

**MAGAZINE LUIZA S.A.**  
**Publicly-Held Company**  
CORPORATE TAXPAYER ID (CNPJ/MF): 47.960.950/0001-21  
COMPANY REGISTRY (NIRE): 35.3.0010481.1

## **MATERIAL FACT**

### **Increase in debt profile and changes in terms of 3<sup>rd</sup> debenture issue**

**Magazine Luiza S.A.** (“Company”), pursuant to article 157, paragraph four of Law 6404 of December 15, 1976, as amended, and (“CVM”) Instruction 358 of January 3 of 2002, as amended, informs its shareholders and the market in general that on July 13, 2016, the Company’s Board of Directors (“BoD”) and Debenture Holders General Assembly (“DHGA”) approved changes in the terms of its third issue of unsecured non-convertible debentures, with additional security interest, in a single series (“Issue” and “Debentures”, respectively) for public distribution with restricted placement efforts. The main changes approved by the “BoD” and “DHGA” were as follows: (i) change in the maturity date of the Issue from 36 (thirty six) to 57 (fifty seven) months; (ii) inclusion of new redemption options for early maturity of the Debentures; (iii) change in the interest rates calculated over the accumulated variation of the average daily *over extra group* interbank deposit rate as an annual percentage, based on a year of two hundred and fifty-two business days, calculated and disclosed on a daily basis by CETIP S.A. – *Organized markets* (“DI Rate”). and (iv) consequently the modification of the indenture date, so to reflect the above mentioned changes in the terms that were rectified by the “BoD” and “DHGA”.

Magazine Luiza hereby clarifies that the above changes have as main goals to increase the Company’s debt profile and improve the capital structure. The full content of the above resolutions is available for consultation on the websites of the Company Investor Relations and the Brazilian Securities and Exchange Commission.

São Paulo, July 13, 2016.

**Roberto Bellissimo Rodrigues**

Chief Financial and Investor Relations Officer