

**MAGAZINE LUIZA S.A.
Publicly-Held Company**

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NOTICE TO THE MARKET

Acquisition of a Technology Startup: Integra Commerce

MAGAZINE LUIZA S.A. ("Company"), pursuant to article 157, paragraph 4 of Law 6404 of December 15, 1976, as amended, Instruction 358 issued by the Brazilian Securities and Exchange Commission ("CVM") on January 3, 2002, as amended, and article 6.6.1 of the Regulations of the BM&FBOVESPA's Novo Mercado trading segment, through this market communication ("Notice to the Market"), hereby informs its shareholders and the market in general that, on this date, it acquired the technology startup Integra Commerce ("Integra"), an e-commerce startup of Itajubá (MG). With the acquisition, web stores wishing to participate in Magazine Luiza's marketplace will not need an intermediary platforms from third parties.

Integra has more than 200 sellers, including MadeiraMadeira, Época Cosméticos, Casa América, Whirlpool and DBestShop. In addition to the reduction of fees, partners will have features such as price, inventory and logistics management, such as product tracking. The startup is a reference in software as a service (SaaS), allowing partners, in addition to marketplaces integration, to manage and optimize their everyday lives.

The acquisition accelerate the main strategy of Magazine Luiza for 2017: the development of an open digital platform with the lowest market costs for partners wishing to be part of it. "With Integra, we shortcut the way in developing the best platform on the market," says Frederico Trajano, CEO of Magazine Luiza. "With our marketplace, we want to exponentially expand our product offering to our millions of customers and enable our partners - the sellers - to grow sustainably."

Magazine Luiza's marketplace was created in 2016. In a few months, more than 220 thousand items - from diapers to tires, from beverages to cosmetics - were integrated into the portfolio. The development of the marketplace is a central point in the company's strategy: to be a digital platform, with physical points and human warmth. Last year, the Magazine Luiza earned 11.5 billion reais. In the last quarter, the digital channels - site, sales app and marketplace - accounted for 26% of total sales and grew 41% compared to the same period of 2015.

Innovation Laboratory in Minas Gerais

Magazine Luiza's laboratory of innovation Luizalabs gains a new arm, located in the city of Itajubá, in the south of Minas Gerais. The 24 employees of Integra become part of the group that thinks about the future of Magazine Luiza. The CEO of Integra, Carlos Eduardo Alves, assumes the position of marketplace's director of Magazine Luiza.

Now Luiza Labs will be divided into three units - São Paulo, Franca, in the countryside of São Paulo, and Itajubá - with more than 100 engineers and technology specialists. "We look forward to delivering new technologies to the markets," says André Fátala, chief technology officer of Magazine Luiza.

With this investment, Magazine Luiza reaffirms its commitment to the process of digital transformation, the importance of Luizalabs and the focus on the development of the Marketplace.

São Paulo, April 03, 2017.

Roberto Bellissimo Rodrigues

Chief Financial and Investor Relations Officer