ARCO LISTED NYSE

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ARCOS DORADOS REPORTS FIRST QUARTER 2012 FINANCIAL RESULTS

Strong comparable sales growth and execution in dynamic environment

Buenos Aires, Argentina, May 4, 2012 – Arcos Dorados Holdings Inc. (NYSE: ARCO) ("Arcos Dorados" or the "Company"), Latin America's largest restaurant chain and the world's largest McDonald's franchisee, today reported unaudited results for the first quarter ended March 31, 2012.

First Quarter 2012 Highlights

- Revenues increased by 11.5% year-over-year, or by 16.6% on a constant currency basis, to US$ 921.6 million, with continued strong contribution from Company-operated and franchised locations across the region
- Systemwide comparable sales increased by 11.6% year-over-year
- 86 net additions of restaurants during the last 12 months, with an accelerated year-over-year pace in openings
- Adjusted EBITDA[1] increased by 8.0% year-over-year, or by 12.2% on a constant currency basis, to US$ 78.1 million
- Net income amounted to US$ 25.4 million, a 28.4% decrease compared to one year ago

"Arcos Dorados' first quarter performance was in line with our expectations and is emblematic of our ability to consistently grow sales and produce solid operating profits," said Woods Staton, Chairman and CEO of Arcos Dorados. "Our unique positioning as one of the world's most dominant brands in relatively underserved markets provides us with significant growth opportunities, as well as important resilience to country-specific fluctuations in consumption."

"We continue to strategically build out our regional footprint in order to take full advantage of rapid population growth and an emerging middle class in our targeted markets, while working to increase profitability through additional operating efficiencies. As a result, we are confident in our ability to continue to grow our business and expect second half 2012 performance to outpace that of the first."

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First Quarter of 2012 Results

Arcos Dorados' first quarter revenues increased by 11.5% to US$ 921.6 million. On a constant currency basis, revenue growth was 16.6%. The increase was driven by systemwide comparable sales growth of 11.6% and the net addition of 86 restaurants during the last 12-month period.

Systemwide comparable sales growth of 11.6% was primarily a reflection of average check growth when compared to one year ago.

Brazil revenue growth of 4.6% was in line with the Company's expectations and reflected slower overall consumption levels across the country in the early part of the year, with systemwide comparable sales growth of 5.5% in the quarter. NOLAD's (Mexico, Panama and Costa Rica) revenues gained by 8.8% year-over-year, with a systemwide comparable sales increase of 6.8%, due primarily to increased traffic. SLAD's (Argentina, Venezuela, Colombia, Chile, Perú, Ecuador, and Uruguay) revenues grew by 26.4% compared to the first quarter of 2011, mainly driven by a 27.9% increase in systemwide comparable sales. This increase in comparable sales reflected strong average ticket and guest count growth in most countries in the division. The Caribbean division (Puerto Rico, Martinique, Guadeloupe, Aruba, Curaçao, French Guiana, Trinidad & Tobago, US Virgin Islands of St. Thomas and St. Croix) reported revenue growth of 3.2% compared to the first quarter of 2011. This included a strong contribution from the newly added territory of Trinidad & Tobago, combined with an increase in systemwide comparable sales of 2.3%, despite weak economic growth in this region.

Adjusted EBITDA[1] for the first quarter of 2012 was US$ 78.1 million, an 8.0% increase over the same period of 2011 (or 12.2% on a constant currency basis). The increase in Adjusted EBITDA[1] was mainly driven by revenue growth and reductions in Food & Paper costs as a percentage of sales. These improvements were partially offset by (i) higher payroll expenses mainly related to the mandatory yearly increase in minimum wages in Brazil, which exceeded increases in average check over the same period; (ii) higher royalty expenses in Brazil related to the recognition of tax on royalty payments (CIDE), as explained in last quarter's release, which was not recorded in first quarter 2011, and which was partially offset by lower royalty fees in the SLAD division due to temporary royalty relief agreed with McDonald's Corporation for Venezuela; and (iii) higher G&A expenses, including increased payroll resulting mainly from the impact of inflation significantly above currency devaluation in Argentina (where the majority of corporate headcount is located) as well as headcount increases consistent with regional growth opportunities; and (iv) increased professional services related primarily to information system upgrades, reflecting the expanded regional needs and intended to strengthen the systems for expansion. Additionally, share-based compensation related to ongoing CAD and EIP grant, which is included within G&A expenses, amounted to a benefit of US$ 1.3 million in 2012 compared to a charge of US$ 3.3 million in 2011. The benefit recognized in 2012 includes the effect of remeasuring the liability of the CAD program as a result of the decrease in the quoted market price of the Company´s shares, generating a gain in 1Q12 of US$6.0 million.

The Adjusted EBITDA[1] margin as a percentage of total revenues was 8.5% for the quarter, down less than 30 basis points from the first quarter of 2011. The result demonstrates the Company's profitability in spite of modest economic expansion in the Caribbean and a delayed pick-up in overall consumption in Brazil

Despite the increase in Adjusted EBITDA[1], operating income decreased mainly due to higher depreciation expense, as the Company has increased its capital expenditures, and lower gains from the sale of property and equipment.

During the quarter, the Company strengthened its brand position in all markets by providing attractive menu offerings that include core McDonald's products, as well as customized options that reflect local tastes and customer needs. The Company also maintained the highest customer service levels in the worldwide McDonald's system and is executing its ambitious restaurant opening and reimaging program to take advantage of favorable demographic trends.

Net income attributable to the Company was US$ 25.4 million in the first quarter of 2012, in comparison to US$ 35.5 million in the same period of 2011, and this decrease is mainly explained by lower operating results, higher foreign exchange losses, along with higher tax charges, which were partly offset by lower cost of funding.

Non-operating results deteriorated mainly as a result of a net charge of US$ 3.9 million in the first quarter of 2012 from a loss in foreign currency exchange results, mainly relating to cash remittances from the Venezuela operation at a weighted average exchange rate above the official exchange rate resulting in a charge of US$ 6.6 million, which was partly offset by the positive impact of currency movements on intercompany loans.

Non-operating charges were partially offset by lower overall financing costs (including derivatives) mainly due to a "debt restructuring" in July, 2011. This restructuring included the settlement of the majority of the Company's derivative instruments and the issuance of a BRL bond, resulting in an increase in interest expenses that was more than offset by reduction in losses from derivative instruments in the quarter.

Income tax expense for the period totaled US$ 12.1 million, resulting in an effective tax rate of 32.3% for the quarter.

The Company reported basic earnings per share (EPS) of US$ 0.12 in the first quarter of 2012, compared to US$ 0.15 in the previous corresponding period. The variation was a result of lower net income partly offset by a lower weighted-average number of outstanding shares (please refer to Axis Split-off and IPO explanations in previous releases for more detail).

Balance Sheet & Cash Flow Highlights

Cash and cash equivalents were US$ 144.3 million at March 31, 2012. The Company's total financial debt (including derivative instruments) was US$ 540.1 million, which included US$ 306.6 million corresponding to the accounting balance of the 2019 USD Notes and R$ 400 million (equivalent to US$ 219.6 million) related to the BRL 2016 Notes issued in July, 2011. Net debt (total financial debt less cash and cash equivalents) was US$ 395.9 million and the Net Debt/Adjusted EBITDA[1] ratio was 1.1 at March 31, 2012. Cash generated from operating activities was US$ 7.5 million in the first quarter of 2012. During the quarter, capital expenditures amounted to US$ 40.6 million.

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Quarter Highlights & Recent Developments

Annual General Shareholders' Meeting
On April 9, 2012, the Company held its Annual Shareholders' Meeting, where all matters were approved.

Dividend
On April 20, 2012, the Company's Board determined a cash payment of US$ 50.0 million for 2012, through four equal installments. The first of which amounts to a cash dividend of US$ 12.5 million or US$ 0.0597 per share on outstanding Class A and Class B shares to be paid on May 4, 2012, to shareholders of record at May 2, 2012. Subsequent payment dates are to be determined by the Board of Directors.

Debt Restructuring
On April 19, 2012, the Company re-opened its existing 10.25% Brazilian-*real* denominated notes issue due 2016 for a notional amount of R$275 million (equivalent to approximately US$ 146 million). The notes sold in the offering were issued at a price to the public of 102.529% plus accrued interest for the period from and including January 13, 2012 up to but excluding April 24, 2012. The notes were offered in a private placement to qualified institutional buyers in accordance with Rule 144A. (For additional information please refer to related 6k filing).

On April 24, 2012, the Company settled the coupon-only cross-currency interest rate swap agreements (bond swaps) before its maturity paying $3.0 million. On the same date, the Company entered into a reverse cross-currency swap for R$ 70 million agreement to hedge the cash flows of a portion of the 2016 notes issued. With this, the Company has significantly reduced the impact of *Real* currency volatility over its capital structure (including intercompany loans) in the income statement.

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Definitions:

Systemwide comparable sales growth refers to the change, measured in constant currency, in our Company-operated and franchised restaurant sales in one period from a comparable period for restaurants that have been open for thirteen months or longer. While sales by our franchisees are not recorded as revenues by us, we believe the information is important in understanding our financial performance because these sales are the basis on which we calculate and record franchised revenues, and are indicative of the financial health of our franchisee base.

Constant currency basis refers to amounts calculated using the same exchange rate over the periods under comparison to remove the effects of currency fluctuations from this trend analysis.

About Arcos Dorados

Arcos Dorados is the world's largest McDonald's franchisee in terms of systemwide sales and number of restaurants, operating the largest quick service restaurant ("QSR") chain in Latin America and the Caribbean. It has the exclusive right to own, operate and grant franchises of McDonald's restaurants in 20 Latin American and Caribbean countries and territories, including Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guyana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, St. Croix, St. Thomas, Trinidad & Tobago, Uruguay and Venezuela. The Company operates or franchises 1,840 McDonald's-branded restaurants with over 90,000 employees serving approximately 4.3 million customers a day, as of December 2011. Recognized as one of the best companies to work for in Latin America, Arcos Dorados is traded on the New York Stock Exchange (NYSE: ARCO). To learn more about the Company, please visit the Investors section of our website: www.arcosdorados.com

Cautionary Statement on Forward-Looking Statements

This press release contains forward-looking statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its affordable platform, its expectation for revenue generation and its outlook for 2012. These statements are subject to the general risks inherent in Arcos Dorados' business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, Arcos Dorados' business and operations involve numerous risks and uncertainties, many of which are beyond the control of Arcos Dorados, which could result in Arcos Dorados' expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of Arcos Dorados. Additional information relating to the uncertainties affecting Arcos Dorados' business is contained in its filings with the Securities and Exchange Commission. The forward-looking statements are made only as of the date hereof, and Arcos Dorados does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Measures(1)

In addition to financial measures prepared in accordance with the general accepted accounting principles (GAAP), within this press release and the accompanying tables, we use a financial measure titled 'Adjusted EBITDA'. We use Adjusted EBITDA to facilitate operating performance comparisons from period to period. Adjusted EBITDA is defined as our operating income plus depreciation and amortization plus/minus the following losses/gains included within other operating expenses, net and within general and administrative expenses in our statement of income: compensation expense related to a special award granted to our chief executive officer, incremental compensation expense related to our 2008 long-term incentive plan, gains from sale of property and equipment, write-off of property and equipment, contract termination losses, and impairment of long-lived assets and goodwill, and stock-based compensation and bonuses incurred in connection with the Company's initial public listing.

First Quarter 2012 Consolidated Results (Unaudited)
(In thousands of U.S. dollars, except per share data)

	For Three Months ended March 31,	
	2012	2011
REVENUES		
Sales by Company-operated restaurants	882,839	791,352
Revenues from franchised restaurants	38,759	35,305
Total Revenues	**921,598**	**826,657**
OPERATING COSTS AND EXPENSES		
Company-operated restaurant expenses:		
Food and paper	(304,660)	(277,834)
Payroll and employee benefits	(187,303)	(159,915)
Occupancy and other operating expenses	(236,999)	(211,352)
Royalty fees	(43,993)	(38,471)
Franchised restaurants - occupancy expenses	(14,104)	(12,420)
General and administrative expenses	(77,629)	(68,747)
Other operating (expenses) income, net	(1,694)	2,663
Total operating costs and expenses	**(866,382)**	**(766,076)**
Operating income	**55,216**	**60,581**
Net interest expense	(11,979)	(9,784)
Loss from derivative instruments	(1,163)	(4,327)
Foreign currency exchange results	(3,887)	(241)
Other non-operating expenses, net	(553)	(438)
Income before income taxes	**37,634**	**45,791**
Income tax expense	(12,146)	(10,192)
Net income	**25,488**	**35,599**
Less: Net income attributable to non-controlling interests	(93)	(109)
Net income attributable to Arcos Dorados Holdings Inc.	**25,395**	**35,490**
Earnings per share information ($ per share):		
Basic net income per common share attributable to Arcos Dorados Holdings Inc.	**$ 0.12**	**$ 0.15**
Weighted-average number of common shares outstanding-Basic	209,529,412	234,902,472
Adjusted EBITDA Reconciliation		
Operating income	55,216	60,581
Depreciation and amortization	20,129	15,125
Other operating items excluded from EBITDA computation	2,735	(3,381)
Adjusted EBITDA	**78,080**	**72,325**
Adjusted EBITDA Margin as % of total revenues	**8.5%**	**8.7%**

First Quarter 2012 Results by Division (Unaudited)
(In thousands of U.S. dollars)

	Three Months ended March 31, 2012	2011	% Incr. / (Decr.)	Constant Curr. Incr/(Decr) %
Revenues				
Brazil	449,969	430,127	5%	11%
Caribbean	66,625	64,573	3%	5%
NOLAD	89,443	82,233	9%	14%
SLAD	315,561	249,724	26%	30%
TOTAL	**921,598**	**826,657**	**11%**	**17%**
Operating Income				
Brazil	50,496	59,795	-16%	-10%
Caribbean	(3,125)	354	-983%	-971%
NOLAD	(3,560)	(3,774)	6%	-6%
SLAD	26,131	16,327	60%	66%
Corporate and Other	(14,726)	(12,121)	-21%	-37%
TOTAL	**55,216**	**60,581**	**-9%**	**-6%**
Adjusted EBITDA[1]				
Brazil	62,310	66,492	-6%	-1%
Caribbean	1,079	3,208	-66%	-64%
NOLAD	3,069	2,985	3%	1%
SLAD	32,372	19,365	67%	73%
Corporate and Other	(20,750)	(19,725)	-5%	-14%
TOTAL	**78,080**	**72,325**	**8%**	**12%**

Total Restaurants (eop) & Systemwide Comparable Sales Growth

	Total Restaurants *	Comp. Sales 1Q12 vs. 1Q11 (%)
Brazil	666	5.5%
Caribbean	139	2.3%
NOLAD	490	6.8%
SLAD	548	27.9%
TOTAL	**1,843**	11.6%

**Considers company-operated and franchised restaurants at period-end*

Foreign Exchange rate (eop) Local $ per 1 US$	Brazil	Mexico	Argentina
1Q12	R$1.82	$12.9	A$4.38
1Q11	R$1.63	$12.0	A$4.1

Summarized Consolidated Balance Sheet
(In thousands of U.S. dollars)

	As of, March 31, 2012 (Unaudited)	As of, December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	144,252	176,301
Accounts and notes receivable, net	83,665	93,862
Other current assets (1)	321,178	318,451
Total current assets	**549,095**	**588,614**
Non-current assets		
Property and equipment, net	1,069,903	1,023,180
Net intangible assets and goodwill	58,733	58,419
Deferred income taxes	146,232	142,848
Other non-current assets (2)	66,261	62,345
Total non-current assets	**1,341,129**	**1,286,792**
Total assets	**1,890,224**	**1,875,406**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	147,712	184,113
Taxes payable (3)	137,009	138,989
Accrued payroll and other liabilities	191,747	183,549
Other current liabilities (4)	32,178	35,030
Provision for contingencies	43,011	41,959
Financial debt (5)	6,713	5,652
Total current liabilities	**558,370**	**589,292**
Non-current liabilities		
Accrued payroll and other liabilities	44,846	52,065
Provision for contingencies	18,100	23,077
Financial debt (5)	533,403	526,693
Deferred income taxes	5,611	4,650
Total non-current liabilities	**601,960**	**606,485**
Total liabilities	**1,160,330**	**1,195,777**
Equity		
Class A shares of common stock	351,654	351,654
Class B shares of common stock	132,915	132,915
Additional paid-in capital	8,594	5,734
Retained earnings	362,102	336,707
Accumulated other comprehensive loss	(126,520)	(148,389)
Total Arcos Dorados Holdings Inc shareholders' equity	**728,745**	**678,621**
Non-controlling interest in subsidiaries	1,149	1,008
Total Equity	**729,894**	**679,629**
Total liabilities and Equity	**1,890,224**	**1,875,406**

(1) Includes "Other receivables", "Inventories", "Prepaid expenses and other current assets", "Deferred income taxes" and "McDonald's Corporation's indemnification for contingencies"
(2) Includes "Miscellaneous", "Collateral deposits" and "McDonald´s Corporation´ indemnification for contingencies"
(3) Includes "Income taxes payable" and "Other taxes payable".
(4) Includes "Royalties payable to McDonald´s Corporation" and "Interest payable".
(5) Includes "Short-term debt", "Long-term debt" and "Derivative instruments"

Consolidated Financial Ratios
(In thousands of U.S. dollars, except ratios)

	As of March 31, 2012 (Unaudited)	As of December 31, 2011
Cash & cash equivalents	144,252	176,301
Total Financial Debt (i)	540,116	532,345
Net Financial Debt (ii)	395,864	356,044
Total Financial Debt / LTM Adjusted EBITDA ratio	1.6	1.6
Net Financial Debt / LTM Adjusted EBITDA ratio	1.1	1.0

(i) Total financial debt includes short-term debt, long-term debt and derivative instruments

(ii) Total financial debt less cash and cash equivalents