and administrative expenses” and includes only short-term benefits.

34. OPERATING LEASE - STORES

The Group entered into store lease agreements with third and related parties (see Note 33). After analyzing these agreements, Management concluded that they may be classified as operating leases.

Such lease agreements are effective from 5 to 27 years and may be automatically renewed for an additional period of 10 years. The lease amount corresponds to a monthly fixed installment, plus a percentage on monthly sales made by stores.

As of December 31, 2014, operating lease expenses amount to R$164,043 (R$116,150 as of December 31, 2013).

Future operating lease payments are as follows:

	Amount
2015	130,458
2016	142,326
2017 and thereafter	1,095,519
Total	1,368,303

35. COMMITMENTS, CONTRACTUAL OBLIGATIONS AND RIGHTS

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

Type	12/31/14	12/31/13
Guarantees	12,653	17,132
Available credit facilities	33,000	28,000
Commitments related to sales agreements	20,795	32,481

The Company'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 agreements.

36. INSURANCE

The Group has an insurance policy that considers principally concentration of risks and their materiality, providing insurance coverage considered sufficient based on the Group's activities and advice from insurance brokers.

As of December 31, 2014, insurance coverage is as follows:

Civil liability	104,058
Sundry risks - inventories and property, plant and equipment	395,352
Vehicles	36,355
Other	4,524
Total	540,289

37. SUPPLEMENTAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

The Group'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, 2014 and 2013, the balances comprising this line item are broken down according to Note 10.

The additions to property, plant and equipment and intangible assets presented in the statements of cash flows are net of the installments to be paid in subsequent years. Accordingly, the amount of R$2 (deduction of the amount of R$976 as of December 31, 2013) was added to additions to property, plant and equipment and the amount of R$11,633 was added to additions to intangible assets carried out in the same year (deduction of the amount of R$64,365 as of December 31, 2013).

38. EARNINGS PER SHARE

Basic

Basic earnings per share are calculated by dividing profit for the year and 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:

	12/31/14	12/31/13
Basic and diluted numerator-		
Allocation of profit (loss) for the year to shareholders	(22,931)	4,569
Shares available:		
Basic and diluted denominator (in thousands of shares)	84,185	84,255
Weighted average of granted share rights	-	61
Weighted average number of outstanding shares	84,185	84,316
Basic and diluted earnings (loss) per share - R$	(0.2724)	0.0542

39. EVENTS AFTER THE REPORTING PERIOD

In February 2015, the Group, through its subsidiary IMCMV Holdings Inc. exercised to option to acquire the restaurant Margaritaville located in Syracuse in the United States of America, whose amount payable will correspond to 7.5 times the accumulated EBITDA 12 months after the inauguration of the restaurant, which occurred on the same date.

40. AUTHORIZATION OF THE COMBINED FINANCIAL STATEMENTS

The meeting of the Board of Directors held on March 17, 2015 approved and authorized for disclosure these combined financial statements.