



NET INCOME GROWS 24.3% AND THE STRONG PACE OF EXPANSION IS MAINTAINED WITH THE OPENING OF 109 NEW RESTAURANTS IN THE LAST 12 MONTHS

Barueri, August 8, 2018 – BK Brasil Operação e Assessoria a Restaurantes S.A. (B3: BKBR3), the master franchisee of Burger King Corporation and Popeyes Louisiana Kitchen for Brazil, announces today its results for the second quarter of 2018. The consolidated quarterly information of the Company is presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil. Non-financial and non-accounting data were not reviewed by the independent auditors.

HIGHLIGHTS

2Q18x2Q17 Performance:

- **Net Operating Revenue** of R\$537 million in 2Q18, up 25.3% from 2Q17 considering the acquisition of franchisees. Excluding the effects of the truckers' strike and the World Cup, we estimate that the net operating revenue would have been R\$571 million, which would represent a growth of 33.3%;
- **Total of 12 restaurants opened** in 2Q18, leading to net restaurant openings of 103 units in the last 12 months, driving the total restaurant count to 717 at the end of 2Q18;
- **Comparable sales in same restaurants** remained stable (0.0%) in 2Q18, impacted by the truckers' strike and the World Cup. Excluding these effects, we estimate that comparable sales growth would reach 6.2%;
- **Adjusted EBITDA¹** of R\$49 million in 2Q18, down R\$3 million from 2Q17, impacted by the truckers' strike and the World Cup;
- **Adjusted EBITDA Margin** decreased to 9.2%, from 12.2% in 2Q17;
- **Net Income** of R\$9 million in 2Q18, reflecting an increase of 24.3% in relation to 2Q17.

1H18x1H17 Performance:

- **Net Operating Revenue** of R\$1,019 million in 1H18, up 24.6% from 1H17. Excluding the effects of the truckers' strike and the World Cup, we estimate that the net operating revenue would have been R\$1,053 million, which would represent a growth of 28.7%;
- **Comparable sales in same restaurants** grew 4.8% in 1H18, impacted by the truckers' strike and the World Cup. Excluding these effects, we estimate that comparable sales growth would have reached 8.1%;
- **Adjusted EBITDA¹** of R\$86 million in 1H18, growing 11.8% from 1H17;
- **Adjusted EBITDA Margin** of 8.4%, compared to 9.4% in 2Q17;
- **Net Income** of R\$17 million in 1H18 compared to net loss of R\$13 million in 1H17, an absolute increase of R\$30 million.

Financial highlights - R\$ Million (consolidated)	2Q18	2Q17	Var.	1Q18	Var.	1H18	1H17	Var.
Net operating revenue	536.9	428.4	25.3%	482.5	11.3%	1,019.4	818.3	24.6%
Adjusted EBITDA ¹	49.5	52.1	-5.0%	36.4	36.0%	85.9	76.8	11.8%
% of net operating revenue	9.2%	12.2%	-300bps	7.5%	170bps	8.4%	9.4%	-100bps
Net income	8.6	6.9	24.3%	8.8	-2.7%	17.4	(13.1)	-
Gross debt	427.2	542.1	-21.2%	458.3	-6.8%	427.2	542.1	-21.2%
Net debt	(222.7)	361.4	-	(635.9)	-65.0%	(222.7)	361.4	-
Shareholders' equity	1,632.3	527.2	209.6%	1,625.2	0.4%	1,632.3	527.2	209.6%

Operational Highlights	2Q18	2Q17	Var.	1Q18	Var.	1H18	1H17	Var.
# of restaurants	717	614	103	709	8	717	614	103
Owned restaurants								
# Owned restaurants beginning of period	528	473	55	526	2	526	480	46
Restaurant openings	8	9	(1)	5	3	13	11	2
Restaurant closings	(4)	(1)	(3)	(1)	(3)	(5)	(10)	5
Acquisition / sale of restaurant businesses	51	0	51	(2)	53	49	-	49
# Owned restaurants end of period	583	481	102	528	55	583	481	102
Franchisees restaurants								
# Franchisees restaurants beginning of period	181	125	56	171	10	171	121	50
Restaurant openings	4	9	(5)	8	(4)	12	13	(1)
Restaurant closings	0	(1)	1	0	0	-	(1)	1
Acquisition / sale of restaurant businesses	(51)	0	(51)	2	(53)	(49)	-	(49)
# Franchisees restaurants end of period	134	133	1	181	(47)	134	133	1
Comparable sales growth in same restaurants (SSS)	0.0%	14.6%	-	10.3%	-	4.8%	13.0%	-820bps

*Sale of company-owned restaurants to franchisees.

2Q18 Earnings Release

Conference Call and Webcast

Thursday, August 9, 2018

In Portuguese, simultaneously translated into English

Time: 11:00 a.m. (BRT); 10:00 a.m. (US ET)

Dial-in:

From Brazil:

+55 11 3193-1001 or
+55 11 2820-4001

From other countries:

+1 646 828-8246 or
+1 800 492-3904
(Toll Free)
Code: BK Brasil

Investor Relations: Clayton Malheiros

Marcelo Cintra
+55 11 2397-0368

Carolina Martins
+55 11 2397-0369

Tamires Parini
+55 11 2397-0369

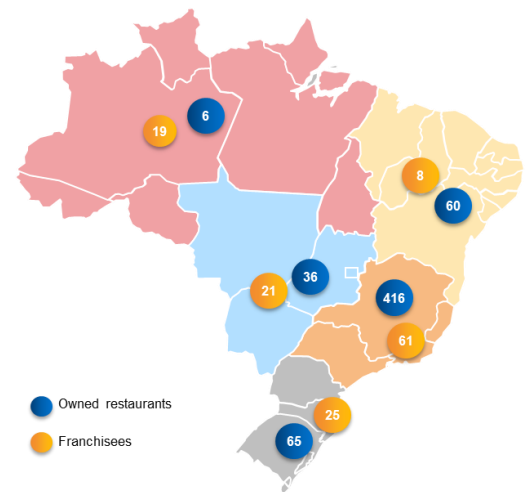
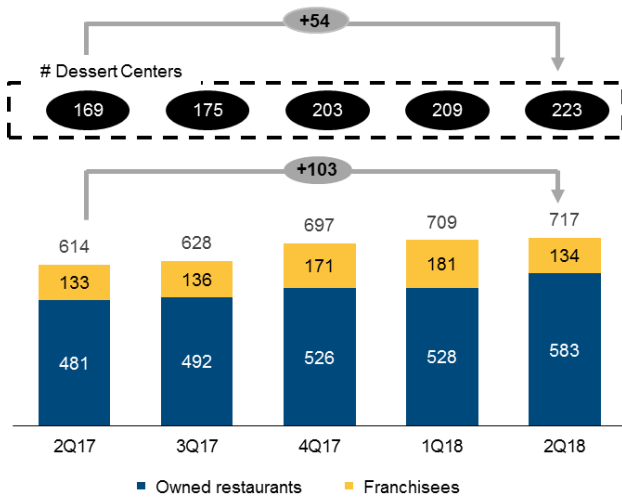
¹ Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's operating performance, including: (i) write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with the stock option plan.



OPERATING AND FINANCIAL PERFORMANCE

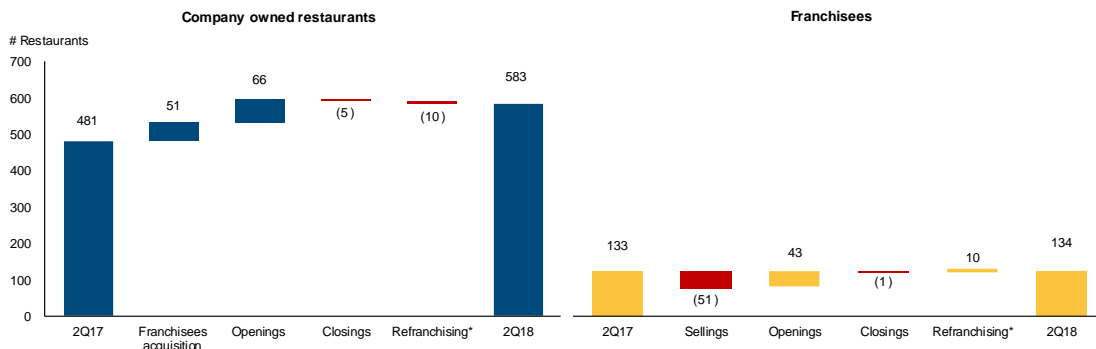
Restaurant expansion

During 2Q18, BURGER KING® opened 12 new restaurants, of which 8 were company-owned restaurants and 4 were franchisees. Considering only restaurants operated by BK Brasil, net of closures (4 restaurants) and acquisition of franchisees announced in April this year (51 restaurants), the Company ended the second quarter with 583 company-owned restaurants, an increase of 102 restaurants from 2Q17. As for franchised restaurants, BURGER KING® ended 2Q18 with 134 units. As a result, the BURGER KING® system ended the second quarter of 2018 with a total of 717 restaurants operating across the country, representing a total increase of 103 restaurants when compared to 2Q17.



Acquisition of control of franchisees

According to the material fact published in April 2018, BK Brasil announced the conclusion of the acquisition of all shares issued by franchisees King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A. In total, the acquisition involved 51 restaurants of the BURGER KING® system and 20 dessert centers, which ceased to be franchises and were integrated into the company-owned restaurants base. This transaction impacted all 3 months in the 2Q18 results.



*Sale of company-owned restaurants to franchisees.

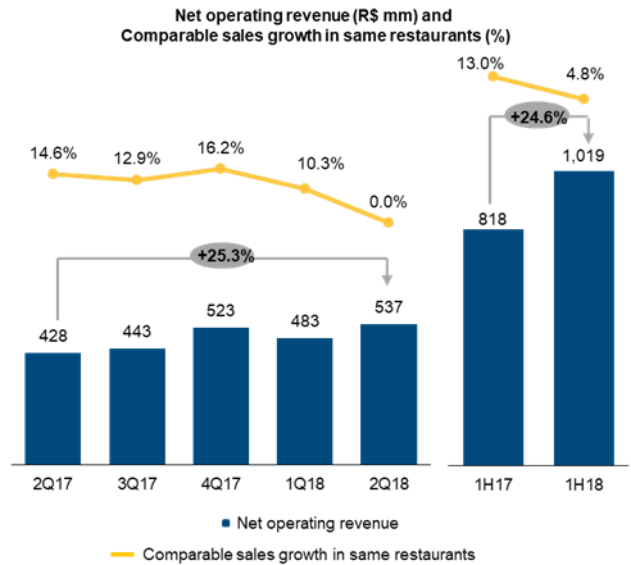


Net operating revenue

In 2Q18, BK Brasil posted net operating revenue of R\$537 million, which represents a growth of 25.3% from 2Q17. This increase is related to the maturation of units opened in the last 12 months and the consolidation of franchisees (51 restaurants) acquired in April this year, which added a net revenue of R\$70 million. 2Q18 was impacted by two non-recurring events that led to a drop in the customers' traffic in our restaurants, i) the truckers' strike, which impacted the end of May and the beginning of June, and ii) the World Cup, which impacted the second half of June. With the decline in customer traffic during this period, the comparable sales in same restaurants remained stable (0.0%) in the quarter. As a

comparison, in the last World Cup that took place in Brazil in 2014, there was a drop in comparable sales of 3.4%. Excluding the aforementioned non-recurring effects, we estimate that net operating revenue would have reached R\$571 million, which would result in an increase of 33.3% compared to 2Q17 and the comparable sales growth would be 6.2% compared to 14.6% in 2Q17.

In the half-year comparison, net operating revenue grew 24.6% when compared to the strong base of the first half of 2017, leveraged by the comparable sales growth of 4.8%, the good performance of the new stores opened and the consolidation of the restaurants acquired from franchisees in 2Q18. Disregarding the non-recurring effects of sales, which were already mentioned, the estimated net revenue for the first half would have been R\$1,053 million, which would represent a growth of 28.7% and comparable sales growth in the period would reach 8.1%.

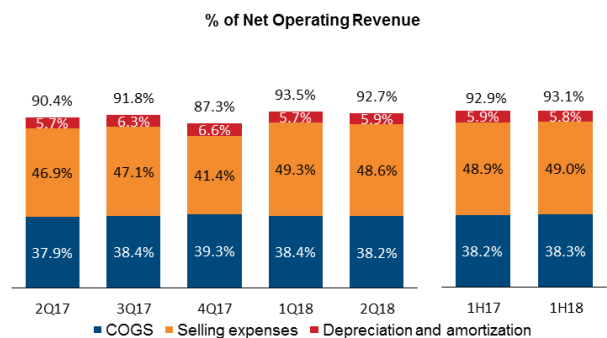


Cost of goods sold and selling expenses

In 2Q18, total restaurant expenses, including cost of goods sold and selling expenses at restaurants, were R\$498 million, corresponding to 92.7% of net operating revenue, an increase of 230 bps compared to 2Q17.

Cost of goods sold in 2Q18 represented 38.2% of net operating revenue, up 30 bps from 2Q17. However, in the comparison with the fourth quarter of 2017, we maintained the consistent trajectory of improvement due to a more

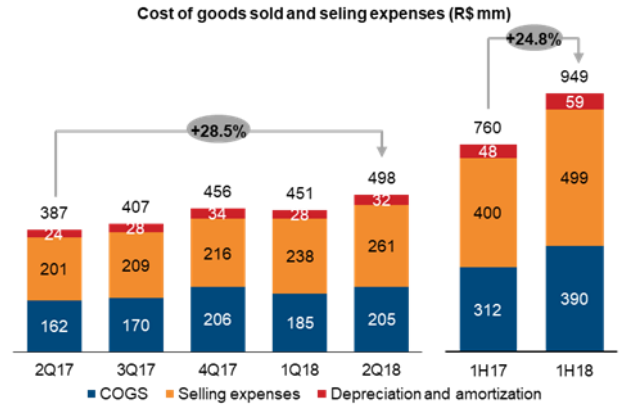
efficient management of marketing strategies initiated in 2018 that optimize the mix of discounts and premium products, benefiting margins and long-term profitability. In this 2Q18 we highlight the changes made in the "2 x R\$15" campaign, the higher margins and the average ticket on the coupon platform.





Selling expenses at restaurants (excluding depreciation and amortization) corresponded to 48.6% of net operating revenue, an increase of 170 bps versus 2Q17, mainly due to the non-recurring effects on net operating revenue already mentioned, which led to lower dilution of fixed expenses in restaurants, such as personnel and maintenance expenses at the restaurants.

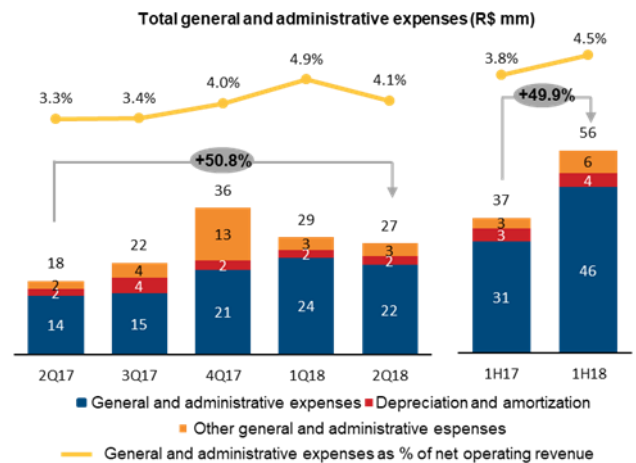
Despite the non-recurring effects that affected sales in 1H18, the total restaurant expenses as a percentage of net operating revenue remained relatively stable compared to 1H17, reflecting our efficient management both in cost of goods sold and controlling our selling expenses.



Total general and administrative expenses

Corporate general and administrative (G&A) expenses represented 4.1% of net operating revenue in 2Q18, an increase of 80 bps from 2Q17, mainly due to the already mentioned non-recurring effects on net operating revenue, which led to lower dilution of fixed expenses, as well as expenses related to services for the management of acquired franchisees, higher provisions for lawsuits, attorneys’ fees and expenses related to the Company’s listing process.

In the 1H18, corporate general and administrative expenses represented 4.5% of net revenue, an increase of 70 bps due to: lower dilution of costs given the non-recurring events in net sales, higher expenses on provisions for lawsuits and expenses on services for the management of acquired franchisees, as well as expenses to meet the Company’s requirements after the listing process.





Adjusted EBITDA²

In 2Q18, adjusted EBITDA decreased by 5.0%, from R\$52 million in 2Q17 to R\$49 million. This was mainly due to the aforementioned non-recurring effects (truckers' strike and the World Cup), which affected sales in the restaurants and, consequently, reduced dilution of fixed costs, both corporate and in restaurants. As a result, adjusted EBITDA margin stood at 9.2% in 2Q18.

In the first half of 2018, adjusted EBITDA increased by 11.8%, reflecting the increase in net operating revenue from the opening of new restaurants, the acquisition of franchisees and the growth of comparable sales, even with the strong impact of the truckers' strike and the World Cup. Finally, the adjusted EBITDA margin was 8.4%.

EBITDA - R\$ Million	2Q18	2Q17	Var.%	1Q18	Var.%	1H18	1H17	Var.%
Income (Loss) for the period	8.6	6.9	24.3%	8.8	-2.7%	17.4	(13.1)	-
(+) Financial income (loss)	2.5	14.6	-83.1%	(8.0)	-	(5.5)	30.4	-
(+) Depreciation and amortization	33.7	26.0	29.5%	29.6	14.0%	63.3	51.5	23.0%
(+/-) Income tax and social contribution	0.8	1.6	-48.4%	2.1	-59.6%	2.9	3.5	-18.7%
EBITDA	45.6	49.1	-7.1%	32.5	40.5%	78.1	72.3	8.0%
<i>EBITDA Margin</i>	<i>8.5%</i>	<i>11.5%</i>	<i>-300bps</i>	<i>6.7%</i>	<i>180bps</i>	<i>7.7%</i>	<i>8.8%</i>	<i>-110bps</i>
(+) Others expenses*	0.4	1.7	-73.8%	1.1	-	1.5	2.3	-34.3%
(+) Cost of stock option plan	1.1	0.0	-	1.1	-0.1%	2.2	0.0	-
(+) Merge and acquisition expenses	1.6	0.3	479.9%	0.9	85.1%	2.4	0.7	266.1%
(+) Pre-operating expenses	0.7	1.0	-25.4%	0.9	-16.8%	1.6	1.5	6.5%
Adjusted EBITDA²	49.5	52.1	-5.0%	36.4	36.0%	85.9	76.8	11.8%
<i>Adjusted EBITDA Margin</i>	<i>9.2%</i>	<i>12.2%</i>	<i>-300bps</i>	<i>7.5%</i>	<i>170bps</i>	<i>8.4%</i>	<i>9.4%</i>	<i>-100bps</i>

* Include write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment).

Net income

Net income increased 24.3% when compared to 2Q17, reaching R\$9 million in 2Q18, mainly due to better financial result. In 1H18, the Company posted a net income of R\$17 million, which represents a strong growth when compared to the net loss of R\$13 million in 1H17, due to better operating and financial results.

Total debt

In June 2018, the Company's gross debt was R\$427 million, down 21.2% from R\$542 million in June 2017. Total cash balance was R\$650 million at the end of 2Q18, an increase of 259.6% from R\$181 million at the end of 2Q17, mainly due to the proceeds from the IPO held in December 2017. Consequently, in June 2018 the Company had net cash position of R\$223 million, compared to net debt of R\$361 million at the end of 2Q17.

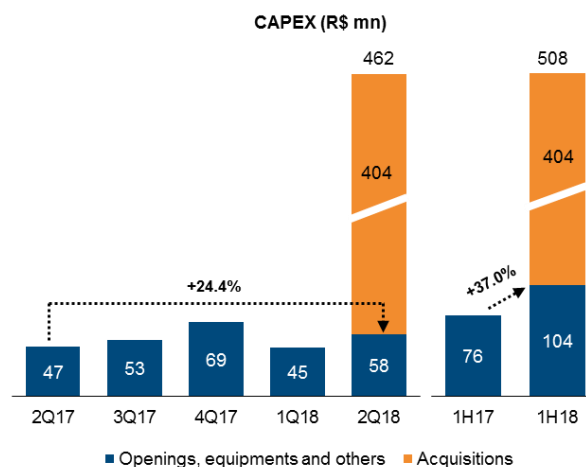
Net debt - R\$ Million	Jun/18	Jun/17	Var.%	Mar/18	Var.%
Loans and financings	427.2	542.1	-21.2%	458.3	-6.8%
Current	284.3	127.4	123.2%	303.6	-6.4%
Non-current	142.9	414.7	-65.5%	154.7	-7.6%
Cash and cash equivalents and marketable securities	649.8	180.7	259.6%	1,094.2	-40.6%
Cash and cash equivalents and marketable securities (current)	636.8	173.3	267.5%	1,081.0	-41.1%
Marketable securities (non-current)	13.0	7.4	75.9%	13.3	-2.2%
Net debt	(222.7)	361.4	-	(635.9)	-
Adjusted EBITDA	219.8	161.4	36.1%	222.4	-1.2%
<i>Net deb/ Total Adjusted EBITDA (12M)</i>	<i>(1.0x)</i>	<i>2.2x</i>	-	<i>(2.9x)</i>	<i>1.8x</i>

² Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses on mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's performance, including: (i) write-offs of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with the stock option plan.



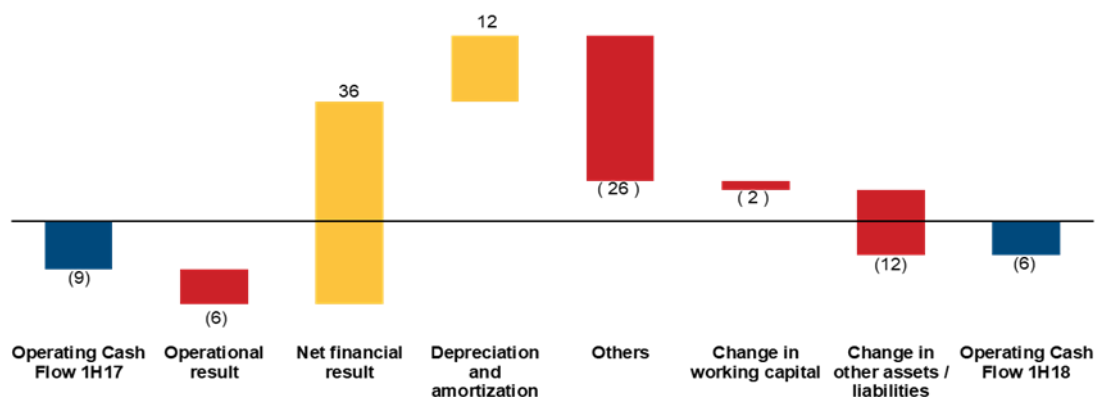
CAPEX

During 2Q18, total CAPEX of the Company was R\$462 million, an increase from 2Q17, mainly due to the acquisition of franchisees in the period, in the amount of R\$404 million. Excluding the acquisition amount, organic growth of CAPEX was 24.4% when compared to 2Q17, due to the opening of new restaurants and dessert centers, as well as investments in equipment and remodeling of restaurants. For 1H18, CAPEX of restaurants, excluding investment in the acquisition of franchisees, grew 37.0% when compared to 1H17, due to the opening of new restaurants and dessert centers in the period.



Operating cash flow

In the first half of 2018, the Company's operating cash consumption was R\$6 million, representing an improvement of R\$3 million when compared to a cash consumption of R\$9 million in the first half of 2017. This positive variation is chiefly due to better financial results, reflecting lower financial leverage due to cash generation in the period and reduction in interest rates.





CAPITAL MARKET

Ownership Structure

The shares of BK Brasil debuted at B3 on December 18, 2017, traded on the Novo Mercado listing segment under the ticker BKBR3. They are currently part of the Broad Brazil Index (IBRA), Consumption Index (ICON), Index of Corporate Governance Trade (IGCT) and Small Cap Index (SMLL). On June 30, 2018, BKBR3 shares closed at R\$15.92, representing a market value of R\$3.5 billion.

The Company's ownership structure at the end of the second quarter is as follows:

Company's Ownership Structure on 06/30/2018	ON	%
Vinci Capital Partners II B FIP (Vinci Partners)	29,535,393	13.3%
Burger King Corporation (BKC)	22,442,100	10.1%
Sommerville Investments BV (Temasek)	18,523,620	8.3%
Montjuic Fundo de Investimento (Capital Group)	28,380,817	12.8%
Outros	123,396,239	55.5%
Total	222,278,169	100.0%


CONSOLIDATED STATEMENT OF INCOME 2Q18 (R\$ MILLION)

	2Q18	2Q17	Var. %	1Q18	Var. %
Net operating revenue	536.9	428.4	25.3%	482.5	11.3%
Gross revenue from sales	578.7	452.1	28.0%	523.3	10.6%
Gross revenue from sales deductions	(45.0)	(27.3)	64.9%	(43.7)	2.8%
Gross revenue from services	3.5	3.8	-8.3%	3.3	5.0%
Gross revenue from services deductions	(0.4)	(0.2)	59.3%	(0.4)	-7.1%
Cost of good sold	(205.2)	(162.2)	26.6%	(185.2)	10.8%
Gross profit	331.6	266.2	24.6%	297.3	11.6%
Total selling expenses	(292.7)	(225.2)	30.0%	(265.8)	10.1%
Personnel expenses	(100.4)	(71.6)	40.2%	(89.7)	11.9%
Royalties and marketing fund	(47.5)	(41.7)	14.0%	(45.3)	5.0%
Expenses on occupancy and utilities	(64.3)	(54.5)	17.9%	(64.0)	0.4%
Pre-operating expenses	(0.7)	(1.0)	-25.4%	(0.9)	-16.8%
Depreciation and amortization	(31.6)	(24.4)	29.8%	(27.7)	14.0%
Other selling expenses	(48.1)	(32.0)	50.2%	(38.2)	25.9%
Total general and administrative expenses	(27.1)	(18.0)	50.8%	(28.6)	-5.2%
General and administrative expenses	(21.8)	(14.3)	52.5%	(23.7)	-7.9%
Depreciation and amortization	(2.1)	(1.7)	26.1%	(1.9)	13.3%
Expenses with merger and acquisitions	(1.6)	(0.3)	479.9%	(0.9)	85.1%
Gain (loss) from write-off of property, equipment and impairment	(0.5)	(1.7)	-73.6%	(1.1)	-57.3%
Cost of stock option plan	(1.1)	-	-	(1.1)	-0.1%
Profit (loss) before financial income	11.9	23.1	-48.5%	2.9	313.8%
Financial results	(2.5)	(14.6)	-83.1%	8.0	-
Financial expenses	(13.2)	(18.6)	-29.3%	(11.6)	13.6%
Financial income	10.7	4.1	163.2%	19.6	-45.4%
Profit (loss) before income tax and social contribution	9.4	8.5	10.6%	10.9	-13.4%
Income tax and social contribution	(0.8)	(1.6)	-48.4%	(2.1)	-59.6%
Current	(0.1)	-	-	(1.4)	-95.6%
Deferred	(0.8)	(1.6)	-52.3%	(0.6)	20.0%
Net income (loss)	8.6	6.9	24.3%	8.8	-2.7%


CONSOLIDATED STATEMENT OF INCOME 1H18 (R\$ MILLION)

	1H18	1H17	Var. %
Net operating revenue	1,019.4	818.3	24.6%
Gross revenue from sales	1,102.0	873.9	26.1%
Gross revenue from sales deductions	(88.7)	(61.7)	43.8%
Gross revenue from services	6.8	6.4	5.7%
Gross revenue from services deductions	(0.7)	(0.3)	129.2%
Cost of good sold	(390.5)	(312.3)	25.0%
Gross profit	628.9	506.0	24.3%
Total selling expenses	(558.5)	(448.0)	24.7%
Personnel expenses	(190.1)	(147.6)	28.8%
Royalties and marketing fund	(92.8)	(79.5)	16.8%
Expenses with occupancy and utilities	(128.3)	(107.5)	19.4%
Pre-operating expenses	(1.6)	(1.5)	6.5%
Depreciation and amortization	(59.4)	(48.0)	23.6%
Other selling expenses	(86.3)	(63.9)	35.0%
Total general and administrative expenses	(55.7)	(37.2)	49.9%
General and administrative expenses	(45.6)	(30.8)	48.1%
Depreciation and amortization	(4.0)	(3.5)	14.7%
Expenses with merger and acquisitions	(2.4)	(0.7)	266.1%
Gain (loss) from write-off of property, equipment and impairment	(1.5)	(2.5)	-39.3%
Gain (loss) on claims	0.0	0.2	-
Cost of stock option plan	(2.2)	-	-
Profit (loss) before financial income	14.7	20.8	-29.3%
Financial results	5.5	(30.4)	-
Financial expenses	(24.7)	(42.6)	-42.0%
Financial income	30.3	12.2	147.7%
Profit (loss) before income tax and social contribution	20.3	(9.6)	-
Income tax and social contribution	(2.9)	(3.5)	-18.7%
Current	(1.5)	0.0	-
Deferred	(1.4)	(3.5)	-60.3%
Net income (loss)	17.4	(13.1)	-



CONSOLIDATED BALANCE SHEET 2Q18 (R\$ MILLION)

	06/30/2018	12/31/2017
Assets	2,405.2	2,415.6
Current assets		
Cash and cash equivalents	80.8	102.3
Marketable securities	556.1	1,076.4
Trade receivables, net	66.7	61.0
Financial instruments	0.2	0.1
Inventories	59.5	39.7
Recoverable taxes	52.7	25.0
Advances paid	29.5	24.8
Other receivables	12.0	9.1
Total current assets	857.4	1,338.4
Non-current assets		
Marketable securities	13.0	13.3
Recoverable taxes	10.0	17.3
Judicial deposits	33.3	26.6
Other receivables	1.7	4.2
Property and equipment	771.9	699.6
Intangible assets	717.8	316.1
Total non-current assets	1,547.8	1,077.1
Total Assets	2,405.2	2,415.6
Liabilities	772.9	798.4
Current liabilities		
Loans and financing	284.3	210.0
Trade and rental payables	129.2	139.0
Payroll and social charges	77.3	69.8
Corporate payables	9.0	14.0
Taxes payable	18.7	20.3
Other payables	14.7	19.9
Total current liabilities	533.1	473.0
Non-current liabilities		
Loans and financing	142.9	275.7
Provision for legal claims	9.3	6.2
Taxes payable	34.4	5.1
Deferred income tax and social contribution	32.9	38.3
Other payables	20.2	-
Total non-current liabilities	239.7	325.4
Equity		
Capital	895.8	895.8
Capital reserve	719.1	915.7
Accumulated losses	17.4	(194.4)
Total equity	1,632.3	1,617.2
Total liabilities and equity	2,405.2	2,415.6



CONSOLIDATED STATEMENT OF CASH FLOWS 1H18 (R\$ MILLION)

	1H18	1H17
Cash flow from operating activities	(6.1)	(8.6)
Cash generated by operating activities	110.2	94.6
Earnings (Loss) before income tax and social contribution	20.3	(9.6)
Depreciation and amortization of property and equipment and intangible assets	63.3	51.5
Interest, charges, exchange differences and monetary variations	6.5	39.1
Others	20.1	13.6
Changes in assets and liabilities		
Trade receivables, net	1.4	(9.8)
Inventories	(17.6)	(12.8)
Recoverable taxes	(18.8)	(2.5)
Advances paid	(4.4)	(3.5)
Trade and rental payables	(15.5)	(6.9)
Payroll and social charges	(12.0)	(6.7)
Payment of interest on loans and financings	(21.2)	(40.6)
Others changes in assets and liabilities	(28.3)	(20.5)
Net cash used in investing activities	69.9	(85.1)
Purchases of property and equipment	(91.1)	(70.9)
Purchases of intangible assets	(12.5)	(5.8)
Investment in marketable securities	(141.7)	(306.7)
Redemption of marketable securities	676.0	298.3
Consideration paid on the acquisition of businesses net of cash acquired in the acquisition	(360.9)	-
Net cash used in financing activities	(85.4)	(66.6)
Share premium increase, net of issuance costs	(4.5)	-
Investments payable	-	(2.4)
Payment of loans and financings (principal)	(80.9)	(64.2)
Increase (decrease) in cash and cash equivalents	(21.6)	(160.3)
Opening balance of cash and cash equivalents	102.3	256.9
Closing balance of cash and cash equivalents	80.8	96.6