February 26, 2015

MGLU3 NOVO MERCADO BM&FBOVESPA

Magazine Luiza S.A.
4th Quarter and 2014 Earnings Release in IFRS

2014 HIGHLIGHTS

Gross Sales increased by 18.7% to R$11.5 billion (SSS of 17.8%)
Adjusted EBITDA 47.0% higher in 2014 to R$605.3 million (6.2% margin)
Adjusted Net Income growth of 81.8% in 2014 to R$128.6 million (1.3% margin)

4Q14 HIGHLIGHTS

Gross Sales increased by 10.1% to R$3.2 billion (SSS of 9.4%)
EBITDA 33.1% higher at R$175.4 million (6.3% margin)
Net Income growth of 19.2% to R$39.3 million (1.4% margin)

- **Double-digit revenue growth:** In 2014, net revenues increased by 20.9% to R$9.8 billion, with an increase in same-store sales of 17.8%. In 4Q14, net revenues increased by 12.0% to R$2.8 billion with same-store sales growth of 9.4% (+20.5% in e-commerce SSS and +7.5% in brick and mortar SSS).

- **Adjusted EBITDA increased 47.0% in 2014 and 33.1% in 4Q14:** In 2014, EBITDA reached R$ 605.3 million, (EBITDA margin of 6.2%). In 4Q14 the increase in SG&A expenses was 8.9%, lower than the increase in top line of 12.0%, providing good operating leverage. As a result, **EBITDA margin expanded 100bps expansion to 6.3% in 4Q14**.

- **Equity income from Luizacred presented an excellent performance once again:** In 2014, Luizacred's equity income more than doubled to R$90.4 million, contributing with 14.9% of consolidated EBITDA. In 4Q14, equity income increased by 65.5% to R$28.2 million, for an annualized return on equity (ROE) of 40.7%. The non performing loans and default rates improved consistently in the quarter.

- **Recurring net income increased by 81.8% to R$128.6 million in 2014 (17.9% ROE):** In 4Q14, net income totaled R$39.3 million, 19.2% higher than 4Q13 (21.0% ROE).

- **The Company reiterates it expansion plan for 2015: to open up to 50 new stores for capex of R$150 million,** aiming to strengthen its footprint mainly in the Northeast. Magazine Luiza will continue to improve its multichannel strategy by launching new tools and services to customers, as well as it will continue to work hard to improve the overall customer experience.

MGLU3: R$ 6.58 per share	**Conference call: February 27, 2014 (Friday)**	Investor Relations: Tel. +55 11 3504-2727
Total Shares: 181,494,467	12:00PM in US Time (EST): +1 646-843-6054	www.magazineluiza.com.br/ri
Market Cap: R$ 1.2 billion	04:00PM in UK Time: + 44 203 051 6929	ri@magazineluiza.com.br
	02:00PM in Brazil Time: +55 11 2188-0155	

R$ million (except where otherwise indicated)	4Q14	4Q13	% Chg	12M14	12M13	% Chg
Gross Revenues	3,247.6	2,948.4	10.1%	11,504.7	9,692.4	18.7%
Net Revenues	2,777.4	2,479.0	12.0%	9,779.4	8,088.4	20.9%
Gross Income	759.2	678.1	12.0%	2,692.5	2,263.0	19.0%
Gross Margin	27.3%	27.4%	-10 bps	27.5%	28.0%	-50 bps
EBITDA	175.4	131.8	33.1%	605.3	476.9	26.9%
EBITDA Margin	6.3%	5.3%	100 bps	6.2%	5.9%	30 bps
Adjusted EBITDA	175.4	131.8	33.1%	605.3	411.6	47.0%
Adjusted EBITDA Margin	6.3%	5.3%	100 bps	6.2%	5.1%	110 bps
Net Income	39.3	33.0	19.2%	128.6	113.8	13.0%
Net Margin	1.4%	1.3%	10 bps	1.3%	1.4%	-10 bps
Adjusted Net Income	39.3	33.0	19.2%	128.6	70.7	81.8%
Adjusted Net Margin	1.4%	1.3%	9 bps	1.3%	0.9%	44 bps
Same Store Sales Growth	9.4%	19.0%	-	17.8%	12.9%	-
Same Physical Store Sales Growth	7.5%	16.0%	-	15.1%	10.5%	-
Internet Sales Growth	20.5%	39.3%	-	33.7%	28.2%	-
Number of Stores - End of Period	756	744	+12 stores	756	744	+12 stores
Sales Area - End of Period (M2)	481,726	473,884	1.7%	481,726	473,884	1.7%

MESSAGE FROM THE EXECUTIVE TEAM

Growth, Innovation and Profitability

Our growth has outpaced that of the Brazilian economy. We've achieved record results and increased our market share as a result of our strategy, which is based on growth, innovation and profitability.

In 2014, we reaped the benefits of the initiatives and investments that have been introduced in recent years. We're committed to the development of society in general and of Brazil in particular. We seek to always act in a responsible and ethical manner, supported by our beliefs and our strategic pillars. Over the last 18 years, Magazine Luiza has consistently ranked among the top as it relates to the quality of its workplace, according to the "Great Place to Work" survey, which recognizes our excellent working environment. In 2014, we ranked 5th overall among all companies across different industries.

The Magazine Luiza brand increased its exposure significantly in 2014, as a result of the correct decision to sponsor the World Cup coverage on the Globo network. Besides the significant increase in sales that the widespread media exposure gave us, we gained significant market share in a range of categories. We featured once again in Interbrands Ranking, in 25th place, with an estimated brand value of R$366 million.

The excellent performance of our commercial area was instrumental to the results in 2014. Our procurement planning proved to be very effective, with adequate supply for the online and offline channels throughout the year, particularly during the months prior to the World Cup, especially for TVs. We had the right products, in the right places, in the right amounts, at the right times. This strong performance combined with widespread media coverage and the promotional actions, including our successful "building for you promotion", resulted in significant net sales growth of 18.7% for the year reaching R$11.5 billion in gross sales.

We are focused on four major themes that will underpin our strategy going forward:

- Growth of our multichannel platform,
- Expansion of our digital platform,
- Digitalization and automation of the physical stores and integrated distribution centers,
- Improve our overall profitability and the sustainability of our business model.

Our robust CRM system has been improving year after year and has more than 39 million registered customers. This system has been developed internally for more than 20 years and it has increased the efficiency and impact of our promotional campaigns, among which is worth to highlight our "gold customers", who already account for 20% of our sales and are extremely loyal to the brand.

Another important contribution to our results in 2014 was the performance of our affiliated companies, particularly the equity stake in Luizacred. Net income from Luizacred more than doubled in 2014, reaching R$180.8 million (or R$90.4 million for our 50.0% stake), with an annualized return on equity (ROE) of 36.1%. In 2014, Luizacred's equity income represented 14.9% of the Company's EBITDA. The credit portfolio's delinquency indicators continue to be tightly monitored. We maintained a rather conservative policy for approving new credit in 2014, and we expect to continue to do so in 2015.

We continue to focus our efforts on the Northeast region. We remodelled 60 stores, most of them in various cities in the Northeast, and we opened 24 new stores (14 in the Northeast and 10 in the South/Southeast/Midwest). We have planned an investment of approximately R$150 million for 2015, with the opening of up top 50 new stores, half of them in the Northeast.

We are aware of the inflationary pressures that have been impacting our consumers and our business. In recent years, we have implemented rigorous cost and expenses control and we have launched campaigns and internal initiatives to encourage everyone to do "More with Less". Last year, we made important progress on the "Together, More Stores" project, which aims to increase the productivity and profitability of the physical stores through the rational use and optimization of resources. The benefits of this project will continue to materialize over the coming years.

Our EBITDA margin has consistently increased. The EBITDA margin went from 5.1% in 2013 to 6.2% in 2014. During this same period, net income totaled R$128.6 million in 2014 (net margin of 1.3%), an increase of 81.8% (disregarding the effect of the partial sale of the Louveira Distribution Center in São Paulo) or an increase of 13.0% vs. 2013.

Appreciation and respect for people is an essential part of Magazine Luiza's the culture. We seek to ensure human diversity in all aspects, particularly in the process of selecting employees for new stores. Magazine Luiza believes that experience with different people helps everyone develop and learn. In addition, we seek to provide conditions for including people with disabilities and making the company's environments accessible to all. With more than 1,000 disabled employees in our workforce, we received for the first time the ABERJE award from the state of São Paulo, in the category of Communications of Programs Focused on Corporate Sustainability, in recognition of our progress with the Inclusion Program.

After more than fifty years of operations, Magazine Luiza has experienced a variety of economic crisis and has always come out stronger. The year 2015 is shaping up to be another year of uncertainty for the Brazilian economy and consequently for retail as a whole, also considering the risk of possible electricity and water rationing, whose impacts for our sector are, at the moment, hard to forecast. We are better prepared today than in the past, as we now have an improved geographic distribution and a more diversified sales mix than in 2001, which was the last time electricity was rationed in the country. An energy and water crisis management committee is closely monitoring the situation and preparing an action plan to ensure the continuity of our operations.

To ensure that we keep on improving, we rely on the strength of our strategic pillars, which are the people, channels, products and financial services and corporate governance that serve as the foundation for our business. We would like to take this opportunity to thank all of our customers, employees, shareholders, suppliers, partners and the community in general for their trust and partnership throughout 2014, which allowed us to once again exceed our goals.

The Executive Management Team

AWARDS RECEIVED IN 2014:

In 2014, Magazine Luiza received the following awards and recognitions:

- ✓ 25th place in "The Most Valuable Brands in Brazil" of the Best Retail Brand 2014 survey by Interbrand, with an estimated value of R$366 million.
- ✓ 5th place in "Big Companies" category (with more than 1,000 employees) and Luiza Consortium was ranked 20th "Small and Medium National Companies" (with 100 to 999 employees) by Great Place to Work Institute (GPTW) survey.
- ✓ 15th in the "Best Company to Work for in Latin America" by the Great Place to Work Institute.
- ✓ B2C E-commerce Quallity Excellence Award (e-bit) .
- ✓ 150 best companies to work for in Brazil in the ranking of Guia Você S/A 2013 (Editora Abril) in partnership with FIA (Fundação Instituto de Administração).
- ✓ 2014 *Effie* Awards, in "Promotions" category by "Prédio pra você" (Building for you) promotion, created by Magazine Luiza's Marketing team. It was considered one of the most innovative and bold campaign within Brazilian retail.
- ✓ 2nd "Electronics e-commerce" by 13rd Trusted Brands Survey by Seleções Magazine/Ibope.
- ✓ 2014 Aberje award from São Paulo State, in Communication of programs related to business sustainability category, with the Inclusion Program.
- ✓ 7th place in "The Best Company for Disability Employees", by Secretary of the Rigths of Disability people in partnership with Economical Survey Institute (Fipe) and iSocial consultancy specialized in the employment of disabled people.
- ✓ One of 100 Best Companies in Human and Organizational Development Indicator (IDHO), highlight of "Transparency" dimension.

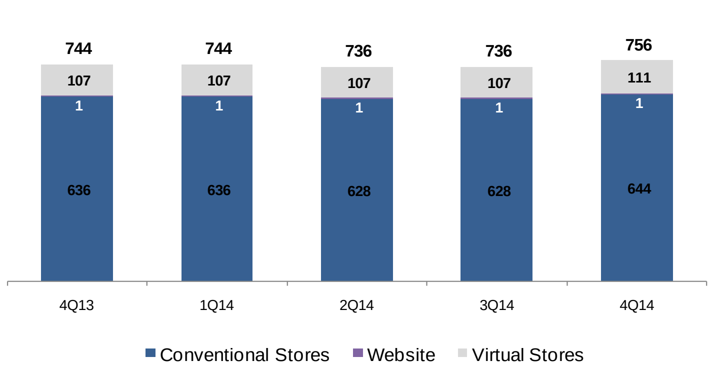
In 2014, our president – Luiza Helena Trajano – received the following awards and recognitions:

- ✓ "Corporate Personality" award in the Comandatuba-BA forum. This forum was promoted by LIDE – Corporate Leaders Group.
- ✓ "Corporate Personality" by ABMN (Marketing and Business Brazilian Association) Management and Board.
- ✓ Elected for the third consecutive time the "The Most Trusted Businessman in Brazil" by the 13th Trust Brands Survey from Seleções Magazine / Ibope being the only leader in "Business Personality" category.
- ✓ One of the four "The Most Admired Businessman in Brazil" being the only woman to win this award promoted by Carta Capital Magazine.
- ✓ Elected by the second time as President of IDV (Retail Development Institute), division which represents the Brazilian retail sector in dealings with the Brazilian government, for a two years mandate. A total of 64 companies take part in IDV activities.

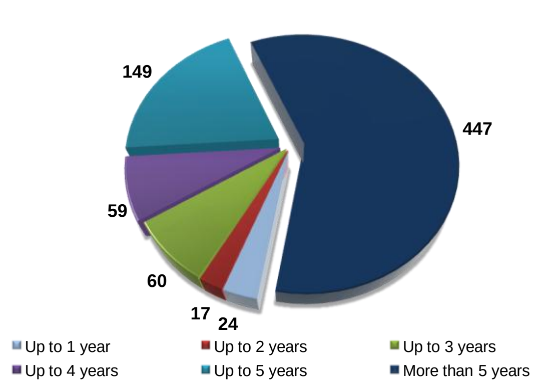
OPERATING AND FINANCIAL PERFORMANCE

Magazine Luiza ended Dec-14 with 756 stores, 644 of which were conventional stores, 111 virtual stores and one website. In 4Q14, the Company opened 21 new conventional stores – 17 conventional stores (over 60% of new opening were in Northeast region) and 4 virtual stores (South and Southeast regions) – and closed one (Tupã in SP). From the 756 Magazine Luiza stores, 40.9% are not yet mature.

Number of Stores

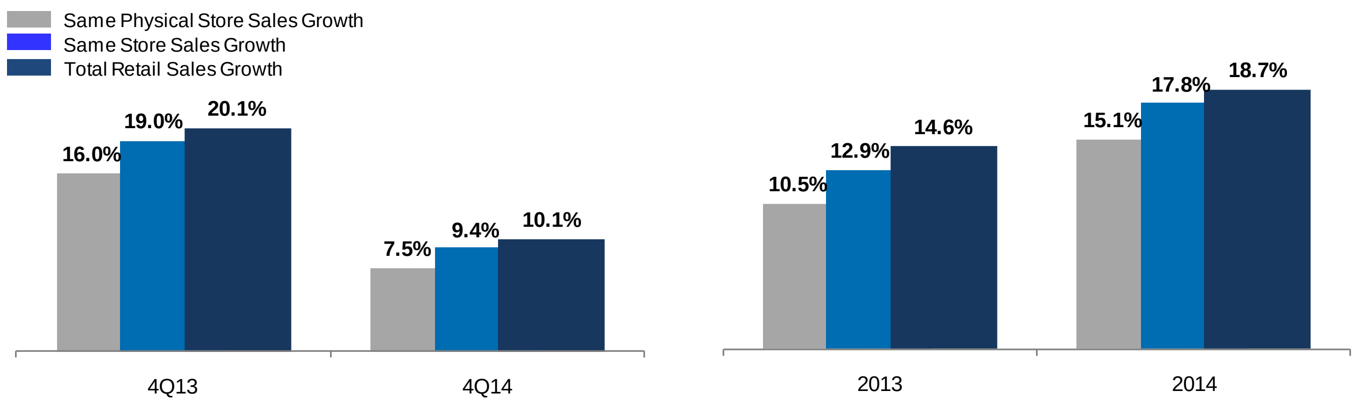


Average Age of Stores (number of stores)



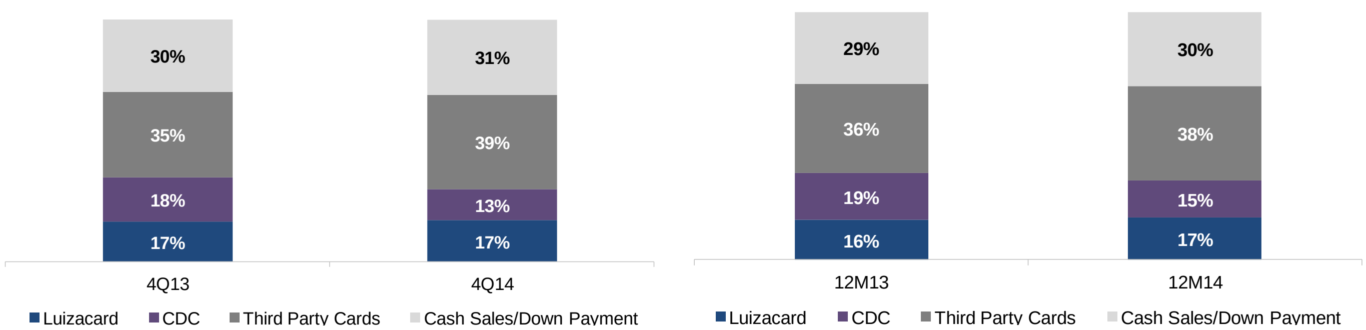
Same-store sales, including e-commerce, grew by 9.4% in 4Q14 yoy, while total sales were up 10.1% for the quarter. In 12M14, the increase in same-store sales, including e-commerce, was 17.8% and total sales were up 18.7%.

Same Store Sales Growth (%)



In 4Q14, sales on Luiza cards remained basically stable at 17% of total retail sales. Due to a more conservative credit approval policy, CDC (direct credit to consumers) participation reduced to 13% of sales in 4Q14. The Company is maintaining its policy of limiting interest-free installment sales on the Luiza cards to 15% of total sales.

Financed Sales Mix (% of total sales)



Consolidated Gross Revenues

(in R$ million)	4Q14	4Q13	% Chg	12M14	12M13	% Chg
Gross Revenuse - Retail – Resale of goods	3,094.8	2,823.3	9.6%	10,955.2	9,265.6	18.2%
Gross Revenues - Retail – Services	142.9	117.9	21.2%	513.6	396.1	29.7%
Subtotal Retail	**3,237.7**	**2,941.2**	**10.1%**	**11,468.7**	**9,661.7**	**18.7%**
Gross Revenues – Consortium Management	11.9	9.8	21.5%	43.3	38.5	12.7%
Inter-Company Eliminations	(2.0)	(2.6)	-21.2%	(7.4)	(7.8)	-4.3%
Gross Revenue - Total	**3,247.6**	**2,948.4**	**10.1%**	**11,504.7**	**9,692.4**	**18.7%**

Magazine Luiza's consolidated gross revenues increased by 10.1% in 4Q14, to R$3,247.6 million, due to revenue growth of the resale of goods (+9.6%) and the increase of 21.2% in services revenues which represented 4.4% of retail revenue in 4Q14 versus 4.0% in 4Q13, thanks to our "Jump to 10" service campaign. In 12M14, consolidated gross revenues rose by 18.7%, totaling R$11,504.7 million.

Consolidated Net Revenues

(in R$ million)	4Q14	4Q13	% Chg	12M14	12M13	% Chg
Net Revenues - Retail – Resale of goods	2,643.7	2,369.8	11.6%	9,298.2	7,715.1	20.5%
Net Revenues - Retail – Services	124.9	102.8	21.5%	449.1	346.0	29.8%
Subtotal Retail	**2,768.5**	**2,472.6**	**12.0%**	**9,747.2**	**8,061.1**	**20.9%**
Net Revenues – Consortium Management	10.9	8.9	22.0%	39.6	35.1	12.7%
Inter-Company Eliminations	(2.0)	(2.6)	-21.2%	(7.4)	(7.8)	-4.3%
Net Revenue - Total	**2,777.4**	**2,479.0**	**12.0%**	**9,779.4**	**8,088.4**	**20.9%**

Consolidated net revenues increased by 12.0% yoy in 4Q14, to R$2,777.4 million. The difference between gross revenues growth and net revenues is due to an increase in share of products exempt of PIS/COFINS taxes (mainly smartphones and tablets). In 12M14, consolidated net revenue increased by 20.9%, totaling R$9,779.4 million.

Consolidated Gross Profit

(in R$ million)	4Q14	4Q13	% Chg	12M14	12M13	% Chg
Gross Income - Retail - Merchandise Sales	627.6	569.5	10.2%	2,218.1	1,894.8	17.1%
Gross Income - Retail - Services	124.9	102.8	21.5%	449.1	346.0	29.8%
Subtotal Retail	**752.4**	**672.3**	**11.9%**	**2,667.1**	**2,240.8**	**19.0%**
Gross Income - Consortium Management	6.8	5.8	16.0%	25.3	22.2	14.0%
Gross Income - Total	**759.2**	**678.1**	**12.0%**	**2,692.5**	**2,263.0**	**19.0%**
Gross Margin - Total	**27.3%**	**27.4%**	**-10 bps**	**27.5%**	**28.0%**	**-50 bps**

In 4Q14, consolidated gross profit increased by 12.0%, totaling R$759.2 million, equivalent to a gross margin of 27.3%. The gross margin remained stable even with Black Friday and Christmas sales promotions, as well as the share increase of e-commerce sales in total sales. If we were to use gross profit over gross revenues rather than net revenues, then gross profit would have increased 40bps from 23.0% in 4Q13 to 23.4% in 4Q14.

Operating Expenses

(in R$ million)	4Q14	% NR	4Q13	% NR	% Chg	12M14	% NR	12M13	% NR	% Chg
Selling Expenses	(487.4)	-17.6%	(437.4)	-17.6%	11.4%	(1,746.3)	-17.9%	(1,513.8)	-18.7%	15.4%
General and Administrative Expenses	(128.3)	-4.6%	(128.1)	-5.2%	0.1%	(442.6)	-4.5%	(403.7)	-5.0%	9.6%
Provisions for Loan Losses	(5.9)	-0.2%	(6.0)	-0.2%	-1.7%	(22.5)	-0.2%	(21.2)	-0.3%	6.3%
Other Operating Revenues, Net	6.7	0.2%	5.8	0.2%	16.7%	24.5	0.3%	98.2	1.2%	-75.0%
Operating Expenses – Total	**(615.0)**	**-22.1%**	**(565.9)**	**-22.8%**	**8.7%**	**(2,186.8)**	**-22.4%**	**(1,840.5)**	**-22.8%**	**18.8%**
(+/-) Extraordinary Expenses	-	0.0%	-	0.0%	0.0%	-	0.0%	(65.3)	-0.8%	-100.0%
Recurring Expenses – Total	**(615.0)**	**-22.1%**	**(565.9)**	**-22.8%**	**8.7%**	**(2,186.8)**	**-22.4%**	**(1,905.8)**	**-23.6%**	**14.7%**

Selling Expenses

Selling expenses totaled R$487.4 million in 4Q14, equivalent to 17.6% of net revenues, remained stable yoy. In 12M14, selling expenses totaled R$1,746.3 million, equivalent to 17.9% of net revenues, an important reduction of 80bps yoy, reflecting better expenses rationalization.

General and Administrative Expenses

General and administrative expenses totaled R$128.3 million in 4Q14, equivalent to 4.6% of net revenue (60 bps lower yoy). In 12M14, general and administrative expenses totaled R$442.6 million, equivalent to 4.5% of net revenue, down 50 bps yoy.

Provisions for Loan Losses

Provisions for loan losses remained quite stable when compared to the same period last year, reaching R$5.9 million in 4Q14, corresponding to 0.2% of net revenue. In 12M14, provisions for loan losses totaled R$22.5 million, equivalent to 0.2% of net revenues (10bps lower than 12M13).

Other Operating Revenue, Net

(in R$ million)	4Q14	% NR	4Q13	% NR	% Chg	12M14	% NR	12M13	% NR	% Chg
Gain on Sale of Assets	(0.2)	0.0%	(1.0)	0.0%	-85.2%	(1.2)	0.0%	125.4	1.6%	-101.0%
Deferred Revenue Recorded	10.5	0.4%	7.8	0.3%	34.5%	35.4	0.4%	32.3	0.4%	9.4%
Provision for Tax Liabilities	(3.3)	-0.1%	(1.5)	-0.1%	124.4%	(5.3)	-0.1%	(40.6)	-0.5%	-86.9%
Non-recurring Expenses	(0.8)	0.0%	-	0.0%	-	(5.1)	-0.1%	(19.4)	-0.2%	-74.0%
Other	0.5	0.0%	0.4	0.0%	12.8%	0.7	0.0%	0.4	0.0%	79.5%
Other Operating Revenue, Net – Total	**6.7**	**0.2%**	**5.8**	**0.2%**	**16.7%**	**24.5**	**0.3%**	**98.2**	**1.2%**	**-75.0%**

Other net operating revenues totaled R$6.7 million in 4Q14, equivalent to 0.2% of net revenues, essentially due to deferred revenue appropriation of R$10.5 million, the increase of R$3.3 million in provisions for tax liabilities and non-recurring expenses of R$0.8 million. In 12M14, other net operating revenues totaled R$24.5 million, equivalent to 0.3% of net revenues. In 12M13, the Company had a positive extraordinary effect of R$65.3 million related to the distribution center stake sale located in Louveira (SP).

Equity Income

Equity income results climbed from a net income of R$19.5 million in 4Q13 to income of R$31.2 million in 4Q14, equivalent to 1.1% of net revenues. The main reason impacting equity income was once again Luizacred's excellent performance. In 12M14, the equity income reached R$99.6 million, equal to 1.0% of net revenues, an increase of 30bps versus 12M13.

EBITDA

(in R$ million)	4Q14	% NR	4Q13	% NR	% Chg	12M14	% NR	12M13	% NR	% Chg
EBITDA	**175.4**	**6.3%**	**131.8**	**5.3%**	**33.1%**	**605.3**	**6.2%**	**476.9**	**5.9%**	**26.9%**
Extraordinary Revenue	-	0.0%	-	0.0%	0.0%	-	0.0%	(126.4)	-1.6%	-100.0%
Extraordinary Expenses	-	0.0%	-	0.0%	0.0%	-	0.0%	61.1	0.8%	-100.0%
Adjusted EBITDA	**175.4**	**6.3%**	**131.8**	**5.3%**	**33.1%**	**605.3**	**6.2%**	**411.6**	**5.1%**	**47.0%**

In 4Q14, earnings before interest, taxes, depreciation and amortization (Consolidated EBITDA) increased much higher than the increase in net sales (33.1% versus 12.0%) to a quarterly EBITDA level of R$175.4 million, for a margin of 6.3%. The main reasons were: (i) the strong performance of sales in all channels, (ii) better dilution of operating expenses and (iii) Luizacred's equity income. In 12M14, consolidated EBITDA totaled R$605.3 million, for a 6.2% margin, an increase of 47.0% over adjusted EBITDA of R$411.6 million in 12M13 (EBITDA margin of 5.1%).

Financial Results

R$ million	4Q14	% NR	4Q13	% NR	% Chg	12M14	% NR	12M13	% NR	% Chg
Financial Expenses	(135.2)	-4.9%	(97.3)	-3.9%	39.0%	(457.2)	-4.7%	(313.4)	-3.9%	45.9%
Interest on loans and financing	(51.7)	-1.9%	(37.4)	-1.5%	38.4%	(184.8)	-1.9%	(133.2)	-1.6%	38.8%
Interest on prepayment of receivables – third party card	(42.8)	-1.5%	(28.4)	-1.1%	50.9%	(137.6)	-1.4%	(81.7)	-1.0%	68.3%
Interest on prepayment of receivables – Luiza Card	(26.0)	-0.9%	(18.2)	-0.7%	43.3%	(82.2)	-0.8%	(52.9)	-0.7%	55.5%
Other expenses	(14.6)	-0.5%	(13.3)	-0.5%	9.6%	(52.6)	-0.5%	(45.6)	-0.6%	15.4%
Financial Revenues	25.2	0.9%	23.5	0.9%	7.3%	96.5	1.0%	69.4	0.9%	39.0%
Gains on marketable securities	2.0	0.1%	3.4	0.1%	-41.1%	6.8	0.1%	7.0	0.1%	-2.9%
Other financial revenues	23.2	0.8%	20.1	0.8%	15.5%	89.7	0.9%	62.4	0.8%	43.7%
Total Financial Results	(110.1)	-4.0%	(73.8)	-3.0%	49.1%	(360.7)	-3.7%	(244.0)	-3.0%	47.9%
Income from securities[1]	8.1	0.3%	6.4	0.3%	26.8%	30.1	0.3%	22.3	0.3%	35.0%
Adjusted Financial Results	(101.9)	-3.7%	(67.4)	-2.7%	51.2%	(330.6)	-3.4%	(221.6)	-2.7%	49.2%

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 expenses increased 51.2% in 4Q14, primarily due to an increase in credit card sales (interest on prepayment of receivables of third party cards) and to CDI rate increase during the period, totaling R$ 101.9 million in 4Q14. It represented 3.7% of net revenues in 4Q14. In 12M14, adjusted net financial expenses reached R$330.6 million, 3.4% of net revenues.

Consolidated Net Income

Consolidated net income in 4Q14 totaled R$39.3 million, equivalent to a net margin of 1.4%, with a ROE of 21.0%. In 12M14, net income totaled R$128.6 million, with a net margin of 1.3% and ROE of 17.9%.

Working Capital

(R$ million)	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13
Accounts Receivables	618.3	583.8	577.4	510.0	530.6
Inventories	1,472.7	1,268.4	1,144.2	1,264.0	1,251.4
Related Parties	93.2	74.5	87.8	82.0	108.9
Recoverable Taxes	295.6	211.3	193.4	224.4	218.6
Other Assets	52.9	50.5	57.1	56.0	41.0
Current Operating Assets	2,532.8	2,188.5	2,060.0	2,136.4	2,150.4
Suppliers	1,789.9	1,388.1	1,189.5	1,528.4	1,651.5
Payroll, Vacation and Related Charges	167.4	173.0	153.2	155.4	166.6
Taxes Payable	44.6	36.0	46.5	27.3	41.7
Related Parties	80.3	64.5	66.8	61.6	73.6
Taxes in Installments	6.5	6.5	7.1	7.7	8.3
Other Accounts Payable	95.2	101.6	101.7	118.0	107.7
Current Operating Liabilities	2,184.0	1,769.6	1,564.8	1,898.3	2,049.4
Working Capital	348.8	419.0	495.2	238.1	101.0
% of Gross Revenue (LTM)	3.0%	3.7%	4.6%	2.3%	1.0%
Balance of Discounted Receivables	1,515.6	1,352.4	1,270.3	1,238.0	1,186.3
Working Capital Adjusted	1,864.5	1,771.3	1,765.5	1,476.1	1,287.3
% of Gross Revenue (LTM)	16.2%	15.8%	16.3%	14.4%	13.3%

In Dec-14, net working capital totaled R$348.8 million, representing 3.0% of gross revenues in the past 12 months, lower on a sequential basis. It should be noted that there was an improvement in 7 days in average payment terms compared to 3Q14.

Capex

CAPEX (in R$ million)	4Q14	%	4Q13	%	12M14	%	12M13	%
New Stores	13.5	27%	8.9	22%	25.0	17%	24.6	17%
Remodeling	12.5	25%	10.6	26%	54.7	36%	44.7	31%
Technology	15.2	30%	14.2	34%	46.5	31%	38.8	27%
Logistics	8.5	17%	5.4	13%	21.0	14%	25.2	17%
Other	0.9	2%	2.1	5%	4.5	3%	12.8	9%
Capex - Total	**50.6**	**100%**	**41.3**	**100%**	**151.7**	**100%**	**146.1**	**100%**

Investments in fixed and intangible assets totaled R$50.6 million in 4Q14 including the opening of 21 new stores, store remodelings, particularly the stores in Bahia state, investments in technology and logistics. In 2014, the Company invested R$151.7 million, opening 24 stores (closed 12 stores) and remodeled 60 stores.

Net Debt

CONSOLIDATED (R$ million)	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13
(+) Current Loans and Financing	591.4	447.7	422.4	520.6	425.2
(+) Non-current Loans and Financing	1,120.2	1,076.9	1,154.0	708.7	895.1
(=) Gross Debt	1,711.6	1,524.5	1,576.5	1,229.3	1,320.3
(-) Cash and Cash Equivalents	412.2	132.8	287.4	235.3	280.3
(-) Current Securities	451.0	435.2	283.8	306.3	491.3
(-) Total Cash	863.1	567.9	571.1	541.5	771.6
(=) Net Debt	848.5	956.6	1,005.3	687.7	548.7
Short Term Debt/Total	35%	29%	27%	42%	32%
Long Term Debt/Total	65%	71%	73%	58%	68%
Adjusted EBITDA (LTM)	605.3	561.6	507.9	469.7	411.6
Net Debt/ Adjusted EBITDA	1.4 x	1.7 x	2.0 x	1.5 x	1.3 x

In Dec-14, the Company had loans and financing in the amount of R$1,711.6 million, cash and financial investments in the amount of R$863.1 million, resulting in net debt of R$848.5 million, equivalent to 1.4x adjusted EBITDA of the last 12 months, reducing leverage, related to Sep-14 but somewhat stable compared with Dec-13.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	4Q14	V.A.	4Q13	V.A.	% Chg	12M14	V.A.	12M13	V.A.	% Chg
Gross Revenue	3,247.6	116.9%	2,948.4	118.9%	10.1%	11,504.7	117.6%	9,692.4	119.8%	18.7%
Taxes and Deductions	(470.2)	-16.9%	(469.5)	-18.9%	0.2%	(1,725.3)	-17.6%	(1,604.0)	-19.8%	7.6%
Net Revenue	2,777.4	100.0%	2,479.0	100.0%	12.0%	9,779.4	100.0%	8,088.4	100.0%	20.9%
Total Costs	(2,018.2)	-72.7%	(1,800.8)	-72.6%	12.1%	(7,086.9)	-72.5%	(5,825.4)	-72.0%	21.7%
Gross Income	759.2	27.3%	678.1	27.4%	12.0%	2,692.5	27.5%	2,263.0	28.0%	19.0%
Selling Expenses	(487.4)	-17.6%	(437.4)	-17.6%	11.4%	(1,746.3)	-17.9%	(1,513.8)	-18.7%	15.4%
General and Administrative Expenses	(128.3)	-4.6%	(128.1)	-5.2%	0.1%	(442.6)	-4.5%	(403.7)	-5.0%	9.6%
Provisions for Loan Losses	(5.9)	-0.2%	(6.0)	-0.2%	-1.7%	(22.5)	-0.2%	(21.2)	-0.3%	6.3%
Other Operating Revenues, Net	6.7	0.2%	5.8	0.2%	16.7%	24.5	0.3%	98.2	1.2%	-75.0%
Equity in Subsidiaries	31.2	1.1%	19.5	0.8%	60.0%	99.6	1.0%	54.5	0.7%	82.9%
Total Operating Expenses	(583.8)	-21.0%	(546.4)	-22.0%	6.8%	(2,087.2)	-21.3%	(1,786.1)	-22.1%	16.9%
EBITDA	175.4	6.3%	131.8	5.3%	33.1%	605.3	6.2%	476.9	5.9%	26.9%
Depreciation and Amortization	(31.5)	-1.1%	(26.4)	-1.1%	19.1%	(114.3)	-1.2%	(102.0)	-1.3%	12.1%
EBIT	144.0	5.2%	105.3	4.2%	36.7%	490.9	5.0%	375.0	4.6%	30.9%
Financial Results	(110.1)	-4.0%	(73.8)	-3.0%	49.1%	(360.7)	-3.7%	(244.0)	-3.0%	47.9%
Operating Income	33.9	1.2%	31.5	1.3%	7.5%	130.2	1.3%	131.0	1.6%	-0.6%
Income Tax and Social Contribution	5.4	0.2%	1.4	0.1%	273.9%	(1.6)	0.0%	(17.2)	-0.2%	-90.5%
Net Income	39.3	1.4%	33.0	1.3%	19.2%	128.6	1.3%	113.8	1.4%	13.0%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	175.4	6.3%	131.8	5.3%	-	605.3	6.2%	476.9	5.9%	-
Extraordinary Revenues	-	0.0%	-	0.0%	-	-	0.0%	(126.4)	-1.6%	-
Extraordinary Expenses	-	0.0%	-	0.0%	-	-	0.0%	61.1	0.8%	-
Adjusted EBITDA	175.4	6.3%	131.8	5.3%	-	605.3	6.2%	411.6	5.1%	-

Net Income	39.3	1.4%	33.0	1.3%	-	128.6	1.3%	113.8	1.4%	-
Extraordinary Operational Results	-	0.0%	-	0.0%	-	-	0.0%	(65.3)	-0.8%	-
Tax Over Extraordinary Results	-	0.0%	-	0.0%	-	-	0.0%	22.2	0.3%	-
Adjusted Net Income	39.3	1.4%	33.0	1.3%	-	128.6	1.3%	70.7	0.9%	-

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13
CURRENT ASSETS					
Cash and Cash Equivalents	412.2	132.8	287.4	235.3	280.3
Securities	451.0	435.2	283.8	306.3	491.3
Accounts Receivable	618.3	583.8	577.4	510.0	530.6
Inventories	1,472.7	1,268.4	1,144.2	1,264.0	1,251.4
Related Parties	93.2	74.5	87.8	82.0	108.9
Taxes Recoverable	295.6	211.3	193.4	224.4	218.6
Other Assets	52.9	50.5	57.1	56.0	41.0
Total Current Assets	3,395.9	2,756.4	2,631.1	2,678.0	2,922.0
NON-CURRENT ASSETS					
Accounts Receivable	5.0	1.3	3.8	3.6	4.7
Deferred Income Tax and Social Contribution	146.4	141.2	146.9	142.0	139.4
Recoverable Taxes	106.5	154.1	159.8	150.0	158.8
Judicial Deposits	209.6	199.2	187.9	178.3	170.1
Other Assets	52.0	53.4	48.2	46.1	45.4
Investments in Subsidiaries	319.6	313.4	287.1	266.0	251.7
Fixed Assets	566.2	549.7	534.7	530.8	540.4
Intangible Assets	488.8	487.8	487.9	480.4	481.4
Total Non-current Assets	1,894.1	1,899.9	1,856.3	1,797.2	1,791.9
TOTAL ASSETS	5,290.0	4,656.3	4,487.4	4,475.2	4,713.9

LIABILITIES (R$ million)	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13
CURRENT LIABILITIES					
Suppliers	1,789.9	1,388.1	1,189.5	1,528.4	1,651.5
Loans and Financing	591.4	447.7	422.4	520.6	425.2
Payroll, Vacation and Related Charges	167.4	173.0	153.2	155.4	166.6
Taxes Payable	44.6	36.0	46.5	27.3	41.7
Related Parties	80.3	64.5	66.8	61.6	73.6
Taxes in Installments	6.5	6.5	7.1	7.7	8.3
Deferred Revenue	37.7	37.7	37.7	36.7	36.7
Dividends Payable	18.3	-	-	16.2	16.2
Other Accounts Payable	95.2	101.6	101.7	118.0	107.7
Total Current Liabilities	2,831.4	2,254.9	2,025.0	2,471.8	2,527.6
NON-CURRENT LIABILITIES					
Loans and Financing	1,120.2	1,076.9	1,154.0	708.7	895.1
Provision for Tax, Civil and Labor Risks	265.7	254.9	262.2	255.0	245.9
Deferred Revenue	315.9	326.4	334.6	341.3	349.2
Other Accounts Payable	2.4	2.0	1.8	1.7	1.5
Total Non-current Liabilities	1,704.1	1,660.2	1,752.6	1,306.7	1,491.7
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	10.1	9.0	7.9	6.8	5.6
Treasury Shares	(20.2)	(11.7)	-	(39.8)	(20.1)
Legal Reserve	16.1	9.7	9.7	9.7	9.7
Profit Retention Reserve	143.2	39.4	39.4	94.5	94.5
Other Comprehensive Income	(1.3)	(1.0)	(0.7)	(1.5)	(1.6)
Accumulated Losses	-	89.3	47.2	20.5	-
Total Shareholders' Equity	754.5	741.2	709.9	696.6	694.6
TOTAL	5,290.0	4,656.3	4,487.4	4,475.2	4,713.9

ANNEX III

FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	4Q14	4Q13	12M14	12M13
Net Income	**39.3**	**33.0**	**128.6**	**113.8**
Effect of IR / CS Net of Payment	(5.9)	(2.8)	(1.9)	3.5
Depreciation and Amortization	31.5	26.4	114.3	102.0
Interest Accrued on Loans	47.1	35.1	166.5	118.7
Equity, Net of Dividends Received	(11.2)	(19.5)	(55.9)	(43.1)
Provision for Losses on Inventories and Receivables	22.3	24.7	80.2	76.1
Provision for Tax, Civil and Labor Contingencies	17.4	1.2	52.5	59.9
Gain on Sale of Fixed Assets	0.2	1.0	1.2	(125.4)
Recognition of Deferred Income	(10.5)	(7.8)	(35.4)	(32.3)
Stock Option Expenses	1.1	0.7	4.5	2.8
Interest offset Taxes with Tax Loss	0.0	10.1	0.0	10.1
Adjusted Net Income	**131.3**	**102.2**	**454.7**	**286.1**
Trade Accounts Receivable	(54.9)	(79.9)	(149.2)	(96.4)
Inventories	(210.0)	(123.2)	(240.3)	(205.9)
Taxes Recoverable	(36.7)	(5.6)	(23.2)	(17.8)
Other Receivables	(24.2)	(17.3)	(51.0)	(71.8)
Changes in Operating Assets	**(325.8)**	**(226.0)**	**(463.8)**	**(391.9)**
Trade Accounts Payable	401.8	316.7	138.4	322.6
Other Payables	11.2	69.0	(38.1)	11.8
Change in Operating Liabilities	**413.0**	**385.7**	**100.3**	**334.5**
Cash Flow from Operating Activities	**218.5**	**261.9**	**91.1**	**228.7**
Additions of Fixed and Intangible Assets	(50.6)	(41.3)	(151.7)	(146.1)
Cash on Sale of Fixed Assets	-	-	-	205.5
Sale of Exclusive Dealing and Exploration Right Contract	0.0	-	3.0	6.0
Investment in Subsidiary	(4.3)	(12.2)	(4.3)	(12.2)
Cash Flow from Investing Activities	**(54.8)**	**(53.5)**	**(152.9)**	**53.2**
Loans and Financing	220.6	204.7	641.7	411.6
Repayment of Loans and Financing	(25.7)	(274.9)	(259.3)	(346.4)
Payment of Interest on Loans and Financing	(54.8)	(30.3)	(157.6)	(100.6)
Treasury Shares	(8.5)	(20.1)	(40.0)	(20.1)
Payment of Dividends	0.0	0.0	(31.5)	0.0
Cash Flow from Financing Activities	**131.5**	**(120.6)**	**153.4**	**(55.5)**
Cash, Cash Equivalents and Securities at Beginning of Period	567,9	683,8	771,6	545,3
Cash, Cash Equivalents and Securities at end of Period	863,1	771,6	863,1	771,6
Change in Cash and Cash equivalents	**295,2**	**87,8**	**91,6**	**226,3**

Note: The difference between the Cash Flow Statement and the Adjusted Cash Flow Statement is basically related to the treatment of Bonds and Securities as Cash Equivalents.

ANNEX IV
RESULTS BY SEGMENT – 4Q14

4Q14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	3,237.7	11.9	(2.0)	3,247.6	213.5	47.9	(74.2)	3,434.9
Taxes and Deductions	(469.2)	(1.0)	-	(470.2)	-	-	-	(470.2)
Net Revenue	2,768.5	10.9	(2.0)	2,777.4	213.5	47.9	(74.2)	2,964.7
Total Costs	(2,016.1)	(4.1)	2.0	(2,018.2)	(29.7)	(5.6)	-	(2,053.4)
Gross Income	752.4	6.8	-	759.2	183.9	42.4	(74.2)	911.3
Selling Expenses	(487.4)	-	-	(487.4)	(76.7)	(35.6)	61.2	(538.6)
General and Administrative Expenses	(122.6)	(5.7)	-	(128.3)	(0.7)	(5.6)	-	(134.7)
Provisions for Loan Losses	(5.9)	-	-	(5.9)	(61.3)	-	-	(67.3)
Equity in Subsidiaries	32.1	-	(0.9)	31.2	-	-	(31.2)	-
Other Operating Revenues, Net	6.7	0.0	-	6.7	1.7	0.0	(1.4)	7.0
Total Operating Expenses	(577.1)	(5.7)	(0.9)	(583.8)	(137.1)	(41.2)	28.6	(733.5)
EBITDA	175.3	1.0	(0.9)	175.4	46.8	1.1	(45.6)	177.8
Depreciation and Amortization	(31.4)	(0.1)	-	(31.5)	(1.6)	(0.0)	1.4	(31.7)
EBIT	143.9	1.0	(0.9)	144.0	45.2	1.1	(44.2)	146.1
Financial Results	(110.5)	0.5	-	(110.1)	-	3.6	13.0	(93.4)
Operating Income	33.4	1.4	(0.9)	33.9	45.2	4.8	(31.2)	52.7
Income Tax and Social Contribution	5.9	(0.5)	-	5.4	(16.9)	(1.9)	-	(13.4)
Net Income	39.3	0.9	(0.9)	39.3	28.2	2.9	(31.2)	39.3
Gross Margin	27.2%	62.3%	0.0%	27.3%	86.1%	88.4%	100.0%	30.7%
EBITDA Margin	6.3%	9.5%	46.3%	6.3%	21.9%	2.4%	61.4%	6.0%
Net Margin	1.4%	8.6%	46.3%	1.4%	13.2%	6.1%	42.0%	1.3%

ANNEX V
RESULTS BY SEGMENT – 12M14

12M14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	11,468.7	43.3	(7.4)	11,504.7	819.1	165.3	(261.3)	12,227.8
Taxes and Deductions	(1,721.5)	(3.8)	-	(1,725.3)	-	-	-	(1,725.3)
Net Revenue	9,747.2	39.6	(7.4)	9,779.4	819.1	165.3	(261.3)	10,502.5
Total Costs	(7,080.1)	(14.2)	7.4	(7,086.9)	(113.6)	(17.8)	-	(7,218.3)
Gross Income	2,667.1	25.3	-	2,692.5	705.5	147.5	(261.3)	3,284.1
Selling Expenses	(1,746.3)	-	-	(1,746.3)	(288.4)	(122.7)	220.2	(1,937.2)
General and Administrative Expenses	(422.0)	(20.6)	-	(442.6)	(2.3)	(22.1)	-	(467.0)
Provisions for Loan Losses	(22.5)	-	-	(22.5)	(271.5)	-	-	(294.0)
Equity in Subsidiaries	103.6	-	(4.0)	99.6	-	-	(99.6)	-
Other Operating Revenues, Net	24.5	0.0	-	24.5	12.0	0.2	(5.5)	31.1
Total Operating Expenses	(2,062.6)	(20.6)	(4.0)	(2,087.2)	(550.3)	(144.7)	115.1	(2,667.1)
EBITDA	604.5	4.8	(4.0)	605.3	155.2	2.8	(146.3)	617.0
Depreciation and Amortization	(114.0)	(0.3)	-	(114.3)	(6.5)	(0.0)	5.5	(115.3)
EBIT	490.5	4.5	(4.0)	490.9	148.7	2.8	(140.7)	501.7
Financial Results	(362.3)	1.6	-	(360.7)	-	12.4	41.1	(307.2)
Operating Income	128.2	6.0	(4.0)	130.2	148.7	15.3	(99.6)	194.5
Income Tax and Social Contribution	0.4	(2.0)	-	(1.6)	(58.3)	(6.0)	-	(66.0)
Net Income	128.6	4.0	(4.0)	128.6	90.4	9.2	(99.6)	128.6
Gross Margin	27.4%	64.1%	0.0%	27.5%	86.1%	89.2%	100.0%	31.3%
EBITDA Margin	6.2%	12.1%	54.2%	6.2%	19.0%	1.7%	56.0%	5.9%
Net Margin	1.3%	10.2%	54.2%	1.3%	11.0%	5.6%	38.1%	1.2%

ANNEX VI
RESULTS BY SEGMENT – 4Q13

4Q13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,941.2	9.8	(2.6)	2,948.4	186.5	35.5	(59.5)	3,111.0
Taxes and Deductions	(468.6)	(0.9)	-	(469.5)	-	-	-	(469.5)
Net Revenue	2,472.6	8.9	(2.6)	2,479.0	186.5	35.5	(59.5)	2,641.5
Total Costs	(1,800.3)	(3.1)	2.6	(1,800.8)	(24.0)	(2.7)	-	(1,827.5)
Gross Income	672.3	5.8	-	678.1	162.5	32.9	(59.5)	814.0
Selling Expenses	(437.4)	-	-	(437.4)	(64.1)	(26.6)	50.5	(477.7)
General and Administrative Expenses	(123.7)	(4.4)	-	(128.1)	(0.8)	(4.9)	-	(133.9)
Provisions for Loan Losses	(6.0)	-	-	(6.0)	(69.6)	-	-	(75.7)
Equity in Subsidiaries	20.6	-	(1.1)	19.5	-	-	(19.5)	-
Other Operating Revenues, Net	5.8	0.0	-	5.8	0.8	(0.0)	(1.4)	5.1
Total Operating Expenses	(540.9)	(4.4)	(1.1)	(546.4)	(133.8)	(31.6)	29.6	(682.1)
EBITDA	131.5	1.5	(1.1)	131.8	28.8	1.3	(29.9)	131.9
Depreciation and Amortization	(26.4)	(0.1)	-	(26.4)	(1.6)	(0.0)	1.4	(26.7)
EBIT	105.1	1.4	(1.1)	105.3	27.1	1.3	(28.6)	105.2
Financial Results	(74.1)	0.3	-	(73.8)	-	2.6	9.1	(62.2)
Operating Income	31.0	1.7	(1.1)	31.5	27.1	3.9	(19.5)	43.0
Income Tax and Social Contribution	2.0	(0.6)	-	1.4	(10.1)	(1.4)	-	(10.1)
Net Income	33.0	1.1	(1.1)	33.0	17.1	2.4	(19.5)	33.0
Gross Margin	27.2%	65.5%	0.0%	27.4%	87.1%	92.5%	100.0%	30.8%
EBITDA Margin	5.3%	16.4%	44.0%	5.3%	15.4%	3.6%	50.3%	5.0%
Net Margin	1.3%	12.7%	44.0%	1.3%	9.1%	6.8%	32.7%	1.2%

ANNEX VII
RESULTS BY SEGMENT – 12M13

12M13	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	9,661.7	38.5	(7.8)	9,692.4	713.1	108.9	(194.9)	10,319.5
Taxes and Deductions	(1,600.6)	(3.4)	-	(1,604.0)	-	-	-	(1,604.0)
Net Revenue	8,061.1	35.1	(7.8)	8,088.4	713.1	108.9	(194.9)	8,715.6
Total Costs	(5,820.3)	(12.9)	7.8	(5,825.4)	(77.9)	(10.0)	-	(5,913.4)
Gross Income	2,240.8	22.2	-	2,263.0	635.2	98.9	(194.9)	2,802.2
Selling Expenses	(1,513.8)	-	-	(1,513.8)	(253.4)	(76.2)	168.4	(1,674.9)
General and Administrative Expenses	(385.9)	(17.9)	-	(403.7)	(2.2)	(14.7)	-	(420.6)
Provisions for Loan Losses	(21.2)	-	-	(21.2)	(305.5)	-	-	(326.7)
Equity in Subsidiaries	57.8	-	(3.3)	54.5	-	-	(54.5)	-
Other Operating Revenues, Net	98.1	0.1	-	98.2	5.8	0.0	(5.5)	98.4
Total Operating Expenses	(1,764.9)	(17.8)	(3.3)	(1,786.1)	(555.3)	(90.9)	108.4	(2,323.8)
EBITDA	475.8	4.4	(3.3)	476.9	79.9	8.0	(86.4)	478.4
Depreciation and Amortization	(101.7)	(0.3)	-	(102.0)	(6.6)	(0.0)	5.5	(103.0)
EBIT	374.2	4.1	(3.3)	375.0	73.4	8.0	(80.9)	375.4
Financial Results	(244.8)	0.8	-	(244.0)	-	8.3	26.4	(209.2)
Operating Income	129.4	4.9	(3.3)	131.0	73.4	16.3	(54.5)	166.2
Income Tax and Social Contribution	(15.6)	(1.6)	-	(17.2)	(28.8)	(6.4)	-	(52.4)
Net Income	113.8	3.3	(3.3)	113.8	44.6	9.9	(54.5)	113.8
Gross Margin	27.8%	63.4%	0.0%	28.0%	89.1%	90.8%	100.0%	32.2%
EBITDA Margin	5.9%	12.6%	42.6%	5.9%	11.2%	7.3%	44.4%	5.5%
Net Margin	1.4%	9.4%	42.6%	1.4%	6.3%	9.1%	27.9%	1.3%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	475.8	4.4	(3.3)	476.9	79.9	8.0	(86.4)	478.4
Extraordinary revenues	(126.4)	-	-	(126.4)	-	-	-	(126.4)
Extraordinary expenses	61.1	-	-	61.1	-	-	-	61.1
Adjusted EBITDA	410.5	4.4	(3.3)	411.6	79.9	8.0	(86.4)	413.1
Adjusted EBITDA Margin	5.1%	12.6%	42.6%	5.1%	11.2%	7.3%	44.4%	4.7%
Net Income	113.8	3.3	(3.3)	113.8	44.6	9.9	(54.5)	113.8
Extraordinary operational results	(65.3)	-	-	(65.3)	-	-	-	(65.3)
Tax over extraordinary results	22.2	-	-	22.2	-	-	-	22.2
Adjusted Net Income	70.7	3.3	(3.3)	70.7	44.6	9.9	(54.5)	70.7
Adjusted Net Income Margin	0.9%	9.4%	42.6%	0.9%	6.3%	9.1%	27.9%	0.8%

ANNEX VIII
FINANCIAL STATEMENTS – PRO-FORMA CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (in R$ million)	4Q14	V.A.	4Q13	V.A.	% Chg	12M14	V.A.	12M13	V.A.	% Chg
Gross Revenue	3,434.9	115.9%	3,111.0	117.8%	10.4%	12,227.8	116.4%	10,319.5	118.4%	18.5%
Taxes and Deductions	(470.2)	-15.9%	(469.5)	-17.8%	0.2%	(1,725.3)	-16.4%	(1,604.0)	-18.4%	7.6%
Net Revenue	2,964.7	100.0%	2,641.5	100.0%	12.2%	10,502.5	100.0%	8,715.6	100.0%	20.5%
Total Costs	(2,053.4)	-69.3%	(1,827.5)	-69.2%	12.4%	(7,218.3)	-68.7%	(5,913.4)	-67.8%	22.1%
Gross Income	911.3	30.7%	814.0	30.8%	11.9%	3,284.1	31.3%	2,802.2	32.2%	17.2%
Selling Expenses	(538.6)	-18.2%	(477.7)	-18.1%	12.7%	(1,937.2)	-18.4%	(1,674.9)	-19.2%	15.7%
General and Administrative Expenses	(134.7)	-4.5%	(133.9)	-5.1%	0.6%	(467.0)	-4.4%	(420.6)	-4.8%	11.0%
Provisions for Loan Losses	(67.3)	-2.3%	(75.7)	-2.9%	-11.1%	(294.0)	-2.8%	(326.7)	-3.7%	-10.0%
Other Operating Revenues, Net	7.0	0.2%	5.1	0.2%	36.7%	31.1	0.3%	98.4	1.1%	-68.4%
Total Operating Expenses	(733.5)	-24.7%	(682.1)	-25.8%	7.5%	(2,667.1)	-25.4%	(2,323.8)	-26.7%	14.8%
EBITDA	177.8	6.0%	131.9	5.0%	34.8%	617.0	5.9%	478.4	5.5%	29.0%
Depreciation and Amortization	(31.7)	-1.1%	(26.7)	-1.0%	18.9%	(115.3)	-1.1%	(103.0)	-1.2%	12.0%
EBIT	146.1	4.9%	105.2	4.0%	38.9%	501.7	4.8%	375.4	4.3%	33.6%
Financial Results	(93.4)	-3.2%	(62.2)	-2.4%	50.3%	(307.2)	-2.9%	(209.2)	-2.4%	46.8%
Operating Income	52.7	1.8%	43.0	1.6%	22.4%	194.5	1.9%	166.2	1.9%	17.1%
Income Tax and Social Contribution	(13.4)	-0.5%	(10.1)	-0.4%	32.8%	(66.0)	-0.6%	(52.4)	-0.6%	25.9%
Net Income	39.3	1.3%	33.0	1.2%	19.2%	128.6	1.2%	113.8	1.3%	13.0%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	177.8	6.0%	131.9	5.0%	-	617.0	5.9%	478.4	5.5%	-
Extraordinary revenues	-	0.0%	-	0.0%	-	-	0.0%	(126.4)	-1.5%	-
Extraordinary expenses	-	0.0%	-	0.0%	-	-	0.0%	61.1	0.7%	-
Adjusted EBITDA	177.8	6.0%	131.9	5.0%	-	617.0	5.9%	413.1	4.7%	-

Net Income	39.3	1.3%	33.0	1.2%	-	128.6	1.2%	113.8	1.3%	-
Extraordinary operational results	-	0.0%	-	0.0%	-	-	0.0%	(65.3)	-0.7%	-
Tax over extraordinary results	-	0.0%	-	0.0%	-	-	0.0%	22.2	0.3%	-
Adjusted Net Income	39.3	1.3%	33.0	1.2%	-	128.6	1.2%	70.7	0.8%	-

ANNEX IX
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	4Q14	V.A.	4Q13	V.A.	Growth Total
Virtual Stores	154.4	4.8%	137.8	4.7%	12.0%
Website	526.5	16.3%	437.1	14.9%	20.5%
Subtotal - Virtual Stores	**680.8**	21.1%	**574.8**	19.6%	18.4%
Conventional Stores	2,548.8	78.9%	2,360.0	80.4%	8.0%
Total	**3,229.6**	100.0%	**2,934.8**	100.0%	10.0%

Gross Revenue by Channel (R$ million)	12M14	V.A.	12M13	V.A.	Growth Total
Virtual Stores	519.6	4.5%	439.8	4.6%	18.2%
Website	1,876.1	16.4%	1,403.3	14.6%	33.7%
Subtotal - Virtual Stores	**2,395.7**	20.9%	**1,843.1**	19.1%	30.0%
Conventional Stores	9,042.9	79.1%	7,796.3	80.9%	16.0%
Total	**11,438.6**	100.0%	**9,639.4**	100.0%	18.7%

Number of stores per channel – End of the period	dec-14	Part(%)	dec-13	Part(%)	Growth Total
Virtual Stores	111	14.7%	107	14.4%	4
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**112**	14.8%	**108**	14.5%	4
Conventional Stores	644	85.2%	636	85.5%	8
Total	**756**	100.0%	**744**	100.0%	12
Total Sales Area (m²)	481,726	100%	473,884	100%	1.7%

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$8.1 million in 4Q14 and R$6.4 million in 4Q13. 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 sales. Magazine Luiza's main role is employee management and customer service, while Itaú Unibanco is responsible for funding at Luizacred, drafting the credit and collections policies and back office activities, such as accounting and treasury.

In Dec-14, Luizacred had a total base of 3.4 million cards issued, basically stable vs. Dec-13. In 4Q14, we highlight the growth of sales using Luiza Card, 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$4.6 billion in 4Q14, 12.6% higher YoY.

(R$ million)	4Q14	4Q13	% Chg	12M14	12M13	% Chg
Total Card Base (thousand)	3,440	3,439	0.0%	3,440	3,439	0.0%
Luiza Card Sales – In chain	524	478	9.6%	1,866	1,574	18.5%
Luiza Card Sales – Outside Brand	2,136	1,785	19.7%	7,299	6,278	16.3%
CDC Sales	299	419	-28.6%	1,273	1,475	-13.7%
Personal Loans Sales	25	29	-14.4%	110	133	-17.2%
Total Luizacred Sales	**2,984**	**2,711**	**10.1%**	**10,549**	**9,461**	**11.5%**
Card Portfolio	3,563	2,904	22.7%	3,563	2,904	22.7%
CDC Portfolio	1,033	1,158	-10.8%	1,033	1,158	-10.8%
Personal Loans Portfolio	46	59	-22.3%	46	59	-22.3%
Total Portfolio	**4,643**	**4,122**	**12.6%**	**4,643**	**4,122**	**12.6%**

Credit and Collection Policy

The granting of credit at Luizacred follows the policies and criteria established by Itaú Unibanco's Credit Modeling and Policies area. The policies are defined based on proprietary statistics models, using the Risk Adjusted Return on Capital (RAROC) model. Maintaining its conservative approach, Luizacred maintained its low credit approval rate in 4Q14.

Income Statement

(R$ million)	4Q14	V.A.	4Q13	V.A.	% Chg	12M14	V.A.	12M13	V.A.	% Chg
Financial Intermediation Revenue	336.8	100.0%	298.2	100.0%	12.9%	1,312.0	100.0%	1,156.6	100.0%	13.4%
Cards	205.1	60.9%	155.8	52.2%	31.6%	765.7	58.4%	617.3	53.4%	24.0%
CDC	118.8	35.3%	127.7	42.8%	-7.0%	488.5	37.2%	468.4	40.5%	4.3%
Personal Loans	12.9	3.8%	14.7	4.9%	-11.8%	57.8	4.4%	70.9	6.1%	-18.4%
Financial Intermediation Expenses	(182.0)	-54.0%	(187.2)	-62.8%	-2.8%	(770.3)	-58.7%	(766.8)	-66.3%	0.5%
Market Funding Operations	(59.3)	-17.6%	(47.9)	-16.1%	23.7%	(227.3)	-17.3%	(155.8)	-13.5%	45.9%
Provision for Loan Losses	(122.7)	-36.4%	(139.3)	-46.7%	-11.9%	(543.0)	-41.4%	(611.0)	-52.8%	-11.1%
Gross Financial Intermediation Income	154.8	46.0%	110.9	37.2%	39.5%	541.8	41.3%	389.8	33.7%	39.0%
Other Operating Revenues (Expenses)	(64.5)	-19.2%	(56.7)	-19.0%	13.8%	(244.3)	-18.6%	(243.1)	-21.0%	0.5%
Service Revenue	90.3	26.8%	74.9	25.1%	20.6%	326.2	24.9%	269.6	23.3%	21.0%
Personnel Expenses	(1.5)	-0.4%	(1.6)	-0.5%	-5.0%	(4.7)	-0.4%	(4.3)	-0.4%	8.0%
Other Administrative Expenses	(131.7)	-39.1%	(109.1)	-36.6%	20.7%	(494.4)	-37.7%	(432.1)	-37.4%	14.4%
Depreciation and Amortization	(3.3)	-1.0%	(3.3)	-1.1%	0.3%	(13.0)	-1.0%	(13.1)	-1.1%	-0.5%
Tax Expenses	(21.6)	-6.4%	(19.1)	-6.4%	13.1%	(82.4)	-6.3%	(74.7)	-6.5%	10.3%
Other Operating Revenues (Expenses)	3.3	1.0%	1.5	0.5%	120.9%	24.0	1.8%	11.6	1.0%	106.6%
Income Before Tax	90.3	26.8%	54.3	18.2%	66.4%	297.4	22.7%	146.7	12.7%	102.7%
Income Tax and Social Contribution	(33.8)	-10.0%	(20.2)	-6.8%	67.9%	(116.6)	-8.9%	(57.6)	-5.0%	102.7%
Net Income	56.5	16.8%	34.1	11.4%	65.5%	180.8	13.8%	89.2	7.7%	102.7%

Revenue from Financial Intermediation

In 4Q14, gross revenue from financial intermediation grew by 12.9% over 4Q13, mainly due to the increase of 31.6% in financial transactions with the card, partially offset by 7.0% reduction in transactions with direct consumer credit (DCC).

Provision for Loan Losses

The portfolio of loans overdue improved 100bps in relation to Sep-14 and 70bps compared to Dec-13. The short-term indicator (NPL 15) improved 20bps in relation to Sep-14, while the portfolio of loans overdue for more than 90 days (NPL 90) increased by 80 bps compared to both Sept-14 and Dec-13. An important Luizacred highlight was the reduction in provisions, reflecting the improvement in the quality of the portfolio and overall default indicators in 4Q14. Provisions for loan losses fell 11.9% in 4Q14 yoy and accounted for 2.6% of the total portfolio in 4Q14 (from 3.4% in 4Q13). However, the portfolio coverage increased to 121% in Dec-14 versus 118% in Dec-13.

PORTIFOLIO - OVERDURE	Dec/14		Sep/14		Jun/14		Mar/14		Dec/13	
Total Portfolio (R$ million)	4,642.7	100.0%	4,356.2	100.0%	4,271.5	100.0%	4,130.4	100.0%	4,121.6	100.0%
000 to 014 days	4,007.3	86.3%	3,716.8	85.3%	3,641.4	85.2%	3,519.8	85.2%	3,527.7	85.6%
015 to 030 days	44.2	1.0%	43.2	1.0%	48.8	1.1%	52.6	1.3%	40.6	1.0%
031 to 060 days	46.4	1.0%	45.9	1.1%	51.5	1.2%	56.0	1.4%	36.6	0.9%
061 to 090 days	61.4	1.3%	63.6	1.5%	77.2	1.8%	75.2	1.8%	55.0	1.3%
091 to 120 days	57.6	1.2%	63.7	1.5%	66.8	1.6%	57.1	1.4%	51.0	1.2%
121 to 150 days	53.0	1.1%	58.2	1.3%	72.4	1.7%	50.3	1.2%	43.8	1.1%
151 to 180 days	52.1	1.1%	63.4	1.5%	62.1	1.5%	46.8	1.1%	43.4	1.1%
180 to 360 days	320.7	6.9%	301.4	6.9%	251.4	5.9%	272.6	6.6%	323.5	7.8%
Overdue 15-90 days	152.0	3.3%	152.7	3.5%	177.5	4.2%	183.8	4.4%	132.1	3.2%
Overdue Above 90 days	483.4	10.4%	486.8	11.2%	452.7	10.6%	426.8	10.3%	461.7	11.2%
Total Overdue	635.4	13.7%	639.5	14.7%	630.2	14.8%	610.6	14.8%	593.9	14.4%
Provisions for loan losses in IFRS	583.4	12.6%	577.2	13.3%	552.0	12.9%	538.8	13.0%	542.7	13.2%
Coverage (%)	121%		119%		122%		126%		118%	

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 sharp growth in gross financial intermediation revenues and the reduction of provisions for loan losses, partially offset by a higher average CDI rate, the gross margin from financial intermediation stood at 46.0% in 4Q14, a 880 bps upturn over 4Q13 (37.2%).

Other Operating Revenues (Expenses)

- **Service Revenues** increased by 20.6% over 4Q13, 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, 230bps increase over 4Q13 (44.6%), mainly due to other administrative expenses;
- **Other Operating Revenues (Expenses):** net revenues of R$3.3 million, equivalent to 1.0% of financial intermediation revenue.

Net Operating Results and Net Income

Luizacred recorded operating income of R$90.3 million in 4Q14, equivalent to 26.8% of financial intermediation revenues, a significant improvement over the operating income of R$54.3 million recorded in 4Q13 (18.2% of financial intermediation revenues).

Net income totaled R$56.5 million in 4Q14, with an average ROE (Return on Equity) of 40.7%, substantially higher than the R$34.1 million recorded in 4Q13. In 12M14 net income reached R$180.8 million, increasing 102.7% compared to 12M13 (R$89.2 million) and ROE of 36.1%.

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$188.0 million in 12M14, with a shareholders' equity of R$599.3 million in Dec-14. 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$561.1 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

February 27, 2015 (Friday)

02:00 p.m. – Brasília time
12:00 p.m. – US EST
04:00 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=89ahAm1p14cWjXZVGteUBA%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=CWulphYSWrAMce6RrzYWQQ%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.