July 30, 2015

Magazine Luiza S.A.
2nd Quarter 2015 Earnings Release in IFRS

2Q15 HIGHLIGHTS

Consistent market share gains
Sales growth excluding World Cup effect (+0.6%)
EBITDA margin of 6.0% (30bps higher YoY)

- **Consistent market share gains.** Based on IBGE retail sales performance (PMC) for the first five months of the year, the Company increased its market share. In 2Q15, net revenues were R$2,107.3 millions, a decrease of 10.1% YoY, due to: i) strong comparison basis (SSS of +24.5% in 2Q14); ii) the effect of the World Cup in the sales of image and iii) more challenging macroeconomic environment. In 2Q15, same store sales (SSS) shrank by 12.8% reflecting a drop of 15.1% in brick and mortar store sales and 0.4% in e-commerce sales. Excluding image category sales whose sales dropped by 52.8% in 2Q15, sales of other categories increased by 0.6% compared to 2Q14.

- **EBITDA margin reached 6.0%, 30bps higher than 2Q14.** Despite lower SSS, the Company reported higher EBITDA margin reaching R$126.6 million. The result reflects: i) gross margin gain of 280 bps (due to better sales mix, the start of charging for freight and assembly, increase in the participation of financial services in our sales and better negotiations with suppliers); ii) better control of SG&A expenses and iii) results from our JVs (Luizacred and Luizaseg).

- **Luizacred and Luizaseg presented excellent performances once again.** In 2Q15, equity income grew 2.7% YoY to R$20.8 million. Luizacred enjoyed an increase in its cardholder's base, experienced higher revenues, maintained delinquency under control and reached R$33.5 million net income, for annualized return on equity (ROE) of 25.4%. Luizaseg posted 38.4% rise in revenues and net income of R$8.2 million (+84.4% increase YoY), for ROE of 40.9%.

- **Net income was R$3.0 million in 2Q15:** Despite higher gross margin and EBITDA margin, net income was impacted by a lower dilution of fixed expenses and higher financial expenses, as a result of higher interest rates in the period.

MGLU3: R$ 2.73 per share	**Conference call: July 31, 2015 (Friday)**	Investor Relations: Tel. +55 11 3504-2727
Total Shares: 177,991,467	10:00AM in US Time (EST): +1 646-843-6054	www.magazineluiza.com.br/ri
Market Cap: R$ 0.5 billion	11:00AM in Brazil Time: +55 11 2188-0155	ri@magazineluiza.com.br

R$ million (except when otherwise indicated)	2Q15	2Q14	% Chg	1H15	1H14	% Chg
Gross Revenue	2,444.8	2,756.6	-11.3%	5,099.4	5,455.7	-6.5%
Net Revenue	2,107.3	2,342.8	-10.1%	4,359.7	4,611.6	-5.5%
Gross Profit	629.5	633.7	-0.7%	1,243.4	1,253.7	-0.8%
Gross Margin	29.9%	27.1%	280 bps	28.5%	27.2%	130 bps
EBITDA	126.6	133.0	-4.8%	254.0	253.8	0.1%
EBITDA Margin	6.0%	5.7%	30 bps	5.8%	5.5%	30 bps
Net Income	3.0	26.6	-88.6%	5.9	47.2	-87.5%
Net Margin	0.1%	1.1%	-100 bps	0.1%	1.0%	-90 bps
Same Store Sales Growth	-12.8%	24.5%	-	-7.9%	24.9%	-
Same Physical Store Sales Growth	-15.1%	21.3%	-	-10.3%	21.8%	-
Internet Sales Growth	-0.4%	44.1%	-	4.4%	44.0%	-
Number of Stores - End of Period	762	736	26 stores	762	736	26 stores
Sales Area - End of Period (M2)	485,697	471,926	2.9%	485,697	471,926	2.9%

MESSAGE FROM THE EXECUTIVE TEAM

#abraceonovo (#embracethenew) Movement. The internet phenomenon and the greater use of mobile devices such as smartphones and tablets, is changing peoples lives for better and Magazine Luiza wants to help our clients to embark on this digital inclusion. As a result, we've launched internally a new cycle of our strategic planning, which we named **#abraceonovo (#embracethenew) movement**. This movement aims to promote a significant **digital transformation** in the Company. Our goal is to transform Magazine Luiza, from a traditional retail Company with a strong e-commerce operation into a truly digital Company, with physical locations and human heat.

As a first step of this digital transformation, we've set up Luizalabs, our own developer of ideas and technological solutions. Luizalabs in charge of development and support this digital transformation project, they are responsible for our e-commerce as well as brick and mortar stores. In addition, we also invested to upgrade our multichannel operation, promoting important changes in our logistics and marketing actions, taking into account the different sales channel as well as the profile of over 40 million customers.

We are now starting a new phase of this digital transformation, with the digitalization of our stores: i) implementing Wi-Fi network in our stores and ii) introducing mobile devices (smartphones) to our salesforce (mobile sales), providing a new shopping experience to our clients, faster and friendlier. Theses mobile devices are also helping our assemblers (mobile assembler) in the assembly process at our clients' homes.

Currently our e-commerce already represents 18% of sales and the majority of the clients already are multichannel. The multichannel clients are more loyal, buy more often (3x a year, on average), more categories (4x) and more products (8x) when compared to regular clients. In addition, the multichannel clients have a greater propensity to go for the Luiza Card and usually have lower delinquency rates.

In 2015, our marketing strategy includes a soccer sponsorship on Globo TV, together with the "Condo for you" promotion. In July, we announced the first winner of the promotion. In the same month, we kicked off the second phase of our campaign when we will raffle, not only another Condo (equivalent to R$1 million cash award), but also a new car every month from July until the end of the year. This promotion is valid for purchases made in all of our channels.

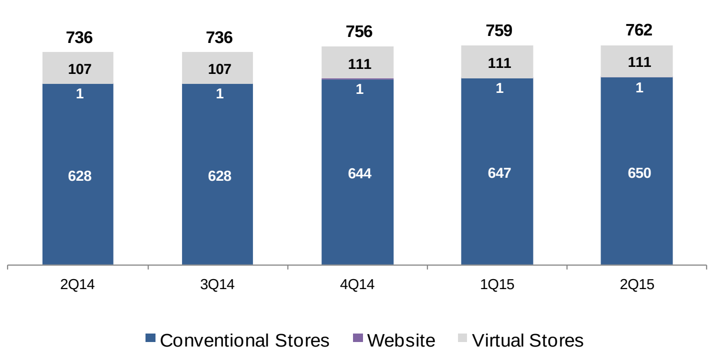
The retail sector is facing a period of significant adjustments within the Brazilian economy. However, we remain confident in our ability to grow, to gain market share and improve our operational efficiency. We are investing and focusing on strategic projects that aim to improve our multichannel business model and our profitability.

The Executive Management Team

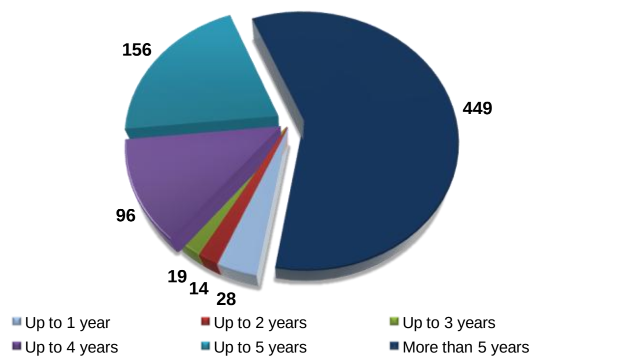
OPERATING AND FINANCIAL PERFORMANCE

Magazine Luiza ended Jun-15 with 762 stores, 650 of which were conventional stores, 111 virtual stores and one website. In 2Q15, the Company opened three new conventional stores (one in Southeast and two in Northeast). From these stores, 41% are not yet mature.

Number of Stores

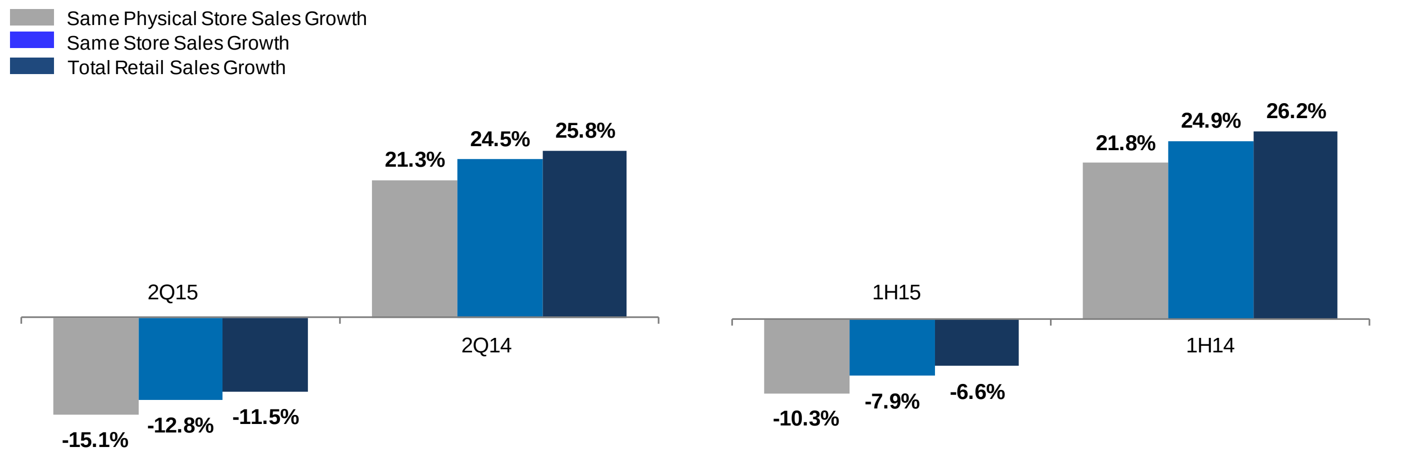


Average Age of Stores (number of stores)



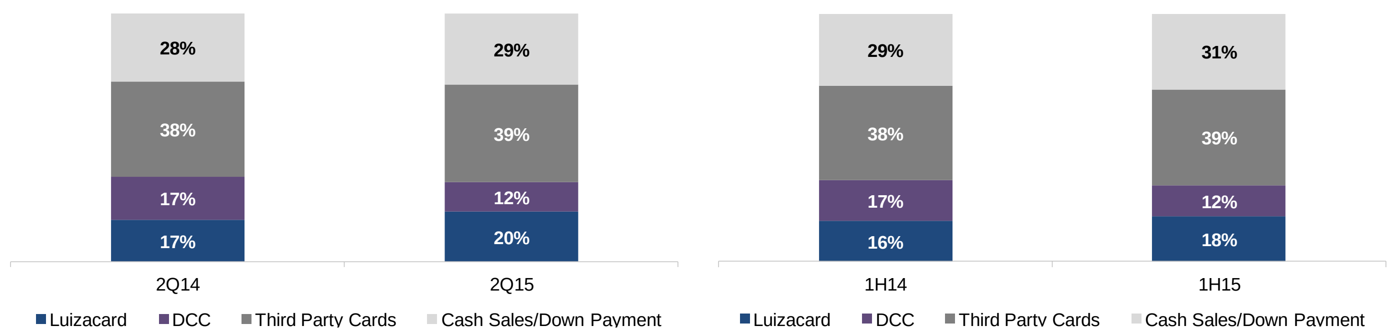
Same-store sales, including e-commerce, fell by 12.8% in 2Q15 YoY, while retail sales decreased by 11.5% for the quarter. Excluding TV sales effect, which was affected by the strong comparison basis of the World Cup, total sales of other categories increased 0.6% in the quarter.

Same Store Sales Growth (%)



Sales on Luiza Card increased to 20% in 2Q15 from 17% in 2Q14, as percentage of total retail sales, contributing to strengthen the loyalty strategy of the Company. Due to more conservative credit approval policy, DCC (direct credit to consumers) participation decreased to 12% of sales in 2Q15 compared to 17% in 2Q14. The Company maintains its policy to limit interest-free installment sales on the Luiza cards to 15% of total sales.

Financed Sales Mix (% of total sales)



Gross Revenues

(in R$ million)	2Q15	2Q14	%Chg	1H15	1H14	%Chg
Gross Revenue - Retail - Resale of Goods	2,312.7	2,619.7	-11.7%	4,835.2	5,195.2	-6.9%
Gross Revenue - Retail - Services	121.6	128.4	-5.3%	243.8	243.9	0.0%
Subtotal Retail	**2,434.3**	**2,748.2**	**-11.4%**	**5,079.1**	**5,439.1**	**-6.6%**
Gross Revenue - Consortium Management	12.6	10.2	23.6%	24.5	20.1	21.9%
Inter-Company Eliminations	(2.1)	(1.8)	21.5%	(4.1)	(3.5)	17.6%
Gross Revenue - Total	**2,444.8**	**2,756.6**	**-11.3%**	**5,099.4**	**5,455.7**	**-6.5%**

Magazine Luiza's gross revenues slip 11.3% in 2Q15, to R$2,444.8 million, due to revenue performance on the sale of goods of -11.7%. We highlight the evolution in services revenues to 5.0% participation over retail gross revenues in 2Q15, higher YoY (4.7% in 2Q14). In 1H15, total gross revenues presented a 6.5% reduction to R$5,099.4 millions.

Net Revenues

(in R$ million)	2Q15	2Q14	%Chg	1H15	1H14	%Chg
Net Revenue - Retail - Resale of Goods	1,991.9	2,223.0	-10.4%	4,128.7	4,383.4	-5.8%
Net Revenue - Retail - Services	106.0	112.2	-5.5%	212.8	213.4	-0.3%
Subtotal Retail	**2,097.9**	**2,335.2**	**-10.2%**	**4,341.5**	**4,596.8**	**-5.6%**
Net Revenue - Consortium Management	11.5	9.3	23.9%	22.4	18.3	22.1%
Inter-Company Eliminations	(2.1)	(1.8)	21.5%	(4.1)	(3.5)	17.6%
Net Revenue - Total	**2,107.3**	**2,342.8**	**-10.1%**	**4,359.7**	**4,611.6**	**-5.5%**

Net revenues slip by 10.1% YoY in 2Q15, to R$2,107.3 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 and tablets). In 1H15 total net revenues shrank by 5.5% to R$4,359.7 million.

Gross Profit

(in R$ million)	2Q15	2Q14	% Chg	1H15	1H14	% Chg
Gross Income - Retail - Resale of Goods	516.3	515.4	0.2%	1,016.6	1,028.4	-1.2%
Gross Income - Retail - Services	106.0	112.2	-5.5%	212.8	213.4	-0.3%
Subtotal Retail	**622.3**	**627.6**	**-0.8%**	**1,229.3**	**1,241.8**	**-1.0%**
Gross Income - Consortium Management	7.2	6.1	17.7%	14.0	11.9	18.0%
Gross Income - Total	**629.5**	**633.7**	**-0.7%**	**1,243.4**	**1,253.7**	**-0.8%**
Gross Margin - Total	**29.9%**	**27.1%**	**280 bps**	**28.5%**	**27.2%**	**130 bps**

In 2Q15, gross profit totaled R$629.5 million, 0.7% lower YoY, equivalent to a gross margin expansion of 280bps to 29.9%. Gross margin improvement was due to: (i) sales mix (lower weight of TV sales and higher share of furniture and smartphones), (ii) freight and assembly charges in Southeast stores starting in April 2015, (iii) increase in services revenue participation and (iv) better supplier negotiations, including strategic purchases at the end of 1Q15.

Operating Expenses

(in R$ million)	2Q15	% NR	2Q14	% NR	% Chg	1H15	% NR	1H14	% NR	% Chg
Selling Expenses	(404.4)	-19.2%	(415.8)	-17.7%	-2.7%	(825.7)	-18.9%	(835.7)	-18.1%	-1.2%
General and Administrative Expenses	(112.8)	-5.4%	(106.2)	-4.5%	6.2%	(221.8)	-5.1%	(208.5)	-4.5%	6.4%
General and Administrative Expenses	**(517.2)**	**-24.5%**	**(522.0)**	**-22.3%**	**-0.9%**	**(1,047.5)**	**-24.0%**	**(1,044.2)**	**-22.6%**	**0.3%**
Provisions for Loan Losses	(6.8)	-0.3%	(7.1)	-0.3%	-3.6%	(13.0)	-0.3%	(11.8)	-0.3%	10.1%
Other Operating Revenues, Net	0.2	0.0%	8.1	0.3%	-97.4%	23.3	0.5%	14.1	0.3%	65.0%
Total Operating Expenses	**(523.8)**	**-24.9%**	**(521.0)**	**-22.2%**	**0.5%**	**(1,037.2)**	**-23.8%**	**(1,041.9)**	**-22.6%**	**-0.4%**

Selling Expenses

Selling expenses totaled R$404.4 million in 2Q15, equivalent to 19.2% of net revenues (150bps higher than 2Q14).
The Company was able to reduce the total amount of selling expenses in 2.7% maintaining its commercial strategy. In 1H15 selling expenses reached 18.9% of net revenues, 80 bps higher than 1H14.

General and Administrative Expenses

General and administrative expenses totaled R$112.8 million in 2Q15, equivalent to 5.4% of net revenue (90bps higher YoY) mainly due to the collective labor wage agreement carried out at the end of 2014. In 1H15 general and administrative expenses participation reached 5.1%, equivalent an increase of 60bps over 2Q14.

Provisions for Loan Losses

Provisions for loan losses reached R$6.8 million in 2Q15 and R$13.0 million in 1H15, both corresponding to 0.3% of net revenue.

Other Operating Revenue, Net

(in R$ million)	2Q15	% NR	2Q14	% NR	% Chg	1H15	% NR	1H14	% NR	% Chg
Gain on Sale of Assets	(0.2)	0.0%	(0.8)	0.0%	-78.8%	(0.4)	0.0%	(0.9)	0.0%	-61.4%
Deferred Revenue Recorded	8.2	0.4%	8.7	0.4%	-5.7%	31.4	0.7%	16.6	0.4%	88.7%
Provision for Tax Liabilities	(2.0)	-0.1%	2.5	0.1%	-180.6%	1.9	0.0%	0.9	0.0%	118.8%
Non-recurring Expenses	(5.9)	-0.3%	(2.6)	-0.1%	127.3%	(10.9)	-0.3%	(2.6)	-0.1%	323.7%
Other	0.1	0.0%	0.3	0.0%	-61.4%	1.4	0.0%	0.2	0.0%	637.4%
Other Operating Revenue, Net – Total	**0.2**	**0.0%**	**8.1**	**0.3%**	**-97.4%**	**23.3**	**0.5%**	**14.1**	**0.3%**	**65.0%**

Other net operating revenues totaled R$0.2 million in 2Q15, due to deferred revenues appropriation of R$8.2 million and to non-recurring expenses of R$5.9 million, mainly related to new stores opening. In 1H15, other operating revenue totaled R$23.3 million, equivalent of 0.5% of net revenue.

Equity Income

Equity income results presented a consistent evolution with an income of R$20.8 million in 2Q15, equivalent to 1.0% of net revenues. The main reasons that positively impacted equity income were (i) Luizacred's performance, with increase in revenues, delinquency rates under control and a ROE of 25.4%; and (ii) Luizaseg's performance, which posted greater profitability and ROE of 40.9% in the quarter. In 1H15, the equity income reached R$47.8 million 14.1% higher YoY, equivalent to 1.1% of net revenues.

EBITDA

In 2Q15, earnings before interest, taxes, depreciation and amortization (EBITDA) totaled R$126.6 million with margin expansion of 30 bps to 6.0% in 2Q15 from 5.7% in 2Q14. The main reasons that explain the EBITDA performance were: (i) gross margin improvement and (ii) Luizacred and Luizaseg's equity income. In 1H15, EBITDA reached R$254.0 million, for 5.8% margin.

Financial Results

R$ million	2Q15	% NR	2Q14	% NR	% Chg	1H15	% NR	1H14	% NR	% Chg
Financial Expenses	(153.6)	-7.3%	(105.7)	-4.5%	45.3%	(278.3)	-6.4%	(201.1)	-4.4%	38.4%
Interest on loans and financing	(62.4)	-3.0%	(42.5)	-1.8%	46.8%	(123.2)	-2.8%	(81.4)	-1.8%	51.3%
Interest on prepayment of receivables – third party card	(37.2)	-1.8%	(30.9)	-1.3%	20.1%	(72.0)	-1.7%	(60.5)	-1.3%	19.0%
Interest on prepayment of receivables – Luiza Card	(26.2)	-1.2%	(19.6)	-0.8%	34.0%	(47.3)	-1.1%	(35.6)	-0.8%	32.9%
Other expenses	(27.8)	-1.3%	(12.7)	-0.5%	118.7%	(35.8)	-0.8%	(23.5)	-0.5%	52.1%
Financial Revenues	48.9	2.3%	26.2	1.1%	86.7%	69.3	1.6%	47.2	1.0%	46.9%
Gains on marketable securities	2.0	0.1%	1.8	0.1%	12.4%	5.5	0.1%	3.1	0.1%	79.9%
Other financial revenues	46.8	2.2%	24.4	1.0%	92.2%	63.8	1.5%	44.1	1.0%	44.6%
Total Financial Results	(104.7)	-5.0%	(79.5)	-3.4%	31.6%	(209.0)	-4.8%	(153.9)	-3.3%	35.8%
Income from securities[1]	6.3	0.3%	6.0	0.3%	6.2%	14.1	0.3%	14.3	0.3%	-1.5%
Adjusted Financial Results	(98.4)	-4.7%	(73.6)	-3.1%	33.7%	(195.0)	-4.5%	(139.6)	-3.0%	39.6%

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 reached R$98.4 million in 2Q15. 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$63.4 million in the period. In 1H15, adjusted net financial expenses totaled R$195.0 million, 4.5% of net revenues.

Net Income

Net income in 2Q15 totaled R$3.0 million, equivalent to a net margin of 0.1%. In 1H15, net income totaled R$5.9 million, with a net margin of 0.1%.

Working Capital

CONSOLIDATED (R$ million)	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14
Accounts Receivables	419.4	480.4	618.3	583.8	577.4
Inventories	1,293.4	1,388.6	1,472.7	1,268.4	1,144.2
Related Parties	52.4	60.9	93.2	74.5	87.8
Recoverable Taxes	337.6	291.6	295.6	211.3	193.4
Other Assets	103.5	76.0	52.9	50.5	57.1
Current Operating Assets	2,206.3	2,297.4	2,532.8	2,188.5	2,060.0
Suppliers	1,175.1	1,239.2	1,789.9	1,388.1	1,189.5
Payroll, Vacation and Related Charges	145.8	161.2	167.4	173.0	153.2
Taxes Payable	31.0	22.0	44.6	36.0	46.5
Related Parties	57.2	62.4	80.3	64.5	66.8
Taxes in Installments	-	6.5	6.5	6.5	7.1
Other Accounts Payable	78.2	115.0	95.2	101.6	101.7
Current Operating Liabilities	1,487.3	1,606.3	2,184.0	1,769.6	1,564.8
Working Capital	719.0	691.1	348.8	419.0	495.2
% of Gross Revenue (LTM)	6.4%	6.0%	3.0%	3.7%	4.6%
Balance of Discounted Receivables	1,273.4	1,392.0	1,515.6	1,352.4	1,270.3
Working Capital Adjusted	1,992.4	2,083.1	1,864.5	1,771.3	1,765.5
% of Gross Revenue (LTM)	17.9%	18.2%	16.2%	15.8%	16.3%

In Jun-15, net working capital totaled R$719.0 million, representing 6.4% of LTM gross revenues. The change in working capital in 2Q15 was mainly due to lower sales performance. In 1H15, inventories drop R$179.4 millions while suppliers balance fell by R$614.8 million, translating into R$435.4 million additional working capital needs. It should be noted that even with a higher average purchasing term, suppliers balance decreased due to lower volume purchased.

Capex

CAPEX (in R$ million)	2Q15	%	2Q14	%	1H15	%	1H14	%
New Stores	8.5	23%	3.6	9%	20.8	30%	5.1	9%
Remodeling	10.6	28%	16.0	39%	18.9	27%	24.4	42%
Technology	15.5	41%	17.3	42%	24.4	35%	21.1	37%
Logistics	2.8	8%	3.5	8%	5.8	8%	5.7	10%
Other	0.1	0%	0.7	2%	0.1	0%	1.4	2%
Total	**37.5**	**100%**	**41.1**	**100%**	**70.1**	**100%**	**57.7**	**100%**

Investments in fixed and intangible assets totaled R$37.5 million in 2Q15 including the opening of three new stores, 27 store remodelings, investments in technology and logistics. The new stores investment already includes stores to be opened in the next semester. In 1H15, the Company invested R$70.1 million, 21.5% higher YoY mainly due to anticipation of store openings and remodelings.

Net Debt

CONSOLIDATED (R$ million)	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14
(+) Current Loans and Financing	370.8	392.5	591.4	447.7	422.4
(+) Non-current Loans and Financing	1,484.8	1,486.5	1,120.2	1,076.9	1,154.0
(=) Gross Debt	1,855.6	1,879.0	1,711.6	1,524.5	1,576.5
(-) Cash and Cash Equivalents	227.1	282.7	412.2	132.8	287.4
(-) Current Securities	238.8	337.4	451.0	435.2	283.8
(-) Non-current Securities	26.5	32.3	-	-	-
(-) Total Cash	492.4	652.5	863.1	567.9	571.1
(=) Net Debt	1,363.2	1,226.5	848.5	956.6	1,005.3
Short Term Debt/Total	20%	21%	35%	29%	27%
Long Term Debt/Total	80%	79%	65%	71%	73%
Adjusted EBITDA (LTM)	605.5	611.9	605.3	561.6	507.9
Net Debt/ Adjusted EBITDA	2.3 x	2.0 x	1.4 x	1.7 x	2.0 x

In Jun-15, the Company had loans and financing in the amount of R$1,855.6 million, cash and financial investments in the amount of R$492.4 million, resulting in net debt of R$1,363.2 million, equivalent to 2.3x adjusted LTM EBITDA. The net debt change in Jun-15 versus Mar-15 was directly affected by the higher working capital needs, investments and dividends paid in the period.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	2Q15	V.A.	2Q14	V.A.	% Chg	1H15	V.A.	1H14	V.A.	% Chg
Gross Revenue	2,444.8	116.0%	2,756.6	117.7%	-11.3%	5,099.4	117.0%	5,455.7	118.3%	-6.5%
Taxes and Deductions	(337.5)	-16.0%	(413.8)	-17.7%	-18.4%	(739.7)	-17.0%	(844.0)	-18.3%	-12.4%
Net Revenue	2,107.3	100.0%	2,342.8	100.0%	-10.1%	4,359.7	100.0%	4,611.6	100.0%	-5.5%
Total Costs	(1,477.8)	-70.1%	(1,709.0)	-72.9%	-13.5%	(3,116.4)	-71.5%	(3,357.9)	-72.8%	-7.2%
Gross Income	629.5	29.9%	633.7	27.1%	-0.7%	1,243.4	28.5%	1,253.7	27.2%	-0.8%
Selling Expenses	(404.4)	-19.2%	(415.8)	-17.7%	-2.7%	(825.7)	-18.9%	(835.7)	-18.1%	-1.2%
General and Administrative Expenses	(112.8)	-5.4%	(106.2)	-4.5%	6.2%	(221.8)	-5.1%	(208.5)	-4.5%	6.4%
Provisions for Loan Losses	(6.8)	-0.3%	(7.1)	-0.3%	-3.6%	(13.0)	-0.3%	(11.8)	-0.3%	10.1%
Other Operating Revenues, Net	0.2	0.0%	8.1	0.3%	-97.4%	23.3	0.5%	14.1	0.3%	65.0%
Equity in Subsidiaries	20.8	1.0%	20.3	0.9%	2.7%	47.8	1.1%	41.9	0.9%	14.1%
Total Operating Expenses	(503.0)	-23.9%	(500.7)	-21.4%	0.4%	(989.4)	-22.7%	(999.9)	-21.7%	-1.1%
EBITDA	126.6	6.0%	133.0	5.7%	-4.8%	254.0	5.8%	253.8	5.5%	0.1%
Depreciation and Amortization	(31.0)	-1.5%	(27.7)	-1.2%	12.1%	(62.7)	-1.4%	(54.7)	-1.2%	14.7%
EBIT	95.6	4.5%	105.3	4.5%	-9.2%	191.2	4.4%	199.1	4.3%	-3.9%
Financial Results	(104.7)	-5.0%	(79.5)	-3.4%	31.6%	(209.0)	-4.8%	(153.9)	-3.3%	35.8%
Operating Income	(9.1)	-0.4%	25.8	1.1%	-135.4%	(17.8)	-0.4%	45.2	1.0%	-139.4%
Income Tax and Social Contribution	12.2	0.6%	0.8	0.0%	1343.7%	23.7	0.5%	2.0	0.0%	1101.0%
Net Income	3.0	0.1%	26.6	1.1%	-88.6%	5.9	0.1%	47.2	1.0%	-87.5%

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14
CURRENT ASSETS					
Cash and Cash Equivalents	227.1	282.7	412.2	132.8	287.4
Securities	238.8	337.4	451.0	435.2	283.8
Accounts Receivable	419.4	480.4	618.3	583.8	577.4
Inventories	1,293.4	1,388.6	1,472.7	1,268.4	1,144.2
Related Parties	52.4	60.9	93.2	74.5	87.8
Taxes Recoverable	337.6	291.6	295.6	211.3	193.4
Other Assets	103.5	76.0	52.9	50.5	57.1
Total Current Assets	2,672.2	2,917.6	3,395.9	2,756.4	2,631.1
NON-CURRENT ASSETS					
Securities	26.5	32.3	-	-	-
Accounts Receivable	2.4	2.9	5.0	1.3	3.8
Deferred Income Tax and Social Contribution	171.6	160.3	146.4	141.2	146.9
Recoverable Taxes	119.3	95.6	106.5	154.1	159.8
Judicial Deposits	236.1	220.8	209.6	199.2	187.9
Other Assets	53.8	53.0	52.0	53.4	48.2
Investments in Subsidiaries	313.2	294.7	319.6	313.4	287.1
Fixed Assets	563.9	561.5	566.2	549.7	534.7
Intangible Assets	497.8	493.9	488.8	487.8	487.9
Total Non-current Assets	1,984.6	1,915.1	1,894.1	1,899.9	1,856.3
TOTAL ASSETS	4,656.8	4,832.7	5,290.0	4,656.3	4,487.4

LIABILITIES (R$ million)	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14
CURRENT LIABILITIES					
Suppliers	1,175.1	1,239.2	1,789.9	1,388.1	1,189.5
Loans and Financing	370.8	392.5	591.4	447.7	422.4
Payroll, Vacation and Related Charges	145.8	161.2	167.4	173.0	153.2
Taxes Payable	31.0	22.0	44.6	36.0	46.5
Related Parties	57.2	62.4	80.3	64.5	66.8
Taxes in Installments	-	6.5	6.5	6.5	7.1
Deferred Revenue	29.2	31.0	37.7	37.7	37.7
Dividends Payable	-	16.3	18.3	-	-
Other Accounts Payable	78.2	115.0	95.2	101.6	101.7
Total Current Liabilities	1,887.3	2,046.1	2,831.4	2,254.9	2,025.0
NON-CURRENT LIABILITIES					
Loans and Financing	1,484.8	1,486.5	1,120.2	1,076.9	1,154.0
Provision for Tax, Civil and Labor Risks	252.8	243.9	265.7	254.9	262.2
Deferred Revenue	293.0	299.4	315.9	326.4	334.6
Other Accounts Payable	2.5	2.5	2.4	2.0	1.8
Total Non-current Liabilities	2,033.1	2,032.3	1,704.1	1,660.2	1,752.6
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	12.3	11.2	10.1	9.0	7.9
Treasury Shares	(5.2)	(24.3)	(20.2)	(11.7)	-
Legal Reserve	16.1	16.1	16.1	9.7	9.7
Profit Retention Reserve	101.8	143.2	143.2	39.4	39.4
Other Comprehensive Income	(1.1)	(1.3)	(1.3)	(1.0)	(0.7)
Accumulated Losses	5.9	2.9	-	89.3	47.2
Total Shareholders' Equity	736.3	754.3	754.5	741.2	709.9
TOTAL	4,656.8	4,832.7	5,290.0	4,656.3	4,487.4

ANNEX III

FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	2Q15	2Q14	1H15	1H14
Net Income	**3.0**	**26.6**	**5.9**	**47.2**
Effect of IR / CS Net of Payment	(12.9)	(1.4)	(24.8)	(3.0)
Depreciation and Amortization	31.0	27.7	62.7	54.7
Interest Accrued on Loans	59.4	37.8	115.6	72.3
Equity, Net of Dividends Received	(11.0)	(20.3)	16.2	(18.2)
Provision for Losses on Inventories and Receivables	67.1	17.9	80.7	36.2
Provision for Tax, Civil and Labor Contingencies	12.3	10.1	(4.9)	21.7
Gain on Sale of Fixed Assets	0.2	0.8	0.4	0.9
Recognition of Deferred Income	(8.2)	(8.7)	(31.4)	(16.6)
Stock Option Expenses	1.1	1.1	2.2	2.2
Adjusted Net Income	**142.1**	**91.6**	**222.6**	**197.4**
Trade Accounts Receivable	33.9	(83.3)	165.2	(73.7)
Inventories	55.6	117.6	134.8	98.7
Taxes Recoverable	(69.6)	21.2	(54.8)	24.1
Other Receivables	(37.3)	(17.4)	(42.3)	(30.6)
Changes in Operating Assets	**(17.4)**	**38.1**	**203.0**	**18.5**
Trade Accounts Payable	(64.1)	(338.9)	(614.8)	(462.0)
Other Payables	(57.3)	(1.1)	(90.6)	(32.2)
Change in Operating Liabilities	**(121.4)**	**(340.0)**	**(705.4)**	**(494.3)**
Cash Flow from Operating Activities	**3.4**	**(210.2)**	**(279.8)**	**(278.4)**
Additions of Fixed and Intangible Assets	(37.5)	(41.1)	(70.1)	(57.7)
Payment of Capital	(5.0)	0.0	(5.0)	0.0
Sale of Exclusive Dealing and Exploration Right Contract	0.0	3.0	0.0	3.0
Cash Flow from Investing Activities	**(42.5)**	**(38.1)**	**(75.1)**	**(54.7)**
Loans and Financing and Hedge	94.9	411.6	729.3	412.2
Repayment of Loans and Financing and Hedge	(121.2)	(72.1)	(603.9)	(165.4)
Payment of Interest on Loans and Financing	(56.5)	(30.2)	(97.0)	(62.9)
Treasury Shares	(6.6)	0.0	(10.7)	(19.8)
Payment of Dividends	(31.5)	(31.5)	(33.5)	(31.5)
Cash Flow from Financing Activities	**(120.9)**	**277.9**	**(15.8)**	**132.7**
Cash, Cash Equivalents and Securities at Beginning of Period	652.5	541.5	863.1	771.6
Cash, Cash Equivalents and Securities at end of Period	492.4	571.1	492.4	571.1
Change in Cash and Cash equivalents	**(160.0)**	**29.6**	**(370.7)**	**(200.5)**

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 – 2Q15

2Q15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,434.3	12.6	(2.1)	2,444.8	220.6	55.4	(65.4)	2,655.3
Taxes and Deductions	(336.4)	(1.1)	-	(337.5)	-	-	-	(337.5)
Net Revenue	2,097.9	11.5	(2.1)	2,107.3	220.6	55.4	(65.4)	2,317.9
Total Costs	(1,475.6)	(4.3)	2.1	(1,477.8)	(33.4)	(6.2)	-	(1,517.4)
Gross Income	622.3	7.2	-	629.5	187.2	49.2	(65.4)	800.5
Selling Expenses	(404.4)	-	-	(404.4)	(79.2)	(40.5)	52.3	(471.8)
General and Administrative Expens	(106.9)	(5.9)	-	(112.8)	(0.6)	(5.8)	-	(119.1)
Provisions for Loan Losses	(6.8)	-	-	(6.8)	(78.7)	-	-	(85.5)
Equity in Subsidiaries	22.0	-	(1.2)	20.8	-	-	(20.8)	-
Other Operating Revenues, Net	0.2	0.0	-	0.2	0.7	0.1	(1.4)	(0.4)
Total Operating Expenses	(495.9)	(5.9)	(1.2)	(503.0)	(157.7)	(46.3)	30.1	(676.8)
EBITDA	126.5	1.3	(1.2)	126.6	29.4	2.9	(35.3)	123.6
Depreciation and Amortization	(30.9)	(0.1)	-	(31.0)	(1.6)	(0.0)	1.4	(31.2)
EBIT	95.5	1.2	(1.2)	95.6	27.9	2.9	(33.9)	92.5
Financial Results	(105.3)	0.5	-	(104.7)	-	3.9	13.1	(87.7)
Operating Income	(9.7)	1.8	(1.2)	(9.1)	27.9	6.8	(20.8)	4.7
Income Tax and Social Contributior	12.7	(0.6)	-	12.2	(11.1)	(2.7)	-	(1.7)
Net Income	3.0	1.2	(1.2)	3.0	16.7	4.1	(20.8)	3.0
Gross Margin	29.7%	62.4%	0.0%	29.9%	84.8%	88.8%	100.0%	34.5%
EBITDA Margin	6.0%	11.3%	55.3%	6.0%	13.3%	5.3%	54.0%	5.3%
Net Margin	0.1%	10.3%	55.3%	0.1%	7.6%	7.4%	31.8%	0.1%

ANNEX V
RESULTS BY SEGMENT – 1H15

1H15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	5,079.1	24.5	(4.1)	5,099.4	433.3	102.4	(127.7)	5,507.4
Taxes and Deductions	(737.6)	(2.1)	-	(739.7)	-	-	-	(739.7)
Net Revenue	4,341.5	22.4	(4.1)	4,359.7	433.3	102.4	(127.7)	4,767.7
Total Costs	(3,112.1)	(8.4)	4.1	(3,116.4)	(64.3)	(12.2)	-	(3,192.9)
Gross Income	1,229.3	14.0	-	1,243.4	369.0	90.1	(127.7)	1,574.8
Selling Expenses	(825.7)	-	-	(825.7)	(154.1)	(74.0)	104.0	(949.8)
General and Administrative Expens	(210.5)	(11.3)	-	(221.8)	(1.5)	(12.0)	-	(235.3)
Provisions for Loan Losses	(13.0)	-	-	(13.0)	(146.4)	-	-	(159.4)
Equity in Subsidiaries	50.2	-	(2.4)	47.8	-	-	(47.8)	-
Other Operating Revenues, Net	23.3	0.0	-	23.3	3.5	0.1	(2.8)	24.1
Total Operating Expenses	(975.7)	(11.3)	(2.4)	(989.4)	(298.5)	(85.9)	53.4	(1,320.3)
EBITDA	253.6	2.8	(2.4)	254.0	70.5	4.3	(74.2)	254.5
Depreciation and Amortization	(62.6)	(0.2)	-	(62.7)	(3.1)	(0.0)	2.8	(63.1)
EBIT	191.1	2.6	(2.4)	191.2	67.3	4.3	(71.5)	191.4
Financial Results	(210.1)	1.0	-	(209.0)	-	8.0	23.7	(177.4)
Operating Income	(19.0)	3.6	(2.4)	(17.8)	67.3	12.3	(47.8)	14.0
Income Tax and Social Contribution	24.9	(1.2)	-	23.7	(26.9)	(4.9)	-	(8.1)
Net Income	5.9	2.4	(2.4)	5.9	40.4	7.4	(47.8)	5.9
Gross Margin	28.3%	62.6%	0.0%	28.5%	85.2%	88.1%	100.0%	33.0%
EBITDA Margin	5.8%	12.3%	58.8%	5.8%	16.3%	4.2%	58.1%	5.3%
Net Margin	0.1%	10.8%	58.8%	0.1%	9.3%	7.2%	37.4%	0.1%

ANNEX VI
RESULTS BY SEGMENT – 2Q14

2Q14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,748.2	10.2	(1.8)	2,756.6	204.0	40.0	(66.5)	2,934.2
Taxes and Deductions	(412.9)	(0.9)	-	(413.8)	-	-	-	(413.8)
Net Revenue	2,335.2	9.3	(1.8)	2,342.8	204.0	40.0	(66.5)	2,520.3
Total Costs	(1,707.6)	(3.2)	1.8	(1,709.0)	(27.9)	(3.7)	0.8	(1,739.8)
Gross Income	627.6	6.1	-	633.7	176.1	36.3	(65.6)	780.5
Selling Expenses	(415.8)	-	-	(415.8)	(74.9)	(30.1)	55.8	(465.0)
General and Administrative Expens	(101.4)	(4.7)	-	(106.2)	(0.5)	(5.4)	-	(112.1)
Provisions for Loan Losses	(7.1)	-	-	(7.1)	(74.8)	-	-	(81.8)
Equity in Subsidiaries	21.4	-	(1.1)	20.3	-	-	(20.3)	-
Other Operating Revenues, Net	8.1	0.0	-	8.1	5.8	0.1	(1.4)	12.6
Total Operating Expenses	(494.9)	(4.7)	(1.1)	(500.7)	(144.4)	(35.4)	34.2	(646.4)
EBITDA	132.7	1.4	(1.1)	133.0	31.7	0.9	(31.4)	134.2
Depreciation and Amortization	(27.6)	(0.1)	-	(27.7)	(1.6)	(0.0)	1.4	(27.9)
EBIT	105.1	1.3	(1.1)	105.3	30.1	0.9	(30.1)	106.3
Financial Results	(79.9)	0.3	-	(79.5)	-	2.8	9.8	(67.0)
Operating Income	25.3	1.6	(1.1)	25.8	30.1	3.7	(20.3)	39.3
Income Tax and Social Contribution	1.4	(0.5)	-	0.8	(12.0)	(1.5)	-	(12.6)
Net Income	26.6	1.1	(1.1)	26.6	18.1	2.2	(20.3)	26.6
Gross Margin	26.9%	65.8%	0.0%	27.1%	86.3%	90.8%	98.7%	31.0%
EBITDA Margin	5.7%	14.9%	63.0%	5.7%	15.5%	2.3%	47.3%	5.3%
Net Margin	1.1%	11.9%	63.0%	1.1%	8.8%	5.5%	30.5%	1.1%

ANNEX VII
RESULTS BY SEGMENT – 1H14

1H14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	5,439.1	20.1	(3.5)	5,455.7	399.1	70.8	(124.7)	5,800.8
Taxes and Deductions	(842.3)	(1.8)	-	(844.0)	-	-	-	(844.0)
Net Revenue	4,596.8	18.3	(3.5)	4,611.6	399.1	70.8	(124.7)	4,956.8
Total Costs	(3,355.0)	(6.4)	3.5	(3,357.9)	(54.0)	(7.4)	1.8	(3,417.6)
Gross Income	1,241.8	11.9	-	1,253.7	345.1	63.4	(122.9)	1,539.2
Selling Expenses	(835.7)	-	-	(835.7)	(139.4)	(51.5)	105.1	(921.6)
General and Administrative Expens	(199.0)	(9.4)	-	(208.5)	(1.0)	(10.8)	-	(220.3)
Provisions for Loan Losses	(11.8)	-	-	(11.8)	(145.5)	-	-	(157.3)
Equity in Subsidiaries	43.9	-	(2.0)	41.9	-	-	(41.9)	-
Other Operating Revenues, Net	14.1	0.0	-	14.1	7.2	0.1	(2.8)	18.7
Total Operating Expenses	(988.5)	(9.4)	(2.0)	(999.9)	(278.7)	(62.2)	60.4	(1,280.4)
EBITDA	253.3	2.5	(2.0)	253.8	66.4	1.2	(62.5)	258.8
Depreciation and Amortization	(54.5)	(0.2)	-	(54.7)	(3.3)	(0.0)	2.8	(55.2)
EBIT	198.8	2.3	(2.0)	199.1	63.1	1.2	(59.7)	203.7
Financial Results	(154.6)	0.7	-	(153.9)	-	5.5	17.8	(130.6)
Operating Income	44.2	3.0	(2.0)	45.2	63.1	6.7	(41.9)	73.1
Income Tax and Social Contributior	3.0	(1.0)	-	2.0	(25.2)	(2.7)	-	(25.9)
Net Income	47.2	2.0	(2.0)	47.2	37.9	4.0	(41.9)	47.2
Gross Margin	27.0%	64.8%	0.0%	27.2%	86.5%	89.5%	98.5%	31.1%
EBITDA Margin	5.5%	13.4%	56.9%	5.5%	16.6%	1.7%	50.1%	5.2%
Net Margin	1.0%	10.9%	56.9%	1.0%	9.5%	5.7%	33.6%	1.0%

ANNEX VIII
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	2Q15	V.A.	2Q14	V.A.	Growth Total
Virtual Stores	114.8	4.7%	124.8	4.5%	-8.0%
Website	428.3	17.6%	429.9	15.7%	-0.4%
Subtotal - Virtual Stores	**543.1**	22.4%	**554.7**	20.2%	-2.1%
Conventional Stores	1,884.9	77.6%	2,187.5	79.8%	-13.8%
Total	**2,428.0**	100.0%	**2,742.2**	100.0%	-11.5%

Gross Revenue by Channel (R$ million)	1H15	V.A.	1H14	V.A.	Growth Total
Virtual Stores	235.2	4.6%	244.3	4.5%	-3.7%
Website	901.3	17.8%	863.1	15.9%	4.4%
Subtotal - Virtual Stores	**1,136.4**	22.4%	**1,107.4**	20.4%	2.6%
Conventional Stores	3,928.6	77.6%	4,317.4	79.6%	-9.0%
Total	**5,065.0**	100.0%	**5,424.8**	100.0%	-6.6%

Number of stores per channel – End of the period	Jun-15	Part (%)	Jun-14	Part (%)	Growth Total
Virtual Stores	111	14.6%	107	14.5%	4
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**112**	14.7%	**108**	14.7%	4
Conventional Stores	650	85.3%	628	85.3%	22
Total	**762**	100.0%	**736**	100.0%	26
Total Sales Area (m²)	485,697	100%	471,926	100%	2.9%

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$6.3 million in 2Q15 and R$6.0 million in 2Q14. 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 Jun-15, Luizacred had a total base of 3.5 million cards issued, growing 3.6% over Jun-14. In 2Q15, 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 2Q15, 4.5% higher YoY, highlighting card portfolio, which increased 16.6%, while DCC Portfolio decreased 27.4%.

LUIZACRED – Key Indicators (R$ million)	2Q15	2Q14	% Chg	1H15	1H14	% Chg
Total Card Base (thousand)	3,511	3,389	3.6%	3,511	3,389	3.6%
Luiza Card Sales – In chain	471	459	2.7%	912	878	4.0%
Luiza Card Sales – Outside Brand	1,996	1,726	15.7%	3,873	3,317	16.8%
DCC Sales	196	354	-44.8%	439	671	-34.6%
Personal Loans Sales	26	29	-10.8%	52	61	-13.7%
Luizacred Sales - Total	**2,689**	**2,568**	**4.7%**	**5,276**	**4,926**	**7.1%**
Card Portfolio	3,588	3,076	16.6%	3,588	3,076	16.6%
CDC Portfolio	826	1,138	-27.4%	826	1,138	-27.4%
Personal Loans Portfolio	48	57	-15.6%	48	57	-15.6%
Portfolio - Total	**4,462**	**4,272**	**4.5%**	**4,462**	**4,272**	**4.5%**

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 2Q15.

Income Statement

LUIZACRED – Income (R$ million)	2Q15	V.A.	2Q14	V.A.	% Chg	1H15	V.A.	1H14	V.A.	% Chg
Financial Intermediation Revenue	346.8	100.0%	329.0	100.0%	5.4%	685.5	100.0%	643.8	100.0%	6.5%
Cards	234.1	67.5%	191.8	58.3%	22.0%	450.3	65.7%	365.6	56.8%	23.2%
DCC	99.8	28.8%	121.7	37.0%	-17.9%	210.0	30.6%	247.6	38.5%	-15.2%
Personal Loans	12.9	3.7%	15.5	4.7%	-16.6%	25.3	3.7%	30.6	4.8%	-17.4%
Financial Intermediation Expenses	(224.2)	-64.6%	(205.4)	-62.4%	9.2%	(421.4)	-61.5%	(399.0)	-62.0%	5.6%
Market Funding Operations	(66.9)	-19.3%	(55.8)	-17.0%	19.8%	(128.6)	-18.8%	(108.0)	-16.8%	19.0%
Provision for Loan Losses	(157.3)	-45.4%	(149.5)	-45.5%	5.2%	(292.8)	-42.7%	(290.9)	-45.2%	0.6%
Gross Financial Intermediation Income	122.7	35.4%	123.7	37.6%	-0.8%	264.1	38.5%	244.8	38.0%	7.9%
Other Operating Revenues (Expenses)	(66.9)	-19.3%	(63.5)	-19.3%	5.4%	(129.4)	-18.9%	(118.6)	-18.4%	9.2%
Service Revenue	94.3	27.2%	79.0	24.0%	19.4%	181.1	26.4%	154.4	24.0%	17.3%
Personnel Expenses	(1.2)	-0.3%	(1.1)	-0.3%	10.2%	(3.0)	-0.4%	(2.1)	-0.3%	44.8%
Other Administrative Expenses	(136.5)	-39.4%	(129.4)	-39.3%	5.5%	(265.4)	-38.7%	(238.6)	-37.1%	11.2%
Depreciation and Amortization	(3.1)	-0.9%	(3.3)	-1.0%	-3.7%	(6.3)	-0.9%	(6.5)	-1.0%	-3.7%
Tax Expenses	(21.8)	-6.3%	(20.5)	-6.2%	6.4%	(42.8)	-6.2%	(40.2)	-6.2%	6.5%
Other Operating Revenues (Expenses)	1.4	0.4%	11.7	3.5%	-88.2%	7.0	1.0%	14.5	2.2%	-51.8%
Income Before Tax	55.8	16.1%	60.2	18.3%	-7.3%	134.7	19.6%	126.2	19.6%	6.7%
Income Tax and Social Contribution	(22.3)	-6.4%	(24.1)	-7.3%	-7.3%	(53.8)	-7.9%	(50.5)	-7.8%	6.7%
Net Income	33.5	9.6%	36.1	11.0%	-7.3%	80.8	11.8%	75.8	11.8%	6.7%

Revenue from Financial Intermediation

In 2Q15, gross revenue from financial intermediation grew by 5.4% over 2Q14, mainly due to the increase of 22.0% in financial transactions with Luiza Card, partially offset by 17.9% reduction in transactions with direct consumer credit (DCC).

Provision for Loan Losses

The portfolio of loans overdue remains under control. The short-term indicator (NPL 15) increased 20bps compared to Jun-14, while the portfolio of loans overdue for more than 90 days (NPL 90) increased 40bps compared to Jun-14.

Provisions for loan losses increased 5.2% in 2Q15 YoY and accounted for 3.5% of the total portfolio in 2Q15 stable YoY (3.5% in 2Q14). However, the portfolio coverage remained nearly stable in 119% in Jun-15 versus 122% in Jun-14.

PORTIFOLIO - OVERDURE	Jun-15		Mar-15		Dec-14		Sep-14		Jun-14	
Total Portfolio (R$ million)	4,462.3	100.0%	4,495.1	100.0%	4,642.7	100.0%	4,356.2	100.0%	4,271.5	100.0%
000 to 014 days	3,775.4	84.6%	3,845.3	85.5%	4,007.3	86.3%	3,716.8	85.3%	3,641.4	85.2%
015 to 030 days	55.1	1.2%	56.6	1.3%	44.2	1.0%	43.2	1.0%	48.8	1.1%
031 to 060 days	59.9	1.3%	55.3	1.2%	46.4	1.0%	45.9	1.1%	51.5	1.2%
061 to 090 days	82.7	1.9%	76.1	1.7%	61.4	1.3%	63.6	1.5%	77.2	1.8%
091 to 120 days	73.2	1.6%	60.3	1.3%	57.6	1.2%	63.7	1.5%	66.8	1.6%
121 to 150 days	70.9	1.6%	56.7	1.3%	53.0	1.1%	58.2	1.3%	72.4	1.7%
151 to 180 days	65.4	1.5%	52.0	1.2%	52.1	1.1%	63.4	1.5%	62.1	1.5%
180 to 360 days	279.6	6.3%	292.8	6.5%	320.7	6.9%	301.4	6.9%	251.4	5.9%
Overdue 15-90 days	197.7	4.4%	188.0	4.2%	152.0	3.3%	152.7	3.5%	177.5	4.2%
Overdue Above 90 days	489.2	11.0%	461.8	10.3%	483.4	10.4%	486.8	11.2%	452.7	10.6%
Total Overdue	686.9	15.4%	649.8	14.5%	635.4	13.7%	639.5	14.7%	630.2	14.8%
Provisions for loan losses in IFRS	580.8	13.0%	565.1	12.6%	583.4	12.6%	577.2	13.3%	552.0	12.9%
Coverage (%)	119%		122%		121%		119%		122%	

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, partially offset by a higher average interest rates, the gross margin from financial intermediation stood at 35.4% in 2Q15, a 220 bps reduction over 2Q14 (37.6%).

Other Operating Revenues (Expenses)

- **Service Revenues** increased by 19.4% over 2Q14, 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 46.9% of financial intermediation revenue, basically stable YoY;
- **Other Operating Revenues (Expenses):** net revenues of R$1.4 million, equivalent to 0.4% of financial intermediation revenue (mainly due to the increase in civil and labor provisions).

Net Operating Results and Net Income

Luizacred recorded operating income of R$55.8 million in 2Q15, equivalent to 16.1% of financial intermediation revenues.

Net income totaled R$33.5 million in 2Q15, with an average ROE (Return on Equity) of 25.4%.

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$38.1 million in 2Q15, with a shareholders’ equity of R$584.5 million in Jun-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$537.0 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

July 31, 2015 (Friday)

11:00 a.m. – Brasília time
10:00 a.m. – US EST

Callers from US or other countries:
Dial-in US EST: +1 (646) 843 6054
Access Code: Magazine Luiza
Webcast Link:
http://webcast.neo1.net/Cover.aspx?PlatformId=pbuTYjpN2hfkg5F8Cm4eeg%3D%3D

Callers from Brazil:
Dial-in: +55 (11) 2188-0155
Access Code: Magazine Luiza
Webcast Link:
http://webcast.neo1.net/Cover.aspx?PlatformId=%2FZwbyMq2TeVaaMrKkF%2FuVw%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.

Disclaimer

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