May 7, 2015

MGLU3 NOVO MERCADO BM&FBOVESPA

Magazine Luiza S.A.
1st Quarter 2015 Earnings Release in IFRS

1Q15 HIGHLIGHTS

Market share gains in 1Q15
Net sales basically stable at R$2.3 billion
EBITDA 5.5% higher at R$127.4 million (5.7% EBITDA margin)

- **Market share gains, despite basically flat net revenues:** Based on IBGE data for the first two months of the year regarding monthly performance of retail sales, the Company has gained market, mainly in the technology category. In 1Q15, net revenues were R$2,252.4 million (vs. R$2,268.9 million in 1Q14), basically flat YoY, due to: i) strong comparison basis (+44.0% in e-commerce and 22.3% in brick and mortar stores in 1Q14) and ii) the effect of the World Cup in the sale of TVs. In 1Q15, same store sales shrank by 3.0% reflecting a 5.3% drop in brick and mortar store sales partially offset by a 9.2% increase in e-commerce sales. Excluding TV sales, gross sales would have increased by 4.8% in 1Q15.

- **EBITDA increased by 5.5% in 1Q15 (5.7% margin):** Despite lower SSS, the Company reported a 5.5% rise in EBITDA to R$127.4 million. The result reflects: i) stable gross margin, ii) better control of SG&A expenses, which posted slight increase of 1.6% in the period, significantly lower than the inflation for the period and, iii) results from our JVs.

- **Luizacred's performance was a highlight once again:** In 1Q15, Luizacred's equity income grew 19.4% YoY to R$23.7 million, for an annualized return on equity (ROE) of 35.1%. The non performing loans and default rates have improved consistently. Luiza Card has become an important loyalty tool for the JV and has increased its share within Luizacred's payment options.

- **Net income was R$2.9 million in 1Q15 (0.1% margin):** Despite higher EBITDA, net income was negatively impacted by high financial expenses due to a significant spike in interest rates in the period.

MGLU3: R$ 5.49 per share
Total Shares: 181,494,467
Market Cap: R$ 1.0 billion

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R$ million (except when otherwise indicated)	1Q15	1Q14	% Chg
Gross Revenue	2,654.6	2,699.1	-1.6%
Net Revenue	2,252.4	2,268.9	-0.7%
Gross Income	613.8	620.0	-1.0%
Gross Margin	27.3%	27.3%	0 bps
EBITDA	127.4	120.8	5.5%
EBITDA Margin	5.7%	5.3%	40 bps
Net Income	2.9	20.5	-86.1%
Net Margin	0.1%	0.9%	-80 bps
Same Store Sales Growth	-3.0%	25.4%	-
Same Physical Store Sales Growth	-5.3%	22.3%	-
Internet Sales Growth	9.2%	44.0%	-
Number of Stores - End of Period	759	744	15 stores
Sales Area - End of Period (M2)	483,145	473,884	2.0%

MESSAGE FROM THE EXECUTIVE TEAM

Focus on operations and execution

We are constantly working to enhance our omnichannel strategy. We are improving our business model so to operate more and more in an integrated manner combining the physical stores with the online strategy, developing and applying new and innovative technologies in the market. Through Luizalabs, our innovation unit, we are developing proprietary frameworks and solutions to better suit our multichannel strategy, aiming to provide our customers with a superior shopping experience.

We have several opportunities in store to improve our profitability and sustain margins for 2015. We still have room for improvement and for productivity gains going forward. We highlight the good progress in service revenues (+5.8% YoY growth in 1Q15), resulting in higher share in consolidated gross revenues of 4.6% in 1Q15, up from 4.3% in 1Q14. We started to charge for freight/delivery as well as assembly of products in all stores in April and we are making progress in the offer of Control Plan (a mix of pre/post paid mobile plans offered by the telecom carriers), a product which we started to sell at end of last year.

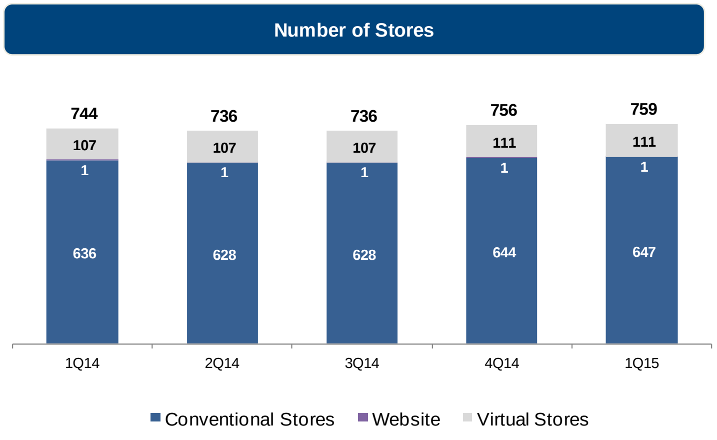
Once again, Luizacred made an important difference in our quarterly performance. Luiza Card, an important loyalty tool offered to clients accounted for 63.8% of Luizacred's revenue in 1Q15, compared to 55.2% in 1Q14. Luiza Card sales done outside of our stores performed well this quarter and compensated for the drop in DCC (direct credit to consumer) sales, due to more conservative credit policy. In addition, default and overdue loan portfolios improved when compared to 1Q14 levels, allowing for another reduction in provisions with no significant change in coverage ratios. Starting 2015, Luizacred will pay quarterly dividends and it has already announced a payment of R$45 million to each of its two partners in the JV in 1Q15.

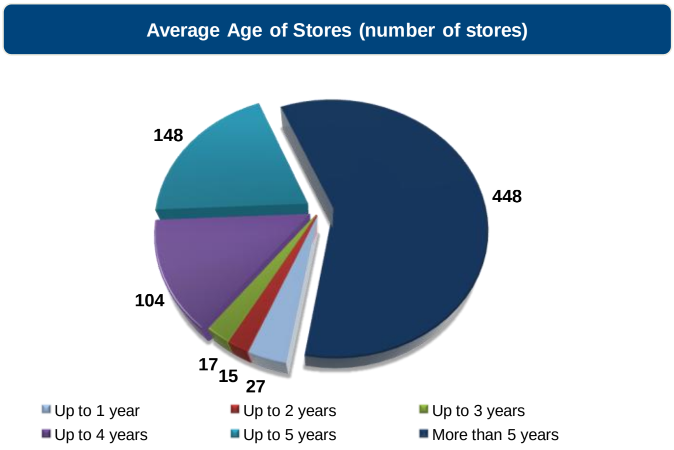
Broad marketing strategy includes soccer tournament and the campaign "Condo for you". In 2014, our media exposure through the World soccer cup sponsorship and the "Building for you" campaign translated into a strong sales performance in 1H2014. In 2015, our marketing strategy includes another soccer sponsorship, together with the "Condo for you" promotion, launched in March 2015, which should provide good sales momentum for the rest of the year.

The Executive Management Team

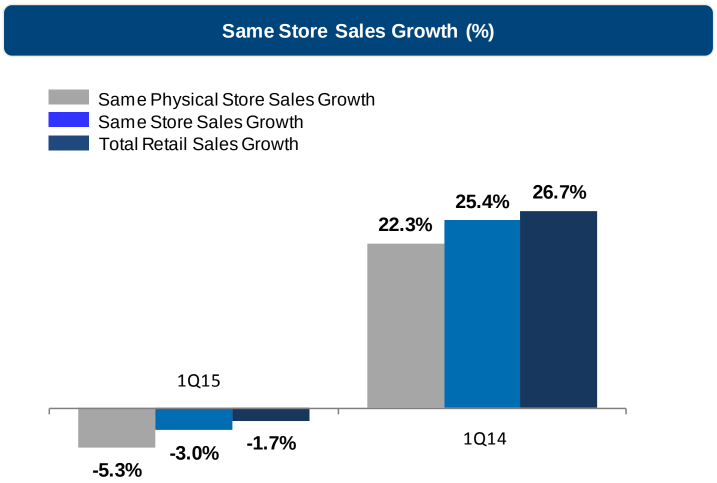
OPERATING AND FINANCIAL PERFORMANCE

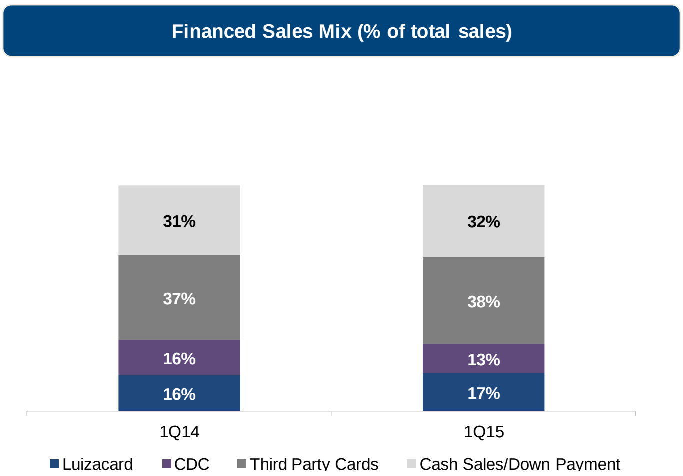
Magazine Luiza ended Mar-15 with 759 stores, 647 of which were conventional stores, 111 virtual stores and one website. In 1Q15, the Company opened three new conventional stores (one in Bahia, one in Minas Gerais, and one in Sergipe). From the 759 Magazine Luiza stores, 41% are not yet mature.





Same-store sales, including e-commerce, fell by 3.0% in 1Q15 YoY, while retail sales decreased by 1.7% for the quarter. Excluding TV sales effect, SSS at the stores would have been positive in the quarter.





In 1Q15, sales on Luiza Card increased to 17% from 16% in the year ago quarter, as percentage of total retail sales. Due to a more conservative credit approval policy, DCC (direct credit to consumers) participation decreased to 13% of sales in 1Q15 compared to 16% in 1Q14. The Company maintains its policy to limit interest-free installment sales on the Luiza cards to 15% of total sales.

Gross Revenues

(in R$ million)	1Q15	1Q14	% Chg
Gross Revenue – Retail – Resale of Goods	2,522.5	2,575.5	-2.1%
Gross Revenue – Retail – Services	122.2	115.5	5.8%
Subtotal Retail	**2,644.8**	**2,690.9**	**-1.7%**
Gross Revenue - Consortium Management	11.9	9.9	20.0%
Inter-Company Eliminations	(2.0)	(1.7)	13.8%
Gross Revenue - Total	**2,654.6**	**2,699.1**	**-1.6%**

Magazine Luiza's gross revenues slip 1.6% in 1Q15, to R$2,654.6 million, due to revenue performance on the sale of goods (-2.1%). We highlight the increase of 5.8% in services revenues.

Net Revenues

(in R$ million)	1Q15	1Q14	% Chg
Net Revenue – Retail – Resale of Goods	2,136.8	2,160.4	-1.1%
Net Revenue – Retail – Services	106.8	101.2	5.5%
Subtotal Retail	**2,243.6**	**2,261.6**	**-0.8%**
Net Revenue - Consortium Management	10.8	9.0	20.3%
Inter-Company Eliminations	(2.0)	(1.7)	13.8%
Net Revenue - Total	**2,252.4**	**2,268.9**	**-0.7%**

Net revenues slip by 0.7% YoY in 1Q15, to R$2,252.4 million. The difference between gross revenues growth and net revenues growth can be explained by the higher share of products in our sales mix that are exempt of PIS/COFINS taxes (mainly smartphones and tablets).

Gross Profit

(in R$ million)	1Q15	1Q14	% Chg
Gross Income - Retail - Merchandise Sales	500.2	513.0	-2.5%
Gross Income - Retail - Services	106.8	101.2	5.5%
Subtotal Retail	**607.0**	**614.2**	**-1.2%**
Gross Income - Consortium Management	6.8	5.8	18.3%
Gross Income - Total	**613.8**	**620.0**	**-1.0%**
Gross Margin - Total	**27.3%**	**27.3%**	**0.0 pp**

In 1Q15, gross profit totaled R$613.8 million, 1.0% lower YoY, equivalent to a gross margin of 27.3%. Gross margin remained stable compared to 1Q14, despite a more challenging quarter, as well as increase in the weight of e-commerce sales in our sales mix.

Operating Expenses

(in R$ million)	1Q15	% NR	1Q14	% NR	% Chg
Selling Expenses	(421.3)	-18.7%	(419.9)	-18.5%	0.3%
General and Administrative Expenses	(109.0)	-4.8%	(102.3)	-4.5%	6.6%
Subtotal	**(530.4)**	**-23.5%**	**(522.2)**	**-23.0%**	**1.6%**
Provisions for Loan Losses	(6.2)	-0.3%	(4.7)	-0.2%	30.6%
Other Operating Revenues, Net	23.1	1.0%	6.1	0.3%	281.0%
Total Operating Expenses	**(513.4)**	**-22.8%**	**(520.8)**	**-23.0%**	**-1.4%**

Selling Expenses

Selling expenses totaled R$421.3 million in 1Q15, equivalent to 18.7% of net revenues (20bps lower than 1Q14). Productivity gains in stores and in multichannel logistics nearly offset the inflation pressure over selling expenses.

General and Administrative Expenses

General and administrative expenses totaled R$109.0 million in 1Q15, equivalent to 4.8% of net revenue (30bps higher YoY) mainly due to the 8% increase in wages, due to the collective labor agreement carried out at the end of 2014.

Provisions for Loan Losses

Provisions for loan losses reached R$6.2 million in 1Q15, corresponding to 0.3% of net revenue (10bps higher than 1Q14).

Other Operating Revenue, Net

(in R$ million)	1Q15	% NR	1Q14	% NR	% Chg
Gain on Sale of Assets	(0.2)	0.0%	(0.1)	0.0%	70.9%
Deferred Revenue Recorded	23.2	1.0%	7.9	0.3%	192.1%
Provision for Tax Liabilities	3.9	0.2%	(1.7)	-0.1%	-332.4%
Non-recurring Expenses	(5.1)	-0.2%	-	0.0%	-
Other	1.3	0.1%	(0.1)	0.0%	-1785.7%
Other Operating Revenue, Net – Total	**23.1**	**1.0%**	**6.1**	**0.3%**	**281.0%**

Other net operating revenues totaled R$23.1 million in 1Q15, equivalent to 1.0% of net revenues, due to deferred revenues recorded of R$23.2 million and to non-recurring expenses of R$5.1 million.

Equity Income

Equity income results were solid and consistent and reached an income of R$27.0 million in 1Q15, equivalent to 1.2% of net revenues. The main reason that positively impacted equity income was once again Luizacred's strong performance.

EBITDA

In 1Q15, earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 5.5% to R$127.4 million. The EBITDA margin increased 40bps, from 5.3% in 1Q14 to 5.7% in 1Q15. The main reasons were: i) stable gross margin, ii) better operating expenses control and iii) Luizacred's equity income.

Financial Results

R$ million	1Q15	% NR	1Q14	% NR	% Chg
Financial Expenses	(124.8)	-5.5%	(95.4)	-4.2%	30.8%
Interest on loans and financing	(60.8)	-2.7%	(39.0)	-1.7%	56.2%
Interest on discounted receivables – third party card	(34.9)	-1.5%	(29.6)	-1.3%	17.9%
Interest on discounted receivables – Luiza Card	(21.1)	-0.9%	(16.0)	-0.7%	31.5%
Other expenses	(7.9)	-0.4%	(10.8)	-0.5%	-26.4%
Financial Revenues	20.4	0.9%	21.0	0.9%	-2.8%
Gains on marketable securities	3.5	0.2%	1.3	0.1%	175.6%
Other financial revenues	16.9	0.8%	19.7	0.9%	-14.2%
Total Financial Results	(104.3)	-4.6%	(74.4)	-3.3%	40.3%
Income from securities[1]	7.7	0.3%	8.3	0.4%	-7.0%
Adjusted Financial Results	(96.6)	-4.3%	(66.1)	-2.9%	46.2%

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

Adjusted net financial results rose by 46.2% in 1Q15 to R$96.6 million. Such increase reflects mainly the higher interest rate in the period and the working capital needs variation. The net adjusted financial results, including the revenues of the exclusive fund represented 4.3% of net revenues in 1Q15.

Net Income

Net income in 1Q15 totaled R$2.9 million, equivalent to a net margin of 0.1%.

Working Capital

CONSOLIDATED (R$ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
Accounts Receivables	480.4	618.3	583.8	577.4	510.0
Inventories	1,388.6	1,472.7	1,268.4	1,144.2	1,264.0
Related Parties	60.9	93.2	74.5	87.8	82.0
Recoverable Taxes	291.6	295.6	211.3	193.4	224.4
Other Assets	76.0	52.9	50.5	57.1	56.0
Current Operating Assets	2,297.4	2,532.8	2,188.5	2,060.0	2,136.4
Suppliers	1,239.2	1,789.9	1,388.1	1,189.5	1,528.4
Payroll, Vacation and Related Charges	161.2	167.4	173.0	153.2	155.4
Taxes Payable	22.0	44.6	36.0	46.5	27.3
Related Parties	62.4	80.3	64.5	66.8	61.6
Taxes in Installments	6.5	6.5	6.5	7.1	7.7
Other Accounts Payable	115.0	95.2	101.6	101.7	118.0
Current Operating Liabilities	1,606.3	2,184.0	1,769.6	1,564.8	1,898.3
Working Capital	691.1	348.8	419.0	495.2	238.1
% of Gross Revenue (LTM)	6.0%	3.0%	3.7%	4.6%	2.3%
Balance of Discounted Receivables	1,392.0	1,515.6	1,352.4	1,270.3	1,238.0
Working Capital Adjusted	2,083.1	1,864.5	1,771.3	1,765.5	1,476.1
% of Gross Revenue (LTM)	18.2%	16.2%	15.8%	16.3%	14.4%

In Mar-15, net working capital totaled R$691.1 million, representing 6.0% of LTM gross revenues. The change in working capital in 1Q15 was due to retail seasonality, lower sales performance and strategic purchases, which should be reverted during the year.

Capex

CAPEX (in R$ million)	1Q15	%	1Q14	%
New Stores	12.4	38%	1.5	9%
Remodeling	8.3	25%	8.4	51%
Technology	8.9	27%	3.8	23%
Logistics	3.0	9%	2.2	13%
Other	0.0	0%	0.7	4%
Total	**32.6**	**100%**	**16.6**	**100%**

Investments in fixed and intangible assets totaled R$32.6 million in 1Q15 including the opening of 3 new stores, store remodeling, investments in technology and logistics. The new stores investment already includes stores to be opened over the coming quarters.

Net Debt

CONSOLIDATED (R$ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
(+) Current Loans and Financing	392.5	591.4	447.7	422.4	520.6
(+) Non-current Loans and Financing	1,486.5	1,120.2	1,076.9	1,154.0	708.7
(=) Gross Debt	1,879.0	1,711.6	1,524.5	1,576.5	1,229.3
(-) Cash and Cash Equivalents	282.7	412.2	132.8	287.4	235.3
(-) Current Securities	337.4	451.0	435.2	283.8	306.3
(-) Non-current Securities	32.3	-	-	-	-
(-) Total Cash	652.5	863.1	567.9	571.1	541.5
(=) Net Debt	1,226.5	848.5	956.6	1,005.3	687.7
Short Term Debt/Total	21%	35%	29%	27%	42%
Long Term Debt/Total	79%	65%	71%	73%	58%
Adjusted EBITDA (LTM)	611.9	605.3	561.6	507.9	469.7
Net Debt/ Adjusted EBITDA	2.0 x	1.4 x	1.7 x	2.0 x	1.5 x

In Mar-15, the Company had loans and financing in the amount of R$1,879.0 million, cash and financial investments in the amount of R$652.5 million, resulting in net debt of R$1,226.5 million, equivalent to 2.0x adjusted LTM EBITDA. The net debt change in Mar-15 versus Mar-14 (R$378.0 million) was directly affected by the reduction of suppliers (R$550.7 million) minus the reduction of inventories (R$84.2 million), which combined generated additional working capital needs of R$466.5 million.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	1Q15	V.A.	1Q14	V.A.	% Chg
Gross Revenue	2,654.6	117.9%	2,699.1	119.0%	-1.6%
Taxes and Deductions	(402.2)	-17.9%	(430.2)	-19.0%	-6.5%
Net Revenue	2,252.4	100.0%	2,268.9	100.0%	-0.7%
Total Costs	(1,638.6)	-72.7%	(1,648.9)	-72.7%	-0.6%
Gross Income	613.8	27.3%	620.0	27.3%	-1.0%
Selling Expenses	(421.3)	-18.7%	(419.9)	-18.5%	0.3%
General and Administrative Expenses	(109.0)	-4.8%	(102.3)	-4.5%	6.6%
Provisions for Loan Losses	(6.2)	-0.3%	(4.7)	-0.2%	30.6%
Other Operating Revenues, Net	23.1	1.0%	6.1	0.3%	281.0%
Equity in Subsidiaries	27.0	1.2%	21.6	1.0%	24.7%
Total Operating Expenses	(486.4)	-21.6%	(499.2)	-22.0%	-2.6%
EBITDA	127.4	5.7%	120.8	5.3%	5.5%
Depreciation and Amortization	(31.7)	-1.4%	(27.0)	-1.2%	17.5%
EBIT	95.7	4.2%	93.8	4.1%	2.0%
Financial Results	(104.3)	-4.6%	(74.4)	-3.3%	40.3%
Operating Income	(8.7)	-0.4%	19.4	0.9%	-144.7%
Income Tax and Social Contribution	11.5	0.5%	1.1	0.0%	920.1%
Net Income	2.9	0.1%	20.5	0.9%	-86.1%

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
CURRENT ASSETS					
Cash and Cash Equivalents	282.7	412.2	132.8	287.4	235.3
Securities	337.4	451.0	435.2	283.8	306.3
Accounts Receivable	480.4	618.3	583.8	577.4	510.0
Inventories	1,388.6	1,472.7	1,268.4	1,144.2	1,264.0
Related Parties	60.9	93.2	74.5	87.8	82.0
Taxes Recoverable	291.6	295.6	211.3	193.4	224.4
Other Assets	76.0	52.9	50.5	57.1	56.0
Total Current Assets	2,917.6	3,395.9	2,756.4	2,631.1	2,678.0
NON-CURRENT ASSETS					
Securities	32.3	-	-	-	-
Accounts Receivable	2.9	5.0	1.3	3.8	3.6
Deferred Income Tax and Social Contribution	160.3	146.4	141.2	146.9	142.0
Recoverable Taxes	95.6	106.5	154.1	159.8	150.0
Judicial Deposits	220.8	209.6	199.2	187.9	178.3
Other Assets	53.0	52.0	53.4	48.2	46.1
Investments in Subsidiaries	294.7	319.6	313.4	287.1	266.0
Fixed Assets	561.5	566.2	549.7	534.7	530.8
Intangible Assets	493.9	488.8	487.8	487.9	480.4
Total Non-current Assets	1,915.1	1,894.1	1,899.9	1,856.3	1,797.2
TOTAL ASSETS	4,832.7	5,290.0	4,656.3	4,487.4	4,475.2

LIABILITIES (R$ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
CURRENT LIABILITIES					
Suppliers	1,239.2	1,789.9	1,388.1	1,189.5	1,528.4
Loans and Financing	392.5	591.4	447.7	422.4	520.6
Payroll, Vacation and Related Charges	161.2	167.4	173.0	153.2	155.4
Taxes Payable	22.0	44.6	36.0	46.5	27.3
Related Parties	62.4	80.3	64.5	66.8	61.6
Taxes in Installments	6.5	6.5	6.5	7.1	7.7
Deferred Revenue	31.0	37.7	37.7	37.7	36.7
Dividends Payable	16.3	18.3	-	-	16.2
Other Accounts Payable	115.0	95.2	101.6	101.7	118.0
Total Current Liabilities	2,046.1	2,831.4	2,254.9	2,025.0	2,471.8
NON-CURRENT LIABILITIES					
Loans and Financing	1,486.5	1,120.2	1,076.9	1,154.0	708.7
Provision for Tax, Civil and Labor Risks	243.9	265.7	254.9	262.2	255.0
Deferred Revenue	299.4	315.9	326.4	334.6	341.3
Other Accounts Payable	2.5	2.4	2.0	1.8	1.7
Total Non-current Liabilities	2,032.3	1,704.1	1,660.2	1,752.6	1,306.7
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	11.2	10.1	9.0	7.9	6.8
Treasury Shares	(24.3)	(20.2)	(11.7)	-	(39.8)
Legal Reserve	16.1	16.1	9.7	9.7	9.7
Profit Retention Reserve	143.2	143.2	39.4	39.4	94.5
Other Comprehensive Income	(1.3)	(1.3)	(1.0)	(0.7)	(1.5)
Accumulated Losses	2.9	-	89.3	47.2	20.5
Total Shareholders' Equity	754.3	754.5	741.2	709.9	696.6
TOTAL	4,832.7	5,290.0	4,656.3	4,487.4	4,475.2

ANNEX III

FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	1Q15	1Q14
Net Income	**2.9**	**20.5**
Effect of IR / CS Net of Payment	(12.0)	(1.6)
Depreciation and Amortization	31.7	27.0
Interest Accrued on Loans	56.2	34.5
Equity, Net of Dividends Received	27.2	2.1
Provision for Losses on Inventories and Receivables	13.5	18.4
Provision for Tax, Civil and Labor Contingencies	(17.2)	11.6
Gain on Sale of Fixed Assets	0.2	0.1
Recognition of Deferred Income	(23.2)	(7.9)
Stock Option Expenses	1.1	1.1
Adjusted Net Income	**80.5**	**105.7**
Trade Accounts Receivable	131.3	9.7
Inventories	79.2	(19.0)
Taxes Recoverable	14.8	3.0
Other Receivables	(5.0)	(13.2)
Changes in Operating Assets	**220.4**	**(19.6)**
Trade Accounts Payable	(550.7)	(123.2)
Other Payables	(33.3)	(31.1)
Change in Operating Liabilities	**(584.0)**	**(154.3)**
Cash Flow from Operating Activities	**(283.2)**	**(68.2)**
Additions of Fixed and Intangible Assets	(32.6)	(16.6)
Cash Flow from Investing Activities	**(32.6)**	**(16.6)**
Loan, Financing and Hedges	634.4	0.5
Repayment of Loans and Financing	(482.7)	(93.3)
Payment of Interest on Loans and Financing	(40.5)	(32.7)
Treasury Shares	(4.1)	(19.8)
Payment of Dividends	(2.0)	0.0
Cash Flow from Financing Activities	**105.1**	**(145.3)**
Cash, Cash Equivalents and Securities at Beginning of Period	863.1	771.6
Cash, Cash Equivalents and Securities at end of Period	652.5	541.5
Change in Cash and Cash equivalents	**(210.7)**	**(230.0)**

Note: The difference between the Cash Flow Statement and the Adjusted Cash Flow Statement is basically related to the: i) treatment of Bonds and Securities as Cash Equivalents and ii) fair value hedge accounting in loans, financing and hedge

ANNEX IV
RESULTS BY SEGMENT – 1Q15

1Q15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,644.8	11.9	(2.0)	2,654.6	212.7	47.0	(62.2)	2,852.1
Taxes and Deductions	(401.2)	(1.0)	-	(402.2)	-	-	-	(402.2)
Net Revenue	2,243.6	10.8	(2.0)	2,252.4	212.7	47.0	(62.2)	2,449.9
Total Costs	(1,636.6)	(4.0)	2.0	(1,638.6)	(30.9)	(6.0)	-	(1,675.5)
Gross Income	607.0	6.8	-	613.8	181.9	40.9	(62.2)	774.4
Selling Expenses	(421.3)	-	-	(421.3)	(74.9)	(33.4)	51.7	(478.0)
General and Administrative Expens	(103.7)	(5.4)	-	(109.0)	(0.9)	(6.2)	-	(116.1)
Provisions for Loan Losses	(6.2)	-	-	(6.2)	(67.8)	-	-	(73.9)
Equity in Subsidiaries	28.2	-	(1.2)	27.0	-	-	(27.0)	-
Other Operating Revenues, Net	23.1	0.0	-	23.1	2.8	-	(1.4)	24.5
Total Operating Expenses	(479.8)	(5.4)	(1.2)	(486.4)	(140.8)	(39.6)	23.3	(643.5)
EBITDA	127.2	1.4	(1.2)	127.4	41.0	1.3	(38.9)	130.8
Depreciation and Amortization	(31.7)	(0.1)	-	(31.7)	(1.6)	(0.0)	1.4	(31.9)
EBIT	95.5	1.4	(1.2)	95.7	39.5	1.3	(37.5)	98.9
Financial Results	(104.8)	0.5	-	(104.3)	-	4.1	10.6	(89.6)
Operating Income	(9.3)	1.8	(1.2)	(8.7)	39.5	5.5	(27.0)	9.3
Income Tax and Social Contributior	12.1	(0.6)	-	11.5	(15.8)	(2.2)	-	(6.4)
Net Income	2.9	1.2	(1.2)	2.9	23.7	3.3	(27.0)	2.9
Gross Margin	27.1%	62.8%	0.0%	27.3%	85.5%	87.1%	100.0%	31.6%
EBITDA Margin	5.7%	13.4%	62.6%	5.7%	19.3%	2.8%	62.5%	5.3%
Net Margin	0.1%	11.4%	62.6%	0.1%	11.1%	7.0%	43.4%	0.1%

ANNEX VI
RESULTS BY SEGMENT – 1Q14

1Q14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,691.9	9.9	(2.7)	2,699.1	195.1	30.8	(57.3)	2,867.6
Taxes and Deductions	(429.3)	(0.9)	-	(430.2)	-	-	-	(430.2)
Net Revenue	2,262.6	9.0	(2.7)	2,268.9	195.1	30.8	(57.3)	2,437.4
Total Costs	(1,648.3)	(3.3)	2.7	(1,648.9)	(26.1)	(3.8)	-	(1,678.7)
Gross Income	614.2	5.8	-	620.0	168.9	27.0	(57.3)	758.7
Selling Expenses	(419.9)	-	-	(419.9)	(64.5)	(21.5)	49.3	(456.6)
General and Administrative Expens	(97.6)	(4.7)	-	(102.3)	(0.5)	(5.3)	-	(108.1)
Provisions for Loan Losses	(4.7)	-	-	(4.7)	(70.7)	-	-	(75.4)
Equity in Subsidiaries	22.5	-	(0.9)	21.6	-	-	(21.6)	-
Other Operating Revenues, Net	6.1	0.0	-	6.1	1.4	0.0	(1.4)	6.1
Total Operating Expenses	(493.6)	(4.7)	(0.9)	(499.2)	(134.3)	(26.8)	26.2	(634.0)
EBITDA	120.6	1.1	(0.9)	120.8	34.7	0.3	(31.0)	124.7
Depreciation and Amortization	(26.9)	(0.1)	-	(27.0)	(1.6)	(0.0)	1.4	(27.3)
EBIT	93.7	1.0	(0.9)	93.8	33.0	0.3	(29.7)	97.4
Financial Results	(74.7)	0.3	-	(74.4)	-	2.7	8.0	(63.6)
Operating Income	19.0	1.3	(0.9)	19.4	33.0	3.0	(21.6)	33.8
Income Tax and Social Contribution	1.6	(0.4)	-	1.1	(13.2)	(1.2)	-	(13.3)
Net Income	20.5	0.9	(0.9)	20.5	19.8	1.8	(21.6)	20.5
Gross Margin	27.1%	63.9%	0.0%	27.3%	86.6%	87.8%	100.0%	31.1%
EBITDA Margin	5.3%	11.9%	32.7%	5.3%	17.8%	0.8%	54.2%	5.1%
Net Margin	0.9%	9.8%	32.7%	0.9%	10.2%	5.9%	37.8%	0.8%

ANNEX VIII
FINANCIAL STATEMENTS – PRO-FORMA CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (in R$ million)	1Q15	V.A.	1Q14	V.A.	% Chg
Gross Revenue	2,852.1	116.4%	2,867.6	117.6%	-0.5%
Taxes and Deductions	(402.2)	-16.4%	(430.2)	-17.6%	-6.5%
Net Revenue	2,449.9	100.0%	2,437.4	100.0%	0.5%
Total Costs	(1,675.5)	-68.4%	(1,678.7)	-68.9%	-0.2%
Gross Income	774.4	31.6%	758.7	31.1%	2.1%
Selling Expenses	(478.0)	-19.5%	(456.6)	-18.7%	4.7%
General and Administrative Expenses	(116.1)	-4.7%	(108.1)	-4.4%	7.4%
Provisions for Loan Losses	(73.9)	-3.0%	(75.4)	-3.1%	-2.0%
Other Operating Revenues, Net	24.5	1.0%	6.1	0.2%	303.5%
Total Operating Expenses	(643.5)	-26.3%	(634.0)	-26.0%	1.5%
EBITDA	130.8	5.3%	124.7	5.1%	4.9%
Depreciation and Amortization	(31.9)	-1.3%	(27.3)	-1.1%	17.1%
EBIT	98.9	4.0%	97.4	4.0%	1.5%
Financial Results	(89.6)	-3.7%	(63.6)	-2.6%	40.9%
Operating Income	9.3	0.4%	33.8	1.4%	-72.5%
Income Tax and Social Contribution	(6.4)	-0.3%	(13.3)	-0.5%	-51.5%
Net Income	2.9	0.1%	20.5	0.8%	-86.1%

ANNEX IX
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	1Q15	V.A.	1Q14	V.A.	Growth Total
Virtual Stores	120.4	4.6%	119.6	4.5%	0.7%
Website	473.0	17.9%	433.2	16.1%	9.2%
Subtotal - Virtual Stores	**593.4**	22.5%	**552.8**	20.6%	7.3%
Conventional Stores	2,043.7	77.5%	2,129.9	79.4%	-4.0%
Total	**2,637.0**	100.0%	**2,682.6**	100.0%	-1.7%

Number of stores per channel – End of the period	Mar-15	Part (%)	Mar-14	Part (%)	Growth Total
Virtual Stores	111	14.6%	107	14.4%	4
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**112**	14.8%	**108**	14.5%	4
Conventional Stores	647	85.2%	636	85.5%	11
Total	**759**	100.0%	**744**	100.0%	15
Total Sales Area (m²)	483,145	100%	473,884	100%	2.0%

Note: In compliance with Technical Pronouncement CPC 36, the booking of the proceeds from the exclusive funds whose quotas are 100% owned by Magazine Luiza changed from financial income to operating income from services in the retail segment in the amount of R$7.7 million in 1Q15 and R$8.3 million in 1Q14. The differences in gross revenue from the retail segment in the breakdown by channel and income statements refer to these classifications.

ANNEX X
LUIZACRED

Operating Indicators

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

In Mar-15, Luizacred had a total base of 3.5 million cards issued, growing 1.7% over Mar-14. In 1Q15, we highlight the growth of sales using Luiza Card, mainly outside of our stores, and the conservative approach to approving credit, especially with respect to DCC (direct credit to consumers).

Luizacred's credit portfolio, including credit cards, direct consumer credit and personal loans, totaled R$4.5 billion in 1Q15, 8.8% higher YoY.

LUIZACRED – Key Indicators (R$ million)	1Q15	1Q14	% Chg
Total Card Base (thousand)	3,478	3,420	1.7%
Luiza Card Sales – In stores	441	419	5.3%
Luiza Card Sales – Outside stores	1,876	1,591	17.9%
CDC Sales	243	316	-23.1%
Personal Loans Sales	27	32	-16.4%
Luizacred Sales – Total	**2,588**	**2,358**	**9.7%**
Card Portfolio	3,513	2,942	19.4%
CDC Portfolio	935	1,129	-17.2%
Personal Loans Portfolio	47	59	-21.0%
Portfolio – Total	**4,495**	**4,130**	**8.8%**

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. Luizacred maintained its conservative credit approval rate in 1Q15.

Income Statement

LUIZACRED – Income (R$ million)	1Q15	V.A.	1Q14	V.A.	% Chg
Financial Intermediation Revenue	338.7	100.0%	314.8	100.0%	7.6%
Cards	216.2	63.8%	173.8	55.2%	24.4%
CDC	110.1	32.5%	125.9	40.0%	-12.6%
Personal Loans	12.3	3.6%	15.1	4.8%	-18.2%
Financial Intermediation Expenses	(197.3)	-58.2%	(193.6)	-61.5%	1.9%
Market Funding Operations	(61.7)	-18.2%	(52.2)	-16.6%	18.2%
Provision for Loan Losses	(135.5)	-40.0%	(141.4)	-44.9%	-4.2%
Gross Financial Intermediation Income	141.4	41.8%	121.1	38.5%	16.7%
Other Operating Revenues (Expenses)	(62.5)	-18.5%	(55.1)	-17.5%	13.5%
Service Revenue	86.8	25.6%	75.3	23.9%	15.2%
Personnel Expenses	(1.8)	-0.5%	(1.0)	-0.3%	80.9%
Other Administrative Expenses	(128.8)	-38.0%	(109.2)	-34.7%	18.0%
Depreciation and Amortization	(3.1)	-0.9%	(3.3)	-1.0%	-3.6%
Tax Expenses	(21.0)	-6.2%	(19.7)	-6.3%	6.6%
Other Operating Revenues (Expenses)	5.6	1.7%	2.8	0.9%	100.2%
Income Before Tax	78.9	23.3%	66.1	21.0%	19.4%
Income Tax and Social Contribution	(31.6)	-9.3%	(26.4)	-8.4%	19.4%
Net Income	47.4	14.0%	39.7	12.6%	19.4%

Revenue from Financial Intermediation

In 1Q15, gross revenue from financial intermediation grew by 7.6% over 1Q14, mainly due to the increase of 24.4% in financial transactions with Luiza Card, partially offset by 12.6% reduction in transactions with direct consumer credit (DCC).

Provision for Loan Losses

The portfolio of loans overdue improved 30bps in relation to Mar-14. The short-term indicator (NPL 15) improved 20bps in relation to Mar-14, while the portfolio of loans overdue for more than 90 days (NPL 90) remained stable compared to Mar-14. The increase in the overdue indicators compared to the last quarter reflects the sales seasonality. An important Luizacred highlight was the reduction in provisions, reflecting the improvement in the quality of the portfolio and overall default indicators in 1Q15. Provisions for loan losses fell 4.2% in 1Q15 YoY and accounted for 3.0% of the total portfolio in 1Q15 (from 3.4% in 1Q14). However, the portfolio coverage remained nearly stable in 122% in mar-15 versus 126% in Mar-14.

PORTIFOLIO - OVERDURE	Mar-15		Dec-14		Sep-14		Jun-14		Mar-14	
Total Portfolio (R$ million)	4,495.1	100.0%	4,642.7	100.0%	4,356.2	100.0%	4,271.5	100.0%	4,130.4	100.0%
000 to 014 days	3,845.3	85.5%	4,007.3	86.3%	3,716.8	85.3%	3,641.4	85.2%	3,519.8	85.2%
015 to 030 days	56.6	1.3%	44.2	1.0%	43.2	1.0%	48.8	1.1%	52.6	1.3%
031 to 060 days	55.3	1.2%	46.4	1.0%	45.9	1.1%	51.5	1.2%	56.0	1.4%
061 to 090 days	76.1	1.7%	61.4	1.3%	63.6	1.5%	77.2	1.8%	75.2	1.8%
091 to 120 days	60.3	1.3%	57.6	1.2%	63.7	1.5%	66.8	1.6%	57.1	1.4%
121 to 150 days	56.7	1.3%	53.0	1.1%	58.2	1.3%	72.4	1.7%	50.3	1.2%
151 to 180 days	52.0	1.2%	52.1	1.1%	63.4	1.5%	62.1	1.5%	46.8	1.1%
180 to 360 days	292.8	6.5%	320.7	6.9%	301.4	6.9%	251.4	5.9%	272.6	6.6%
Overdue 15-90 days	188.0	4.2%	152.0	3.3%	152.7	3.5%	177.5	4.2%	183.8	4.4%
Overdue Above 90 days	461.8	10.3%	483.4	10.4%	486.8	11.2%	452.7	10.6%	426.8	10.3%
Total Overdue	649.8	14.5%	635.4	13.7%	639.5	14.7%	630.2	14.8%	610.6	14.8%
Provisions for loan losses in IFRS	565.1	12.6%	583.4	12.6%	577.2	13.3%	552.0	12.9%	538.8	13.0%
Coverage (%)	122%		121%		119%		122%		126%	

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

Gross Financial Intermediation Results

As a result of the growth in gross financial intermediation revenues and the reduction of provisions for loan losses, partially offset by a higher average interest rates, the gross margin from financial intermediation stood at 41.8% in 1Q15, a 330 bps upturn over 1Q14 (38.5%).

Other Operating Revenues (Expenses)

- **Service Revenues** increased by 15.2% over 1Q14, mainly driven by commissions for the use of Luiza cards outside the Magazine Luiza stores, and revenues from insurance and new services offered to clients;
- **Selling and Administrative Expenses** (personnel, administrative, depreciation, amortization and taxes): equivalent to 45.7% of financial intermediation revenue, 340bps increase over 1Q14 (42.3%), mainly due to other administrative expenses;
- **Other Operating Revenues (Expenses):** net revenues of R$5.6 million, equivalent to 1.7% of financial intermediation revenue.

Net Operating Results and Net Income

Luizacred recorded operating income of R$78.9 million in 1Q15, equivalent to 23.3% of financial intermediation revenues, an improvement over the operating income of R$66.1 million recorded in 1Q14 (21.0% of financial intermediation revenues).

Net income totaled R$47.4 million in 1Q15, with an average ROE (Return on Equity) of 35.1%, higher than the R$39.7 million recorded in 1Q14.

Shareholders' Equity

In compliance with the accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$52.1 million in 1Q15, with a shareholders' equity of R$561.4 million in Mar-15. 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$518.5 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

May 8, 2015 (Friday)

10:00 a.m. – Brasília time
09:00 a.m. – US EST
02:00 p.m. – UK

Callers from US or other countries:
Dial-in US EST: +1 (646) 843 6054
Dial-in Europe: +44 (203) 051 6929
Toll Free US EST: +1 (866) 890 2584
Toll Free Europe: +0 808 134 9874
Access Code: Magazine Luiza
Webcast Link:
http://webcast.neo1.net/Cover.aspx?PlatformId=qofMaektqVEH5y6%2FHrxxbQ%3D%3D

Callers from Brazil:
Dial-in: +55 (11) 2188-0155
Toll Free: 0800 726 5606
Access Code: Magazine Luiza
Webcast Link:
http://webcast.neo1.net/Cover.aspx?PlatformId=gX%2FFc7pxerOi9syfyWzHzA%3D%3D

Replay (available for 7 days):
Dial-in number for callers from Brazil: +55 (11) 2188-0040
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 a partnership with Itaú Unibanco to create Luizacred. In 2005, Magazine Luiza once again innovated when it became the first retailer to control an insurance company, Luizaseg, in partnership with Cardif, of the BNP Paribas group. And in 2010, Magazine Luiza acquired Lojas Maia, one of the largest retail chains with a presence in all the states across Northeast Brazil – the fastest growing region in the country. In June 2011, it acquired Baú da Felicidade stores.

EBITDA, Adjusted EBITDA and Adjusted Net Income

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