Magazine Luiza S.A.

Interim financial information for the quarter ended March 31, 2017

KPDS 189673

Contents

KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500, Fax +55 (11) 3940-1501
www.kpmg.com.br

Independent Auditors' Review Report

To the Shareholders, Counselors and Directors of
Magazine Luiza S.A.
Franca - SP

Introduction

We have reviewed the accompanying individual and consolidated balance sheets of Magazine Luiza S.A. (the "Company", included in the quarterly information form - ITR as at March 31, 2017, the individual and consolidated statements of income and other comprehensive income,changes in shareholders' equity and cash flows for the three-month period then ended, and notes, comprising significant accounting policies and other explanatory information.

Management of the Company is responsible for the preparation and fair presentation of these interim financial information in accordance with CPC 21(R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Review Standards (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on auditing standards and, consequentely does not enable us to obtain assurance that we would become aware of all significant matters that would have been identified in an audit. Accordinly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial informatoin do not present fairly, in all material respects, the financial position of the Company as at March 31, 2017 and its financial performance and its cash flows for the three-month period then ended in accordance with CPC 21(R1) and IAS 34, issued by the IASB applicable to the preparation of Quarterly Reviews - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of a matter - Restatement of interim financial statements

On May 4, 2017 we issued an unmodified review report on the individual and consolidated interim financial information included in the quarterly information form - ITR as at March 31, 2017, which is being restated. As described in Note 2.2 (i), this interim financial information has been modified and is being restated to reflect the matter related to the unrealized profits on intermediation revenues on sales of extended warranties to the joint venture Luizaseg Seguros S.A. Accordingly, our conclusion considers the modifications and replaces the previously issued conclusion. Our conclusion does not contain modification related to this matter.

Other matters - Interim statements of value added

The individual and consolidated interim financial information related to the statement of value added for the three-month period ended March 31, 2017, prepared under the responsibility of the Company's management, presented as supplementary information for the purpose of IAS 34, was subject to the same review procedures performed jointly with the review of the quarterly information - ITR of the Company. To prepare our conclusion we evaluated whether these statements are reconciled with the interim financial information and accounting registers, as applicable, and whether the form and contents are in accordance with the criteria defined under Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information, taken as a whole.

Other matters - Corresponding values

The audit of the individual and consolidated balance sheet, as at December 31, 2016, was conducted under the responsibility of other independent auditors who reissued an unqualified audit report dated May 30, 2017 to reflect the matter related to the unrealized profits on intermediation revenues on sales of extended warranties to the joint venture Luizaseg Seguros S.A., as described in note 2.2. (i). The review of the individual and consolidated interim financial information, statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2016, prepared originally before the adjustment to the individual statement of cash flows described under Note 2.2. (ii), were conducted under the responsibility of independent auditors who issued an unqualified review report dated May 4, 2016. As part of our review of the interim financial information for the quarter ended March 31, 2017, we reviewed the adjustments in the corresponding amounts of the individual statements of cash flows for the quarter ended March 31, 2016 and we are not aware of any fact that could lead us to believe that such adjustments were not made, in all relevant respects, in an appropriate manner. We were not engaged to audit, review or apply any procedures on the information related to the balance sheet as at December 31, 2016 or to interim financial information related to the quarter ended March 31, 2016 and, accordingly, we do not express any opinion or any form of assurance over these, taken as a whole.

The amounts reported in the individual and consolidated statement of value added for the three-month period ended March 31, 2016, were subject to the same review procedures by those independent auditors and based on their review, those auditors issued a report informing that nothing had come to their attention that caused them to believe that the accompanying statement of value added had not been prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 30, 2017

KPMG Auditores Independentes
CRC 2SP014428/O-6
Marcelo Pereira Gonçalves
Accountant CRC 1SP220026/O-3

Magazine Luiza S.A.

Balance sheet as at March 31, 2017 and December 31, 2016

(In thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
ASSETS	**Notes**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
		Restated	Restated	Restated	Restated
CURRENT					
Cash and cash equivalents	5	**222,777**	562,728	**255,085**	599,141
Securities and other financial assets	6 and 27	**521,375**	818,984	**521,375**	818,984
Accounts receivable	7	**576,925**	575,334	**578,848**	581,001
Inventory	8	**1,445,475**	1,587,299	**1,454,088**	1,596,743
Receivables from related parties	9	**57,746**	66,296	**56,840**	64,021
Recoverable taxes	10	**193,727**	210,657	**195,472**	212,151
Other assets		**65,014**	47,013	**66,075**	47,802
Total current assets		**3,083,039**	3,868,311	**3,127,783**	3,919,843
NONCURRENT					
Securities and other financial assets	6 and 27	-	171	**-**	171
Accounts receivable	7	**3,054**	3,570	**3,054**	3,570
Recoverable taxes	10	**191,804**	223,604	**191,804**	223,604
Deferred income tax and social contribution	11	**236,448**	241,089	**237,989**	242,010
Escrow deposits	19	**292,743**	292,187	**292,745**	292,189
Other assets		**37,649**	49,671	**40,169**	52,273
Equity-accounted investees	12	**68,197**	67,022	**-**	-
Investments in joint ventures	13	**304,898**	293,830	**304,898**	293,830
Property and equipment	14	**556,983**	559,320	**557,974**	560,067
Intangible assets	15	**473,673**	469,724	**516,916**	513,049
Total noncurrent assets		**2,165,449**	2,200,188	**2,145,549**	2,180,763
TOTAL ASSETS		**5,248,488**	6,068,499	**5,273,332**	6,100,606

The accompanying notes are an integral part of these interim financial information.

Magazine Luiza S.A.

Balance sheet as at March 31, 2017 and December 31, 2016

(In thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
LIABILITIES AND SHAREHODERS' EQUITY	**Notes**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
CURRENT		Restated	Restated	Restated	Restated
Suppliers	16	**1,755,411**	2,353,473	**1,762,378**	2,364,959
Loans, financing and other financial liabilities	17	**688,176**	837,878	**688,280**	838,016
Payroll, vacation pay and related charges		**185,262**	184,789	**188,144**	188,390
Taxes payable		**35,175**	38,613	**36,551**	40,132
Accounts payable to related parties	9	**56,242**	72,923	**56,277**	72,955
Deferred income	18	**40,318**	40,318	**40,318**	40,318
Dividends payable		**12,335**	12,335	**12,335**	12,335
Other accounts payable		**126,088**	111,615	**128,779**	115,321
Total current liabilities		**2,899,007**	3,651,944	**2,913,062**	3,672,426
NONCURRENT					
Loans, financing and other financial liabilities	17	**889,890**	1,010,760	**889,890**	1,010,760
Provision for tax, civil and labor risks	19	**278,136**	275,054	**286,454**	284,126
Deferred income	18	**499,075**	509,155	**499,075**	509,155
Other accounts payable		**-**	-	**2,471**	2,553
Total noncurrent liabilities		**1,667,101**	1,794,969	**1,677,890**	1,806,594
TOTAL LIABILITIES		**4,566,108**	5,446,913	**4,590,952**	5,479,020
SHAREHOLDERS' EQUITY	20				
Capital		**606,505**	606,505	**606,505**	606,505
Capital reserve		**20,146**	19,030	**20,146**	19,030
Treasury shares		**(28,729)**	(28,729)	**(28,729)**	(28,729)
Legal reserve		**20,471**	20,471	**20,471**	20,471
Retained earnings		3,107	3,107	3,107	3,107
Equity valuation adjustment		**2,317**	1,202	**2,317**	1,202
Net income		**58,563**	-	**58,563**	-
Total shareholders' equity		**682,380**	621,586	**682,380**	621,586
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,248,488**	6,068,499	**5,273,332**	6,100,606

The accompanying notes are an integral part of these interim financial information.

Magazine Luiza S.A.

Statement of income

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
	Notes	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**
NET REVENUE FROM SALES	21	**2,768,159**	2,232,440	**2,806,925**	2,263,474
COST OF GOODS RESOLD AND SERVICES RENDERED	22	**(1,961,053)**	(1,571,042)	**(1,974,478)**	(1,579,910)
GROSS PROFIT		**807,106**	661,398	**832,447**	683,564
OPERATING INCOME (EXPENSES)					
Selling expenses	23	**(504,011)**	(424,308)	**(508,587)**	(426,777)
General and administrative	23	**(113,137)**	(103,319)	**(120,119)**	(111,063)
Loss from allowance for doubtful accounts		**(5,592)**	(7,715)	**(5,598)**	(7,715)
Depreciation and amortization	14 and 15	**(34,259)**	(30,742)	**(34,435)**	(30,895)
Share of profit of equity-accounted investees	12 and 13	**24,554**	17,408	**23,379**	14,685
Other operating income (expenses), net	23 and 24	**9,479**	(9,559)	**10,365**	(8,579)
		(622,966)	(558,235)	**(634,995)**	(570,344)
OPERATING INCOME BEFORE FINANCIAL INCOME		**184,140**	103,163	**197,452**	113,220
Financial income		**36,105**	37,524	**23,523**	28,613
Financial expenses		**(153,390)**	(142,171)	**(153,938)**	(142,544)
NET FINANCIAL LOSS	25	**(117,285)**	(104,647)	**(130,415)**	(113,931)
OPERATING INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		**66,855**	(1,484)	**67,037**	(711)
Current and deferred income tax and social contribution	11	**(8,292)**	6,738	**(8,474)**	5,965
NET INCOME FOR THE PERIOD		**58,563**	5,254	**58,563**	5,254
Allocated to:					
Controlling shareholders		**58,563**	5,254	**58,563**	5,254
EARNINGS PER SHARE					
Basic (Reais per share)	20	**2.753**	0.239	**2.753**	0.239
Diluted (Reais per share)	20	**2.748**	0.239	**2.748**	0.239

The accompanying notes are an integral part of these interim financial information.

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Statement of comprehensive income

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

	Parent Company and Consolidated	
	3/31/2017	**3/31/2016**
Net income	**58,563**	**5,254**
Other comprehensive income to be reclassified to profit or loss in subsequent period:		
Available-for-sale financial assets		
Net change in fair value	**2,027**	3,394
Tax effects	**(912)**	(1,527)
Total adjustments not included in net income	**1,115**	1,867
Other comprehensive income, net of taxes	**1,115**	1,867
Total comprehensive income for the period, net of taxes	**59,678**	7,121
Allocated to:		
Controlling shareholders:	**59,678**	7,121

The accompanying notes are an integral part of these interim financial information.

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Statement of changes in shareholders' equity

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

	Notes	Capital	Capital reserve	Treasury shares	Legal reserve	Profit reserve	Accumulated losses	Net income	Equity adjustment	Total
Balance as at January 1, 2016 (Restated)		606,505	14,567	(9,574)	16,143	-	(50,357)	-	(1,628)	575,656
Share purchase option plan		-	1,116	-	-	-	-	-	-	1,116
Treasury shares		-	-	(6,864)	-	-	-	-	-	(6,864)
Net income for the period		-	-	-	-	-	-	5,254	-	5,254
		606,505	15,683	(16,438)	16,143	-	(50,357)	5,254	(1,628)	575,162
Other comprehensive income										
Equity valuation adjustment		-	-	-	-	-	-	-	1,867	1,867
Balance as at March 31, 2016 (Restated)		606,505	15,683	(16,438)	16,143	-	(50,357)	5,254	239	577,029
Balance as at January 1, 2017 (Restated)		606,505	19,030	(28,729)	20,471	3,107	-	-	1,202	621,586
Share purchase option plan		-	**1,116**	-	-	-	-	-	-	**1,116**
Net income for the period		-	-	-	-	-	-	**58,563**	-	**58,563**
		606,505	**20,146**	**(28,729)**	**20,471**	**3,107**	-	**58,563**	**1,202**	**681,265**
Other comprehensive income										
Equity valuation adjustment	13	-	-	-	-	-	-	-	**1,115**	**1,115**
Balance as at March 31, 2017 (Restated)		**606,505**	**20,146**	**(28,729)**	**20,471**	**3,107**	-	**58,563**	**2,317**	**682,380**

The accompanying notes are an integral part of these interim financial information.

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Statement of cash flows

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

	Notes	Parent Company		Consolidated	
		3/31/2017	**3/31/2016 Restated**	**3/31/2017**	**3/31/2016**
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period		**58,563**	5,254	**58,563**	5,254
Adjustments to reconcile net income to cash generated by (applied to) operating activities:					
Income tax and social contribution recognized in net income	11	**8,292**	(6,738)	**8,474**	(5,965)
Depreciation and amortization	14 and 15	**34,259**	30,742	**34,435**	30,895
Interest on provisioned loans and financing		**62,216**	61,158	**62,223**	61,164
Earnings from securities		**(13,808)**	(9,893)	**(13,808)**	(9,893)
Share of profit of equity-accounted investees	12 and 13	**(24,554)**	(17,408)	**(23,379)**	(14,685)
Provision for impairment of receivables and inventories		**28,274**	31,806	**28,340**	31,806
Provision for tax, civil and labor risks	19	**10,786**	15,880	**10,070**	14,817
(Gain)/loss on disposal of property and equipment	24	**(2,614)**	180	**(2,614)**	180
Recognition of deferred income	24	**(10,080)**	(9,907)	**(10,080)**	(9,907)
Expenses with share purchase option plan		**1,116**	1,116	**1,116**	1,116
		152,450	102,190	**153,340**	104,782
(Increase) decrease in operating assets					
Accounts receivable		**(10,067)**	33,617	**(6,329)**	34,223
Securities and other financial assets		**297,709**	198,467	**297,709**	198,467
Inventory		**122,542**	51,052	**123,313**	54,101
Accounts receivable from related parties		**4,273**	12,449	**4,351**	11,215
Recoverable taxes		**48,730**	26,668	**48,479**	26,547
Other assets		**(7,073)**	(30,523)	**(7,263)**	(30,661)
Variation in operating assets		**456,114**	291,730	**460,260**	293,892
Increase (decrease) in operating liabilities					
Suppliers		**(598,062)**	(496,221)	**(602,581)**	(500,024)
Payroll, vacation pay and related charges		**473**	(11,565)	**(246)**	(12,239)
Taxes payable		**(7,089)**	(1,028)	**(7,379)**	(1,351)
Accounts payable to related parties		**(16,681)**	(6,140)	**(16,678)**	(6,457)
Other accounts payable		**6,769**	(6,926)	**5,634**	(5,308)
Variation in operating liabilities		**(614,590)**	(521,880)	**(621,250)**	(525,379)
Income tax and social contribution paid		**-**	-	**(655)**	(573)
Dividends received		**17,703**	36,594	**16,256**	36,594
Cash flow generated by (used in) operating activities		**11,677**	(91,366)	**7,951**	(90,684)

Magazine Luiza S.A.

Statement of cash flows

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

	Notes	Parent Company		Consolidated	
		3/31/2017	**3/31/2016 Restated**	**3/31/2017**	**3/31/2016**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment	14	**(19,782)**	(12,450)	**(20,091)**	(12,459)
Purchase of intangible assets	15	**(16,089)**	(9,954)	**(16,118)**	(10,379)
Sale of property and equipment		**3,152**	-	**3,152**	-
Payment for renegotiation of exclusivity agreements		-	(11,182)	-	(11,182)
Capital increase in subsidiary and jointly-held subsidiary		-	(1,000)	-	-
Cash used in investing activities		**(32,719)**	(34,586)	**(33,057)**	(34,020)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from loans and financing		**2,617**	88,601	**2,617**	88,601
Payment of loans and financing		**(250,654)**	(110,813)	**(250,692)**	(110,846)
Payment of interest over loans and financing		**(70,872)**	(52,378)	**(70,875)**	(52,387)
Treasury shares, acquired		-	(6,864)	-	(6,864)
Cash flow used in financing activities		**(318,909)**	(81,454)	**(318,950)**	(81,496)
DECREASE IN CASH AND CASH EQUIVALENTS		**(339,951)**	(207,406)	**(344,056)**	(206,200)
Cash and cash equivalents at the beginning of the period		**562,728**	590,400	**599,141**	617,465
Cash and cash equivalents at the end of the period		**222,777**	382,994	**255,085**	411,265
DECREASE IN CASH AND CASH EQUIVALENTS		**(339,951)**	(207,406)	**(344,056)**	(206,200)

The accompanying notes are an integral part of these interim financial information.

Magazine Luiza S.A.

Statement of value added

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Revenue				
Goods, products and services sold	**3,167,111**	2,571,971	**3,209,371**	2,605,589
Allowance for doubtful accounts, net of reversals	**(5,592)**	(7,715)	**(5,598)**	(7,715)
Other operating income	**10,042**	9,509	**10,929**	10,490
	3,171,561	2,573,765	**3,214,702**	2,608,364
INPUTS ACQUIRED FROM THIRD PARTIES				
Costs of goods resold and services rendered	**(2,108,743)**	(1,706,293)	**(2,122,136)**	(1,715,181)
Material, energy, outsourced services and other	**(268,582)**	(216,664)	**(275,793)**	(222,168)
Loss of asset values	**(19,282)**	(19,711)	**(19,342)**	(19,711)
	(2,396,607)	(1,942,668)	**(2,417,271)**	(1,957,060)
GROSS VALUE ADDED	774,954	631,097	**797,431**	651,304
DEPRECIATION AND AMORTIZATION	**(34,259)**	(30,742)	**(34,435)**	(30,895)
NET VALUE ADDED PRODUCED BY THE ENTITY	**740,695**	600,355	**762,996**	620,409
VALUE ADDED RECEIVED IN TRANSFER				
Equity in investments	**24,554**	17,408	**23,379**	14,685
Financial income	**36,105**	37,524	**23,523**	28,613
TOTAL VALUE ADDED FOR DISTRIBUTION	**801,354**	655,287	**809,898**	663,707

Magazine Luiza S.A.

Statement of value added

Quarters ended March 31, 2017 and 2016

(In thousands of Brazilian reais - R$)

	Parent Company		**Consolidated**	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
DISTRIBUTION OF VALUE ADDED				
Personnel and charges:				
Direct compensation	**182,314**	170,778	**185,328**	174,030
Benefits	**33,945**	30,045	**34,335**	30,366
Government Severence Indemnity Fund for Employees (FGTS)	**18,753**	22,154	**19,002**	22,499
	235,012	222,977	**238,665**	226,895
Taxes:				
Federal	**71,398**	47,723	**72,933**	50,041
State	**191,490**	151,856	**193,742**	153,198
Municipal	**10,543**	9,246	**10,996**	9,627
	273,431	208,825	**277,671**	212,866
Remuneration of third party capital:				
Interest	**142,445**	131,590	**142,872**	131,893
Rent	**82,718**	77,675	**82,864**	77,799
Other	**9,185**	8,966	**9,263**	9,000
	234,348	218,231	**234,999**	218,692
Remuneration of own capital:				
Retained earnings	**58,563**	5,254	**58,563**	5,254
	801,354	655,287	**809,898**	663,707

The accompanying notes are an integral part of these interim financial information.

Notes to the interim financial information

(In thousands of Brazilian reais)

1 General information

Magazine Luiza S.A. ("Company" or "Parent Company") is primarily engaged in the retail sale of consumer goods (mainly home appliances, personal electronics and furniture), through physical and virtual stores or through e-commerce. Its headquarters is in the city of Franca, state of São Paulo, Brazil and its parent and holding company is LTD Administração e Participação S.A.

As at March 31, 2017, the Company and its subsidiaries owned 804 stores (800 stores as at December 31, 2016) and 9 distribution centers (9 distribution centers as at December 31, 2016), located in the South, Southeast, Mid-west and Northeast regions of Brazil.

Magazine Luiza S.A. and its subsidiaries are hereinafter referred to as "Group" for purposes of this report, unless otherwise stated.

On May 30, 2017, the Board of Directors authorized the issue of the interim financial information (ITR).

2 Presentation and preparation of the interim financial information

2.1 Accounting policies

The interim financial information is presented in thousands of Brazilian reais ("R$"), which is the functional and presentation currency of the Company.

The individual and consolidated quarterly financial information is prepared in accordance with technical pronouncement CPC 21 (R1) (interim financial reporting) and in accordance with the international standard IAS 34, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

The practices, policies and main accounting judgments adopted in the preparation of the individual and consolidated interim financial information are consistent with those adopted and disclosed under Notes 3, 4, 6, 8, 9, 12, 15, 16, 20, 22, 23 and 29 of the financial statements for the year ended December 31, 2016, which were disclosed on February 20, 2017 and should be read jointly.

The Statement of Value Added ("DVA") aims at evidencing the wealth created by the Company and its distribution during certain period and is presented as part of its parent company financial statements pursuant to the standards issued by the Brazilian Securities and Exchange Commission (CVM), since it is neither an estimated statement nor mandatory under the IFRS.

Management adopts the accounting policy that presents interest paid as financing activities and dividends received as operating activities in the statements of cash flows.

2.2 Restatement of interim financial information previously presented and corresponding values previously disclosed

(i) Restatement of interim financial information previously presented

The interim financial information for the period ended March 31, 2017, originally issued on May 4, 2017, is being restated in compliance with CPC 23 - Accounting policies, changes in accounting estimates and errors (IAS 8) and CPC 21 (R1) - Interim Financial Reporting (IAS 34) due to the elimination of unrealized profits on intermediation transactions of sales of extended warranties between the Company and its joint venture Luizaseg, which affected the corresponding balance sheet as of December 31, 2016, and the initial value of shareholders' equity on January 1, 2016 (derived from the financial statements for the year ended December 31, 2015.

The Management concluded the unrealized portion of the revenues and profits derived from this transaction (with respect to the Company's interest in Luizaseg) should be appropriated to the income for the period/year in accordance with the term of the extended warrnties sold, as performed by its joint venture, and not when the service is provided by the Company.

The effects on the statements of income, comprehensive income, cash flows and value added for the period ended March 31, 2017 and 2016 were not considered material and, therefore, were not adjusted retrospectively.

(ii) Restatement of corresponding values of the individual statement of cash flows

The corresponding values of the individual statement of cash flows for the period ended March 31, 2016, presented in this interim financial information for comparison purposes, are being restated in compliance with CPC 23 - Accounting policies, changes in accounting estimates and errors (IAS 8) and CPC 21 (R1) - Interim Financial Reporting (IAS 34) due to reclassification of the investments and redemption of exclusive investment funds, classified as financial instruments held for sale, from cash flows from investing activities to cash flows from operating activities, in the Company's individual statement of cash flows, in the amount of R$ 198,467.

There was no further impact to other interim financial information of the Company.

The following table summarizes the impact on the interim financial information and corresponding balances:

Balance sheets as of December 31, 2016 and March 31, 2017

December 31, 2016	Parent Company			Consolidated		
	Previously presented	Adjustments	Restated	Previously presented	Adjustments	Restated
Investments in joint ventures	380,386	(86,556)	293,830	380,386	(86,556)	293,830
Total assets	6,155,055	(86,556)	6,068,499	6,187,162	(86,556)	6,100,606
Total liabilities	5,446,913	-	5,446,913	5,479,020	-	5,479,020
Retained earnings	89,663	(86,556)	3,107	89,663	(86,556)	3,107
Total shareholder´s equity	708,142	(86,556)	621,586	708,142	(86,556)	621,586

March 31, 2017	Parent Company			Consolidated		
	Previously presented	Adjustments	Restated	Previously presented	Adjustments	Restated
Investments in joint ventures	391,454	(86,556)	304,898	391,454	(86,556)	304,898
Total assets	5,335,044	(86,556)	5,248,488	5,359,888	(86,556)	5,273,332
Total liabilities	4,566,108	-	4,566,108	4,590,952	-	4,590,952
Retained earnings	89,663	(86,556)	3,107	89,663	(86,556)	3,107
Total shareholder´s equity	768,936	(86,556)	682,380	768,936	(86,556)	682,380

Statement of changes in Shareholder´s equity as ofJanuary 1, 2016

	Parent Company			Consolidated		
	Previously presented	Adjustments	Restated	Previously presented	Adjustments	Restated
Retained earnings	36,199	(36,199)	-	36,199	(36,199)	-
Accumulated losses	-	(50,357)	(50,357)	-	(50,357)	(50,357)
Total Shareholder´s equity	662,212	(86,556)	575,656	662,212	(86,556)	575,656

Statements of individual cash flows for the three-months period ended March 31, 2016

	Parent Company		
	Previously presented	Previously presented	Reapresentado
Cash flow used in operating activities	(289,833)	198,467	(91,366)
Cash flows generated by (used in) investing activities	163,881	(198,467)	(34,586)
Cash flow used in financing activities	(81,454)	-	(81,454)
Decrease in cash and cash equivalents	(207,406)	-	(207,406)

3 New standards, amendments and interpretations

The early adoption of standards, despite being encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC). The following new standards and interpretations were issued by IASB but are not yet effective for the year 2017:

-IFRS 9, "Financial instruments", issued in November 2009. IFRS introduces new requirements for classifying and measuring financial assets within three principal classification categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. It also addresses a new model of expected loss of credit, in substitution to the present model of losses incurred. IFRS 9 softens the requirement of hedge effectiveness. The standard is effective as of January 1, 2018. The Company is evaluating the impact from the application and does not expect any material alterations to its equity positions and results from the adoption of this standard. The Company intends to use the exemption which permits companies to not present comparative information from prior periods from alterations in the classification and measurement of financial assets (including expected loss of credit). The differences in the carrying amounts of financial assets and liabilities resulting from the adoption of IFRS 9, should be recognized under accumulated income and reserves on January 1, 2018;

-IFRS 15, "Revenue from contracts with customers", issued in May 2014. This standard has the purpose of establishing the principles that the Company must apply to report information corresponding to the nature, quantity, time and estimated revenue and cash flows from a contract with a customer. The standard is effective as of January 1, 2018. The Company is evaluating the impact from the application anddoes not expect significant impacts to its equity positions and results due to the application of this standard. Eventual impacts, despite not being expected, should be treated prospectively in the transition approach;

-IFRS 16, "Leases", issued in January 2016. This standard has as its objective to unify the lease accounting model, requiring the lessees to recognize as asset or liability all lease contracts, unless these contracts have a lease term of less than twelve months or immaterial value. The standard is effective as of January 1, 2019. The Company is evaluating the impact from the application of this standard and does not expect relevant changes in net income.

4 Notes included in the financial statements for the year ended December 31, 2016 not presented in the interim financial information

The interim information is presented in accordance with technical pronouncements CPC 21 (R1) and *IAS 34 - Interim Financial Reporting,* issued by the *International Accounting Standards Board* (*IASB*) observing the provisions contained under Official-Circular/CVM/SNC/SEP 003/2011 of April 28, 2011. The preparation of the interim financial information involved judgment by the Company's management in relation to the relevance and alterations that should be disclosed in the Notes to the interim financial information. In this manner, the interim information includes selected notes and does not contemplate all of the notes presented in the financial statements for the year ended December 31, 2016. As permitted by Official Circular 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM), the following notes and references to the financial statements as at December 31, 2016 are not presented:

- Leasing commitments (Note 29);

5 Cash and cash equivalents

		Parent Company		Consolidated	
	Rates	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Cash		**36,706**	36,063	**36,716**	36,069
Bankbalances		**17,120**	37,933	**17,195**	41,039
Bank deposit certificates	70% to 105% CDI	**168,070**	488,084	**178,943**	499,493
Non-exclusive investment funds	102% CDI	**881**	648	**22,231**	22,540
Total cash and cash equivalents		**222,777**	562,728	**255,085**	599,141

6 Securities and other financial assets

		Parent Company and Consolidated	
Financial assets	**Rates**	**3/31/2017**	**12/31/2016**
Securities			
Non-exclusive investment funds	98% CDI	**10,366**	10,069
Exclusive investment funds	(a)		
Debentures		**766**	773
Federal government securities and repo operations		**505,017**	789,366
Time deposits and other securities		**5,200**	5,041
	Note 9.a	**510,983**	795,180
Total securities		**521,349**	805,249
Other financial assets measured at fair value through profit or loss			
Swap receivables - Fair value hedge	(b)	**26**	13,906
Total securities and other financial assets		**521,375**	819,155
Current		**521,375**	818,984
Noncurrent		**-**	171

(a) Considers the exclusive fixed income investment funds. As at March 31, 2017 and December 31, 2016, the portfolio was distributed into the types of investment described in the table above, which are linked to financial operations and securities, indexed to the monthly variation of CDI rate, to return the average profitability of 103% of the CDI to the Company.

(b) Fair value hedge accounting, as detailed under Note 27

7 Accounts receivable

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Trade receivables:				
Credit cards (a)	**341,596**	272,502	**342,390**	276,206
Debit cards (a)	**4,458**	11,474	**4,458**	11,474
Installment plan (b)	**116,725**	118,171	**116,758**	118,226
Additional warranty agreements and other insurance (c)	**60,078**	60,155	**60,078**	60,155
Total trade receivables	**522,857**	462,302	**523,684**	466,061
Receivables from commercial agreements (d)	**113,294**	170,010	**114,396**	171,984
Allowance for doubtful accounts	**(29,852)**	(29,535)	**(29,852)**	(29,535)
Adjustment to present value	**(26,320)**	(23,873)	**(26,326)**	(23,939)
Total accounts receivable	**579,979**	578,904	**581,902**	584,571
Current	**576,925**	575,334	**578,848**	581,001
Noncurrent	**3,054**	3,570	**3,054**	3,570

The average term to receive trade receivables is 14 days as at March 31, 2017 and December 31, 2016, Parent Company and Consolidated. Receivables were assigned to secure borrowings in the amount of R$ 90,464 as at March 31, 2017 (R$ 109,445 as at December 31, 2016), represented by credit card receivables.

(a) Refers to credit and debit card receivables, which the Company receives from credit card operators in amounts, term and number of installments defined at the moment the product is sold. As at March 31, 2017 the Company had credits granted to financial institutions in the amount of R$ 1,601,013 (R$ 1,587,544 as at December 31, 2016) and Consolidated R$ 1,612,289 (R$ 1,587,544 as at December 31, 2016), where a discount between 105.0% and 109.0% of the CDI is applied, which is recognized in profit or loss under "financial expenses". The Company, through card sale transactions, transfers to the credit card operators and financial institutions all risks of receiving from customers and, therefore, settles receivables related to these credits, and the respective financial charges are registered under profit or loss at the time of settlement.

(b) Refers to receivables from sales financed by the Company and by other financial institutions

(c) These sales are intermediated by the Company on behalf of Luizaseg and Cardif. The Company allocates to its partners the extended warranty amount, in full, in the month following the sale and receives from customers in accordance with the transaction term.

(d) Refers to bonuses on production to be received from suppliers, arising from the fulfillment of the purchase volume, as well as from agreements that define the participation of suppliers in disbursements related to advertising and marketing (joint advertising).

Changes in allowance for doubtful accounts:

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Balance at the beginning of the period/year	**(29,535)**	(46,640)	**(29,535)**	(46,640)
(+) Additions	**(8,992)**	(43,200)	**(8,998)**	(43,287)
(-) Write-off	**8,675**	60,305	**8,681**	60,392
Balance at the end of the period/year	**(29,852)**	(29,535)	**(29,852)**	(29,535)

The aging list of trade receivables and receivables from commercial agreements is demonstrated below:

	Trade receivables				Commercial agreements			
	Parent Company		Consolidated		Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Amounts due:								
Within 30 days	**62,818**	76,846	**63,645**	77,492	**40,420**	56,032	**41,522**	58,006
From 31 to 60 days	**38,310**	45,242	**38,310**	45,407	**44,404**	88,776	**44,404**	88,776
From 61 to 90 days	**30,730**	26,308	**30,730**	27,117	**22,777**	11,740	**22,777**	11,740
From 91 to 180 days	**98,507**	51,629	**98,507**	52,910	**1,428**	9,173	**1,428**	9,173
From 181 to 360 days	**264,194**	233,649	**264,194**	234,507	**-**	3	**-**	3
Over 361 days	**7,416**	7,424	**7,416**	7,424	**-**	-	**-**	-
	501,975	441,098	**502,802**	444,857	**109,029**	165,724	**110,131**	167,698
Amounts past due:								
For up to 30 days	**6,291**	5,979	**6,291**	5,979	**2,826**	3,138	**2,826**	3,138
For 31 to 60 days	**4,456**	4,814	**4,456**	4,814	**873**	509	**873**	509
For 61 to 90 days	**2,937**	2,650	**2,937**	2,650	**222**	29	**222**	29
For 91 to 180 days	**7,198**	7,761	**7,198**	7,761	**344**	610	**344**	610
	20,882	21,204	**20,882**	21,204	**4,265**	4,286	**4,265**	4,286
Total	**522,857**	462,302	**523,684**	466,061	**113,294**	170,010	**114,396**	171,984

The risk analysis is presented under Note 27.

8 Inventory

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Resale goods	**1,491,137**	1,616,710	**1,500,443**	1,626,787
Consumption material	**11,544**	11,483	**11,544**	11,483
Provision for loss	**(57,206)**	(40,894)	**(57,899)**	(41,527)
Total	**1,445,475**	1,587,299	**1,454,088**	1,596,743

As at March 31, 2017, the Company has revolving inventories assigned as guarantee in legal lawsuits in progress, totaling approximately R$2,353 (R$2,353 as at December 31, 2016).

Changes in the provision for loss and adjustment to net realizable value are as follows:

	Parent Company		Consolidated	
	3/31/2017	12/31/2016	3/31/2017	12/31/2016
Balance at the beginning of the period/year	**(40,894)**	(30,391)	**(41,527)**	(30,391)
Provision	**(19,282)**	(55,289)	**(19,342)**	(55,922)
Inventory written off or sold	**2,970**	44,786	**2,970**	44,786
Balance at the end of the period/ year	**(57,206)**	(40,894)	**(57,899)**	(41,527)

9 Related parties

a. Balance from related parties

	Parent Company		Consolidated	
Current assets	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Commissions for services rendered				
Jointly-held subsidiaries:				
Luizacred (i)	**12,055**	10,843	**12,055**	10,843
Luizaseg (ii)	**27,244**	28,722	**27,244**	28,722
	39,299	39,565	**39,299**	39,565
Subsidiaries:				
Luiza Administradora de Consórcios (“LAC”) (iii)	**889**	828	**-**	-
Campos Floridos Comércio de Cosméticos Ltda (viii)	**17**	-	**-**	-
	906	828	**-**	-
Expenses with consortium draws				
Grupo de Consórcios (“LAC”) (iii)	**181**	146	**181**	146
Dividends receivable:				
Luizaseg (ii)	**-**	2,830	**-**	2,830
Luiza Administradora de Consórcios (“LAC”) (iii)	**-**	1,447	**-**	-
	-	4,277	**-**	2,830
Balance receivable from credit card sales and receivables through CDC:				
Luizacred - CDC (i)	**1,707**	2,834	**1,707**	2,834
Luizacred - Credit cards (i)	**15,653**	18,646	**15,653**	18,646
	17,360	21,480	**17,360**	21,480
Total	**57,746**	66,296	**56,840**	64,021
Securities (Note 6)				
Investment funds (vii)	**510,983**	795,180	**510,983**	795,180

	Parent Company		Consolidated	
Current liabilities	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Transfer of receivables from services and accounts payable:				
Jointly-held subsidiaries:				
Luizacred (i)	**17,050**	27,853	**17,050**	27,853
Luizaseg (ii)	**35,781**	38,605	**35,781**	38,605
	52,831	66,458	**52,831**	66,458
Grupo de Consórcios (“LAC”) (iii)	**422**	1,087	**422**	1,087
Rent payable and other transfers				
Controlled by controlling shareholders of the Company:				
MTG Administração, Assessoria e Participações S.A. (iv)	**1,871**	1,979	**1,874**	1,981
PJD Agropastoril Ltda. (vi)	**44**	43	**76**	73
	1,915	2,022	**1,950**	2,054
Payables relating to advertising campaigns:				
ETCO - Sociedade em Conta de Participação (v)	**1,074**	3,356	**1,074**	3,356
Total	**56,242**	72,923	**56,277**	72,955

	Parent Company		Consolidated	
Profit or loss	**3/31/2017**	**3/31/2016**	**3/31/2017**	**3/31/2016**
Income from service intermediation commission				
Jointly-held subsidiaries				
Luizacred (i)	**31,297**	31,570	**31,297**	31,570
Luizaseg (ii)	**60,581**	61,235	**60,581**	61,235
	91,878	92,805	**91,878**	92,805
Subsidiaries:				
Luiza Administradora de Consórcio (“LAC”) (iii)	**2,961**	2,178	**-**	-
Campos Floridos Comércio de Cosméticos Ltda. (viii)	**17**	-	**-**	-
	2,978	2,178	**-**	-
Revenue from return on exclusive fund				
Investment funds (vii)	**13,511**	9,683	**13,511**	9,683
Reimbursement of shared expenses				
Jointly-held subsidiaries:				
Luizacred (i)	**14,724**	13,167	**14,724**	13,167
Total revenue	**123,091**	117,833	**120,113**	115,655

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Costs related to the acquisition of goods				
Campos Floridos Comércio de Cosméticos Ltda. (viii)	-	(2,649)	-	-
Total costs	-	(2,649)	-	-

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Commercial building rental expenses				
Controlled by controlling shareholders of the Company:				
MTG Administração, Assessoria e Participações S.A. (iv)	**(5,612)**	(5,142)	**(5,652)**	(5,142)
PJD Agropastoril Ltda. (vi)	**(129)**	(120)	**(222)**	(126)
	(5,741)	(5,262)	**(5,874)**	(5,268)
Freight charges				
PJD Agropastoril Ltda. (vi)	**(391)**	(606)	**(391)**	(692)
Expenses with charges from credit card anticipation:				
Luizacred (i)	**(41,855)**	(30,888)	**(41,855)**	(30,888)
Advertising campaign expenses				
Controlled by controlling shareholders of the Company:				
ETCO - Sociedade em Conta de Participação (v)	**(44,351)**	(40,177)	**(44,351)**	(40,177)
Total expenses	**(92,338)**	(76,933)	**(92,471)**	(77,025)

(i) Transactions with Luizacred, a subsidiary jointly controlled with Banco Itaúcard S.A., refer to the following activities:

(a) (a) Financial expenses on the advance of receivables from such cards;

(b) Receivables from sales of products financed to customers by Luizacred, received by the Company on the following day (“D+1”);

(c) Commissions on the services provided monthly by the Company, which include the attraction of customers, management and administration of consumer credit transactions, control and collection of financing granted, referral of insurance linked to financial services and products, access to telecommunication systems and network, in addition to storage and availability of physical space in the points-of-sale. The amounts payable (current liabilities) refer to the receipt of customers' installments by the Company's store cashiers, which are transferred to Luizacred on D+1;

(d) Balance receivable referring to Luizacred's dividend proposal.

(ii) The amounts receivable (current assets) and revenues of Luizaseg, subsidiary jointly controlled with NCVP Participações Societárias S.A., a subsidiary of Cardif do Brasil Seguros e Previdência S.A., arise from commissions on services monthly provided by the Company, relating to the sale of extended warranties and proposed dividends. The amounts payable (current liabilities) refer to the transfers of extended warranties sold to Luizaseg, in full, in the month following the sale.

(iii) The amounts receivable (current assets) of LAC, wholly-owned subsidiary, refers to proposed dividends, commissions and sales made by the Company as the agent of consortium transactions. The amounts payable (current liabilities) refer to the transfers to be made to LAC relating to the installments of consortiums received by the Company through the cashiers of its points-of-sale.

(iv) Transactions with MTG Administração, Assessoria e Participações S.A. ("MTG"), controlled by the Company's controlling shareholders, refer to expenses with rental of office buildings for the installation of its stores, distribution centers and head office.

(v) Transactions with ETCO, a special partnership which has as partner an entity controlled by the Vice Chairman of the Company's Board of Directors, refer to advertising and marketing service contracts, also including transfers relating to placement, media production and graphic design services.

(vi) Transactions with PJD Agropastoril Ltda., an entity controlled by the Company's indirect controlling shareholders, refer to expenses with rental of commercial buildings for installation of stores and truck rental for freight of goods.

(vii) Refers to investments and redemptions, and income from exclusive investment funds (ML Renda Fixa Crédito Privado FI and FI Caixa ML RF Longo Prazo - see Note 6 - Securities).

(viii) Transactions with Campos Floridos Comércio de Cosméticos Ltda., a wholly-owned subsidiary, refer to the following activities.

(a) Sale of products for resale by the Parent Company;

(b) Commission expenses with Marketplace from the sales made on the platform of the site of the Parent Company.

b. Management compensation

	3/31/2017		**3/31/2016**	
	Board of Directors	**Board of Executive Officers**	**Board of Directors**	**Board of Executive Officers**
Fixed and variable compensation	**677**	**997**	427	2,067
Share option plan	**521**	**98**	613	216

The Company does not grant post-employment benefits, severance benefits, or other long-term benefits. Short-term benefits to the Board of Executive Officers are the same as those extended to other employees of the Company. It is an internal public policy of the Company to pay Profit Sharing to its employees. These amounts are provisioned on a monthly basis by the Company, according to estimates for meeting targets. The Company's Board of Directors approved on April 20, 2017, the management's overall compensation for the year ended at December 31, 2017, where a maximum limit for management's overall compensation was estimated at R$19,447.

10 Recoverable taxes

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
ICMS Recoverable VAT (a)	**367,543**	406,068	**367,543**	406,068
Recoverable income tax and social contribuition	**5,160**	1,160	**5,302**	1,380
Recoverable withholding income tax	**7,635**	21,388	**7,888**	21,405
PIS - Social Integration Program and COFINS - Social Security Financing recoverable	**3,713**	4,163	**5,063**	5,420
Other	**1,480**	1,482	**1,480**	1,482
	385,531	434,261	**387,276**	435,755
Current assets	**193,727**	210,657	**195,472**	212,151
Noncurrent assets	**191,804**	223,604	**191,804**	223,604

(a) These refer to ICMS accumulated credits and credits arising from the tax substitution regime deriving from the application of different rates in the inflow and outflow of interstate goods. Referred credits will be realized by refund request and offset of debts of same nature with the States of origin of credit.

11 Income tax and social contribution

a. Reconciliation of the tax effect on income before income tax and social contribution

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Income (loss) before income tax and social contribution	**66,855**	(1,484)	**67,037**	(711)
Statutory rate	**34%**	34%	**34%**	34%
Expected income tax and social contribution credit (debit) at statutory rates	**(22,731)**	505	**(22,793)**	242
Reconciliation to effective rate (effect of applying tax rates):				
Effect of government tax incentive	**6,608**	-	**6,608**	-
Exclusion - Share of profit of equity-accounted investees	**8,348**	5,919	**7,949**	4,993
Other permanent exclusions, net	**(517)**	314	**(238)**	730
Debit from income tax and social contribution	**(8,292)**	6,738	**(8,474)**	5,965
Current	**(3,651)**	-	**(4,453)**	(824)
Deferred	**(4,641)**	6,738	**(4,021)**	6,789
Total	**(8,292)**	6,738	**(8,474)**	5,965
Effective rate	**12.4%**	454.0%	**12.6%**	839.0%

b. Breakdown of deferred income tax and social contribution assets and liabilities

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Deferred income tax and social contribution assets				
Tax loss and negative social contribution tax base	**145,881**	147,479	**146,977**	147,907
Allowance for doubtful accounts	**10,150**	10,042	**10,150**	10,042
Provision for inventory loss	**19,450**	13,904	**19,686**	14,120
Provision for adjustment to present value	**6,500**	5,890	**6,502**	5,913
Provision for tax, civil and labor risks	**94,566**	93,518	**94,773**	93,722
Exchange variations	**5,674**	14,895	**5,674**	14,895
Other provisions	**4,932**	4,553	**4,932**	4,603
	287,153	290,281	**288,694**	291,202
Deferred income tax and social contribution liability				
Amortization of intangible assets	**(41,456)**	(40,788)	**(41,456)**	(40,788)
Update of escrow deposits	**(6,753)**	(6,203)	**(6,753)**	(6,203)
Other	**(2,496)**	(2,201)	**(2,496)**	(2,201)
	(50,705)	(49,192)	**(50,705)**	(49,192)
Deferred income tax and social contribution	**236,448**	241,089	**237,989**	242,010

12 Investments in subsidiaries

Changes in ownership interest in subsidiaries, stated in the Company's interim financial information, are as follows:

	Época		LAC	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Equity interest held - in thousands of shares	**12,855**	12,855	**6,500**	6,500
Current assets	**12,344**	19,235	**33,306**	34,572
Noncurrent assets	**7,577**	6,803	**3,893**	3,967
Current liabilities	**6,650**	11,469	**8,311**	11,288
Noncurrent liabilities	**7,708**	8,473	**3,081**	3,152
Capital	**12,255**	12,255	**6,500**	6,500
Shareholders' equity	**5,563**	6,096	**25,807**	24,099
Net revenue	**13,265**	60,177	**14,968**	53,530
Net income for the period/year	**(533)**	4,469	**1,708**	6,095

Changes in investments	Época		LAC	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Balance at the beginning of the period	**42,923**	37,454	**24,099**	19,451
Advance for future capital increase	**-**	1,000	**-**	-
Proposed dividends	**-**	-	**-**	(1,447)
Equity in investments	**(533)**	4,469	**1,708**	6,095
Balance at the end of the period	**42,390**	42,923	**25,807**	24,099

Total investments in subsidiaries	3/31/2017	12/31/2016
Época Cosméticos	**5,563**	6,096
Época Cosméticos - goodwill	**36,827**	36,827
Grupo de consórcio ("LAC")	**25,807**	24,099
	68,197	67,022

13 Investments in joint ventures

	Luizacred (a)		Luizaseg (b)	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Total shares - in thousands	**978**	978	**133,883**	133,883
Direct equity interest percentage	**50%**	50%	**50%**	50%
Current assets	**4,104,446**	4,006,492	**151,208**	142,886
Noncurrent assets	**441,754**	441,504	**319,054**	320,370
Current liabilities	**3,835,526**	3,769,476	**189,648**	177,788
Noncurrent liabilities	**130,106**	127,566	**78,275**	75,650
Capital	**274,624**	274,624	**133,884**	133,884
Net equity	**580,568**	550,954	**202,339**	209,818
Net revenue	**422,018**	1,669,580	**89,484**	364,902
Net income for the period/year	**39,366**	101,572	**7,392**	23,832

Changes in investments	Luizacred (a)		Luizaseg (b)	
	3/31/2017	**12/31/2016**	**3/31/2017 Restated**	**12/31/2016 Restated**
Balance at the beginning of the period	**275,477**	281,630	**18,353**	15,839
Proposed dividends	**(4,876)**	(56,939)	**(8,550)**	(12,232)
Other comprehensive income	**-**	-	**1,115**	2,830
Equity in investments	**19,683**	50,786	**3,696**	11,916
Balance at the end of the period	**290,284**	275,477	**14,614**	18,353

Total investments in jointly-held subsidiaries

	3/31/2017 Restated	12/31/2016 Restated
Luizacred (a)	**290,284**	275,477
Luizaseg (b)	**101,170**	104,909
Unrealised profit - Luizaseg (c)	**(86,556)**	(86,556)
	14,614	18,353
Total investments in jointly-held subsidiaries	**304,898**	293,830

(a) Interest of 50% of voting capital representing the contractually agreed sharing, the control of business, requiring the unanimous consent of the parties about significant decisions, financial and operating activities. Luizacred is jointly controlled by Banco Itaúcard S.A., the purpose of which is the supply, distribution and trade of financial products and services to customers at the Company's stores chain

(b) 50% interest in the voting capital representing the contractually agreed sharing, the control of business, requiring the unanimous consent of the parties about significant decisions, guarantees and operating activities. Luizaseg is jointly controlled by NCVP Participações Societárias S.A., subsidiary of Cardif do Brasil Seguros e Previdência S.A., the purpose of which is the development, sale and administration of extended warranties for any type of product sold in Brazil through the Company's stores chain.

(c) Unrealised profits on downstream transaction of intermediation revenue from sales of extended warranties to the joint venture Luizaseg.

14 Property and equipment

Changes in property and equipment during the quarter ended March 31, 2017 were as follows:

	Parent Company	Consolidated
Net property and equipment as at December 31, 2016	559,320	560,067
Additions	**19,782**	**20,091**
Depreciation	**(22,119)**	**(22,184)**
Net property and equipment as at March 31, 2017	**556,983**	**557,974**
Breakdown of property and equipment as at March 31, 2017:		
Cost value of property and equipment	**1,136,347**	**1,139,152**
Accumulated depreciation	**(579,364)**	**(581,178)**
Net property and equipment as at March 31, 2017	**556,983**	**557,974**

	Parent Company	Consolidated
Net property and equipment as at December 31, 2015	577,811	578,571
Addition	12,450	12,459
Write-off	(370)	(371)
Depreciation	(21,017)	(21,077)
Net property and equipment as at March 31, 2016	**568,874**	**569,582**
Breakdown of property and equipment as at March 31, 2016:		
Cost value of property and equipment	1,085,426	1,087,691
Accumulated depreciation	(516,552)	(518,109)
Net property and equipment as at March 31, 2016	**568,874**	**569,582**

In the reporting period, we did not identify any event indicating the need for performing calculations to assess any impairment of the property and equipment.

15 Intangible assets

Changes in intangible assets for the quarter ended March 31, 2017 and 2016 were as follows:

	Parent Company	Consolidated
Net intangible assets as at December 31, 2016	469,724	513,049
Addition	**16,089**	**16,118**
Amortization	**(12,140)**	**(12,251)**
Net intangible assets as at March 31, 2017	**473,673**	**516,916**
Breakdown of intangible assets as at March 31, 2017		
Cost value of intangible assets	**755,073**	**800,004**
Accumulated amortization	**(281,400)**	**(283,088)**
Net intangible assets as at March 31, 2017	**473,673**	**516,916**

	Parent Company	Consolidated
Net intangible assets as at December 31, 2015	463,726	506,720
Addition	9,954	10,379
Write-off	(3)	(3)
Amortization	(9,725)	(9,818)
Net intangible assets as at March 31, 2016	**463,952**	**507,278**
Breakdown of intangible assets as at March 31, 2015		
Cost value of intangible assets	703,647	748,225
Accumulated amortization	(239,695)	(240,947)
Net intangible assets as at March 31, 2016	**463,952**	**507,278**

In the reporting period, we did not identify any event indicating the need of making calculations to assess any impairment of intangible assets.

16 Suppliers

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Goods for resale - internal market	**1,770,435**	2,375,873	**1,774,939**	2,383,961
Other suppliers	**16,926**	21,764	**19,485**	25,380
Adjustment to present value	**(31,950)**	(44,164)	**(32,046)**	(44,382)
Total suppliers	**1,755,411**	2,353,473	**1,762,378**	2,364,959

The Company has agreements signed with partner banks to structure with its main suppliers the operation of anticipation of receivables. In this operation, the suppliers transfer the right to receiving the notes to the Bank in exchange for anticipated receipt of the notes. The Bank, in turn, becomes the creditor of the operation, and the Company settles the note on the same date originally agreed-to with its supplier and receives, subsequently, a commission from the Bank for this intermediation and confirmation of the notes payable. This commission is registered as financial income.

The above operation performed by the Company does not alter the terms, prices and conditions previously established with the suppliers and, therefore, the Company classifies it under Suppliers.

As at March 31, 2017 the balance payable negotiated by suppliers, and with the acceptance of Magazine Luiza, totaled R$ 245,562 (R$ 505,114 as at December 31, 2016).

Accounts payable to suppliers are initially recorded at present value with the counterentry in “Inventory”. The reversal of the adjustment to present value is registered under “Cost of resold goods and services rendered” for the benefit of the term.

17 Loans, financing and other financial liabilities

				Parent Company		Consolidated	
Modality	**Charges**	**Guarantees**	**Final maturity**	**3/31/2017**	**12/31/2016**	**3/31/2017**	**12/31/2016**
Working capital in foreign currency (a)	1.43% p.a. to 6.41% p.a. +Exch var	N/A	Mar/18	**136,548**	333,503	**136,548**	333,503
Working capital in local currency	110.7% to 125.32% of CDI	Aval guarantee	Dec/19	**347,362**	362,558	**347,466**	362,696
Financial leases (b)	2.5% p.a. at CDI + 2.88%	Statutory lien	Dec/19	**17,254**	17,676	**17,254**	17,676
Debentures - restricted offer (e)	112.0% to 125,9% of CDI	Credit card receivables	Mar/20	**1,021,986**	1,069,633	**1,021,986**	1,069,633
Innovation financing - FINEP (c)	4% p.a.	Bank guarantee	Dec/22	**42,578**	44,429	**42,578**	44,429
Expansion financing - BNB (d)	7% p.a.	Bank guarantee	Dec/22	**4,221**	4,404	**4,221**	4,404
				1,569,949	1,832,203	**1,570,053**	1,832,341
Other financial liabilities							
Swap payable - fair value hedge (a)				**8,117**	16,435	**8,117**	16,435
Total loans, financing and other financial liabilities				**1.578.066**	1.848.638	**1,578,170**	1,848,776
Current liabilities				**688,176**	837,878	**688,280**	838,016
Noncurrent liabilities				**889,890**	1,010,760	**889,890**	1,010,760

(a) A portion of the funds was contracted in foreign currency, over which fixed interest and exchange rate change are levied. In order to hedge its transactions against exchange rate change risks, the Company entered into swap transactions. Due to the increased number of funding with these characteristics, this year the Company started the hedge accounting of said operations. Further details are disclosed in Note 27.

(b) The Company entered into a credit facility agreement with Study and Projects Financing Agency - FINEP, with the purpose of investing in technological innovation research and development projects.

(c) The Company signed a financing contract with Banco do Nordeste do Brasil - BNB, with the purpose of modernizing, refurbishing the stores in the northeastern region and build a new Distribution Center in the municipality of Candeias (BA), in the amount of R$ 68,103. As at March 31, 2017 the first installment was released in the amount of R$ 4,383.

(d) The Company issued the following debentures not convertible into shares:

							Parent Company and Consolidated	
Issue	**Guarantee**	**Principal R$**	**Date of Issue**	**Maturity**	**Outstanding securities**	**Financial charges**	**3/31/2017**	**12/31/2016**
1st issue-single series	Clean	200,000	12/26/2011	06/16/2017	200	113.0% of CDI	**154,591**	149,383
3rd issue-single series	Clean	200,000	10/21/2013	07/21/2018	20,000	125.9% of CDI	**51,289**	55,439
4th issue-single series	Clean	400,000	05/30/2014	05/30/2019	40,000	112.0% of CDI	**416,385**	402,451
5th issue-single series	(i)	350,000	03/17/2015	03/17/2020	35,000	113.2% of DI	**299,793**	362,492
6th issue-single series	Clean	100,000	06/20/2016	06/20/2018	10,000	125.2% of DI	**99,928**	99,868
							1,021,986	1,069,633

(i) The 5th issue of nonconvertible debentures has a credit card receivables guarantee, where, until the maturity date of debentures, should account for 30% of the issue's outstanding balance. See Note 7.

Amortization schedule

The amortization schedule for the payment of loans and financing is demonstrated below:

	Parent Company			Consolidated		
Year of maturity	**Debt including hedge accounting”**	**Debt including hedge accounting**	**Debt excluding hedge accounting”**	**Debt including hedge accounting”**	**Debt including hedge accounting**	**Debt excluding hedge accounting””**
2017	**558,295**	**8,091**	**566,386**	**558,399**	**8,091**	**566,490**
2018	**668,538**	**-**	**668,538**	**668,538**	**-**	**668,538**
2019	**269,496**	**-**	**269,496**	**269,496**	**-**	**269,496**
2020	**57,805**	**-**	**57,805**	**57,805**	**-**	**57,805**
2021	**7,908**	**-**	**7,908**	**7,908**	**-**	**7,908**
2022 onward	**7,907**	**-**	**7,907**	**7,907**	**-**	**7,907**
Total	**1,569,949**	**8,091**	**1,578,040**	**1,570,053**	**8,091**	**1,578,144**

The Company maintains some loan agreements with covenants. The clauses relating to financial indexes refer to:

(i) Caixa Econômica Federal: maintenance of adjusted debt equity/adjusted EBITDA ratio below 3.0

(ii) 3rd, 5th and 6th Issue of Debentures: maintenance of the adjusted debt equity/adjusted EBITDA ratio below 3.0.

The adjusted net debt is understood as the sum of all loans and borrowings, including debentures, excluding cash and cash equivalents, financial investments, marketable securities, credit card receivables not anticipated. The adjusted EBITDA is calculated in accordance with CVM Rule No. 527 of October 4, 2012, excluding non-recurring operational events (revenue/expenses).

As at March 31, 2017 and December 31, 2016 the Company is in compliance with the restrictive clauses (covenants) described above.

18 Deferred income

	Parent Company and Consolidated	
	3/31/2017	**12/31/2016**
Deferred income with third parties:		
Exclusivity agreement with Cardif (a)	**163,978**	166,121
Exclusivity agreement with Banco Itaúcard S.A. (b)	**130,875**	134,000
Other contracts	**2,033**	2,323
	296,886	302,444
Deferred income with related parties:		
Exclusivity agreement with Luizacred (b)	**141,257**	144,029
Exclusivity agreement with Luizaseg (a)	**101,250**	103,000
	242,507	247,029
Total deferred income	**539,393**	549,473
Current liabilities	**40,318**	40,318
Noncurrent liabilities	**499,075**	509,155

(a) On December 14, 2015, Luizaseg entered into a new Strategic Partnership Agreement with the Cardif group's companies, aiming to extend the rights and obligations set forth in the agreements between the parties that expired on December 31, 2015, for an additional 10-year period, effective from January 1, 2016 to December 31, 2025. This agreement enabled a cash inflow of R$330,000 into the Company. Of this amount, R$42,000 were allocated to the jointly-owned subsidiary Luizacred, since it had exclusive rights over credit card insurance. The Company's revenue recognition deriving from this agreement will be recognized in profit (loss) over the term of the agreement, part of which is subject to the achievement of certain targets.

(b) On September 27, 2009, the Company entered into a partnership agreement with Itaú Unibanco Holding S.A. ("Itaú") and Banco Itaucard S.A., under which the Company grants to Luizacred the exclusive right to offer, distribute, and sell financial products and services in its store chain for a 20-year period. In consideration for the aforementioned alliance, Itaú group companies paid in cash R$ 250,000, of which: (i) R$ 230,000 relating to the completion of the negotiation, without right of recourse; and (ii) R$ 20,000 subject to the achievement of profitability targets in Luizacred. Said targets had been fully achieved at the end of 2014.

On December 29, 2010, the parties entered into a partnership agreement with Luizacred, extending the exclusive right to offer, distribute and sell financial products and services at the chain of stores then acquired in the Northeast of Brazil (Lojas Maia) for a 19-year period. As consideration, Luizacred paid R$160,000 to the Company, which is recognized in profit (loss) over the term of the agreement. As part of this partnership agreement, the amount of R$20,000, mentioned in the paragraph above was increased to R$55,000.

On December 16, 2011, the Company entered into a second amendment to the partnership agreement with Luizacred, due to acquisition of New-Utd ("Lojas do Baú"). As consideration, Luizacred paid R$48,000 to the Company, which will be allocated to profit (loss) over the remaining term of the agreement.

19 Provision for tax, civil and labor risks

For labor, civil and tax claims in progress, on which the opinion of the legal advisors is unfavorable, the Company recognized a provision, which is the Group's management best estimate of future disbursement. Changes in the provision for tax, civil and labor contingencies are as follows:

Parent Company

	Tax	Civil	Labor	Total
Balance as at December 31, 2016	220,056	17,105	37,893	275,054
Addition	**3,922**	**2,322**	**2,916**	**9,160**
Reversal	**-**	**(1,994)**	**-**	**(1,994)**
Payment	**(3,548)**	**(852)**	**(3,304)**	**(7,704)**
Adjustments	**3,620**	**-**	**-**	**3,620**
Balance as at March 31, 2017	**224,050**	**16,581**	**37,505**	**278,136**

Consolidated

	Tax	Civil	Labor	Total
Balance as at December 31, 2016	227,601	17,397	39,128	284,126
Addition	**3,922**	**2,383**	**2,936**	**9,241**
Reversal	**(533)**	**(2,026)**	**(232)**	**(2,791)**
Payment	**(3,548)**	**(880)**	**(3,314)**	**(7,742)**
Adjustments	**3,620**	**-**	**-**	**3,620**
Balance as at March 31, 2017	**231,062**	**16,874**	**38,518**	**286,454**

As at March 31, 2017, the Company's main lawsuits classified by Management as probable loss based on the opinion of its legal advisors, as well as legal obligations which amounts are deposited in court, for which the amounts were included in the provision for contingencies, are as follows:

a. Tax claims

The Company is party to several administrative and legal tax proceedings which management has deemed to be probable losses, therefore provisions have been accrued. They involve federal taxes, as at March 31, 2017 totaling R$ 11,879 (R$14,669 as at December 31, 2016), state taxes, as at March 31, 2017 totaling R$32,245 (R$30,273 as at December 31, 2016), and municipal taxes totaling R$60 (R$60 as at December 31, 2016).

The Company also has accured provisions for other legal discussions to which escrow deposits are made, as well as other provisions related to business combinations, which involve federal taxes, totaling R$ 179,866 as at March 31, 2017 (R$175,054 at December 31, 2016) and state taxes, totaling R$ 7,012 as at March 31, 2017 (R$ 7,545 as at December 31, 2016). No provision of this type was recorded for municipal taxes in this period.

b. Civil claims

Consolidated civil contingencies of R$ 16,874 as at March 31, 2017 ($17,397 as at December 31, 2016) are related to claims filed by customers on possible product defects.

c. Labor claims

At the labor courts, the Company is a party to various labor claims, mostly in relation to overtime.

The amount accrued, R$ 38,518 as at March 31, 2017 (R$ 39,128 as at December 31, 2016), consolidated, reflects the risk of probable loss assessed by the Company's Management jointly with its legal advisors.

In August 2015, the Superior Labor Court (TST) issued a decision changing its position on the inflation adjustment index of labor claims. As a result, labor liabilities related to claims in progress since June 30, 2009 were no longer adjusted by the Reference Rate (TR), but by the Special Extended Consumer Price Index (IPCA-E). However, this decision was suspended by the Federal Supreme Court (STF) in October 2015. The Company's Management, supported by the opinion of its legal advisors that the obligation to settle said liabilities adjusted by the IPCA-E is not final and, therefore, classifies as a contingent liability with a risk of possible loss, decided not to record the impact of the adjustment by the IPCA-E, estimated at R$ 2,975, and maintain the TR as the adjustment index of labor liabilities. The Company will monitor any developments on this issue in order to reassess its conclusion at the end of each reporting period.

In order to address the tax, civil and labor contingencies, the Company has a balance in escrow deposits of R$ 292,745 as at March 31, 2017 (R$292,189 at December 31, 2016).

d. Contingent liabilities - possible loss

The Company is a party to other claims that were assessed by Management, based on the opinion of its legal advisors, as possible losses and, therefore, no provision was recognized for such claims. The amounts related to claims involving federal taxes totaled R$ 701,297 as at March 31, 2017 (R$ 603,615 as at December 31, 2016), in relation to state taxes these amounts totaled R$ 204,954 as at March 31, 2017 (R$186,278 as at December 31, 2016) and as to municipal taxes these amounts totaled R$ 1,178 as at March 31, 2017 (R$ 821 at December 31, 2016).

Among the main claims of a tax nature, classified as of possible loss, we highlight: (i) Administrative Process in which the Company discusses with the tax authorities the nature/concept of the bonuses/reimbursements of its suppliers for the purpose of PIS/COFINS taxation, as well as the characterization of some expenses related to its core activity as inputs for the purpose of PIS/COFINS credits; (ii) Legal process in which the Company discusses the violation of various legal principles of Law 13241/2015, which extinguished the exemption of PIS and COFINS contribution over income from the sale of eligible products to the Basic Production Process. According to the analysis of the Company's internal and external legal advisors the chances of loss are possible maybe remote; (iii) Administrative Process in which the Company discusses with the state tax authorities supposed ICMS credit for lack of the original invoice; (iv) Administrative Process in which the Company discusses with the state tax authorities assessments for ICMS tax credits appropriated on the purchase of goods from suppliers subsequently declared as inapt; (v) Administrative Process in which the Company discusses with the tax authorities the increase in the RAT rate; (vi) Sundry tax assessments in which the Company discusses the collection of ICMS credits appropriated on the acquisition of goods from some of its suppliers, once these were granted tax benefits by other States of the Federation. The Company accompanies the evolution of all the discussions at each quarter and when there are alterations to the scenario, the risk evaluations and eventual loss are also re-evaluated.

The risks of claims are continuously assessed and reviewed by Management. Additionally, the Company also challenges civil and labor administrative claims, with chances of possible loss, with immaterial amounts for disclosure.

Due to uncertainties regarding the outflow of resources for said provisions, Management believes it is not possible to reliably plan a settlement schedule.

e. Contingent assets

The Company is a plaintiff in other tax claims of various natures, in other words, filled lawsuits against various taxing entities in order to recover taxes paid and/or collected unduly by such entities. Among the main lawsuits, there is the legal discussion on the exclusion of ICMS from the calculation base of the PIS and COFINS contribution, which for the Company reaches the amount of R$ 374,763 (R$ 368,776 as at December 31, 2016) of taxes already paid. On March 15, 2017 the Supreme Federal Court concluded judgment, in the systematic of general repercussion, declaring unconstitutional the inclusion of ICMS in the calculation base of these contributions. Thus the Company is evaluating with its legal advisors the verification and monetary adjustment of the credits covered by its lawsuits and the respective accounting registers.

20 Shareholders' equity

a. Capital

As at March 31, 2017 the ownership structure of the Company is presented as follows, where all the shares are common, nominative, registered and without par value:

	Number of shares	% equity interest
Controlling shareholders	**15,953,070**	**73.78**
Outstanding shares	**5,320,863**	**24.60**
Treasury shares	**350,000**	**1.62**
Total	**21,623,933**	**100.00**

Shares held by controlling shareholders who are members of the Board of Directors and/or Board of Executive Officers are included under controlling shareholders.

According to Article 7 of the Bylaws, the Company may increase its capital stock, pursuant to Article 168 of Law 6.404/76, by means of the issue of up to 27,873,933 (twenty seven million eight hundred seventy three thousand nine hundred thirty three) common shares.

b. Capital reserve

As at March 31, 2017 the Company has the amount of R$ 20,146 (R$ 19,030 as at December 31, 2016) registered under Capital Reserve.

c. Legal reserve

As at March 31, 2017 the Company has the amount of R$ 20,471 (R$ 20,471 as at December 31, 2016) registered under Legal Reserve.

d. Profit reserve

As at March 31, 2017 and December 31, 2017 the Company has the amount of R$ 3,107 registered under Profit Reserve. The tax incentive reserve is presented under this heading.

e. Equity valuation adjustment

As at March 31, 2017 the Company has the amount of R$ 2,317 (R$ 1,202 as at December 31, 2016) registered under Equity valuation adjustment.

f. Earnings per share

The calculations of earnings per basic and diluted shares are disclosed below:

	Basic earnings		**Diluted earnings**	
In thousands	**3/3/2017**	**3/3/2016**	**3/3/2017**	**3/3/2016**
Total common shares	**21,624**	**22,249**	**21,624**	**22,249**
Effect of treasury shares	**(350)**	**(273)**	**(350)**	**(273)**
Effect of share option to be exercised (a)	**-**	**-**	**34**	**-**
Weighted average of common shares in circulation	**21,274**	**21,976**	**21,308**	**21,976**
Net income in thousands	**58,563**	**5,254**	**58,563**	**5,254**
Earnings per share: (in Brazilian reais)	**2.753**	**0.239**	**2.748**	**0.239**

(a) For the quarter ended March 31, 2016 there was no dilutive effect on earnings per share.

21 Net sales revenue

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Gross revenue:				
Retail - resale of goods	**3,183,273**	2,583,695	**3,199,164**	2,596,419
Retail - services rendered	**125,193**	106,122	**135,726**	113,627
Consortium management	**-**	-	**16,108**	13,566
	3,308,466	2,689,817	**3,350,998**	2,723,612
Taxes and returns:				
Resale of goods	**(523,689)**	(443,331)	**(526,315)**	(444,950)
Services rendered	**(16,618)**	(14,046)	**(16,618)**	(14,046)
Consortium management	**-**	-	**(1,140)**	(1,142)
	(540,307)	(457,377)	**(544,073)**	(460,138)
Net sales revenue	**2,768,159**	2,232,440	**2,806,925**	2,263,474

22 Cost of goods resold and services rendered

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Costs:				
Goods resold	**(1,961,053)**	(1,571,042)	**(1,966,688)**	(1,575,203)
Services rendered	**-**	-	**(7,790)**	(4,707)
	(1,961,053)	(1,571,042)	**(1,974,478)**	(1,579,910)

23 Information on the nature of expenses and other operating income

The Group's statement of income is presented based on the classification of the expenses according to their functions. Information on the nature of expenses recognized in the statement of income is as follows:

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Personnel expenses	**(285,237)**	(272,226)	**(286,304)**	(273,519)
Expenses with outsourced services	**(159,917)**	(122,838)	**(164,096)**	(125,458)
Other	**(162,515)**	(142,122)	**(167,941)**	(147,442)
	(607,669)	(537,186)	**(618,341)**	(546,419)
Classified by function as:				
Sales expenses	**(504,011)**	(424,308)	**(508,587)**	(426,777)
General and administrative expenses	**(113,137)**	(103,319)	**(120,119)**	(111,063)
Other operating income, net (Note 24)	**9,479**	(9,559)	**10,365**	(8,579)
	(607,669)	(537,186)	**(618,341)**	(546,419)

Freight expenses related to the transportation of goods from distribuition centers (DCs) to physical stores and the delivery of products resold to customers are classified as selling expenses.

24 Other operating income (expenses), net

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Gain (loss) from the sale of property and equipment	**2,614**	(180)	**2,614**	(180)
Recognition of deferred income (a)	**10,080**	9,907	**10,080**	9,907
Provision for tax loss	**(1,258)**	(931)	**(772)**	48
Non-recurring expenses (b)	**(556)**	(19,001)	**(556)**	(19,001)
Other	**(1,401)**	646	**(1,001)**	647
Total	**9,479**	(9,559)	**10,365**	(8,579)

(a) Refers to the allocation of deferred revenue from the assignment of exclusivity rights, as described in Note 18.

(b) Refers to pre-operating expenses of stores. In 2016 refers substantially to expenses with restructuring and adjustment of administrative personnel.

25 Financial income (expenses)

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Financial income:				
Interest on sales with extended guarantees	**10,528**	8,785	**10,528**	8,785
Income from financial investments and securities	**17,777**	13,779	**5,195**	4,868
Interest on sale of goods - interest in arrears from receivables	**884**	1,266	**884**	1,266
Discounts obtained and monetary adjustments	**6,493**	13,368	**6,493**	13,368
Other	**423**	326	**423**	326
	36,105	37,524	**23,523**	28,613
Financial expenses:				
Interest on loans and financing	**(67,957)**	(66,403)	**(67,964)**	(66,408)
Charges on credit card advances	**(74,488)**	(65,187)	**(74,908)**	(65,485)
Provision for loss on interest over extended guarantees	**(3,400)**	(4,820)	**(3,400)**	(4,820)
Other	**(7,545)**	(5,761)	**(7,666)**	(5,831)
	(153,390)	(142,171)	**(153,938)**	(142,544)
Net financial income	**(117,285)**	(104,647)	**(130,415)**	(113,931)

26 Segment reporting

To manage its business taking into consideration financial and operating activities, the Company classified its business into Retail, Credit, Insurance and Consortium management operations. These classifications are considered as the primary segments for disclosure of information. The characteristics of these divisions are described below:

- Retail - mainly resale of goods and provision of services in the Company's stores and e-commerce;
- Financial operations - through the joint venture Luizaseg, mainly engaged in granting of credit to the Company's customers for acquisition of products;
- Insurance operations - through the jointly-held subsidiary Luizaseg, mainly engaged in the offer of extended warranties of products purchased by the Company's customers;

- Consortium management - through the subsidiary LAC, mainly engaged in the management of consortia to the Company's customers for purchase of products.

The Company's sales are fully made in the Brazilian territory and, considering retail operations, there is no concentration of customers, or of products and services offered by the Group.

Statement of income

	3/31/2017					
	Retail (a)	**Financial operations**	**Insurance operations**	**Consortium management**	**Eliminations (b)**	**Consolidated**
Gross revenue	**3,337,851**	**211,009**	**44,742**	**16,108**	**(258,712)**	**3,350,998**
Deductions from revenue	**(542,933)**	**-**	**-**	**(1,140)**	**-**	**(544,073)**
Net revenue of the segment	**2,794,918**	**211,009**	**44,742**	**14,968**	**(258,712)**	**2,806,925**
Costs	**(1,969,649)**	**(26,698)**	**(6,278)**	**(7,790)**	**35,937**	**(1,974,478)**
Gross profit	**825,269**	**184,311**	**38,464**	**7,178**	**(222,775)**	**832,447**
Sales expenses	**(508,587)**	**(78,521)**	**(30,119)**	**-**	**108,640**	**(508,587)**
General and administrative expenses	**(114,351)**	**(204)**	**(5,166)**	**(5,768)**	**5,370**	**(120,119)**
Allowance for doubtful accounts	**(5,598)**	**(65,854)**	**-**	**-**	**65,854**	**(5,598)**
Depreciation and amortization	**(34,339)**	**(1,494)**	**(1,161)**	**(96)**	**2,655**	**(34,435)**
Equity in investments	**25,087**	**-**	**-**	**-**	**(1,708)**	**23,379**
Other operating income	**9,970**	**(2,401)**	**(535)**	**395**	**2,936**	**10,365**
Financial income	**(131,263)**	**-**	**5,064**	**848**	**(5,064)**	**(130,415)**
Income tax and social contribution	**(7,625)**	**(16,154)**	**(2,851)**	**(849)**	**19,005**	**(8,474)**
Net income for the period	**58,563**	**19,683**	**3,696**	**1,708**	**(25,087)**	**58,563**

Equity accounting reconciliation	
Equity in investment LAC (Note 12)	**1,708**
Equity in investment Luizacred (Note 13)	**19,683**
Equity in investment Luizaseg (Note 13)	**3,696**
(=) Equity in investments for the retail segment	**25,087**
(-) Elimination effect LAC	**(1,708)**
(=) Consolidated equity in investments	**23,379**

(a) The retail segment is represented by consolidated amounts contemplating the results of Magazine Luiza S.A. and Época Cosméticos. In the retail segment, the equity in investments line contemplates the net income from financial operations, insurance and consortium management, once this amount is contained in the profit or loss amounts of the segment used by the main management of the operations.

(b) Eliminations are represented mainly by the effects of the segments of financial operations and insurance operations, which are presented in a proportional manner above, nevertheless are included only in one line of equity in investments in the consolidated financial statements of the Company.

	3/31/2016					
	Retail (a)	**Financial operations**	**Insurance operations**	**Consortium management**	**Eliminations (b)**	**Consolidated**
Gross revenue	2,712,224	204,497	48,224	13,566	(254,899)	2,723,612
Deductions from revenue	(458,996)	-	-	(1,142)	-	(460,138)
Net revenue of the segment	2,253,228	204,497	48,224	12,424	(254,899)	2,263,474
Costs	(1,577,381)	(30,382)	(8,686)	(4,707)	41,246	(1,579,910)
Gross profit	675,847	174,115	39,538	7,717	(213,653)	683,564
Sales expenses	(426,777)	(72,711)	(33,465)	-	106,176	(426,777)
General and administrative expenses	(105,116)	(505)	(6,104)	(5,947)	6,609	(111,063)
Allowance for doubtful accounts	(7,715)	(78,393)	-	-	78,393	(7,715)
Depreciation and amortization	(30,810)	(1,518)	(1,288)	(85)	2,806	(30,895)
Equity in investments	16,282	-	-	-	(1,597)	14,685
Other operating income	(8,581)	3,315	16	1	(3,330)	(8,579)
Financial income	(114,632)	-	4,542	701	(4,542)	(113,931)
Income tax and social contribution	6,756	(11,226)	(1,631)	(791)	12,857	5,965
Net income for the period	5,254	13,077	1,608	1,596	(16,281)	5,254

Equity accounting reconciliation	
Equity in investment LAC	1,596
Equity in investment Luizacred	13,077
Equity in investment Luizaseg	1,608
(=) Equity in investments for the retail segment	16,281
(-) Elimination effect LAC	(1,596)
(=)Consolidated equity in investments	14,685

(a) The retail segment is represented by consolidated amounts contemplating the results of Magazine Luiza S.A. and Época Cosméticos. In the retail segment, the equity in investments line contemplates the net income from financial operations, insurance and consortium management, once this amount is contained in the profit or loss amounts of the segment used by the main management of the operations.

(b) Eliminations are represented mainly by the effects of the segments of financial operations and insurance operations, which are presented in a proportional manner above, nevertheless are included only in one line of equity in investments in the consolidated financial statements of the Company

Balance sheets

	3/31/2017 Restated			
	Retail(*)	**Financial operations**	**Insurance operations**	**Consortium management**
Assets				
Cash and cash equivalents	**223,063**	**2,460**	**224**	**32,022**
Securities and other financial assets	**521,375**	**6,430**	**158,673**	**-**
Accounts receivable	**581,902**	**2,063,314**	**-**	**-**
Inventory	**1,454,088**	**-**	**-**	**-**
Investments	**330,705**	**-**	**-**	**-**
Property and Equipment and intangible assets	**1,073,724**	**74,450**	**48,939**	**1,166**
Other	**1,077,989**	**126,446**	**27,295**	**4,011**
	5,262,846	**2,273,100**	**235,131**	**37,199**
Liabilities				
Suppliers	**1,760,455**	**-**	**3,078**	**1,923**
Loans, financing and other financial liabilities	**1,578,170**	**-**	**-**	**-**
Interbank deposits	**-**	**958,949**	**-**	**-**
Credit card operations	**-**	**922,633**	**-**	**-**
Insurance reserves	**-**	**-**	**111,085**	**-**
Provision for tax, civil and labor risks	**285,844**	**45,078**	**786**	**610**
Deferred income	**539,393**	**19,861**	**-**	**-**
Other	**416,604**	**36,295**	**19,012**	**8,859**
	4,580,466	**1,982,816**	**133,961**	**11,392**
Shareholders' equity	**682,380**	**290,284**	**101,170**	**25,807**

Investment reconciliation	
Investments in subsidiaries	
Investment LAC (Note 12)	**25,807**
Investments in jointly-held subsidiaries	
Investment Luizacred (Note 13)	**290,284**
Investment Luizaseg (Note 13)	**101,170**
Unrealised profit - Luizaseg (Note 13)	**(86,556)**
	304,898
Total investments	**330,705**
(-) Elimination effect LAC	**(25,807)**
(=) Total consolidated investments	**304,898**

(*) Consolidated balances including results of Magazine Luiza S.A and Época Cosméticos.

	12/31/2016 Restated			
	Retail(*)	**Financial operations**	**Insurance operations**	**Consortium management**
Assets				
Cash and cash equivalent	565,327	2,999	107	33,814
Securities and other financial assets	819,155	6,020	162,017	-
Accounts receivable	584,571	2,001,796	-	-
Inventory of goods for resale	1,596,743	-	-	-
Investments	317,929	-	-	-
Property and equipment and intangible assets	1,072,005	75,944	50,101	1,111
Other	1,132,712	137,239	19,403	3,614
	6,088,442	2,223,998	231,628	38,539
Liabilities				
Suppliers	2,363,164	-	1,361	1,795
Loans and financing	1,848,776	-	-	-
Interbank deposits	-	900,241	-	-
Credit card operations	-	948,340	-	-
Insurance reserves	-	-	105,036	-
Provision for contingencies	283,527	43,549	709	599
Deferred income	549,473	20,122	-	-
Other	421,917	36,269	19,613	12,046
	5,466,857	1,948,521	126,719	14,440
Shareholders’ equity	621,586	275,477	104,909	24,099
Investment reconciliation				
Investments in subsidiaries				
Investment LAC (Note 12)	24,099			
Investments in jointly-held subsidiaries				
Investment Luizacred (Note 13)	275,477			
Investment Luizaseg (Note 13)	104,909			
Unrealised profit (Note 13)	(86,556)			
	293,830			
Total investments	317,929			
(-) Elimination effect LAC	(24,099)			
(=) Total consolidated investments	293,830			

(*) Consolidated balances including results of Magazine Luiza S.A and Época Cosméticos.

27 Financial instruments

Capital risk management

The objectives of the Company through capital management are to safeguard the going concern capacity to offer continuous return to the Company’s shareholders and benefits to other related parties, and to maintain an ideal capital structure to reduce this cost and maximize its funds allowing for the opening and remodeling of stores, new technologies, process improvement and advanced management methods.

The Company’s capital structure comprises financial liabilities, cash and cash equivalents, securities and equity. Periodically, Management reviews the capital structure and its ability to settle its liabilities, as well as monitors, on a timely basis, the average term of suppliers in relation to the average term of inventory turnover, taking prompt actions these balance ratios pose significant imbalance.

The Company uses the non-GAAP performance measure adjusted net debt/adjusted EBITDA, as they believe such measure is a relevant metric for monitoring the Company's level of indebtedness, since it reflects the net consolidated funds available from the Company's operating cash flow for payment of its financial obligations. The Company defines adjusted EBITDA as profit before income tax and social contribution, finance income and expenses, depreciation and amortization and non-recurring operating events. Adjusted EBITDA is not a defined performance measure under IFRS. The Company's definition of adjusted EBTIDA may not be comparable with similarly titled perfomance measures and disclosures by other entities.

The Company's capital structure is broken down as follows:

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Loans, financing and other financial liabilities	**1,578,066**	1,848,638	**1,578,170**	1,848,776
(-) Cash and cash equivalents	**(222,777)**	(562,728)	**(255,085)**	(599,141)
Securities and other financial assets	**(521,375)**	(819,155)	**(521,375)**	(819,155)
(-) Third-party credit cards	**(341,596)**	(272,502)	**(342,390)**	(276,206)
(-) Related party credit cards	**(15,653)**	(18,646)	**(15,653)**	(18,646)
Adjusted net debt	**476,665**	175,607	**443,667**	135,628
Shareholders' equity	**682,380**	621,586	**682,380**	621,586

Category of financial instruments

	Parent Company		Consolidated	
	3/31/2017	**12/31/2016**	**3/31/2017**	**12/31/2016**
Financial assets				
Loans and receivables				
Cash and banks	**53,826**	73,996	**53,911**	77,108
Escrow deposits	**292,743**	292,187	**292,745**	292,189
Accounts receivable	**579,979**	578,904	**581,902**	584,571
Related parties	**57,746**	66,296	**56,840**	64,021
At fair value through profit or loss				
Held for trading - Cash equivalents and securities	**690,300**	1,293,981	**722,523**	1,327,282
Initial recognition other financial assets	**26**	13,906	**26**	13,906
Financial liabilities				
Amortized cost				
Suppliers	**1,755,411**	2,353,473	**1,762,378**	2,364,959
Loans and financing	**1,433,401**	1,498,700	**1,433,505**	1,498,838
Related parties	**56,242**	72,923	**56,277**	72,955
At fair value through profit or loss				
Held for trading - Loans and financing	**136,548**	333,503	**136,548**	333,503
Initial recognition - other financial liabilities	**8,117**	16,435	**8,117**	16,435

Fair value measurement

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy described below, based on the lowest level of information that is significant to the fair value measurement as a whole:

- Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest and significant level of information to measure the fair value directly or indirectly observable. The Company uses the discounted cash flow technique for measurement.
- Level 3 - Valuation techniques for which the lowest and significant level of information to measure the fair value is unobservable.

The measurement of assets and liabilities of the Company at fair value is demonstrated below:

	Parent Company		**Consolidated**		**Fair value measurement**
	3/31/2017	**31/12/2016**	**3/31/2017**	**31/12/2016**	**Level**
Financial assets					
At fair value through profit or loss:					
Cash equivalents and securities	**690,300**	1,293,981	**722,523**	1,327,282	**Level 1**
Other financial assets	**26**	13,906	**26**	13,906	**Level 2**
Financial liabilities					
At fair value through profit or loss:					
Loans and financing	**136,548**	333,503	**136,548**	333,503	**Level 2**
Other financial liabilities	**8,117**	16,435	**8,117**	16,435	**Level 2**

Valuation techniques and significant unobservable inputs.

Detailed below are the valuation techniques used in the measurement of Level 2 fair value, as well as significant unobservable inputs used.

Loans and financing: This category includes loans and financing linked to the CDI. The fair value was determined based on the present value of future cash flows, discounted at the average future CDI rate, plus the credit risk, corresponding to all the loans with maturities between 2017 and 2022, calculated on the reporting date of the financial statements.

Loans at fair value: This category included loans and financing assigned from its initial contracting at fair value satisfying the classification criteria defined by CPC 38 - Financial Instruments: Recognition and Measurement.

The fair value of these liabilities is based on estimated future cash flows based on conditions and maturities of each contract and using the exchange coupon plus a spread which is obtained in quotation with financial institutions to reflect the credit risk of the Company in the contracted period.

Liquidity risk management

The Company's Management has the ultimate responsibility for the management of the liquidity risk and prepares an appropriate liquidity risk management model to manage funding requirements and short, medium and long-term liquidity management. The Group manages the liquidity risk through the continuous monitoring of estimated and actual cash flows, the combination of the maturity profiles of financial assets and liabilities and the maintenance of a close relationship with financial institutions, with regular disclosure of information to support credit decisions when external funds are necessary.

The table below details the remaining contractual maturity of the Group's financial liabilities and the contractual amortization terms. This table was prepared using the undiscounted cash flows of financial liabilities.

Contractual maturity is based on the most recent date on which the Group should settle the related obligations:

				3/31/2017
	Under one year	**One to three years**	**Over three years**	**Total**
Suppliers	**1,762,378**	**-**	**-**	**1,762,378**
Loans, financing and other liabilities	**688,280**	**868,149**	**21,741**	**1,578,170**
Related parties	**56,277**	**-**	**-**	**56,277**

Considerations on risks

The Group's business mainly comprise the retail sale of consumer goods, mainly home appliances, electronics, furniture and financial services, consumer financing for purchase of these assets and consortium-related activities, created to purchase vehicles, motorcycles, home appliances and real properties. The main market risk factors affecting the Company's business are as follows:

- *Credit risk:* the risk arises from the possibility that the Group may incur losses due to non-receipt of amounts billed to their customers, the consolidated balance of which amounts to R$523,684 as at March 31, 2017 (R$466,061 as at December 31, 2016). A large part of the sales of the Company are made using the credit card as a form of payment, which is substantially securitized with the credit card administrators. For other receivables the Company evaluates also the risk as being low, due to the widespread sales, as a result of the large number of customers; however, there are no guarantees of actual receipt of the total balance of trade receivables due to the nature of the Group's activities. Even so, the risk is managed by means of periodic analysis of default rate and the adoption of more efficient collection measures. As at March 31, 2017, the Group recorded past-due or uncollectible balances under "trade receivables," which terms were renegotiated, in the amount of R$4,311 (R$ 4,672 as at December 31, 2016), which are included in the Group's analysis on the need to recognize an allowance for doubtful accounts. Further information on accounts receivable is disclosed under Note 7.

- The policy of the Company for investments in debt securities (financial investments) is to invest in securities that have ratings attributed by the main credit risk agencies, of at least AAA. As at March 31, 2017, approximately 98% (ninety eight percent) of investments held by the Company have such rating level. It is also important to observe that the great majority of these securities are securities with sovereign risk (Brazilian public securities).
- *Market risk:* arises from the slowdown of retail sales in the Brazilian economic environment. The risks involved in these transactions are managed by establishing operational and commercial policies, determining limits for derivative transactions, and constantly monitoring assumed positions. The main related risks are variations in the interest and foreign exchange rates.
- *Interest rate risk:* the Group is exposed to floating interest rates tied to the "Interbank Deposit Certificate (CDI)", relating to financial investments and loans and financing in Brazilian reais, for which it performed a sensitivity analysis, as described in the below.

At March 31, 2017, Management carried out a sensitivity analysis, considering a probable scenario and scenarios of 25% and 50% increases in the expected interest rates. The probable scenario was measured using the future interest rates disclosed by BM&FBOVESPA and/or BACEN. The expected effects of interest expenses net of financial income from financial investments for the next three months are as follows:

	Parent Company	**Consolidated**
	3/31/2017	**3/31/2017**
Bank deposit certificates (Note 5)	168,070	178,943
Non-exclusive investment funds (Note 5)	881	22,231
Cash equivalents	**168,951**	**201,174**
Securities and other financial assets (Note 6)	**521,375**	**521,375**
Total cash equivalents, securities and other financial assets	**690,326**	**722,549**
Loans, financing and other financial liabilities (Note 18)	**(1,578,066)**	**(1,578,170)**
Net financial instruments	**(887,740)**	**(855,621)**
Interest to incur exposed to the CDI	**10.50%**	**10.50%**
Impact on financial income, net of taxes		
Scenario I Probable	**(26,512)**	**(25,747)**
Scenario II Above 25%	**(33,140)**	**(32,184)**
Scenario III Above 50%	**(39,769)**	**(38,620)**

- *Foreign exchange rate risk management:* the Company uses derivatives to meet its market risk management requirements, arising from mismatching between currencies and indexes. Derivative transactions are carried out through the Finance Department, pursuant to the strategies previously approved by the Company's Board of Directors. Upon initial recognition of hedge, the Company formally classifies and reports the hedge ratio to which the Company intends to apply the hedge accounting, as well as the objective and the Management's risk management strategy to materialize the hedge. Documentation includes the identification of the hedge instrument, the hedged item or transaction, the nature of the hedged risk, the nature of risks excluded from the hedge ratio, the prospective statement of effective hedge ratio and how the Company will assess the hedge instrument's efficacy for the purposes of offsetting the exposure to changes in the fair value of the hedged item or cash flows related to the hedged risk.

In this scenario, the Company raised foreign currency-denominated loans bearing interest, for which it entered into swap transactions to hedge against exchange rate variation, swapping contracted interest rate and foreign currency exchange rate for CDI plus fixed rate. For the purposes of hedge accounting, these instruments are classified as fair value hedge and initially are recognized at fair value on the date the derivative agreement is contracted, and subsequently revalued also at fair value. Any gains or losses resulting from changes in fair value, both of the hedging derivatives (*swap*) and the hedge purpose (loans) during the year are recorded directly in the statement of income, as financial income (expense).

Below, a description of agreements that affected profit or loss as at March 31, 2017:

Fair value hedge

Hedge instrument

	Swaps			Average Indexes
	Financial position	**MTM adjustment**	**Fair value(a)**	
Assets (long leg)	135,415	1,133	136,548	**US$+3.24%**
Liabilities (short leg)	144,643	(4)	144,639	**115.31%CDI**
Total	**(9,228)**	**1,137**	**(8,091)**	

Hedge purpose

	Working capital in USD			Average indexer
	Financial position	**MTM adjustment**	**Fair value(a)**	
Liabilities	**135,415**	**1,133**	**136,548**	**US$+3.24%**

Reconciliation	
Other financial assets (Note 6)	**26**
Other financial liabilities (Note 17)	**(8,117)**
(=) Fair value of the derivative financial instrument	**(8,091)**

As discussed above, the Group's management understands that there is no market risk arising from foreign exchange fluctuations since all significant financial liabilities recorded in foreign currency are pegged to swap transactions, so that the accounting and financial treatment of these loans is denominated in domestic currency. Accordingly, changes in swap derivative financial instruments and loans and borrowings are offset.

In the periods presented there were no operations that were not qualified as equity protection operations, and there are no future commitments object of equity protection of cash flows.

28 Statements of cash flows

Changes to equity that do not affect the cash flows of the Company are as follows:

	Parent Company		Consolidated	
	3/31/2017	**3/31/2016**	**3/31/2017**	**3/31/2016**
Net change in fair value of available for sale financial instruments.	**1,115**	1,867	**1,115**	1,867

29 Insurance

The Company has insurance contracts with coverage determined following the advice of experts, taking into account the nature and degree of risk, in amounts considered sufficient to cover any losses on its assets and/or obligations.

The insurance coverage, in values as at March 31, 2017 and December 31, 2016 are as follows:

	3/31/2017	**12/31/2016**
Civil responsibility and D&O	**42,000**	42,000
Sundry risks - inventory and property and equipment	**2,027,829**	2,014,174
Vehicles	**17,285**	17,285
	2,087,114	2,073,459

30 Subsequent events

30.1 Investments in subsidiaries

On April 3, 2017 the contract for the acquisition of the technology startup Donatelo Desevolvimento de Software e Market Digital Ltda. was executed. Donatelo Desenvolvimento de Software e Market Digital Ltda is a limited liability company with its head office located at the city of Itajubá, State of Minas Gerais, also known as “Integra Commerce”. The Company is in the process of assessing the business combination, as per CPC 15 and IFRS 3 and the financial effects on its financial statements could not be measured until the date of this report.

30.2 Payment of dividends

On April 20, 2017 the Ordinary General Assembly (AGO) approved the payment of dividends in the amount of R$ 21,641 to the shareholders of the Company. The date of the payment shall be May 5, 2017.

30.3 Approval of the incentive plan related to shares

On April 20, 2017 the Company approved in an Extraordinary General Assembly (AGE) the concession of an incentive plan linked to shares for collaborators eligible by the Board of Directors of the Company, which may implement a type of incentive judged necessary, including the implementation of share matching incentives, with the free granting of shares to the beneficiaries acquiring the shares. The granting of benefits to each beneficiary will be through a contract of adhesion between the Company and the respective beneficiary, where the terms and conditions of each incentive shall be established, as provisioned in the respective program.

30.4 Approval for the issue of commercial papers

On April 4, 2017 the Board of Directors approved the 3rd issue of commercial papers for public distribution with restricted distribution efforts, in the total amount of R$ 200,000. The total value of the issue was divided into: R$ 100,000 for first series commercial papers, with maturity of up to 365 days, incurring in interest remuneration corresponding to the accumulated variation of 109% of the average daily rates of Interbank Deposits; and R$ 100,000 for second series commercial papers, with maturity of up to 730 days incurring in interest remuneration corresponding to the accumulated variation of 112% of the Interbank Deposit Rate.