



**2Q17 RESULTS**

São Paulo, August 10<sup>th</sup>, 2017 - International Meal Company Alimentação S.A. (BM&FBOVESPA: MEAL3), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the second quarter of 2017 (2Q17). Unless otherwise indicated, the information herein is presented in a consolidated manner and in millions of Brazilian reais (R\$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

## HIGHLIGHTS

Net Revenue<sup>1</sup>  
**R\$390 million in 2Q17**  
(0.6% up vs. 2Q16)

Adjusted EBITDA<sup>1</sup>  
**R\$39 million in 2Q17**  
(+67%|+400bps)

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

**MEAL3 on 6.30.2017**  
R\$7.30

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### CONFERENCE CALL - PORTUGUESE

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

**Webcast:** [click here](#)

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

### CONFERENCE CALL - ENGLISH

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

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## MESSAGE FROM MANAGEMENT

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

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

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

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

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

- i) **Leaner Structure and Zero Based Budget:** a cost control oriented effort;
- ii) **PMO Based execution:** which allows us to implement simultaneously over 300 initiatives with systemic support and weekly meetings;
- iii) **Live KPI Monitoring:** closer monitoring of operations, with daily reports with important KPIs and benchmarking, allowing prompt actions if needed;
- iv) **Demand Generation & Organization by Brand:** higher focus on the brands and operations that "move the needle" aiming to improve same store sales with: new store look and feel, product innovation (with a Chef for each brand) and special campaigns and marketing calendar for each operation;
- v) **Alignment & Training:** focused on day-to-day execution with proper incentives aligning store Managers' individual goals with the Company's;
- vi) **Processes:** granting proper execution and improved results with efforts such as the Strategic Sourcing, with centralized purchases allowing better terms with suppliers; and Engineering with the maintenance processes review, systemic control of assets and the focus on preventive vs. corrective maintenance;
- vii) **Expansion:** on top of same store sales growth efforts we are seeking opportunities for expansion of proven concepts like the Olive Garden Restaurant, which we are happy to announce the opening of a new restaurant shortly in São Paulo; or the Margaritaville/LandShark Cleveland unit in the US, which is yielding encouraging results. We should open an additional Margaritaville location in early 2018.

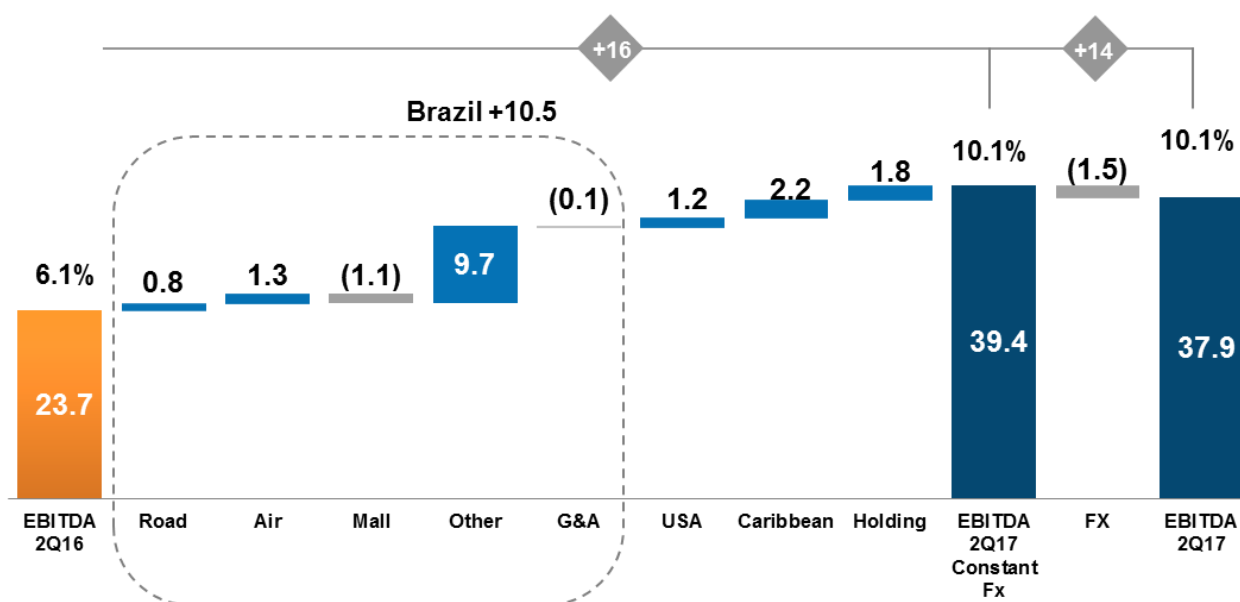
All in all, we already see the early signs of the Company's improved structure, processes and costs controls materialized in the results, with **room for further improvement in margins** (i.e.: Operating Margin in Brazil is still at 5.6% vs. the 10%+ target) and a **sizable organic growth opportunity**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



## COMMENTS ABOUT IMC'S PERFORMANCE

### OVERVIEW OF THE 2Q17

#### EBITDA Bridge 2Q17



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

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

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

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

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

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

## CONSOLIDATED RESULTS

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

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments and countries; <sup>3</sup>In constant currencies as of the prior year.

Net revenue totaled R\$389.9 million in 2Q17, up 0.6% vs. 2Q16 in constant currencies. The positive performance of new stores launched in the period more than offset the negative impact of the net store closures of 22 restaurants (20 of which in Brazil), as shown in the section "Number of stores". In 1H17 net revenue reached R\$764.3 million, down 1.5% in constant currency compared to 1H16.

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

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

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

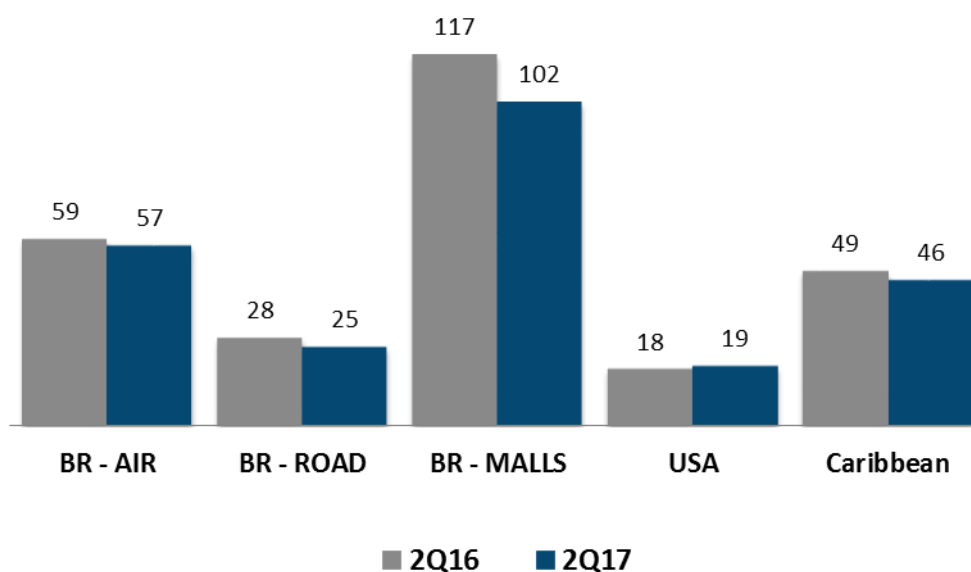
With regards to G&A, the R\$0.1 million increase YoY (in constant currency) reflects the strengthening of some departments in Brazil (IT, Marketing and Engineering), which was funded by the adjustments in headcount that were part of the zero-based-budget review that took place

between the end of March and early April, which reduced holding expenses by R\$1.8 million YoY (in constant currency).

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

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

## NUMBER OF STORES



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

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

## SAME-STORE SALES (SSS)

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

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

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

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

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

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

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

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

## RESULTS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION

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

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments and countries



## RESULTS OF THE BRAZILIAN OPERATIONS

(in R\$ million)	2Q17	% VA	2Q16	% VA	% HA	2017	% VA	2016	% VA	% HA
<b>Net Revenue</b>	<b>224.0</b>	<b>100.0%</b>	<b>225.1</b>	<b>100.0%</b>	<b>-0.5%</b>	<b>462.7</b>	<b>100.0%</b>	<b>483.0</b>	<b>100.0%</b>	<b>-4.2%</b>
Restaurants & Others	174.6	78.0%	181.5	80.6%	-3.8%	356.9	77.1%	385.0	79.7%	-7.3%
Gas Stations	49.3	22.0%	43.6	19.4%	13.3%	105.8	22.9%	98.1	20.3%	7.9%
<b>Cost of Sales and Services</b>	<b>(174.5)</b>	<b>-77.9%</b>	<b>(172.5)</b>	<b>-76.6%</b>	<b>1.2%</b>	<b>(359.3)</b>	<b>-77.7%</b>	<b>(368.4)</b>	<b>-76.3%</b>	<b>-2.5%</b>
Direct Labor	(61.0)	-27.2%	(60.8)	-27.0%	0.3%	(122.8)	-26.5%	(125.2)	-25.9%	-1.9%
Food	(52.1)	-23.3%	(53.2)	-23.6%	-2.1%	(105.7)	-22.8%	(115.0)	-23.8%	-8.1%
Others	(13.2)	-5.9%	(15.6)	-6.9%	-15.3%	(27.4)	-5.9%	(32.1)	-6.6%	-14.5%
Fuel and Automotive Accessories	(40.2)	-17.9%	(34.6)	-15.4%	16.1%	(87.1)	-18.8%	(78.7)	-16.3%	10.6%
Depreciation & Amortization	(8.1)	-3.6%	(8.4)	-3.7%	-3.4%	(16.3)	-3.5%	(17.4)	-3.6%	-6.6%
<b>Gross Profit</b>	<b>49.5</b>	<b>22.1%</b>	<b>52.6</b>	<b>23.4%</b>	<b>-6.0%</b>	<b>103.4</b>	<b>22.3%</b>	<b>114.6</b>	<b>23.7%</b>	<b>-9.8%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(49.9)</b>	<b>-22.3%</b>	<b>(65.8)</b>	<b>-29.2%</b>	<b>-24.1%</b>	<b>(108.7)</b>	<b>-23.5%</b>	<b>(132.5)</b>	<b>-27.4%</b>	<b>-18.0%</b>
Selling and Operating	(17.7)	-7.9%	(17.7)	-7.9%	0.0%	(36.3)	-7.8%	(36.3)	-7.5%	0.0%
Rents of Stores	(21.4)	-9.6%	(26.2)	-11.6%	-18.2%	(43.2)	-9.3%	(54.5)	-11.3%	-20.7%
Store Pre-Openings	(0.5)	-0.2%	(0.2)	-0.1%	217.0%	(1.5)	-0.3%	(0.5)	-0.1%	222.1%
Depreciation & Amortization	(4.9)	-2.2%	(6.8)	-3.0%	-27.9%	(10.4)	-2.3%	(13.4)	-2.8%	-22.1%
J.V. Investment Amortization	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Equity income result	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Other revenues (expenses) <sup>2</sup>	6.3	2.8%	(3.4)	-1.5%	-285.8%	6.7	1.4%	(4.7)	-1.0%	-242.3%
General & Administrative <sup>2</sup>	(11.7)	-5.2%	(11.5)	-5.1%	1.2%	(23.9)	-5.2%	(23.1)	-4.8%	3.4%
(+) Depreciation & Amortization	13.0	5.8%	15.2	6.8%	-14.4%	26.7	5.8%	30.8	6.4%	-13.3%
<b>Operating Income</b>	<b>12.5</b>	<b>5.6%</b>	<b>2.1</b>	<b>0.9%</b>	<b>509.6%</b>	<b>21.4</b>	<b>4.6%</b>	<b>13.0</b>	<b>2.7%</b>	<b>65.6%</b>
Expansion Capex	4.5	2.0%	32.3	14.4%	-86.0%	12.8	2.8%	36.0	7.5%	-64.6%
Maintenance Capex	1.4	0.6%	1.5	0.7%	-9.0%	5.6	1.2%	2.3	0.5%	146.5%
<b>Total Capex</b>	<b>5.9</b>	<b>2.6%</b>	<b>33.9</b>	<b>15.0%</b>	<b>-82.5%</b>	<b>18.3</b>	<b>4.0%</b>	<b>38.3</b>	<b>7.9%</b>	<b>-52.1%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>11.2</b>	<b>88.9%</b>	<b>0.5</b>	<b>25.7%</b>	<b>63.2%</b>	<b>15.9</b>	<b>74.1%</b>	<b>10.7</b>	<b>82.6%</b>	<b>-8.5%</b>

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

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

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

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

we are still working on the Company's corporate restructuring that should be concluded in the coming months, also impacting results positively.

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

## RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

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

<sup>1</sup>Before special items; <sup>2</sup> not allocated in segments; <sup>3</sup>VA vs. Op. Inc.

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

- Improvement in sales (+7.9% YoY), as a consequence of the improvement of 9% in SSS, that mitigated the net closure of 3 stores vs. 2Q16.
- 180bps gain in labor cost, as a result of positive operational leverage (led by higher sales) and headcount reduction (linked to the zero based budget initiative).
- 110bps improvement in rent expenses also due to positive operational leverage and a contract renegotiation effort in the quarter.
- Fuel cost was 260bps higher in 2Q17, as we implemented a higher discount policy in some gas stations to increase sales (also in the restaurant) and improve scale with further dilution of fixed costs and expenses such as labor and rent.

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

## RESULTS OF THE BRAZILIAN OPERATIONS – AIR

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

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

- i) The reduction in rent expenses (an improvement of 370bps, as a result of the airport agreements signed in 2H16),
- ii) The reduction in “other costs” – mainly utilities (an improvement of 180bps),
- iii) The reduction in selling and operating expenses (an improvement of 10bps, as a result of lower personnel cost – due to the zero based budget adjustments);
- iv) That mitigated the reduction on sales led by the lower same store sales combined with the net closure of 2 restaurants.

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

## RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

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

<sup>1</sup>Before special items; <sup>2</sup> not allocated in segments; <sup>3</sup>VA vs. Op. Inc.

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

- i) a 4.2% decrease in sales, as a consequence of the net closure of 15 stores combined with a reduction of 4.1% in SSS, as a result of the macroeconomic headwinds that led to a reduction on consumer spending in malls.
- ii) a 200bps increase in labor (“direct labor cost” combined with “selling and operating expenses”) and 40bps in store pre-opening expenses (related to the new Olive Garden restaurant).
- iii) Mitigating the aforementioned effect, we experienced a 50bps decrease in other costs (mainly utilities) and 30bps reduction on rent expense.

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



## RESULTS OF U.S. OPERATIONS

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

<sup>1</sup>Before special items; <sup>2</sup>VA vs. Op. Inc.

The operations in the United States consist mainly of Margaritaville and currently has 19 restaurants. The comments below (as well as the table above) are in local currency (US\$) to provide a better understanding of the region's results eliminating the impact of FX. It is important to note that the restaurants in the US are located mostly in summer destinations, therefore, most of the profitability is concentrated in the second and third quarters.

Net revenues came in at US\$33.7 million in 2Q17, up 1.6% YoY due to the positive performance of the recently opened restaurants, which offset the impact from lower same store sales (-6.1%).

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

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

## RESULTS OF THE CARIBBEAN OPERATIONS

(in R\$ million)	2Q17	2Q16	% HA	2Q17 <sup>2</sup>	% HA <sup>2</sup>	2017	2016	% HA	2017 <sup>2</sup>	% HA <sup>2</sup>
<b>Net Revenue</b>	<b>44.5</b>	<b>46.7</b>	<b>-4.7%</b>	<b>48.1</b>	<b>2.9%</b>	<b>88.4</b>	<b>100.2</b>	<b>-11.8%</b>	<b>100.1</b>	<b>-0.1%</b>
Restaurants & Others	44.5	46.7	-4.7%	48.1	2.9%	88.4	100.2	-11.8%	100.1	-0.1%
Gas Stations	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
<b>Cost of Sales and Services</b>	<b>(20.7)</b>	<b>(23.3)</b>	<b>-11.3%</b>	<b>(22.1)</b>	<b>-5.3%</b>	<b>(41.2)</b>	<b>(50.1)</b>	<b>-17.9%</b>	<b>(46.1)</b>	<b>-8.1%</b>
Direct Labor	(7.9)	(8.9)	-11.2%	(8.3)	-6.9%	(15.7)	(18.4)	-14.8%	(17.3)	-5.8%
Food	(12.0)	(13.6)	-11.8%	(13.0)	-4.8%	(24.1)	(29.8)	-19.2%	(27.2)	-8.8%
Others	(0.4)	(0.4)	12.8%	(0.4)	20.2%	(0.8)	(0.8)	0.5%	(0.8)	9.4%
Fuel and Automotive Accessories	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Depreciation & Amortization	(0.3)	(0.4)	-18.4%	(0.4)	-11.9%	(0.6)	(1.2)	-45.4%	(0.7)	-38.2%
<b>Gross Profit</b>	<b>23.8</b>	<b>23.4</b>	<b>1.8%</b>	<b>26.0</b>	<b>11.1%</b>	<b>47.2</b>	<b>50.1</b>	<b>-5.8%</b>	<b>54.0</b>	<b>7.8%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(14.6)</b>	<b>(15.6)</b>	<b>-6.3%</b>	<b>(15.8)</b>	<b>1.2%</b>	<b>(29.0)</b>	<b>(33.4)</b>	<b>-13.0%</b>	<b>(32.7)</b>	<b>-2.1%</b>
Selling and Operating	(6.0)	(6.2)	-2.8%	(6.5)	4.7%	(12.0)	(13.3)	-9.6%	(13.5)	1.5%
Rents of Stores	(4.7)	(4.9)	-4.1%	(5.1)	4.1%	(9.4)	(10.5)	-10.5%	(10.8)	2.6%
Store Pre-Openings	0.0	(0.3)	-100.0%	0.0	-100.0%	0.0	(0.8)	-100.0%	0.0	-100.0%
Depreciation & Amortization	(2.0)	(2.3)	-13.1%	(2.2)	-6.2%	(4.0)	(5.0)	-18.8%	(4.5)	-8.5%
J.V. Investment Amortization	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Equity income result	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0%
Other revenues (expenses)	0.3	0.4	-38.7%	0.3	-33.5%	0.6	0.6	-7.8%	0.8	29.3%
General & Administrative	(2.2)	(2.3)	-8.3%	(2.3)	-1.1%	(4.2)	(4.4)	-6.0%	(4.7)	5.4%
(+) Depreciation & Amortization	2.3	2.7	-13.9%	2.5	-7.1%	4.7	6.2	-23.9%	5.3	-14.3%
<b>Operating Income</b>	<b>11.5</b>	<b>10.5</b>	<b>9.7%</b>	<b>12.7</b>	<b>21.2%</b>	<b>22.8</b>	<b>22.9</b>	<b>-0.2%</b>	<b>26.6</b>	<b>16.4%</b>
Expansion Capex	0.0	0.0	-77.1%	0.0	-75.3%	0.4	0.9	-54.6%	0.5	-48.6%
Maintenance Capex	0.2	0.4	-65.6%	0.2	-62.8%	1.4	1.6	-13.0%	1.5	-1.4%
<b>Total Capex</b>	<b>0.2</b>	<b>0.5</b>	<b>-66.1%</b>	<b>0.2</b>	<b>-63.4%</b>	<b>1.8</b>	<b>2.5</b>	<b>-28.5%</b>	<b>2.0</b>	<b>-19.0%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>11.4</b>	<b>10.0</b>	<b>13.0%</b>	<b>12.5</b>	<b>24.9%</b>	<b>21.5</b>	<b>21.3</b>	<b>0.8%</b>	<b>25.1</b>	<b>17.7%</b>

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

The information in the table above is presented in Reais and in Reais in constant currency (using the 2Q16 FX rate to convert the results on 2Q16 and 2Q17), to eliminate the effect of exchange rate changes. The comments below are reference the 2Q17 constant currency numbers.

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

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

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

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

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

## ADJUSTED EBITDA AND ADJUSTED MARGIN

### EBITDA RECONCILIATION

(R\$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
<b>NET INCOME (LOSS) FROM CONTINUED OPERATIONS</b>	<b>14.9</b>	<b>0.2</b>	<b>7684.3%</b>	<b>(2.2)</b>	<b>(27.2)</b>	<b>n.a.</b>
(+) Income Taxes	(1.1)	5.7	n.a.	9.0	3.0	204.3%
(+) Net Financial Result	2.3	(9.2)	n.a.	3.0	12.5	-76.2%
(+) D&A and Write-offs	20.6	23.4	-11.9%	42.4	48.4	-12.4%
(+) Amortization of Investments in Joint Venture	0.5	0.5	-8.4%	1.0	1.2	-14.2%
<b>EBITDA</b>	<b>37.2</b>	<b>20.6</b>	<b>80.5%</b>	<b>53.2</b>	<b>37.8</b>	<b>40.8%</b>
(+) Special Items	0.7	3.0	-77.1%	1.8	4.5	-59.0%
<b>Adjusted EBITDA</b>	<b>37.9</b>	<b>23.7</b>	<b>60.3%</b>	<b>55.0</b>	<b>42.3</b>	<b>30.2%</b>
<i>EBITDA / Net Revenues</i>	<i>9.9%</i>	<i>5.3%</i>		<i>7.3%</i>	<i>4.9%</i>	
<i>Adjusted EBITDA / Net Revenues</i>	<i>10.1%</i>	<i>6.1%</i>		<i>7.6%</i>	<i>5.4%</i>	

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

## FINANCIAL RESULT, INCOME TAX AND NET INCOME

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

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

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

## SELECTED CASH FLOW INFORMATION

### OPERATING ACTIVITIES

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

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

### INVESTING ACTIVITIES

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



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

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

## FINANCING ACTIVITIES

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

(R\$ million)	2Q17	2Q16	HA (%)	2017	2016	HA (%)
Capital Contributions	0.1	(0.0)	n.a.	0.1	46.4	-99.7%
Treasury Shares	(7.5)	(8.3)	-10.1%	(5.6)	(8.3)	-32.2%
New Loans	0.0	1.3	-100.0%	(0.0)	1.3	n.a.
Payment of Loans	(15.0)	(22.3)	-32.6%	(33.3)	(84.2)	-60.5%
<b>Net Cash Generated by Financing</b>	<b>(22.4)</b>	<b>(29.3)</b>	<b>-23.6%</b>	<b>(38.8)</b>	<b>(44.8)</b>	<b>-13.3%</b>

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

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

## NET DEBT

The Company ended the first half of 2017 with a net cash position of R\$35.2 million, including cash, cash equivalents and short-term investments, as well as sellers finance and agreements entered into with the current operators of concessions at private airports.

The table below shows the debts of continuing operations.

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

## CONDENSED INCOME STATEMENT

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

## CONDENSED BALANCE SHEET

### CONDENSED STATEMENTS OF FINANCIAL POSITION

(R\$ thousand)

2Q17

4Q16

#### ASSETS

##### CURRENT ASSETS

Cash and cash equivalents	162,352	190,108
Accounts receivable	70,259	70,567
Inventories	37,492	35,101
Derivatives	2,456	5,169
Other current assets	53,792	48,038
Assets from discontinued operations	0	0
<b>Total current assets</b>	<b>326,351</b>	<b>348,983</b>

##### NONCURRENT ASSETS

Deferred income taxes	2,915	626
Derivatives	1,752	1,399
Other noncurrent assets	61,841	63,197
Property and equipment	236,506	252,429
Intangible assets	828,461	836,774
<b>Total noncurrent assets</b>	<b>1,131,475</b>	<b>1,154,425</b>

<b>TOTAL ASSETS</b>	<b>1,457,826</b>	<b>1,503,408</b>
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#### LIABILITIES AND EQUITY

##### CURRENT LIABILITIES

Trade accounts payable	75,468	85,815
Loans and financing	43,146	61,797
Salaries and payroll charges	64,752	63,976
Other current liabilities	35,330	37,005
Liabilities from Discontinued operations	0	0
<b>Total current liabilities</b>	<b>218,696</b>	<b>248,593</b>

##### NONCURRENT LIABILITIES

Loans and financing	88,226	104,313
Provision for labor, civil and tax disputes	19,543	26,997
Deferred income tax liability	68,672	62,569
Other noncurrent liabilities	23,745	20,140
<b>Total noncurrent liabilities</b>	<b>200,186</b>	<b>214,019</b>

##### EQUITY

Capital and reserves	1,148,982	1,152,775
Accumulated losses	(106,319)	(104,097)
Other comprehensive income	(14,506)	(18,024)
Amounts recognized in other comprehensive income and accumulated in equity related to assets held for sale	0	0
<b>Total equity</b>	<b>1,028,157</b>	<b>1,030,654</b>
Non-Controlling Interest	10,787	10,142

<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,457,826</b>	<b>1,503,408</b>
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## CASH FLOW STATEMENT

### CONDENSED STATEMENTS OF CASH FLOWS (R\$ thousand)

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

## APPENDIX - CURRENCY CONVERSION TABLE

	US\$		COP	
	EoP	Average	EoP	Average
1Q13	2.019	1.995	0.00110	0.00110
2Q13	2.226	2.062	0.00120	0.00110
3Q13	2.235	2.285	0.00120	0.00120
4Q13	2.348	2.272	0.00120	0.00120
1Q14	2.266	2.369	0.00120	0.00120
2Q14	2.205	2.234	0.00120	0.00120
3Q14	2.438	2.276	0.00120	0.00120
4Q14	2.687	2.548	0.00110	0.00120
1Q15	3.208	2.865	0.00120	0.00120
2Q15	3.103	3.073	0.00120	0.00120
3Q15	3.973	3.540	0.00130	0.00130
4Q15	3.905	3.841	0.00120	0.00130
1Q16	3.559	3.857	0.00120	0.00120
2Q16	3.210	3.501	0.00110	0.00120
3Q16	3.246	3.246	0.00113	0.00110
4Q16	3.298	3.221	0.00113	0.00110
1Q17	3.168	3.145	0.00110	0.00108
2Q17	3.308	3.215	0.00109	0.00110

## MANAGEMENT NOTE

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

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

## GLOSSARY

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

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

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

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

**Same-store sales (SSS):** corresponds to the sales of stores that have maintained operations in comparable periods, excluding stores that were temporarily closed. If a store is included in the calculation of comparable store sales for only a part of one of the periods compared, then this store will be included in the calculation of the corresponding portion of another period. Some of the reasons for the temporary closure of the Company’s stores include renovation or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store

included in comparable store sales, said store is excluded from the comparable store sales. The variations in same-store sales is a measure used in the retail market as an indicator of the performance of the implemented business strategies and initiatives, and also represent the trends of the local economy and consumers. The Company's sales are recorded and analyzed based on the functional currency of each country where the Company operates. Therefore, as the Company's financial information is converted and demonstrated in reais (R\$), Brazilian currency, using average exchange rates of the periods compared, the values of same-store sales may present gains or losses resulting from the exchange rate of the currency of the country where that same store is located. Same-store sales are not a measure of financial performance according to the accounting practices adopted in Brazil (BR GAAP) or IFRS. Same-store sales do not have a standardized meaning in the market, and the Company's definition may not be the same definition of same-store sales in used by other companies.

## **DISCLAIMER**

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