

**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

Magazine Luiza S.A. ("Magalu" or "Company"), pursuant to Article 157, §4º of Law nº 6.404, dated December 15th, 1976, and pursuant to Instruction nº 358 of the Brazilian Securities and Exchange Commission, dated January 3, 2002, hereby announces to its shareholders and the market in general that its Board of Directors, at a meeting held on July 11, 2019 approved, by unanimous vote and without any restrictions, the submission of a proposal to split all of the Company's shares for discussion and analysis at the Extraordinary Shareholders' Meeting ("**ESM**").

- I) **Stock Split.** The proposed transaction contemplates the split of all of the current 190,591,464 (one hundred and ninety million, five hundred and ninety-one thousand, four hundred and sixty-four) common shares, all nominative, with no par value, issued by the Company, **at a ratio of 01 (one) share to 08 (eight) shares of the same type ("Split Factor")**, without changes to the capital stock, in accordance with Article 17, item (i) of the Company's Bylaws and Article 12 of the LSA. After the split, Magazine Luiza's capital stock will remain in the amount of R\$1,770,911,472.00 (one billion, seven hundred and seventy million, nine hundred and eleven thousand, four hundred and seventy-two reais), divided into 1,524,731,712 (one billion, five hundred and twenty-four million, seven hundred and thirty-one thousand, seven hundred and twelve) common shares, all nominative, with no par value. The stock split will be operated and put into effect by the Company's Management, preserving all the rights and benefits of the Shareholders.
- II) **Purposes.** The implementation of the split of the Company's common shares has as its objective to provide better price levels for the Company's shares in order to make them more accessible to investors and, consequently, to increase the liquidity of the shares.
- III) **ESM of the Company and Bylaw Changes.** The Chairman of the Board of Directors' shall convene the ESM in order to facilitate analysis, discussion and a decision on the proposed split of the Company's shares, under the terms described in this Material Fact.

The Company will keep its shareholders and the market in general duly informed about the stock split proposal and the date on which the shares will be traded split.

São Paulo, July 12th, 2019

Roberto Bellissimo Rodrigues
Chief Financial Officer and Director of Investor Relations