imc

INTERNATIONAL MEAL COMPANY

EARNINGS RELEASE 3Q11

EARNINGS RELEASE 3Q11

- **IMCH3 price on September 30, 2011**
  R$11.95
- **Market Cap on September 30, 2011**
  R$1.0 billion
  USD532 million
- **3Q11 Earnings Conference Call**
  Friday, November 11, 2011
- **Portuguese**
  Time: 10:00 am (Brasília) / 7:00 am (US-ET)
  Telephone: + 55 (11) 2188-0155 Code: IMC
- **English**
  Time: 11:30 am (Brasília) / 8:30 am (US-ET)
  Telephone: + 1 (412) 317-6776 Code: IMC
- **Password:** IMC
- **The slide presentation will be available at:**www.internationalmealcompany.com/ri
- **CEO:** Javier Gavilán
- **CFO:** Julio Millán
- **IR Officer:** Gonzalo Cardoner
- **IR Team:**
  Mariana Pimentel
  Camilo Di Boscio
- **Contact**
  ri@internationalmealcompany.com
  Tel.: +55 (11) 3041.9538

INTERNATIONAL MEAL COMPANY RECORDS NET REVENUE GROWTH OF 21.1% AND ADJUSTED EBITDA GROWTH OF 22.6% OVER 3Q10.

São Paulo, November 11, 2011. International Meal Company Holdings S.A. (BM&FBovespa: IMCH3), one of the largest multi-brand companies in the food service segment in Brazil, is disclosing its results for the third quarter of 2011 (3Q11). The information herein refers to consolidated statements and, unless otherwise indicated, is presented in millions of Brazilian *reais* (R$) and in accordance with accounting principles adopted in Brazil and International Financial Reporting Standards (IFRS). All comparisons refer to the same period in the previous year.

HIGHLIGHTS OF THE PERIOD

- Total **Net Revenue** reached **R$227.9 million**, 21.1% up on 3Q10, or 22.6% up excluding the exchange rate impact.

- **Same Store Sales (SSS)** increased by **7.3%** in 3Q11, with the Airport and Road segments performing particularly well.

- **Adjusted EBITDA** totaled **R$33.0 million** in **3Q11** **22.6%** up year-on-year, or 24.0% up excluding the exchange rate impact.

- **Net Income** closed the quarter at **R$6.8 million**.

- The Company opened **21** stores in **3Q11**, giving a **total** of **257** at the end of the period, 55 up from 3Q10.

MESSAGE FROM MANAGEMENT

In 3Q11, IMC continued to present solid results. Our expansion plan remained on track, we continued to make inroads into new international markets, and we maintained the same level of growth as in the previous quarter and our Gross Margin, Adjusted EBITDA margin and general profitability indicators all improved.

As we mentioned in our last release, in July we effectively entered the Colombian market through the acquisition of the in-flight catering company Aeroservicios de la Costa and the signing of subconcession agreements with Airplan, a private airport operator, to open restaurants and snack bars in three airports in the country. All in all, we closed the quarter with catering operations and 14 stores in five Colombian airports. After the end of the quarter, we entered another Brazilian airport through the acquisition of Servecom Catering, which operates the in-flight catering service at Viracopos Airport in Campinas, in the state of São Paulo.

On the financial front, our main indicators, including Net Revenue, Gross Profit, Adjusted EBITDA and Net Income, all recorded growth over 2Q11. We closed the third quarter with Net Revenue of R$227.9 million, 21.1% up on 3Q10, and Same Store Sales (SSS) growth of 7.3%. Total sales growth maintained the same pace as in the previous three months. The Gross Margin continued to widen over 1Q11 and 2Q11, due to the normalization of fuel sales in the Caribbean and continuing cost controls. Adjusted EBITDA increased by 22.6% to R$33.0 million, widening the Adjusted EBITDA margin by 0.2 p.p. over 3Q10. Finally, we recorded 3Q11 net income of R$6.8 million, our best quarterly result year-to-date.

However, the crisis in the international financial markets that took hold at the beginning of August negatively impacted our share's performance and its market price dropped to below the March IPO level. In this context, the Company approved a share buyback program for the duration of up to a year involving up to 10% of the free float. We believe this initiative highlights our understanding of the Company's prospects and will make a substantial contribution to the preserving the equity of our shareholders.

We would like to take this opportunity to once again thank our shareholders and the market for their trust in our team.

Management

SUMMARY OF RESULTS AND OPERATING INDICATORS

SUMMARY (R$ million)	3Q11	3Q10	Var. (%) 3Q11/3Q10
NUMBER OF STORES (end of period)	257	202	27.2%
SAME STORES SALES (SSS[1])	191.9	178.9	7.3%
NET REVENUES	227.9	188.2	21.1%
GROSS PROFIT	70.0	59.7	17.2%
GROSS MARGIN (%)	*30.7%*	*31.7%*	*-1.0 p.p.*
OPERATIONAL EXPENSES	(53.2)	(43.6)	21.9%
ADDED BACK DEPRECIATION & AMORTIZATION[2]	16.2	10.8	49.6%
Adjusted EBITDA[3]	33.0	26.9	22.6%
Adjusted EBITDA MARGIN (%)	*14.5%*	*14.3%*	*0.2 p.p.*
SPECIAL ITEMS[4]	(1.4)	(4.0)	n/a
NET FINANCIAL EXPENSES	(2.3)	(10.8)	-78.6%
INCOME TAX	(6.2)	(3.6)	72.0%
NET PROFIT	6.8	(2.3)	n/a
NET MARGIN (%)	*3.0%*	*-1.2%*	*4.2 p.p.*

(1) Same Store Sales (SSS): See definition in the Glossary.

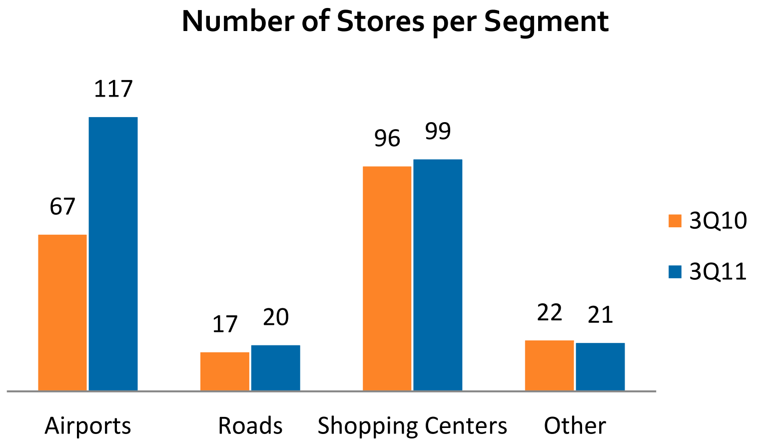
(2) In 3Q11, this item includes R$9.3 million in depreciation and amortization booked under cost of goods and R$6.9 million in depreciation and amortization booked under operating expenses. In 3Q10, it includes R$5.4 million in depreciation and amortization booked under cost of goods and R$5.5 million under operating expenses.

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

(4) Non-recurring Items: Expenses related to due diligence for the acquisition of new businesses and necessary pre-operating expenses and investments related to the start-up of new stores and points of sale.

EXPANSION OF STORES

The Company ended 3Q11 with 257 stores, versus 202 at the close of 3Q10. The net increase resulted from the addition of 50 Airport stores, three Road stores, three stores in Shopping Centers, and the reduction of one store in other segments. In line with the Company's strategy, the airport expansion corresponded to 16 stores in Brazil and 34 in international airports, primarily due to the opening of new markets in Panama and Colombia. The overall store area increased by 15.4 thousand sqm, 19.4% up on the same period last year.



As previously announced, in July the Company acquired the Colombian company Aeroservicios de la Costa, which operates in-flight catering services at Barranquilla (BAQ), Cartagena (CTG), Medellín (MDE) and Medellín/Rionegro (RNG) airports. The transaction also included the operation of two brands and eight stores in these airports. Also in 3Q11, another 6 new stores were opened, bringing the total to 14 in these airports. The Company also signed sub-concession agreements with Airplan, a Colombian airport private operator, aiming to open stores at the Medellín (MDE), Medellín/Rionegro (RNG) and Montería (MTR) airports, involving a total area of over 1,300 sqm.

In September, the Company acquired Servecom Catering, which provides in-flight catering services at Viracopos Airport, in Campinas, in the state of São Paulo (Brazil). The acquisition, valued at R$4.65 million, was made through RA Catering, which will serve domestic and international airlines, such as TAM, Azul and Trip, as well as air cargo companies, such as Lufthansa and Fedex.

After the close of 3Q11, the Company opened one more "Frango Assado" store on the Dom Pedro I Highway, in the state of São Paulo (Brazil).

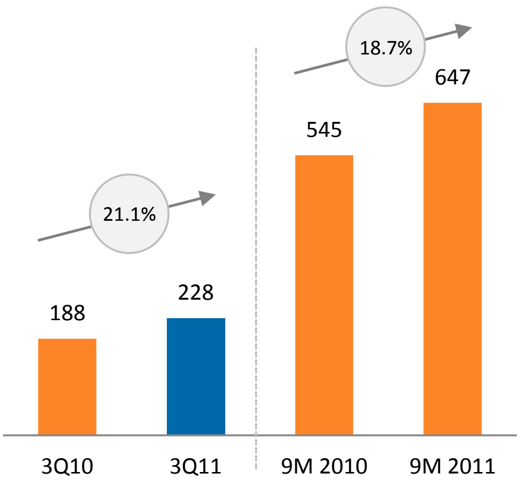
NET REVENUE

NET REVENUES (R$ million)	3Q11	3Q10	Var. (%)	9M 2011	9M 2010	Var. (%)
Airports	88.0	62.1	41.8%	244.7	182.2	34.3%
Roads	73.2	64.3	14.0%	211.6	180.5	17.2%
Shopping Centers	56.0	50.9	10.0%	158.3	149.5	5.9%
Other	10.6	10.9	-2.9%	32.6	33.0	-1.3%
Total Net Revenues	**227.9**	**188.2**	**21.1%**	**647.2**	**545.1**	**18.7%**

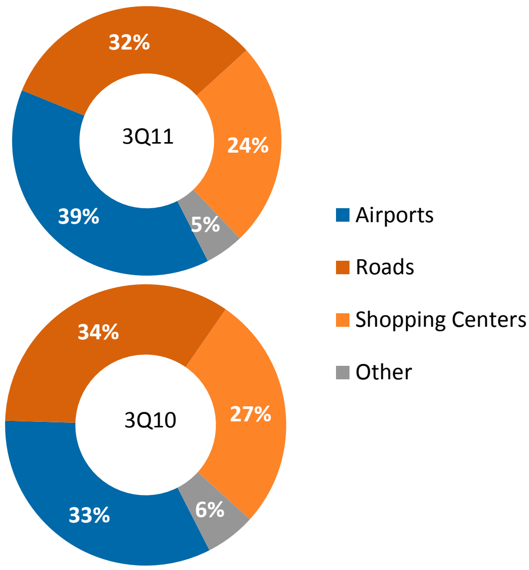
Net Revenue totaled R$227.9 million in 3Q11, 21.1% more than in 3Q10, or 22.6% up, excluding the exchange rate impact. This increase, which is above average for the first nine months of the year, consolidates expected annual growth in 2011. Revenue continued to be fueled by the expansion of the Airport and Road segments, which were responsible for 38.6% and 32.1%, respectively, of total Net Revenue in the quarter. Year-to-date Net Revenue came to R$647.2 million, 18.7% up on 9M10.

In line with the Company's strategy, the Airport and Road segments continued to record an increase in their joint share of total sales, which moved up from 67.1% in 3Q10 to 70.8% in 3Q11.

Net Revenue
(R$ million)



Net Revenue per Segment



The increase in 3Q11 sales was primarily due to the following factors:

i. A 19.4% expansion in the overall store area in relation to 3Q10; and

ii. A 7.3% upturn in Same Store Sales over 3Q10.

This increase in SSS, referred to in item (ii) above, was mainly driven by sales in the Airport and Road segments, which increased by 9.2% and 7.7%, respectively, underlining growth in all the Company's segments and consolidating the growth tendency envisaged for the rest of the year.

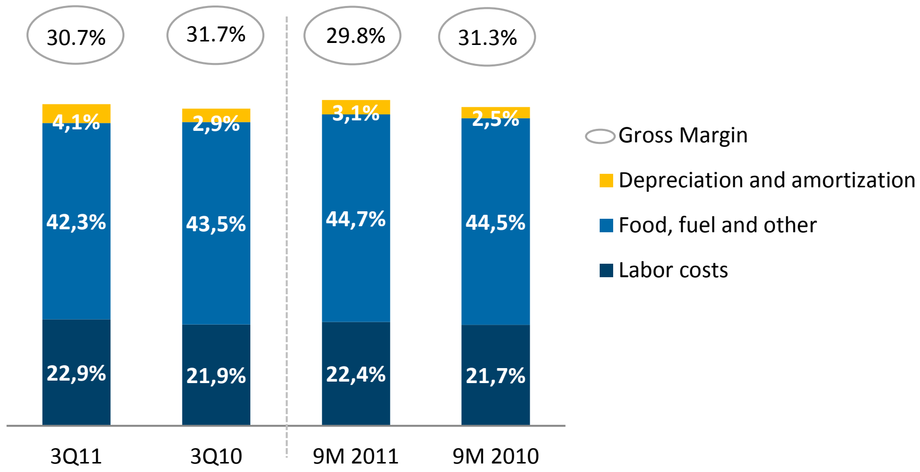
SAME STORE SALES (R$ million)	**3Q11**	**3Q10**	**Var. (%)**
Airports	62.7	57.5	9.2%
Roads	65.6	61.0	7.7%
Shopping Centers	53.1	50.6	5.0%
Other	10.3	9.8	5.2%
Total Same Stores Sales	**191.9**	**178.9**	**7.3%**

(1) See the definition of Same-Store Sales (SSS) in the Glossary.

GROSS PROFIT

GROSS PROFIT (R$ million)	**3Q11**	**3Q10**	**Var. (%)**	**9M 2011**	**9M 2010**	**Var. (%)**
Net Revenues	227.9	188.2	21.1%	647.2	545.1	18.7%
Costs of sales and services	(157.8)	(128.5)	-22.9%	(454.2)	(374.3)	-21.3%
Labour costs	(52.2)	(41.1)	-26.8%	(144.8)	(118.5)	-22.2%
Food, fuel and other	(96.4)	(81.9)	-17.6%	(289.1)	(242.4)	-19.3%
Depreciation and amortization	(9.3)	(5.4)	-73.0%	(20.3)	(13.4)	-51.5%
Gross Profit	**70.0**	**59.7**	**17.2%**	**193.0**	**170.8**	**13.0%**
Gross Margin (%)	30.7%	31.7%		29.8%	31.3%	

The Company closed 2Q11 with Gross Profit of R$70.0 million, versus R$59.7 million in 3Q11, 17.2% up on 3Q10, or 19.0% up excluding the exchange variation. In the same period, the Gross Margin improved by 1.2%, due to reduced costs with food, fuel and other expenses. However, this improvement was offset by the 1.0% impact from labor costs and higher depreciation and amortization linked to the period increase in assets.



All in all, however, the Gross Margin continued to improve in relation to 2010, reducing the gap from 3.3% in 1Q11 to 1% in 3Q11. In 9M11, the gross margin stood at 29.8%, 1.5% down year-on-year, but also narrowing the gap in relation to the year-on-year comparisons between previous quarters.

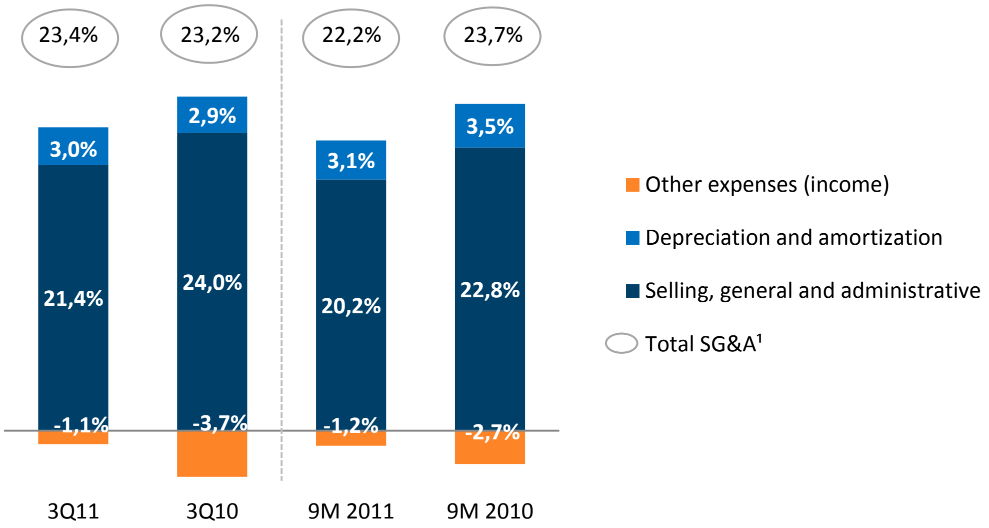
OPERATING EXPENSES

OPERATING EXPENSES (R$ million)	**3Q11**	**3Q10**	**Var. (%)**	**9M 2011**	**9M 2010**	**Var. (%)**
Selling expenses	(2.1)	(1.2)	-67.3%	(6.8)	(5.7)	-19.3%
General and administrative expenses	(46.7)	(44.0)	-6.2%	(124.2)	(118.8)	-4.6%
Depreciation and amortization	(6.9)	(5.5)	-26.6%	(20.3)	(19.1)	-6.6%
Other income (expenses)	2.5	7.0	-64.8%	7.8	14.6	-46.3%
Total operating expenses before special items	**(53.2)**	**(43.6)**	**-21.9%**	**(143.5)**	**(128.9)**	**-11.3%**
% Net Revenues	-23.4%	-23.2%		-22.2%	-23.7%	
Special items	(1.4)	(4.0)	n/a	(28.9)	(6.0)	n/a
Total operating expenses	**(54.6)**	**(47.6)**	**-14.7%**	**(172.4)**	**(134.9)**	**-27.8%**
% Net Revenues	-24.0%	-25.3%		-26.6%	-24.8%	

Operating expenses, excluding non-recurring items, totaled R$53.2 million in 3Q11, equivalent to 23.4% of Net Revenue, 0.2% up year-on-year. In percentage of Net Revenue terms, General and Administrative expenses recorded a significant reduction of almost 3.0 p.p., offset by the increase in depreciation, amortization and selling expenses, linked to the incorporation of assets and the opening of new stores and markets, as well as by the reduction of the "Other operating income (expenses)" line, due to lower revenues from the negotiation of promotional funds with suppliers and exclusivity agreements.

Expenses with non-recurring items totaled R$1.4 million, mainly corresponded to expenses with acquisitions and store openings at international airports.

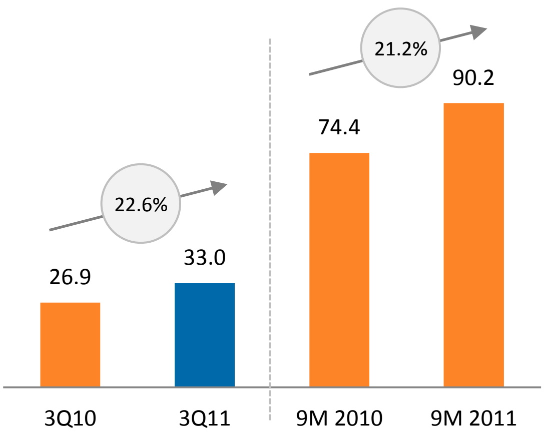
Breakdown of Operating Expenses¹
(% of Net Revenue)

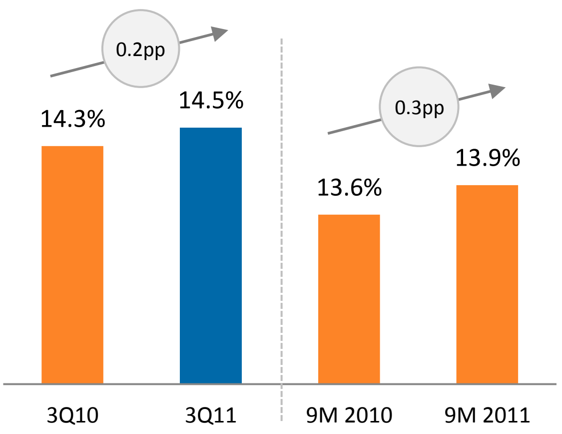


(1) Excluding Special Items

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA, net of non-recurring expenses, totaled R$33.0 million in 3Q11, 22.6% more than in the same period last year.





The Adjusted EBITDA Margin recorded a 0.2 p.p. improvement, widening from 14.3% of Net Revenue in 3Q11, to 14.5%. Year-to-date Adjusted EBITDA totaled R$90.2 million, 21.2% higher than in 9M10.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

The net financial result was an expense of R$2.3 million in 3Q11, versus an expense of R$10.8 million in 3Q10. The reduction in this expense from 5.7% to 1.0% of Net Revenue was primarily due to the change in the Company's capital structure following the IPO, which reduced net debt.

Provisions for income tax and social contribution on net income totaled R$6.2 million in 3Q11, R$2.6 million more than the R$3.6 million recorded in 3Q10. However, the cash amount actually paid was R$0.8 million, representing 6.2% of net revenue before taxes.

EBITDA RECONCILIATION (R$ million)	**3Q11**	**3Q10**	**Var. (%)**	**9M 2011**	**9M 2010**	**Var. (%)**
NET INCOME (LOSS) FOR THE PERIOD	6.8	(2.3)		(6.2)	(7.2)	
(-) Income taxes	6.2	3.6		15.9	13.0	
(-) Net financial expenses	2.3	10.8		10.8	30.1	
(-) Depreciation and amortization	16.2	10.8		40.7	32.5	
EBITDA	31.6	22.9		61.2	68.4	
(+) Special items	1.4	4.0		28.9	6.0	
Adjusted EBITDA	**33.0**	**26.9**	**22.6%**	**90.2**	**74.4**	**21.2%**
Adjusted EBITDA / Net Revenues	14.5%	14.3%		13.9%	13.6%	

(1) Check the definitions of EBITDA and Adjusted EBITDA in the Glossary.

The Company posted Net Income of R$6.8 million in 3Q11, with a Net Margin of 3.0%, a significant improvement over the 0.9% posted in the previous three months and, especially, the -1.2% recorded in 3Q10.

SELECTED CASH FLOW INFORMATION

INVESTING ACTIVITIES

In line with its investment plan, the Company invested R$28.3 million in 3Q11, giving a year-to-date total of R$111.7 million. The main Capex investments in 3Q11 went to the addition of property plant and equipment related to the opening and expansion of new points of sale and the acquisition of the in-flight catering operation at Viracopos Airport in September (Servecom).

INVESTMENT ACTIVITIES (R$ million)	**9M 2011**	**9M 2010**
Property and equipment	(70.5)	(40.4)
Acquisitions of controlling interest, net of cash	(36.3)	(13.8)
Additions to intangible assets	(4.9)	(8.3)
Total Capex investments	**(111.7)**	**(62.5)**

FINANCING ACTIVITIES

The amortization of loans and financings with financial institutions totaled R$12.2 million in 3Q11, of which R$151.5 million was amortized in the first half and R$163.7 million year-to-date.

FINANCING ACTIVITIES (R$ million)	**9M 2011**	**9M 2010**
Capital contribuitions	297.1	183.4
Payment of loans	(163.7)	(23.6)
Net cash generated by financing activities	**133.4**	**159.7**

Considering Cash balances, cash equivalents and temporary investments, the Company's Net Debt totaled R$67.9 million as of September 30, 2011. Thus, the Net Debt / EBITDA ratio in the last twelve months equaled 0.5x, reflecting the Company's financial flexibility and ample capacity for additional leverage.

CONDENSED BALANCE SHEET

CONDENSED STATEMENTS OF FINANCIAL POSITION

(R$ thousand)	30/09/2011	31/12/2010		30/09/2011	31/12/2010
ASSETS			LIABILITIES AND EQUITY		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	34,273	139,971	Trade accounts payable	43,626	48,793
Temporary investments	142,851	0	Loans and financing	34,829	82,956
Accounts receivable	37,954	33,433	Salaries and payroll charges	32,746	26,791
Inventories	16,956	18,246	Other current liabilities	22,462	11,384
Other current assets	21,683	12,925	Total current liabilities	133,663	169,924
Total current assets	253,717	204,575			
			NONCURRENT LIABILITIES		
NONCURRENT ASSETS			Loans and financing	210,233	323,910
Deferred income taxes	27,154	16,616	Provision for labor, civil and tax disputes	30,653	25,255
Other noncurrent assets	19,586	11,289	Deferred income tax liability	94,045	74,868
Property and equipment	230,672	170,743	Other noncurrent liabilities	24,915	6,808
Intangible assets	776,338	712,285	Total noncurrent liabilities	359,846	430,841
Total noncurrent assets	1,053,750	910,933			
			EQUITY		
			Capital and reserves	835,071	535,404
			Retained earnings and other adjustments	(21,113)	(20,661)
			Total equity	813,958	514,743
TOTAL ASSETS	1,307,467	1,115,508	TOTAL LIABILITIES AND EQUITY	1,307,467	1,115,508

CONDENSED INCOME STATEMENT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (R$ thousand)	**3Q11** (consolidated)	**3Q10** (consolidated)	**9M 2011** (consolidated)	**9M 2010** (consolidated)
NET REVENUE	227,859	188,193	647,208	545,128
COST OF SALES AND SERVICES	(157,850)	(128,457)	(454,228)	(374,323)
GROSS PROFIT	70,009	59,736	192,980	170,805
OPERATING INCOME (EXPENSES)				
Commercial, operating and administrative expenses	(57,103)	(54,659)	(180,246)	(149,538)
Net financial expenses	(2,312)	(10,790)	(10,824)	(30,104)
Other income (expenses)	2,473	7,016	7,842	14,591
INCOME (LOSS) BEFORE INCOME TAXES	13,067	1,303	9,751	5,754
Income Taxes	(6,230)	(3,622)	(15,946)	(12,978)
NET INCOME (LOSS) FOR THE QUARTER	6,837	(2,319)	(6,195)	(7,224)

CASH FLOW STATEMENT

CONDENSED STATEMENTS OF CASH FLOWS (R$ thousand)	9M 2011 (consolidated)	9M 2010 (consolidated)
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss) for the quarter	(6,195)	(7,224)
Depreciation and amortization	40,662	32,498
Provision for labor, civil and tax disputes	(10,762)	(3,168)
Income taxes	15,946	12,978
Interest expenses	24,550	28,139
Other	2,763	11,130
Changes in operating assets and liabilities	(20,489)	(16,717)
Cash generated from operations	46,475	57,636
Income tax paid	(3,115)	(989)
Interest paid	(33,064)	(32,471)
Net cash generated by (used in) operating activities	10,296	24,176
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of controlling interest, net of cash	(36,344)	(13,752)
Temporary investments	(142,851)	-
Additions to intangible assets	(4,941)	(8,347)
Additions to property and equipment	(70,456)	(40,366)
Net cash used in investing activities	(254,592)	(62,465)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contribuitions	297,121	183,389
Payment of loans	(163,734)	(23,644)
Net cash used in financing activities	133,388	159,745
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	5,210	(392)
NET INCREASE (DECREASE) FOR THE PERIOD	(105,698)	121,064
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	139,971	39,656
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	34,273	160,720

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

GLOSSARY

Adjusted EBITDA: The Adjusted EBITDA reflects EBITDA, adjusted to exclude the effects of transactions considered by the Company management, as not representative of the ordinary course of business. We use the adjusted EBITDA as a tool to measure and evaluate our performance focused on the continuity of our operations, and we believe that the adjusted EBITDA is a useful tool for the investor, because it enables a more comprehensive comparative analysis of the past and current information on the results of our management. The Adjusted EBITDA is not a financial performance measure calculated in accordance with IFRS or BR GAAP, and should not be considered an alternative to net income, as indicator of operating performance, as alternative to operating cash flow, or as indicator of liquidity. EBITDA does not have a standard meaning and our definition of EBITDA may not be comparable to the definitions of EBITDA used by other companies. However, since the Adjusted EBITDA does not consider certain costs inherent to our business, which might, significantly affect our profits, such as finance expenses, taxes, depreciation, capital expenditures and other related charges, EBITDA presents limitations which affect its use as indicator of our profitability.

Company: International Meal Company Holdings S.A. or IMC.

EBITDA: The Company calculates EBITDA as net income before income tax and social contribution, financial income (expenses) and depreciation and amortization. EBITDA is not a financial performance measurement according to the accounting practices adopted in Brazil (BR GAAP) or IFRS, and should not be considered as an alternative to net income, as indicator of the operating performance, as alternative to operating cash flow, or as indicator of liquidity. EBITDA does not have a standard meaning and our definition of EBITDA may not be comparable to the definitions of EBITDA used by other companies. Since our calculation of EBITDA does not consider the income and social contribution taxes, the financial income (expenses), depreciation and amortization, EBITDA works as an indicator of our general financial performance, which is not affected by changes in the income tax and social contribution rates, fluctuations in interest rates or in depreciation and amortization levels. As consequence, we believe EBITDA works as a significant comparative tool to periodically measure, our operating performance, as well as basis for certain administrative decisions. We believe that EBITDA allows a better understanding not only of our financial performance, but also of our payment capacity of interest and principal of our debt to incur more debt to finance our capital expenditures and working capital. However, since EBITDA does not consider certain costs inherent to our business, which might, significantly affect our profits, such as finance expenses, taxes, depreciation, capital expenditures and other related charges, EBITDA presents limitations which affect its use as indicator of our profitability.

Net opening of stores: The references to "net opening of stores", "net closing of stores" or similar expressions correspond to the sum of opening and reopening of stores less the closing of stores in each year.

Sales Same Stores (SSS): corresponds to sales in stores that kept operations in comparable periods, including the stores that were temporarily closed. If a store is included in the calculation of Sales of comparable stores for only a part of the compared periods, then this store will be included in the calculation of the portion related to the other period. Some of the reasons our retail food stores may be temporarily closed include refurbishment or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store included in the Sales of comparable stores, the store is excluded from the Sales of comparable stores. The variation in same store Sales is a measurement used in the retail market as indication of the performance of strategies and commercial initiatives implemented, and also represent the trends of local economy and of the consumers. Our sales are recorded and analyzed based on the functional currency of ach country in which we operate. For such, since our financial information is translated and stated at Reais, the Brazilian currency, using the average exchange rates of the compared periods, the Sales amounts in a same store may present certain distortions resulting from the exchange variation of the currency of the country in which this same store is located. Same Stores Sales is not a measurement of the financial performance according to the accounting practices adopted in Brazil (BR GAAP) or international accounting standards (IFRS), and should not be considered as an alternative to net income, as an operating indicator, operating cash flow or as indicator of liquidity. Same store sales do not have a standard meaning in the market, and our definition may not be the same definition of same store sales used by other companies.