November 5, 2018

Magazine Luiza S.A. (B3: MGLU3)
3rd Quarter 2018 Earnings Release (IFRS equivalent)

3Q18 HIGHLIGHTS

E-Commerce grew 55%, reaching R$1.7 billion and 36% of total sales
Physical store sales grew 24%, while same store sales rose 16%
Total sales rose 34%, reaching R$4.6 billion
EBITDA grew 11% to R$279 million, 7.6% margin
Net profit grew 29% to R$120 million, 3.3% margin
Net cash position of R$1.3 billion in Sep/18

- **Consistent market share gains.** In 3Q18, total sales (physical stores, traditional e-commerce (1P) and marketplace (3P)) increased 33.6% to R$4.6 billion, reflecting growth of 54.6% in e-commerce (on top of 64.7% growth in 3Q17) and 24.0% in physical stores (on top of 18.6% growth in 3Q17). It is worth highlighting the performance of the 87 stores opened during the last 12 months (29 of which were opened in 3Q18), that generated sales above our expectations, expanding total physical store sales growth by 8 p.p.. Magalu continued to gain market share across all channels, regions and product categories. By contrast, in the first eight months of the year, the market for furniture and electronics fell 2.2%, according to IBGE.

- **Accelerated growth in e-commerce.** E-commerce sales grew 54.6% in 3Q18, reaching 36.2% of total sales, compared to market growth of 8.0% (E-bit). In traditional e-commerce, sales grew 43.8%, and the marketplace contributed with additional sales of R$213.3 million. Magalu's market share gains were driven by: (i) increased sales on mobile platforms (the app reached 19 million downloads), (ii) higher conversion rates across all channels, (iii) the maturation of multichannel projects, especially, In-Store Pick-Up and (iv) continuously improving levels of customer service which enabled us to maintain our RA1000 ranking.

- **Evolution of gross profit.** In 3Q18, gross profit increased 23.5% to R$1.1 billion. Gross margin decreased 120 bps to 29.7% reflecting the significant increase in e-commerce, from 31.3% of total sales to 36.2%.

- **Dilution of fixed expenses, growth of investments in level of service and new customer acquisition.** In 3Q18, operating expenses were diluted by 50 bps to 22.4% of net revenues. Of this total, additional investment in the level of service and the acquisition of new customers represented nearly 100bps of net revenues.

- **Strong EBITDA growth, reduction of financial expenses and evolution of net income.** In 3Q18, EBITDA increased 11.4% to R$278.9 million (7.6% margin). High sales growth, the positive contribution of e-commerce and the dilution of expenses were responsible for the EBITDA growth. In addition, financial expenses were diluted by 100 bps to 1.9% of net revenue as a result of the significant reduction in net debt and the decline in the CDI rate. Due to these factors, the Company posted R$119.6 million of net profit, an increase of 29.3% YoY (ROE of 21%).

- **Strong cash flow generation and ROIC.** Cash flow from operations, adjusted by receivables, reached R$0.8 billion during the last 12 months, due to improved results and disciplined working capital management. Once again, the Company presented high growth with high ROIC and strong cash generation. In 3Q18, annualized ROIC reached 21% and 31% over the last 12 months.

- **Reduction of net debt and optimization of the capital structure.** In the last 12 months, the Company reduced adjusted net debt by R$1.3 billion, from a break even position in Sep/17 to a net cash position of R$1.3 billion in Sep/18. As of this date the Company reached a total cash position of R$1.9 billion, with cash and securities of R$0.7 billion and credit card receivables of R$1.2billion.

MGLU3: R$ 172.96 per share	**Conference call: November 6, 2018 (Tuesday)**	Investor Relations: Tel. +55 11 3504-2727
Total Shares: 190,591,464	8:00AM in US Time (EST): +1 646 828-8246	www.magazineluiza.com.br/ri
Market Cap: R$ 33.0 billion	11:00AM in Brazil Time: +55 11 3193-1001	ri@magazineluiza.com.br

R$ million (except when otherwise indicated)	3Q18	3Q17	% Chg	9M18	9M17	% Chg
Total Sales[1] (including marketplace)	4,640.6	3,473.3	33.6%	13,725.5	10,035.4	36.8%
Gross Revenue	4,444.5	3,430.3	29.6%	13,298.0	9,998.5	33.0%
Net Revenue	3,670.5	2,856.3	28.5%	10,979.9	8,362.4	31.3%
Gross Income	1,089.9	882.8	23.5%	3,241.2	2,550.2	27.1%
Gross Margin	29.7%	30.9%	-120 bps	29.5%	30.5%	-100 bps
EBITDA	278.9	250.4	11.4%	891.8	718.0	24.2%
EBITDA Margin	7.6%	8.8%	-120 bps	8.1%	8.6%	-50 bps
Net Income	119.6	92.5	29.3%	407.8	223.4	82.5%
Net Margin	3.3%	3.2%	10 bps	3.7%	2.7%	100.0 pp
Same Physical Store Sales Growth	16.3%	15.0%	-	19.7%	14.0%	-
Total Physical Store Sales Growth	24.0%	18.6%	-	26.4%	16.3%	-
Internet Sales Growth (1P)	43.8%	54.6%	-	50.5%	55.5%	-
Total E-commerce Sales Growth	54.6%	64.7%	-	61.4%	61.4%	-
E-commerce Share of Total Sale	36.2%	31.3%	4.9 pp	34.9%	29.5%	5.3 pp
Number of Stores - End of Period	913	830	83 stores	913	830	83 stores
Sales Area - End of Period (M2)	551,432	516,598	6.7%	551,432	516,598	6.7%

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

MESSAGE FROM THE EXECUTIVE DIRECTORS

In the beginning of the year, we announced that 2018 would be the Year of the Customer at Magalu. It is normal for certain expressions to become jargon in the business world. They are often so recurrent in executive speeches and organizational narratives that they become banal, meaningless, purposeless, and unsuccessful. And few terms were as banalized as those connected to customers: focus, obsession and centricity. But for us, at Magalu, the focus on the customer was never an instrument of rhetoric or corporate fad, it was a part of our DNA.

We genuinely believe that businesses that seek long-term sustainability are not dedicated to producing or selling goods and services. They exist to serve the customer. Their structures revolve around the customer and they organize themselves accordingly. By doing so, these businesses consistently generate value, maintain their relevance and create their own competition. Magazine Luiza was born more than 60 years ago as a customer-focused company. It was not something planned. It simply happened because its founders wanted it to be so. Luiza Trajano Donato and Pelegrino Donato knew each of the customers of their first store in Franca. They knew what they liked, what they needed and how they could pay. Intuitively, they performed as powerful, humanized big data systems.

Our challenge today is to work the same way, on a scale millions of times larger. It is to use the resources of the digital economy and the power of data to provide unique experiences, tailor-made for each of the millions of individuals in our databases.

This is the goal, for example, of the more than 500 developers at Luizalabs, our innovation laboratory. From their first day of work at Magalu, they know that technology is not an end in itself. It is a powerful way to turn a buying process into a memorable experience. To enable the company to treat its millions of customers not as a homogeneous mass, but as unique individuals - people with their own characteristics, habits, and histories. To help transform consumers into advocates of our brand.

CUSTOMER METRICS

In order to distance ourselves from the subjective and hyperbolic nature of discourse surrounding the "customer", we have adopted a series of objective indicators to measure our level of customer service and satisfaction. Today, these indicators are just as important, if not more so, than our financial metrics and have cascaded throughout the organization - from the president to the stockboys, from developers to sellers. We implemented these metrics in order to ensure that each of our 25,000 employees is committed to these goals. Let us now examine our evolution in greater detail.

To begin with, we put greater emphasis on increasing the number of active customers and purchase frequency. In the period of one year, we achieved a 31% increase in the number of unique customers who bought at Magalu (22% growth in physical stores and 61% in e-commerce). The number of active app customers, who typically have a higher purchase frequency, has grown significantly and app sales more than doubled over the last year. We have exceeded 1 million monthly downloads and achieved a total base of 19 million downloads. Traffic from mobile devices has already surpassed 75% of the accesses to our e-commerce platform.

The marketplace plays an essential role in increasing purchase frequency. In the period between the second and third quarters of this year, more than 500 new sellers have joined the Magalu marketplace and almost 1 million items have been added. Even with the most selective approval process in the industry, the speed with which new sellers enter the platform has been rising. The monthly amount of new sellers entering the platform was 100 on average, rose to 250 in September and reached 400 in October.

We are investing heavily in Luiza Card as an important relationship and loyalty tool. This is because customers who make purchases with the card have a purchase frequency much higher than customers who use cash or other payment methods. In the third quarter, we issued an additional 150,000 new cards per month, even with very conservative approval rates. This represents an increase of 82% compared to the third quarter of last year. With this, Luizacred reached an installed base of 4 million cards, with 95% of them active. Sales made using Luiza Card within Magalu grew 54% in the third quarter and its share increased by 7 percentage points in physical stores.

Our logistics operation is now structured to serve our customers as quickly as possible. We ended the quarter with 12 distribution centers (including 2 opened this year: in Hidrolândia, Goiás and more recently in Teresina, Piauí) and more than 1,900 micro transport delivery partners. Express delivery - orders promised and delivered within 48 hours to the customer's home - has reached more than 150 cities, including 15 capitals, and already represents more than ***30% of all deliveries***. To better serve our customers in the delivery of light products, we began the expansion of Logbee – the last mile delivery technology startup that we acquired in May - to the metropolitan areas of Porto Alegre, Campinas and Belo Horizonte.

Our goal is to extend all the advantages of our first-party logistics platform to third-party sellers on our marketplace platform. In furtherance of this objective, we started a pilot in September with 10 sellers, in which seller's products were collected and delivered by drivers from our network, especially Logbee, using technology developed by Luizalabs. The results are encouraging: on average, we reduced order delivery times by more than 60%, further improving the customer experience in our marketplace.

Our sellers are also our customers. In the beginning of October, we launched our payment platform for marketplace sellers, Magalu Pagamentos, which was developed by Luizalabs. With the new platform, we began to act as a sub-acquirer, reducing acquisition costs and dividing payments, anticipating receivables and depositing the outlays into a digital account created for each seller. As a result, we have improved the experience of our sellers and increased the profitability of the marketplace.

We have made, and will continue to make, great efforts to improve the post-sales experience. Because the experience of consumption does not end, and should not end, with the sale. In the first nine months of 2018, we increased the percentage of calls resolved by our call center during first contact by 14 percentage points. Another important metric was related to the time it took to effectuate reverse logistics in the case of product exchanges and cancellations - which fell by 60%.

The satisfaction index for our customer service center increased from 64% to 86% in a one-year period. Complaints lodged with consumer protection agencies, such as Procon, fell by 40%. And Magalu retained in both e-commerce and physical stores it's RA1000 rating, the highest rating given by ReclameAqui, a site that ranks companies according to their levels of customer service.

FINANCIAL RESULTS AND OTHER HIGHLIGHTS

In terms of financial metrics, in the third quarter, we again showed excellent performance. E-commerce continues to grow and represents more than 36% of the Company's sales. In addition to the substantial growth of e-commerce from our own stock, the marketplace has contributed significantly. There are already more than 2,000 sellers offering more than 3.5 million items on our platform, with a wide variety of categories and products, from pet food to smart TVs, from diapers and shampoos to decorative items, from tires to espresso capsules. Considering the sales of the month of September, the marketplace already surpassed the R$ 1 billion level in annualized terms.

In physical stores, sales grew by 24%, with 16% coming from same-store sales. We also highlight the excellent performance of new stores that, with results above expectations, contributed 8 percentage points to sales growth. In the last 12 months, we inaugurated 87 stores, 29 of them in the third quarter, entering new regions and consolidating our position in existing markets.

To support this strategy, we invested approximately R$ 36 million this quarter, or around 100 bps of EBITDA margin. These investments in customer acquisition and service level improvements raise short term operating expenses, but increase the value of our customers over the long term. Investments were made in a variety of areas including: logistics (2 new distribution centers, route frequency and express delivery); service in stores; service at the customer service center, and in marketing and promotions, with a focus on the app and the Luiza Card.

In this quarter, we were able to invest more in the customer, while maintaining the Company's net profitability at the same level as last year, above 3% of net revenues. Our business model has combined high growth, high return on invested capital and strong cash flow generation. We increased our investments, while simultaneously diluting financial expenses by 1 percentage point and maintained a very solid capital structure, with net cash position, of R$ 1.3 billion.

Once again, Magalu is on the list of the best companies to work for, according to the Great Place to Work Institute, this time in second place in the overall ranking and first in retail. This result reflects the dedication of our employees in caring for one another and further strengthens the Company's culture and values.

In October, we inaugurated a new space in Franca, Sao Paulo that is the new home of part of the Luizalabs team and the customer service center. With more than 5 thousand square meters, the space has room for about 1 thousand employees and has a collaborative environment that facilitates interaction among teams.

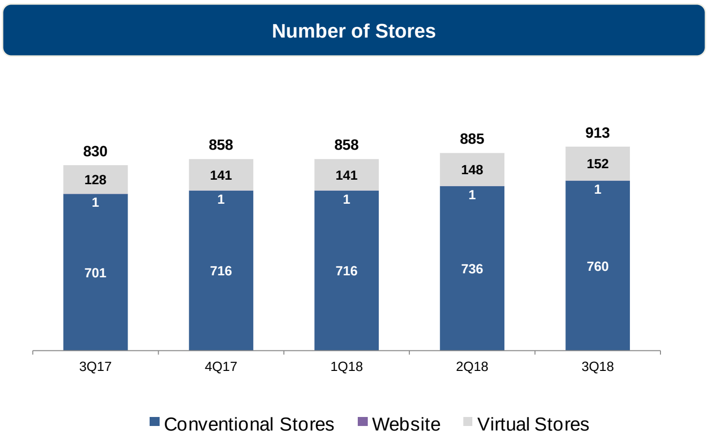
FINAL CONSIDERATIONS

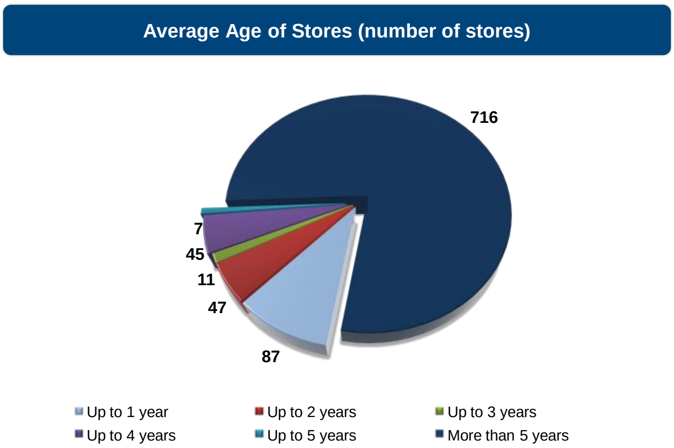
We begin the fourth quarter excited and prepared for the important events that lie ahead: Black Friday and Christmas. We will continue to invest in our customers, thinking about the long term and the sustainability of our business. Our sincerest thanks, once again, to you, our customers, employees, shareholders and suppliers for your trust and camaraderie on this journey.

If you have not already downloaded our app, click here and enjoy!

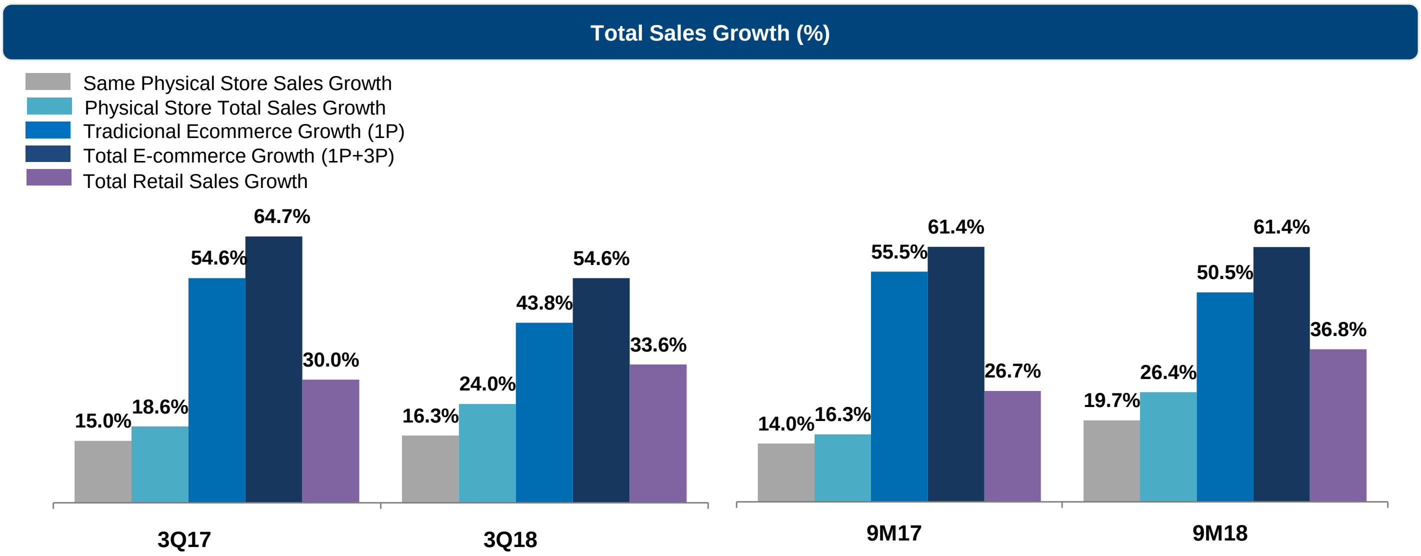
OPERATING AND FINANCIAL PERFORMANCE

Magalu ended 3Q18 with 913 stores (760 conventional, 152 virtual and an e-commerce operation). In 3Q18, the Company inaugurated 29 stores and closed 1 store. In the last 12 months, the Company opened 87 new stores and closed 4. Twenty two percent of our total number of stores are not yet mature.

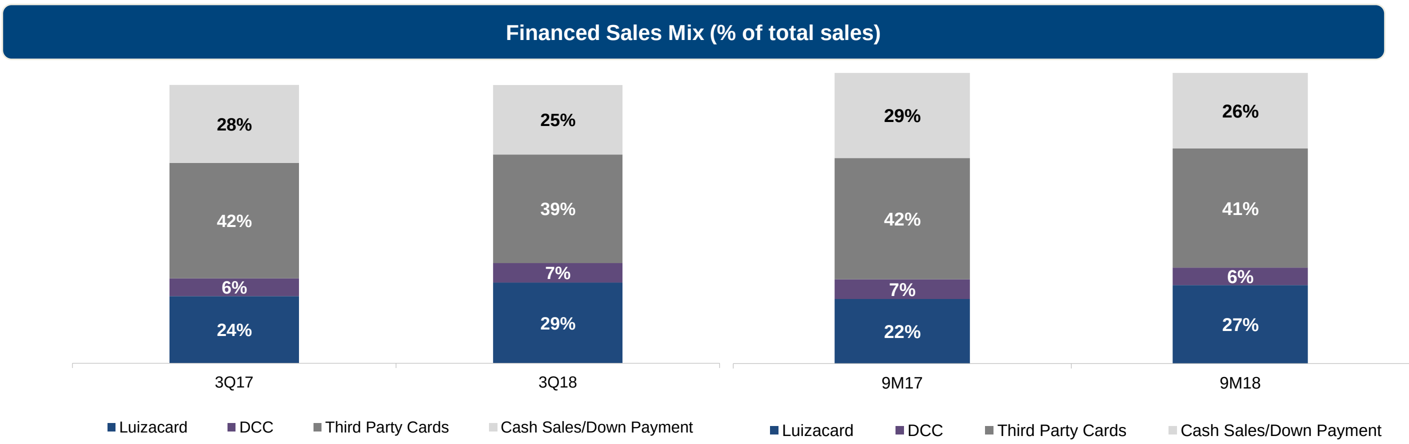




Total Retail sales were up 33.6% in 3Q18 as a result of a 24.0% increase in brick-and-mortar store sales and a 54.6% increase in e-commerce sales. This growth reflects consistent e-commerce and bricks-and-mortar performance.



Luiza Card total sales penetration increased 500 bps to 29% in 3Q18, contributing to the Company's strategy of increasing customer loyalty. The percentage of DCC (direct credit to consumers) sales rose from 6% to 7% YoY.



Gross Revenues

(in R$ million)	3Q18	3Q17	% Chg	9M18	9M17	% Chg
Gross Revenue - Retail - Merchandise Sales	4,224.5	3,256.2	29.7%	12,676.4	9,515.6	33.2%
Gross Revenue - Retail - Services	204.6	159.0	28.6%	574.7	440.5	30.5%
Gross Revenue - Retail	**4,429.1**	**3,415.2**	**29.7%**	**13,251.1**	**9,956.2**	**33.1%**
Gross Revenue - Other Services	19.4	18.2	6.7%	56.7	51.3	10.6%
Inter-Company Eliminations	(4.0)	(3.1)	31.1%	(9.9)	(8.9)	10.8%
Gross Revenue - Total	**4,444.5**	**3,430.3**	**29.6%**	**13,298.0**	**9,998.5**	**33.0%**

In 3Q18, total gross revenues grew 29.6% to R$4.4 billion, due to the accelerated growth of e-commerce, excellent performance of same physical store sales and the significant contribution of new stores. Also notable was the growth in services revenue of 28.6%, which includes the sale of new insurance, digital services (Lu Conecta) and marketplace commissions. In 9M18, gross revenue grew 33.0% to R$13.3 billion.

Net Revenues

(in R$ million)	3Q18	3Q17	% Chg	9M18	9M17	% Chg
Net Revenue - Retail - Merchandise Sales	3,476.5	2,702.5	28.6%	10,431.2	7,936.6	31.4%
Net Revenue - Retail - Services	180.1	140.0	28.6%	506.5	387.2	30.8%
Net Revenue - Retail	**3,656.7**	**2,842.5**	**28.6%**	**10,937.7**	**8,323.8**	**31.4%**
Net Revenue - Other Services	17.8	16.8	5.9%	52.1	47.6	9.5%
Inter-Company Eliminations	(4.0)	(3.1)	31.1%	(9.9)	(8.9)	10.8%
Net Revenue - Total	**3,670.5**	**2,856.3**	**28.5%**	**10,979.9**	**8,362.4**	**31.3%**

In 3Q18, total net revenues rose 28.5% to R$3.7 billion, in line with total gross revenue. In 9M18, net revenue grew 31.3% to R$11.0 billion.

Gross Profit

(in R$ million)	3Q18	3Q17	% Chg	9M18	9M17	% Chg
Gross Profit - Retail - Merchandise Sales	901.5	734.0	22.8%	2,707.2	2,139.2	26.6%
Gross Profit - Retail - Services	180.1	140.0	28.6%	506.5	387.2	30.8%
Gross Profit - Retail	**1,081.7**	**874.0**	**23.8%**	**3,213.6**	**2,526.4**	**27.2%**
Gross Profit - Other Services	9.0	8.7	2.7%	28.7	23.8	20.6%
Inter-Company Eliminations	(0.8)	-	0.0%	(1.0)	-	0.0%
Gross Profit - Total	**1,089.9**	**882.8**	**23.5%**	**3,241.2**	**2,550.2**	**27.1%**
Gross Margin - Total	**29.7%**	**30.9%**	**-120 bps**	**29.5%**	**30.5%**	**-100 bps**

In 3Q18, gross profit increased by 23.5% to R$1.1 billion, equivalent to a gross margin of 29.7%. This margin is due to a higher contribution from e-commerce over total sales. In 9M18, gross profit grew 27.1% to R$3.2 billion with a 29.5% gross margin.

Operating Expenses

(in R$ million)	3Q18	% NR	3Q17	% NR	% Chg	9M18	% NR	9M17	% NR	% Chg
Selling Expenses	(669.2)	-18.2%	(519.3)	-18.2%	28.9%	(1,972.5)	-18.0%	(1,517.1)	-18.1%	30.0%
General and Administrative Expenses	(144.2)	-3.9%	(132.3)	-4.6%	9.0%	(414.7)	-3.8%	(378.6)	-4.5%	9.5%
General and Administrative Expenses	**(813.4)**	**-22.2%**	**(651.6)**	**-22.8%**	**24.8%**	**(2,387.2)**	**-21.7%**	**(1,895.7)**	**-22.7%**	**25.9%**
Provisions for Loan Losses	(15.5)	-0.4%	(11.5)	-0.4%	34.4%	(43.1)	-0.4%	(27.3)	-0.3%	57.9%
Other Operating Revenues, Net	7.8	0.2%	9.9	0.3%	-21.4%	37.7	0.3%	29.3	0.4%	28.8%
Total Operating Expenses	**(821.1)**	**-22.4%**	**(653.2)**	**-22.9%**	**25.7%**	**(2,392.6)**	**-21.8%**	**(1,893.7)**	**-22.6%**	**26.3%**

Selling Expenses

Selling expenses totaled R$669.2 million or 18.2% of net revenues in 3Q18, stable YoY. Part of the nominal growth of expenses was due to investments in marketing for the acquisition of new customers and investments to improve user experience, including logistics and customer service. In 9M18, selling expenses totaled R$1.9 billion, equivalent to 18.0% of net revenue (-10 bps versus 9M17).

General and Administrative Expenses

General and administrative expenses came to R$144.2 million or 3.9% of net revenues in 3Q18 (70 bps lower YoY). This dilution reflects sales growth, continuity of the Zero Base Budget (OBZ) and Matrix Expense Management (GMD) programs and decreased inflation on salary readjustments. In 9M18, general and administrative expenses totaled R$414.7 million or 3.8% of net revenue (70 bps lower YoY).

Provisions for Loan Losses

Provisions for loan losses reached R$15.5 million in 3Q18 and R$43.1 million in 9M18.

Other Operating Revenues and Expenses, Net

(in R$ million)	3Q18	% NR	3Q17	% NR	% Chg	9M18	% NR	9M17	% NR	% Chg
Gain on Sale of Assets	(0.1)	0.0%	0.7	0.0%	-120.4%	(0.4)	0.0%	3.0	0.0%	114.1%
Deferred Revenue Recorded	10.1	0.3%	10.7	0.4%	-5.8%	31.5	0.3%	32.1	0.4%	-2.0%
Provision for Tax Liabilities	1.2	0.0%	(1.0)	0.0%	-216%	13.7	0.1%	(4.2)	-0.1%	423.9%
Non-recurring Expenses	(3.4)	-0.1%	(0.2)	0.0%	1558.4%	(7.1)	-0.1%	(2.1)	0.0%	233.5%
Other	0.0	0.0%	(0.3)	0.0%	-118.4%	0.1	0.0%	0.5	0.0%	-83.7%
Total	**7.8**	**0.2%**	**9.9**	**0.3%**	**-21.4%**	**37.7**	**0.3%**	**29.3**	**0.4%**	**28.8%**

Other net operating revenues and expenses came to R$7.8 million in 3Q18, chiefly due to a deferred revenues allocation of R$10.1 million and R$3.4 million of non-recurring expenses related to the opening of 29 new stores. In 9M18, other net operating revenues and expenses came to R$37.7 million.

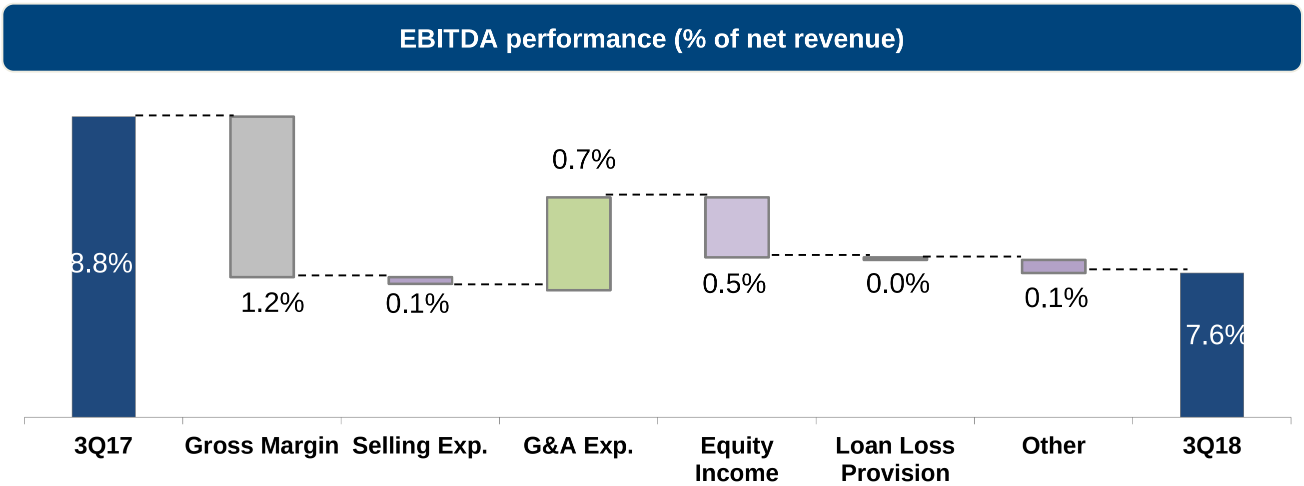
Equity Income

Equity income reached R$10.1 million or 0.3% of net revenue in 3Q18. The main factors that impacted this result were: (i) Luizacred's performance with equity income of R$8.9 million and (ii) Luizaseg's performance with equity income of R$1.2 million. In 9M18, equity income reached R$43.1 million.

It is worth highlighting that Luizacred's R$17.8 million result was influenced by growth in the Luiza Card cardholder base as well as an increase in the credit limit. In accordance with IFRS 9, this generated an increase in loan loss provisions this quarter, despite the fact that Luizacred had the lowest level of defaults in its history. For comparison purposes, the result of Luizacred in BRGAAP was R$30.6 million (ROE of 16.7%).

EBITDA

In 3Q18, EBITDA grew 11.4% to R$278.9 million, equivalent to a margin of 7.6%. High sales growth, a positive contribution from e-commerce, and the dilution of operating expenses contributed to the EBITDA growth. In line with Magalu's new strategic focus on customer service, additional investments were made to improve service levels and customer acquisition, reducing the EBITDA margin by approximately 100 bps. In 9M18, EBITDA grew 24,2% to R$891.8 million, equivalent to a margin of 8.1%.



Financial Results

R$ million	3Q18	% NR	3Q17	% NR	% Chg	9M18	% NR	9M17	% NR	% Chg
Financial Expenses	(106.5)	-2.9%	(115.3)	-4.0%	-7.6%	(302.2)	-2.8%	(406.0)	-4.9%	-25.6%
Interest on loans and financing	(9.7)	-0.3%	(43.1)	-1.5%	-77.5%	(41.7)	-0.4%	(163.7)	-2.0%	-74.5%
Interest on prepayment of receivables – third party card	(17.5)	-0.5%	(22.6)	-0.8%	-22.4%	(55.9)	-0.5%	(89.3)	-1.1%	-37.4%
Interest on prepayment of receivables – Luiza Card	(57.6)	-1.6%	(41.0)	-1.4%	40.6%	(158.0)	-1.4%	(125.4)	-1.5%	26.1%
Other expenses	(21.7)	-0.6%	(8.6)	-0.3%	152.5%	(46.5)	-0.4%	(27.7)	-0.3%	68.2%
Financial Revenues	34.9	1.0%	22.7	0.8%	53.6%	98.2	0.9%	73.8	0.9%	33.0%
Gains on marketable securities	3.4	0.1%	1.1	0.0%	205.7%	7.2	0.1%	7.7	0.1%	-7.2%
Other financial revenues	31.5	0.9%	21.6	0.8%	45.7%	91.0	0.8%	66.1	0.8%	37.7%
Total Financial Results	(71.7)	-2.0%	(92.5)	-3.2%	-22.6%	(204.0)	-1.9%	(332.2)	-4.0%	-38.6%
Income from securities[1]	1.7	0.0%	8.6	0.3%	-80.0%	14.7	0.1%	30.7	0.4%	-52.1%
Adjusted Net Financial Results	(69.9)	-1.9%	(83.9)	-2.9%	-16.7%	(189.3)	-1.7%	(301.5)	-3.6%	-37.2%

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

In 3Q18, adjusted net financial results came to R$69.9 million, a 16.7% improvement YoY. Financial results improved 100 bps as a percentage of net revenue (from 2.9% to 1.9%). This result was positively impacted by reduced net debt and a continuous decrease in the Selic rate. In 9M18, adjusted net financial results totaled R$189.3 million, an improvement of 190 bps YoY.

Net Income

In 3Q18, net income came to R$119.6 million, 29.3% growth YoY (net margin of 3.3%) and a ROE of 21%. In 9M18, net income rose to R$407.8 million (net margin of 3.7%), an increase of 82.5%.

Working Capital

CONSOLIDATED (R$ million)	LTM	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
(+) Accounts Receivables	994.0	1,657.2	1,507.0	1,410.7	1,241.3	663.2
(+) Inventories	560.9	2,106.4	2,110.4	1,937.3	1,969.3	1,545.5
(+) Related Parties	92.4	157.5	100.8	86.0	96.8	65.2
(+) Recoverable Taxes	37.7	226.7	190.4	191.9	200.7	189.0
(+) Other Assets	(31.7)	71.6	69.9	72.0	77.3	103.3
(+) Current Operating Assets	1,653.3	4,219.5	3,978.7	3,697.8	3,585.4	2,566.2
	-					
(-) Suppliers	533.0	2,653.1	2,749.5	2,456.9	2,919.5	2,120.1
(-) Payroll, Vacation and Related Charges	37.2	268.7	208.6	188.8	236.6	231.5
(-) Taxes Payable	18.9	84.9	110.4	91.7	84.5	66.1
(-) Related Parties	18.9	90.3	94.5	82.9	89.5	71.3
(-) Taxes in Installments	-	-	-	-	-	-
(-) Deferred Revenue	(2.7)	39.4	39.7	40.7	41.6	42.2
(-) Other Accounts Payable	139.5	315.2	267.2	255.2	265.8	175.7
(-) Current Operating Liabilities	744.8	3,451.7	3,469.9	3,116.2	3,637.5	2,706.9
	-					
(=) Working Capital	908.5	767.8	508.8	581.6	(52.1)	(140.7)
	-					
(-) Credit Card - Third Party Card	787.1	1,120.2	1,018.9	992.5	820.3	333.1
(-) Credit Card - Luiza Card	76.0	98.8	44.3	35.9	42.3	22.8
(-) Total Credit Card	863.1	1,219.0	1,063.3	1,028.5	862.6	355.9
(=) Adjusted Working Capital	45.5	(451.1)	(554.5)	(446.9)	(914.7)	(496.6)
% of Gross Revenue (LTM)	1.1%	-2.6%	-3.3%	-2.9%	-6.4%	-3.7%
	-					
(=) Working Capital	908.5	767.8	508.8	581.6	(52.1)	(140.7)
(+) Balance of Discounted Receivables	- 136.5	1,539.0	1,648.7	1,564.4	1,528.7	1,675.5
(=) Working Capital Expanded	772.1	2,306.9	2,157.5	2,145.9	1,476.6	1,534.8
% of Gross Revenue (LTM)	1.6%	13.1%	13.0%	14.0%	10.3%	11.5%

In Sep/18, the adjusted working capital needs were negative R$451.1 million, contributing to the Company's cash flow generation. Highlights include disciplined inventory management (73 days on average) and purchasing time (93 days on average).

Capex

CAPEX (in R$ million)	3Q18	%	3Q17	%	%Chg	9M18	%	9M17	%	%Chg
New Stores	23.9	21%	10.5	22%	128%	55.1	24%	25.2	20%	119%
Remodeling	31.8	28%	11.6	24%	173%	64.1	27%	30.9	25%	107%
Technology	29.3	26%	17.6	37%	67%	64.4	28%	56.8	45%	13%
Logistics	27.4	24%	7.1	15%	288%	47.8	20%	10.1	8%	373%
Other	0.4	0%	0.9	2%	-50%	2.8	1%	2.5	2%	11%
Total	**112.8**	**100%**	**47.6**	**100%**	**137%**	**234.2**	**100%**	**125.5**	**100%**	**87%**

In 3Q18, investments totaled R$112.8 million. Investments included: the opening of new stores, remodeling and investments in technology and logistics in line with the Company's digital transformation strategy. During this period, the Company inaugurated 29 new stores and began the process of investing in around 40 additional stores scheduled to open in 4Q18.

In 9M18, investments totaled R$234.2, growing 87% YoY.

Capital Structure

CONSOLIDATED (R$ million)	LTM	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
(-) Current Loans and Financing	468.1	(252.4)	(254.5)	(381.4)	(434.3)	(720.5)
(-) Non-current Loans and Financing	561.0	(325.4)	(327.4)	(437.4)	(437.2)	(886.5)
(=) Gross Debt	1,029.1	(577.8)	(581.9)	(818.8)	(871.5)	(1,606.9)
(+) Cash and Cash Equivalents	240.4	419.0	680.5	775.2	412.7	178.6
(+) Current Securities	(789.9)	253.8	182.8	299.3	1,259.6	1,043.7
(+) Non-current Securities	-	-	-	-	-	-
(+) Total Cash	(549.5)	672.8	863.3	1,074.5	1,672.3	1,222.3
(=) Net Cash	479.6	95.0	281.4	255.7	800.8	(384.6)
(+) Credit Card - Third Party Card	787.1	1,120.2	1,018.9	992.5	820.3	333.1
(+) Credit Card - Luiza Card	76.0	98.8	44.3	35.9	42.3	22.8
(+) Total Credit Card	863.1	1,219.0	1,063.3	1,028.5	862.6	355.9
(=) Adjusted Net Cash	1,342.6	1,313.9	1,344.7	1,284.2	1,663.4	(28.7)
Short Term Debt / Total	-1.2%	44%	44%	47%	50%	45%
Long Term Debt / Total	1.2%	56%	56%	53%	50%	55%
Adjusted EBITDA (LTM)	263.3	1,212.8	1,181.1	1,103.1	1,034.1	949.5
Adjusted Net Cash / Adjusted EBITDA	1.1 x	1.1 x	1.1 x	1.2 x	1.6 x	0.0 x
Cash, Securities and Credit Cards	313.5	1,891.7	1,926.6	2,103.0	2,534.9	1,578.2

In the last 12 months, the Company improved its capital structure by R$1.3 billion, from a net debt position of R$28.7 million, in Sep/17, to a net cash position of R$1.3 billion in Sep/18.

The Company ended 3Q18 with a total cash position of R$1.9 billion, with cash and securities worth R$0.7 billion and R$1.2 billion worth of credit card receivables.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R$ million)	3Q18	V.A.	3Q17	V.A.	% Chg	9M18	V.A.	9M17	V.A.	% Chg
Gross Revenue	4,444.5	121.1%	3,430.3	120.1%	29.6%	13,298.0	121.1%	9,998.5	119.6%	33.0%
Taxes and Deductions	(774.0)	-21.1%	(574.0)	-20.1%	34.8%	(2,318.1)	-21.1%	(1,636.1)	-19.6%	41.7%
Net Revenue	3,670.5	100.0%	2,856.3	100.0%	28.5%	10,979.9	100.0%	8,362.4	100.0%	31.3%
Total Costs	(2,580.6)	-70.3%	(1,973.5)	-69.1%	30.8%	(7,738.7)	-70.5%	(5,812.3)	-69.5%	33.1%
Gross Income	1,089.9	29.7%	882.8	30.9%	23.5%	3,241.2	29.5%	2,550.2	30.5%	27.1%
Selling Expenses	(669.2)	-18.2%	(519.3)	-18.2%	28.9%	(1,972.5)	-18.0%	(1,517.1)	-18.1%	30.0%
General and Administrative Expenses	(144.2)	-3.9%	(132.3)	-4.6%	9.0%	(414.7)	-3.8%	(378.6)	-4.5%	9.5%
Provisions for Loan Losses	(15.5)	-0.4%	(11.5)	-0.4%	34.4%	(43.1)	-0.4%	(27.3)	-0.3%	57.9%
Other Operating Revenues, Net	7.8	0.2%	9.9	0.3%	-21.4%	37.7	0.3%	29.3	0.4%	28.8%
Equity in Subsidiaries	10.1	0.3%	20.8	0.7%	-51.4%	43.1	0.4%	61.6	0.7%	-30.1%
Total Operating Expenses	(811.0)	-22.1%	(632.4)	-22.1%	28.2%	(2,349.5)	-21.4%	(1,832.1)	-21.9%	28.2%
EBITDA	278.9	7.6%	250.4	8.8%	11.4%	891.8	8.1%	718.0	8.6%	24.2%
Depreciation and Amortization	(46.3)	-1.3%	(36.6)	-1.3%	26.5%	(122.7)	-1.1%	(106.0)	-1.3%	15.8%
EBIT	232.5	6.3%	213.8	7.5%	8.8%	769.1	7.0%	612.1	7.3%	25.7%
Financial Results	(71.7)	-2.0%	(92.5)	-3.2%	-22.6%	(204.0)	-1.9%	(332.2)	-4.0%	-38.6%
Operating Income	160.9	4.4%	121.2	4.2%	32.7%	565.1	5.1%	279.8	3.3%	101.9%
Income Tax and Social Contribution	(41.3)	-1.1%	(28.7)	-1.0%	43.9%	(157.3)	-1.4%	(56.4)	-0.7%	178.7%
Net Income	119.6	3.3%	92.5	3.2%	29.3%	407.8	3.7%	223.4	2.7%	82.5%

Calculation of EBTIDA*

Net Income	119.6	3.3%	92.5	3.2%	29.3%	407.8	3.7%	223.4	2.7%	82.5%
(+/-) Income Tax and Social Contribution	41.3	1.1%	28.7	1.0%	43.9%	157.3	1.4%	56.4	0.7%	178.7%
(+/-) Financial Results	71.7	2.0%	92.5	3.2%	-22.6%	204.0	1.9%	332.2	4.0%	-38.6%
(+) Depreciation and Amortization	46.3	1.3%	36.6	1.3%	26.5%	122.7	1.1%	106.0	1.3%	15.8%
EBITDA	278.9	7.6%	250.4	8.8%	11.4%	891.8	8.1%	718.0	8.6%	24.2%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	278.9	7.6%	250.4	8.8%	-	891.8	8.1%	718.0	8.6%	-
Non-recurring Expenses	3.4	0.1%	0.2	0.0%	15.6	7.1	0.1%	2.1	0.0%	2.3
Adjusted EBITDA	282.2	7.7%	250.6	8.8%	-	898.9	8.2%	720.2	8.6%	-

Net Income	119.6	3.3%	92.5	3.2%	-	407.8	3.7%	223.4	2.7%	-
Non-recurring Expenses	3.4	0.1%	0.2	0.0%	15.6	7.1	0.1%	2.1	0.0%	2.3
Tax Over Non-recurring Expenses	(1.1)	0.0%	(0.1)	0.0%	15.5	(2.4)	0.0%	(0.7)	0.0%	2.3
Adjusted Net Income	121.8	3.3%	92.6	3.2%	-	412.5	3.8%	224.8	2.7%	-

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

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

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
CURRENT ASSETS					
Cash and Cash Equivalents	419.0	680.5	775.2	412.7	178.6
Securities	253.8	182.8	299.3	1,259.6	1,043.7
Accounts Receivable	1,657.2	1,507.0	1,410.7	1,241.3	663.2
Inventories	2,106.4	2,110.4	1,937.3	1,969.3	1,545.5
Related Parties	157.5	100.8	86.0	96.8	65.2
Taxes Recoverable	226.7	190.4	191.9	200.7	189.0
Other Assets	71.6	69.9	72.0	77.3	103.3
Total Current Assets	4,892.3	4,841.9	4,772.3	5,257.6	3,788.5
	-	-	-	-	-
NON-CURRENT ASSETS					
Securities	-	-	-	-	-
Accounts Receivable	6.4	7.1	3.3	4.7	3.2
Deferred Income Tax and Social Contribution	176.5	178.3	195.2	223.1	233.9
Recoverable Taxes	165.5	201.8	189.8	166.0	164.1
Judicial Deposits	345.7	342.0	333.9	310.9	301.9
Other Assets	34.3	29.4	29.2	44.4	43.0
Investments in Subsidiaries	294.3	284.5	277.2	311.3	319.0
Fixed Assets	663.3	608.1	565.7	569.0	560.4
Intangible Assets	556.4	545.5	534.7	532.4	533.0
Total Non-current Assets	2,242.4	2,196.8	2,128.9	2,161.9	2,158.7
TOTAL ASSETS	7,134.7	7,038.7	6,901.2	7,419.5	5,947.1

LIABILITIES (R$ million)	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
CURRENT LIABILITIES					
Suppliers	2,653.1	2,749.5	2,456.9	2,919.5	2,120.1
Loans and Financing	252.4	254.5	381.4	434.3	720.5
Payroll, Vacation and Related Charges	268.7	208.6	188.8	236.6	231.5
Taxes Payable	84.9	110.4	91.7	84.5	66.1
Related Parties	90.3	94.5	82.9	89.5	71.3
Taxes in Installments	-	-	-	-	-
Deferred Revenue	39.4	39.7	40.7	41.6	42.2
Dividends Payable	-	-	114.3	64.3	-
Other Accounts Payable	315.2	267.2	255.2	265.8	175.7
Total Current Liabilities	3,704.1	3,724.4	3,611.9	4,136.0	3,427.3
NON-CURRENT LIABILITIES					
Loans and Financing	325.4	327.4	437.4	437.2	886.5
Provision for Tax, Civil and Labor Risks	351.7	347.2	343.4	301.5	289.9
Deferred Revenue	439.5	449.3	459.0	468.8	478.9
Other Accounts Payable	1.7	1.9	1.9	1.9	2.7
Total Non-current Liabilities	1,118.3	1,125.7	1,241.7	1,209.5	1,658.0
TOTAL LIABILITIES	4,822.4	4,850.1	4,853.6	5,345.5	5,085.4
SHAREHOLDERS' EQUITY					
Capital Stock	1,719.9	1,719.9	1,719.9	1,719.9	606.5
Capital Reserve	47.3	47.3	39.3	37.1	30.8
Treasury Shares	(67.8)	(73.4)	(65.7)	(14.0)	(16.4)
Legal Reserve	39.9	39.9	39.9	39.9	20.5
Profit Retention Reserve	161.9	161.9	161.9	288.4	-
Other Comprehensive Income	3.3	4.7	4.9	2.7	3.2
Accumulated Losses	407.8	288.2	147.5	-	217.2
Total Shareholders' Equity	2,312.3	2,188.6	2,047.6	2,074.0	861.8
TOTAL	7,134.7	7,038.7	6,901.2	7,419.5	5,947.1

ANNEX III
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R$ million)	3Q18	3Q17	9M18	9M17	LTM	LTM
Net Income	**119.6**	**92.5**	**407.8**	**223.4**	**573.4**	**269.5**
Effect of Income Tax and Social Contribution Net of Payment	(2.0)	12.1	77.2	38.4	94.8	40.4
Depreciation and Amortization	46.3	36.6	122.7	106.0	159.8	146.0
Interest Accrued on Loans	10.8	39.3	40.1	149.1	71.7	213.5
Equity Income	(10.1)	(20.8)	(43.1)	(61.6)	(67.6)	(77.4)
Dividends Received	0.0	15.0	15.7	41.3	33.4	47.3
Provision for Losses on Inventories and Receivables	56.0	27.5	114.6	87.7	115.5	115.2
Provision for Tax, Civil and Labor Contingencies	7.6	7.5	60.5	28.0	77.7	47.4
Gain on Sale of Fixed Assets	0.1	(0.7)	0.4	(3.0)	0.6	(2.9)
Recognition of Deferred Income	(10.1)	(10.7)	(31.5)	(32.1)	(42.2)	(42.2)
Stock Option Expenses	5.6	1.1	12.1	4.3	13.4	5.4
Other	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Income	**223.8**	**199.4**	**776.4**	**581.4**	**1,030.4**	**762.2**
Trade Accounts Receivable	(71.6)	(79.6)	(206.7)	(60.2)	(316.3)	(141.9)
Inventories	(30.2)	(128.9)	(189.7)	(1.1)	(597.3)	(267.6)
Taxes Recoverable	(0.0)	11.3	(25.5)	82.6	(35.0)	107.9
Other Receivables	(12.2)	(25.3)	(34.7)	(54.8)	(21.1)	(23.2)
Changes in Operating Assets	**(114.0)**	**(222.4)**	**(456.7)**	**(33.5)**	**(969.7)**	**(324.8)**
Trade Accounts Payable	(96.4)	259.6	(266.5)	(244.8)	532.9	591.7
Other Payables	79.5	69.5	44.7	78.2	163.2	101.2
Change in Operating Liabilities	**(16.8)**	**329.1**	**(221.8)**	**(166.6)**	**696.1**	**692.9**
Cash Flow from Operating Activities	**92.9**	**306.0**	**97.9**	**381.3**	**756.8**	**1,130.3**
Additions of Fixed and Intangible Assets	(112.8)	(47.6)	(234.2)	(125.5)	(279.5)	(171.7)
Cash on Sale of Fixed Assets	0.0	0.0	0.0	3.2	0.0	3.2
Sale of Exclusive Dealing and Exploration Right Contract	0.0	0.0	0.0	0.0	0.0	0.0
Renegotiation Payment of Exclusive Contract	0.0	0.0	0.0	0.0	0.0	0.0
Investment in Subsidiary	0.0	0.0	(3.2)	(1.0)	(3.2)	(1.0)
Capital Increase in Affiliated Company	0.0	0.0	0.0	0.0	0.0	0.0
Cash Flow from Investing Activities	**(112.8)**	**(47.6)**	**(237.4)**	**(123.4)**	**(282.7)**	**(169.5)**
Loans and Financing	0.0	300.0	0.0	502.6	0.0	827.5
Repayment of Loans and Financing	(2.8)	(82.5)	(284.9)	(707.1)	(1,011.9)	(948.0)
Changes in Other Financial Assets (Hedge)	0.0	(0.9)	(1.4)	(13.6)	(0.3)	(30.1)
Payment of Interest on Loans and Financing	(12.1)	(30.6)	(47.5)	(172.9)	(88.6)	(210.2)
Payment of Dividends	0.0	0.0	(114.3)	(21.6)	(125.0)	(21.6)
Treasury Shares	0.0	19.8	(55.6)	19.8	(48.2)	19.8
Proceeds from the Secondary Equity Offering	0.0	0.0	0.0	0.0	1,144.0	0.0
Payment of expenses with the Secondary Equity Offering	0.0	0.0	0.0	0.0	(30.6)	(23.8)
Cash Flow from Financing Activities	**(14.9)**	**205.8**	**(503.7)**	**(392.9)**	**(160.6)**	**(386.5)**
Cash, Cash Equivalents and Securities at Beginning of Period	1,926.6	1,114.0	2,534.9	1,713.1	1,578.2	1,003.9
Cash, Cash Equivalents and Securities at end of Period	1,891.7	1,578.2	1,891.7	1,578.2	1,891.7	1,578.2
Change in Cash and Cash equivalents	**(34.8)**	**464.2**	**(643.1)**	**(135.0)**	**313.5**	**574.3**

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

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

INVESTED CAPITAL (R$ million)	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
(=) Working Capital	767.8	508.8	581.6	(52.1)	(140.7)
(+) Accounts Receivable	6.4	7.1	3.3	4.7	3.2
(+) Income Tax and Social Contribution deferred	176.5	178.3	195.2	223.1	233.9
(+) Taxes Recoverable	165.5	201.8	189.8	166.0	164.1
(+) Judicial Deposits	345.7	342.0	333.9	310.9	301.9
(+) Other Assets	34.3	29.4	29.2	44.4	43.0
(+) Investment In Joint Subsidiaries	294.3	284.5	277.2	311.3	319.0
(+) Fixed Assets	663.3	608.1	565.7	569.0	560.4
(+) Intangible Assets	556.4	545.5	534.7	532.4	533.0
(+) Non Current Assets	2,242.4	2,196.8	2,128.9	2,161.9	2,158.7
(-) Provision for Contingencies	351.7	347.2	343.4	301.5	289.9
(-) Deferred Revenue	439.5	449.3	459.0	468.8	478.9
(-) Other Accounts Payable	1.7	1.9	1.9	1.9	2.7
(-) Noncurrent operating liabilities	792.9	798.4	804.4	772.3	771.6
(=) Fixed Capital	1,449.5	1,398.4	1,324.5	1,389.6	1,387.1
(=) Total Invested Capital	2,217.4	1,907.2	1,906.1	1,337.5	1,246.4
(+) Net Debt	(95.0)	(281.4)	(255.7)	(800.8)	384.6
(+) Dividends Payable	-	-	114.3	64.3	-
(+) Shareholders Equity	2,312.3	2,188.6	2,047.6	2,074.0	861.8
(=) Total Financing	2,217.4	1,907.2	1,906.1	1,337.5	1,246.4
	-	-	-	-	-
	-	-	-	-	-

FINANCIAL EXPENSES RECONCILIATION (R$MM)	3Q18	2Q18	1Q18	4Q17	3Q17
Financial Income	34.9	39.5	23.8	36.3	22.7
Financial Expenses	(106.5)	(112.1)	(83.5)	(114.9)	(115.3)
Net Financial Expenses	(71.7)	(72.6)	(59.8)	(78.6)	(92.5)
Interest on prepayment of receivables: Luiza Card and third party card	75.1	79.7	59.1	60.4	63.6
Adjusted Financial Expenses	3.5	7.1	(0.7)	(18.2)	(29.0)
Taxes on Adjusted Financial Expenses	(1.2)	(2.4)	0.2	6.2	9.8
Net Adjusted Financial Expenses	2.3	4.7	(0.5)	(12.0)	(19.1)

NOPLAT AND ROIC/ROE RECONCILIATION(R$MM)	3Q18	2Q18	1Q18	4Q17	3Q17
EBITDA	278.9	312.4	300.5	312.7	250.4
Interest on prepayment of receivables: Luiza Card and third-party card	(75.1)	(79.7)	(59.1)	(60.4)	(63.6)
Depreciation	(46.3)	(39.1)	(37.2)	(37.1)	(36.6)
Current and deferred taxes	(41.3)	(60.0)	(56.0)	(31.4)	(28.7)
Taxes on Adjusted Financial Expenses	1.2	2.4	(0.2)	(6.2)	(9.8)
Net Operating Income (NOPLAT)	117.3	136.1	147.9	177.7	111.6
Invested Capital	2,217.4	1,907.2	1,906.1	1,337.5	1,246.4
ROIC Annualized	21%	29%	31%	53%	36%
Net Income	119.6	140.7	147.5	165.6	92.5
Shareholders Equity	2,312.3	2,188.6	2,047.6	2,074.0	861.8
ROE Annualized	21%	26%	29%	32%	43%

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

Breakdown of Total Sales (R$ million)	3Q18	V.A.	3Q17	V.A.	Growth Total
Virtual Stores	215.0	4.6%	162.6	4.7%	32.2%
Conventional Stores	2,744.3	59.1%	2,223.0	64.0%	23.4%
Subtotal - Physical Stores	2,959.2	63.8%	2,385.7	68.7%	24.0%
Traditional E-commerce (1P)	1,468.1	31.6%	1,020.9	29.4%	43.8%
Marketplace (3P)	213.3	4.6%	66.7	1.9%	219.7%
Subtotal - Total E-commerce	1,681.4	36.2%	1,087.6	31.3%	54.6%
Total Sales	**4,640.6**	100.0%	**3,473.3**	100.0%	33.6%
Other Revenue[1]	1.7	-	8.6	-	-80.0%
Marketplace (3P)	(213.3)	-	(66.7)	-	219.7%
Gross Revenue - Retail	**4,429.1**	-	**3,415.2**	-	29.7%

Breakdown of Total Sales (R$ million)	9M18	V.A.	9M17	V.A.	Growth Total
Virtual Stores	631.8	4.6%	474.3	4.7%	33.2%
Conventional Stores	8,308.4	60.5%	6,596.5	65.7%	26.0%
Subtotal - Physical Stores	8,940.2	65.1%	7,070.8	70.5%	26.4%
Traditional E-commerce (1P)	4,296.2	31.3%	2,854.7	28.4%	50.5%
Marketplace (3P)	489.1	3.6%	110.0	1.1%	344.7%
Subtotal - Total E-commerce	4,785.4	34.9%	2,964.7	29.5%	61.4%
Total Sales	**13,725.5**	100.0%	**10,035.4**	100.0%	36.8%
Other Revenue[1]	14.7	-	30.7	-	-52.1%
Marketplace (3P)	(489.1)	-	(110.0)	-	344.7%
Gross Revenue - Retail	**13,251.1**	-	**9,956.2**	-	33.1%

Number of stores per channel – End of the period	Sep-18	Part(%)	Sep-17	Part(%)	Growth Total
Virtual Stores	152	16.6%	128	15.4%	24
Conventional Stores	760	83.2%	701	84.5%	59
Subtotal - Physical Stores	912	99.9%	829	99.9%	83
Ecommerce	1	0.1%	1	0.1%	-
Total	**913**	100.0%	**830**	100.0%	83
Total Sales Area (m²)	551,432	100%	516,598	100%	6.7%

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

ANNEX VI
LUIZACRED

Operating Indicators

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

In 3Q18, Luizacred's total card base grew 236,000 units, reaching 4.0 million cards issued (+ 22.3% *versus* Sep/17). In-store sales to Luiza Card customers, distinguished by their loyalty and higher purchase frequency, increased by 54.1% in 3Q18. Direct Credit to Consumer (DCC) revenues increased R$31 million in relation to 3Q17, from R$52 million to R$83 million in 3Q18.

Luizacred's credit portfolio, including credit card, DCC and individual loans, reached R$7.3 billion at the end of 3Q18, an increase of 43.9% over 3Q17. Luiza Card's portfolio grew 46.1% to R$7.0 billion, while the DCC portfolio rose 2.7% to R$220 million, in line with Luizacred's strategy to focus on the Luiza Card.

LUIZACRED – Key Indicators (R$ million)	3Q18	3Q17	% Chg	9M18	9M17	% Chg
Total Card Base (thousand)	3,971	3,248	22.3%	3,971	3,248	22.3%
Luiza Card Sales – In-store	1,292	838	54.1%	3,585	2,266	58.2%
Luiza Card Sales – Outside Magazine Luiza	3,852	2,898	32.9%	10,501	8,050	30.4%
Subtotal - Luiza Card	**5,144**	**3,737**	**37.7%**	**14,086**	**10,316**	**36.5%**
DCC Sales	83	52	60.8%	201	198	1.6%
Consumer Loans Sales	12	14	-14.9%	43	47	-7.4%
Luizacred Sales - Total	**5,239**	**3,803**	**37.8%**	**14,330**	**10,560**	**35.7%**
Card Portfolio	7,013	4,800	46.1%	7,013	4,800	46.1%
DCC Portfolio	220	214	2.7%	220	214	2.7%
Consumer Loans Portfolio	32	33	-3.0%	32	33	-3.0%
Portfolio	**7,265**	**5,048**	**43.9%**	**7,265**	**5,048**	**43.9%**

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

Income Statement

LUIZACRED – Income (R$ million)	3Q18	V.A.	3Q17	V.A.	% Chg	9M18	V.A.	9M17	V.A.	% Chg
Financial Intermediation Revenue	319.2	100.0%	263.2	100.0%	21.3%	894.1	100.0%	823.2	100.0%	8.6%
Cards	277.4	86.9%	217.9	82.8%	27.3%	778.7	87.1%	677.9	82.3%	14.9%
DCC	32.0	10.0%	35.3	13.4%	-9.2%	85.4	9.6%	114.0	13.8%	-25.1%
Consumer Loans	9.9	3.1%	10.0	3.8%	-1.8%	30.0	3.4%	31.3	3.8%	-4.3%
Financial Intermediation Expenses	(236.3)	-74.0%	(147.6)	-56.1%	60.1%	(620.4)	-69.4%	(465.9)	-56.6%	33.2%
Market Funding Operations	(49.3)	-15.4%	(44.2)	-16.8%	11.6%	(131.2)	-14.7%	(144.8)	-17.6%	-9.4%
Provision for Loan Losses	(187.0)	-58.6%	(103.4)	-39.3%	80.8%	(489.2)	-54.7%	(321.1)	-39.0%	52.4%
Gross Financial Intermediation Income	83.0	26.0%	115.6	43.9%	-28.2%	273.7	30.6%	357.3	43.4%	-23.4%
Other Operating Revenues (Expenses)	(39.5)	-12.4%	(53.8)	-20.4%	-26.5%	(128.5)	-14.4%	(174.5)	-21.2%	-26.3%
Service Revenue	164.1	51.4%	122.4	46.5%	34.1%	454.7	50.9%	346.5	42.1%	31.2%
Personnel Expenses	(7.6)	-2.4%	(0.8)	-0.3%	804.1%	(17.3)	-1.9%	(3.3)	-0.4%	419.2%
Other Administrative Expenses	(156.7)	-49.1%	(146.3)	-55.6%	7.1%	(457.6)	-51.2%	(428.0)	-52.0%	6.9%
Depreciation and Amortization	(3.0)	-0.9%	(3.0)	-1.1%	-0.7%	(8.9)	-1.0%	(8.9)	-1.1%	-0.6%
Tax Expenses	(26.2)	-8.2%	(20.9)	-7.9%	25.4%	(74.1)	-8.3%	(62.2)	-7.6%	19.2%
Other Operating Revenues (Expenses)	(10.1)	-3.2%	(5.1)	-1.9%	98%	(25.4)	-2.8%	(18.5)	-2.2%	37.1%
Income Before Tax	43.4	13.6%	61.8	23.5%	-29.7%	145.1	16.2%	182.8	22.2%	-20.6%
Income Tax and Social Contribution	(25.7)	-8.0%	(28.8)	-10.9%	-10.8%	(73.2)	-8.2%	(83.2)	-10.1%	-12.1%
Net Income	17.8	5.6%	33.0	12.5%	-46.2%	71.9	8.0%	99.5	12.1%	-27.7%

Revenue from Financial Intermediation

Revenues from financial intermediation grew 21.3% in 3Q18 mainly due to the increase in sales from Luiza Card inside and outside Magalu stores.

Provision for Loan Losses

Loan loss indicators continue to improve. The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 2.8% of the total portfolio in Sep/18, falling 30 bps from Sep/17, due to a more conservative credit policy.

Similarly, the loan portfolio overdue by more than 90 days (NPL 90) reached only 7.4% of the total portfolio in Sep/18 versus 8.3% in Sep/17 (-90 bps).

Net provision expenses represented 2.6% of the total portfolio in 3Q18, a slight increase from the 2.0% level in 3Q17, due to the adoption of IFRS 9 in 2018. The increase in loan provisions was driven by the growth of the card base and an increase in the credit limit available to customers. It is worth noting that the portfolio's coverage ratio under IFRS regulations increased from 130% in Sep/17 to 189% in Sep/18.

PORTFOLIO - OVERDUE	Sep-18		Jun-18		Mar-18		Dec-17		Sep-17	
000 to 014 days	6,525	89.8%	5,956	89.9%	5,324	89.5%	5,147	89.8%	4,476	88.7%
015 to 030 days	54	0.7%	56	0.8%	62	1.0%	45	0.8%	47	0.9%
031 to 060 days	63	0.9%	61	0.9%	64	1.1%	49	0.9%	51	1.0%
061 to 090 days	85	1.2%	82	1.2%	76	1.3%	65	1.1%	57	1.1%
091 to 120 days	92	1.3%	69	1.0%	55	0.9%	58	1.0%	60	1.2%
121 to 150 days	74	1.0%	74	1.1%	57	1.0%	53	0.9%	50	1.0%
151 to 180 days	68	0.9%	64	1.0%	54	0.9%	50	0.9%	54	1.1%
180 to 360 days	303	4.2%	261	3.9%	258	4.3%	263	4.6%	253	5.0%
Portfolio (R$ million)	7,265	100%	6,624	100%	5,949	100%	5,730	100%	5,048	100.0%
Expectation of receive of loan portfolio overdue above 360 days	109		108		116		-		-	
Total Portfolio in IFRS 9 (R$ million)	7,374		6,732		6,065		-		-	
Overdue 15-90 days	203	2.8%	199	3.0%	201	3.4%	159	2.8%	155	3.1%
Overdue Above 90 days	537	7.4%	468	7.1%	423	7.1%	423	7.4%	417	8.3%
Total Overdue	740	10.2%	667	10.1%	625	10.5%	583	10.2%	572	11.3%
Provisions for loan losses on Portfolio	782		703		659		552		543	
Provisions for loan losses on available limit	234		232		213		-		-	
Total Provisions for loan losses in IFRS 9	1,016		935		872		552		543	
Coverage of Portfolio (%)	146%		150%		156%		130%		130%	
Coverage of Total Portfolio (%)	189%		200%		206%		130%		130%	

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

Financial Intermediation Gross Results

Gross margin from financial intermediation totaled 26.0% in 3Q18 (-179 bps YoY), mainly due to the adoption of IFRS 9 on loan loss provision. In 9M18, gross margin from financial intermediation totaled 30.6%, a reduction of 128 bps YoY.

Other Operating Revenues (Expenses)

Other operating expenses totaled R$39.5 million in 3Q18, a reduction of 26.5% YoY, mainly due to productivity gains and service revenue growth of 34.1%. In 9M18, other operating expenses totaled R$128.5 million, a reduction of 26.3% YoY.

Operating Income and Net Income

In 3Q18, Luizacred recorded operating income of R$43.4 million, equivalent to 13.6% of financial intermediation (-99 bps YoY). In 9M18, operating income reached R$145.1 million.

In 3Q18, Luizacred's net income reached R$17.8 million (ROE of 13%). In 9M18, net income totaled R$71.9 million (ROE of 17%).

In compliance with accounting practices established by the Brazilian Central Bank, considering the minimum provisions by Law 2682, Luizacred's net income totaled R$30.6 million in 2Q18, with ROE of 17%. In 9M18, net income totaled R$84.3 million, with a ROE of 22%.

Shareholders' Equity

In compliance with the same practices, Luizacred posted a shareholders' equity of R$746.9 million in Sep/18. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred's shareholders' equity for the purposes of Magazine Luiza's financial statements came to R$554.9 million.

EARNINGS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous translation)

November 6, 2018 (Tuesday)
11:00 am – Brasília time
8:00 am – USA time (EST)

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

Webcast Portuguese

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

Webcast English

Replay (available for 7 days):
Dial in # from Brazil: +55 (11) 3193-1012
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About Magazine Luiza

Magazine Luiza, or Magalu, is a technology and logistics company focused on the retail sector. From its humble origins as a traditional retailer providing electronics and home appliances to Brazil's rising middle class, the company has since transformed into a technology powerhouse providing a wide array of products to Brazilians of all classes. Magalu has one of the largest geographic footprints with twelve distribution centers serving a network of over 900 stores encompassing over 75% of Brazil's GDP. At the heart of the company's success is an omnichannel retail platform capable of reaching customers via mobile app, web and physical stores. A large part of the company's success is attributable to its in-house development team, Luizalabs, which consists of more than 500 engineers and product development specialists. Among other things, engineers from Luizalabs use technologies such as big data and machine learning to create logistics, fintech and inventory apps which remove friction from the retail process, improving margins, delivery times and customer experience. The company has been at the forefront of e-commerce adoption in Latin America and its profitable e- commerce operation currently accounts for over 35% of total sales. Magazine Luiza has also been a logistics pioneer. The company's integrated online and offline logistics operations enable it to leverage its physical presence to radically reduce delivery times and costs in a sustainable way. The result is the fastest, lowest cost logistics network in Brazil.

EBITDA, Adjusted EBITDA and Adjusted Net Income

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