Magazine Luiza S.A.
3Q13 Earnings Release

São Paulo, October 31, 2013 - Magazine Luiza S.A. (BM&FBOVESPA: MGLU3), one of the largest retail chains focused on durable goods, actively engaged in serving Brazil's low-income segment, announces today its results for the third quarter of 2013 (3Q13). The Company's accounting information is based on consolidated figures, in millions of reais (except where indicated otherwise), in accordance with International Financial Reporting Standards (IFRS).

3Q13 HIGHLIGHTS

Net income: R$25.4 million (8 times the adjusted result reported in 3Q12)
EBITDA: R$122.3 million, equivalent to 6.1% in 3Q13
Gross revenue: 18.9% growth (17.0% increase in same-store sales increase)
Sales and administrative expenses: 24.0% of net revenue (dilution of 1.5 p.p. over 3Q12)
Luizacred: EBITDA of 9.6% and net income of R$19.4 million

The Company posted its best quarterly result in recent years delivering R$25.4 million in 3Q13 net incomes and R$80.8 million over the first nine months. The third quarter was marked by impressive 17.0% same-store sales growth, Northeast gross margin expansion, operating expense dilution and a solid Luizacred performance.

- **Consolidated gross revenue grew 18.9%, totaling R$2.4 billion in 3Q13:** same-store sales climbed 17.0%, fueled by a 14.0% increase in bricks-and-mortar stores and a 36.4% jump in e-commerce despite a high year-on-year basis of comparison (7.4% SSS growth in bricks-and-mortar stores and 25.5% in e-commerce in 3Q12).

- **Northeast gross margin expansion:** on a comparable basis consolidated gross margin remained stable compared to the same period last year, representing 29.1% of net revenue in 3Q13. This result reflects an improvement in Northeast stores margin and the preservation of margin in other regions, offsetting e-commerce's larger contribution during the period. Considering an accounting reclassification of social security expenses (0.8 p.p.), from operating expenses to a net revenue write-down, gross margin represented 28.3% of net revenue in 3Q13.

- **Significant decrease in selling and administrative expenses:** on a comparable basis, selling and administrative expenses dropped 1.5 p.p., from 25.5% in 3Q12 to 24.0% in 3Q13. Adjusting the accounting reclassification of the social security tax (0.8 p.p.), selling and administrative expenses represented 23.1% of net revenue in 3Q13.

- **Significant improvement in Luizacred's profitability:** EBITDA margin jumped to 9.6% in 3Q13 (versus 4.2% in 3Q12), while net margin climbed to 5.1% (versus 2.0% in 3Q12), thanks to an improved balance between direct consumer credit (CDC) and Luiza Card, an increase in operational efficiency and dilution of provisions for loan losses (PLL), offsetting the more expensive funding costs that stemmed from a higher average CDI rate during the period. In 3Q13, Luizacred's net income came to R$19.4 million, totaling 19.0% Return on Equity (ROE).

- **Consolidated recurring EBITDA came to R$122.3 million with margin of 6.1% in 3Q13:** EBTIDA grew 64.9%, 1.7 p.p. up on 3Q12, and was positively impacted by a pick-up in sales, the dilution of operating expenses and equity income from Luizacred. The operating result reinforces the company's commitment to gradually delivering better results throughout 2013, following the integration of store chains Lojas Maia and Baú da Felicidade.

- **Consolidated net income totaled R$25.4 million, with a net margin of 1.3%:** the 3Q13 improvement in net income was significant, equivalent to eight times the adjusted result reported during the same period a year earlier; the Company also recorded its best first nine months result in recent years (R$80.8 million in net income for 9M13).

- **Store openings:** we opened eight new stores in 3Q13, bringing the 9M13 new store total to 13. We started investing in three additional stores, which will open in 4Q13.

Consolidated Key Indicators

R$ million (except when otherwise indicated)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Revenue	2,420.3	2,035.1	18.9%	6,744.0	5,999.0	12.4%
Net Revenue	2,020.8	1,700.6	18.8%	5,609.5	5,019.1	11.8%
Gross Income	572.4	495.3	15.6%	1,584.8	1,434.8	10.5%
Gross Margin	28.3%	29.1%	-0.8 pp	28.3%	28.6%	-0.3 pp
EBITDA	122.3	74.2	64.9%	345.1	177.5	94.5%
EBITDA Margin	6.1%	4.4%	1.7 pp	6.2%	3.5%	2.6 pp
Adjusted EBITDA	122.3	75.5	62.1%	279.8	214.4	30.5%
Adjusted EBITDA Margin	6.1%	4.4%	1.6 pp	5.0%	4.3%	0.7 pp
Net Income	25.4	2.3	980.7%	80.8	(16.5)	-591.2%
Net Margin	1.3%	0.1%	1.1 pp	1.4%	-0.3%	1.8 pp
Adjusted Net Income	25.4	3.2	694.5%	37.7	2.4	1483.8%
Adjusted Net Margin	1.3%	0.2%	1.1 pp	0.7%	0.1%	0.6 pp
Same Store Sales Growth	17.0%	9.6%	-	10.5%	12.7%	-
Same Physical Store Sales Growth	14.0%	7.4%	-	8.5%	9.6%	-
Internet Sales Growth	36.4%	25.5%	-	23.7%	37.0%	-
Number of Stores - End of Period	740	736	0.5%	740	736	0.5%
Sales Area - End of Period (M2)	470,929	461,506	2.0%	470,929	461,506	2.0%

MGLU3: R$ 9.00 per share	**Conference call: November 01, 2013 (Friday)**	Investor Relations: Tel. +55 11 3504-2727
Total Shares: 186,494,467	09:00AM in US Time (EST): +1 646-843-6054	www.magazineluiza.com.br/ri
Market Cap: R$ 1.7 billion	11:00AM in Brazil Time: +55 11 2188-0155	ri@magazineluiza.com.br

In compliance with CPC 19 and IFRS 11, in 1Q13 the Company began presenting its position in joint ventures (Luizacred and Luizaseg) by treating it as equity income rather than a proportional consolidation of assets, liabilities, revenues and expenses. The effect of the changes to the accounting practices are explained in Note 2.2 of the Quarterly Information. The consolidated results correspond to the retail and consortium segments. In order to guarantee the transparency and breakdown of information, the Company maintained the financial statements by segment in the Annexes.

BOARD COMMENTS

Magazine Luiza reported net income of R$25.4 million in 3Q13, a significant increase compared to 3Q12. The strong result reflects the Company's initiatives and projects aimed at gradually and consistently improving profitability each quarter.

Despite challenging economic conditions and an extremely competitive environment, we had our best quarter for the year, ensuring significant sales growth in all channels, increasing store productivity and sustaining gross margin levels.

The continuing maturation of Lojas Maia and Baú da Felicidade chains combined with our projects and efforts aimed at cutting expenses, as well as increasing productivity and profitability all contributed to quarter's stronger result. In 3Q13, EBITDA totaled R$122.3 million, equivalent to 6.1% of net revenue for the period.

We have tremendous opportunities to continue growing our sales consistently in the coming quarters. The *Minha Casa Melhor* program is in its initial phase and is growing rapidly, representing an excellent opportunity for Magazine Luiza to leverage its sales. As from October, the program has been offering new product lines, such as tablets, microwaves, kitchen furniture, racks and bookshelves and has changed the range of products included in the previous list (wardrobes, washing machines, couches, beds and dining sets).

Magazine Luiza is the only Brazilian retailer sponsoring the 2014 World Cup in Brazil on the Globo network, which holds exclusive broadcast rights to the event. This investment will give the Company the best national network visibility in its history – eight months of exposure on Brazil's biggest channel during the world's largest sports event.

We believe the Company will maintain its positive trajectory and we also foresee opportunities to increase profitability in 4Q13 and in future quarters thanks to the maturation of the Maia and Baú chains as well as projects and efforts to reduce costs and expenses.

EXPECTATIONS FOR 4Q13

Management focused on improving productivity and profitability

The Company reiterates that it expects to make more significant gains in 4Q13, when a large portion of the initiatives and projects we have been working on throughout 2013 will be fully implemented.

- **Expected growth in sales**: the Company is confident of sales growth and expects to achieve its targets for the year.

- **Preserve gross margin in 2013:** increase the Northeast gross margin and maintain stable gross margin across other regions.
    i. **Increasing e-commerce share:** maintenance of e-commerce accelerated growth and increasingly contribution to the company's overall revenue. E-commerce margin is lower than that of bricks-and-mortar stores but its contribution to EBITDA margin is higher thanks to its lower cost base model.
    ii. **Northeast gross margin:** expansion of Northeast stores gross margin, closing the gap versus other regions;
    iii. **Pricing Project:** this project was developed to improve pricing processes across channels and regions with the initial goal of preserving stable margin across all regions;

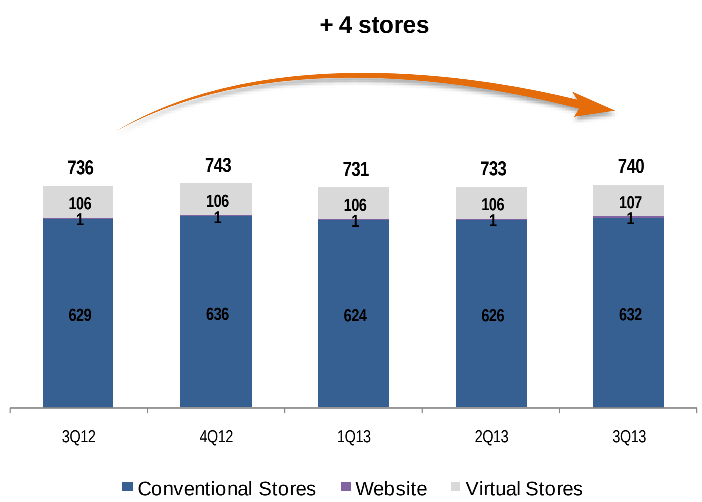
- **Operating expenses:** we expect gains from cost and expense streamlining to be more significant in 4Q13.
    i. **Evolution of Maia and Baú stores:** improvements in management and synergies across all processes, ensuring consistent and sustainable growth in store productivity and profitability, given that 2013 is the first year the stores are fully integrated;
    ii. **Multichannel delivery projects:** e-commerce orders will be directly delivered by six distribution centers, ensuring lower costs and better customer service. Two other distribution centers will be added to the network at the beginning of next year;
    iii. **Zero Base Budgeting Program:** more rigorous expense control policies and a new department-specific budgeting process, based on the adoption of zero-base goals and lower costs, ensuring the continuity of the cost and expense streamlining process.
    iv. **Luizacred Operational Efficiency Project:** revision of processes to ensure the sustainable growth of Luizacred's operating efficiency, with the streamlining of costs and expenses and increased operational productivity at all the stores.

OPERATING PERFORMANCE

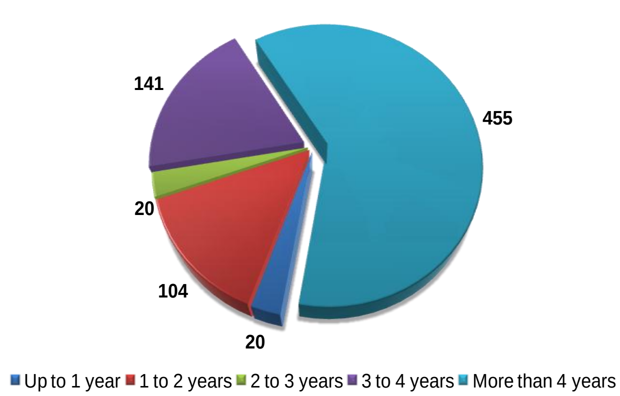
Magazine Luiza ended September 2013 with 740 stores, 632 conventional, 107 virtual multimedia branches and the website. In 3Q13, the Company opened eight new stores – seven conventional stores (four in São Paulo, one in Minas Gerais, one in Mato Grosso do Sul and one in Sergipe) and one virtual multimedia store in the city of São Paulo (the Heliópolis store is the first Magazine Luiza virtual store in São Paulo city and the first store in an underprivileged community) – and shut down one store in João Pessoa, Paraíba State. The Company inaugurated 13 new stores in 2013.

Of Magazine Luiza's 740 stores, 285 (38.5%) are less than four years old and are still maturing.

Number of Stores

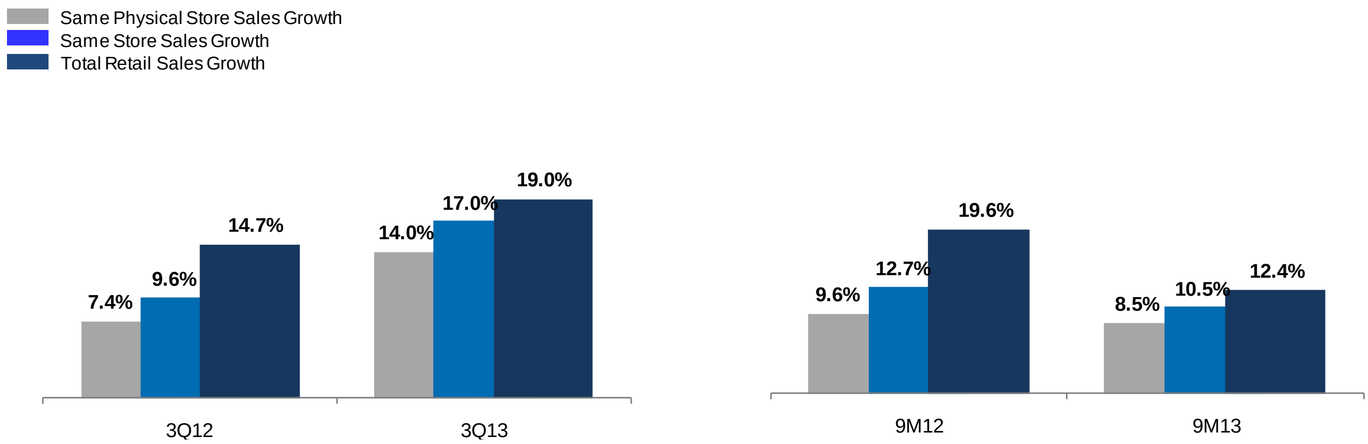


Average Age of Stores (number of stores)



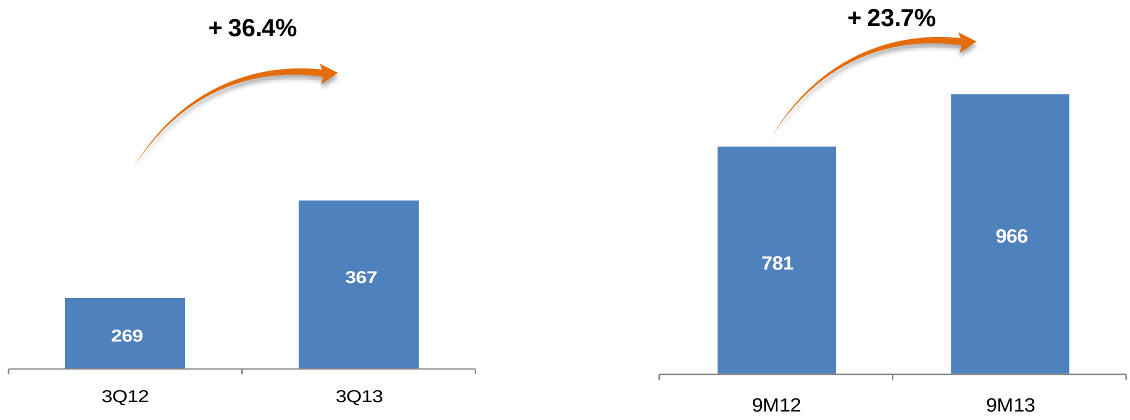
Year-on-year same-store sales jumped 17.0% in 3Q13. In 9M13, same-store sales climbed 10.5% over the same period in 2012.

Same Store Sales Growth (%)



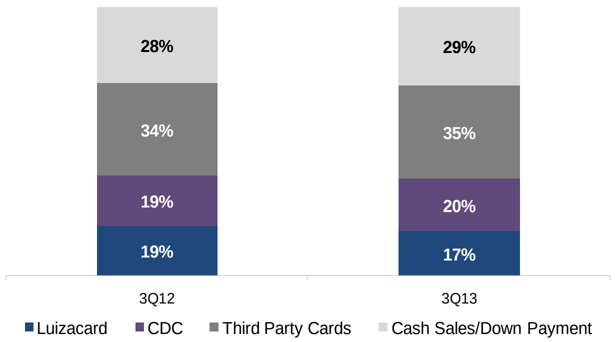
E-commerce (www.magazineluiza.com.br) posted 36.4% growth in 3Q13, generating R$367.0 million in gross revenue, which corresponds to 15.3% of total retail sales. Year-to-date online sales totaled R$966.3 million, 23.7% up on the same period last year.

Internet Gross Revenues (R$ million)

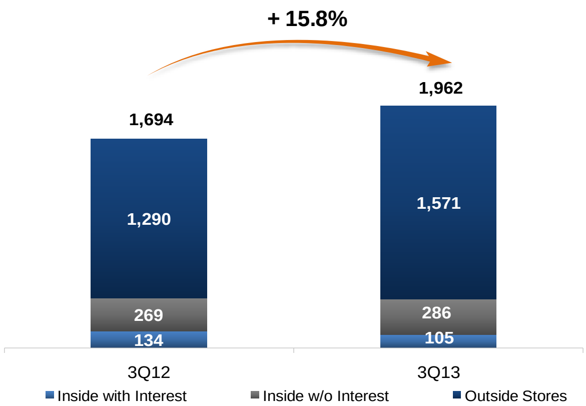


Over the past 12 months, Luizacred's credit card base declined from 4.0 million in 3Q12 to 3.5 million in 3Q13. In 3Q13, total spending on Luiza Cards accounted for 17% of total retail sales, lower than the same period last year. This is thanks to an increase in direct consumer credit (CDC) and a conservative approach to approving credit.

Financed Sales Mix (% of total sales)



Revenues Luiza Card (R$ million)



In 3Q13, total spending on Luiza Cards increased 15.8% to R$2.0 billion. In the same period, the use of Luiza Cards outside the Company's stores grew 21.8%, accounting for 80.1% of total spending (versus 76.2% in 3Q12).

It should be noted that the Company is maintaining its policy of encouraging interest-bearing sales and limiting interest-free sales in Luiza Cards to no higher than 15% of total sales. In 9M13, the share of interest-free sales in Luiza Cards fell to 12% of total sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

(in R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Revenue - Retail - Merchandise Sales	2,306.3	1,947.5	18.4%	6,442.3	5,748.7	12.1%
Gross Revenue - Retail - Services	105.9	80.4	31.8%	278.2	230.0	21.0%
Subtotal Retail	**2,412.3**	**2,027.9**	**19.0%**	**6,720.5**	**5,978.7**	**12.4%**
Gross Revenue - Consortium Management	9.8	8.8	11.6%	28.7	24.5	17.1%
Inter-Company Eliminations	(1.8)	(1.5)	17.6%	(5.2)	(4.2)	23.6%
Total Gross Revenue	**2,420.3**	**2,035.1**	**18.9%**	**6,744.0**	**5,999.0**	**12.4%**

Magazine Luiza's consolidated gross revenue increased 18.9%, from R$2,035.1 million in 3Q12 to R$2,420.3 million in 3Q13, primarily reflecting an improvement in the retail segment fueled by 17.0% same-store sales growth (bricks-and-mortar and e-commerce increased 14.0% and 36.4%, respectively). Bear in mind that this growth was obtained despite a high base of comparison of positive 9.6% SSS (SSS bricks-and-mortar and e-commerce increase 7.4% and 25.5%, respectively in 3Q12).

In 9M13, consolidated gross revenue climbed 12.4% to R$6,744.0 million.

Consolidated Net Revenue

(in R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Net Revenue - Retail - Merchandise Sales	1,921.3	1,623.8	18.3%	5,345.3	4,800.2	11.4%
Net Revenue - Retail - Services	92.4	70.2	31.5%	243.2	200.8	21.1%
Subtotal Retail	**2,013.6**	**1,694.0**	**18.9%**	**5,588.5**	**5,000.9**	**11.7%**
Net Revenue - Consortium Management	8.9	8.0	11.3%	26.2	22.4	17.1%
Inter-Company Eliminations	(1.8)	(1.5)	17.6%	(5.2)	(4.2)	23.6%
Total Net Revenue	**2,020.8**	**1,700.6**	**18.8%**	**5,609.5**	**5,019.1**	**11.8%**

Magazine Luiza's consolidated net revenue climbed 18.8%, from R$1,700.6 million in 3Q12 to R$2,020.8 million in 3Q13, following gross revenue's trends. In 3Q13 and 9M13, net revenue reflected the reclassification of social security expenses, previously recorded as operating expenses and now recorded as sales tax (with the program's payroll tax deduction, social security tax is now calculated as a percentage of gross revenue instead as a percentage of payroll expenses).

In 9M13, consolidated net revenue grew by 11.7%, totaling R$5,609.5 million.

Consolidated Gross Profit

(in R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Income - Retail - Merchandise Sales	474.2	420.1	12.9%	1,325.2	1,220.2	8.6%
Gross Income - Retail - Services	92.4	70.2	31.5%	243.2	200.8	21.1%
Subtotal Retail	**566.6**	**490.3**	**15.5%**	**1,568.4**	**1,421.0**	**10.4%**
Gross Income - Consortium Management	5.8	5.0	17.7%	16.4	13.9	18.3%
Inter-Company Eliminations	-	-	0.0%	-	-	0.0%
Total Gross Income	**572.4**	**495.3**	**15.6%**	**1,584.8**	**1,434.8**	**10.5%**

(as % of Net Revenue)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Margin - Retail - Merchandise Sales	24.7%	25.9%	-1.2 pp	24.8%	25.4%	-0.6 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp	100.0%	100.0%	0.0 pp
Subtotal Retail	**28.1%**	**28.9%**	**-0.8 pp**	**28.1%**	**28.4%**	**-0.3 pp**
Gross Margin - Consortium Management	65.2%	61.7%	3.6 pp	62.7%	62.0%	0.6 pp
Inter-Company Eliminations	0.0%	0.0%	0.0 pp	0.0%	0.0%	0.0 pp
Total Gross Margin	**28.3%**	**29.1%**	**-0.8 pp**	**28.3%**	**28.6%**	**-0.3 pp**

Consolidated gross profit totaled R$572.4 million in 3Q13 with 28.3% gross margin. On a comparable basis, excluding the effect of an accounting reclassification of social security tax to net revenue (0.8 p.p.), gross margin totaled 29.1% in 3Q13, in line with 3Q12 figures. Gross margin was influenced by a higher share in Internet sales, but also reflected an improvement in Northeast stores gross margin, owing to the complete integration of operations and maintenance of margins in other regions.

In 9M13, consolidated gross profit totaled R$1,584.8 million with 28.3% gross margin. On a comparable basis, gross margin came to 28.8% in 9M13, a pick-up of 0.2 p.p. over the same period last year.

Operating Expenses

(in R$ million)	3Q13	% NR	3Q12	% NR	%Chg	9M13	% NR	9M12	% NR	%Chg
Selling expenses	(371.7)	-18.4%	(347.4)	-20.4%	7.0%	(1,076.3)	-19.2%	(1,008.0)	-20.1%	6.8%
General and adm. expenses	(95.9)	-4.7%	(86.9)	-5.1%	10.3%	(275.6)	-4.9%	(258.9)	-5.2%	6.5%
Provisions for loan losses	(5.2)	-0.3%	(4.4)	-0.3%	18.4%	(15.2)	-0.3%	(15.8)	-0.3%	-3.9%
Other operating revenues, net	10.6	0.5%	11.6	0.7%	-9.2%	92.4	1.6%	20.6	0.4%	348.0%
Total Operating Expenses	**(462.2)**	**-22.9%**	**(427.0)**	**-25.1%**	**8.2%**	**(1,274.7)**	**-22.7%**	**(1,262.0)**	**-25.1%**	**1.0%**

Selling Expenses

Selling expenses totaled R$371.7 million in 3Q13, representing 18.4% of net revenue, down 2.0 p.p. on 3Q12. Selling expenses continued to drop compared with recent quarters - in line with the Company's expectations of gradual improvement, reflecting its focus on streamlining expenses and maturation of new stores and former Maia and Baú outlets. Selling expenses also reflected an accounting reclassification of 0.5 p.p. of the social security tax.

In 9M13, selling expenses totaled R$1,076.3 million, representing 19.2% of net revenue.

General and Administrative Expenses

General and administrative expenses totaled R$95.9 million in 3Q13, or 4.7% of net revenue, 0.4 p.p. below 3Q12. This decrease was a result of the reclassification of 0.3 p.p. of the social security tax.

In 9M13, general and administrative expenses came to R$275.6 million, equivalent to 4.9% of net revenue.

Provisions for Loan Losses

Provisions for loan losses came to R$5.2 million in 3Q13, up from R$4.4 million in 3Q12, corresponding to 0.3% of net revenue. This line remained practically level compared to the same period last year. Note that these provisions refer only to Magazine Luiza, and most of loan loss provisions are recorded by Luizacred (explained in Annex 1).

In 9M13, provisions for loan losses amounted to R$15.2 million, representing 0.3% of net revenue.

Other Operating Revenues (Expenses)

(in R$ million)	3Q13	% NR	3Q12	% NR	%Chg	9M13	% NR	9M12	% NR	%Chg
Gain on sale of assets	0.1	0.0%	(0.1)	0.0%	-310.9%	126.4	2.3%	(0.6)	0.0%	-
Deferred revenue recorded	7.6	0.4%	8.9	0.5%	-13.9%	24.5	0.4%	34.4	0.7%	-28.9%
Provision for tax liabilities	4.8	0.2%	7.8	0.5%	-38.9%	(39.1)	-0.7%	7.4	0.1%	-631.9%
Non-recurring expenses	(2.2)	-0.1%	(6.3)	-0.4%	-65.5%	(19.4)	-0.3%	(22.6)	-0.5%	-14.2%
Other	0.2	0.0%	1.3	0.1%	-83.1%	0.0	0.0%	2.1	0.0%	-99.6%
Total	**10.6**	**0.5%**	**11.6**	**0.7%**	**-9.2%**	**92.4**	**1.6%**	**20.6**	**0.4%**	**348.0%**

Other net operating revenues totaled R$11.6 million in 3Q12 versus R$10.6 million in 3Q13, mainly owing to the appropriation of deferred revenue of R$7.6 million, reversal in the provisions for tax liabilities in the amount of R$4.8 million and non-recurring expenses totaling R$2.2 million.

In 9M13, net operating revenues totaled R$92.4 million or 1.6% of net revenue.

Equity in Subsidiaries

Equity in subsidiaries climbed from R$6.0 million income in 3Q12 to R$12.1 million income in 3Q13, equivalent to 0.6% of net revenue, led by the improvement in Luizacred's net result (as explained in Annex I).

EBITDA

(in R$ million)	3Q13	% NR	3Q12	% NR	%Chg	9M13	% NR	9M12	% NR	%Chg
EBITDA	**122.3**	**6.1%**	**74.2**	**4.4%**	**64.9%**	**345.1**	**6.2%**	**177.5**	**3.5%**	**94.5%**
Extraordinary costs	-	0.0%	-	0.0%	0.0%	-	0.0%	15.0	0.3%	-100.0%
Extraordinary revenue	-	0.0%	(5.0)	-0.3%	-100.0%	(126.4)	-2.3%	(5.0)	-0.1%	2423.3%
Extraordinary Expenses	-	0.0%	6.3	0.4%	-100.0%	61.1	1.1%	35.6	0.7%	71.8%
Deferred revenue adjustment	-	0.0%	-	0.0%	0.0%	-	0.0%	(8.8)	-0.2%	-100.0%
Adjusted EBITDA	**122.3**	**6.1%**	**75.5**	**4.4%**	**62.1%**	**279.8**	**5.0%**	**214.4**	**4.3%**	**30.5%**

In 3Q13, earnings before interest, taxes, depreciation and amortization (consolidated EBITDA) reached R$122.3 million, with a margin of 6.1%. The primary factors driving the EBITDA increase include a pickup in sales, a streamlining in expenses and an increase in equity income owing to Luizacred's improved net result.

For 9M13, EBTIDA came to R$345.1 million, with 6.2% margin. Excluding non-recurring effects, adjusted EBITDA totaled R$279.8 million for the nine-month period, accompanied by 5.0% margin.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (in R$ million)	3Q13	% NR	3Q12	% NR	9M13	% NR	9M12	% NR
Financial Expenses	(82.7)	-4.1%	(60.1)	-3.5%	(216.1)	-3.9%	(188.1)	-3.7%
Interest on loans and financing	(37.5)	-1.9%	(27.5)	-1.6%	(95.8)	-1.7%	(87.6)	-1.7%
Interest on prepayment of receivables – third party cards	(20.1)	-1.0%	(15.1)	-0.9%	(53.3)	-1.0%	(42.5)	-0.8%
Interest on prepayment of receivables – Luiza Card	(13.1)	-0.7%	(10.2)	-0.6%	(34.7)	-0.6%	(34.8)	-0.7%
Other expenses	(12.0)	-0.6%	(7.4)	-0.4%	(32.3)	-0.6%	(23.3)	-0.5%
Financial Revenues	17.3	0.9%	9.1	0.5%	45.9	0.8%	31.3	0.6%
Gains on marketable securities	2.2	0.1%	1.0	0.1%	3.6	0.1%	3.2	0.1%
Other financial revenues	15.2	0.7%	8.1	0.5%	42.3	0.8%	28.1	0.6%
Total Financial Results	(65.4)	-3.2%	(51.0)	-3.0%	(170.1)	-3.0%	(156.8)	-3.1%
Income from cash and cash equivalentes[1]	7.2	0.4%	3.3	0.2%	15.9	0.3%	8.2	0.2%
Adjusted Financial Results	(58.1)	-2.9%	(47.6)	-2.8%	(154.2)	-2.7%	(148.6)	-3.0%

Note(1): income from the exclusive fund, which is booked as financial income in the Parent Company and as gross revenue in the Consolidated results, as presented in the Notes.

Adjusted net financial expenses (including income from an exclusive fund) totaled R$58.1 million in 3Q13, accounting for 2.9% of consolidated net revenue, practically in line with the 3Q12 figure despite the period's higher average CDI rate, which is indicative of the Company's improved net debt profile.

In 9M13, adjusted net financial expenses amounted to R$154.2 million, dropping from 3.0% to 2.7% of net revenue in the period.

Consolidated Net Income

The 3Q13 net result was positive by R$25.4 million, with a net margin of 1.3%, influenced by the group's excellent sales performance, the streamlining of expenses and the improvement in Luizacred's net result. The result is in line with the Company's gradual trend of boosting profitability in 2013.

In 9M13, consolidated net income totaled R$80.8 million with margin of 1.4%. Excluding the non-recurring results, adjusted net income came to R$37.7 million with margin of 0.7%.

Working Capital

CONSOLIDATED (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
Accounts receivables	463.7	458.4	448.8	486.5	490.2
Inventories	1,135.5	1,051.1	974.9	1,068.8	1,306.9
Related parties	67.8	86.3	85.0	73.6	67.6
Recoverable taxes	214.3	230.5	190.4	208.5	40.8
Other assets	64.0	73.2	63.3	38.0	71.9
Current operating assets	1,945.3	1,899.6	1,762.5	1,875.3	1,977.4
Suppliers	1,332.3	1,306.1	1,169.8	1,326.3	1,173.2
Payroll, vacation and related charges	146.7	126.7	115.8	138.3	139.5
Taxes payable	18.9	28.5	20.4	47.8	13.8
Related parties	53.8	50.9	41.7	51.1	29.5
Taxes in installments	8.9	8.9	9.0	9.1	9.2
Other accounts payable	85.4	80.1	113.1	80.9	94.8
Current operating liabilities	1,646.0	1,601.1	1,469.9	1,653.6	1,460.2
Working Capital	299.2	298.5	292.6	221.8	517.3
% of Net Revenue	3.3%	3.4%	3.4%	2.6%	6.4%
Balance of Discounted Receivables	993.1	904.9	838.2	791.4	659.5
Working Capital Adjusted	1,292	1,203	1,131	1,013	1,177
% of Net Revenue	14.0%	13.6%	13.2%	12.0%	14.5%

In September 2013, net working capital stood at R$299.2 million, representing only 3.3% of gross revenue in the last 12 months, lower than the 6.4% recorded in September 2012. The reduction in relation to that period stemmed primarily from improvements in inventory turnover and the booking of part of taxes recoverable in the long term. In September 2013, the Company recorded tax credits of R$370.4 million, R$214.3 million of which was recognized under current assets and R$156.1 million under non-current assets. These amounts refer mainly to accrued ICMS tax and tax substitution credits and will be realized through a request for compensation of debits of a similar nature in the states where the credits originated.

On the same date, the balance for prepaid receivables from third-party credit cards was R$993.1 million. Considering the balance of discounted receivables, working capital requirements would correspond to 14.0% of gross revenue, lower than the same period last year.

Capex

CAPEX (in R$ million)	3Q13	3Q12	9M13	9M12
New Stores	5.2	4.4	15.7	16.0
Remodeling	16.5	18.6	34.1	37.7
Technology	8.3	5.7	24.5	17.0
Logistics	7.3	11.1	19.8	33.1
Other	6.5	4.9	10.6	19.9
Total	**43.7**	**44.8**	**104.7**	**123.8**

Investments in fixed and intangible assets fell from R$44.8 million in 3Q12 to R$43.7 million in 3Q13 and include renovations to existing stores as well as investments in technology, logistics and new stores (inaugurated and yet to be inaugurated). In 3Q13, we opened eight stores, bringing the 9M13 total to 13 new stores. The Company also began investing in four additional stores that will be opened in 4Q13.

Net Debt

CONSOLIDATED (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
(+) Current loans and financing	555.5	534.8	404.3	317.2	223.0
(+) Non-current loans and financing	829.1	860.4	1,016.2	918.8	892.6
(=) Gross Debt	1,384.6	1,395.2	1,420.5	1,236.0	1,115.5
(-) Cash and cash equivalents	260.3	176.6	152.3	418.9	92.9
(-) Current securities	423.5	539.0	476.2	126.4	204.4
(-) Total Cash	683.8	715.6	628.5	545.3	297.4
(=) Net Debt	700.9	679.6	792.0	690.7	818.2
Short term debt/total	40%	38%	28%	26%	20%
Long term debt/total	60%	62%	72%	74%	80%
Adjusted EBITDA (LTM)	364.3	317.4	305.3	298.8	326.6
Net Debt/ Adjusted EBITDA	1.9 x	2.1 x	2.6 x	2.3 x	2.5 x

In September of 2013, Magazine Luiza had loans and financing totaling R$1,384.6 million and cash and financial investments of R$683.8 million, resulting in a net debt of R$700.9 million, equivalent to 1.9x adjusted EBITDA of the last 12 months, representing another consistent reduction in leverage.

The lower debt balance at the close of September 2013 in relation to September 2012 reflected improved operating results, lower working capital requirements, as explained previously, and cash from the sale of distribution center Louveira in June 2013. It should also be noted that in October 2013, Magazine Luiza held its third debenture issue in an effort to extend and optimize the Company's debt profile.

According to the previous method of proportional consolidation of Luizacred's and Luizaseg's results, assets and liabilities, net debt stood at R$585.0 million, equivalent to 1.6x adjusted EBITDA in the last 12 months, versus 1.8x in June 2013 and 2.4x in September 2012, as disclosed in our previous earnings releases.

ANNEX I
LUIZACRED

Operating Indicators

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

In September 2013, Luizacred had a total base of 3.5 million cards issued. In the last 12 months, the total card base decreased by 13.5%, partially offset by the increased share of direct consumer credit (CDC). In 3Q13, purchases outside Magazine Luiza stores represented 80.1% of total card billings, 21.8% up on 3Q12.

Luizacred's credit portfolio, including credit cards, direct consumer credit and personal loans, totaled R$3.7 billion at the close of 3Q13.

LUIZACRED – Key Indicators (R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Total Card Base (thousand)	3,498	4,042	-13.5%	3,498	4,042	-13.5%
Luiza Card Sales – In chain	391	404	-3.1%	1,096	1,328	-17.5%
Luiza Card Sales – Outside Brand	1,571	1,290	21.8%	4,493	3,727	20.5%
CDC Sales	377	316	19.4%	1,057	846	25.0%
Personal Loans Sales	30	39	-23.0%	105	143	-27.1%
Total Luizacred Sales	**2,369**	**2,049**	**15.6%**	**6,750**	**6,044**	**11.7%**
Card Portfolio	2,593	2,527	2.6%	2,593	2,527	2.6%
CDC Portfolio	1,084	777	39.6%	1,084	777	39.6%
Personal Loans Portfolio	69	104	-34.3%	69	104	-34.3%
Total Portfolio	**3,746**	**3,408**	**9.9%**	**3,746**	**3,408**	**9.9%**

Credit and Collection Policy

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. Maintaining its conservative approach, Luizacred maintained its low credit approval rate in 3Q13.

Income Statement

LUIZACRED – Income (R$ million)	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Financial Intermediation Revenue	306.6	100.0%	276.2	100.0%	11.0%	887.5	100.0%	815.0	100.0%	8.9%
Cards	170.9	55.7%	166.5	60.3%	2.7%	493.5	55.6%	510.3	62.6%	-3.3%
CDC	117.7	38.4%	86.7	31.4%	35.8%	337.8	38.1%	221.6	27.2%	52.4%
Personal Loans	17.9	5.8%	23.0	8.3%	-22.0%	56.2	6.3%	83.1	10.2%	-32.4%
Financial Intermediation Expenses	(213.2)	-69.5%	(198.0)	-71.7%	7.7%	(608.7)	-68.6%	(605.5)	-74.3%	0.5%
Market Funding Operations	(40.8)	-13.3%	(38.5)	-13.9%	6.0%	(107.9)	-12.2%	(131.7)	-16.2%	-18.1%
Provision for Loan Losses	(172.4)	-56.2%	(159.5)	-57.8%	8.1%	(500.8)	-56.4%	(473.8)	-58.1%	5.7%
Gross Financial Intermediation Income	93.4	30.5%	78.2	28.3%	19.4%	278.8	31.4%	209.5	25.7%	33.1%
Other Operating Revenues (Expenses)	(60.4)	-19.7%	(67.4)	-24.4%	-10.4%	(186.4)	-21.0%	(219.4)	-26.9%	-15.1%
Service Revenue	70.7	23.1%	56.8	20.6%	24.4%	194.8	21.9%	167.9	20.6%	16.0%
Personnel Expenses	(1.3)	-0.4%	(1.7)	-0.6%	-20.3%	(2.8)	-0.3%	(4.7)	-0.6%	-41.5%
Other Administrative Expenses	(109.5)	-35.7%	(106.7)	-38.6%	2.6%	(323.1)	-36.4%	(327.4)	-40.2%	-1.3%
Depreciation and Amortization	(3.3)	-1.1%	(3.3)	-1.2%	-0.8%	(9.8)	-1.1%	(9.9)	-1.2%	-0.9%
Tax Expenses	(19.4)	-6.3%	(16.8)	-6.1%	15.5%	(55.6)	-6.3%	(50.0)	-6.1%	11.3%
Other Operating Revenues (Expenses)	2.5	0.8%	4.3	1.6%	-42.3%	10.1	1.1%	4.6	0.6%	119.0%
Income Before Tax	33.0	10.8%	10.8	3.9%	205.2%	92.5	10.4%	(10.0)	-1.2%	-1027.8%
Income Tax and Social Contribution	(13.6)	-4.4%	(4.3)	-1.6%	216.4%	(37.4)	-4.2%	3.7	0.5%	-1112.2%
Net Income	19.4	6.3%	6.5	2.4%	197.8%	55.1	6.2%	(6.3)	-0.8%	-978.1%

Revenue from Financial Intermediation

In 3Q13, gross revenue from financial intermediation increased by 11.0% over 3Q12, mainly due to the higher share of direct consumer credit in retail sales.

Provisions for Loan Losses

Luizacred's short-term default indicators improved by 0.8 p.p. compared with September 2012. The portfolio of loans overdue for more than 90 days (NPL 90) increased by 0.9 p.p., and the total overdue portfolio remained practically flat in relation to September 2012. The default indicators remain under control and likely to improve, considering the conservativeness on approval rates and the reduction on delinquency of early portfolio overdue.

Provisions on gross revenue from financial intermediation fell from 57.8% in 3Q12 to 56.2% in 3Q13, reflecting the improvement in default indicators in recent quarters. Provisions for loan losses represented 4.6% of the total portfolio in 3Q13, slightly below the 4.7% recorded in 3Q12.

PORTFOLIO OVERDUE	sep-13		jun-13		mar-13		dec-12		sep-12	
Total Portfolio (R$ million)	3,746.5	100.0%	3,626.4	100.0%	3,573.6	100.0%	3,650.3	100.0%	3,408.4	100.0%
000 to 014 days	3,204.2	85.5%	3,112.9	85.8%	3,103.9	86.9%	3,229.4	88.5%	2,917.3	85.6%
015 to 030 days	36.6	1.0%	44.1	1.2%	50.6	1.4%	41.0	1.1%	42.2	1.2%
031 to 060 days	30.3	0.8%	40.9	1.1%	45.2	1.3%	34.3	0.9%	39.8	1.2%
061 to 090 days	52.0	1.4%	64.4	1.8%	64.6	1.8%	46.8	1.3%	53.2	1.6%
091 to 120 days	52.2	1.4%	50.6	1.4%	42.9	1.2%	35.6	1.0%	51.8	1.5%
121 to 150 days	50.8	1.4%	49.6	1.4%	31.3	0.9%	27.0	0.7%	39.6	1.2%
151 to 180 days	51.5	1.4%	45.0	1.2%	31.0	0.9%	28.1	0.8%	38.5	1.1%
180 to 360 days	268.8	7.2%	218.9	6.0%	204.0	5.7%	208.0	5.7%	226.0	6.6%
Overdue 15-90 days	119.0	3.2%	149.4	4.1%	160.5	4.5%	122.1	3.3%	135.1	4.0%
Overdue above 90 days	423.3	11.3%	364.0	10.0%	309.2	8.7%	298.8	8.2%	355.9	10.4%
Total Overdue	542.3	14.5%	513.5	14.2%	469.7	13.1%	420.9	11.5%	491.1	14.4%
Allowance for doubtful in IFRS	493.9	13.2%	458.8	12.7%	454.2	12.7%	456.4	12.5%	460.8	13.5%
Coverage (%)	117%		126%		147%		153%		129%	

Note: for better comparison and analysis of the performance of loans (NPL), the Company started providing the breakdown of the portfolio by overdue bracket, while it continues to provide the portfolio breakdown by risk bracket to the Central Bank.

Gross Financial Intermediation Result

As a result of the sharp growth in direct consumer credit revenue in the period, the gross margin from financial intermediation stood at 30.5% in 3Q13, a 2.2 p.p. increase over 3Q12 (28.3%).

Other Operating Revenues (Expenses)

- **Service Revenue:** increased by 24.4% over 3Q12, mainly driven by commissions for the use of Luiza Cards outside the stores, and revenues from insurance and new services;
- **Selling and Administrative Expenses** (personnel, administrative, amortization and taxes): equivalent to 43.5% of financial intermediation revenue, 3.0% p.p. down on 3Q12 (46.5%) and 0.5 p.p. down on 2Q13 (44.0%). These gains are thanks to the Company's project focus on reducing costs and expenses and an adjustment in the mix of different financial products;
- **Other Operating Revenues (Expenses):** net revenues of R$2.5 million, equivalent to just 0.8% of financial intermediation revenue.

Net Operating Result

Luizacred recorded operating income of R$33.0 million in 3Q13, equivalent to 10.8% of financial intermediation revenue, a significant improvement over the operating income of R$10.8 million recorded in 3Q12 (3.9% of revenue from financial intermediation).

Net income totaled R$19.4 million in the quarter with ROE of 19.0%.

Shareholders' Equity

In compliance with accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$20.7 million in 3Q13, with a shareholders' equity of R$446.3 million in September of 2013. As a result of adjustments required under IFRS, specifically additional provisions for expected losses net of taxes, Luizacred's shareholders' equity for use in the financial statements of Magazine Luiza was R$418.6 million.

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Gross Revenue	2,420.3	119.8%	2,035.1	119.7%	18.9%	6,744.0	120.2%	5,999.0	119.5%	12.4%
Taxes and Deductions	(399.5)	-19.8%	(334.6)	-19.7%	19.4%	(1,134.5)	-20.2%	(979.9)	-19.5%	15.8%
Net Revenue	2,020.8	100.0%	1,700.6	100.0%	18.8%	5,609.5	100.0%	5,019.1	100.0%	11.8%
Total Costs	(1,448.4)	-71.7%	(1,205.3)	-70.9%	20.2%	(4,024.6)	-71.7%	(3,584.3)	-71.4%	12.3%
Gross Income	572.4	28.3%	495.3	29.1%	15.6%	1,584.8	28.3%	1,434.8	28.6%	10.5%
Selling expenses	(371.7)	-18.4%	(347.4)	-20.4%	7.0%	(1,076.3)	-19.2%	(1,008.0)	-20.1%	6.8%
General and administrative expenses	(95.9)	-4.7%	(86.9)	-5.1%	10.3%	(275.6)	-4.9%	(258.9)	-5.2%	6.5%
Provisions for loan losses	(5.2)	-0.3%	(4.4)	-0.3%	18.4%	(15.2)	-0.3%	(15.8)	-0.3%	-3.9%
Other operating revenues, net	10.6	0.5%	11.6	0.7%	-9.2%	92.4	1.6%	20.6	0.4%	348.0%
Equity in Subsidiaries	12.1	0.6%	6.0	0.4%	103.9%	35.0	0.6%	4.7	0.1%	650.8%
Total Operating Expenses	(450.1)	-22.3%	(421.1)	-24.8%	6.9%	(1,239.7)	-22.1%	(1,257.3)	-25.1%	-1.4%
EBITDA	122.3	6.1%	74.2	4.4%	64.9%	345.1	6.2%	177.5	3.5%	94.5%
Depreciation and Amortization	(25.3)	-1.3%	(22.0)	-1.3%	15.0%	(75.5)	-1.3%	(65.8)	-1.3%	14.7%
EBIT	97.0	4.8%	52.2	3.1%	85.9%	269.6	4.8%	111.7	2.2%	141.4%
Financial Results	(65.4)	-3.2%	(51.0)	-3.0%	28.3%	(170.2)	-3.0%	(156.8)	-3.1%	8.5%
Operating Income	31.7	1.6%	1.2	0.1%	2471.9%	99.5	1.8%	(45.1)	-0.9%	-320.5%
Income Tax and Social Contribution	(6.3)	-0.3%	1.1	0.1%	-662.7%	(18.6)	-0.3%	28.7	0.6%	-165.0%
Net Income	25.4	1.3%	2.3	0.1%	980.7%	80.8	1.4%	(16.5)	-0.3%	-591.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	122.3	6.1%	74.2	4.4%	-	345.1	6.2%	177.5	3.5%	-
Extraordinary costs	-	0.0%	-	0.0%	-	-	0.0%	15.0	0.3%	-
Extraordinary revenues	-	0.0%	(5.0)	-0.3%	-	(126.4)	-2.3%	(5.0)	-0.1%	-
Extraordinary expenses	-	0.0%	6.3	0.4%	-	61.1	1.1%	35.6	0.7%	-
Adjusted deferred revenues	-	0.0%	-	0.0%	-	-	0.0%	(8.8)	-0.2%	-
Adjusted EBITDA	122.3	6.1%	75.5	4.4%	-	279.8	5.0%	214.4	4.3%	-

Net Income	25.4	1.3%	2.3	0.1%	-	80.8	1.4%	(16.5)	-0.3%	-
Extraordinary operational results	-	0.0%	1.3	0.1%	-	(65.3)	-1.2%	36.9	0.7%	-
Extraordinary financial results	-	0.0%	-	0.0%	-	-	0.0%	10.6	0.2%	-
Tax over extraordinary results	-	0.0%	(0.4)	0.0%	-	22.2	0.4%	(16.1)	-0.3%	-
Extraordinary tax credits	-	0.0%	-	0.0%	-	-	0.0%	(12.5)	-0.2%	-
Adjusted Net Income	25.4	1.3%	3.2	0.2%	-	37.7	0.7%	2.4	0.0%	-

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
CURRENT ASSETS					
Cash and cash equivalents	260.3	176.6	152.3	418.9	92.9
Securities	423.5	539.0	476.2	126.4	204.4
Accounts receivable	463.7	458.4	448.8	486.5	490.2
Inventories	1,135.5	1,051.1	974.9	1,068.8	1,306.9
Related parties	67.8	86.3	85.0	73.6	67.6
Taxes recoverable	214.3	230.5	190.4	208.5	40.8
Other assets	64.0	73.2	63.3	38.0	71.9
Total current assets	2,629.0	2,615.2	2,391.0	2,420.6	2,274.8
NON-CURRENT ASSETS					
Accounts receivable	4.3	4.0	3.4	0.4	1.3
Deferred income tax and social contribution	148.0	148.3	156.5	148.3	152.5
Recoverable taxes	156.1	148.3	144.4	137.4	9.2
Judicial deposits	157.4	150.4	138.5	129.3	115.0
Other assets	42.8	41.7	39.1	39.6	38.2
Investments in subsidiaries	248.7	236.6	224.6	222.9	213.2
Fixed assets	527.9	510.8	575.5	574.0	550.7
Intangible assets	437.5	436.6	436.2	435.3	435.5
Total non-current assets	1,722.6	1,676.8	1,718.1	1,687.2	1,515.5
TOTAL ASSETS	4,351.7	4,292.0	4,109.1	4,107.7	3,790.3

LIABILITIES (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
CURRENT LIABILITIES					
Suppliers	1,332.3	1,306.1	1,169.8	1,326.3	1,173.2
Loans and financing	555.5	534.8	404.3	317.2	223.0
Payroll, vacation and related charges	146.7	126.7	115.8	138.3	139.5
Taxes payable	18.9	28.5	20.4	47.8	13.8
Related parties	53.8	50.9	41.7	51.1	29.5
Taxes in installments	8.9	8.9	9.0	9.1	9.2
Deferred revenue	35.6	35.6	36.2	37.1	38.0
Other accounts payable	85.4	80.1	113.1	80.9	94.8
Total current liabilities	2,237.2	2,171.5	1,910.4	2,007.9	1,721.2
NON-CURRENT LIABILITIES					
Loans and financing	829.1	860.4	1,016.2	918.8	892.6
Taxes in installments	-	0.6	1.2	1.8	2.4
Provision for tax, civil and labor risks	228.7	227.3	196.2	187.6	173.5
Deferred revenue	358.2	359.9	367.5	375.2	382.8
Deferred income tax and social contribution	-	-	-	-	6.5
Other accounts payable	1.0	0.9	0.7	0.6	5.9
Total non-current liabilities	1,417.0	1,449.1	1,581.8	1,483.9	1,463.6
SHAREHOLDERS' EQUITY					
Capital stock	606.5	606.5	606.5	606.5	606.5
Capital reserve	4.9	4.2	3.5	2.8	2.1
Legal reserve	4.0	4.0	4.0	4.0	4.0
Profit retention reserve	2.6	2.6	2.6	2.6	9.3
Other comprehensive income	(1.4)	(1.3)	(0.5)	0.1	0.1
Accumulated losses	80.8	55.5	0.8	-	(16.5)
Total shareholders' equity	697.5	671.4	616.9	616.0	605.6
TOTAL	4,351.7	4,292.0	4,109.1	4,107.7	3,790.3

ANNEX IV
FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	3Q13	3Q12	9M13	9M12
Net Income	**25.4**	**2.3**	**80.8**	**(16.5)**
Effect of IR / CS net of payment	(2.2)	(1.1)	6.3	(29.4)
Depreciation and amortization	25.3	22.0	75.5	65.8
Interest accrued on loans	33.3	24.7	83.6	74.8
Equity, net of dividends received	(12.1)	(6.0)	(23.6)	2.5
Provision for losses on inventories and receivables	18.1	6.9	51.4	27.0
Provision for tax, civil and labor contingencies	3.7	3.4	58.7	19.0
Gain on sale of fixed assets	(0.1)	1.2	(126.4)	2.3
Recognition of deferred income	(7.6)	(8.9)	(24.5)	(34.4)
Stock option expenses	0.7	0.7	2.1	2.1
Adjusted Net Income	**84.3**	**45.3**	**183.9**	**113.1**
Trade accounts receivable	(18.6)	(15.3)	(16.5)	(2.5)
Inventories	(89.3)	(178.2)	(82.7)	(53.4)
Taxes recoverable	16.8	(6.7)	(12.2)	2.8
Other receivables	20.4	78.1	(54.5)	(56.3)
Changes in operating assets	**(70.7)**	**(122.2)**	**(165.9)**	**(109.5)**
Trade accounts payable	32.6	156.8	6.0	(93.5)
Other payables	3.6	(26.0)	(57.2)	11.5
Change in operating liabilities	**36.2**	**130.8**	**(51.2)**	**(82.0)**
Cash Flow from Operating Activities	**49.8**	**53.9**	**(33.2)**	**(78.4)**
Additions of fixed and intangible assets	(43.7)	(44.1)	(104.8)	(123.1)
Cash on sale of fixed assets	-	-	205.5	-
Sale of exclusive dealing and exploration right contract	6.0	-	6.0	-
Investment in subsidiary	-	-	-	(24.0)
Cash Flow from Investing Activities	**(37.7)**	**(44.1)**	**106.6**	**(147.1)**
Loans and financing	4.2	3.8	206.9	478.4
Repayment of loans and financing	(16.0)	(19.9)	(71.5)	(80.1)
Payment of interest on loans and financing	(32.1)	(19.9)	(70.3)	(68.9)
Payment of dividends	-	-	-	(2.8)
Cash Flow from Financing Activities	**(43.9)**	**(36.0)**	**65.1**	**326.7**
Cash, cash equivalents and securities at beginning of period	715.6	323.6	545.3	196.2
Cash, cash equivalents and securities at end of period	683.8	297.4	683.8	297.4
Change in Cash and Cash equivalents	**(31.8)**	**(26.2)**	**138.5**	**101.2**

Note: the only difference between the Cash Flow Statement and the Adjusted Cash Flow Statement is the treatment of securities as cash equivalents.

ANNEX V
RESULTS BY SEGMENT – 3Q13

3Q13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,412.3	9.8	(1.8)	2,420.3	188.6	28.1	(51.0)	2,586.0
Taxes and Deductions	(398.6)	(0.9)	-	(399.5)	-	-	-	(399.5)
Net Revenue	2,013.6	8.9	(1.8)	2,020.8	188.6	28.1	(51.0)	2,186.5
Total Costs	(1,447.1)	(3.1)	1.8	(1,448.4)	(20.4)	(2.7)	-	(1,471.5)
Gross Income	566.6	5.8	-	572.4	168.2	25.3	(51.0)	715.0
Selling expenses	(371.7)	-	-	(371.7)	(64.5)	(19.6)	44.4	(411.4)
General and administrative expenses	(91.3)	(4.5)	-	(95.9)	(0.7)	(3.6)	-	(100.2)
Provisions for loan losses	(5.2)	-	-	(5.2)	(86.2)	-	-	(91.4)
Equity in Subsidiaries	13.1	-	(1.0)	12.1	-	-	(12.1)	(0.0)
Other operating revenues, net	10.6	0.0	-	10.6	1.2	0.0	(1.4)	10.4
Total Operating Expenses	(444.6)	(4.5)	(1.0)	(450.1)	(150.1)	(23.3)	30.9	(592.5)
EBITDA	122.0	1.3	(1.0)	122.3	18.1	2.1	(20.1)	122.4
Depreciation and Amortization	(25.2)	(0.1)	-	(25.3)	(1.6)	(0.0)	1.4	(25.6)
EBIT	96.8	1.2	(1.0)	97.0	16.5	2.1	(18.7)	96.9
Financial Results	(65.6)	0.2	-	(65.4)	-	2.1	6.6	(56.7)
Operating Income	31.2	1.4	(1.0)	31.7	16.5	4.1	(12.1)	40.1
Income Tax and Social Contribution	(5.8)	(0.5)	-	(6.3)	(6.8)	(1.7)	-	(14.8)
Net Income	25.4	1.0	(1.0)	25.4	9.7	2.4	(12.1)	25.4
Gross Margin	28.1%	65.2%	0.0%	28.3%	89.2%	90.3%	100.0%	32.7%
EBITDA Margin	6.1%	14.6%	54.7%	6.1%	9.6%	7.4%	39.4%	5.6%
Net Margin	1.3%	10.8%	54.7%	1.3%	5.1%	8.7%	23.8%	1.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	122.0	1.3	(1.0)	122.3	18.1	2.1	(20.1)	122.4
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	-	-	-	-	-	-	-	-
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	122.0	1.3	(1.0)	122.3	18.1	2.1	(20.1)	122.4
Adjusted EBITDA Margin	6.1%	14.6%	54.7%	6.1%	9.6%	7.4%	39.4%	5.6%

Net Income	25.4	1.0	(1.0)	25.4	9.7	2.4	(12.1)	25.4
Extraordinary operational results	-	-	-	-	-	-	-	-
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	-	-	-	-	-	-	-	-
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	25.4	1.0	(1.0)	25.4	9.7	2.4	(12.1)	25.4
Adjusted Net Income Margin	1.3%	10.8%	54.7%	1.3%	5.1%	8.7%	23.8%	1.2%

ANNEX VI
RESULTS BY SEGMENT – 9M13

9M13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	6,720.5	28.7	(5.2)	6,744.0	541.1	73.4	(135.3)	7,223.1
Taxes and Deductions	(1,132.0)	(2.5)	-	(1,134.5)	-	-	-	(1,134.5)
Net Revenue	5,588.5	26.2	(5.2)	5,609.5	541.1	73.4	(135.3)	6,088.6
Total Costs	(4,020.0)	(9.8)	5.2	(4,024.6)	(53.9)	(7.4)	-	(4,085.9)
Gross Income	1,568.4	16.4	-	1,584.8	487.2	66.0	(135.3)	2,002.7
Selling expenses	(1,076.3)	-	-	(1,076.3)	(189.3)	(49.5)	118.0	(1,197.2)
General and administrative expenses	(262.1)	(13.5)	-	(275.6)	(1.4)	(9.8)	-	(286.7)
Provisions for loan losses	(15.2)	-	-	(15.2)	(250.4)	-	-	(265.6)
Equity in Subsidiaries	37.2	-	(2.2)	35.0	-	-	(35.0)	(0.0)
Other operating revenues, net	92.4	0.1	-	92.4	5.0	0.0	(4.2)	93.3
Total Operating Expenses	(1,224.1)	(13.4)	(2.2)	(1,239.7)	(436.1)	(59.3)	78.8	(1,656.2)
EBITDA	344.4	3.0	(2.2)	345.1	51.2	6.7	(56.5)	346.5
Depreciation and Amortization	(75.3)	(0.2)	-	(75.5)	(4.9)	(0.0)	4.2	(76.3)
EBIT	269.1	2.7	(2.2)	269.6	46.2	6.7	(52.3)	270.2
Financial Results	(170.7)	0.5	-	(170.2)	-	5.7	17.4	(147.1)
Operating Income	98.4	3.3	(2.2)	99.5	46.2	12.4	(35.0)	123.2
Income Tax and Social Contribution	(17.6)	(1.1)	-	(18.6)	(18.7)	(5.0)	-	(42.3)
Net Income	80.8	2.2	(2.2)	80.8	27.5	7.5	(35.0)	80.8
Gross Margin	28.1%	62.6%	0.0%	28.3%	90.0%	90.0%	100.0%	32.9%
EBITDA Margin	6.2%	11.3%	41.9%	6.2%	9.5%	9.2%	41.7%	5.7%
Net Margin	1.4%	8.3%	41.9%	1.4%	5.1%	10.2%	25.8%	1.3%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	344.4	3.0	(2.2)	345.1	51.2	6.7	(56.5)	346.5
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	(126.4)	-	-	(126.4)	-	-	-	(126.4)
Extraordinary expenses	61.1	-	-	61.1	-	-	-	61.1
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	279.0	3.0	(2.2)	279.8	51.2	6.7	(56.5)	281.2
Adjusted EBITDA Margin	5.0%	11.3%	41.9%	5.0%	9.5%	9.2%	41.7%	4.6%

Net Income	80.8	2.2	(2.2)	80.8	27.5	7.5	(35.0)	80.8
Extraordinary operational results	(65.3)	-	-	(65.3)	-	-	-	(65.3)
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	22.2	-	-	22.2	-	-	-	22.2
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	37.7	2.2	(2.2)	37.7	27.5	7.5	(35.0)	37.7
Adjusted Net Income Margin	0.7%	8.3%	41.9%	0.7%	5.1%	10.2%	25.8%	0.6%

ANNEX VII
RESULTS BY SEGMENT – 3Q12

3Q12 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,027.9	8.8	(1.5)	2,035.1	166.5	23.5	(42.8)	2,182.3
Taxes and Deductions	(333.8)	(0.8)	-	(334.6)	-	-	-	(334.6)
Net Revenue	1,694.0	8.0	(1.5)	1,700.6	166.5	23.5	(42.8)	1,847.8
Total Costs	(1,203.7)	(3.1)	1.5	(1,205.3)	(19.2)	(1.7)	(0.0)	(1,226.2)
Gross Income	490.3	5.0	-	495.3	147.3	21.8	(42.8)	621.6
Selling expenses	(347.4)	-	-	(347.4)	(61.8)	(16.2)	37.7	(387.7)
General and administrative expenses	(82.8)	(4.1)	-	(86.9)	(0.8)	(3.2)	(0.0)	(91.0)
Provisions for loan losses	(4.4)	-	-	(4.4)	(79.8)	-	-	(84.1)
Equity in Subsidiaries	6.8	-	(0.8)	6.0	-	-	(6.0)	-
Other operating revenues, net	11.4	0.2	-	11.6	2.1	0.2	(0.7)	13.3
Total Operating Expenses	(416.4)	(3.9)	(0.8)	(421.1)	(140.2)	(19.2)	31.0	(549.5)
EBITDA	74.0	1.1	(0.8)	74.2	7.1	2.6	(11.8)	72.1
Depreciation and Amortization	(21.9)	(0.1)	-	(22.0)	(1.7)	(0.0)	0.7	(22.9)
EBIT	52.0	1.0	(0.8)	52.2	5.4	2.6	(11.0)	49.2
Financial Results	(51.2)	0.2	-	(51.0)	-	1.8	5.1	(44.0)
Operating Income	0.8	1.3	(0.8)	1.2	5.4	4.4	(6.0)	5.1
Income Tax and Social Contribution	1.5	(0.4)	-	1.1	(2.2)	(1.7)	-	(2.8)
Net Income	2.3	0.8	(0.8)	2.3	3.3	2.7	(6.0)	2.3
Gross Margin	28.9%	61.7%	0.0%	29.1%	88.4%	92.9%	100.0%	33.6%
EBITDA Margin	4.4%	13.4%	55.9%	4.4%	4.2%	11.1%	27.5%	3.9%
Net Margin	0.1%	10.5%	55.9%	0.1%	2.0%	11.5%	13.9%	0.1%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	74.0	1.1	(0.8)	74.2	7.1	2.6	(11.8)	72.1
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	(5.0)	-	-	(5.0)	-	-	-	(5.0)
Extraordinary expenses	6.3	-	-	6.3	-	-	-	6.3
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	75.2	1.1	(0.8)	75.5	7.1	2.6	(11.8)	73.4
Adjusted EBITDA Margin	4.4%	13.4%	55.9%	4.4%	4.2%	11.1%	27.5%	4.0%
Net Income	2.3	0.8	(0.8)	2.3	3.3	2.7	(6.0)	2.3
Extraordinary operational results	1.3	-	-	1.3	-	-	-	1.3
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	(0.4)	-	-	(0.4)	-	-	-	(0.4)
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	3.2	0.8	(0.8)	3.2	3.3	2.7	(6.0)	3.2
Adjusted Net Income Margin	0.2%	10.5%	55.9%	0.2%	2.0%	11.5%	13.9%	0.2%

ANNEX VIII
RESULTS BY SEGMENT – 9M12

9M12 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	5,978.7	24.5	(4.2)	5,999.0	491.5	62.5	(113.4)	6,439.5
Taxes and Deductions	(977.8)	(2.1)	-	(979.9)	-	-	-	(979.9)
Net Revenue	5,000.9	22.4	(4.2)	5,019.1	491.5	62.5	(113.4)	5,459.6
Total Costs	(3,580.0)	(8.5)	4.2	(3,584.3)	(65.9)	(5.0)	(0.0)	(3,655.1)
Gross Income	1,421.0	13.9	-	1,434.8	425.6	57.5	(113.4)	1,804.5
Selling expenses	(1,008.0)	-	-	(1,008.0)	(188.7)	(41.3)	96.0	(1,141.9)
General and administrative expenses	(247.5)	(11.4)	-	(258.9)	(2.4)	(9.6)	(0.0)	(270.8)
Provisions for loan losses	(15.8)	-	-	(15.8)	(236.9)	-	-	(252.7)
Equity in Subsidiaries	6.9	-	(2.3)	4.7	-	-	(4.7)	-
Other operating revenues, net	20.2	0.4	-	20.6	2.3	0.2	(4.2)	19.0
Total Operating Expenses	(1,244.1)	(11.0)	(2.3)	(1,257.3)	(425.6)	(50.6)	87.2	(1,646.3)
EBITDA	176.9	2.9	(2.3)	177.5	(0.0)	6.9	(26.2)	158.2
Depreciation and Amortization	(65.6)	(0.2)	-	(65.8)	(5.0)	(0.0)	4.2	(66.6)
EBIT	111.3	2.7	(2.3)	111.7	(5.0)	6.9	(22.0)	91.5
Financial Results	(157.5)	0.7	-	(156.8)	-	6.0	17.4	(133.4)
Operating Income	(46.2)	3.4	(2.3)	(45.1)	(5.0)	12.9	(4.7)	(41.8)
Income Tax and Social Contribution	29.8	(1.1)	-	28.7	1.8	(5.1)	-	25.4
Net Income	(16.5)	2.3	(2.3)	(16.5)	(3.1)	7.8	(4.7)	(16.5)
Gross Margin	28.4%	62.0%	0.0%	28.6%	86.6%	92.1%	100.0%	33.1%
EBITDA Margin	3.5%	12.9%	53.9%	3.5%	0.0%	11.0%	23.1%	2.9%
Net Margin	-0.3%	10.1%	53.9%	-0.3%	-0.6%	12.5%	4.1%	-0.3%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	176.9	2.9	(2.3)	177.5	(0.0)	6.9	(26.2)	158.2
Extraordinary costs	15.0	-	-	15.0	-	-	-	15.0
Extraordinary revenues	(5.0)	-	-	(5.0)	-	-	-	(5.0)
Extraordinary expenses	35.6	-	-	35.6	-	-	-	35.6
Adjusted deferred revenues	(8.8)	-	-	(8.8)	-	-	-	(8.8)
Adjusted EBITDA	213.7	2.9	(2.3)	214.4	(0.0)	6.9	(26.2)	195.0
Adjusted EBITDA Margin	4.3%	12.9%	53.9%	4.3%	0.0%	11.0%	23.1%	3.6%
Net Income	(16.5)	2.3	(2.3)	(16.5)	(3.1)	7.8	(4.7)	(16.5)
Extraordinary operational results	36.9	-	-	36.9	-	-	-	36.9
Extraordinary financial results	10.6	-	-	10.6	-	-	-	10.6
Tax over extraordinary results	(16.1)	-	-	(16.1)	-	-	-	(16.1)
Extraordinary tax credits	(12.5)	-	-	(12.5)	-	-	-	(12.5)
Adjusted Net Income	2.4	2.3	(2.3)	2.4	(3.1)	7.8	(4.7)	2.4
Adjusted Net Income Margin	0.0%	10.1%	53.9%	0.0%	-0.6%	12.5%	4.1%	0.0%

ANNEX IX
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS (PRO-FORMA)

CONSOLIDATED PRO-FORMA (R$ million)	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Gross Revenue	2,586.0	118.3%	2,182.3	118.1%	18.5%	7,223.1	118.6%	6,439.5	117.9%	12.2%
Taxes and Deductions	(399.5)	-18.3%	(334.6)	-18.1%	19.4%	(1,134.5)	-18.6%	(979.9)	-17.9%	11.3%
Net Revenue	2,186.5	100.0%	1,847.8	100.0%	18.3%	6,088.6	100.0%	5,459.6	100.0%	12.3%
Total Costs	(1,471.5)	-67.3%	(1,226.2)	-66.4%	20.0%	(4,085.9)	-67.1%	(3,655.1)	-66.9%	11.8%
Gross Income	715.0	32.7%	621.6	33.6%	15.0%	2,002.7	32.9%	1,804.5	33.1%	13.4%
Selling expenses	(411.4)	-18.8%	(387.7)	-21.0%	6.1%	(1,197.2)	-19.7%	(1,141.9)	-20.9%	7.5%
General and administrative expenses	(100.2)	-4.6%	(91.0)	-4.9%	10.1%	(286.7)	-4.7%	(270.8)	-5.0%	10.8%
Provisions for loan losses	(91.4)	-4.2%	(84.1)	-4.6%	8.6%	(265.6)	-4.4%	(252.7)	-4.6%	5.1%
Equity in Subsidiaries	10.4	0.5%	13.3	0.7%	-21.6%	93.3	1.5%	19.0	0.3%	390.6%
Total Operating Expenses	(592.5)	-27.1%	(549.5)	-29.7%	7.8%	(1,656.2)	-27.2%	(1,646.3)	-30.2%	3.2%
EBITDA	122.4	5.6%	72.1	3.9%	69.8%	346.5	5.7%	158.2	2.9%	119.1%
Depreciation and Amortization	(25.6)	-1.2%	(22.9)	-1.2%	11.4%	(76.3)	-1.3%	(66.6)	-1.2%	14.5%
EBIT	96.9	4.4%	49.2	2.7%	97.0%	270.2	4.4%	91.5	1.7%	195.2%
Financial Results	(56.7)	-2.6%	(44.0)	-2.4%	28.8%	(147.1)	-2.4%	(133.4)	-2.4%	10.3%
Operating Income	40.1	1.8%	5.1	0.3%	682.4%	123.2	2.0%	(41.8)	-0.8%	-394.4%
Income Tax and Social Contribution	(14.8)	-0.7%	(2.8)	-0.2%	-	(42.3)	-0.7%	25.4	0.5%	-
Net Income	25.4	1.2%	2.3	0.1%	980.7%	80.8	1.3%	(16.5)	-0.3%	-591.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	122.4	5.6%	72.1	3.9%	-	346.5	5.7%	158.2	2.9%	-
Extraordinary costs	-	0.0%	-	0.0%	-	-	0.0%	15.0	0.3%	-
Extraordinary revenues	-	0.0%	(5.0)	-0.3%	-	(126.4)	-2.1%	(5.0)	-0.1%	-
Extraordinary expenses	-	0.0%	6.3	0.3%	-	61.1	1.0%	35.6	0.7%	-
Adjusted deferred revenues	-	0.0%	-	0.0%	-	-	0.0%	(8.8)	-0.2%	-
Adjusted EBITDA	122.4	5.6%	73.4	4.0%	-	281.2	4.6%	195.0	3.6%	-

Net Income	25.4	1.2%	2.3	0.1%	-	80.8	1.3%	(16.5)	-0.3%	-
Extraordinary operational results	-	0.0%	1.3	0.1%	-	(65.3)	-1.1%	36.9	0.7%	-
Extraordinary financial results	-	0.0%	-	0.0%	-	-	0.0%	10.6	0.2%	-
Tax over extraordinary results	-	0.0%	(0.4)	0.0%	-	22.2	0.4%	(16.1)	-0.3%	-
Extraordinary tax credits	-	0.0%	-	0.0%	-	-	0.0%	(12.5)	-0.2%	-
Adjusted Net Income	25.4	1.2%	3.2	0.2%	-	37.7	0.6%	2.4	0.0%	-

ANNEX X
BREAKDOWN OF SALES AND NUMBER OF STORES BY CHANNEL

Gross Revenue by Channel (R$ million)	3Q13	V.A.	3Q12	V.A.	Growth Total
Virtual Stores	107.1	4.5%	98.1	4.8%	9.2%
Website	367.0	15.3%	269.0	13.3%	36.4%
Subtotal - Virtual Stores	**474.1**	19.7%	**367.2**	18.1%	29.1%
Conventional Stores	1,930.9	80.3%	1,657.4	81.9%	16.5%
Total	**2,405.0**	100.0%	**2,024.5**	100.0%	18.8%

Gross Revenue by Channel (R$ million)	9M13	V.A.	9M12	V.A.	Growth Total
Virtual Stores	302.0	4.5%	272.0	4.6%	11.0%
Website	966.2	14.4%	781.0	13.1%	23.7%
Subtotal - Virtual Stores	**1,268.2**	18.9%	**1,053.0**	17.6%	20.4%
Conventional Stores	5,436.3	81.1%	4,917.5	82.4%	10.6%
Total	**6,704.6**	100.0%	**5,970.5**	100.0%	12.3%

Number of stores per channel – End of the period	sep-13	Part(%)	sep-12	Part(%)	Growth Total
Virtual Stores	107	14.5%	106	14.4%	1
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**108**	14.6%	**107**	14.5%	1
Conventional Stores	632	85.4%	629	85.5%	3
Total	**740**	100.0%	**736**	100.0%	4
Total Sales Area (m²)	**470,929**	100.0%	**461,506**	100%	2.0%

Note: In compliance with Technical Pronouncement CPC 36, the booking of revenues from the exclusive funds whose quotas are 100% owned by Magazine Luiza was reclassified from financial income to operating income from services in the retail segment, totaling R$7.2 million in 3Q13, versus R$3.3 million in 3Q12. The differences in gross revenue from the retail segment in the breakdown by channel and income statement refer to these classifications.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

November 1, 2013 (Friday)

11:00 a.m. – Brasília Time

9:00 a.m. – US EST

Callers from Brazil:
Dial-in: +55 11 2188-0155
Access code: Magazine Luiza
Webcast link: http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1670

Callers from other countries:
Dial-in: +1 646-843-6054
Access code: Magazine Luiza
Webcast link:http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1671

Replay (available for 7 days):
Dial-in number callers from Brazil: +55 11 2188-0155
Dial-in number for callers outside of Brazil: +1 866-890-2584
Access code for Portuguese and English versions: Magazine Luiza

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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 an alliance 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 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 according to the accounting practices adopted in Brazil.

Disclaimer