February 21, 2019

Magazine Luiza S.A. (B3: MGLU3)
4th Quarter 2018 Earnings Release (IFRS equivalent)

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4Q18 HIGHLIGHTS

E-commerce grew 57%, reaching R$2.2 billion and 38% of total sales
Physical store sales grew 24%, while same store sales rose 16%
Total sales rose 35%, reaching R$5.9 billion (R$19.7 billion in 2018)
EBITDA grew 13% to R$353 million, 7.7% margin (R$1.2 billion in 2018)
Net profit grew 15% to R$190 million, 4.1% margin (R$597 million in 2018)
Operating cash generation of R$1.0 billion in 4Q18
Net cash position of R$2.2 billion in Dec/18

- **Consistent market share gains.** In 4Q18, total sales (physical stores, traditional e-commerce (1P) and marketplace (3P)) increased 34.9% to R$5.9 billion, reflecting growth of 57.4% in e-commerce (on top of 60.0% growth in 4Q17) and 24.2% in physical stores (same store sales growth of 16,1% on top of 15,0% growth in 4Q17). It is worth highlighting the performance of the 100 new stores (41 of which were opened in 4Q18), that generated sales above our expectations, expanding total physical store sales growth by 8 p.p.. By contrast, in 2018, retail market fell 1.4%, according to IBGE.

- **Accelerated growth in e-commerce.** E-commerce sales grew 57.4% in 4Q18, reaching 37.7% of total sales, compared to market growth of 13.4% (E-bit). In traditional e-commerce, sales grew 43.8%, and the marketplace contributed with additional sales of R$366.0 million (reaching 16.3% of total e-commerce). Magalu's market share gains were driven by the app performance that reached more than 26 million downloads), the maturation of multichannel projects, and the maintenance of our RA1000 ranking.

- **Evolution of gross profit.** In 4Q18, gross profit increased 22.8% to R$1.3 billion. Gross margin decreased 110 bps to 28.1 % reflecting the significant increase in e-commerce, from 32.3% of total sales to 37.7%.

- **Dilution of fixed expenses, growth of investments in level of service and new customer acquisition.** In 4Q18, operating expenses were diluted by 40 bps to 20.8% of net revenues. Of this total, additional investment in the level of service and the acquisition of new customers represented nearly 120bps of net revenues.

- **Significant Luizacred growth.** The Luiza Card base increased in almost 1 million in 2018, reaching 4.3 million cards. In the same period, the Luiza Card revenue grew 37.2% surpassing the mark of R$ 20 billion. In 4Q18, Luizacred posted a net income of R$15.7 million and R$87.6 in 2018, influenced by the adoption of IFRS 9. Considering the accounting practices established by the Brazilian Central Bank, Luizacred's net income was R$46.6 million in 4Q18 and R$161.4 million in 2018, growing 36.2% and 15.2% respectively.

- **EBITDA and net income growth.** In 4Q18, EBITDA increased 13.0% to R$353.5 million (7.7% margin). High sales growth, the positive contribution of e-commerce and the dilution of expenses were responsible for the EBITDA growth. Due to these factors, the Company posted R$189.6 million of net income, an increase of 14.5% YoY (ROE of 33%). Considering Luizacred results according to the accounting practices established by the Brazilian Central Bank, Magalu´s net income would have been R$205.1 million in 4Q18 and R$634.3 in 2018.

- **Strong cash flow generation and ROIC.** Cash flow from operations, adjusted by receivables, reached R$1.0 billion in 4T18, due to improved results and disciplined working capital management. Once again, the Company presented high growth with high ROIC and strong cash generation. In 4Q18, annualized ROIC reached 39%.

- **Increase of net cash position and optimization of the capital structure.** In the last 12 months, the Company increased adjusted net cash by R$488.1 million, from a net cash position of R$1.7 billion in Dec/17 to R$2.2 billion in Dec/18. As of this date the Company reached a total cash position of R$2.6 billion, with cash and securities of R$1.0 billion and credit card receivables of R$1.6 billion.

R$ million (except when otherwise indicated)	4Q18	4Q17	% Chg	12M18	12M17	% Chg
Total Sales[1] (including marketplace)	5,942.3	4,404.9	34.9%	19,667.8	14,440.3	36.2%
Gross Revenue	5,598.5	4,322.6	29.5%	18,896.5	14,321.1	31.9%
Net Revenue	4,610.5	3,621.8	27.3%	15,590.4	11,984.3	30.1%
Gross Income	1,296.2	1,055.9	22.8%	4,537.4	3,606.0	25.8%
Gross Margin	28.1%	29.2%	-110 bps	29.1%	30.1%	-100 bps
EBITDA	353.5	312.7	13.0%	1,245.2	1,030.8	20.8%
EBITDA Margin	7.7%	8.6%	-90 bps	8.0%	8.6%	-60 bps
Net Income	189.6	165.6	14.5%	597.4	389.0	53.6%
Net Margin	4.1%	4.6%	-50 bps	3.8%	3.2%	60.0 pp
Same Physical Store Sales Growth	16.1%	15.0%	-	18.6%	14.3%	-
Total Physical Store Sales Growth	24.2%	20.1%	-	25.8%	17.4%	-
Internet Sales Growth (1P)	43.8%	47.0%	-	48.4%	52.7%	-
Total E-commerce Sales Growth	57.4%	60.0%	-	60.1%	60.9%	-
E-commerce Share in Total Sale	37.7%	32.3%	5.4 pp	35.7%	30.4%	5.3 pp
Number of Stores - End of Period	954	858	96 stores	954	858	96 stores
Sales Area - End of Period (M2)	572,394	525,981	8.8%	572,394	525,981	8.8%

(1) Total Sales includes sales from physical stores, traditional e-commerce (1P) and marketplace (3P).

MESSAGE FROM THE EXECUTIVE DIRECTORS

For the last few years, each of our employees has been committed to achieving a mission that few companies in the world have been able to accomplish: transforming a traditional retail company into a digital one. In 2018, thanks to everyone's hard work and determination, we wrapped up our digital transformation process and initiated an important new chapter in our over 60 year history: to think, act and work like a technology company--at all levels of the organization.

We are a technology company – a digital platform with no frontiers between the physical and virtual worlds, where the retail universe is seen as a single unit – which is what we think it is. No barriers, no walls and no fiefdoms.

Our infrastructure is, and will continue to be, a hybrid mix of physical and virtual assets integrated seamlessly via technology into a single, unified platform.

There are no analog processes today at Magazine Luiza. An army of more than 750 developers and product design experts make up our technology development group, Luizalabs, which is responsible for delivering "Made in Magalu" solutions to all of our business units. The ability to develop technology internally has allowed us to digitalize complex processes for our more than 10,000 sellers, our nearly 1,000 stores, 12 distribution centers, and all of our logistics and back office operations, resulting in increased sales, faster delivery times and higher levels of customer service.

Now it is time for us to take an even more ambitious step. It is time for Magalu to contribute to the digitalization of Brazil itself.

We will do that by extending our digitalization strategy in a radical new direction. Since our inception, we have strived to make as many things as possible available to individual Brazilians of all classes and incomes. We have done that with televisions, washing machines and smartphones and will now do so for Brazilian businesses, many of whom are still stuck in the analog world and, as a result, work less efficiently, productively and successfully.

We will continue to open new physical locations and expand our presence throughout all regions of Brazil. We will do that because our stores aren't just stores -- they are advanced shopping and distribution centers, perfectly integrated with our digital operations, while retaining their human touch. By the end of 2019, we will have a network of over 1,000 locations, giving us a strong lead .

To date, Magalu has been growing extraordinarily. Over the last three years, the company's revenue has almost doubled. Net profit grew 600%. Market share has soared by more than 5 percentage points in our main operating segments. In the same period, we also expanded our customer base, albeit at a lower rate. But as of now, we want to increase the number of interactions exponentially, similar to the elevated levels of growth commonly associated with China. This is what Magalu's more than 27,000 employees are working hard to achieve in 2019.

We currently have over 17 million active customers. This means we have penetrated only 13% of Brazil's consumer market. There is still enormous room for growth, which we will tackle by gradually expanding our offering of products and services to Brazilians through technology. Magalu currently has one of Brazil's most successful shopping apps, with 26 million downloads, and the app accounts for roughly 40% of the Company's online orders. We are not only building an app, but rather a "superapp": a digital environment where customers can go shopping, pay bills, top-up their mobile phones, hire transportation services, buy lunch, play games and connect with friends on social media. By attracting partners to the superapp environment we will increase our chances of attracting new customers, whose interactions with the company will be even more frequent and meaningful.

While these corporations are opening new stores, Magalu is opening its APIs.

We believe that we are uniquely well-positioned to achieve our mission. Time, history and the current context are all in our favor. Today, digitally native corporations like Alibaba and Amazon are investing their time, energy and financial resources into building physical networks from the ground up. They do that because they know there is no future for retailers who are unable to harmoniously combine the physical and virtual worlds.

Our strategy envisions that we will not merely be leaders in durable goods, but a plethora of other categories – from apparel and footwear to personal hygiene and household products, wines, pet food, stationary, office supplies, hardware and construction materials. A digital platform like ours offers infinite opportunities for collaboration with other companies. The sky is the limit.

This is the beauty of the model. The more companies we attract to our platform, especially through our marketplace, the more customers we will attract. The more customers we attract, the greater the power we will have to attract new business partners.

Thus, a virtuous circle is formed, creating growth that is exponential rather than linear. At the end of 2018 we had over 3,300 sellers in our marketplace and more than 4.3 million items for sale.

Technology developed by Magalu is increasingly going to be made available to each of our partners so that they can become as digitally-advanced as Magazine Luiza itself. This is what we are calling *Magalu as a Service*. It is our commitment to digitalization.

Brazil is not accustomed to this type of platform model, which is a novelty even in developed economies. But there is no doubt that the future is now, and businesses will only be able to grow through a collaborative and open system that enables multiple partnerships and expands elastically at the speed of the customer's needs and wants. The platform revolution is here to stay. At Magalu, it is already in motion.

Just like Magalu, sellers on our marketplace can rely on developers who are working hard every day to improve the user experience. Also like Magalu, they will have an efficient distribution network at their disposal, with well-trained salespeople who can sell their products to consumers in our physical stores and team members who will deliver their shipments. They can also rely on a cutting-edge digital infrastructure which uses large data sets coupled with advanced machine learning algorithms to promote their offers and generate new opportunities.

We are not talking about a distant future. We are talking about 2019.

Magalu has been preparing for quite some time to make all of this possible. In December 2018, we acquired Softbox, a technology solution provider which specializes in developing digital solutions for analog retail and consumer packed goods companies. In May 2018, we announced the acquisition of Logbee, a logistics technology startup, and, in April 2017, we acquired Integra Commerce, which focuses on integrating multiple e-commerce systems and marketplaces. In less than two years, hundreds of developers joined the company and were successfully integrated, adding a series of new competencies to further improve the Magalu experience.

We also raised our own bar in terms of customer satisfaction. We know that our growth ambitions must not come at the cost of our user experience, so we have redoubled our efforts to exceed user expectations, to surprise and delight on a daily basis.

This is how we became the only retail company to achieve the prestigious RA 1000 accreditation from the *Reclame Aqui* website. This is also how we managed to complete more than 30% of all of our deliveries in 48 hours or less. Moreover, this is how we achieved a customer satisfaction level of over 80% in our Customer Service Survey.

Is it possible to grow at a China-like pace, while simultaneously improving the user experience of our customers?

It's a challenge. A huge one. But we have overcome other challenges before. Years ago, our belief in a retail model that could bridge the digital and physical worlds was frowned upon. More recently, we had to prove that we were capable of transforming from a traditional retail company into a digital one. Many said it would be impossible to develop wide-scale technology in Brazil, with Brazilian employees.

But through the hard work, determination and dedication of our team, we proved that it was all possible.

We want to share these achievements with our investors, suppliers, business partners, employees and, above all, each one of our customers. Without their confidence in our work and our purpose, none of this would have been possible.

After successfully closing one chapter of our history, we are looking forward to opening a new one. We are ready. And we are happy to be here.

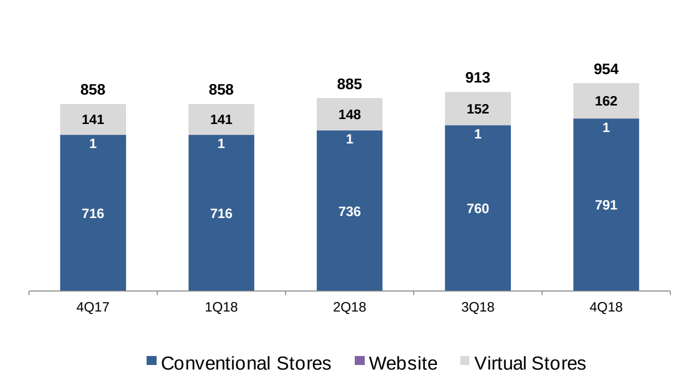
Lastly, we would like to pay our respects to Pelegrino José Donato who, together with his wife, Luiza Trajano Donato, founded and dedicated most of his life to Magazine Luiza. Pelegrino left us in December 2018, but he will live forever on in our hearts and minds.

EXECUTIVE MANAGEMENT TEAM

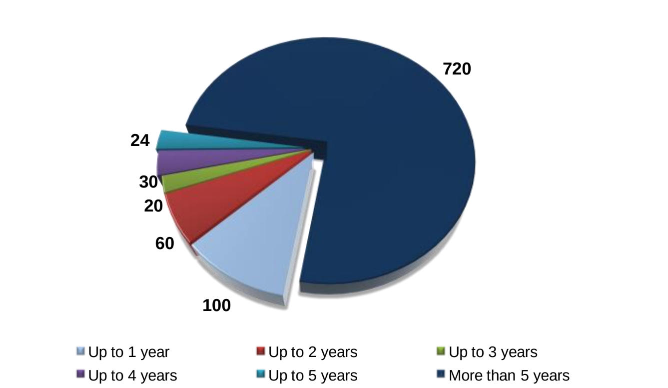
OPERATING AND FINANCIAL PERFORMANCE

Magalu ended 4Q18 with 954 stores (791 conventional, 162 virtual and an e-commerce operation). In 4Q18, the Company inaugurated 41 stores. In the last 12 months, the Company opened 100 new stores (4 in the South region, 27 in the Southeast, 29 in Midwest and 36 in the Northeast) and closed 4. Twenty five percent of our total number of stores are not yet mature.

Number of Stores

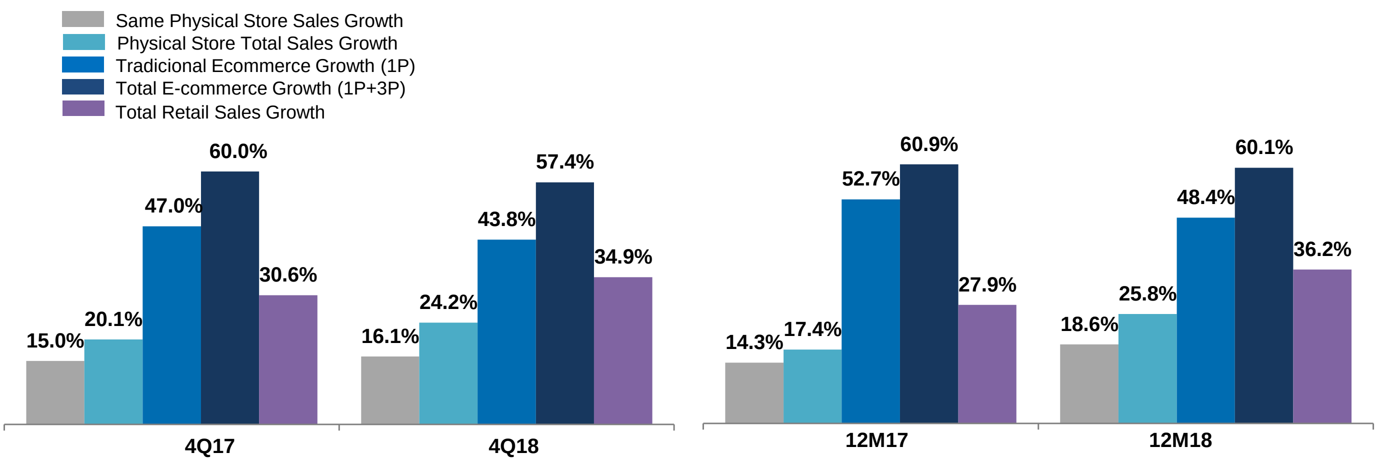


Average Age of Stores (number of stores)



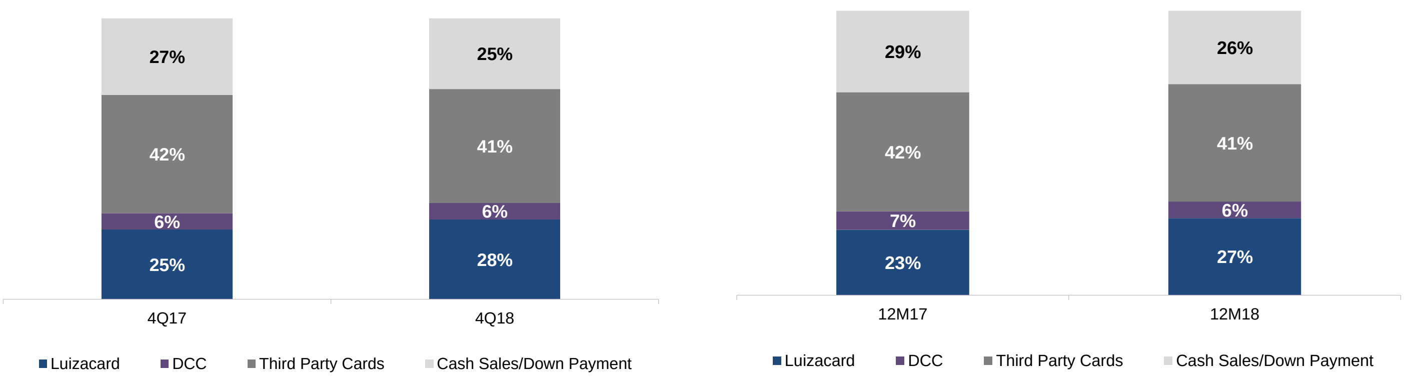
Total Retail sales were up 34.9% in 4Q18 as a result of a 24.2% increase in brick-and-mortar store sales and a 57.4% increase in e-commerce sales.

Total Sales Growth (%)



Luiza Card total sales penetration increased 300 bps to 28% in 4Q18, contributing to the Company's strategy of increasing customer loyalty. The percentage of DCC (direct credit to consumers) was stable at 6% in 4Q18.

Financed Sales Mix (% of total sales)



Gross Revenues

(in R$ million)	4Q18	4Q17	% Chg	12M18	12M17	% Chg
Gross Revenue - Retail - Merchandise Sales	5,339.7	4,106.0	30.0%	18,016.2	13,621.6	32.3%
Gross Revenue - Retail - Services	239.9	200.3	19.7%	814.6	640.9	27.1%
Gross Revenue - Retail	**5,579.6**	**4,306.4**	**29.6%**	**18,830.7**	**14,262.5**	**32.0%**
Gross Revenue - Other Services	23.4	19.3	21.1%	80.1	70.6	13.4%
Inter-Company Eliminations	(4.5)	(3.1)	43.1%	(14.3)	(12.0)	19.2%
Gross Revenue - Total	**5,598.5**	**4,322.6**	**29.5%**	**18,896.5**	**14,321.1**	**31.9%**

In 4Q18, total gross revenues grew 29.5% to R$5.6 billion, due to the accelerated growth of e-commerce, excellent performance of same physical store sales and the significant contribution of new stores. Also notable was the growth in services revenue of 19.7%, which includes the sale of new insurance, digital services (Lu Conecta) and marketplace commissions. In 12M18, gross revenue grew 31.9% to R$18.9 billion.

Net Revenues

(in R$ million)	4Q18	4Q17	% Chg	12M18	12M17	% Chg
Net Revenue - Retail - Merchandise Sales	4,380.6	3,428.5	27.8%	14,811.8	11,365.1	30.3%
Net Revenue - Retail - Services	212.5	178.7	18.9%	718.9	565.9	27.1%
Net Revenue - Retail	**4,593.1**	**3,607.1**	**27.3%**	**15,530.8**	**11,930.9**	**30.2%**
Net Revenue - Other Services	21.9	17.8	23.2%	74.0	65.4	13.3%
Inter-Company Eliminations	(4.5)	(3.1)	43.1%	(14.3)	(12.0)	19.2%
Net Revenue - Total	**4,610.5**	**3,621.8**	**27.3%**	**15,590.4**	**11,984.3**	**30.1%**

In 4Q18, total net revenues rose 27.3% to R$4.6 billion, in line with total gross revenue. In 2018, net revenue grew 30.1% to R$15.6 billion.

Gross Profit

(in R$ million)	4Q18	4Q17	% Chg	12M18	12M17	% Chg
Gross Profit - Retail - Merchandise Sales	1,073.6	867.5	23.8%	3,780.8	3,006.7	25.7%
Gross Profit - Retail - Services	212.5	178.7	18.9%	718.9	565.9	27.1%
Gross Profit - Retail	**1,286.1**	**1,046.2**	**22.9%**	**4,499.7**	**3,572.6**	**26.0%**
Gross Profit - Other Services	11.0	9.7	13.9%	39.7	33.4	18.7%
Inter-Company Eliminations	(0.9)	-	0.0%	(1.9)	-	0.0%
Gross Profit - Total	**1,296.2**	**1,055.9**	**22.8%**	**4,537.4**	**3,606.0**	**25.8%**
Gross Margin - Total	**28.1%**	**29.2%**	**-110 bps**	**29.1%**	**30.1%**	**-100 bps**

In 4Q18, gross profit increased by 22.8% to R$1.3 billion, equivalent to a gross margin of 28.1%. This margin is due to a higher contribution from e-commerce over total sales. In 12M18, gross profit grew 25.8% to R$4.5 billion with a 29.1% gross margin.

Operating Expenses

(in R$ million)	4Q18	% NR	4Q17	% NR	% Chg	12M18	% NR	12M17	% NR	% Chg
Selling Expenses	(775.0)	-16.8%	(602.9)	-16.6%	28.6%	(2,747.4)	-17.6%	(2,120.0)	-17.7%	29.6%
General and Administrative Expenses	(181.4)	-3.9%	(157.4)	-4.3%	15.3%	(596.1)	-3.8%	(536.0)	-4.5%	11.2%
General and Administrative Expenses	**(956.4)**	**-20.7%**	**(760.3)**	**-21.0%**	**25.8%**	**(3,343.6)**	**-21.4%**	**(2,656.0)**	**-22.2%**	**25.9%**
Provisions for Loan Losses	(16.6)	-0.4%	(14.6)	-0.4%	13.8%	(59.7)	-0.4%	(41.9)	-0.3%	42.5%
Other Operating Revenues, Net	15.7	0.3%	7.2	0.2%	117.7%	53.4	0.3%	36.5	0.3%	46.3%
Total Operating Expenses	**(957.4)**	**-20.8%**	**(767.7)**	**-21.2%**	**24.7%**	**(3,349.9)**	**-21.5%**	**(2,661.4)**	**-22.2%**	**25.9%**

Selling Expenses

Selling expenses totaled R$775.0 million or 16.8% of net revenues in 4Q18, stable YoY. Part of the expenses growth was due to investments in marketing for the acquisition of new customers and investments to improve user experience, including logistics and customer service. In 2018, selling expenses totaled R$2.7 billion, equivalent to 17.6% of net revenue (-10 bps versus 2017).

General and Administrative Expenses

General and administrative expenses came to R$181.4 million or 3.9% of net revenues in 4Q18 (40 bps lower YoY). This dilution reflects sales growth, continuity of the Zero Base Budget (OBZ) and Matrix Expense Management (GMD) programs and the maintenance of the low inflation rate on salary readjustments. In 12M18, general and administrative expenses totaled R$596.1 million or 3.8% of net revenue (70 bps lower YoY).

Provisions for Loan Losses

Provisions for loan losses reached R$16.6 million in 4Q18 and R$59.7 million in 2018.

Other Operating Revenues and Expenses, Net

(in R$ million)	4Q18	% NR	4Q17	% NR	% Chg	12M18	% NR	12M17	% NR	% Chg
Gain on Sale of Assets	0.3	0.0%	(0.1)	0.0%	-358.5%	(0.1)	0.0%	2.9	0.0%	103.1%
Deferred Revenue Recorded	45.5	1.0%	10.7	0.3%	324.8%	76.9	0.5%	42.8	0.4%	79.7%
Provision for Tax Liabilities	(24.0)	-0.5%	(1.9)	-0.1%	1177.7%	(10.3)	-0.1%	(6.1)	-0.1%	69.5%
Non-recurring Expenses	(6.1)	-0.1%	(1.2)	0.0%	408.1%	(13.2)	-0.1%	(3.3)	0.0%	296.5%
Other	(0.0)	0.0%	(0.3)	0.0%	-94.1%	0.1	0.0%	0.2	0.0%	-68.8%
Total	**15.7**	**0.3%**	**7.2**	**0.2%**	**117.7%**	**53.4**	**0.3%**	**36.5**	**0.3%**	**46.3%**

Other net operating revenues and expenses came to R$15.7 million in 4Q18, chiefly due to a deferred revenues allocation of R$45.5 million (including a variable portion due to the achievement of goals established in the contract with Cardiff and Luizaseg), R$24.0 million of provision for tax liabilities and R$6.1 million of non-recurring expenses related to the opening of 41 new stores. In 2018, other net operating revenues and expenses came to R$53.4 million.

Equity Income

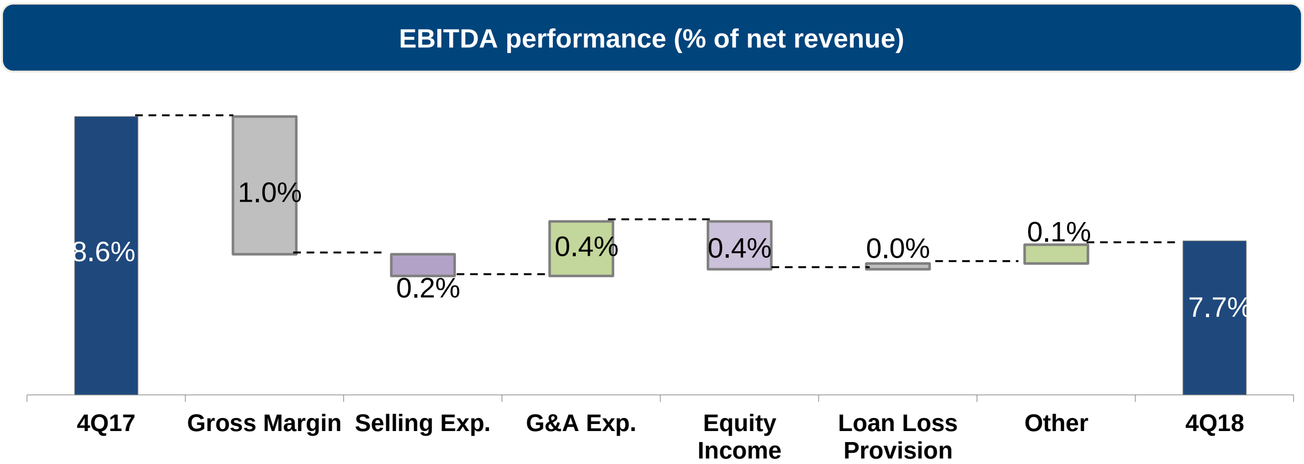
Equity income reached R$14.7 million or 0.3% of net revenue in 4Q18. The main factors that impacted this result were: (i) Luizacred’s performance with equity income of R$7.9 million and (ii) Luizaseg’s performance with equity income of R$6.8 million. In 12M18, equity income reached R$57.8 million.

It is worth highlighting that Luizacred's R$15.7 million result was influenced by growth in the Luiza Card cardholder base as well as an increase in the credit limit. In accordance with IFRS 9, this generated an increase in loan loss provisions this quarter, despite the fact that Luizacred had the lowest level of defaults in its history.

For comparison purposes, the result of Luizacred in BRGAAP was R$46.6 million (ROE of 24.0%) and R$161.4 million in 12M18 (ROE of 22.5%). Considering the same accounting practices, equity income would have been of R$30.1 million in 4Q18 and R$94.7 million in 2018, increasing Magalu´s net income in R$15.4 million and R$36.9 million respectively.

EBITDA

In 4Q18, EBITDA grew 13.0% to R$353.5 million, equivalent to a margin of 7.7%. High sales growth, a positive contribution from e-commerce, and the dilution of operating expenses contributed to the EBITDA growth. In line with Magalu's strategic focus on customer service, additional investments were made to improve service levels and customer acquisition, representing approximately 120 bps of net revenue. In 2018, EBITDA grew 20.8% to R$1.2 billion, equivalent to a margin of 8.0%.



Financial Results

R$ million	4Q18	% NR	4Q17	% NR	% Chg	12M18	% NR	12M17	% NR	% Chg
Financial Expenses	(126.5)	-2.7%	(114.9)	-3.2%	10.0%	(428.6)	-2.7%	(520.9)	-4.3%	-17.7%
Interest on loans and financing	(8.4)	-0.2%	(35.1)	-1.0%	-76.0%	(50.2)	-0.3%	(198.9)	-1.7%	-74.8%
Interest on prepayment of receivables – third party card	(17.0)	-0.4%	(15.8)	-0.4%	7.9%	(72.9)	-0.5%	(105.0)	-0.9%	-30.6%
Interest on prepayment of receivables – Luiza Card	(74.5)	-1.6%	(44.6)	-1.2%	67.1%	(232.6)	-1.5%	(170.0)	-1.4%	36.8%
Other expenses	(26.5)	-0.6%	(19.4)	-0.5%	36.5%	(73.0)	-0.5%	(47.1)	-0.4%	55.1%
Financial Revenues	35.8	0.8%	36.3	1.0%	-1.5%	133.9	0.9%	110.1	0.9%	21.6%
Gains on marketable securities	1.6	0.0%	5.2	0.1%	-69.2%	8.8	0.1%	12.9	0.1%	-32.2%
Other financial revenues	34.2	0.7%	31.1	0.9%	9.8%	125.2	0.8%	97.2	0.8%	28.8%
Total Financial Results	(90.7)	-2.0%	(78.6)	-2.2%	15.4%	(294.7)	-1.9%	(410.8)	-3.4%	-28.3%
Income from securities[1]	3.3	0.1%	21.5	0.6%	-84.8%	18.0	0.1%	52.3	0.4%	-65.6%
Adjusted Net Financial Results	(87.4)	-1.9%	(57.1)	-1.6%	53.2%	(276.7)	-1.8%	(358.6)	-3.0%	-22.8%

Note (1): yields on the exclusive fund, are treated as financial revenue in the Parent Company and as gross revenue in the Consolidated Income Statement, as per the Explanatory Notes of ITR.

In 4Q18, adjusted net financial results came to R$87.4 million. Financial results improved 30 bps as a percentage of net revenue (from 1.6% to 1.9%) due to the accelerated growth of Luiza Card in line with the loyalty strategy of the best customers. This result was positively impacted by the 76.0% reduction in interest on loans and financing and the strong operating cash generation of the Company. In 12M18, adjusted net financial results totaled R$276.7 million, an improvement of 120 bps YoY.

Net Income

In 4Q18, net income came to R$189.6 million, 14.5% growth YoY (net margin of 4.1%) and a ROE of 33% and ROIC of 39%. In 2018, net income rose to R$597.4million (net margin of 3.8%), an increase of 53.6%.

Considering Luizacred´s equity income according to the accounting practices established by the Brazilian Central Bank, Magalu´s net income would have been R$205.1 million in 4Q18 (net margin of 4.4%), 25.3% growth, and R$634.3 million in 2018 (net margin of 4.1%), growing 62.5% YoY.

Working Capital

CONSOLIDATED (R$ million)	LTM	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
(+) Accounts Receivables	810.3	2,051.6	1,657.2	1,507.0	1,410.7	1,241.3
(+) Inventories	840.9	2,810.2	2,106.4	2,110.4	1,937.3	1,969.3
(+) Related Parties	93.4	190.2	157.5	100.8	86.0	96.8
(+) Recoverable Taxes	103.0	303.7	226.7	190.4	191.9	200.7
(+) Other Assets	(28.8)	48.5	71.6	69.9	72.0	77.3
(+) Current Operating Assets	1,818.8	5,404.2	4,219.5	3,978.7	3,697.8	3,585.4
	-					
(-) Suppliers	1,185.7	4,105.2	2,653.1	2,749.5	2,456.9	2,919.5
(-) Payroll, Vacation and Related Charges	22.4	259.0	268.7	208.6	188.8	236.6
(-) Taxes Payable	56.5	141.0	84.9	110.4	91.7	84.5
(-) Related Parties	35.9	125.4	90.3	94.5	82.9	89.5
(-) Taxes in Installments	-	-	-	-	-	-
(-) Deferred Revenue	(2.4)	39.2	39.4	39.7	40.7	41.6
(-) Other Accounts Payable	140.3	406.1	315.2	267.2	255.2	265.8
(-) Current Operating Liabilities	1,438.4	5,075.9	3,451.7	3,469.9	3,116.2	3,637.5
	-					
(=) Working Capital	380.4	328.3	767.8	508.8	581.6	(52.1)
	-					
(-) Credit Card - Third Party Card	672.0	1,492.3	1,120.2	1,018.9	992.5	820.3
(-) Credit Card - Luiza Card	64.3	106.7	98.8	44.3	35.9	42.3
(-) Total Credit Card	736.4	1,599.0	1,219.0	1,063.3	1,028.5	862.6
(=) Working Capital Adjusted	(355.9)	(1,270.7)	(451.1)	(554.5)	(446.9)	(914.7)
% of Gross Revenue (LTM)	-0.3%	-6.7%	-2.6%	-3.3%	-2.9%	-6.4%
	-					
(=) Working Capital	380.4	328.3	767.8	508.8	581.6	(52.1)
(+) Balance of Discounted Receivables	(142.9)	1,385.8	1,539.0	1,648.7	1,564.4	1,528.7
(=) Working Capital Expanded	237.5	1,714.1	2,306.9	2,157.5	2,145.9	1,476.6
% of Gross Revenue (LTM)	-1.2%	9.1%	13.1%	13.0%	14.0%	10.3%

In Dec/18, the adjusted working capital needs were negative R$1.3 billion, contributing to the Company's cash flow generation. Highlights include disciplined inventory management (77 days on average) and purchasing time (92 days on average). In last twelve months, adjusted working capital contributed R$355.9 million to operating cash generation and adjusted net cash.

Capex

CAPEX (in R$ million)	4Q18	%	4Q17	%	%Chg	12M18	%	12M17	%	%Chg
New Stores	31.6	24%	13.8	31%	129%	86.7	24%	39.0	23%	122%
Remodeling	29.5	23%	8.9	20%	232%	54.2	15%	39.8	23%	36%
Technology	20.4	16%	19.9	44%	3%	84.9	23%	76.6	45%	11%
Logistics	41.0	31%	2.2	5%	1739%	88.8	24%	12.3	7%	620%
Other	7.7	6%	0.5	1%	1414%	49.8	14%	3.1	2%	1530%
Total	**130.2**	**100%**	**45.3**	**100%**	**187%**	**364.4**	**100%**	**170.8**	**100%**	**113%**

In 4Q18, investments totaled R$130.2 million. Investments included: the opening of new stores, remodeling and investments in technology and logistics in line with the Company's digital transformation strategy. During this period, the Company inaugurated 41 new stores reaching 100 store openings in 2018.

In 12M18, investments totaled R$364.4, growing 113% YoY.

Capital Structure

CONSOLIDATED (R$ million)	LTM	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
(-) Current Loans and Financing	303.6	(130.7)	(252.4)	(254.5)	(381.4)	(434.3)
(-) Non-current Loans and Financing	112.0	(325.2)	(325.4)	(327.4)	(437.4)	(437.2)
(=) Gross Debt	415.5	(456.0)	(577.8)	(581.9)	(818.8)	(871.5)
(+) Cash and Cash Equivalents	186.4	599.1	419.0	680.5	775.2	412.7
(+) Current Securities	(850.4)	409.1	253.8	182.8	299.3	1,259.6
(+) Non-current Securities	0.2	0.2	-	-	-	-
(+) Total Cash	(663.8)	1,008.4	672.8	863.3	1,074.5	1,672.3
(=) Net Cash	(248.3)	552.4	95.0	281.4	255.7	800.8
(+) Credit Card - Third Party Card	672.0	1,492.3	1,120.2	1,018.9	992.5	820.3
(+) Credit Card - Luiza Card	64.3	106.7	98.8	44.3	35.9	42.3
(+) Total Credit Card	736.4	1,599.0	1,219.0	1,063.3	1,028.5	862.6
(=) Adjusted Net Cash	488.1	2,151.4	1,313.9	1,344.7	1,284.2	1,663.4
Short Term Debt / Total	-21%	29%	44%	44%	47%	50%
Long Term Debt / Total	21%	71%	56%	56%	53%	50%
Adjusted EBITDA (LTM)	224.4	1,258.4	1,212.8	1,181.1	1,103.1	1,034.1
Adjusted Net Cash / Adjusted EBITDA	0.1 x	1.7 x	1.1 x	1.1 x	1.2 x	1.6 x
Cash, Securities and Credit Cards	72.5	2,607.4	1,891.7	1,926.6	2,103.0	2,534.9

In the last 12 months, the Company improved its capital structure by R$488.1 million, from a net cash position of R$1.7 billion in Dec/17 to R$2.2 billion in Dec/18.

The Company ended 4Q18 with a total cash position of R$2.6 billion, with cash and securities worth R$1.0 billion and R$1.6 billion worth of credit card receivables.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R$ million)	4Q18	V.A.	4Q17	V.A.	% Chg	12M18	V.A.	12M17	V.A.	% Chg
Gross Revenue	5,598.5	121.4%	4,322.6	119.3%	29.5%	18,896.5	121.2%	14,321.1	119.5%	31.9%
Taxes and Deductions	(988.0)	-21.4%	(700.8)	-19.3%	41.0%	(3,306.1)	-21.2%	(2,336.9)	-19.5%	41.5%
Net Revenue	4,610.5	100.0%	3,621.8	100.0%	27.3%	15,590.4	100.0%	11,984.3	100.0%	30.1%
Total Costs	(3,314.4)	-71.9%	(2,565.9)	-70.8%	29.2%	(11,053.0)	-70.9%	(8,378.2)	-69.9%	31.9%
Gross Income	1,296.2	28.1%	1,055.9	29.2%	22.8%	4,537.4	29.1%	3,606.0	30.1%	25.8%
Selling Expenses	(775.0)	-16.8%	(602.9)	-16.6%	28.6%	(2,747.4)	-17.6%	(2,120.0)	-17.7%	29.6%
General and Administrative Expenses	(181.4)	-3.9%	(157.4)	-4.3%	15.3%	(596.1)	-3.8%	(536.0)	-4.5%	11.2%
Provisions for Loan Losses	(16.6)	-0.4%	(14.6)	-0.4%	13.8%	(59.7)	-0.4%	(41.9)	-0.3%	42.5%
Other Operating Revenues, Net	15.7	0.3%	7.2	0.2%	117.7%	53.4	0.3%	36.5	0.3%	46.3%
Equity in Subsidiaries	14.7	0.3%	24.5	0.7%	-40.2%	57.8	0.4%	86.2	0.7%	-33.0%
Total Operating Expenses	(942.7)	-20.4%	(743.2)	-20.5%	26.9%	(3,292.2)	-21.1%	(2,575.3)	-21.5%	27.8%
EBITDA	353.5	7.7%	312.7	8.6%	13.0%	1,245.2	8.0%	1,030.8	8.6%	20.8%
Depreciation and Amortization	(41.0)	-0.9%	(37.1)	-1.0%	10.6%	(163.7)	-1.0%	(143.1)	-1.2%	14.4%
EBIT	312.5	6.8%	275.6	7.6%	13.4%	1,081.6	6.9%	887.7	7.4%	21.8%
Financial Results	(90.7)	-2.0%	(78.6)	-2.2%	15.4%	(294.7)	-1.9%	(410.8)	-3.4%	-28.3%
Operating Income	221.8	4.8%	197.0	5.4%	12.6%	786.9	5.0%	476.9	4.0%	65.0%
Income Tax and Social Contribution	(32.1)	-0.7%	(31.4)	-0.9%	2.3%	(189.4)	-1.2%	(87.9)	-0.7%	115.6%
Net Income	189.6	4.1%	165.6	4.6%	14.5%	597.4	3.8%	389.0	3.2%	53.6%

Calculation of EBTIDA

Net Income	189.6	4.1%	165.6	4.6%	14.5%	597.4	3.8%	389.0	3.2%	53.6%
(+/-) Income Tax and Social Contribution	32.1	0.7%	31.4	0.9%	2.3%	189.4	1.2%	87.9	0.7%	115.6%
(+/-) Financial Results	90.7	2.0%	78.6	2.2%	15.4%	294.7	1.9%	410.8	3.4%	-28.3%
(+) Depreciation and Amortization	41.0	0.9%	37.1	1.0%	10.6%	163.7	1.0%	143.1	1.2%	14.4%
EBITDA	353.5	7.7%	312.7	8.6%	13.0%	1,245.2	8.0%	1,030.8	8.6%	20.8%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	353.5	7.7%	312.7	8.6%	-	1,245.2	8.0%	1,030.8	8.6%	-
Non-recurring Expenses	6.1	0.1%	1.2	0.0%	408.1%	13.2	0.1%	3.3	0.0%	296.5%
Adjusted EBITDA	359.6	7.8%	313.9	8.7%	-	1,258.4	8.1%	1,034.1	8.6%	-

Net Income	189.6	4.1%	165.6	4.6%	-	597.4	3.8%	389.0	3.2%	-
Non-recurring Expenses	6.1	0.1%	1.2	0.0%	408.1%	13.2	0.1%	3.3	0.0%	296.5%
Tax Over Non-recurring Expenses	(2.1)	0.0%	(0.4)	0.0%	407.6%	(4.5)	0.0%	(1.1)	0.0%	296.3%
Adjusted Net Income	193.7	4.2%	166.4	4.6%	-	606.1	3.9%	391.2	3.3%	-

* EBITDA (EBITDA - Earnings before Interest, Income Taxes including Social Contribution on Net Income, Depreciation and Amortization) is a non-GAAP measurement prepared by the Company, in accordance with CVM Instruction No. 527 of April 04 October 2012. EBITDA consists of the Company's net income, plus net financial income, income tax and social contribution, and depreciation and amortization costs and expenses.

Adjusted EBITDA consists of adjusted EBITDA for extraordinary expenses. In the case of the adjustment identified above, these expenses refer to pre-operational expenses with the opening of new stores. The Company understands that the disclosure of Adjusted EBITDA is necessary to understand the actual impact value on gross cash generation, excluding extraordinary events. Adjusted EBITDA is not a performance metric adopted by IFRS. The Company's adjusted EBITDA definition may not be comparable to measures with similar securities provided by other companies.

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
CURRENT ASSETS					
Cash and Cash Equivalents	599.1	419.0	680.5	775.2	412.7
Securities	409.1	253.8	182.8	299.3	1,259.6
Accounts Receivable	2,051.6	1,657.2	1,507.0	1,410.7	1,241.3
Inventories	2,810.2	2,106.4	2,110.4	1,937.3	1,969.3
Related Parties	190.2	157.5	100.8	86.0	96.8
Taxes Recoverable	303.7	226.7	190.4	191.9	200.7
Other Assets	48.5	71.6	69.9	72.0	77.3
Total Current Assets	6,412.4	4,892.3	4,841.9	4,772.3	5,257.6
	-	-	-	-	-
NON-CURRENT ASSETS					
Securities	0.2	-	-	-	-
Accounts Receivable	7.6	6.4	7.1	3.3	4.7
Deferred Income Tax and Social Contribution	181.0	176.5	178.3	195.2	223.1
Recoverable Taxes	150.6	165.5	201.8	189.8	166.0
Judicial Deposits	349.2	345.7	342.0	333.9	310.9
Other Assets	34.2	34.3	29.4	29.2	44.4
Investments in Subsidiaries	308.5	294.3	284.5	277.2	311.3
Fixed Assets	754.3	663.3	608.1	565.7	569.0
Intangible Assets	598.8	556.4	545.5	534.7	532.4
Total Non-current Assets	2,384.4	2,242.4	2,196.8	2,128.9	2,161.9
TOTAL ASSETS	8,796.7	7,134.7	7,038.7	6,901.2	7,419.5

LIABILITIES (R$ million)	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
CURRENT LIABILITIES					
Suppliers	4,105.2	2,653.1	2,749.5	2,456.9	2,919.5
Loans and Financing	130.7	252.4	254.5	381.4	434.3
Payroll, Vacation and Related Charges	259.0	268.7	208.6	188.8	236.6
Taxes Payable	141.0	84.9	110.4	91.7	84.5
Related Parties	125.4	90.3	94.5	82.9	89.5
Taxes in Installments	-	-	-	-	-
Deferred Revenue	39.2	39.4	39.7	40.7	41.6
Dividends Payable	182.0	-	-	114.3	64.3
Other Accounts Payable	406.1	315.2	267.2	255.2	265.8
Total Current Liabilities	5,388.6	3,704.1	3,724.4	3,611.9	4,136.0
NON-CURRENT LIABILITIES					
Loans and Financing	325.2	325.4	327.4	437.4	437.2
Provision for Tax, Civil and Labor Risks	387.4	351.7	347.2	343.4	301.5
Deferred Revenue	391.0	439.5	449.3	459.0	468.8
Other Accounts Payable	1.7	1.7	1.9	1.9	1.9
Total Non-current Liabilities	1,105.3	1,118.3	1,125.7	1,241.7	1,209.5
TOTAL LIABILITIES	6,493.9	4,822.4	4,850.1	4,853.6	5,345.5
SHAREHOLDERS' EQUITY					
Capital Stock	1,719.9	1,719.9	1,719.9	1,719.9	1,719.9
Capital Reserve	52.2	47.3	47.3	39.3	37.1
Treasury Shares	(87.0)	(67.8)	(73.4)	(65.7)	(14.0)
Legal Reserve	65.6	39.9	39.9	39.9	39.9
Profit Retention Reserve	546.9	161.9	161.9	161.9	288.4
Other Comprehensive Income	5.3	3.3	4.7	4.9	2.7
Accumulated Losses	-	407.8	288.2	147.5	-
Total Shareholders' Equity	2,302.9	2,312.3	2,188.6	2,047.6	2,074.0
TOTAL	8,796.7	7,134.7	7,038.7	6,901.2	7,419.5

ANNEX III
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R$ million)	4Q18	4Q17	12M18	12M17
Net Income	**189.6**	**165.6**	**597.4**	**389.0**
Effect of Income Tax and Social Contribution Net of Payment	11.7	17.7	88.8	56.1
Depreciation and Amortization	41.0	37.1	163.7	143.1
Interest Accrued on Loans	9.6	31.6	49.7	180.8
Equity Income	(14.7)	(24.5)	(57.8)	(86.2)
Dividends Received	15.6	17.7	31.4	58.9
Provision for Losses on Inventories and Receivables	15.9	0.9	130.6	88.6
Provision for Tax, Civil and Labor Contingencies	34.6	17.3	95.1	45.3
Gain on Sale of Fixed Assets	(0.3)	0.1	0.1	(2.9)
Recognition of Deferred Income	(45.5)	(10.7)	(76.9)	(42.8)
Stock Option Expenses	5.6	1.3	17.7	5.6
Other	0.0	0.0	0.0	0.0
Adjusted Net Income	**263.3**	**254.0**	**1,039.7**	**835.4**
Trade Accounts Receivable	(46.8)	(109.6)	(253.5)	(169.9)
Inventories	(693.3)	(407.6)	(883.0)	(408.7)
Taxes Recoverable	(60.4)	(9.5)	(85.9)	73.2
Other Receivables	9.3	13.7	(25.4)	(41.1)
Changes in Operating Assets	**(791.2)**	**(513.0)**	**(1,247.8)**	**(546.5)**
Trade Accounts Payable	1,451.6	799.4	1,185.1	554.6
Other Payables	102.0	118.5	146.7	196.6
Change in Operating Liabilities	**1,553.6**	**917.9**	**1,331.8**	**751.2**
Cash Flow from Operating Activities	**1,025.8**	**658.9**	**1,123.7**	**1,040.2**
Additions of Fixed and Intangible Assets	(130.2)	(45.3)	(364.4)	(170.8)
Cash on Sale of Fixed Assets	0.0	0.0	0.0	3.2
Sale of Exclusive Dealing and Exploration Right Contract	0.0	0.0	0.0	0.0
Renegotiation Payment of Exclusive Contract	0.0	0.0	0.0	0.0
Investment in Subsidiary	3.5	0.0	0.3	(1.0)
Capital Increase in Affiliated Company	(30.0)	0.0	(30.0)	0.0
Cash Flow from Investing Activities	**(156.7)**	**(45.3)**	**(394.1)**	**(168.7)**
Loans and Financing	0.0	0.0	0.0	502.6
Repayment of Loans and Financing	(127.7)	(727.0)	(412.6)	(1,434.1)
Changes in Other Financial Assets (Hedge)	0.0	1.1	(1.4)	(12.5)
Payment of Interest on Loans and Financing	(5.7)	(41.1)	(53.2)	(214.0)
Payment of Dividends	0.0	(10.7)	(114.3)	(32.4)
Treasury Shares	(20.0)	7.5	(75.7)	27.2
Proceeds from the Secondary Equity Offering	0.0	1,144.0	0.0	1,144.0
Payment of expenses with the Secondary Equity Offering	0.0	(30.6)	0.0	(30.6)
Cash Flow from Financing Activities	**(153.4)**	**343.1**	**(657.1)**	**(49.8)**
Cash, Cash Equivalents and Securities at Beginning of Period	1,891.7	1,578.2	2,534.9	1,713.1
Cash, Cash Equivalents and Securities at end of Period	2,607.4	2,534.9	2,607.4	2,534.9
Change in Cash and Cash equivalents	**715.7**	**956.7**	**72.5**	**821.7**

Note: The difference between the Statement of Cash Flows and the Adjusted Statement of Cash Flows derives from:
(i) the accounting treatment of marketable securities as cash and cash equivalents.
(ii) the accounting treatment of credit card receivables as cash and cash equivalents.

ANNEX IV
RETURN ON INVESTED CAPITAL (ROIC) AND ON EQUITY (ROE)

INVESTED CAPITAL (R$ million)	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
(=) Working Capital	328.3	767.8	508.8	581.6	(52.1)
(+) Accounts Receivable	7.6	6.4	7.1	3.3	4.7
(+) Income Tax and Social Contribution deferred	181.0	176.5	178.3	195.2	223.1
(+) Taxes Recoverable	150.6	165.5	201.8	189.8	166.0
(+) Judicial Deposits	349.2	345.7	342.0	333.9	310.9
(+) Other Assets	34.2	34.3	29.4	29.2	44.4
(+) Investment In Joint Subsidiaries	308.5	294.3	284.5	277.2	311.3
(+) Fixed Assets	754.3	663.3	608.1	565.7	569.0
(+) Intangible Assets	598.8	556.4	545.5	534.7	532.4
(+) Non Current Assets	2,384.1	2,242.4	2,196.8	2,128.9	2,161.9
(-) Provision for Contingencies	387.4	351.7	347.2	343.4	301.5
(-) Deferred Revenue	391.0	439.5	449.3	459.0	468.8
(-) Other Accounts Payable	1.7	1.7	1.9	1.9	1.9
(-) Noncurrent operating liabilities	780.0	792.9	798.4	804.4	772.3
(=) Fixed Capital	1,604.1	1,449.5	1,398.4	1,324.5	1,389.6
(=) Total Invested Capital	1,932.4	2,217.4	1,907.2	1,906.1	1,337.5
(+) Net Debt	(552.4)	(95.0)	(281.4)	(255.7)	(800.8)
(+) Dividends Payable	182.0	-	-	114.3	64.3
(+) Shareholders Equity	2,302.9	2,312.3	2,188.6	2,047.6	2,074.0
(=) Total Financing	1,932.4	2,217.4	1,907.2	1,906.1	1,337.5
		-	-	-	-
	-	-	-	-	-

FINANCIAL EXPENSES RECONCILIATION (R$MM)	4Q18	3Q18	2Q18	1Q18	4Q17
Financial Income	35.8	34.9	39.5	23.8	36.3
Financial Expenses	(126.5)	(106.5)	(112.1)	(83.5)	(114.9)
Net Financial Expenses	(90.7)	(71.7)	(72.6)	(59.8)	(78.6)
Interest on prepayment of receivables: Luiza Card and third party card	91.5	75.1	79.7	59.1	60.4
Adjusted Financial Expenses	0.8	3.5	7.1	(0.7)	(18.2)
Taxes on Adjusted Financial Expenses	(0.3)	(1.2)	(2.4)	0.2	6.2
Net Adjusted Financial Expenses	0.6	2.3	4.7	(0.5)	(12.0)

NOPLAT AND ROIC/ROE RECONCILIATION(R$MM)	4Q18	3Q18	2Q18	1Q18	4Q17
EBITDA	353.5	278.9	312.4	300.5	312.7
Interest on prepayment of receivables: Luiza Card and third party card	(91.5)	(75.1)	(79.7)	(59.1)	(60.4)
Depreciation	(41.0)	(46.3)	(39.1)	(37.2)	(37.1)
Current and deferred taxes	(32.1)	(41.3)	(60.0)	(56.0)	(31.4)
Taxes on Adjusted Financial Expenses	0.3	1.2	2.4	(0.2)	(6.2)
Net Operating Income (NOPLAT)	189.1	117.3	136.1	147.9	177.7
Invested Capital	1,932.4	2,217.4	1,907.2	1,906.1	1,337.5
ROIC Annualized	39%	21%	29%	31%	53%
Net Income	189.6	119.6	140.7	147.5	165.6
Shareholders Equity	2,302.9	2,312.3	2,188.6	2,047.6	2,074.0
ROE Annualized	33%	21%	26%	29%	32%

ANNEX V
BREAKDOWN OF TOTAL SALES AND NUMBER OF STORES PER CHANNEL

Breakdown of Total Sales (R$ million)	4Q18	V.A.	4Q17	V.A.	Growth Total
Virtual Stores	277.1	4.7%	213.5	4.8%	29.8%
Conventional Stores	3,425.3	57.6%	2,768.2	62.8%	23.7%
Subtotal - Physical Stores	3,702.4	62.3%	2,981.7	67.7%	24.2%
Traditional E-commerce (1P)	1,873.9	31.5%	1,303.0	29.6%	43.8%
Marketplace (3P)	366.0	6.2%	120.1	2.7%	204.8%
Subtotal - Total E-commerce	2,239.9	37.7%	1,423.1	32.3%	57.4%
Total Sales	**5,942.3**	100.0%	**4,404.9**	100.0%	34.9%
Other Revenue[1]	3.3	-	21.5	-	-84.8%
Marketplace (3P)	(366.0)	-	(120.1)	-	204.8%
Gross Revenue - Retail	**5,579.6**	-	**4,306.3**	-	29.6%

Breakdown of Total Sales (R$ million)	12M18	V.A.	12M17	V.A.	Growth Total
Virtual Stores	908.8	4.6%	687.8	4.8%	32.1%
Conventional Stores	11,733.7	59.7%	9,364.7	64.9%	25.3%
Subtotal - Physical Stores	12,642.6	64.3%	10,052.5	69.6%	25.8%
Traditional E-commerce (1P)	6,170.2	31.4%	4,157.7	28.8%	48.4%
Marketplace (3P)	855.1	4.3%	230.0	1.6%	271.7%
Subtotal - Total E-commerce	7,025.3	35.7%	4,387.8	30.4%	60.1%
Total Sales	**19,667.8**	100.0%	**14,440.3**	100.0%	36.2%
Other Revenue[1]	18.0	-	52.3	-	-65.6%
Marketplace (3P)	(855.1)	-	(230.0)	-	271.7%
Gross Revenue - Retail	**18,830.7**	-	**14,262.5**	-	32.0%

Number of stores per channel – End of the period	Dec-18	Part(%)	Dec-17	Part(%)	Growth Total
Virtual Stores	162	17.0%	141	16.4%	21
Conventional Stores	791	82.9%	716	83.4%	75
Subtotal - Physical Stores	953	99.9%	857	99.9%	96
Ecommerce	1	0.1%	1	0.1%	-
Total	**954**	100.0%	**858**	100.0%	96
Total Sales Area (m²)	572,394	100%	525,981	100%	8.8%

[1] The other revenue refers to the exclusive fund.

ANNEX VI
LUIZACRED

Operating Indicators

Luizacred is a joint venture between Magazine Luiza and Itaú Unibanco, responsible for financing a substantial percentage of the Company’s credit sales. Magalu´s main roles and responsibilities include sales, employee management and customer service, while Itaú Unibanco is responsible for funding Luizacred, drafting the credit and collections policies and managing back office activities, such as accounting and treasury.

In 4Q18, Luizacred's total card base grew 281,000 units, reaching 4.3 million cards issued (+ 25.6% *versus* Dec/17). In-store sales to Luiza Card customers, distinguished by their loyalty and higher purchase frequency, increased by 45.2% in 4Q18. Direct Credit to Consumer (DCC) revenues reached R$57 million.

Luizacred's credit portfolio, including credit card, DCC and individual loans, reached R$8.4 billion at the end of 4Q18, an increase of 46.7% over 4Q17. Luiza Card's portfolio grew 48.2% to R$8.1 billion, while the DCC portfolio rose 14.3% to R$227.0 million, in line with Luizacred's strategy to focus on the Luiza Card.

LUIZACRED – Key Indicators (R$ million)	4Q18	4Q17	% Chg	12M18	12M17	% Chg
Total Card Base (thousand)	4,253	3,387	25.6%	4,253	3,387	25.6%
Luiza Card Sales – In-store	1,609	1,108	45.2%	5,194	3,374	53.9%
Luiza Card Sales – Outside Magazine Luiza	4,558	3,339	36.5%	15,059	11,389	32.2%
Subtotal - Luiza Card	**6,167**	**4,447**	**38.7%**	**20,253**	**14,763**	**37.2%**
DCC Sales	57	54	4.6%	258	252	2.2%
Consumer Loans Sales	12	14	-17.9%	55	61	-9.9%
Luizacred Sales - Total	**6,235**	**4,516**	**38.1%**	**20,566**	**15,076**	**36.4%**
Card Portfolio	8,149	5,500	48.2%	8,149	5,500	48.2%
DCC Portfolio	227	198	14.3%	227	198	14.3%
Consumer Loans Portfolio	31	31	-2.5%	31	31	-2.5%
Portfolio	**8,406**	**5,730**	**46.7%**	**8,406**	**5,730**	**46.7%**

The granting of credit at Luizacred follows strict criteria established by Itaú Unibanco’s Credit Modeling and Policies area which uses proprietary statistics models based on the Risk Adjusted Return on Capital (RAROC) model.

Income Statement in IFRS

LUIZACRED – Income (R$ million)	4Q18	V.A.	4Q17	V.A.	% Chg	12M18	V.A.	12M17	V.A.	% Chg
Financial Intermediation Revenue	348.2	100.0%	262.6	100.0%	32.6%	1,242.3	100.0%	1,085.8	100.0%	14.4%
Cards	305.9	87.8%	222.0	84.5%	37.8%	1,084.6	87.3%	899.9	82.9%	20.5%
DCC	33.4	9.6%	31.0	11.8%	7.8%	118.8	9.6%	145.0	13.3%	-18.0%
Consumer Loans	9.0	2.6%	9.6	3.7%	-6.6%	38.9	3.1%	40.9	3.8%	-4.9%
Financial Intermediation Expenses	(285.8)	-82.1%	(144.5)	-55.0%	97.7%	(906.2)	-72.9%	(610.5)	-56.2%	48.4%
Market Funding Operations	(52.0)	-14.9%	(38.8)	-14.8%	34.0%	(183.2)	-14.7%	(183.6)	-16.9%	-0.3%
Provision for Loan Losses	(233.8)	-67.1%	(105.8)	-40.3%	121.1%	(723.0)	-58.2%	(426.9)	-39.3%	69.4%
Gross Financial Intermediation Income	62.5	17.9%	118.1	45.0%	-47.1%	336.1	27.1%	475.3	43.8%	-29.3%
Other Operating Revenues (Expenses)	(30.1)	-8.6%	(84.7)	-32.3%	-64.5%	(158.6)	-12.8%	(259.2)	-23.9%	-38.8%
Service Revenue	190.4	54.7%	136.4	51.9%	39.6%	645.1	51.9%	482.9	44.5%	33.6%
Personnel Expenses	(7.8)	-2.2%	(1.6)	-0.6%	381.2%	(25.2)	-2.0%	(5.0)	-0.5%	406.7%
Other Administrative Expenses	(171.7)	-49.3%	(186.0)	-70.8%	-7.7%	(629.2)	-50.6%	(614.1)	-56.6%	2.5%
Depreciation and Amortization	(3.0)	-0.8%	(3.0)	-1.1%	-0.8%	(11.9)	-1.0%	(11.9)	-1.1%	-0.6%
Tax Expenses	(29.5)	-8.5%	(24.9)	-9.5%	18.5%	(103.7)	-8.3%	(87.1)	-8.0%	19.0%
Other Operating Revenues (Expenses)	(8.5)	-2.4%	(5.6)	-2.1%	53%	(33.8)	-2.7%	(24.0)	-2.2%	40.7%
Income Before Tax	32.4	9.3%	33.4	12.7%	-3.0%	177.5	14.3%	216.1	19.9%	-17.9%
Income Tax and Social Contribution	(16.7)	-4.8%	4.6	1.8%	-458.4%	(89.8)	-7.2%	(78.6)	-7.2%	14.3%
Net Income	15.7	4.5%	38.0	14.5%	-58.7%	87.6	7.1%	137.5	12.7%	-36.3%

Income Statement in compliance with accounting practices established by the Brazilian Central Bank

LUIZACRED – Income (R$ million)	4Q18	V.A.	4Q17	V.A.	% Chg	12M18	V.A.	12M17	V.A.	% Chg
Financial Intermediation Revenue	348.2	100.0%	262.6	100.0%	32.6%	1,242.3	100.0%	1,085.8	100.0%	14.4%
Cards	305.9	87.8%	222.0	84.5%	37.8%	1,084.6	87.3%	899.9	82.9%	20.5%
DCC	33.4	9.6%	31.0	11.8%	7.8%	118.8	9.6%	145.0	13.3%	-18.0%
Consumer Loans	9.0	2.6%	9.6	3.7%	-6.6%	38.9	3.1%	40.9	3.8%	-4.9%
Financial Intermediation Expenses	(247.6)	-71.1%	(151.4)	-57.7%	63.6%	(790.0)	-63.6%	(605.7)	-55.8%	30.4%
Market Funding Operations	(52.0)	-14.9%	(38.8)	-14.8%	34.0%	(183.2)	-14.7%	(183.6)	-16.9%	-0.3%
Provision for Loan Losses	(195.6)	-56.2%	(112.6)	-42.9%	73.7%	(606.9)	-48.8%	(422.1)	-38.9%	43.8%
Gross Financial Intermediation Income	100.6	28.9%	111.2	42.3%	-9.5%	452.3	36.4%	480.1	44.2%	-5.8%
Other Operating Revenues (Expenses)	(30.1)	-8.6%	(84.7)	-32.3%	-64.5%	(158.6)	-12.8%	(259.2)	-23.9%	-38.8%
Service Revenue	190.4	54.7%	136.4	51.9%	39.6%	645.1	51.9%	482.9	44.5%	33.6%
Personnel Expenses	(7.8)	-2.2%	(1.6)	-0.6%	381.2%	(25.2)	-2.0%	(5.0)	-0.5%	406.7%
Other Administrative Expenses	(171.7)	-49.3%	(186.0)	-70.8%	-7.7%	(629.2)	-50.6%	(614.1)	-56.6%	2.5%
Depreciation and Amortization	(3.0)	-0.8%	(3.0)	-1.1%	-0.8%	(11.9)	-1.0%	(11.9)	-1.1%	-0.6%
Tax Expenses	(29.5)	-8.5%	(24.9)	-9.5%	18.5%	(103.7)	-8.3%	(87.1)	-8.0%	19.0%
Other Operating Revenues (Expenses)	(8.5)	-2.4%	(5.6)	-2.1%	53%	(33.8)	-2.7%	(24.0)	-2.2%	40.7%
Income Before Tax	70.5	20.3%	26.5	10.1%	166.3%	293.7	23.6%	220.9	20.3%	32.9%
Income Tax and Social Contribution	(23.9)	-6.9%	7.7	2.9%	-409.5%	(132.2)	-10.6%	(80.8)	-7.4%	63.7%
Net Income	46.6	13.4%	34.2	13.0%	36.2%	161.4	13.0%	140.2	12.9%	15.2%

Comparative: IFRS x Brazilian Central Bank

R$ milhões	4Q18	V.A.	4Q17	V.A.	% Chg	12M18	V.A.	12M17	V.A.	% Chg
Provision for Loan Losses	38.2	11.0%	(6.9)	-2.6%	-	116.2	9.4%	4.8	0.4%	-
Income Tax and Social Contribution	(7.3)	-2.1%	3.1	1.2%	-	(42.4)	-3.4%	(2.2)	-0.2%	-
Net Income	30.9	8.9%	(3.8)	-1.4%	-	73.8	5.9%	2.6	0.2%	-

Revenue from Financial Intermediation

Revenues from financial intermediation grew 32.6% in 4Q18 to R$348.2 million mainly due to the increase in sales from Luiza Card inside and outside Magalu stores.

Provision for Loan Losses

Loan loss indicators continue to improve. The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 2.7% of the total portfolio in Dec/18, falling 10 bps from Dec/17, due to a more conservative credit policy.

Similarly, the loan portfolio overdue by more than 90 days (NPL 90) reached only 7.2% of the total portfolio in Dec/18 versus 7.4% in Dec/17 (-20 bps).

Net provision expenses represented 2.8% of the total portfolio in 4Q18, an increase from the 1.8% level in 4Q17, due to the adoption of IFRS 9 in 2018. The increase in loan provisions was driven by the growth of the card base and an increase in the credit limit available to customers. It is worth noting that the portfolio's coverage ratio under IFRS regulations increased from 130% in Dec/17 to 187% in Dec/18.

CARTEIRA - VISÃO ATRASO	dez/18		set/18		jun/18		mar/18		dez/17	
000 a 014 dias	7,568	90.0%	6,525	89.8%	5,956	89.9%	5,324	89.5%	5,147	89.8%
015 a 030 dias	63	0.8%	54	0.7%	56	0.8%	62	1.0%	45	0.8%
031 a 060 dias	69	0.8%	63	0.9%	61	0.9%	64	1.1%	49	0.9%
061 a 090 dias	98	1.2%	85	1.2%	82	1.2%	76	1.3%	65	1.1%
091 a 120 dias	96	1.1%	92	1.3%	69	1.0%	55	0.9%	58	1.0%
121 a 150 dias	82	1.0%	74	1.0%	74	1.1%	57	1.0%	53	0.9%
151 a 180 dias	74	0.9%	68	0.9%	64	1.0%	54	0.9%	50	0.9%
180 a 360 dias	356	4.2%	303	4.2%	261	3.9%	258	4.3%	263	4.6%
Carteira de Crédito (R$ milhões)	8,406	100.0%	7,265	100.0%	6,624	100.0%	5,949	100.0%	5,730	100.0%
Expectativa de Recebimento de Carteira Vencida acima 360 dias	111		109		108		116		-	
Carteira Total em IFRS 9 (R$ milhões)	8,517		7,374		6,732		6,065		-	
Atraso de 15 a 90 Dias	231	2.7%	203	2.8%	199	3.0%	201	3.4%	159	2.8%
Atraso Maior 90 Dias	608	7.2%	537	7.4%	468	7.1%	423	7.1%	423	7.4%
Atraso Total	839	10.0%	740	10.2%	667	10.1%	625	10.5%	583	10.2%
PDD sobre Carteira de Crédito	924		782		703		659		552	
PDD sobre Limite Disponível	211		234		232		213		-	
PDD Total em IFRS 9	1,135		1,016		935		872		552	
Índice de Cobertura da Carteira	152%		146%		150%		156%		130%	
Índice de Cobertura Total	187%		189%		200%		206%		130%	

Note: in order to facilitate comparability and analysis of NPL performance, the Company now discloses the breakdown of the portfolio by arrears criterion, while it continues disclosing the portfolio breakdown by risk level to the Central Bank.

Financial Intermediation Gross Results

Gross margin from financial intermediation totaled 17.9% in 4Q18 (-2,710 bps YoY), mainly due to the adoption of IFRS 9 on loan loss provision. In 2018, gross margin from financial intermediation totaled 27.1%, a reduction of 1,670 bps YoY.

Other Operating Revenues (Expenses)

Other operating expenses totaled R$30.1 million in 4Q18, a reduction of 64.5% YoY, mainly due to productivity gains and service revenue growth of 39.6%. In 12M18, other operating expenses totaled R$158.6 million, a reduction of 38.8% YoY.

Operating Income and Net Income

In 4Q18, Luizacred recorded operating income of R$32.4 million, equivalent to 9.3% of financial intermediation (-340 bps YoY). In 2018, operating income reached R$177.5 million.

In 4Q18, Luizacred's net income reached R$15.7 million (ROE of 11%). In 12M18, net income totaled R$87.6 million (ROE of 16%).

In compliance with accounting practices established by the Brazilian Central Bank, considering the minimum provisions by Law 2682, Luizacred's net income totaled R$46.6 million in 4Q18, with ROE of 24%. In 2018, net income totaled R$161.4 million, with a ROE of 23%.

The difference in provisions between companies in BRGAAP and IFRS 9 was R$38.2 million in 4Q18 and R$116.2 million in 2018, reflecting net income of R$30.9 million and R$73.8 million, respectively.

Shareholders' Equity

In compliance with the same practices, Luizacred posted a shareholders' equity of R$808.9 million in dec/18. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred's shareholders' equity for the purposes of Magazine Luiza's financial statements came to R$576.5 million.

EARNINGS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous translation)

February 22, 2019 (Friday)
11:00 am – Brasília time
9:00 am – USA time (EST)

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

Webcast Portuguese

Participants from the US or other countries:
Dial in #: +1 (646) 828 8246
CODE: Magazine Luiza
Link de webcast:

Webcast English

Replay (available for 7 days):
Dial in # from Brazil: +55 (11) 3193-1012
Identification Code: 8339893#

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About Magazine Luiza

Magazine Luiza, or Magalu, is a technology and logistics company focused on the retail sector. From its humble origins as a traditional retailer providing electronics and home appliances to Brazil's rising middle class, the company has since transformed into a technology powerhouse providing a wide array of products to Brazilians of all classes. Magalu has one of the largest geographic footprints with twelve distribution centers serving a network of over 950 stores encompassing over 75% of Brazil's GDP. At the heart of the company's success is an omnichannel retail platform capable of reaching customers via mobile app, web and physical stores. A large part of the company's success is attributable to its in-house development team, Luizalabs, which consists of more than 750 engineers and product development specialists. Among other things, engineers from Luizalabs use technologies such as big data and machine learning to create logistics, fintech and inventory apps which remove friction from the retail process, improving margins, delivery times and customer experience. The company has been at the forefront of e-commerce adoption in Latin America and its profitable e- commerce operation currently accounts for over 37% of total sales. Magazine Luiza has also been a logistics pioneer. The company's integrated online and offline logistics operations enable it to leverage its physical presence to radically reduce delivery times and costs in a sustainable way. The result is the fastest, lowest cost logistics network in Brazil.

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