November 9, 2015

Magazine Luiza S.A.
3rd Quarter 2015 Earnings Release in IFRS

3Q15 HIGHLIGHTS

Market share gains and higher gross margin
E-commerce Sales growth of 9.2% to 22.0% of total sales
Operating cash flow of R$93.5 million and stable net debt

- **Consistent market share gains.** Based on the monthly survey published by the Brazilian Social Economic Institute (IBGE) and Monthly Commerce Survey (PMC) as it relates to the performance of the home appliance and furniture sectors, the Company continued to gain share and outperformed the market.

- **E-commerce Sales growth of 9.2% to R$531.2 millions**. In 3Q15, consolidated gross sales reached R$2,431.0 million, 13.2% lower due to: (i) tough comparison basis (sales growth of 15.7% in 3Q14) and (ii) more challenging macroeconomic scenario with steep drop in consumer confidence. Same store Sales (SSS) were 15.9% lower, due to a drop of 21.2% in same-store-sales of bricks and mortar stores, but an increase of 9.2% in e-commerce sales. We highlight that due to the conservative credit approach adopted by Luizacred, that the decrease in direct consumer credit sales negatively impacted the SSS performance of our brick and mortar stores in 480 bps during the quarter.

- **Gross margin expanded by 110bps to 29.5%.** This performance reflected**:** (i) better sales mix, (ii) charging for shipping and assembly of products sold, (iii) greater participation of service revenues as a percentage of sales (iv) better suppliers terms. Despite improved gross margin, a lower sales performance during the quarter prevented better dilution of expenses. However, overall SG&A was 1.0% lower YoY, in nominal terms. As a result, EBITDA margin reached 5.3%, for EBITDA of R$110.4 million. In 9M15, EBITDA totaled R$364.4 million, for EBITDA margin of 5.7%.

- **Equity income reached R$21.1 million, or 1.0% of net sales.** Luizacred grew its cardholders base to 3.6 million in 3Q15 from 3.4 millions in the year ago quarter. Also, Luizacred enjoyed an increase in its total loan portfolio and especially in the Luiza card portfolio which resulted in net income of R$34.5 million, with ROE of 24.9%. Luizaseg also presented net income of R$7.7 millions in the quarter, a growth of 70.6% YoY, with ROE of 33.4%.

- **Improve in working capital management and operating cash flow.** The Company presented better operating cash flow during the third quarter with positive result of R$93.5 million. With regards to working capital management, the Company reported a better balance between inventories and suppliers, reducing the level of inventory since the beginning of the year, while simultaneously increasing the average buying time. As a result of this strategy, the company managed to maintain its net debt stable on a sequential quarter, but with better cash position and short term marketable securities balance higher than short term debt.

MGLU3: R$ 11.06 per share
Total Shares: 22,248,933
Market Cap: R$ 0.2 billion

Conference call: November 10, 2015 (Tuesday)
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R$ million (except when otherwise indicated)	3Q15	3Q14	% Chg	9M15	9M14	% Chg
Gross Revenue	2,431.0	2,801.4	-13.2%	7,530.4	8,257.1	-8.8%
Net Revenue	2,082.5	2,390.4	-12.9%	6,442.3	7,002.0	-8.0%
Gross Income	613.9	679.5	-9.7%	1,857.2	1,933.3	-3.9%
Gross Margin	29.5%	28.4%	110 bps	28.8%	27.6%	120 bps
EBITDA	110.4	176.0	-37.3%	364.4	429.8	-15.2%
EBITDA Margin	5.3%	7.4%	-210 bps	5.7%	6.1%	-40 bps
Net Income (Loss)	(19.1)	42.1	-145.4%	(13.2)	89.3	-114.8%
Net Margin	-0.9%	1.8%	-270 bps	-0.2%	1.3%	-150 bps
Same Store Sales Growth	-15.9%	15.5%	-	-10.6%	21.5%	-
Same Physical Store Sales Growth	-21.2%	12.4%	-	-13.9%	18.4%	-
Internet Sales Growth	9.2%	32.6%	-	6.1%	39.7%	-
Number of Stores - End of Period	780	736	44 stores	780	736	44 stores
Sales Area - End of Period (M2)	494,644	471,657	4.9%	494,644	471,657	4.9%

MESSAGE FROM THE EXECUTIVE TEAM

Digitalization of our store footprint. During the third quarter we continued with our digital transformation effort. We are now offering free internet access via Wi-Fi to our customers, free of charge, further contributing to the digital inclusion of our customers. In addition, we estimate to end the year with 180 stores trained and equipped with our mobile sales tools (Mobile Sales). We aim to complete the roll out of this project by the end of next year, so to provide a faster and superior customer experience.

New mobile app launch to boost Smartphone sales in October. The main goal of the launch of the new app is to make it easier for customers to shop at our website. The new app has enhance features such as : a one click buying option, the ability to link the customers' profile to social media websites for easy access, to take a photo of the credit card so to speed up the storage of the credit card/payment information, easy store locator and search for products that are on stock at nearby stores, among other features. Moreover, the app is totally custom made and keeps track of the navigation history and purchases of clients. Additionally, customers who download and register in the new app now are going to benefit from a free shipping offer until the end of the year (valid for purchases above R$99.00)

Further improvement in our customer service. During the third quarter, the Company received a certificate of excellence (RA1000 stamp) from Brazilian website ReclameAQUI® for customer service provided for purchases made via our e-commerce website. Reclame Aqui website highlights companies that achieve the highest standards as it relates to customer service and is awarded to companies that excel in their customer services. This award reinforces the quality of service provided and the strength of our brand and can certainly positively influence future buying decisions.

Focus on expense reduction. We launched a comprehensive mapping of expense reduction opportunities at the headquarter, other offices and the distribution centers, as well as a zero base budget process (OBZ). In addition, we are also revisiting our rent contracts and seeking cost reduction opportunities with our landlords.

New finance partnership to boost credit offer. Also in October, Magazine Luiza, Luizacred and Losango bank signed an operational agreement so to further explore credit offers to our clients. This agreement is based on a commission paid to Magazine Luiza by Losango bank and is focused on the direct credit to consumers (DCC) financing option. However, this offer has to necessarily follow two criteria: (i) always the first DCC offer to Magazine Luiza clients' needs to be done by Luizacred and (ii) Losango could only approve the customers DCC (and will keep 100% of the credit risk) for clients that didn't meet the approval requirements set forth by Luizacred. Regardless of this agreement, the exclusivity rights granted to Itaú Unibanco as a result of its stake in Luizacred and the exclusive rights to offer financial services and products to Magazine Luiza customers remain in place until 2029. Initial results of Losango's sales represented between 4% and 5% of total brick and mortar store sales.

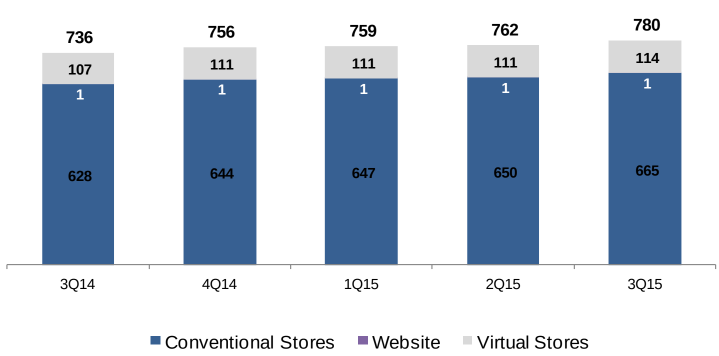
The Brazilian retail sectors, as well as other sectors of the economy, are going through an adjustment period. However, Magazine Luiza remains confident in its ability to continue to grow and gain market share and to become more and more efficient in its way of doing business. We will continue to invest in strategic projects that can help the Company to achieve its digital transformation goal. Such projects should not only enhance our business model, but also our profitability.

The Executive Management Team

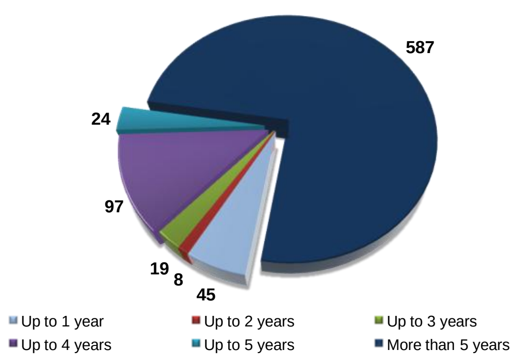
OPERATING AND FINANCIAL PERFORMANCE

Magazine Luiza ended Sep-15 with 780 stores, 665 of which were conventional stores, 114 virtual stores and one website. In 3Q15, the Company opened 18 new stores (three virtual stores and fifteen conventional stores). Considering our total number of stores, 25% are not yet mature.

Number of Stores

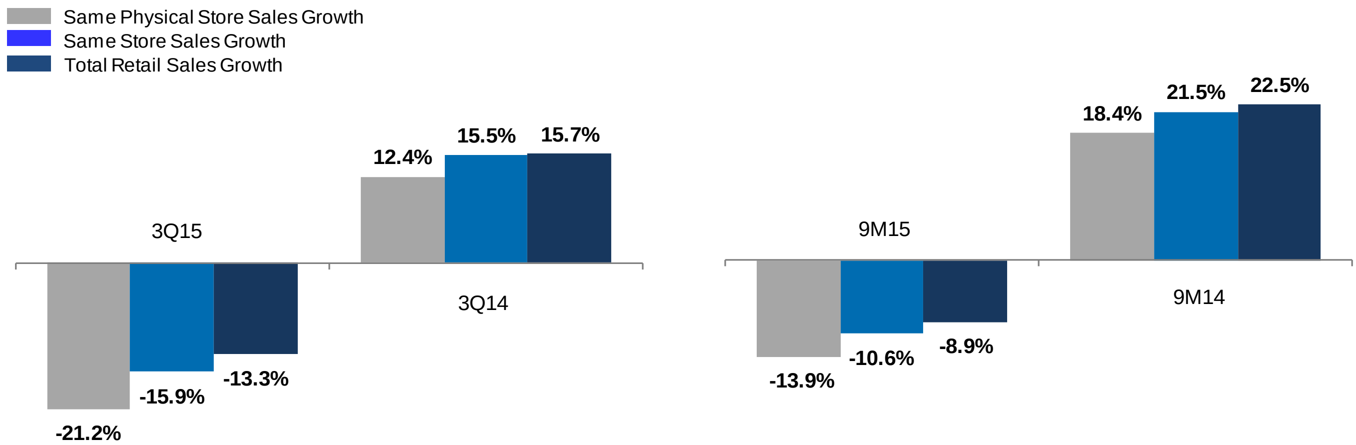


Average Age of Stores (number of stores)



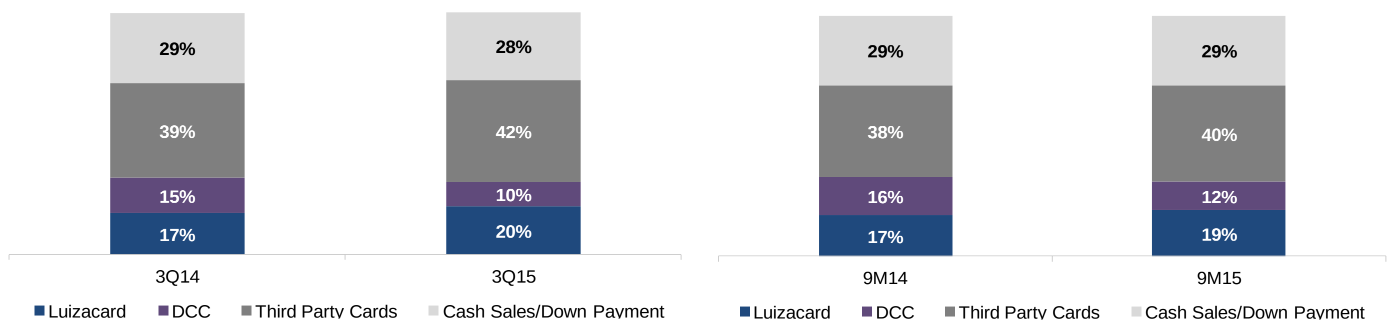
Gross same-store-sales decreased by 15.9% in 3Q15 as a resulto f drop of 21.2% in brick and mortar same-store-sales and growth of 9.2% in e-commerce sales. We highlight that the reduction in direct credit to consumer at our brick and mortar stores impacted our sales performace in 480 bps. In 9M15, total retail sales decreased by 8.9% and same-store sales were 10.6% lower, due to strong comparison basis and World Soccer Cup effect in the year ago period.

Same Store Sales Growth (%)



Sales on Luiza Card increased to 20% in 3Q15 from 17% in 3Q14, as percentage of total retail sales, contributing to strengthen the loyalty strategy of the Company. In this period, the total cards grew to 3.6 million in 3Q15 from 3.4 million in 3Q14. Due to more conservative credit approval policy, DCC (direct credit to consumers) participation decreased to 10% of sales in 3Q15 compared to 15% in 3Q14.

Financed Sales Mix (% of total sales)



Gross Revenues

(in R$ million)	3Q15	3Q14	%Chg	9M15	9M14	%Chg
Gross Revenue - Retail - Merchandise Sales	2,299.1	2,665.1	-13.7%	7,134.3	7,860.3	-9.2%
Gross Revenue - Retail - Services	120.9	126.8	-4.7%	364.7	370.7	-1.6%
Subtotal Retail	**2,420.0**	**2,792.0**	**-13.3%**	**7,499.1**	**8,231.1**	**-8.9%**
Gross Revenue - Consortium Management	13.2	11.4	15.9%	37.6	31.4	19.7%
Inter-Company Eliminations	(2.2)	(1.9)	15.3%	(6.3)	(5.4)	16.8%
Gross Revenue - Total	**2,431.0**	**2,801.4**	**-13.2%**	**7,530.4**	**8,257.1**	**-8.8%**

Magazine Luiza's gross revenues slip 13.2% in 3Q15, to R$2,431.0 million, due to revenue performance on the sale of goods of -13.7%. We highlight the evolution in services revenues to 5.0% participation over retail gross revenues in 3Q15, higher YoY (4.5% in 3Q14). In 9M15, total gross revenues presented a 8.8% reduction to R$7,530.4 millions.

Net Revenues

(in R$ million)	3Q15	3Q14	%Chg	9M15	9M14	%Chg
Net Revenue - Retail - Merchandise Sales	1,966.9	2,271.1	-13.4%	6,095.6	6,654.5	-8.4%
Net Revenue - Retail - Services	105.8	110.8	-4.5%	318.6	324.2	-1.7%
Subtotal Retail	**2,072.7**	**2,381.9**	**-13.0%**	**6,414.1**	**6,978.7**	**-8.1%**
Net Revenue - Consortium Management	12.1	10.4	16.5%	34.4	28.7	20.1%
Inter-Company Eliminations	(2.2)	(1.9)	15.3%	(6.3)	(5.4)	16.8%
Net Revenue - Total	**2,082.5**	**2,390.4**	**-12.9%**	**6,442.3**	**7,002.0**	**-8.0%**

Net revenues slip by 12.9% YoY in 3Q15, to R$2,082.5 million. The difference between gross revenues growth and net revenues growth is explained by the higher share of products in our sales mix that are exempt of PIS/COFINS taxes (mainly smartphones). In 9M15, total net revenues shrank by 8.0% to R$6,442.3 million.

Gross Profit

(in R$ million)	3Q15	3Q14	% Chg	9M15	9M14	% Chg
Gross Income - Retail - Merchandise Sales	500.8	562.0	-10.9%	1,517.3	1,590.5	-4.6%
Gross Income - Retail - Services	105.8	110.8	-4.5%	318.6	324.2	-1.7%
Subtotal Retail	**606.6**	**672.8**	**-9.9%**	**1,835.9**	**1,914.7**	**-4.1%**
Gross Income - Consortium Management	7.3	6.7	9.2%	21.3	18.6	14.8%
Gross Income - Total	**613.9**	**679.5**	**-9.7%**	**1,857.2**	**1,933.3**	**-3.9%**
Gross Margin - Total	**29.5%**	**28.4%**	**110 bps**	**28.8%**	**27.6%**	**120 bps**

In 3Q15, gross profit totaled R$613.9 million, equivalent to a gross margin expansion of 110bps to 29.5%. Gross margin improvement was due to: (i) sales mix (lower weight of TV sales and higher share of furniture and smartphones), (ii) charging for shipping and assembly in all stores, (iii) increase in services revenue participation and (iv) better supplier negotiations. In 9M15, gross margin reached 28.8% (120bps higher than 9M14).

Operating Expenses

(in R$ million)	3Q15	% NR	3Q14	% NR	% Chg	9M15	% NR	9M14	% NR	% Chg
Selling Expenses	(408.9)	-19.6%	(423.1)	-17.7%	-3.3%	(1,234.7)	-19.2%	(1,258.8)	-18.0%	-1.9%
General and Administrative Expenses	(113.0)	-5.4%	(105.8)	-4.4%	6.8%	(334.8)	-5.2%	(314.2)	-4.5%	6.5%
General and Administrative Expenses	**(521.9)**	**-25.1%**	**(528.9)**	**-22.1%**	**-1.3%**	**(1,569.4)**	**-24.4%**	**(1,573.1)**	**-22.5%**	**-0.2%**
Provisions for Loan Losses	(7.3)	-0.3%	(4.8)	-0.2%	50.8%	(20.3)	-0.3%	(16.6)	-0.2%	21.9%
Other Operating Revenues, Net	4.6	0.2%	3.7	0.2%	24.7%	27.9	0.4%	17.8	0.3%	56.7%
Total Operating Expenses	**(524.6)**	**-25.2%**	**(530.0)**	**-22.2%**	**-1.0%**	**(1,561.8)**	**-24.2%**	**(1,571.9)**	**-22.4%**	**-0.6%**

Selling Expenses

Selling expenses totaled R$408.9 million in 3Q15, equivalent to 19.6% of net revenues (190bps higher than 3Q14). The Company was able to reduce the total amount of selling expenses by 3.3% YoY while maintaining its commercial strategy. In 9M15, selling expenses reached 19.2% of net revenues, 120 bps higher than 9M14.

General and Administrative Expenses

General and administrative expenses totaled R$113.0 million in 3Q15, equivalent to 5.4% of net revenue (100bps higher YoY) mainly due to the collective labor wage agreement readjustment carried out at the end of 2014 and the impact of higher inflation in others expenses. In 9M15, general and administrative expenses participation reached 5.2%, equivalent to an increase of 70bps over 9M14.

Provisions for Loan Losses

Provisions for loan losses reached R$7.3 million in 3Q15 and R$20.3 million in 9M15, both corresponding to 0.3% of net revenue.

Other Operating Revenue, Net

(in R$ million)	3Q15	% NR	3Q14	% NR	% Chg	9M15	% NR	9M14	% NR	% Chg
Gain on Sale of Assets	(0.2)	0.0%	(0.1)	0.0%	22.1%	(0.5)	0.0%	(1.1)	0.0%	-50.8%
Deferred Revenue Recorded	8.2	0.4%	8.2	0.3%	0.0%	39.6	0.6%	24.8	0.4%	59.4%
Provision for Tax Liabilities	(0.2)	0.0%	(2.9)	-0.1%	-91.7%	1.6	0.0%	(2.0)	0.0%	-181.1%
Non-recurring Expenses	(3.0)	-0.1%	(1.6)	-0.1%	85.2%	(14.0)	-0.2%	(4.2)	-0.1%	231.3%
Other	(0.2)	0.0%	0.1	0.0%	-307%	1.2	0.0%	0.3	0.0%	322.5%
Other Operating Revenue, Net – Total	**4.6**	**0.2%**	**3.7**	**0.2%**	**24.7%**	**27.9**	**0.4%**	**17.8**	**0.3%**	**56.7%**

Other net operating revenues totaled R$4.6 million in 3Q15, due to deferred revenues appropriation of R$8.2 million and to non-recurring expenses of R$3.0 million, mainly related to new stores openings. In 9M15, other operating revenue totaled R$27.9 million, equivalent of 0.4% of net revenue.

Equity Income

Equity income results totaled an income of R$21.1 million in 3Q15, equivalent to 1.0% of net revenues. The main reasons that positively impacted equity income were (i) Luizacred's performance with equity income of R$17.3 million and ROE of 24,9% and (ii) Luizaseg's performance with equity income of R$3.9 million, for 71% YoY increase in net income and ROE of 33.4%. In 9M15, the equity income reached R$68.9 million, equivalent to 1.1% of net revenues, basically stable when compared with 9M14.

EBITDA

Despite the expansion of gross margin, lower sales performance prevented better dilution of expenses and therefore improvement in the EBITDA margin. In 3Q15, earnings before interest, taxes, depreciation and amortization (EBITDA) totaled R$110.4 million with margin reduction of 210 bps to 5.3% in 3Q15 from 7.4% in 3Q14. In 9M15, EBITDA reached R$364.4 million, for 5.7% margin.

Financial Results

R$ million	3Q15	% NR	3Q14	% NR	% Chg	9M15	% NR	9M14	% NR	% Chg
Financial Expenses	(157.7)	-7.6%	(120.9)	-5.1%	30.4%	(436.0)	-6.8%	(322.0)	-4.6%	35.4%
Interest on loans and financing	(71.7)	-3.4%	(51.6)	-2.2%	38.8%	(194.9)	-3.0%	(133.0)	-1.9%	46.5%
Interest on prepayment of receivables – third party card	(43.8)	-2.1%	(34.2)	-1.4%	28.2%	(115.9)	-1.8%	(94.7)	-1.4%	22.3%
Interest on prepayment of receivables – Luiza Card	(26.8)	-1.3%	(20.6)	-0.9%	30.1%	(74.1)	-1.2%	(56.2)	-0.8%	31.9%
Other expenses	(15.4)	-0.7%	(14.5)	-0.6%	6.3%	(51.2)	-0.8%	(38.0)	-0.5%	34.6%
Financial Revenues	33.4	1.6%	24.1	1.0%	38.6%	102.7	1.6%	71.3	1.0%	44.1%
Gains on marketable securities	2.2	0.1%	1.7	0.1%	28.7%	7.7	0.1%	4.8	0.1%	61.4%
Other financial revenues	31.2	1.5%	22.4	0.9%	39.4%	95.0	1.5%	66.5	0.9%	42.8%
Total Financial Results	(124.3)	-6.0%	(96.8)	-4.0%	28.4%	(333.3)	-5.2%	(250.7)	-3.6%	33.0%
Income from securities[1]	6.7	0.3%	7.8	0.3%	-12.9%	20.8	0.3%	22.0	0.3%	-5.5%
Adjusted Financial Results	(117.5)	-5.6%	(89.0)	-3.7%	32.0%	(312.5)	-4.9%	(228.7)	-3.3%	36.7%

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.

In 3Q15, adjusted net financial results reached R$117.5 million. Such increase reflects mainly the higher interest rate and interest on prepayment of receivables of third party cards and Luiza Card, which amounted to R$70.6 million in the period. In 9M15, adjusted net financial expenses totaled R$312.5 million, 4.9% of net revenues.

Net Income

Net losses in 3Q15 totaled R$19.1 million, equivalent to a negative net margin of 0.9%, which stems from sales performance, lower dilution of operating expenses and higher interest rate in the period. In 9M15, net losses totaled R$13.2 million, with a negative net margin of 0.2%.

Working Capital

CONSOLIDATED (R$ million)	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
Accounts Receivables	431.2	419.4	480.4	618.3	583.8
Inventories	1,208.1	1,293.4	1,388.6	1,472.7	1,268.4
Related Parties	48.7	52.4	60.9	93.2	74.5
Recoverable Taxes	311.9	337.6	291.6	295.6	211.3
Other Assets	101.1	103.5	76.0	52.9	50.5
Current Operating Assets	2,101.0	2,206.3	2,297.4	2,532.8	2,188.5
Suppliers	1,186.9	1,175.1	1,239.2	1,789.9	1,388.1
Payroll, Vacation and Related Charges	151.9	145.8	161.2	167.4	173.0
Taxes Payable	25.3	31.0	22.0	44.6	36.0
Related Parties	55.3	57.2	62.4	80.3	64.5
Taxes in Installments	-	-	6.5	6.5	6.5
Other Accounts Payable	89.6	78.2	115.0	95.2	101.6
Current Operating Liabilities	1,509.0	1,487.3	1,606.3	2,184.0	1,769.6
Working Capital	592.0	719.0	691.1	348.8	419.0
% of Gross Revenue (LTM)	5.8%	6.4%	6.0%	3.0%	3.7%
Balance of Discounted Receivables	1,268.3	1,273.4	1,392.0	1,515.6	1,352.4
Working Capital Adjusted	1,860.4	1,992.4	2,083.1	1,864.5	1,771.3
% of Gross Revenue (LTM)	18.2%	17.9%	18.2%	16.2%	15.8%

In Sep-15, net working capital totaled R$592.0 million, representing 5.8% of LTM gross revenues. In 3Q15, the Company improved its working capital needs in R$127.0 million. The inventories decreased for the third consecutive quarter and the average purchasing term rose by 9 days compared to 3Q14. It should be noted that even with a higher average purchasing term, suppliers balance decreased due to lower volumes purchased. In 9M15, due to lower sales performance and retail seasonality, the suppliers balance fell by R$603.0 million while inventories drop by R$264.6 million, translating into R$338.3 million additional working capital needs.

Capex

CAPEX (in R$ million)	3Q15	%	3Q14	%	9M15	%	9M14	%
New Stores	8.6	27%	6.4	15%	29.4	29%	11.5	11%
Remodeling	9.9	32%	17.7	41%	28.8	28%	42.2	42%
Technology	8.6	27%	10.2	23%	33.0	32%	31.3	31%
Logistics	4.4	14%	6.8	16%	10.2	10%	12.5	12%
Other	0.1	0%	2.2	5%	0.2	0%	3.6	4%
Total	**31.5**	**100%**	**43.4**	**100%**	**101.6**	**100%**	**101.1**	**100%**

Investments in fixed and intangible assets totaled R$31.5 million in 3Q15 including the opening of 18 new stores, 15 store remodelings, investments in technology and logistics. The new stores investments already include stores to be opened until the end of the year. In 9M15, the Company invested R$101.6 million, including the opening of 24 new stores.

Net Debt

CONSOLIDATED (R$ million)	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
(+) Current Loans and Financing	446.6	370.8	392.5	591.4	447.7
(+) Non-current Loans and Financing	1,564.6	1,484.8	1,486.5	1,120.2	1,076.9
(=) Gross Debt	2,011.2	1,855.6	1,879.0	1,711.6	1,524.5
(-) Cash and Cash Equivalents	270.4	227.1	282.7	412.2	132.8
(-) Current Securities	265.1	238.8	337.4	451.0	435.2
(-) Non-current Securities	99.8	26.5	32.3	-	-
(-) Total Cash	635.4	492.4	652.5	863.1	567.9
(=) Net Debt	1,375.8	1,363.2	1,226.5	848.5	956.6
Short Term Debt/Total	22%	20%	21%	35%	29%
Long Term Debt/Total	78%	80%	79%	65%	71%
Adjusted EBITDA (LTM)	539.8	605.5	611.9	605.3	561.6
Net Debt/ Adjusted EBITDA	2.5 x	2.3 x	2.0 x	1.4 x	1.7 x

In Sep-15, the Company had loans and financing in the amount of R$2,011.2 million, cash and financial investments in the amount of R$635.4 million, resulting in net debt of R$1,375.8 million, equivalent to 2.5x adjusted LTM EBITDA. The net debt was basically stable over 2Q154 mainly due to cash flow from operating activities of R$93.5 million.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	3Q15	V.A.	3Q14	V.A.	% Chg	9M15	V.A.	9M14	V.A.	% Chg
Gross Revenue	2,431.0	116.7%	2,801.4	117.2%	-13.2%	7,530.4	116.9%	8,257.1	117.9%	-8.8%
Taxes and Deductions	(348.4)	-16.7%	(411.0)	-17.2%	-15.2%	(1,088.1)	-16.9%	(1,255.1)	-17.9%	-13.3%
Net Revenue	2,082.5	100.0%	2,390.4	100.0%	-12.9%	6,442.3	100.0%	7,002.0	100.0%	-8.0%
Total Costs	(1,468.7)	-70.5%	(1,710.9)	-71.6%	-14.2%	(4,585.1)	-71.2%	(5,068.8)	-72.4%	-9.5%
Gross Income	613.9	29.5%	679.5	28.4%	-9.7%	1,857.2	28.8%	1,933.3	27.6%	-3.9%
Selling Expenses	(408.9)	-19.6%	(423.1)	-17.7%	-3.3%	(1,234.7)	-19.2%	(1,258.8)	-18.0%	-1.9%
General and Administrative Expenses	(113.0)	-5.4%	(105.8)	-4.4%	6.8%	(334.8)	-5.2%	(314.2)	-4.5%	6.5%
Provisions for Loan Losses	(7.3)	-0.3%	(4.8)	-0.2%	50.8%	(20.3)	-0.3%	(16.6)	-0.2%	21.9%
Other Operating Revenues, Net	4.6	0.2%	3.7	0.2%	24.7%	27.9	0.4%	17.8	0.3%	56.7%
Equity in Subsidiaries	21.1	1.0%	26.5	1.1%	-20.4%	68.9	1.1%	68.4	1.0%	0.7%
Total Operating Expenses	(503.5)	-24.2%	(503.5)	-21.1%	0.0%	(1,492.9)	-23.2%	(1,503.4)	-21.5%	-0.7%
EBITDA	110.4	5.3%	176.0	7.4%	-37.3%	364.4	5.7%	429.8	6.1%	-15.2%
Depreciation and Amortization	(28.9)	-1.4%	(28.2)	-1.2%	2.5%	(91.6)	-1.4%	(82.8)	-1.2%	10.6%
EBIT	81.5	3.9%	147.9	6.2%	-44.9%	272.7	4.2%	347.0	5.0%	-21.4%
Financial Results	(124.3)	-6.0%	(96.8)	-4.0%	28.4%	(333.3)	-5.2%	(250.7)	-3.6%	33.0%
Operating Income (Loss)	(42.8)	-2.1%	51.1	2.1%	-183.7%	(60.6)	-0.9%	96.3	1.4%	-162.9%
Income Tax and Social Contribution	23.7	1.1%	(9.0)	-0.4%	-362.7%	47.3	0.7%	(7.0)	-0.1%	-772.9%
Net Income (Loss)	(19.1)	-0.9%	42.1	1.8%	-145.4%	(13.2)	-0.2%	89.3	1.3%	-114.8%

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
CURRENT ASSETS					
Cash and Cash Equivalents	270.4	227.1	282.7	412.2	132.8
Securities	265.1	238.8	337.4	451.0	435.2
Accounts Receivable	431.2	419.4	480.4	618.3	583.8
Inventories	1,208.1	1,293.4	1,388.6	1,472.7	1,268.4
Related Parties	48.7	52.4	60.9	93.2	74.5
Taxes Recoverable	311.9	337.6	291.6	295.6	211.3
Other Assets	101.1	103.5	76.0	52.9	50.5
Total Current Assets	2,636.6	2,672.2	2,917.6	3,395.9	2,756.4
NON-CURRENT ASSETS					
Securities	99.8	26.5	32.3	-	-
Accounts Receivable	1.9	2.4	2.9	5.0	1.3
Deferred Income Tax and Social Contribution	196.0	171.6	160.3	146.4	141.2
Recoverable Taxes	159.9	119.3	95.6	106.5	154.1
Judicial Deposits	235.0	236.1	220.8	209.6	199.2
Other Assets	53.7	53.8	53.0	52.0	53.4
Investments in Subsidiaries	333.6	313.2	294.7	319.6	313.4
Fixed Assets	567.7	563.9	561.5	566.2	549.7
Intangible Assets	496.3	497.8	493.9	488.8	487.8
Total Non-current Assets	2,143.8	1,984.6	1,915.1	1,894.1	1,899.9
TOTAL ASSETS	4,780.4	4,656.8	4,832.7	5,290.0	4,656.3

LIABILITIES (R$ million)	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
CURRENT LIABILITIES					
Suppliers	1,186.9	1,175.1	1,239.2	1,789.9	1,388.1
Loans and Financing	446.6	370.8	392.5	591.4	447.7
Payroll, Vacation and Related Charges	151.9	145.8	161.2	167.4	173.0
Taxes Payable	25.3	31.0	22.0	44.6	36.0
Related Parties	55.3	57.2	62.4	80.3	64.5
Taxes in Installments	-	-	6.5	6.5	6.5
Deferred Revenue	27.5	29.2	31.0	37.7	37.7
Dividends Payable	-	-	16.3	18.3	-
Other Accounts Payable	89.6	78.2	115.0	95.2	101.6
Total Current Liabilities	1,983.1	1,887.3	2,046.1	2,831.4	2,254.9
NON-CURRENT LIABILITIES					
Loans and Financing	1,564.6	1,484.8	1,486.5	1,120.2	1,076.9
Provision for Tax, Civil and Labor Risks	229.9	252.8	243.9	265.7	254.9
Deferred Revenue	286.5	293.0	299.4	315.9	326.4
Other Accounts Payable	2.3	2.5	2.5	2.4	2.0
Total Non-current Liabilities	2,083.4	2,033.1	2,032.3	1,704.1	1,660.2
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	13.5	12.1	11.0	10.1	9.0
Treasury Shares	(9.0)	(5.2)	(24.3)	(20.2)	(11.7)
Legal Reserve	16.1	16.3	16.3	16.1	9.7
Profit Retention Reserve	101.8	101.8	143.2	143.2	39.4
Other Comprehensive Income	(1.8)	(1.1)	(1.3)	(1.3)	(1.0)
Accumulated Losses	(13.2)	5.9	2.9	-	89.3
Total Shareholders' Equity	713.9	736.3	754.3	754.5	741.2
TOTAL	4,780.4	4,656.8	4,832.7	5,290.0	4,656.3

ANNEX III

FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	3Q15	3Q14	9M15	9M14
Net Income (Loss)	**(19.1)**	**42.1**	**(13.2)**	**89.3**
Effect of IR / CS Net of Payment	(24.5)	6.9	(49.3)	4.0
Depreciation and Amortization	28.9	28.2	91.6	82.8
Interest Accrued on Loans	70.5	47.2	186.1	119.5
Equity, Net of Dividends Received	(21.1)	(26.5)	(4.9)	(44.7)
Provision for Losses on Inventories and Receivables	20.6	21.7	101.3	57.9
Provision for Tax, Civil and Labor Contingencies	(18.4)	13.4	(23.3)	35.1
Gain on Sale of Fixed Assets	0.2	0.1	0.5	1.1
Recognition of Deferred Income	(8.2)	(8.2)	(39.6)	(24.8)
Stock Option Expenses	1.1	1.1	3.3	3.3
Adjusted Net Income	**30.0**	**126.0**	**252.6**	**323.4**
Trade Accounts Receivable	(26.7)	(20.7)	138.5	(94.3)
Inventories	80.2	(129.1)	215.0	(30.4)
Taxes Recoverable	(14.8)	(10.6)	(69.6)	13.5
Other Receivables	7.3	3.8	(35.0)	(26.8)
Changes in Operating Assets	**46.0**	**(156.5)**	**249.0**	**(138.0)**
Trade Accounts Payable	11.8	198.5	(603.0)	(263.5)
Other Payables	5.7	(17.0)	(84.9)	(49.3)
Change in Operating Liabilities	**17.5**	**181.5**	**(687.8)**	**(312.8)**
Cash Flow from Operating Activities	**93.5**	**151.0**	**(186.3)**	**(127.4)**
Additions of Fixed and Intangible Assets	(31.5)	(43.4)	(101.6)	(101.1)
Sale of Exclusive Dealing and Exploration Right Contract	0.0	0.0	0.0	3.0
Investment in Subsidiary	0.0	0.0	(5.0)	0.0
Cash Flow from Investing Activities	**(31.5)**	**(43.4)**	**(106.6)**	**(98.1)**
Loans and Financing and Hedge	140.2	9.0	869.5	421.2
Repayment of Loans and Financing and Hedge	(8.1)	(68.2)	(612.0)	(233.7)
Payment of Interest on Loans and Financing	(47.0)	(39.9)	(144.0)	(102.7)
Treasury Shares	(4.2)	(11.7)	(14.9)	(31.5)
Payment of Dividends	0.0	0.0	(33.5)	(31.5)
Cash Flow from Financing Activities	**80.9**	**(110.8)**	**65.1**	**21.8**
Cash, Cash Equivalents and Securities at Beginning of Period	492.4	571.1	863.1	771.6
Cash, Cash Equivalents and Securities at end of Period	635.4	567.9	635.4	567.9
Change in Cash and Cash equivalents	**142.9**	**(3.2)**	**(227.8)**	**(203.7)**

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

ANNEX IV
RESULTS BY SEGMENT – 3Q15

3Q15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,420.0	13.2	(2.2)	2,431.0	214.3	49.8	(63.7)	2,631.4
Taxes and Deductions	(347.3)	(1.1)	-	(348.4)	-	-	-	(348.4)
Net Revenue	2,072.7	12.1	(2.2)	2,082.5	214.3	49.8	(63.7)	2,283.0
Total Costs	(1,466.1)	(4.8)	2.2	(1,468.7)	(36.3)	(7.0)	-	(1,512.0)
Gross Income	606.6	7.3	-	613.9	178.0	42.8	(63.7)	770.9
Selling Expenses	(408.9)	-	-	(408.9)	(82.0)	(34.5)	50.4	(475.1)
General and Administrative Expens	(107.0)	(6.0)	-	(113.0)	(0.9)	(6.0)	-	(119.8)
Provisions for Loan Losses	(7.3)	-	-	(7.3)	(85.5)	-	-	(92.8)
Equity in Subsidiaries	22.4	-	(1.3)	21.1	-	-	(21.1)	-
Other Operating Revenues, Net	4.5	0.0	-	4.6	(0.4)	0.1	(1.4)	2.9
Total Operating Expenses	(496.2)	(6.0)	(1.3)	(503.5)	(168.8)	(40.4)	27.9	(684.8)
EBITDA	110.3	1.3	(1.3)	110.4	9.2	2.4	(35.9)	86.1
Depreciation and Amortization	(28.8)	(0.1)	-	(28.9)	(1.6)	(0.0)	1.4	(29.1)
EBIT	81.5	1.3	(1.3)	81.5	7.6	2.4	(34.5)	57.1
Financial Results	(124.9)	0.6	-	(124.3)	-	4.2	13.4	(106.7)
Operating Income (Loss)	(43.4)	1.9	(1.3)	(42.8)	7.6	6.6	(21.1)	(49.6)
Income Tax and Social Contributior	24.3	(0.6)	-	23.7	9.6	(2.8)	-	30.5
Net Income (Loss)	(19.1)	1.3	(1.3)	(19.1)	17.3	3.9	(21.1)	(19.1)
Gross Margin	29.3%	60.6%	0.0%	29.5%	83.0%	85.9%	100.0%	33.8%
EBITDA Margin	5.3%	11.0%	58.0%	5.3%	4.3%	4.9%	56.3%	3.8%
Net Margin	-0.9%	10.5%	58.0%	-0.9%	8.0%	7.7%	33.1%	-0.8%

ANNEX V
RESULTS BY SEGMENT – 9M15

9M15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	7,499.1	37.6	(6.3)	7,530.4	647.6	152.2	(191.4)	8,138.8
Taxes and Deductions	(1,084.9)	(3.2)	-	(1,088.1)	-	-	-	(1,088.1)
Net Revenue	6,414.1	34.4	(6.3)	6,442.3	647.6	152.2	(191.4)	7,050.7
Total Costs	(4,578.2)	(13.1)	6.3	(4,585.1)	(100.6)	(19.2)	-	(4,704.9)
Gross Income	1,835.9	21.3	-	1,857.2	547.0	133.0	(191.4)	2,345.8
Selling Expenses	(1,234.7)	-	-	(1,234.7)	(236.2)	(108.4)	154.4	(1,424.9)
General and Administrative Expens	(317.5)	(17.3)	-	(334.8)	(2.4)	(18.0)	-	(355.1)
Provisions for Loan Losses	(20.3)	-	-	(20.3)	(231.9)	-	-	(252.2)
Equity in Subsidiaries	72.6	-	(3.7)	68.9	-	-	(68.9)	-
Other Operating Revenues, Net	27.9	0.0	-	27.9	3.1	0.2	(4.2)	27.0
Total Operating Expenses	(1,471.9)	(17.2)	(3.7)	(1,492.9)	(467.4)	(126.2)	81.3	(2,005.1)
EBITDA	364.0	4.1	(3.7)	364.4	79.7	6.7	(110.1)	340.6
Depreciation and Amortization	(91.4)	(0.2)	-	(91.6)	(4.7)	(0.0)	4.2	(92.2)
EBIT	272.6	3.9	(3.7)	272.7	75.0	6.7	(106.0)	248.5
Financial Results	(335.0)	1.7	-	(333.3)	-	12.2	37.0	(284.1)
Operating Income (Loss)	(62.4)	5.5	(3.7)	(60.6)	75.0	18.9	(68.9)	(35.6)
Income Tax and Social Contribution	49.2	(1.8)	-	47.3	(17.3)	(7.7)	-	22.4
Net Income (Loss)	(13.2)	3.7	(3.7)	(13.2)	57.7	11.3	(68.9)	(13.2)
Gross Margin	28.6%	61.9%	0.0%	28.8%	84.5%	87.4%	100.0%	33.3%
EBITDA Margin	5.7%	11.9%	58.6%	5.7%	12.3%	4.4%	57.5%	4.8%
Net Margin	-0.2%	10.7%	58.6%	-0.2%	8.9%	7.4%	36.0%	-0.2%

ANNEX VI
RESULTS BY SEGMENT – 3Q14

3Q14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,792.0	11.4	(1.9)	2,801.4	206.5	46.6	(64.3)	2,990.2
Taxes and Deductions	(410.0)	(1.0)	-	(411.0)	-	-	-	(411.0)
Net Revenue	2,381.9	10.4	(1.9)	2,390.4	206.5	46.6	(64.3)	2,579.2
Total Costs	(1,709.1)	(3.7)	1.9	(1,710.9)	(30.0)	(4.8)	(0.0)	(1,745.6)
Gross Income	672.8	6.7	-	679.5	176.6	41.8	(64.3)	833.6
Selling Expenses	(423.1)	-	-	(423.1)	(72.3)	(35.6)	54.0	(477.0)
General and Administrative Expenses	(100.4)	(5.4)	-	(105.8)	(0.5)	(5.7)	-	(112.1)
Provisions for Loan Losses	(4.8)	-	-	(4.8)	(64.7)	-	-	(69.5)
Equity in Subsidiaries	27.6	-	(1.1)	26.5	-	-	(26.5)	-
Other Operating Revenues, Net	3.7	(0.0)	-	3.7	3.1	0.1	(1.4)	5.4
Total Operating Expenses	(497.0)	(5.4)	(1.1)	(503.5)	(134.5)	(41.3)	26.0	(653.2)
EBITDA	175.8	1.3	(1.1)	176.0	42.1	0.5	(38.2)	180.4
Depreciation and Amortization	(28.1)	(0.1)	-	(28.2)	(1.6)	-	1.4	(28.4)
EBIT	147.7	1.2	(1.1)	147.9	40.4	0.5	(36.8)	152.0
Financial Results	(97.2)	0.4	-	(96.8)	-	3.3	10.3	(83.2)
Operating Income	50.5	1.6	(1.1)	51.1	40.4	3.8	(26.5)	68.8
Income Tax and Social Contribution	(8.5)	(0.5)	-	(9.0)	(16.2)	(1.5)	-	(26.7)
Net Income	42.1	1.1	(1.1)	42.1	24.3	2.3	(26.5)	42.1
Gross Margin	28.2%	64.6%	0.0%	28.4%	85.5%	89.7%	100.0%	32.3%
EBITDA Margin	7.4%	12.6%	57.6%	7.4%	20.4%	1.0%	59.5%	7.0%
Net Margin	1.8%	10.6%	57.6%	1.8%	11.8%	4.9%	41.3%	1.6%

ANNEX VII
RESULTS BY SEGMENT – 9M14

9M14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	8,231.1	31.4	(5.4)	8,257.1	605.6	117.4	(187.2)	8,792.9
Taxes and Deductions	(1,252.3)	(2.8)	-	(1,255.1)	-	-	-	(1,255.1)
Net Revenue	6,978.7	28.7	(5.4)	7,002.0	605.6	117.4	(187.2)	7,537.8
Total Costs	(5,064.0)	(10.1)	5.4	(5,068.8)	(84.0)	(12.2)	-	(5,165.0)
Gross Income	1,914.7	18.6	-	1,933.3	521.6	105.1	(187.2)	2,372.8
Selling Expenses	(1,258.8)	-	-	(1,258.8)	(211.7)	(87.1)	159.1	(1,398.6)
General and Administrative Expenses	(299.4)	(14.8)	-	(314.2)	(1.6)	(16.5)	-	(332.3)
Provisions for Loan Losses	(16.6)	-	-	(16.6)	(210.2)	-	-	(226.8)
Equity in Subsidiaries	71.5	-	(3.1)	68.4	-	-	(68.4)	-
Other Operating Revenues, Net	17.8	0.0	-	17.8	10.3	0.1	(4.2)	24.1
Total Operating Expenses	(1,485.5)	(14.8)	(3.1)	(1,503.4)	(413.2)	(103.5)	86.5	(1,933.6)
EBITDA	429.1	3.8	(3.1)	429.8	108.4	1.7	(100.7)	439.2
Depreciation and Amortization	(82.6)	(0.2)	-	(82.8)	(4.9)	(0.0)	4.2	(83.6)
EBIT	346.5	3.5	(3.1)	347.0	103.6	1.7	(96.5)	355.6
Financial Results	(251.8)	1.1	-	(250.7)	-	8.8	28.1	(213.8)
Operating Income	94.8	4.6	(3.1)	96.3	103.6	10.5	(68.4)	141.9
Income Tax and Social Contribution	(5.5)	(1.5)	-	(7.0)	(41.4)	(4.2)	-	(52.6)
Net Income	89.3	3.1	(3.1)	89.3	62.2	6.3	(68.4)	89.3
Gross Margin	27.4%	64.8%	0.0%	27.6%	86.1%	89.6%	100.0%	31.5%
EBITDA Margin	6.1%	13.1%	57.2%	6.1%	17.9%	1.4%	53.8%	5.8%
Net Margin	1.3%	10.8%	57.2%	1.3%	10.3%	5.4%	36.6%	1.2%

ANNEX VIII
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	3Q15	V.A.	3Q14	V.A.	Growth Total
Virtual Stores	109.0	4.5%	120.9	4.3%	-9.9%
Website	531.2	22.0%	486.6	17.5%	9.2%
Subtotal - Virtual Stores	**640.2**	26.5%	**607.5**	21.8%	5.4%
Conventional Stores	1,773.0	73.5%	2,176.7	78.2%	-18.5%
Total	**2,413.2**	100.0%	**2,784.2**	100.0%	-13.3%

Gross Revenue by Channel (R$ million)	9M15	V.A.	9M14	V.A.	Growth Total
Virtual Stores	344.2	4.6%	365.3	4.4%	-5.8%
Website	1,432.5	19.2%	1,349.7	16.4%	6.1%
Subtotal - Virtual Stores	**1,776.6**	23.8%	**1,714.9**	20.9%	3.6%
Conventional Stores	5,701.6	76.2%	6,494.1	79.1%	-12.2%
Total	**7,478.2**	100.0%	**8,209.0**	100.0%	-8.9%

Number of stores per channel – End of the period	sep-15	Part(%)	sep-14	Part(%)	Growth Total
Virtual Stores	114	14.6%	107	14.5%	7
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**115**	14.7%	**108**	14.7%	7
Conventional Stores	665	85.3%	628	85.3%	37
Total	**780**	100.0%	**736**	100.0%	44
Total Sales Area (m²)	494,644	100%	471,657	100%	4.9%

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$6.7 million in 3Q15 and R$7.8 million in 3Q14. The differences in gross revenue from the retail segment in the breakdown by channel and income statements refer to these classifications.

ANNEX IX
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 Sep-15, Luizacred had a total base of 3.6 million cards issued, growing 5.0% over Sep-14. In 3Q15, 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$4.4 billion in 3Q15, 0.1% higher YoY, highlighting card portfolio, which increased 12.3%, while DCC portfolio decreased 35.5%.

LUIZACRED – Key Indicators (R$ million)	3Q15	3Q14	% Chg	9M15	9M14	% Chg
Total Card Base (thousand)	3,558	3,388	5.0%	3,558	3,388	5.0%
Luiza Card Sales – In chain	468	464	1.0%	1,381	1,342	2.9%
Luiza Card Sales – Outside Brand	2,014	1,846	9.1%	5,887	5,163	14.0%
CDC Sales	155	304	-49.1%	593	974	-39.1%
Personal Loans Sales	21	25	-17.2%	73	86	-14.7%
Luizacred Sales - Total	**2,658**	**2,639**	**0.7%**	**7,934**	**7,565**	**4.9%**
Card Portfolio	3,613	3,217	12.3%	3,613	3,217	12.3%
CDC Portfolio	702	1,089	-35.5%	702	1,089	-35.5%
Personal Loans Portfolio	45	51	-11.1%	45	51	-11.1%
Portfolio - Total	**4,360**	**4,356**	**0.1%**	**4,360**	**4,356**	**0.1%**

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 3Q15.

Income Statement

LUIZACRED – Income (R$ million)	3Q15	V.A.	3Q14	V.A.	% Chg	9M15	V.A.	9M14	V.A.	% Chg
Financial Intermediation Revenue	337.8	100.0%	331.5	100.0%	1.9%	1,023.3	100.0%	975.2	100.0%	4.9%
Cards	238.9	70.7%	195.0	58.8%	22.5%	689.2	67.3%	560.6	57.5%	22.9%
DCC	86.4	25.6%	122.1	36.8%	-29.2%	296.4	29.0%	369.7	37.9%	-19.8%
Personal Loans	12.5	3.7%	14.3	4.3%	-12.6%	37.7	3.7%	44.9	4.6%	-15.9%
Financial Intermediation Expenses	(243.7)	-72.1%	(189.3)	-57.1%	28.7%	(665.1)	-65.0%	(588.3)	-60.3%	13.1%
Market Funding Operations	(72.7)	-21.5%	(59.9)	-18.1%	21.3%	(201.3)	-19.7%	(168.0)	-17.2%	19.8%
Provision for Loan Losses	(171.0)	-50.6%	(129.4)	-39.0%	32.1%	(463.8)	-45.3%	(420.3)	-43.1%	10.3%
Gross Financial Intermediation Income	94.1	27.9%	142.1	42.9%	-33.8%	358.2	35.0%	386.9	39.7%	-7.4%
Other Operating Revenues (Expenses)	(78.9)	-23.4%	(61.3)	-18.5%	28.7%	(208.3)	-20.4%	(179.8)	-18.4%	15.8%
Service Revenue	90.9	26.9%	81.6	24.6%	11.4%	272.0	26.6%	235.9	24.2%	15.3%
Personnel Expenses	(1.7)	-0.5%	(1.1)	-0.3%	55.7%	(4.7)	-0.5%	(3.2)	-0.3%	48.5%
Other Administrative Expenses	(144.0)	-42.6%	(124.1)	-37.4%	16.1%	(409.4)	-40.0%	(362.7)	-37.2%	12.9%
Depreciation and Amortization	(3.1)	-0.9%	(3.3)	-1.0%	-4.2%	(9.4)	-0.9%	(9.8)	-1.0%	-3.8%
Tax Expenses	(20.1)	-5.9%	(20.6)	-6.2%	-2.4%	(62.9)	-6.1%	(60.8)	-6.2%	3.5%
Other Operating Revenues (Expenses)	(0.8)	-0.2%	6.2	1.9%	-113.2%	6.1	0.6%	20.6	2.1%	-70.2%
Income Before Tax	15.3	4.5%	80.9	24.4%	-81.1%	149.9	14.7%	207.1	21.2%	-27.6%
Income Tax and Social Contribution	19.3	5.7%	(32.3)	-9.8%	-159.5%	(34.6)	-3.4%	(82.8)	-8.5%	-58.2%
Net Income	34.5	10.2%	48.5	14.6%	-28.9%	115.3	11.3%	124.3	12.7%	-7.2%

Revenue from Financial Intermediation

In 3Q15, gross revenue from financial intermediation grew by 1.9% over 3Q14, mainly due to the increase of 22.5% in financial transactions with Luiza Card, partially offset by 29.2% reduction in transactions with direct consumer credit (DCC).

Provision for Loan Losses

The short-term indicator remains under control. The portfolio of loans overdue up to 15 days (NPL 15) increased by 60bps compared to Sep-14, however it was 30bps lower when compared to Jun-15.

Due to a more challenging macroeconomic environment, the portfolio of loans overdue for more than 90 days (NPL 90) increased by 100bps and by 120bps compared to Sep-14 and Jun-15, respectively.

Provisions for loan losses accounted for 3.9% of the total portfolio in 3Q15, representing an increase YoY (3.0% in 3Q14). Compared to 2Q15, the provisions for loan losses grew to R$171.0 million in 3Q15 from R$157.3 million in 3Q14, totaling an increase of R$13.7 million. However, the portfolio coverage remained nearly stable in 118% in Set-15.

PORTIFOLIO - OVERDURE	Sep-15		Jun-15		Mar-15		Dec-14		Sep-14	
Total Portfolio (R$ million)	4,359.9	100.0%	4,462.3	100.0%	4,495.1	100.0%	4,642.7	100.0%	4,356.2	100.0%
000 to 014 days	3,647.5	83.7%	3,775.4	84.6%	3,845.3	85.5%	4,007.3	86.3%	3,716.8	85.3%
015 to 030 days	50.7	1.2%	55.1	1.2%	56.6	1.3%	44.2	1.0%	43.2	1.0%
031 to 060 days	54.0	1.2%	59.9	1.3%	55.3	1.2%	46.4	1.0%	45.9	1.1%
061 to 090 days	73.7	1.7%	82.7	1.9%	76.1	1.7%	61.4	1.3%	63.6	1.5%
091 to 120 days	76.0	1.7%	73.2	1.6%	60.3	1.3%	57.6	1.2%	63.7	1.5%
121 to 150 days	71.2	1.6%	70.9	1.6%	56.7	1.3%	53.0	1.1%	58.2	1.3%
151 to 180 days	69.2	1.6%	65.4	1.5%	52.0	1.2%	52.1	1.1%	63.4	1.5%
180 to 360 days	317.4	7.3%	279.6	6.3%	292.8	6.5%	320.7	6.9%	301.4	6.9%
Overdue 15-90 days	178.4	4.1%	197.7	4.4%	188.0	4.2%	152.0	3.3%	152.7	3.5%
Overdue Above 90 days	533.9	12.2%	489.2	11.0%	461.8	10.3%	483.4	10.4%	486.8	11.2%
Total Overdue	712.4	16.3%	686.9	15.4%	649.8	14.5%	635.4	13.7%	639.5	14.7%
Provisions for loan losses in IFRS	627.4	14.4%	580.8	13.0%	565.1	12.6%	583.4	12.6%	577.2	13.3%
Coverage (%)	118%		119%		122%		121%		119%	

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

The gross margin from financial intermediation totaled 27.9% in 3Q15, representing a reduction over 3Q14 (42.9%), mainly due to higher average interest rates and higher provisions in the period.

Other Operating Revenues (Expenses)

- **Service Revenues** increased by 11.4% over 3Q14, mainly driven by commissions for the use of Luiza cards outside the Magazine Luiza stores, and revenues from insurance and services offered to clients;
- **Selling and Administrative Expenses** (personnel, administrative, depreciation, amortization and taxes): equivalent to 50.1% of financial intermediation revenue, compared with 43.0% in 3Q14. The increase was due to the greater cardholders and higher credit portfolio.
- **Other Operating Revenues (Expenses):** net expenses of R$0.8 million, equivalent to 0.2% of financial intermediation revenue.

Net Operating Results and Net Income

Luizacred recorded operating income of R$15.3 million in 3Q15, equivalent to 4.5% of financial intermediation revenues, representing a decrease of 81.1% over 3Q14. In 9M15, operating result reached R$149.9 million, 27.6% lower YoY.

Net income totaled R$34.5 million in 3Q15, including tax credits IR/CS in the amount of R$19.3 million, due to the increase of the social contribution tax rate to 20% of 15% during the quarter. In 3Q15, the ROE (Return on Equity) totaled 24.9%. In 9M15, net income totaled R$115.3 million.

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$32.6 million in 3Q15, with a shareholders’ equity of R$617.1 million in Sep-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$571.5 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

November 10, 2015 (Tuesday)

10:00 a.m. – Brasília time
7:00 a.m. – US EST time

Callers from US or other countries:
Dial-in US EST: +1 (646) 843 6054
Access Code: Magazine Luiza
Webcast Link:

Webcast Inglês

Callers from Brazil:
Dial-in: +55 (11) 2188-0155
Access Code: Magazine Luiza
Webcast Link:

Webcast Português

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.