February 20th, 2017

Magazine Luiza S.A. (BM&FBOVESPA: MGLU3)
4nd Quarter 2016 (IFRS equivalent)

MGLU3 NOVO MERCADO BM&FBOVESPA

HIGHLIGHTS

Increase of the sales by 14%, with growth in all channels
E-commerce reached 26% of total sales, with growth of 41% in the 4Q16
Increase of EBITDA by 126% to R$227 million (margin of 8.0%)
Growth of the operating cash generation to R$654 million in the 4Q16
Reduction of the net debt by R$353 million in LTM

- **Consistent gain of market share.** In 4Q16, the gross sales increased by 14.3% to R$3.4 billion, as a result of a growth of 13.6% in same-store-sales (+41.4% in e-commerce and +6.0% in brick and mortar stores). In 2016, Magazine Luiza gained market share in all channels and the main categories. According to the IBGE (PMC), the nominal sales of furniture and domestic appliances had a decrease of -7.5% in the year, against the Company's accumulated growth of +8.3%.

- **Growth in the e-commerce.** The sales of the e-commerce reached a record 26.3% in the Company's total sales, growing 41.4% in the 4Q16, against the market growth of 8.2% in the same period, according to E-bit's data. This gain in the market share resulted from: (i) the growth of traffic and sales in mobile channels (mainly the app), (ii) the increase of sales in markets served by the 9 regional DCs, fully integrated since 2014, (iii) the increase of the conversion reflecting the expansion of the use of the proprietary system of recommendation, (iv) the growth of sales in new channels (Época Cosméticos, Magazine Você, Clube da Lu and Quero de Casamento) and (v) Black Friday.

- **Increase in the gross margin.** In 4Q16, gross margin increased by 0.7 percentage points, to 29.6%, and in the 12M16, the increase was of 1.3 percentage points, to 30.7%. This expansion was achieved due to: (i) the greater rationality of prices in the e-commerce and the physical store's market, (ii) charging of shipping costs and assembly costs and (ii) improvement of sales mix with the increase of more profitable categories.

- **Significant dilution of operating expenses.** Selling, general and administrative expenses were diluted by 2.3 percentage points, to 22.2% of the net revenue, and in the 12M16, the dilution was of 1.3 percentage points, to 23.7%. This dilution reflects the maturation of the strict control of expenses adopted by the Company, including the Zero Base Budget (ZBB) and Expenses Management Matrix (EMM).

- **Strong growth of the EBITDA and of the net profit.** In 4Q16, the growth of total sales, the increased gross margin, the dilution of the operating expenses and the positive contribution of e-commerce contributed to an increase in EBITDA of 126.1% to R$226.9 million (+4.1 percentage points to margin of 8.0%) and the net profit to R$46.1 million. In the 12M16, the EBITDA reached R$714.6 million (+2.4 percentage points to margin of 7.5%) and the net profit reached R$86.6 million.

- **Improvement in the working capital and operating cash generation.** In 4Q16, the Company registered an improvement in its operating cash generation with a positive result of R$653.7 million. Due to the better balance between inventories and suppliers, the Company achieved a significant improvement in the working capital, with a reduction of R$569.6 million in the 4Q16 and R$260.4 million in the 12M16.

- **Reduction of the net debt.** Over the past 12 months, the Company reduced its net debt by R$353.2 million. The adjusted net debt went from R$488.9 million in Dec/15 to R$135.6 million in Dec/16, with a decrease of the adjusted net debt/adjusted EBITDA from 1.0x to 0.2x, respectively, one of the lowest rates in the history for the quarter.

- **Improved results of Luizacred.** The portfolio overdue for more than 90 days (NPL 90) decreased by 3.2 percentage points from Dec/15 to Dec/16, representing 9.5% of the total portfolio. Due to this improvement in non-performing loan, the operating profit of Luizacred grew by 355.8%, from R$10.6 million in the 4Q15 to R$48.2 million in the 4Q16. Net profit reached R$25.4 million with ROE of 19%.

MGLU3: R$ 163.55 per share	**Conference call: February 20, 2017 (Monday)**	Investor Relations: Tel. +55 11 3504-2727
Total Shares: 21,623,933	12:30PM in US Time (EST): +1 786 924-6977	www.magazineluiza.com.br/ri
Market Cap: R$ 3.5 billion	2:00PM in Brazil Time: +55 11 3193-1001	ri@magazineluiza.com.br

R$ million (except when otherwise indicated)	4Q16	4Q15	% Chg	12M16	12M15	% Chg
Gross Revenue	3,392.7	2,967.9	14.3%	11,371.6	10,498.3	8.3%
Net Revenue	2,839.3	2,553.5	11.2%	9,508.7	9,066.8	4.9%
Gross Income	840.7	738.9	13.8%	2,922.6	2,667.2	9.6%
Gross Margin	29.6%	28.9%	70 bps	30.7%	29.4%	130 bps
EBITDA	226.9	100.4	126.1%	714.6	464.7	53.8%
EBITDA Margin	8.0%	3.9%	410 bps	7.5%	5.1%	240 bps
Adjusted EBITDA	229.3	114.3	100.6%	741.7	492.6	50.6%
Adjusted EBITDA Margin	8.1%	4.5%	360 bps	7.8%	5.4%	237 bps
Net Income	46.1	(52.4)	-	86.6	(65.6)	-
Net Margin	1.6%	-2.1%	370 bps	0.9%	-0.7%	160 bps
Adjusted Net Income	47.7	(43.2)	-	104.5	(47.2)	-
Adjusted Net Margin	1.7%	-1.7%	337 bps	1.1%	-0.5%	162 bpp
Same Store Sales Growth	13.6%	-11.6%	-	6.6%	-10.9%	-
Same Physical Store Sales Growth	6.0%	-17.6%	-	0.3%	-15.0%	-
Internet Sales Growth	41.4%	19.1%	-	32.2%	9.8%	-
Number of Stores - End of Period	800	786	14 stores	800	786	14 stores
Sales Area - End of Period (M2)	501,319	498,570	0.6%	501,319	498,570	0.6%

As a result of recent changes in the accounting of payroll taxes, to make the figures more comparable, we opted to reclassify 4Q15 results as follows: expenses with payroll taxes of R$17.5 million, which were previously accounted for as a reduction in gross sales, were reclassified as part of selling expenses (R$12.6 million) and G&A expenses (R$4.9 million).

MESSAGE FROM THE EXECUTIVE MANAGEMENT TEAM

Magazine Luiza will celebrate its 60th anniversary in 2017. We began small – a true startup – with a single store in Franca, in São Paulo state. We have come a long way thanks to the entrepreneurial spirit of our founders, Luiza Trajano and Pelegrino Donato, the commitment of our team, our willingness to take risks, the close relationship we have with our customers and our permanent sense of urgency to respond to their demands.

Now, after six decades of existence and constant growth, Magazine Luiza has taken upon itself one of the most challenging missions in the business world: to transition from a traditional company with a digital area into a digital company with physical stores and the human touch.

Maybe we have made the most difficult of choices. In the whole world, there is not a single case of a successful transition from an analogical to a truly digital model among business organizations. Many great companies have tried. So far, they have all failed. But we, at Magazine Luiza – with our feet firmly in the present and our head in the future –, believe we can come out winners in this process. We want to make history.

The success of our digital enterprise depends on belief, consistency and persistence, among several other factors. But we are certain that none of them is as critical as the ability to develop a digital corporate culture. This culture, part of the DNA of internet-age companies, requires speed for the necessary changes, courage to take risks and willingness to make mistakes, own them and rapidly correct them. It also involves the tranquility to always operate in beta and thus avoid the ghost of obsolesce. The ability to develop, inside the company, technologies that will be the backbone of the operation is fundamental. In a digital soul company, technology moves from the background to center stage – and is seen as the brain of the business.

This is usually scary for large companies. Hierarchical structures, paralyzed by excessive bureaucracy, the fear of change and attachment to past successes, usually strongly reject the digital culture. However, without its incorporation and the general and true belief in its importance, the process of change tends to waste resources and lead to frustration.

Startups do not need to go through this painful process. They carry this DNA. They are fast, lean and focused, and have very clear goals. Their leaders and teams are certain they can change the world with their ideas. And they are aware that, without this way of being and behaving, they are destined for an early death.

We have a lot of the digital culture in our genetic code. We believe in simplicity and innovation and we are obsessed about our customers. Our mission is to put these characteristics at the service of this new cycle, which has already begun. In the process of change, we have some advantages that the valuable and flexible emerging companies lack: relevance and reach. We have 800 stores and millions active customers, and operate in regions that concentrate approximately 75% of Brazil's GDP. Our nine distribution centers and our consolidated logistics system help us reach the country's most remote homes. Our infrastructure promotes something vital for a connected society – access.

The combination of this power with a digital culture – that is ours and respects our core values and beliefs – will take us forward in the process of change. The dissemination of culture is one of the five strategic pillars, on which Magazine Luiza's new growth cycle is based. The other four are:

- Multichannel approach – We are the only retail company in Brazil to operate our channels in an integrated manner, with the use of the same infrastructure. For almost 20 years, Magazine Luiza has been defending this model. We have maintained this position despite the skepticism that dominated the sector for a long time. The market dynamics has shown that we have always been on the right path.

  One of the most recent examples of the multichannel approach is Click and Collect, which allows customers who buy through the digital platforms to pick up the purchased items at any of our physical stores. In recent months, customers have picked up more than 25,000 products/month at the stores, with faster delivery and savings for customers. We are confident in the great growth potential of this type of service.

- Digital inclusion – We have a clear goal: to turn Brazil into a digital country. Brazilians are among the most enthusiastic about new technologies. Half of our population is somehow inserted in the social media dynamics. Access to connected products, however, is still low, which is a problem – and an excellent opportunity for Magazine Luiza. Currently, around 50% of the products sold in our physical and digital channels are connected. We believe that we can help improve our customers' daily lives when we encourage them to get the most benefit from the current technology and that we will be able to do even more in the future.

- Digitalization of physical stores – They are vital for our strategy and are being transformed in order to make the shopping experience increasingly pleasant. Currently, all our shop assistants use the "Mobile Sales" smartphone app, which significantly reduces service time and provides the salesforce with all product and customer information. In around 150 stores, it is already possible to pay using the Mobile Pinpad system, which eliminates the need to go to the cashier. Magazine Luiza's physical stores already offer services including the sale of content and Lu Conects (installation of apps and configuration of smartphones acquired by customers). The introduction of free wi-fi and the new furniture facilitate and encourage product testing.

- Digital platform – In mid-2016, we launched our Marketplace operation and began selling products of around 50 partners, adding more than 80,000 SKUs to our portfolio. At the same time, we began using our infrastructure in a more efficient manner and are helping producers become sellers. Since its creation, Magazine Luiza's Marketplace has attracted partners such as Multi-Ar, Whirlpool, Empório da Cerveja, Toymania, Multilaser and Polishop. As a result, we have introduced the sale of new categories, such as pet products, jewelry, books, food and beverages.

The disciplined execution of these strategies, our long-term vision and the belief that we can be a benchmark in digital transformation have produced results that make us proud. In 2016, Magazine Luiza was an exception in an economic scenario still dominated by the crisis. The improvement of our financial indicators – quarter after quarter, with no hiccups – shows the consistency of our strategy and management.

Although all the indicators are positive – with an increase in revenue, gross margin, EBITDA and net income and a significant reduction in debt –, the performance of our digital sales stands out. Sales through the mobile website and the app already represent a significant part of the Company's total revenue. In the last quarter of 2016, the growth of digital sales exceeded 40%. This performance is substantially superior to the average of the Brazilian e-commerce. According to Ebit, the sector's sales increased 7.4% in 2016 – while Magazine Luiza's digital operations grew 32.2% in the period. Our sales app, launched in September 2015, was very well accepted by customers, having reached 4.5 million downloads.

These results would not have been possible if we did not firmly believe in the importance of in-house technology development. We are developing technology applied to the business – increasing efficiency, reducing costs and creating new possibilities – and designed to improve the customer experience. This is what 100 engineers and other specialists are working on every day at Luiza Labs, our innovation laboratory.

We are happy with our journey so far. But we know that this journey has no finish line. As all other companies, we will be constantly called to reinvent ourselves and to be faster, more efficient, more innovative and closer to the market. We are living at a time when change seems to be the only permanent thing.

This moment can be extremely positive – for Magazine Luiza and its partners – if we win the challenge of incorporating a digital culture, in which change is the rule. We will also be more successful if we are adamant about preserving our values, which is why we make a point of saying that, for Magazine Luiza, it is not enough to be a digital company with physical stores. Magazine Luiza does not and will not exist without the human touch. People and the relationships of trust established with them are still our main strength.

We have a lot to do in this special year of 2017 – our 60th anniversary. We are ready to scale up our Marketplace platform, attracting more partners and increasing the range of products we offer. We are working to be recognized as leaders of the best platform – for partners, who will share their customer base, technology structure, service and brand reputation with us, and for consumers. It is yet another change – one of the many in our history.

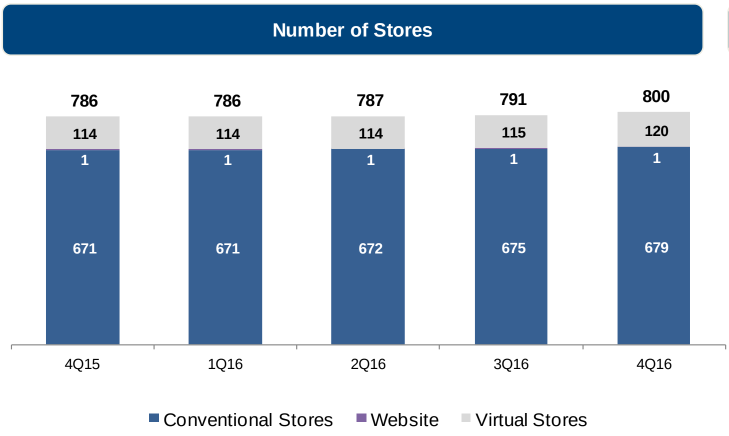
The only thing that has never changed in these 60 years is the fact that Magazine Luiza always changes. We have a startup soul with a body of more than 20,000 employees. This is a great privilege that makes us confident that the Company will continue young and relevant for many years to come.

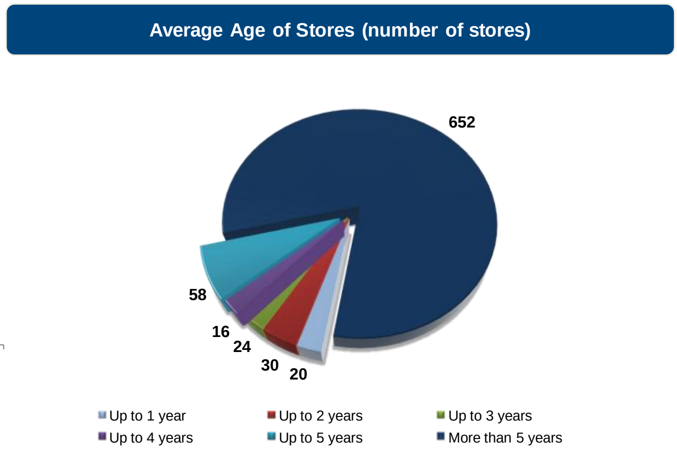
Ready for the new year, we thank our customers, employees, shareholders, suppliers, partners and the community in general for their trust and partnership throughout 2016.

EXECUTIVE MANAGEMENT TEAM

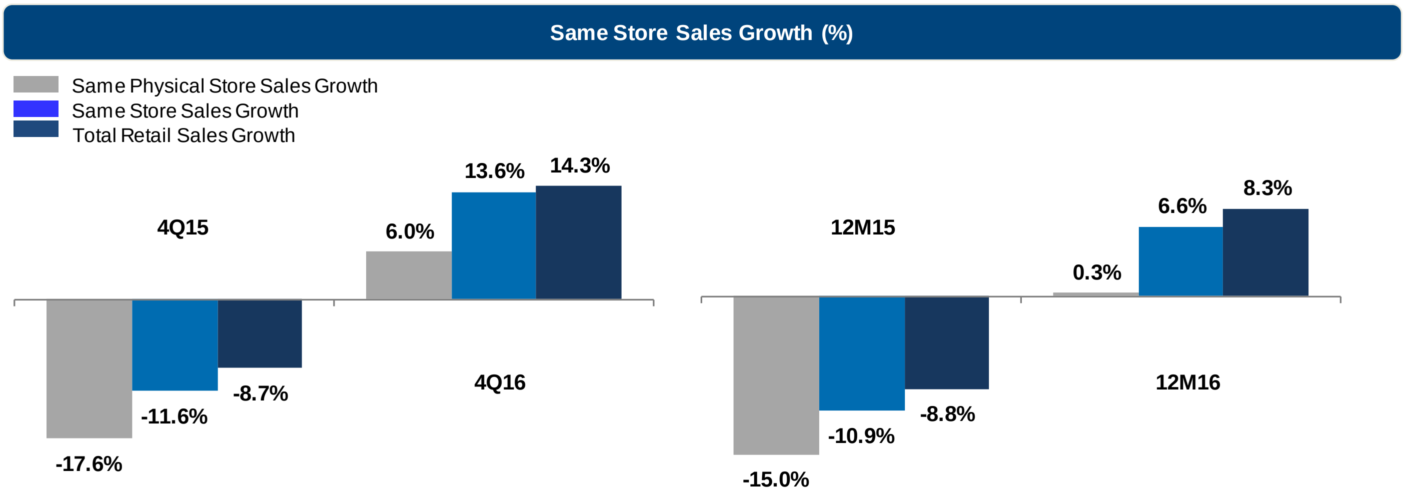
OPERATING AND FINANCIAL PERFORMANCE

Magazine Luiza ended Dec/16 with 800 stores, 679 of which were conventional stores, 120 virtual stores and one website. In the 4Q16, the Company opened 15 stores (ten conventional stores and five virtual stores) and closed six stores. In 2016, the Company opened 20 new stores and closed six stores. Considering our total number of stores, 19% are not yet mature.

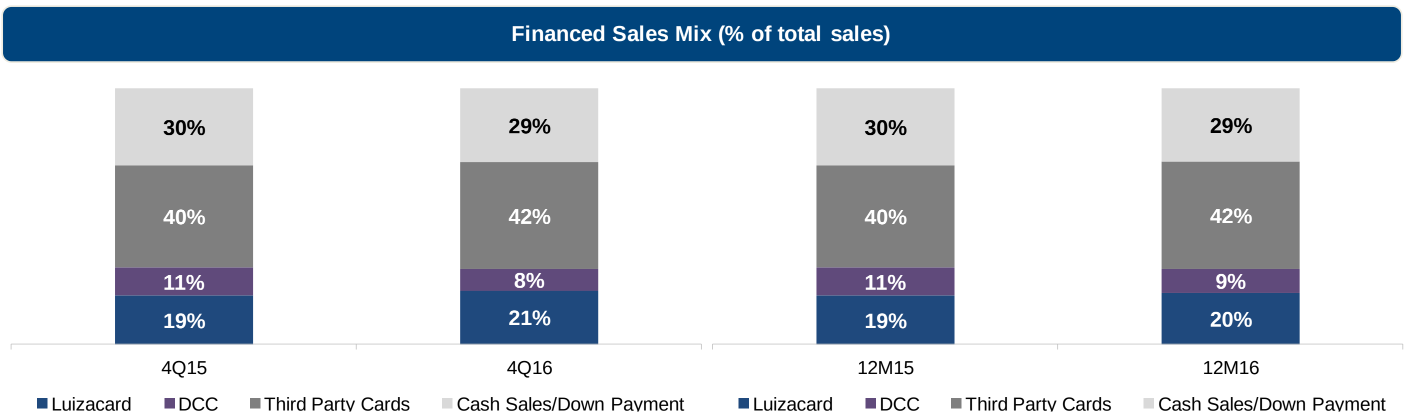




Gross same-store-sales growth 13.6% in 4Q16 as a result of an increase in brick and mortar SSS (+6.0%) and e-commerce (+41.4%). This result reflects a good performance in our online channel and a sequential improvement in brick and mortar store sales. In 2016, the total retail sales increased 8.3% and SSS increased 6.6% (+0.3 in bricks and mortar and +32.2% in e-commerce).



Sales on Luiza Card increased 200 bps to 21% in 4Q16, contributing to the strategy to increase customer loyalty. Due to more conservative credit approval policy, DCC (direct credit to consumers) participation decreased from 11% in 4Q15 to 8% in 4Q16.



Gross Revenues

(in R$ million)	4Q16	4Q15	%Chg	12M16	12M15	%Chg
Gross Revenue - Retail - Merchandise Sales	3,237.1	2,824.0	14.6%	10,828.8	9,958.4	8.7%
Gross Revenue - Retail - Services	142.6	132.2	7.9%	494.8	496.9	-0.4%
Subtotal Retail	**3,379.7**	**2,956.2**	**14.3%**	**11,323.5**	**10,455.3**	**8.3%**
Gross Revenue - Consortium Management	15.9	13.9	13.7%	58.1	51.6	12.6%
Inter-Company Eliminations	(2.8)	(2.2)	26.7%	(10.0)	(8.5)	16.9%
Gross Revenue - Total	**3,392.7**	**2,967.9**	**14.3%**	**11,371.6**	**10,498.3**	**8.3%**

In 4Q16, gross revenues increased by 14.3% to R$3.4 billion due to 13.6% increase in same stores and the contribution of new stores. In 2016, gross sales were 8.3% higher at R$11.4 billion.

Net Revenues

(in R$ million)	4Q16	4Q15	%Chg	12M16	12M15	%Chg
Net Revenue - Retail - Merchandise Sales	2,702.2	2,427.3	11.3%	9,031.3	8,594.0	5.1%
Net Revenue - Retail - Services	125.1	115.6	8.3%	433.8	434.1	-0.1%
Subtotal Retail	**2,827.4**	**2,542.9**	**11.2%**	**9,465.2**	**9,028.1**	**4.8%**
Net Revenue - Consortium Management	14.7	12.8	15.0%	53.5	47.2	13.3%
Inter-Company Eliminations	(2.8)	(2.2)	26.7%	(10.0)	(8.5)	16.9%
Net Revenue - Total	**2,839.3**	**2,553.5**	**11.2%**	**9,508.7**	**9,066.8**	**4.9%**

In 4Q16, net revenues were by 11.2% to R$2.8 billion due to the increase of taxes on gross revenues in several states, which raised the rates of ICMS taxes on some products. In 2016, net revenues reached R$9.5 billion.

Gross Profit

(in R$ million)	4Q16	4Q15	% Chg	12M16	12M15	% Chg
Gross Income - Retail - Merchandise Sales	708.2	615.5	15.1%	2,459.0	2,203.9	11.6%
Gross Income - Retail - Services	125.1	115.6	8.3%	433.8	434.1	-0.1%
Subtotal Retail	**833.4**	**731.0**	**14.0%**	**2,892.9**	**2,638.0**	**9.7%**
Gross Income - Consortium Management	7.3	7.8	-7.3%	29.7	29.2	1.9%
Gross Income - Total	**840.7**	**738.9**	**13.8%**	**2,922.6**	**2,667.2**	**9.6%**
Gross Margin - Total	**29.6%**	**28.9%**	**70 bps**	**30.7%**	**29.4%**	**130 bps**

In 4Q16, gross profit increased by 13.8% to R$840.7 million, equivalent to a gross margin expansion of 70bps to 29.6%. Gross margin improvement was due to: (i) more rational pricing in e-commerce channel and physical stores, (ii) charging for shipping and assembly and (iii) sales mix with a better participation of more profitable categories. In 2016, gross profit totaled R$2.9 billion with a rise in gross margin of 130 bps to 30.7%.

Operating Expenses

(in R$ million)	4Q16	% NR	4Q15	% NR	% Chg	12M16	% NR	12M15	% NR	% Chg
Selling Expenses	(497.2)	-17.5%	(498.7)	-19.5%	-0.3%	(1,776.3)	-18.7%	(1,784.6)	-19.7%	-0.5%
General and Administrative Expenses	(133.9)	-4.7%	(128.6)	-5.0%	4.1%	(481.9)	-5.1%	(483.2)	-5.3%	-0.3%
General and Administrative Expenses	**(631.1)**	**-22.2%**	**(627.3)**	**-24.6%**	**0.6%**	**(2,258.2)**	**-23.7%**	**(2,267.8)**	**-25.0%**	**-0.4%**
Provisions for Loan Losses	(6.7)	-0.2%	(10.2)	-0.4%	-33.9%	(26.1)	-0.3%	(30.5)	-0.3%	-14.4%
Other Operating Revenues, Net	8.3	0.3%	(7.7)	-0.3%	-208.7%	13.5	0.1%	20.2	0.2%	-33.3%
Total Operating Expenses	**(629.5)**	**-22.2%**	**(645.2)**	**-25.3%**	**-2.4%**	**(2,270.8)**	**-23.9%**	**(2,278.0)**	**-25.1%**	**-0.3%**

Selling Expenses

Selling expenses totaled R$497.2 million, equivalent to 17.5% of net revenues in 4Q16 (200 bps lower YoY), due to a more rigorous control of expenses, productivity gains, optimization of marketing expenses, renegotiation of store lease contracts and transportation services, besides a complete revision of all of the operating expenses. In 2016, selling expenses were 0.5% lower at R$1.8 billion, a 100 bps dilution.

General and Administrative Expenses

General and administrative expenses totaled R$133.9 million, equivalent to 4.7% of net revenues in 4Q16, 30 bps lower YoY, due to optimization of administrative processes. In 2016, G&A expenses were 0.3% lower at R$481.9 million (20 bps lower YoY), despite higher payroll taxes.

Provisions for Loan Losses

Provisions for loan losses reached R$6.7 million in 4Q16 and R$26.1 million in 2016.

Other Operating Revenues, Net

(in R$ million)	4Q16	% NR	4Q15	% NR	% Chg	12M16	% NR	12M15	% NR	% Chg
Gain on Sale of Assets	(0.1)	0.0%	(0.2)	0.0%	-31.1%	(0.5)	0.0%	(0.7)	0.0%	-33.0%
Deferred Revenue Recorded	10.1	0.4%	8.2	0.3%	23.1%	40.6	0.4%	47.7	0.5%	-14.9%
Provision for Tax Liabilities	0.5	0.0%	(2.5)	-0.1%	-121.8%	(1.0)	0.0%	(0.8)	0.0%	24.5%
Non-recurring Expenses	(2.4)	-0.1%	(13.9)	-0.5%	-82.6%	(27.2)	-0.3%	(27.9)	-0.3%	-2.6%
Other	0.3	0.0%	0.7	0.0%	-63.3%	1.5	0.0%	1.9	0.0%	-19.6%
Total	**8.3**	**0.3%**	**(7.7)**	**-0.3%**	**-208.7%**	**13.5**	**0.1%**	**20.2**	**0.2%**	**-33.3%**

Other net operating revenues totaled R$8.3 million in 4Q16, due to deferred revenues appropriation of R$10.1 million. In 2016, other net operating expenses were R$13.5 million, including non-operating charges of R$27.2 million.

Equity Income

Equity income totaled R$15.8 million in 4Q16. The main reasons that impacted equity income were (i) Luizacred's performance with equity income of R$12.7 million and (ii) Luizaseg's performance with equity income of R$3.0 million. In 2016, equity income totaled R$62.7 million.

EBITDA

In 4Q16, EBITDA increased by 126.1% to R$226.9 million, equivalent to a margin EBITDA of 8.0% (+410 bps versus 4Q15). The better sales performance, the expansion of gross margin and better dilution of operating expenses, contributed once again to the evolution of EBITDA.

In 2016, EBITDA increased by 53.8% to R$714.6 million, equivalent to a margin EBITDA of 7.5% (+240 bps versus 2015). Adjusted EBITDA totaled R$741.7 million with a 7.8% margin.

Financial Results

R$ million	4Q16	% NR	4Q15	% NR	% Chg	12M16	% NR	12M15	% NR	% Chg
Financial Expenses	(167.2)	-5.9%	(180.3)	-7.1%	-7.3%	(620.5)	-6.5%	(616.4)	-6.8%	0.7%
Interest on loans and financing	(69.4)	-2.4%	(67.9)	-2.7%	2.2%	(272.8)	-2.9%	(262.8)	-2.9%	3.8%
Interest on prepayment of receivables – third party card	(38.3)	-1.3%	(51.4)	-2.0%	-25.5%	(156.4)	-1.6%	(167.3)	-1.8%	-6.5%
Interest on prepayment of receivables – Luiza Card	(49.0)	-1.7%	(34.0)	-1.3%	44.3%	(153.2)	-1.6%	(108.1)	-1.2%	41.8%
Other expenses	(10.4)	-0.4%	(27.0)	-1.1%	-61.4%	(38.1)	-0.4%	(78.2)	-0.9%	-51.3%
Financial Revenues	29.0	1.0%	27.6	1.1%	5.1%	116.7	1.2%	130.3	1.4%	-10.5%
Gains on marketable securities	3.3	0.1%	4.9	0.2%	-32.9%	13.4	0.1%	12.6	0.1%	6.2%
Other financial revenues	25.7	0.9%	22.7	0.9%	13.3%	103.3	1.1%	117.7	1.3%	-12.3%
Total Financial Results	(138.2)	-4.9%	(152.8)	-6.0%	-9.5%	(503.8)	-5.3%	(486.1)	-5.4%	3.7%
Income from securities[1]	11.2	0.4%	6.8	0.3%	63.6%	37.6	0.4%	27.6	0.3%	36.0%
Adjusted Financial Results	(127.0)	-4.5%	(145.9)	-5.7%	-13.0%	(466.3)	-4.9%	(458.4)	-5.1%	1.7%

Note (1): yields of the exclusive fund, which are booked as financial revenue in the Parent Company and as gross revenue in the Consolidated, as per the Explanatory Notes.

In 4Q16, adjusted financial results reached R$127.0 million (120 bps lower YoY), which represented a saving of R$18.9 million in the quarter. This result was positively impacted by the reduction in net debt and the new cycle of decrease in Selic rate. In 2016, net financial results reached R$466.3 million, equivalent to 4.9% of net sales (20bps lower YoY).

Net Income

In 4Q16, net income increased to R$46.1 million, equivalent to a net margin of 1.6%. In 2016, net income reached R$86.6 million and net adjusted income totaled R$104.5 million (net margin of 1.1%).

Working Capital

CONSOLIDATED (R$ million)	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
Accounts Receivables	581.0	423.1	404.3	389.6	435.2
Inventories	1,596.7	1,346.3	1,306.7	1,279.3	1,353.1
Related Parties	64.0	50.3	41.2	55.4	86.2
Recoverable Taxes	212.2	293.1	296.9	320.9	334.3
Other Assets	47.8	96.1	96.0	60.7	36.6
Current Operating Assets	2,501.7	2,208.8	2,145.1	2,105.9	2,245.4
Suppliers	2,365.0	1,528.5	1,427.1	1,394.1	1,894.2
Payroll, Vacation and Related Charges	188.4	186.1	144.5	141.7	153.9
Taxes Payable	40.1	32.9	28.5	29.5	30.6
Related Parties	73.0	53.8	78.0	61.9	68.4
Other Accounts Payable	115.3	118.0	93.3	92.2	118.0
Current Operating Liabilities	2,781.8	1,919.2	1,771.3	1,719.5	2,265.0
Working Capital	(280.0)	289.6	373.7	386.4	(19.6)
% of Gross Revenue (LTM)	-2.5%	2.6%	3.5%	3.7%	-0.2%
Balance of Discounted Receivables	1,587.5	1,435.3	1,422.5	1,433.1	1,417.8
Working Capital Adjusted	1,307.5	1,724.9	1,796.2	1,819.5	1,398.2
% of Gross Revenue (LTM)	11.5%	15.8%	16.8%	17.2%	13.3%

In Dec/16, working capital need was negative in R$280.0 million (-2.5% of Gross Revenue LTM), showing an important improvement from previous quarters especially in a better relationship between inventories and suppliers. Working capital need improved R$569.6 million in 4Q16 and R$260.4 million in 2016.

Capex

CAPEX (in R$ million)	4Q16	%	4Q15	%	12M16	%	12M15	%
New Stores	8.0	17%	7.1	13%	10.7	9%	36.5	23%
Remodeling	17.3	38%	12.2	22%	43.4	35%	41.1	26%
Technology	17.1	37%	21.1	38%	54.1	44%	54.1	34%
Logistics	3.6	8%	15.0	27%	15.1	12%	25.2	16%
Other	0.0	0%	0.6	1%	1.0	1%	0.8	0%
Total	**46.1**	**100%**	**56.0**	**100%**	**124.3**	**100%**	**157.6**	**100%**

In 4Q16, investments totaled R$46.1 million, including the opening of 15 stores, remodeling, investment in technology and logistics. In 2016, capex totaled R$124.3 million and about 56% of the total capex was allocated to technology and logistics projects to support the digital transformation strategy in place.

Net Debt

CONSOLIDATED (R$ million)	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
(+) Current Loans and Financing	838.0	980.9	902.3	713.6	568.4
(+) Non-current Loans and Financing	1,010.8	773.3	794.4	1,050.5	1,255.0
(=) Gross Debt	1,848.8	1,754.2	1,696.7	1,764.1	1,823.3
(-) Cash and Cash Equivalents	599.1	234.6	197.5	411.3	617.5
(-) Current Securities	819.0	567.0	464.8	302.2	497.6
(-) Non-current Securities	0.2	2.8	0.1	7.8	46.7
(-) Total Cash	1,418.3	804.3	662.5	721.3	1,161.8
(=) Net Debt	430.5	949.9	1,034.2	1,042.8	661.5
(-) Credit Card - Third Party Card	276.2	187.0	174.9	176.1	158.7
(-) Credit Card - Luiza Card	18.6	12.6	5.1	8.1	13.9
(-) Total Credit Card	294.9	199.6	179.9	184.1	172.6
(=) Adjusted Net Debt	135.6	750.3	854.3	858.7	488.9
Short Term Debt/Total	45%	56%	53%	40%	31%
Long Term Debt/Total	55%	44%	47%	60%	69%
Adjusted EBITDA (LTM)	741.7	626.7	559.3	523.3	492.6
Adjusted Net Debt/ Adjusted EBITDA	0.2 x	1.2 x	1.5 x	1.6 x	1.0 x

Adjusted net debt (excluding credit cards that were not discounted) decreased from R$488.9 million in Dec/15 to R$135.6 million in Dec/16, reducing the ratio of adjusted net debt divided by adjusted EBITDA from 1.0x to 0.2x, respectively. In the LTM, net debt decreased by R$353.2 million.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	4Q16	V.A.	4Q15	V.A.	% Chg	12M16	V.A.	12M15	V.A.	% Chg
Gross Revenue	3,392.7	119.5%	2,967.9	116.2%	14.3%	11,371.6	119.6%	10,498.3	115.8%	8.3%
Taxes and Deductions	(553.4)	-19.5%	(414.4)	-16.2%	33.5%	(1,862.9)	-19.6%	(1,431.5)	-15.8%	30.1%
Net Revenue	2,839.3	100.0%	2,553.5	100.0%	11.2%	9,508.7	100.0%	9,066.8	100.0%	4.9%
Total Costs	(1,998.6)	-70.4%	(1,814.6)	-71.1%	10.1%	(6,586.1)	-69.3%	(6,399.6)	-70.6%	2.9%
Gross Income	840.7	29.6%	738.9	28.9%	13.8%	2,922.6	30.7%	2,667.2	29.4%	9.6%
Selling Expenses	(497.2)	-17.5%	(498.7)	-19.5%	-0.3%	(1,776.3)	-18.7%	(1,784.6)	-19.7%	-0.5%
General and Administrative Expenses	(133.9)	-4.7%	(128.6)	-5.0%	4.1%	(481.9)	-5.1%	(483.2)	-5.3%	-0.3%
Provisions for Loan Losses	(6.7)	-0.2%	(10.2)	-0.4%	-33.9%	(26.1)	-0.3%	(30.5)	-0.3%	-14.4%
Other Operating Revenues, Net	8.3	0.3%	(7.7)	-0.3%	-208.7%	13.5	0.1%	20.2	0.2%	-33.3%
Equity in Subsidiaries	15.8	0.6%	6.7	0.3%	135.8%	62.7	0.7%	75.6	0.8%	-17.1%
Total Operating Expenses	(613.8)	-21.6%	(638.5)	-25.0%	-3.9%	(2,208.1)	-23.2%	(2,202.4)	-24.3%	0.3%
EBITDA	226.9	8.0%	100.4	3.9%	126.1%	714.6	7.5%	464.7	5.1%	53.8%
Depreciation and Amortization	(40.0)	-1.4%	(34.2)	-1.3%	17.1%	(133.6)	-1.4%	(125.8)	-1.4%	6.2%
EBIT	186.9	6.6%	66.2	2.6%	182.3%	580.9	6.1%	338.9	3.7%	71.4%
Financial Results	(138.2)	-4.9%	(152.8)	-6.0%	-9.5%	(503.8)	-5.3%	(486.1)	-5.4%	3.7%
Operating Income	48.7	1.7%	(86.6)	-3.4%	-	77.1	0.8%	(147.1)	-1.6%	-
Income Tax and Social Contribution	(2.6)	-0.1%	34.2	1.3%	-107.6%	9.5	0.1%	81.5	0.9%	-88.4%
Net Income	46.1	1.6%	(52.4)	-2.1%	-	86.6	0.9%	(65.6)	-0.7%	-

Reconciliation of EBITDA for non-recurring expenses

EBITDA	226.9	8.0%	100.4	3.9%	-	714.6	7.5%	464.7	5.1%	-
Non-recurring Expenses	2.4	0.1%	13.9	0.5%	-	27.2	0.3%	27.9	0.3%	-
Adjusted EBITDA	229.3	8.1%	114.3	4.5%	-	741.7	7.8%	492.6	5.4%	-

Net Income	46.1	1.6%	(52.4)	-2.1%	-	86.6	0.9%	(65.6)	-0.7%	-
Non-recurring Expenses	2.4	0.1%	13.9	0.5%	-	27.2	0.3%	27.9	0.3%	-
Tax Over Non-recurring Expenses	(0.8)	0.0%	(4.7)	-0.2%	-	(9.2)	-0.1%	(9.5)	-0.1%	-
Adjusted Net Income	47.7	1.7%	(43.2)	-1.7%	-	104.5	1.1%	(47.2)	-0.5%	-

As a result of recent changes in the accounting of payroll taxes, to make the figures more comparable, we opted to reclassify 4Q15 results as follows: expenses with payroll taxes of R$17.5 million, which were previously accounted for as a reduction in gross sales, were reclassified as part of selling expenses (R$12.6 million) and G&A expenses (R$4.9 million).

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
CURRENT ASSETS					
Cash and Cash Equivalents	599.1	234.6	197.5	411.3	617.5
Securities	819.0	567.0	464.8	302.2	497.6
Accounts Receivable	581.0	423.1	404.3	389.6	435.2
Inventories	1,596.7	1,346.3	1,306.7	1,279.3	1,353.1
Related Parties	64.0	50.3	41.2	55.4	86.2
Taxes Recoverable	212.2	293.1	296.9	320.9	334.3
Other Assets	47.8	96.1	96.0	60.7	36.6
Total Current Assets	3,919.8	3,010.3	2,807.4	2,819.4	3,360.5
NON-CURRENT ASSETS					
Securities	0.2	2.8	0.1	7.8	46.7
Accounts Receivable	3.6	2.3	2.0	1.9	2.6
Deferred Income Tax and Social Contribution	242.0	243.8	239.7	236.1	229.3
Recoverable Taxes	223.6	167.8	167.0	164.2	177.3
Judicial Deposits	292.2	281.8	273.0	260.1	248.5
Other Assets	52.3	50.6	50.1	49.4	54.3
Investments in Subsidiaries	380.4	373.7	368.1	368.5	384.0
Fixed Assets	560.1	559.0	562.4	569.6	578.6
Intangible Assets	513.0	508.2	508.4	507.3	506.7
Total Non-current Assets	2,267.3	2,190.0	2,170.9	2,164.9	2,228.0
TOTAL ASSETS	6,187.2	5,200.3	4,978.4	4,984.3	5,588.5

LIABILITIES (R$ million)	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
CURRENT LIABILITIES					
Suppliers	2,365.0	1,528.5	1,427.1	1,394.1	1,894.2
Loans and Financing	838.0	980.9	902.3	713.6	568.4
Payroll, Vacation and Related Charges	188.4	186.1	144.5	141.7	153.9
Taxes Payable	40.1	32.9	28.5	29.5	30.6
Related Parties	73.0	53.8	78.0	61.9	68.4
Deferred Revenue	40.3	40.3	40.6	40.8	41.4
Dividends Payable	12.3	-	-	-	-
Other Accounts Payable	115.3	118.0	93.3	92.2	118.0
Total Current Liabilities	3,672.4	2,940.4	2,714.2	2,473.9	2,874.8
NON-CURRENT LIABILITIES					
Loans and Financing	1,010.8	773.3	794.4	1,050.5	1,255.0
Provision for Tax, Civil and Labor Risks	284.1	268.7	263.4	254.7	243.4
Deferred Revenue	509.2	519.2	529.3	539.4	550.9
Other Accounts Payable	2.6	2.3	2.3	2.3	2.3
Total Non-current Liabilities	1,806.6	1,563.6	1,589.5	1,846.8	2,051.5
TOTAL LIABILITIES	5,479.0	4,504.0	4,303.6	4,320.7	4,926.3
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	19.0	17.9	16.8	15.7	14.6
Treasury Shares	(28.7)	(5.9)	(1.1)	(16.4)	(9.6)
Legal Reserve	20.5	16.1	16.1	16.1	16.1
Profit Retention Reserve	89.7	19.8	19.8	36.2	36.2
Other Comprehensive Income	1.2	1.4	0.9	0.2	(1.6)
Accumulated Losses	-	40.5	15.7	5.3	-
Total Shareholders' Equity	708.1	696.3	674.7	663.6	662.2
TOTAL	6,187.2	5,200.3	4,978.4	4,984.3	5,588.5

ANNEX III
FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	4Q16	4Q15	12M16	12M15
Net Income	**46.1**	**(52.4)**	**86.6**	**(65.6)**
Effect of IR / CS Net of Payment	2.0	(34.7)	(12.2)	(84.1)
Depreciation and Amortization	40.0	34.2	133.6	125.8
Interest Accrued on Loans	64.4	66.8	254.5	253.0
Equity Income	(15.8)	(6.7)	(62.7)	(75.6)
Dividends Received	6.0	6.9	70.9	70.9
Provision for Losses on Inventories and Receivables	27.6	35.8	99.2	137.1
Provision for Tax, Civil and Labor Contingencies	19.4	16.4	59.1	(6.9)
Gain on Sale of Fixed Assets	0.1	0.2	0.5	0.7
Recognition of Deferred Income	(10.1)	(8.2)	(40.6)	(47.7)
Stock Option Expenses	1.1	1.1	4.5	4.5
Other	0.0	1.9	0.0	1.9
Adjusted Net Income	**180.8**	**61.2**	**593.3**	**313.9**
Trade Accounts Receivable	(170.9)	(25.3)	(190.0)	113.2
Inventories	(266.5)	(160.2)	(299.6)	54.8
Taxes Recoverable	25.2	(39.9)	76.1	(109.6)
Other Receivables	25.5	17.9	(45.1)	(17.1)
Changes in Operating Assets	**(386.6)**	**(207.5)**	**(458.6)**	**41.4**
Trade Accounts Payable	836.5	707.2	470.8	104.3
Other Payables	23.0	53.5	51.1	(31.4)
Change in Operating Liabilities	**859.5**	**760.7**	**521.9**	**72.9**
Cash Flow from Operating Activities	**653.7**	**614.4**	**656.7**	**428.2**
Additions of Fixed and Intangible Assets	(46.1)	(56.0)	(124.3)	(157.6)
Sale of Exclusive Dealing and Exploration Right Contract	0.0	288.0	0.0	288.0
Renegotiation Payment of Exclusive Contract	0.0	0.0	(11.2)	0.0
Investment in Subsidiary	0.0	(9.5)	0.0	(9.5)
Capital Increase in Affiliated Company	0.0	(55.0)	0.0	(60.0)
Cash Flow from Investing Activities	**(46.1)**	**167.4**	**(135.5)**	**60.8**
Loans and Financing	324.9	4.5	578.5	690.8
Repayment of Loans and Financing	(240.9)	(151.1)	(477.3)	(738.4)
Changes in Other Financial Assets (Hedge)	(16.5)	(30.4)	(114.1)	128.0
Payment of Interest on Loans and Financing	(37.3)	(77.7)	(216.2)	(221.7)
Payment of Dividends	0.0	0.0	0.0	(33.5)
Treasury Shares	(23.8)	(0.7)	(35.6)	(15.6)
Cash Flow from Financing Activities	**6.3**	**(255.4)**	**(264.7)**	**(190.3)**
Cash, Cash Equivalents and Securities at Beginning of Period	804.3	635.4	1,161.8	863.1
Cash, Cash Equivalents and Securities at end of Period	1,418.3	1,161.8	1,418.3	1,161.8
Change in Cash and Cash equivalents	**614.0**	**526.4**	**256.5**	**298.7**

Note: The difference between the Cash Flow Statement and the Adjusted Cash Flow Statement is basically related to the accounting of Bonds and Securities as Cash Equivalents

ANNEX IV
RESULTS BY SEGMENT – 4Q16

4Q16 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	3,379.7	15.9	(2.8)	3,392.7	196.9	46.8	(73.5)	3,562.8
Taxes and Deductions	(552.3)	(1.1)	-	(553.4)	-	-	-	(553.4)
Net Revenue	2,827.4	14.7	(2.8)	2,839.3	196.9	46.8	(73.5)	3,009.4
Total Costs	(1,994.0)	(7.4)	2.8	(1,998.6)	(27.9)	(6.6)	0.0	(2,033.1)
Gross Income	833.4	7.3	-	840.7	169.0	40.3	(73.5)	976.3
Selling Expenses	(497.2)	-	-	(497.2)	(79.4)	(32.1)	49.0	(559.8)
General and Administrative Expenses	(127.9)	(6.0)	-	(133.9)	0.9	(6.6)	-	(139.6)
Provisions for Loan Losses	(6.7)	-	-	(6.7)	(54.8)	-	-	(61.6)
Equity in Subsidiaries	17.2	-	(1.4)	15.8	-	-	(15.8)	-
Other Operating Revenues, Net	8.3	0.0	-	8.3	(10.0)	(0.2)	(1.4)	(3.3)
Total Operating Expenses	(606.4)	(6.0)	(1.4)	(613.8)	(143.4)	(38.9)	31.9	(764.2)
EBITDA	227.0	1.3	(1.4)	226.9	25.6	1.3	(41.6)	212.1
Depreciation and Amortization	(39.9)	(0.1)	-	(40.0)	(1.5)	(1.2)	1.4	(41.3)
EBIT	187.0	1.2	(1.4)	186.9	24.1	0.1	(40.3)	170.8
Financial Results	(139.1)	0.9	-	(138.2)	-	5.4	24.5	(108.3)
Operating Income (Loss)	48.0	2.1	(1.4)	48.7	24.1	5.5	(15.8)	62.5
Income Tax and Social Contribution	(1.9)	(0.7)	-	(2.6)	(11.4)	(2.4)	-	(16.4)
Net Income	46.1	1.4	(1.4)	46.1	12.7	3.0	(15.8)	46.1
Gross Margin	29.5%	49.4%	0.0%	29.6%	85.8%	86.0%	100.0%	32.4%
EBITDA Margin	8.0%	9.0%	50.2%	8.0%	13.0%	2.8%	56.6%	7.0%
Net Margin	1.6%	9.6%	50.2%	1.6%	6.5%	6.5%	21.4%	1.5%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	227.0	1.3	(1.4)	226.9	25.6	1.3	(41.6)	212.1
Non-recurring Expenses	2.4	-	-	2.4	-	-	-	2.4
Adjusted EBITDA	229.4	1.3	(1.4)	229.3	25.6	1.3	(41.6)	214.6
Adjusted EBITDA Margin	8.1%	9.0%	50.2%	8.1%	13.0%	2.8%	56.6%	7.1%

Net Income	46.1	1.4	(1.4)	46.1	12.7	3.0	(15.8)	46.1
Non-recurring Expenses	2.4	-	-	2.4	-	-	-	2.4
Tax over Non-recurring Expenses	(0.8)	-	-	(0.8)	-	-	-	(0.8)
Adjusted Net Income	47.7	1.4	(1.4)	47.7	12.7	3.0	(15.8)	47.7
Adjusted Net Income Margin	1.7%	9.6%	50.2%	1.7%	6.5%	6.5%	21.4%	1.6%

ANNEX V
RESULTS BY SEGMENT – 12M16

12M16 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	11,323.5	58.1	(10.0)	11,371.6	781.3	182.5	(256.2)	12,079.2
Taxes and Deductions	(1,858.4)	(4.5)	-	(1,862.9)	-	-	-	(1,862.9)
Net Revenue	9,465.2	53.5	(10.0)	9,508.7	781.3	182.5	(256.2)	10,216.3
Total Costs	(6,572.3)	(23.8)	10.0	(6,586.1)	(117.1)	(28.3)	-	(6,731.6)
Gross Income	2,892.9	29.7	-	2,922.6	664.1	154.1	(256.2)	3,484.7
Selling Expenses	(1,776.3)	-	-	(1,776.3)	(303.3)	(123.8)	179.5	(2,023.8)
General and Administrative Expenses	(458.4)	(23.5)	-	(481.9)	(3.1)	(24.5)	-	(509.5)
Provisions for Loan Losses	(26.1)	-	-	(26.1)	(249.7)	-	-	(275.7)
Equity in Subsidiaries	68.8	-	(6.1)	62.7	-	-	(62.7)	-
Other Operating Revenues, Net	13.5	0.0	-	13.5	(7.9)	0.2	(5.5)	0.2
Total Operating Expenses	(2,178.5)	(23.5)	(6.1)	(2,208.1)	(563.9)	(148.2)	111.3	(2,808.8)
EBITDA	714.4	6.2	(6.1)	714.6	100.2	6.0	(144.9)	675.9
Depreciation and Amortization	(133.2)	(0.4)	-	(133.6)	(6.0)	(4.7)	5.5	(138.8)
EBIT	581.2	5.9	(6.1)	580.9	94.2	1.3	(139.3)	537.1
Financial Results	(507.1)	3.3	-	(503.8)	-	19.8	76.6	(407.4)
Operating Income (Loss)	74.1	9.1	(6.1)	77.1	94.2	21.1	(62.7)	129.7
Income Tax and Social Contribution	12.5	(3.0)	-	9.5	(43.4)	(9.2)	-	(43.1)
Net Income	86.6	6.1	(6.1)	86.6	50.8	11.9	(62.7)	86.6
Gross Margin	30.6%	55.5%	0.0%	30.7%	85.0%	84.5%	100.0%	34.1%
EBITDA Margin	7.5%	11.6%	61.2%	7.5%	12.8%	3.3%	56.6%	6.6%
Net Margin	0.9%	11.4%	61.2%	0.9%	6.5%	6.5%	24.5%	0.8%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	714.4	6.2	(6.1)	714.6	100.2	6.0	(144.9)	675.9
Non-recurring Expenses	27.2	-	-	27.2	-	-	-	27.2
Adjusted EBITDA	741.6	6.2	(6.1)	741.7	100.2	6.0	(144.9)	703.1
Adjusted EBITDA Margin	7.8%	11.6%	61.2%	7.8%	12.8%	3.3%	56.6%	6.9%
Net Income	86.6	6.1	(6.1)	86.6	50.8	11.9	(62.7)	86.6
Non-recurring Expenses	27.2	-	-	27.2	-	-	-	27.2
Tax over Non-recurring Expenses	(9.2)	-	-	(9.2)	-	-	-	(9.2)
Adjusted Net Income	104.5	6.1	(6.1)	104.5	50.8	11.9	(62.7)	104.5
Adjusted Net Income Margin	1.1%	11.4%	61.2%	1.1%	6.5%	6.5%	24.5%	1.0%

ANEXO VI
RESULTS BY SEGMENT – 4Q15

4Q15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,956.2	13.9	(2.2)	2,967.9	212.6	39.6	(72.7)	3,147.5
Taxes and Deductions	(413.3)	(1.2)	-	(414.4)	-	-	-	(414.4)
Net Revenue	2,542.9	12.8	(2.2)	2,553.5	212.6	39.6	(72.7)	2,733.0
Total Costs	(1,811.9)	(4.9)	2.2	(1,814.6)	(34.1)	(8.7)	-	(1,857.4)
Gross Income	731.0	7.8	-	738.9	178.5	30.9	(72.7)	875.6
Selling Expenses	(498.7)	-	-	(498.7)	(83.6)	(24.5)	55.7	(551.1)
General and Administrative Expenses	(122.3)	(6.3)	-	(128.6)	(0.9)	(6.1)	-	(135.7)
Provisions for Loan Losses	(10.2)	-	-	(10.2)	(83.2)	-	-	(93.4)
Equity in Subsidiaries	8.2	-	(1.5)	6.7	-	-	(6.7)	-
Other Operating Revenues, Net	(7.7)	0.0	-	(7.7)	(4.1)	0.0	(1.4)	(13.1)
Total Operating Expenses	(630.8)	(6.2)	(1.5)	(638.5)	(171.7)	(30.6)	47.6	(793.2)
EBITDA	100.2	1.6	(1.5)	100.4	6.8	0.2	(25.0)	82.4
Depreciation and Amortization	(34.1)	(0.1)	-	(34.2)	(1.5)	-	1.4	(34.3)
EBIT	66.1	1.5	(1.5)	66.2	5.3	0.2	(23.7)	48.0
Financial Results	(153.5)	0.7	-	(152.8)	-	4.6	17.0	(131.2)
Operating Income (Loss)	(87.3)	2.2	(1.5)	(86.6)	5.3	4.8	(6.7)	(83.2)
Income Tax and Social Contribution	34.9	(0.7)	-	34.2	(1.3)	(2.1)	-	30.8
Net Income	(52.4)	1.5	(1.5)	(52.4)	4.0	2.7	(6.7)	(52.4)
Gross Margin	28.7%	61.4%	0.0%	28.9%	84.0%	77.9%	100.0%	32.0%
EBITDA Margin	3.9%	12.7%	67.2%	3.9%	3.2%	0.6%	34.5%	3.0%
Net Margin	-2.1%	11.7%	67.2%	-2.1%	1.9%	6.8%	9.2%	-1.9%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	100.2	1.6	(1.5)	100.4	6.8	0.2	(25.0)	82.4
Non-recurring Expenses	13.9	-	-	13.9	-	-	-	13.9
Adjusted EBITDA	114.2	1.6	(1.5)	114.3	6.8	0.2	(25.0)	96.3
Adjusted EBITDA Margin	4.5%	12.7%	67.2%	4.5%	3.2%	0.6%	34.5%	3.5%

Net Income	(52.4)	1.5	(1.5)	(52.4)	4.0	2.7	(6.7)	(52.4)
Non-recurring Expenses	13.9	-	-	13.9	-	-	-	13.9
Tax over Non-recurring Expenses	(4.7)	-	-	(4.7)	-	-	-	(4.7)
Adjusted Net Income	(43.2)	1.5	(1.5)	(43.2)	4.0	2.7	(6.7)	(43.2)
Adjusted Net Income Margin	-1.7%	11.7%	67.2%	-1.7%	1.9%	6.8%	9.2%	-1.6%

ANEXO VII
RESULTS BY SEGMENT – 12M15

12M15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	10,455.3	51.6	(8.5)	10,498.3	860.3	191.8	(264.1)	11,286.3
Taxes and Deductions	(1,427.2)	(4.3)	-	(1,431.5)	-	-	-	(1,431.5)
Net Revenue	9,028.1	47.2	(8.5)	9,066.8	860.3	191.8	(264.1)	9,854.8
Total Costs	(6,390.1)	(18.1)	8.5	(6,399.6)	(134.7)	(28.0)	-	(6,562.3)
Gross Income	2,638.0	29.2	-	2,667.2	725.5	163.8	(264.1)	3,292.4
Selling Expenses	(1,784.6)	-	-	(1,784.6)	(319.7)	(132.9)	210.1	(2,027.2)
General and Administrative Expenses	(459.6)	(23.5)	-	(483.2)	(3.3)	(24.1)	-	(510.5)
Provisions for Loan Losses	(30.5)	-	-	(30.5)	(315.1)	-	-	(345.5)
Equity in Subsidiaries	80.8	-	(5.2)	75.6	-	-	(75.6)	-
Other Operating Revenues, Net	20.2	0.1	-	20.2	(1.0)	0.2	(5.5)	13.9
Total Operating Expenses	(2,173.8)	(23.5)	(5.2)	(2,202.4)	(639.1)	(156.9)	128.9	(2,869.4)
EBITDA	464.2	5.7	(5.2)	464.7	86.5	7.0	(135.2)	423.0
Depreciation and Amortization	(125.5)	(0.3)	-	(125.8)	(6.2)	(0.0)	5.5	(126.5)
EBIT	338.7	5.4	(5.2)	338.9	80.3	7.0	(129.6)	296.5
Financial Results	(488.4)	2.4	-	(486.1)	-	16.8	54.0	(415.3)
Operating Income (Loss)	(149.7)	7.8	(5.2)	(147.1)	80.3	23.7	(75.6)	(118.8)
Income Tax and Social Contribution	84.1	(2.6)	-	81.5	(18.6)	(9.8)	-	53.2
Net Income	(65.6)	5.2	(5.2)	(65.6)	61.6	14.0	(75.6)	(65.6)
Gross Margin	29.2%	61.8%	0.0%	29.4%	84.3%	85.4%	100.0%	33.4%
EBITDA Margin	5.1%	12.1%	60.8%	5.1%	10.1%	3.6%	51.2%	4.3%
Net Margin	-0.7%	11.0%	60.8%	-0.7%	7.2%	7.3%	28.6%	-0.7%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	464.2	5.7	(5.2)	464.7	86.5	7.0	(135.2)	423.0
Non-recurring Expenses	27.9	-	-	27.9	-	-	-	27.9
Adjusted EBITDA	492.1	5.7	(5.2)	492.6	86.5	7.0	(135.2)	450.9
Adjusted EBITDA Margin	5.5%	12.1%	60.8%	5.4%	10.1%	3.6%	51.2%	4.6%
Net Income	(65.6)	5.2	(5.2)	(65.6)	61.6	14.0	(75.6)	(65.6)
Non-recurring Expenses	27.9	-	-	27.9	-	-	-	27.9
Tax over Non-recurring Expenses	(9.5)	-	-	(9.5)	-	-	-	(9.5)
Adjusted Net Income	(47.2)	5.2	(5.2)	(47.2)	61.6	14.0	(75.6)	(47.2)
Adjusted Net Income Margin	-0.5%	11.0%	60.8%	-0.5%	7.2%	7.3%	28.6%	-0.5%

ANNEX VIII
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	4Q16	V.A.	4Q15	V.A.	Growth Total
Virtual Stores	165.6	4.9%	141.3	4.8%	17.2%
Website	886.5	26.3%	627.0	21.3%	41.4%
Subtotal - Virtual Stores	**1,052.0**	31.2%	**768.3**	26.1%	36.9%
Conventional Stores	2,316.4	68.8%	2,181.0	73.9%	6.2%
Total	**3,368.5**	100.0%	**2,949.4**	100.0%	14.2%

Gross Revenue by Channel (R$ million)	12M16	V.A.	12M15	V.A.	Growth Total
Virtual Stores	535.7	4.7%	485.5	4.7%	10.3%
Website	2,723.5	24.1%	2,059.5	19.8%	32.2%
Subtotal - Virtual Stores	**3,259.2**	28.9%	**2,545.0**	24.4%	28.1%
Conventional Stores	8,026.7	71.1%	7,882.6	75.6%	1.8%
Total	**11,285.9**	100.0%	**10,427.6**	100.0%	8.2%

Number of stores per channel – End of the period	Dec-16	Part(%)	Dec-15	Part(%)	Growth Total
Virtual Stores	120	15.0%	114	14.5%	6
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**121**	15.1%	**115**	14.6%	6
Conventional Stores	679	84.9%	671	85.4%	8
Total	**800**	100.0%	**786**	100.0%	14
Total Sales Area (m²)	501,319	100%	498,570	100%	0.6%

The differences in gross revenue from the retail segment in the breakdown by channel and income statements refer to the exclusive funds in the amount of R$11.2 million in 4Q16 and R$6.8 million in 4Q15.

ANNEX IX
LUIZACRED

Operating Indicators

Luizacred is a joint venture between Magazine Luiza and Itaú Unibanco, responsible for financing the majority of the Company's credit sales. Magazine Luiza's main role is employee management and customer service, while Itaú Unibanco is responsible for funding of Luizacred, drafting the credit and collections policies and back office activities, such as accounting and treasury.

In Dec/16, Luizacred had a total base of 3.3 million cards issued. In 4Q16, Luizacred maintained its conservative credit approval rate. As the Luiza Card customers are more loyal than others, the sales using Luiza Card inside of our stores grew by 34.4% in 4Q16 and 18.3% in 12M16. Due to the conservative approach to approving credit, especially with respect to DCC (direct credit to consumers), its sales decreased from R$144 million in 4Q15 to R$93 million in 4Q16.

Luizacred's credit portfolio, including credit cards, DCC and personal loans, totaled R$4.5 billion in 4Q16, increasing 1.9% YoY, highlighting Luiza Card portfolio, which increased by 10.6% to R$4.2 billion, while DCC portfolio decreased by 51.6% to R$292 million, following Luizacred's strategy to focus the Luiza Card.

LUIZACRED – Key Indicators (R$ million)	4Q16	4Q15	% Chg	12M16	12M15	% Chg
Total Card Base (thousand)	3,251	3,574	-9.0%	3,251	3,574	-9.0%
Luiza Card Sales – In chain	728	542	34.4%	2,275	1,923	18.3%
Luiza Card Sales – Outside Brand	2,672	2,249	18.8%	9,254	8,136	13.7%
CDC Sales	93	144	-35.3%	346	737	-53.0%
Personal Loans Sales	16	19	-16.0%	73	92	-20.3%
Luizacred Sales - Total	**3,509**	**2,954**	**18.8%**	**11,949**	**10,888**	**9.7%**
Card Portfolio	4,198	3,797	10.6%	4,198	3,797	10.6%
CDC Portfolio	292	603	-51.6%	292	603	-51.6%
Personal Loans Portfolio	37	41	-10.7%	37	41	-10.7%
Portfolio - Total	**4,527**	**4,441**	**1.9%**	**4,527**	**4,441**	**1.9%**

The granting of credit at Luizacred follows the policies and criteria established by Itaú Unibanco's Credit Modeling and Policies area. The policies are defined based on proprietary statistics models, using the Risk Adjusted Return on Capital (RAROC) model.

Income Statement

LUIZACRED – Income (R$ million)	4Q16	V.A.	4Q15	V.A.	% Chg	12M16	V.A.	12M15	V.A.	% Chg
Financial Intermediation Revenue	290.6	100.0%	325.7	100.0%	-10.8%	1,179.9	100.0%	1,349.1	100.0%	-12.5%
Cards	237.0	81.6%	238.8	73.3%	-0.8%	928.5	78.7%	928.0	68.8%	0.0%
CDC	42.1	14.5%	75.4	23.1%	-44.2%	203.6	17.3%	371.8	27.6%	-45.2%
Personal Loans	11.5	4.0%	11.5	3.5%	-0.1%	47.9	4.1%	49.2	3.7%	-2.8%
Financial Intermediation Expenses	(165.5)	-56.9%	(234.5)	-72.0%	-29.4%	(733.6)	-62.2%	(899.6)	-66.7%	-18.5%
Market Funding Operations	(55.8)	-19.2%	(68.2)	-20.9%	-18.1%	(234.3)	-19.9%	(269.5)	-20.0%	-13.1%
Provision for Loan Losses	(109.6)	-37.7%	(166.3)	-51.1%	-34.1%	(499.3)	-42.3%	(630.1)	-46.7%	-20.8%
Gross Financial Intermediation Income	125.1	43.1%	91.2	28.0%	37.2%	446.4	37.8%	449.5	33.3%	-0.7%
Other Operating Revenues (Expenses)	(77.0)	-26.5%	(80.7)	-24.8%	-4.6%	(258.0)	-21.9%	(289.0)	-21.4%	-10.7%
Service Revenue	103.1	35.5%	99.5	30.5%	3.7%	382.6	32.4%	371.5	27.5%	3.0%
Personnel Expenses	1.8	0.6%	(1.8)	-0.6%	-196.6%	(6.1)	-0.5%	(6.5)	-0.5%	-6.6%
Other Administrative Expenses	(138.7)	-47.7%	(146.4)	-44.9%	-5.3%	(527.3)	-44.7%	(555.8)	-41.2%	-5.1%
Depreciation and Amortization	(3.0)	-1.0%	(3.1)	-0.9%	-2.4%	(12.1)	-1.0%	(12.5)	-0.9%	-3.2%
Tax Expenses	(20.2)	-7.0%	(20.8)	-6.4%	-2.7%	(79.2)	-6.7%	(83.7)	-6.2%	-5.4%
Other Operating Revenues (Expenses)	(20.0)	-6.9%	(8.1)	-2.5%	145.9%	(15.9)	-1.3%	(2.0)	-0.1%	700.1%
Income Before Tax	48.2	16.6%	10.6	3.2%	355.8%	188.4	16.0%	160.5	11.9%	17.4%
Income Tax and Social Contribution	(22.8)	-7.8%	(2.6)	-0.8%	764.7%	(86.8)	-7.4%	(37.2)	-2.8%	133.3%
Net Income	25.4	8.7%	7.9	2.4%	220.1%	101.6	8.6%	123.3	9.1%	-17.6%

Revenue from Financial Intermediation

In 4Q16, gross revenue from financial intermediation decreased 10.8% YoY due to decrease of 44.2% in transactions on direct consumer credit (DCC) segment. In 12M16, gross revenue from financial intermediation decreased 12.5% mainly due to lower DCC revenue.

Provision for Loan Losses

The short-term indicator remains under control. The portfolio of loans overdue up to 15 days (NPL 15) accounted for 3.2% of total in Dec/16, improving 20 bps from Sep/16 and Dec/15 as a result of a more conservative credit policy.

Even considering a challenging macroeconomic environment, the portfolio of loans overdue for more than 90 days (NPL 90) accounted for 9.5% of total portfolio in Dec/16 versus 12.7% in Dec/15 (-320 bps) and 10.6% in Sep/16 (-110 bps). Provisions for loan losses accounted for 2.4% of the total portfolio in Dec/16 versus 3.7% in Dec/15 and 2.9% in Sep/16. We highlight the portfolio coverage ratio increased to 128% in Dec/16 from 118% in Dec/15.

PORTFOLIO - OVERDURE	Dec-16		Sep-16		Jun-16		Mar-16		Dec-15	
Total Portfolio (R$ million)	4,527	100.0%	4,193	100.0%	4,151	100.0%	4,210	100.0%	4,441	100.0%
000 to 014 days	3,950	87.3%	3,607	86.0%	3,502	84.4%	3,506	83.3%	3,726	83.9%
015 to 030 days	41	0.9%	43	1.0%	44	1.1%	57	1.4%	41	0.9%
031 to 060 days	50	1.1%	45	1.1%	51	1.2%	55	1.3%	42	0.9%
061 to 090 days	56	1.2%	54	1.3%	66	1.6%	69	1.6%	69	1.5%
091 to 120 days	54	1.2%	55	1.3%	60	1.4%	55	1.3%	74	1.7%
121 to 150 days	48	1.1%	52	1.3%	60	1.4%	55	1.3%	70	1.6%
151 to 180 days	47	1.0%	56	1.3%	57	1.4%	58	1.4%	62	1.4%
180 to 360 days	280	6.2%	281	6.7%	310	7.5%	354	8.4%	357	8.0%
Overdue 15-90 days	147	3.2%	143	3.4%	162	3.9%	182	4.3%	151	3.4%
Overdue Above 90 days	429	9.5%	444	10.6%	487	11.7%	522	12.4%	564	12.7%
Total Overdue	576	12.7%	586	14.0%	649	15.6%	704	16.7%	715	16.1%
Provisions for loan losses in IFRS	549	12.1%	562	13.4%	598	14.4%	631	15.0%	663	14.9%
Coverage (%)	128%		127%		123%		121%		118%	

Note: for better comparability and analysis of the performance of loans (NPL), the Company started providing the breakdown of the portfolio by overdue bracket whereas it continues to provide the portfolio breakdown by risk bracket to the Central Bank.

Gross Financial Intermediation Results

Gross margin from financial intermediation totaled 43.1% in 4Q16, representing an increase of 15.1 percentage points over 4Q15, mainly due to lower provisions in the period. In 12M16, gross margin from financial intermediation increased 450 bps to 37.8%.

Other Operating Revenues (Expenses)

Other operating expenses totaled R$77.0 million in 4Q16, a decrease of 4.6% YoY, due to revenues from other services, better expense control and productivity gains. In 12M16, other operating expenses totaled R$258.0 million, 10.7% lower YoY.

Net Operating Results and Net Income

In 4Q16, Luizacred recorded operating income of R$48.2 million (13.3 percentage points higher YoY), equivalent to 16.6% of intermediation revenue). In 12M16, operating income was R$188.4 million (410 bps higher over 12M15).

In 4Q16, net income totaled R$25.4 million and in 12M16 was R$101.6 million.

Shareholders' Equity

In compliance with the accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$27.9 million in 4Q16 and R$97.8 million in 12M16, with a shareholders' equity of R$593.2 million in dec/16. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred's shareholders' equity for use in the financial statements of Magazine Luiza was R$551.0 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous translation)

February 20 2016 (Monday)
14h30 am– Brazil time
12h30 am – USA time (EST)

Callers from Brazil:
Dian in #: +55 (11) 3193-1001
CODE: Magazine Luiza
Link to webcast:

Webcast Português

Callers from US or other countries:
Dian in #: +1 (786) 924 6977
CODE: Magazine Luiza
Link de webcast:

Webcast Inglês

Replay (available for 7 days):
Dial in # from Brazil: +55 (11) 3193-1012
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About Magazine Luiza

Founded in 1957, Magazine Luiza is one of Brazil's largest retail chains focused on durable goods, actively engaged in Brazil's low income classes. To strengthen its relationship with its customers, Magazine Luiza innovated in 2001 by entering into a partnership with Itaú Unibanco to create Luizacred. In 2005, Magazine Luiza once again innovated when it became the first retailer to control an insurance company, Luizaseg, in partnership with Cardif, of the BNP Paribas group. And in 2010, Magazine Luiza acquired Lojas Maia, one of the largest retail chains with a presence in all the states across Northeast Brazil – the fastest growing region in the country. In June 2011, it acquired Baú da Felicidade stores.

EBITDA, Adjusted EBITDA and Adjusted Net Income

EBITDA (earnings before interest, income and social contribution taxes, financial income and expenses, depreciation and amortization) is not a financial performance measure under the accounting practices adopted in Brazil. Because it does not consider expenses intrinsic to the business, EBITDA has limitations that affect its use as a profitability or liquidity indicator. EBITDA should not be considered an alternative to net income or operating cash flow. In addition, EBITDA does not have a standard meaning, and our definition may not be comparable with the definitions adopted by other companies. Non-recurring results used to calculate adjusted EBITDA and adjusted net income should not be considered an alternative to EBITDA and net income in accordance with the accounting practices adopted in Brazil.

Disclaimer

The statements herein related to business prospects, future estimates of operating and financial results, and those related to Magazine Luiza's growth prospects are merely estimates and, as such, are based solely on the expectations of the Executive Board regarding the future of the Company's business. These expectations largely depend on approvals and licenses for the projects, market conditions, performance of the Brazilian economy, the sector and the international markets and are, therefore, subject to changes without prior notice. This performance report includes accounting and non-accounting data such as pro forma operating and financial results and projections based on the expectations of the Company's Management. The non-accounting data were not reviewed by the Company's independent auditors.