October 31st, 2017

Magazine Luiza S.A. (B3: MGLU3)
3rd Quarter 2017 Earnings Release (IFRS equivalent)

MGLU3 NOVO MERCADO BM&FBOVESPA

3Q17 HIGHLIGHTS

E-Commerce grew 55% reaching 30% of total sales
Physical store sales grew 19% (15% same store)
Total sales rose 27%, reaching R$3.4 billion
EBITDA grew 39% to R$250 million (8.8% margin)
Net profit grew 273% to R$92 million (3.2% margin)
Cash flow from operations grew to R$974 million over the last 12 months
Net debt was reduced by R$722 million over the last 12 months

- **Highest quarterly growth in the last 5 years.** In 3Q17, consolidated gross sales increased 27.3% to R$3.4 billion, reflecting growth of 54.6% in e-commerce and 18.6% in physical stores. Magalu again gained market share across all channels and major product categories. According to IBGE data (PMC), nominal sales of furniture and electronics grew 6.9% for the first eight months of the year, compared to the Company's growth of 25.3% in 9M17.

- **Accelerated growth in e-commerce.** E-commerce sales grew 54.6% in 3Q17 (compared to market growth of 9.4%, according to the E-bit), reaching 30.0% of total sales. This market share gain was the result of: (i) increased sales on mobile platforms, mainly through the app, which reached 7.7 million downloads, (ii) higher conversion rates across all channels, (iii) implementation of multichannel projects, especially, In-Store Pick-Up and (iv) maintaining the RA1000 seal of excellence in service.

- **Evolution of gross profit.** In 3Q17, gross profit increased 23.3% to R$882.8 million. Gross margin decreased 80 bps to 30.9% in 3Q17, reflecting: (i) a significant increase in e-commerce share (+530 bps vs. 3Q16) and (ii) preservation of gross margin across all channels, the result of increased commercial assertiveness, better inventory management and greater price rationality in the online and offline markets.

- **Significant dilution of operating expenses.** In 3Q17, operating expenses were diluted by 160 bps to 22.9% of net revenue. Expenses grew only 18.4% versus net revenue growth of 26.5%, resulting in significant operating leverage. This dilution reflects the growth of e-commerce, the continuity of the Zero Base Budget (OBZ) and Matrix Expense Management (GMD) programs implemented by the Company, as well as the maturation of digital transformation projects, such as the Mobile Sales application and In-Store Pick-Up.

- **Strong EBITDA growth, reduction of financial expenses and evolution of net income.** In 3Q17, EBITDA increased 38.8% to R$250.4 million (+80 bps to 8.8% margin). High sales growth, the positive contribution of e-commerce and the dilution of expenses contributed to the achievement of the highest EBITDA margin since the Company's IPO in 2011. In addition, financial expenses were diluted by 230 bps to 2.9% of net revenue, as a result of the significant reduction in net debt and the decline in the CDI rate (without considering the proceeds of the Secondary Offering). As a result, the Company posted the highest quarterly profit in its history, rising from R$24.8 million to R$92.5 million (ROIC of 36% and ROE of 43%).

- **Strong cash flow generation.** Cash flow from operations reached R$974.0 million in the last 12 months, due to improved results and working capital management. In 3Q17, the Company improved it's inventory turnover by 9 days (to 70 days) and the average purchase period by 4 days (to 91 days). In the last 12 months, the change in working capital contributed R$390.0 million to operating cash generation.

- **Reduction of net debt and optimization of the capital structure.** In the last 12 months, the Company reduced adjusted net debt by R$721.6 million, from R$750.3 million in Sep/16 to only R$28.7 million in Sep/17 (with a reduction of R$238.9 million in 3Q17). With the funds from the Secondary Offering, received in Oct/17, in the amount of R$1,14 billion, the Company would have a net cash position of R$1.1 billion.

MGLU3: R$ 63,75 per share Total Shares: 190,591,464 Market Cap: R$ 12,2 billion	**Conference call: November 1, 2017 (Wednesday)** 08:00AM in US Time (EST): +1 786 924-6977 10:00AM in Brazil Time: +55 11 3193-1001	Investor Relations: Tel. +55 11 3504-2727 www.magazineluiza.com.br/ri ri@magazineluiza.com.br

R$ million (except when otherwise indicated)	3Q17	3Q16	% Chg	9M17	9M16	% Chg
Gross Revenue	3,430.3	2,693.8	27.3%	9,998.5	7,979.0	25.3%
Net Revenue	2,856.3	2,258.7	26.5%	8,362.4	6,669.5	25.4%
Gross Income	882.8	715.9	23.3%	2,550.2	2,082.0	22.5%
Gross Margin	30.9%	31.7%	-80 bps	30.5%	31.2%	-70 bps
EBITDA	250.4	180.4	38.8%	718.0	487.7	47.2%
EBITDA Margin	8.8%	8.0%	80 bps	8.6%	7.3%	130 bps
Adjusted EBITDA	250.6	180.8	38.6%	720.2	512.4	40.5%
Adjusted EBITDA Margin	8.8%	8.0%	77 bps	8.6%	7.7%	93 bps
Net Income	92.5	24.8	272.6%	223.4	40.5	451.7%
Net Margin	3.2%	1.1%	210 bps	2.7%	0.6%	210 bps
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Adjusted Net Income	92.6	25.1	268.8%	224.8	56.8	295.6%
Adjusted Net Margin	3.2%	1.1%	213 bps	2.7%	0.9%	183.6 pp
Same Store Sales Growth	24.9%	9.6%	-	23.7%	3.9%	-
Same Physical Store Sales Growth	15.0%	5.5%	-	14.0%	-1.9%	-
Internet Sales Growth	54.6%	24.3%	-	55.5%	27.9%	-
E-commerce Share in Total Sale	30.0%	24.7%	5.3 pp	28.8%	23.2%	5.6 pp
Number of Stores - End of Period	830	791	39 stores	830	791	39 stores
Sales Area - End of Period (M2)	516,598	500,239	3.3%	516,598	500,239	3.3%

MESSAGE FROM THE BOARD OF DIRECTORS

After a long period of recession, the Brazilian retail sector finally resumed a growth trajectory in the third quarter. According to the IBGE, sales of furniture and appliances grew 9.6% in July and 12.9% in August, compared to 5.6% in the first half. With this more favorable economic scenario, we continue to gain market share and accelerate our sales, achieving our highest growth rate in the last 5 years. Even considering a larger comparison basis (10.8% in 3Q16) and the end of FGTS withdrawals in July, we grew 27%. In this quarter, we also recorded the highest profit in Company history, R$92.5 million, without taking into account the positive impact of the secondary offering completed in Oct/17.

E-commerce

For the third consecutive quarter, e-commerce sales grew more than 50%. The Company's sales grew 55% compared to 9% growth for the overall market, according to E-bit. Our e-commerce sales reached 30% of total sales, without considering the GMV (Gross Merchandising Value) of the marketplace. As our e-commerce operation is fully integrated, this growth has contributed significantly to the Company's increased profitability and cash generation.

We continue to invest heavily in the experience of our customers through smartphones. This quarter we reached a milestone of 7.7 million downloads for our app in less than 2 years. Traffic through mobile devices has reached approximately 60% of total traffic, while sales through smartphones are already almost 40% of total e-commerce sales. In October, we launched Mercado Magalu, combining products from our inventory and the inventory of Marketplace sellers.

In this new category we are offering items for personal hygiene, cleaning, baby care, coffee and chocolate, among others. For products within our own inventory we offer our logistics, and the benefits of in-store pick-up.

Marketplace

Our Marketplace operation has also been performing very positively. We closed 3Q17 with more than 500 sellers, in different categories, who together added more than 1.2 million products, which represents double the number offered in 2Q17. This quarter, multiple important sellers joined our platform, including: Samsung, Electrolux, Acer, Home & Video, Star 10, Clik Baby, Vaio Store, Niazi Chohfi, Farmais and Kikos Fitness.

We recently launched the pilot of our ads platform for sellers and suppliers: Magalu Ads. This platform allows partners to invest in the exposure of their brand and products in several areas of our e-commerce platform. We have also launched a new process for the approval of sellers, based on credit score, accelerating the process of registration. In order to preserve our reputation and guarantee the same excellent level of service to our online and offline customers, we have so far rejected 27% of potential sellers.

Physical Stores

In our physical stores, we also accelerated our growth, achieving a total increase of 19% in same stores sales, even considering a higher comparison base (6% in 3Q16). Strong sales were experienced across all regions and main product categories. We inaugurated 16 new stores in the quarter and 39 stores in the last twelve months, totaling 830 points of sale in 16 states across the country.

The sale of digital services such as Lu Connect and Control Plan, which can be made by all of our sales associates with a few clicks using the Mobile Sales application, continue to grow significantly in the physical stores,. In October, we also started the pilot of DCC Digital, a new tool that will allow sellers to approve direct to consumer credit in a few minutes, digitizing the client's documents, recording their digital signature and capturing their facial biometrics to prevent fraud.

Multichannel

In-store pick-up, a system that allows customers to buy online and retrieve products at any of our physical stores, continues to evolve significantly, with a 250% increase in order numbers since the beginning of the year. The vast majority of in-store pick-up requests are delivered in less than 2 business days.

In furtherance of our multichannel strategy, we began a pilot program of selling marketplace products in our physical stores. We are currently testing the program with 20 qualified sellers in 10 stores and will soon be ready to scale the model rapidly.

Logistics
This quarter, our logistics operation reached the highest service rating in Company history, achieving a national performance rating above 98% in relation to meeting promised deadlines. By leveraging Malha Luiza, our fleet of over 1,000 micro transport companies, and our 10 distribution centers, we have consistently been able to deliver orders 25% faster than our competitors in regions where we have physical stores, according to our research. We are investing in even faster delivery times, completing almost 30% of orders in the greater São Paulo and Belo Horizonte metropolitan areas within one business day.

It is also worth mentioning that we have evolved the functionality of the Mobile Deliveries application, which is being used by more than 1,000 Malha Luiza transporters, allowing a more efficient route for drivers and better tracking of deliveries for our customers. After implementing the feature, the contact rate per order has decreased by 56% compared to the same period last year. We have also maintained our RA 1000 (Reclame Aqui) certification in e-commerce, which is a measure of the high quality of our logistics operation.

Luizalabs
Luizalabs, our technology and innovation laboratory, continues to develop new projects at the speed of a start-up. This quarter, we launched the “one click buy" option for in-store pick-up; we implemented an anti-fraud system using facial recognition for our direct to consumer credit business; we developed a dynamic pricing algorithm that uses machine learning to automatically generate prices for more than 10 thousand e-commerce products; we launched a platform for e-commerce ticket registrations capable of approving orders in less than 1 hour, reducing the order release time by up to 1 day; we were the first and only Brazilian retailer to accept Pay with Google since its launch; we have launched a new app for Quero de Casamento, our virtual list of wedding gifts; and we launched a pilot for advertisers on Magazine Voce, our social network-based direct sales platform, that also accept payments with credit card machines.

Stock Offering
In October, we successfully concluded a secondary offering of shares in the total value of R$1.56 billion, with the primary offering totaling R$1.14 billion. The main objective of the offering was to accelerate investments in long-term assets, including improvement and expansion of logistics, investments in technology, transformation of existing stores into “shoppable" distribution centers, inauguration of new stores and the acquisition of technology companies with operations in the digital segment. In addition, part of the proceeds will be allocated to the optimization of the capital structure, including the payment of short-term debt.

Over 80 investment funds participated in the offering, most of which were international investors, diversifying our shareholder base and improving liquidity. The average daily trading volume increased substantially, from R$23 million in 2Q17 to R$115 million in 3Q17, reaching more than R$200 million in September. With this volume, we should be included in indexes such as IBOVESPA, IBX50 and MSCI during their next revisions.

People Management
In August, Magalu was elected the 4th best company to work for in Brazil according to an extensive study conducted by Great Place to Work. This was an improvement of two positions compared to last year's ranking. Magalu was also elected as the Best Company to Work for in Retail. We are extremely proud of this achievement and have been consistently present on the list for more than 20 years.

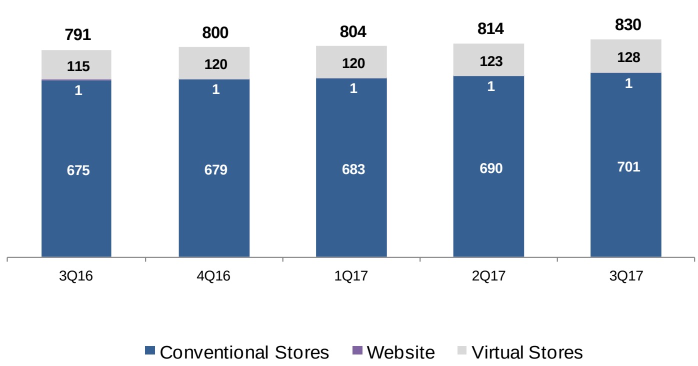
Final Considerations
For the seventh consecutive quarter, we have improved our operating and financial results, achieving the best results in our Company’s history. With the prospect of GDP growth, a reduction in inflation and, simultaneously, falling interest rates, we are optimistic about the growth potential of retail as a whole, and the durable goods sector in particular, which has already grown above the retail average. The transition from an analog signal to a digital signal, and the proximity of the World Cup, should also drive a very positive sales scenario in the coming quarters.

Additionally, using resources from the secondary offering, we are accelerating our digital transformation projects to increase our competitive advantage and our ability to gain marketshare in a sustainable manner. We are investing to be the best multichannel marketplace for our customers and sellers. Thank you once again your confidence.

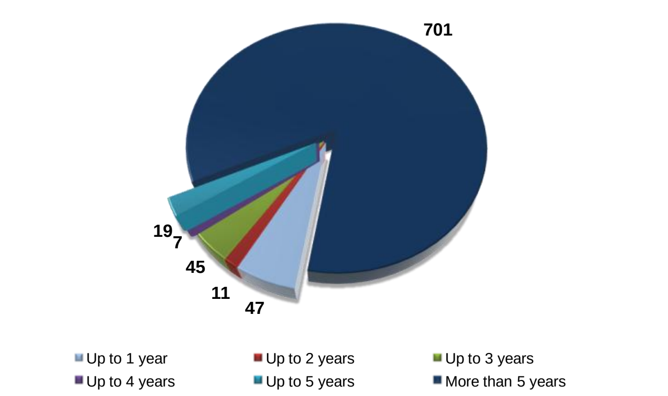
OPERATING AND FINANCIAL PERFORMANCE

Magalu ended Sep/17 with 830 stores, 701 of which were conventional stores, 128 virtual stores and one e-commerce operation. In 3Q17, the Company inaugurated 16 stores (11 conventional and 5 virtual). In the last 12 months, the Company opened 39 new stores. Out of our total number of stores, 16% are not yet mature.

Number of Stores

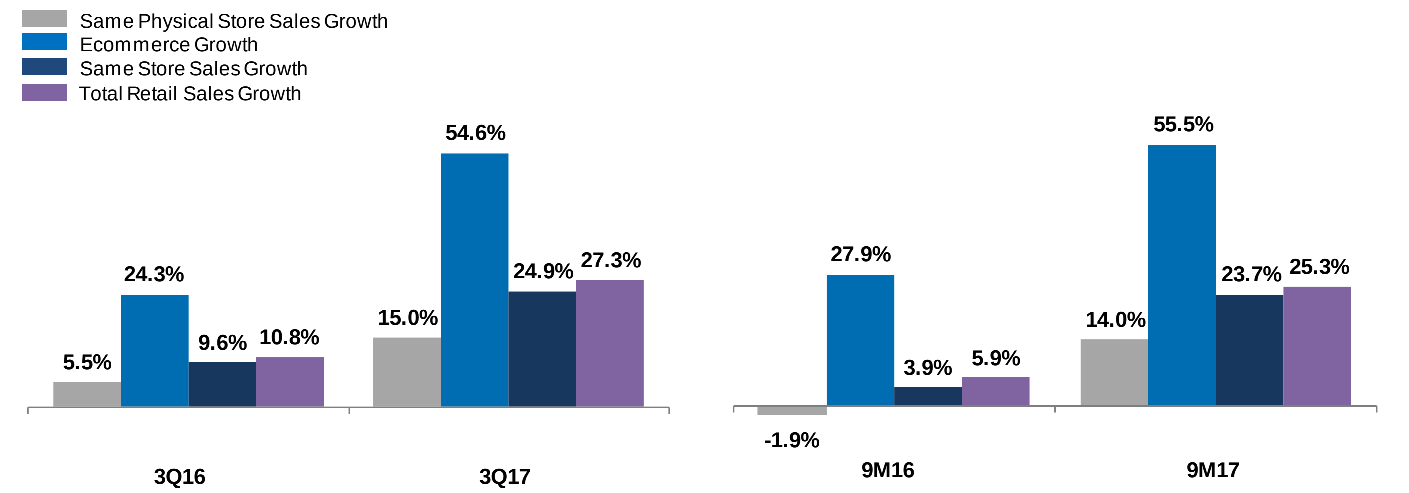


Average Age of Stores (number of stores)



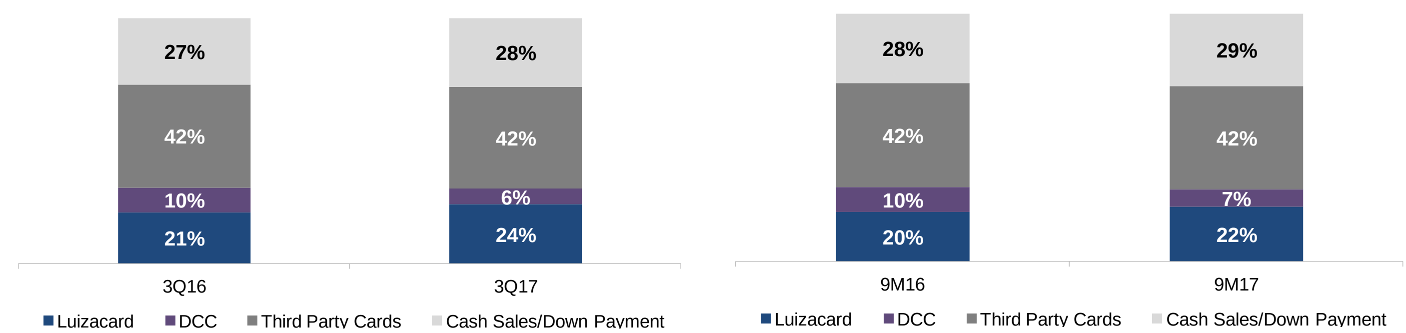
Gross same-store-sales were up 24.9% in 3Q17 as a result of a 15.0% increase in brick-and-mortar stores and 54.6% in e-commerce. This growth reflects consistent e-commerce and brick-and-mortar performance.

Same Store Sales Growth (%)



Luiza Card total sales penetration increased 300 bps to 24% in 3Q17, contributing to the Company's strategy of increasing customer loyalty. Due to a more conservative credit policy, the percentage of DCC (direct credit to consumers) sales fell from 10% to 6% YoY.

Financed Sales Mix (% of total sales)



Gross Revenues

(in R$ million)	3Q17	3Q16	%Chg	9M17	9M16	%Chg
Gross Revenue - Retail - Merchandise Sales	3,256.2	2,557.5	27.3%	9,515.6	7,591.7	25.3%
Gross Revenue - Retail - Services	159.1	124.3	27.9%	440.6	352.2	25.1%
Subtotal Retail	**3,415.2**	**2,681.8**	**27.3%**	**9,956.2**	**7,943.9**	**25.3%**
Gross Revenue - Consortium Management	18.2	14.8	23.3%	51.3	42.2	21.5%
Inter-Company Eliminations	(3.1)	(2.7)	13.2%	(9.0)	(7.2)	25.3%
Gross Revenue - Total	**3,430.3**	**2,693.8**	**27.3%**	**9,998.5**	**7,979.0**	**25.3%**

In 3Q17, gross revenues grew 27.3% to R$3.4 billion, due to 24.9% increase in same-store sales and the contribution from new stores. It is worth mentioning the 27.9% growth from services revenue, includes the sales of new insurances, digital services (Lu Conecta) and Marketplace commissions. In 9M17, gross revenues rose 25.3% to R$10.0 billion.

Net Revenues

(in R$ million)	3Q17	3Q16	%Chg	9M17	9M16	%Chg
Net Revenue - Retail - Merchandise Sales	2,702.5	2,138.9	26.4%	7,936.5	6,329.1	25.4%
Net Revenue - Retail - Services	140.1	109.0	28.5%	387.3	308.7	25.5%
Subtotal Retail	**2,842.6**	**2,247.8**	**26.5%**	**8,323.8**	**6,637.8**	**25.4%**
Net Revenue - Consortium Management	16.8	13.6	23.3%	47.6	38.8	22.5%
Inter-Company Eliminations	(3.1)	(2.7)	13.2%	(9.0)	(7.2)	25.3%
Net Revenue - Total	**2,856.3**	**2,258.7**	**26.5%**	**8,362.4**	**6,669.5**	**25.4%**

In 3Q17, net revenues rose 26.5% to R$2.9 billion, in line with total gross revenue. In 9M17, net revenues were up 25.4% to R$8.4 billion.

Gross Profit

(in R$ million)	3Q17	3Q16	% Chg	9M17	9M16	% Chg
Gross Income - Retail - Merchandise Sales	734.0	599.7	22.4%	2,139.1	1,750.8	22.2%
Gross Income - Retail - Services	140.1	109.0	28.5%	387.3	308.7	25.5%
Subtotal Retail	**874.1**	**708.7**	**23.3%**	**2,526.4**	**2,059.5**	**22.7%**
Gross Income - Consortium Management	8.7	7.2	20.6%	23.8	22.5	5.8%
Gross Income - Total	**882.8**	**715.9**	**23.3%**	**2,550.2**	**2,082.0**	**22.5%**
Gross Margin - Total	**30.9%**	**31.7%**	**-80 bps**	**30.5%**	**31.2%**	**-70 bps**

In 3Q17, gross profit increased by 23.3% to R$882.8 million, equivalent to a gross margin of 30.9%. This result was due to: (i) higher contribution from e-commerce over total sales (+530 bps over 3Q16) and (ii) flat gross margin in all channels. In 9M17, gross profit were up 22.5% to R$2.6 billion (gross margin of 30.5%)

Operating Expenses

(in R$ million)	3Q17	% NR	3Q16	% NR	% Chg	9M17	% NR	9M16	% NR	% Chg
Selling Expenses	(519.3)	-18.2%	(434.5)	-19.2%	19.5%	(1,517.1)	-18.1%	(1,279.0)	-19.2%	18.6%
General and Administrative Expenses	(132.3)	-4.6%	(118.5)	-5.2%	11.6%	(378.6)	-4.5%	(348.0)	-5.2%	8.8%
General and Administrative Expenses	**(651.6)**	**-22.8%**	**(553.0)**	**-24.5%**	**17.8%**	**(1,895.7)**	**-22.7%**	**(1,627.1)**	**-24.4%**	**16.5%**
Provisions for Loan Losses	(11.5)	-0.4%	(6.1)	-0.3%	89.0%	(27.3)	-0.3%	(19.3)	-0.3%	41.2%
Other Operating Revenues, Net	9.9	0.3%	7.2	0.3%	37.4%	29.3	0.4%	5.2	0.1%	465.9%
Total Operating Expenses	**(653.2)**	**-22.9%**	**(551.9)**	**-24.4%**	**18.4%**	**(1,893.7)**	**-22.6%**	**(1,641.2)**	**-24.6%**	**15.4%**

Selling Expenses

Selling expenses totaled R$519.3 million or 18.2% of net revenues in 3Q17 (100 bps lower YoY), due to the rigorous control of expenses, productivity gains, reduced marketing and logistics expenses, renegotiation of lease contracts and significant reduction of inflation in the period. In 9M17, selling expenses totaled R$1.5 billion equivalent to 18.1% of net revenue (110 bps lower *versus* 9M16).

General and Administrative Expenses

General and administrative expenses came to R$132.3 million or 4.6% of net revenues in 3Q17 (60 bps lower YoY), due to optimization of the administrative processes and also due to the reduction of salary adjustments due to the fall in inflation. In 9M17, G&A expenses totaled R$378.6 million, equivalent of 4.5% of net revenue (70 bps lower versus 9M16).

Provisions for Loan Losses

Provisions for loan losses reached R$11.5 million in 3Q17 and R$27.3 million in 9M17.

Other Operating Revenues and Expenses, Net

(in R$ million)	3Q17	% NR	3Q16	% NR	% Chg	9M17	% NR	9M16	% NR	% Chg
Gain on Sale of Assets	0.7	0.0%	(0.0)	0.0%	-	3.0	0.0%	(0.4)	0.0%	-954%
Deferred Revenue Recorded	10.7	0.4%	10.3	0.5%	3.6%	32.1	0.4%	30.6	0.5%	5.1%
Provision for Tax Liabilities	(1.0)	0.0%	(2.8)	-0.1%	-64%	(4.2)	-0.1%	(1.6)	0.0%	167.1%
Non-recurring Expenses	(0.2)	0.0%	(0.4)	0.0%	-53.8%	(2.1)	0.0%	(24.7)	-0.4%	-91.4%
Other	(0.3)	0.0%	0.1	0.0%	-280.9%	0.5	0.0%	1.3	0.0%	-60.3%
Total	**9.9**	**0.3%**	**7.2**	**0.3%**	**37.4%**	**29.3**	**0.4%**	**5.2**	**0.1%**	**465.9%**

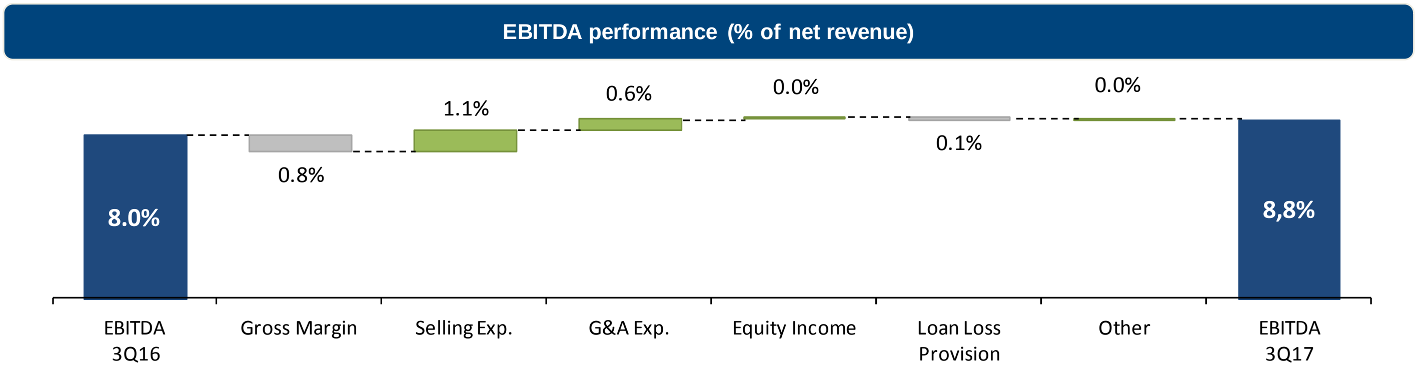
Other net operating revenues and expenses came to R$9.9 million in 3Q17, chiefly due to a deferred revenues allocation of R$10.7 million. In 9M17, other net operating revenues and expenses reached R$29.3 million.

Equity Income

Equity income grew 27.4% to R$20.8 million or 0.7% of net revenue in 3Q17, chiefly due to: (i) Luizacred's performance with equity income of R$16.5 million (+33.0% over 3Q16) and (ii) Luizaseg's performance with equity income of R$4.3 million (+9.5% over 3Q16). In 9M17, equity income reached R$61.6 million, 31.3% growth YoY.

EBITDA

In 3Q17, EBITDA grew 38.8% to R$250.4 million, equivalent to a margin of 8.8% (+80 bps versus 3Q16). Sales grew in all channels. A positive contribution from e-commerce and the dilution of operating expenses contributed to the achievement of the highest EBITDA margin since the IPO in 2011. In 9M17, EBITDA grew 47.2% reaching R$718.0 million or 8.6% margin (+130 bps *versus* YoY).



Financial Results

R$ million	3Q17	% NR	3Q16	% NR	% Chg	9M17	% NR	9M16	% NR	% Chg
Financial Expenses	(115.3)	-4.0%	(161.5)	-7.1%	-28.6%	(406.0)	-4.9%	(453.3)	-6.8%	-10.4%
Interest on loans and financing	(43.1)	-1.5%	(71.7)	-3.2%	-39.9%	(163.7)	-2.0%	(203.3)	-3.0%	-19.5%
Interest on prepayment of receivables – third party card	(22.6)	-0.8%	(41.3)	-1.8%	-45.3%	(89.3)	-1.1%	(118.1)	-1.8%	-24.4%
Interest on prepayment of receivables – Luiza Card	(41.0)	-1.4%	(39.9)	-1.8%	2.8%	(125.4)	-1.5%	(104.2)	-1.6%	20.2%
Other expenses	(8.6)	-0.3%	(8.6)	-0.4%	0.2%	(27.7)	-0.3%	(27.6)	-0.4%	0.2%
Financial Revenues	22.7	0.8%	34.2	1.5%	-33.7%	73.8	0.9%	87.7	1.3%	-15.8%
Gains on marketable securities	1.1	0.0%	1.7	0.1%	-32.5%	7.7	0.1%	10.1	0.2%	-23.8%
Other financial revenues	21.6	0.8%	32.6	1.4%	-33.7%	66.1	0.8%	77.5	1.2%	-14.8%
Total Financial Results	(92.5)	-3.2%	(127.2)	-5.6%	-27.3%	(332.2)	-4.0%	(365.7)	-5.5%	-9.1%
Income from securities[1]	8.6	0.3%	9.2	0.4%	-5.8%	30.7	0.4%	26.4	0.4%	16.3%
Adjusted Financial Results	(83.9)	-2.9%	(118.1)	-5.2%	-28.9%	(301.5)	-3.6%	(339.3)	-5.1%	-11.1%

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

In 3Q17, adjusted net financial results came to R$83.9 million, a 230 bps improvement YoY. The financial results improved 43.8% as a percentage of net revenue (from 5.2% to 2.9%). This result was positively impacted by reduced net debt and the maintainance of a decrease in the Selic rate, which was 35.2% lower in the period. In 9M17, adjusted financial results totaled R$301.5 million (+150 bps better versus 9M16).

Net Income

In 3Q17, net income came to R$92.5 million (net margin of 3.2%) with an annualized ROIC of 36% and a ROE of 43%. In 9M17, net income reached R$223.4 million.

Working Capital

CONSOLIDATED (R$ million)	LTM	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
(+) Accounts Receivables	240.1	663.2	503.8	578.8	581.0	423.1
(+) Inventories	199.3	1,545.5	1,430.3	1,454.1	1,596.7	1,346.3
(+) Related Parties	14.9	65.2	47.1	56.8	64.0	50.3
(+) Recoverable Taxes	(104.1)	189.0	182.7	195.5	212.2	293.1
(+) Other Assets	7.2	103.3	90.2	66.1	47.8	96.1
(+) Current Operating Assets	357.4	2,566.2	2,254.3	2,351.3	2,501.7	2,208.8
(-) Suppliers	591.7	2,120.1	1,860.5	1,762.4	2,365.0	1,528.5
(-) Payroll, Vacation and Related Charges	45.4	231.5	191.5	188.1	188.4	186.1
(-) Taxes Payable	33.2	66.1	46.4	36.6	40.1	32.9
(-) Related Parties	17.5	71.3	60.3	56.3	73.0	53.8
(-) Deferred Revenue	1.9	42.2	42.8	40.3	40.3	40.3
(-) Other Accounts Payable	57.7	175.7	163.2	128.8	115.3	118.0
(-) Current Operating Liabilities	747.3	2,706.9	2,364.8	2,212.4	2,822.1	1,959.5
(=) Working Capital	(390.0)	(140.7)	(110.5)	138.9	(320.4)	249.2
(-) Credit Card - Third Party Card	146.1	333.1	240.6	342.4	276.2	187.0
(-) Credit Card - Luiza Card	10.2	22.8	11.4	15.7	18.6	12.6
(-) Total Credit Card	156.3	355.9	252.0	358.0	294.9	199.6
(=) Working Capital Adjusted	(546.3)	(496.6)	(362.5)	(219.2)	(615.2)	49.7
% of Gross Revenue (LTM)	-4.2%	-3.7%	-2.9%	-1.8%	-5.4%	0.5%
(=) Working Capital	(390.0)	(140.7)	(110.5)	138.9	(320.4)	249.2
(+) Balance of Discounted Receivables	240.2	1,675.5	1,713.9	1,612.3	1,587.5	1,435.3
(=) Working Capital Expanded	(149.8)	1,534.8	1,603.4	1,751.2	1,267.2	1,684.6
% of Gross Revenue (LTM)	-3.9%	11.5%	12.7%	14.6%	11.1%	15.4%

In Sep/17, the adjusted working capital needs were negative at R$496.6 million, relevant improvement from the previous year, especially an improved inventory turnover (from 79 days in 3Q16 to 70 days in 3Q17) and better average purchase time (from 87 days in 3Q16 to 91 days in 3Q17). In addition, it is worth mentioning the reduction of R$104.1 million in recoverable taxes from Sep/16 to Sep/17. In the LTM, the change in working capital contributed R$390.0 million to cash flow from operations and also reduced the adjusted net debt by R$546.3 million.

Capex

CAPEX (in R$ million)	3Q17	%	3Q16	%	9M17	%	9M16	%
New Stores	10,5	22%	2,0	7%	25,2	20%	2,7	3%
Remodeling	11,6	24%	13,1	46%	30,9	25%	26,1	33%
Technology	17,6	37%	11,1	39%	56,8	45%	37,0	47%
Logistics	7,1	15%	2,0	7%	10,1	8%	11,5	15%
Other	0,9	2%	0,2	1%	2,5	2%	1,0	1%
Total	**47,6**	**100%**	**28,3**	**100%**	**125,5**	**100%**	**78,2**	**100%**

In 3Q17, investments increased by 68.1% to R$47.6 million, including the opening of stores, remodeling, investment in technology and logistics. In this period, 52% of the total capex was allocated to technology and logistics projects to support the Company's digital transformation strategy. In 9M17, capex totaled R$125.5 million, 60.5% growth YoY.

Net Debt

CONSOLIDATED (R$ million)	LTM	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
(+) Current Loans and Financing	(260.4)	720.5	718.7	688.3	838.0	980.9
(+) Non-current Loans and Financing	113.1	886.5	663.0	889.9	1,010.8	773.3
(=) Gross Debt	(147.3)	1,606.9	1,381.6	1,578.2	1,848.8	1,754.2
(-) Cash and Cash Equivalents	(55.9)	178.6	265.1	255.1	599.1	234.6
(-) Current Securities	476.7	1,043.7	597.0	521.4	819.0	567.0
(-) Non-current Securities	(2.8)	-	-	-	0.2	2.8
(-) Total Cash	418.0	1,222.3	862.0	776.5	1,418.3	804.3
(=) Net Debt	(565.3)	384.6	519.6	801.7	430.5	949.9
(-) Credit Card - Third Party Card	146.1	333.1	240.6	342.4	276.2	187.0
(-) Credit Card - Luiza Card	10.2	22.8	11.4	15.7	18.6	12.6
(-) Total Credit Card	156.3	355.9	252.0	358.0	294.9	199.6
(=) Adjusted Net Debt	(721.6)	28.7	267.6	443.7	135.6	750.3
Short Term Debt / Total	-11%	45%	52%	44%	45%	56%
Long Term Debt / Total	11%	55%	48%	56%	55%	44%
Adjusted EBITDA (LTM)	322.8	949.5	879.7	811.0	741.7	626.7
Adjusted Net Debt / Adjusted EBITDA	-1.2 x	0.0 x	0.3 x	0.5 x	0.2 x	1.2 x

In the LTM, adjusted net debt decreased R$721.6 million from R$750.3 million in Sep/16 to R$28.7 million in Sep/17 (highlighting the reduction of R$238.9 million in 3Q17). In this period, the Company reduced the adjusted net debt/EBITDA ratio from 1.2x to practically zero.

In Oct/17, the Company concluded a Secondary Offering, issuing 17.6 million new shares at R$65 per share, raising R$1.144 billion. Counting the proceeds of the offering, the Company would have a total cash position of R$2.4 billion and a net cash position of R$1.1 billion.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (R$ million)	3Q17	V.A.	3Q16	V.A.	% Chg	9M17	V.A.	9M16	V.A.	% Chg
Gross Revenue	3,430.3	120.1%	2,693.8	119.3%	27.3%	9,998.5	119.6%	7,979.0	119.6%	25.3%
Taxes and Deductions	(574.0)	-20.1%	(435.1)	-19.3%	31.9%	(1,636.1)	-19.6%	(1,309.5)	-19.6%	24.9%
Net Revenue	2,856.3	100.0%	2,258.7	100.0%	26.5%	8,362.4	100.0%	6,669.5	100.0%	25.4%
Total Costs	(1,973.5)	-69.1%	(1,542.8)	-68.3%	27.9%	(5,812.3)	-69.5%	(4,587.5)	-68.8%	26.7%
Gross Income	882.8	30.9%	715.9	31.7%	23.3%	2,550.2	30.5%	2,082.0	31.2%	22.5%
Selling Expenses	(519.3)	-18.2%	(434.5)	-19.2%	19.5%	(1,517.1)	-18.1%	(1,279.0)	-19.2%	18.6%
General and Administrative Expenses	(132.3)	-4.6%	(118.5)	-5.2%	11.6%	(378.6)	-4.5%	(348.0)	-5.2%	8.8%
Provisions for Loan Losses	(11.5)	-0.4%	(6.1)	-0.3%	89.0%	(27.3)	-0.3%	(19.3)	-0.3%	41.2%
Other Operating Revenues, Net	9.9	0.3%	7.2	0.3%	37.4%	29.3	0.4%	5.2	0.1%	465.9%
Equity in Subsidiaries	20.8	0.7%	16.3	0.7%	27.4%	61.6	0.7%	47.0	0.7%	31.3%
Total Operating Expenses	(632.4)	-22.1%	(535.5)	-23.7%	18.1%	(1,832.1)	-21.9%	(1,594.3)	-23.9%	14.9%
EBITDA	250.4	8.8%	180.4	8.0%	38.8%	718.0	8.6%	487.7	7.3%	47.2%
Depreciation and Amortization	(36.6)	-1.3%	(31.7)	-1.4%	15.5%	(106.0)	-1.3%	(93.6)	-1.4%	13.2%
EBIT	213.8	7.5%	148.7	6.6%	43.8%	612.1	7.3%	394.1	5.9%	55.3%
Financial Results	(92.5)	-3.2%	(127.2)	-5.6%	-27.3%	(332.2)	-4.0%	(365.7)	-5.5%	-9.1%
Operating Income	121.2	4.2%	21.4	0.9%	465.6%	279.8	3.3%	28.4	0.4%	884.3%
Income Tax and Social Contribution	(28.7)	-1.0%	3.4	0.2%	-946.2%	(56.4)	-0.7%	12.1	0.2%	-567.8%
Net Income	92.5	3.2%	24.8	1.1%	272.6%	223.4	2.7%	40.5	0.6%	451.7%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	250.4	8.8%	180.4	8.0%	-	718.0	8.6%	487.7	7.3%	-
Non-recurring Expenses	0.2	0.0%	0.4	0.0%	-	2.1	0.0%	24.7	0.4%	-
Adjusted EBITDA	250.6	8.8%	180.8	8.0%	-	720.2	8.6%	512.4	7.7%	-

Net Income	92.5	3.2%	24.8	1.1%	-	223.4	2.7%	40.5	0.6%	-
Non-recurring Expenses	0.2	0.0%	0.4	0.0%	-	2.1	0.0%	24.7	0.4%	-
Tax Over Non-recurring Expenses	(0.1)	0.0%	(0.1)	0.0%	-	(0.7)	0.0%	(8.4)	-0.1%	-
Adjusted Net Income	92.6	3.2%	25.1	1.1%	-	224.8	2.7%	56.8	0.9%	-

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
CURRENT ASSETS					
Cash and Cash Equivalents	178.6	265.1	255.1	599.1	234.6
Securities	1,043.7	597.0	521.4	819.0	567.0
Accounts Receivable	663.2	503.8	578.8	581.0	423.1
Inventories	1,545.5	1,430.3	1,454.1	1,596.7	1,346.3
Related Parties	65.2	47.1	56.8	64.0	50.3
Taxes Recoverable	189.0	182.7	195.5	212.2	293.1
Other Assets	103.3	90.2	66.1	47.8	96.1
Total Current Assets	3,788.5	3,116.3	3,127.8	3,919.8	3,010.3
NON-CURRENT ASSETS					
Securities	-	-	-	0.2	2.8
Accounts Receivable	3.2	4.3	3.1	3.6	2.3
Deferred Income Tax and Social Contribution	233.9	236.5	238.0	242.0	243.8
Recoverable Taxes	164.1	181.7	191.8	223.6	167.8
Judicial Deposits	301.9	297.0	292.7	292.2	281.8
Other Assets	43.0	40.8	40.2	52.3	50.6
Investments in Subsidiaries	319.0	311.8	304.9	293.8	287.1
Fixed Assets	560.4	557.4	558.0	560.1	559.0
Intangible Assets	533.0	525.9	516.9	513.0	508.2
Total Non-current Assets	2,158.7	2,155.5	2,145.5	2,180.8	2,103.5
TOTAL ASSETS	5,947.1	5,271.8	5,273.3	6,100.6	5,113.8

LIABILITIES (R$ million)	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
CURRENT LIABILITIES					
Suppliers	2,120.1	1,860.5	1,762.4	2,365.0	1,528.5
Loans and Financing	720.5	718.7	688.3	838.0	980.9
Payroll, Vacation and Related Charges	231.5	191.5	188.1	188.4	186.1
Taxes Payable	66.1	46.4	36.6	40.1	32.9
Related Parties	71.3	60.3	56.3	73.0	53.8
Deferred Revenue	42.2	42.8	40.3	40.3	40.3
Dividends Payable	-	-	12.3	12.3	-
Other Accounts Payable	175.7	163.2	128.8	115.3	118.0
Total Current Liabilities	3,427.3	3,083.5	2,913.1	3,672.4	2,940.4
NON-CURRENT LIABILITIES					
Loans and Financing	886.5	663.0	889.9	1,010.8	773.3
Provision for Tax, Civil and Labor Risks	289.9	286.6	286.5	284.1	268.7
Deferred Revenue	478.9	489.0	499.1	509.2	519.2
Other Accounts Payable	2.7	2.7	2.5	2.6	2.3
Total Non-current Liabilities	1,658.0	1,441.3	1,677.9	1,806.6	1,563.6
TOTAL LIABILITIES	5,085.4	4,524.8	4,591.0	5,479.0	4,504.0
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	30.8	22.2	20.1	19.0	17.9
Treasury Shares	(16.4)	(28.7)	(28.7)	(28.7)	(5.9)
Legal Reserve	20.5	20.5	20.5	20.5	16.1
Profit Retention Reserve	-	-	3.1	3.1	-
Other Comprehensive Income	3.2	1.8	2.3	1.2	1.4
Accumulated Losses	217.2	124.7	58.6	-	(26.3)
Total Shareholders' Equity	861.8	747.0	682.4	621.6	609.8
TOTAL	5,947.1	5,271.8	5,273.3	6,100.6	5,113.8

ANNEX III
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R$ million)	3Q17	3Q16	9M17	9M16	SEP/17 LTM	SEP/16 LTM
Net Income	**92.5**	**24.8**	**223.4**	**40.5**	**269.5**	**(11.9)**
Effect of IR / CS Net of Payment	12.1	(4.4)	38.4	(14.2)	40.4	(49.0)
Depreciation and Amortization	36.6	31.7	106.0	93.6	146.0	127.8
Interest Accrued on Loans	39.3	67.0	149.1	190.2	213.5	257.0
Equity Income	(20.8)	(16.3)	(61.6)	(47.0)	(77.4)	(53.6)
Dividends Received	15.0	11.3	41.3	64.9	47.3	71.8
Provision for Losses on Inventories and Receivables	27.5	18.4	87.7	71.6	115.2	107.4
Provision for Tax, Civil and Labor Contingencies	7.5	12.3	28.0	39.7	47.4	56.1
Gain on Sale of Fixed Assets	(0.7)	-	(3.0)	0.4	(2.9)	0.5
Recognition of Deferred Income	(10.7)	(10.3)	(32.1)	(30.6)	(42.2)	(38.8)
Stock Option Expenses	1.1	1.1	4.3	3.3	5.4	4.5
Other	-	-	-	-	-	1.9
Adjusted Net Income	**199.4**	**135.6**	**581.4**	**412.5**	**762.2**	**473.7**
Trade Accounts Receivable	(172.1)	(29.4)	(117.1)	(19.2)	(288.0)	(44.5)
Inventories	(128.9)	(47.6)	(1.1)	(33.1)	(267.6)	(193.3)
Taxes Recoverable	11.3	3.2	82.6	50.9	107.9	11.0
Other Receivables	(36.7)	(18.4)	(58.9)	(70.6)	(33.4)	(52.6)
Changes in Operating Assets	**(326.3)**	**(92.1)**	**(94.5)**	**(72.0)**	**(481.1)**	**(279.5)**
Trade Accounts Payable	259.6	101.3	(244.8)	(365.7)	591.7	341.5
Other Payables	69.5	38.7	78.2	28.1	101.2	81.6
Change in Operating Liabilities	**329.1**	**140.1**	**(166.6)**	**(337.6)**	**692.9**	**423.1**
Cash Flow from Operating Activities	**202.1**	**183.5**	**320.2**	**2.9**	**974.0**	**617.3**
Additions of Fixed and Intangible Assets	(47.6)	(28.3)	(125.5)	(78.2)	(171.7)	(134.2)
Cash on Sale of Fixed Assets	-	-	3.2	-	3.2	-
Sale of Exclusive Dealing and Exploration Right Contract	-	-	-	-	-	288.0
Renegotiation Payment of Exclusive Contract	-	-	-	(11.2)	-	(11.2)
Investment in Subsidiary	-	-	(1.0)	-	(1.0)	(9.5)
Capital Increase in Affiliated Company	-	-	-	-	-	(55.0)
Cash Flow from Investing Activities	**(47.6)**	**(28.3)**	**(123.4)**	**(89.4)**	**(169.5)**	**78.1**
Loans and Financing	300.0	60.6	502.6	253.6	827.5	258.1
Repayment of Loans and Financing	(82.5)	(8.4)	(707.1)	(236.4)	(948.0)	(387.6)
Changes in Other Financial Assets (Hedge)	(0.9)	(7.9)	(13.6)	(97.6)	(30.1)	(128.0)
Payment of Interest on Loans and Financing	(30.6)	(53.8)	(172.9)	(178.9)	(210.2)	(256.5)
Payment of Dividends	-	-	(21.6)	-	(21.6)	-
Treasury Shares	19.8	(3.8)	19.8	(11.8)	(4.1)	(12.5)
Cash Flow from Financing Activities	**205.8**	**(13.3)**	**(392.9)**	**(271.0)**	**(386.5)**	**(526.4)**
Cash, Cash Equivalents and Securities at Beginning of Period	862.0	662.5	1,418.3	1,161.8	804.3	635.4
Cash, Cash Equivalents and Securities at end of Period	1,222.3	804.3	1,222.3	804.3	1,222.3	804.3
Change in Cash and Cash equivalents	**360.2**	**141.8**	**(196.0)**	**(357.5)**	**418.0**	**168.9**

Note: The difference between the Statement of Cash Flows and the Adjusted Statement of Cash Flows basically refers to: (i) the accounting treatment of marketable securities (TVM) as cash and cash equivalents.

ANNEX IV
RESULTS BY SEGMENT – 3Q17

3Q17 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	3,415.2	18.2	(3.1)	3,430.3	192.8	49.1	(70.3)	3,601.9
Taxes and Deductions	(572.6)	(1.4)	-	(574.0)	-	-	-	(574.0)
Net Revenue	2,842.6	16.8	(3.1)	2,856.3	192.8	49.1	(70.3)	3,027.9
Total Costs	(1,968.5)	(8.1)	3.1	(1,973.5)	(22.1)	(5.1)	-	(2,000.7)
Gross Income	874.1	8.7	(0.0)	882.8	170.7	44.0	(70.3)	1,027.2
Selling Expenses	(519.3)	-	0.0	(519.3)	(83.6)	(33.6)	49.8	(586.7)
General and Administrative Expenses	(126.3)	(6.1)	-	(132.3)	(0.4)	(4.6)	-	(137.3)
Provisions for Loan Losses	(11.5)	-	-	(11.5)	(51.7)	-	-	(63.2)
Equity in Subsidiaries	23.0	-	(2.2)	20.8	-	-	(20.8)	-
Other Operating Revenues, Net	9.9	(0.0)	-	9.9	(2.6)	(1.0)	(1.4)	5.0
Total Operating Expenses	(624.2)	(6.1)	(2.1)	(632.4)	(138.3)	(39.1)	27.6	(782.3)
EBITDA	249.9	2.7	(2.2)	250.4	32.4	4.9	(42.7)	245.0
Depreciation and Amortization	(36.5)	(0.1)	-	(36.6)	(1.5)	(1.2)	1.4	(37.9)
EBIT	213.4	2.6	(2.2)	213.8	30.9	3.7	(41.3)	207.1
Financial Results	(93.2)	0.7	-	(92.5)	-	3.9	20.5	(68.1)
Operating Income (Loss)	120.1	3.3	(2.2)	121.2	30.9	7.6	(20.8)	138.9
Income Tax and Social Contribution	(27.7)	(1.1)	-	(28.7)	(14.4)	(3.3)	-	(46.4)
Net Income	92.5	2.2	(2.2)	92.5	16.5	4.3	(20.8)	92.5
Gross Margin	30.7%	52.0%	1.6%	30.9%	88.5%	89.7%	100.0%	33.9%
EBITDA Margin	8.8%	15.9%	70.7%	8.8%	16.8%	9.9%	60.7%	8.1%
Net Margin	3.3%	13.0%	70.7%	3.2%	8.6%	8.8%	29.6%	3.1%

ANNEX V
RESULTS BY SEGMENT – 9M17

9M17 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	9,956.3	51.3	(9.0)	9,998.5	584.9	141.3	(205.7)	10,519.1
Taxes and Deductions	(1,632.4)	(3.7)	-	(1,636.1)	-	-	-	(1,636.1)
Net Revenue	8,323.9	47.6	(9.0)	8,362.4	584.9	141.3	(205.7)	8,883.0
Total Costs	(5,797.4)	(23.8)	8.9	(5,812.3)	(72.4)	(17.2)	-	(5,901.9)
Gross Income	2,526.5	23.8	(0.1)	2,550.2	512.4	124.2	(205.7)	2,981.1
Selling Expenses	(1,517.2)	-	0.1	(1,517.1)	(245.1)	(96.1)	143.0	(1,715.3)
General and Administrative Expenses	(360.0)	(18.6)	-	(378.6)	(1.7)	(14.6)	-	(394.9)
Provisions for Loan Losses	(27.3)	-	-	(27.3)	(160.6)	-	-	(187.8)
Equity in Subsidiaries	66.7	-	(5.1)	61.6	-	-	(61.6)	-
Other Operating Revenues, Net	28.7	0.5	-	29.3	(9.2)	(2.4)	(4.2)	13.5
Total Operating Expenses	(1,809.0)	(18.1)	(5.0)	(1,832.1)	(416.6)	(113.0)	77.2	(2,284.5)
EBITDA	717.4	5.7	(5.1)	718.0	95.9	11.1	(128.5)	696.6
Depreciation and Amortization	(105.7)	(0.3)	-	(106.0)	(4.5)	(3.5)	4.2	(109.8)
EBIT	611.7	5.4	(5.1)	612.1	91.4	7.7	(124.3)	586.8
Financial Results	(334.4)	2.2	-	(332.2)	-	13.3	62.7	(256.2)
Operating Income (Loss)	277.3	7.6	(5.1)	279.8	91.4	21.0	(61.6)	330.6
Income Tax and Social Contribution	(53.9)	(2.5)	-	(56.4)	(41.6)	(9.1)	-	(107.2)
Net Income	223.4	5.1	(5.1)	223.4	49.8	11.9	(61.6)	223.4
Gross Margin	30.4%	50.0%	1.2%	30.5%	87.6%	87.9%	100.0%	33.6%
EBITDA Margin	8.6%	12.0%	56.5%	8.6%	16.4%	7.9%	62.5%	7.8%
Net Margin	2.7%	10.7%	56.5%	2.7%	8.5%	8.4%	30.0%	2.5%

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

INVESTED CAPITAL (R$ million)	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
(=) Working Capital	(140.7)	(110.5)	138.9	(320.4)	249.2
(+) Accounts Receivable	3.2	4.3	3.1	3.6	2.3
(+) IR and CS deferred	164.1	181.7	191.8	223.6	167.8
(+) Taxes Recoverable	233.9	236.5	238.0	242.0	243.8
(+) Judicial Deposits	301.9	297.0	292.7	292.2	281.8
(+) Other Assets	43.0	40.8	40.2	52.3	50.6
(+) Invest. contr. em conjunto	319.0	311.8	304.9	293.8	287.1
(+) Fixed Assets	560.4	557.4	558.0	560.1	559.0
(+) Intangible Assets	533.0	525.9	516.9	513.0	508.2
(+) Non Current Assets	2,158.7	2,155.5	2,145.5	2,180.6	2,100.7
(-) Provision for Contingencies	289.9	286.6	286.5	284.1	268.7
(-) Deferred Revenue	478.9	489.0	499.1	509.2	519.2
(-) Other Accounts Payable	2.7	2.7	2.5	2.6	2.3
(-) Noncurrent operating liabilities	771.6	778.3	788.0	795.8	790.3
(=) Fixed Capital	1,387.1	1,377.2	1,357.5	1,384.8	1,310.4
(=) Total Invested Capital	1,246.4	1,266.6	1,496.4	1,064.4	1,559.6
(+) Net Debt	384.6	519.6	801.7	430.5	949.9
(+) Dividends Payable	-	-	12.3	12.3	-
(+) Shareholders Equity	861.8	747.0	682.4	621.6	609.8
(=) Total Financing	1,246.4	1,266.6	1,496.4	1,064.4	1,559.6

FINANCIAL EXPENSES RECONCILIATION (R$MM)	3Q17	2Q17	1Q17	4Q16	3Q16
Financial Income	22.7	27.6	23.5	29.0	34.2
Financial Expenses	(115.3)	(136.8)	(153.9)	(167.2)	(161.5)
Net Financial Expenses	(92.5)	(109.2)	(130.4)	(138.2)	(127.2)
Interest on prepayment of receivables: Luiza Card and third party card	63.6	76.1	74.9	87.3	81.2
Adjusted Financial Expenses	(29.0)	(33.1)	(55.5)	(50.9)	(46.1)
Taxes on Adjusted Financial Expenses	9.8	11.3	18.9	17.3	15.7
Net Adjusted Financial Expenses	(19.1)	(21.9)	(36.6)	(33.6)	(30.4)

NOPLAT AND ROIC/ROE RECONCILIATION(R$MM)	3Q17	2Q17	1Q17	4Q16	3Q16
EBITDA	250.4	235.8	231.9	226.9	180.4
Interest on prepayment of receivables: Luiza Card and third party card	(63.6)	(76.1)	(74.9)	(87.3)	(81.2)
Adjusted EBITDA	186.8	159.7	157.0	139.6	99.2
Depreciation	(36.6)	(34.9)	(34.4)	(40.0)	(31.7)
Adjusted EBIT	150.2	124.7	122.5	99.6	67.5
Current and deferred taxes	(28.7)	(19.3)	(8.5)	(2.6)	3.4
Taxes on Adjusted Financial Expenses	(9.8)	(11.3)	(18.9)	(17.3)	(15.7)
Net Operating Income (NOPLAT)	111.6	94.2	95.2	79.7	55.2
Invested Capital	1,246.4	1,266.6	1,496.4	1,064.4	1,559.6
ROIC Annualized	36%	30%	25%	30%	14%
Net Income	92.5	72.4	58.6	46.1	24.8
Shareholders Equity	861.8	747.0	682.4	621.6	609.8
ROE Annualized	43%	39%	34%	30%	16%

ANNEX VII
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Breakdown of Sales (R$ million)	3Q17	V.A.	3Q16	V.A.	Growth Total
Virtual Stores	161.6	4.7%	123.9	4.6%	30.4%
Conventional Stores	2,224.1	65.3%	1,888.4	70.7%	17.8%
Subtotal - Physical Stores	2,385.7	70.0%	2,012.4	75.3%	18.6%
Ecommerce	1,020.9	30.0%	660.3	24.7%	54.6%
Subtotal: Physical Stores + Ecommerce	**3,406.6**	100.0%	**2,672.6**	100.0%	27.5%
Other revenue[1]	8.6	-	9.2	-	-5.8%
Total - Retail	**3,415.2**	-	**2,681.8**	-	27.3%

Breakdown of Sales (R$ million)	9M17	V.A.	9M16	V.A.	Growth Total
Virtual Stores	471.7	4.8%	370.1	4.7%	27.5%
Conventional Stores	6,599.0	66.5%	5,711.0	72.1%	15.6%
Subtotal - Physical Stores	7,070.7	71.2%	6,081.0	76.8%	16.3%
Ecommerce	2,854.7	28.8%	1,836.4	23.2%	55.5%
Subtotal: Physical Stores + Ecommerce	**9,925.4**	100.0%	**7,917.4**	100.0%	25.4%
Other revenue[1]	30.7	-	26.5	-	16.0%
Total - Retail	**9,956.2**	-	**7,943.9**	-	25.3%

Number of stores per channel – End of the period	Sep-17	Part(%)	Sep-16	Part(%)	Growth Total
Virtual Stores	128	15.4%	115	14.5%	13
Conventional Stores	701	84.5%	675	85.3%	26
Subtotal - Physical Stores	829	99.9%	790	99.9%	39
Ecommerce	1	0.1%	1	0.1%	-
Total	**830**	100.0%	**791**	100.0%	39
Total Sales Area (m²)	516,598	100%	500,239	100%	3.3%

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

ANNEX VIII
LUIZACRED

Operating Indicators

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

In Sep/17, Luizacred had a total base of 3.2 million cards issued. In 3Q17, Luizacred maintained its conservative credit approval rate. It is worth noting that as Luiza Card customers are more loyal than others, the sales using Luiza Card inside our stores grew 46.6% in 3Q17. Due to a conservative credit policy, especially with respect to DCC (direct credit to consumers), DCC sales decreased from R$79 million in 3Q16 to R$52 million in 3Q17.

Luizacred's credit portfolio, including credit cards, DCC and personal loans, totaled R$5.0 billion in 3Q17, increasing 20.4% YoY. Luiza Card's portfolio, which was up 25.2% to R$4.8 billion, while the DCC portfolio went down 32.9% to R$214 million, following Luizacred's strategy to focus on the Luiza Card.

LUIZACRED – Key Indicators (R$ million)	3Q17	3Q16	% Chg	9M17	9M16	% Chg
Total Card Base (thousand)	3,248	3,171	2.4%	3,248	3,171	2.4%
Luiza Card Sales – In chain	838	572	46.6%	2,266	1,547	46.5%
Luiza Card Sales – Outside Brand	2,898	2,317	25.1%	8,050	6,582	22.3%
CDC Sales	52	79	-34.4%	198	253	-21.9%
Personal Loans Sales	14	17	-16.2%	47	57	-18.7%
Luizacred Sales - Total	**3,803**	**2,985**	**27.4%**	**10,560**	**8,440**	**25.1%**
Card Portfolio	4,800	3,834	25.2%	4,800	3,834	25.2%
CDC Portfolio	214	319	-32.9%	214	319	-32.9%
Personal Loans Portfolio	33	40	-17.5%	33	40	-17.5%
Portfolio - Total	**5,048**	**4,193**	**20.4%**	**5,048**	**4,193**	**20.4%**

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

Income Statement

LUIZACRED – Income (R$ million)	3Q17	V.A.	3Q16	V.A.	% Chg	9M17	V.A.	9M16	V.A.	% Chg
Financial Intermediation Revenue	263.2	100.0%	287.0	100.0%	-8.3%	823.2	100.0%	889.3	100.0%	-7.4%
Cards	217.9	82.8%	229.8	80.1%	-5.2%	677.9	82.3%	691.5	77.8%	-2.0%
CDC	35.3	13.4%	44.9	15.6%	-21.5%	114.0	13.8%	161.5	18.2%	-29.4%
Personal Loans	10.0	3.8%	12.3	4.3%	-18.2%	31.3	3.8%	36.4	4.1%	-13.9%
Financial Intermediation Expenses	(147.6)	-56.1%	(180.2)	-62.8%	-18.1%	(465.9)	-56.6%	(568.1)	-63.9%	-18.0%
Market Funding Operations	(44.2)	-16.8%	(58.2)	-20.3%	-24.1%	(144.8)	-17.6%	(178.5)	-20.1%	-18.8%
Provision for Loan Losses	(103.4)	-39.3%	(122.0)	-42.5%	-15.2%	(321.1)	-39.0%	(389.7)	-43.8%	-17.6%
Gross Financial Intermediation Income	115.6	43.9%	106.9	37.2%	8.2%	357.3	43.4%	321.2	36.1%	11.2%
Other Operating Revenues (Expenses)	(53.8)	-20.4%	(61.6)	-21.5%	-12.6%	(174.5)	-21.2%	(181.0)	-20.4%	-3.6%
Service Revenue	122.4	46.5%	102.7	35.8%	19.2%	346.5	42.1%	279.4	31.4%	24.0%
Personnel Expenses	(0.8)	-0.3%	(5.9)	-2.1%	-85.8%	(3.3)	-0.4%	(7.9)	-0.9%	-57.5%
Other Administrative Expenses	(146.3)	-55.6%	(133.6)	-46.5%	9.5%	(428.0)	-52.0%	(388.7)	-43.7%	10.1%
Depreciation and Amortization	(3.0)	-1.1%	(3.0)	-1.0%	-0.5%	(8.9)	-1.1%	(9.1)	-1.0%	-1.2%
Tax Expenses	(20.9)	-7.9%	(19.8)	-6.9%	5.9%	(62.2)	-7.6%	(59.0)	-6.6%	5.5%
Other Operating Revenues (Expenses)	(5.1)	-1.9%	(2.0)	-0.7%	152%	(18.5)	-2.2%	4.1	0.5%	-548.7%
Income Before Tax	61.8	23.5%	45.3	15.8%	36.4%	182.8	22.2%	140.2	15.8%	30.3%
Income Tax and Social Contribution	(28.8)	-10.9%	(20.5)	-7.1%	40.6%	(83.2)	-10.1%	(64.1)	-7.2%	29.9%
Net Income	33.0	12.5%	24.8	8.6%	33.0%	99.5	12.1%	76.2	8.6%	30.7%

Revenue from Financial Intermediation

Revenues from financial intermediation fell 8.3% in 3Q17 mainly due to the decrease in interest rates on refinancing (revolving) and the reduce in the CDC portfolio.

Provision for Loan Losses

The indicators continue to improve. The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for 3.1% of the total portfolio in Sep/17, falling 30 bps from Sep/16, due to a more conservative credit policy.

Even amid a challenging macroeconomic environment, the loan portfolio overdue by more than 90 days (NPL 90) reached 8.3% of total portfolio in Sep/17 versus 10.6% in Sep/16 (-230 bps), the lowest level in the last 5 years.

Provisions for loan losses expenses net of recovery accounted for 2.0% of the total portfolio in 3Q17 versus 2.9% in 3Q16. We highlight that the portfolio coverage ratio increased to 130% in Sep/17 from 127% in Sep/16.

PORTFOLIO - OVERDUE	Sep-17		Jun-17		Mar-17		Dec-16		Sep-16	
Total Portfolio (R$ million)	5,048	100.0%	4,789	100.0%	4,543	100.0%	4,527	100.0%	4,193	100.0%
000 to 014 days	4,476	88.7%	4,213	88.0%	3,975	87.5%	3,950	87.3%	3,607	86.0%
015 to 030 days	47	0.9%	56	1.2%	55	1.2%	41	0.9%	43	1.0%
031 to 060 days	51	1.0%	54	1.1%	51	1.1%	50	1.1%	45	1.1%
061 to 090 days	57	1.1%	64	1.3%	62	1.4%	56	1.2%	54	1.3%
091 to 120 days	60	1.2%	56	1.2%	49	1.1%	54	1.2%	55	1.3%
121 to 150 days	50	1.0%	57	1.2%	55	1.2%	48	1.1%	52	1.3%
151 to 180 days	54	1.1%	55	1.1%	48	1.1%	47	1.0%	56	1.3%
180 to 360 days	253	5.0%	234	4.9%	249	5.5%	280	6.2%	281	6.7%
Overdue 15-90 days	155	3.1%	174	3.6%	168	3.7%	147	3.2%	143	3.4%
Overdue Above 90 days	417	8.3%	402	8.4%	400	8.8%	429	9.5%	444	10.6%
Total Overdue	572	11.3%	576	12.0%	568	12.5%	576	12.7%	586	14.0%
Provisions for loan losses in IFRS	543	10.8%	532	11.1%	528	11.6%	549	12.1%	562	13.4%
Coverage (%)	130%		132%		132%		128%		127%	

Note: for better comparability and analysis of the loan performance (NPL), the Company now discloses the breakdown of the portfolio by arrears criterion, while it continues disclosing the portfolio breakdown by risk level to the Central Bank.

Financial Intermediation Gross Results

Gross margin from financial intermediation totaled 43.9% in 3Q17 (+670 bps YoY), mainly due to lower provisions in view of the reduction on overdue indicators. In 9M17, gross margin from financial intermediation was 43.4% (+730 bps YoY).

Other Operating Revenues (Expenses)

Other operating expenses totaled R$53.8 million in 3Q17, a nominal decrease of 12.6% YoY, chiefly due to improvement in the service revenue which grew 19.2% in 3Q17. In 9M17, other operating expenses totaled R$174.5 million, a decrease of 3.6% in 9M16. It is worth highlighting the 24.0% growth in service revenues in relation to 9M16.

Operating Income and Net Income

In 3Q17, Luizacred recorded operating income of R$61.8 million, equivalent to 23.5% of financial intermediation revenue (+770 bps YoY). In 9M17, operating income was R$182.8 million, 22.2% of financial intermediation revenue (+640 bps YoY).

In 3Q17, Luizacred's net income was up 33.0% to R$33.0 million (ROE of 23%). In 9M17, net income reached R$99.5 million (30.7% higher), 12.1% of financial intermediation revenue (+350 bps YoY).

Shareholders' Equity

In compliance with the accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$30.9 million in 3Q17 and R$105.9 million in 9M17, with a shareholders' equity of R$639.4 million in sep/17. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred's shareholders' equity for effects of Magazine Luiza's financial statements came to R$590.7 million.

EARNINGS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous translation)

November 1, 2017 (Wednesday)
10:00 am – Brasília time
8:00 am – USA time (EST)

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

Webcast Portuguese

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

Webcast English

Replay (available for 7 days):
Dial in # from Brazil: +55 (11) 3193-1012
Identification Code: 0626199#

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About Magazine Luiza

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

EBITDA, Adjusted EBITDA and Adjusted Net Income

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

Disclaimer

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