October 31, 2016

Magazine Luiza S.A. (BM&FBOVESPA: MGLU3)
3rd Quarter 2016 (IFRS equivalent)

MGLU3 NOVO MERCADO BM&FBOVESPA

HIGHLIGHTS

Increase of the total gross revenue by 11%, with growth in all channels
E-commerce reached 25% of the total sales, with growth of 24% in the 3Q16
Increase of the EBITDA by 63%, to R$180 million (margin of 8.0%)
Growth of 96% in the operating cash generation, to R$184 million
Reduction of the net debt by R$465 million in 12 months

- **Consistent gain of market share.** The consolidated gross sales increased by 10.8%, to R$2.7 billion in the 3Q16 *vs.* the 3Q15. Same store sales are gradually improving each quarter and were positive by 9.6% in the 3Q16, mainly due to the good performance of the e-commerce (+24.3%) and an improvement in the performance of the physical stores (+5.5%), which represented the first growth in physical stores since the beginning of the economic crisis. According to the IBGE (PMC), the nominal sales of furniture and domestic appliances had a decrease in Jul/16 (-5.1%) and in Aug/16 (-3.7%), accumulating -8.1% in the year, against the Company's accumulated growth of +6.0%.

- **Growth in the e-commerce.** The sales of the e-commerce reached a record 24.7% in the Company's total sales, growing 24.3% in the 3Q16, against the market growth of 10.5% in the same period, according to E-bit's data. This gain in the market share resulted from: (i) the growth of traffic and sales in mobile channels (mainly the app), (ii) the increase of sales in markets served by the 9 regional DCs, fully integrated since 2014, (iii) the increase of the conversion reflecting the expansion of the use of the proprietary system of recommendation and (iv) the growth of sales in new channels (Época Cosméticos, Magazine Você, Clube da Lu and Quero de Casamento).

- **Increase in the gross margin.** In 3Q16, gross margin increased by 1.5 percentage points, to 31.7%, and in the 9M16, the increase was of 1.6 percentage points, to 31.2%. This expansion was achieved due to: (i) the greater rationality of prices in the e-commerce and the physical store's market, (ii) collection of shipping costs and assembly costs and (ii) improvement of the mix with the increase in the share of more profitable categories.

- **Significant dilution of operating expenses.** Selling, general and administrative expenses were diluted by 1.4 percentage points, to 24.5% of the net revenue. This dilution reflects the maturation of the strict control of expenses adopted by the Company, including the Zero Base Budget (ZBB) and Expenses Management Matrix (EMM).

- **Strong growth of the EBITDA and of the net profit.** The growth of total sales, the increased gross margin and the dilution of the operating expenses contributed to an increase in EBITDA of 63.4% to R$180.4 million (margin of 8.0%) and the net profit to R$24.8 million (margin of 1.1%). In the 9M16, the EBITDA reached R$487.7 million (margin of 7.3%) and the net profit reached R$40.5 million (margin of 0.6%).

- **Improvement in the working capital and operating cash generation.** In the 3Q16, the Company registered an improvement in its operating cash generation with a positive result of R$183.5 million, against the cash generation of R$93.5 million in the 3Q15. Over the past 12 months, the Company also achieved a significant improvement in the working capital, with a reduction of R$302.5 million, highlighting the better relationship between the balance of inventories and suppliers.

- **Reduction of the net debt.** Over the past 12 months, the Company reduced its net debt by R$464.6 million. The adjusted net debt went from R$1,215.0 million in Sep/15 to R$750.3 million in Sep/16, with a decrease of the adjusted net debt/adjusted EBITDA from 2.2x to 1.2x, respectively, one of the lowest rates in the history for the quarter.

- **Improved results of Luizacred.** The portfolio overdue for more than 90 days (NPL 90) decreased by 1.7 percentage points from Sep/15 to Sep/16, representing 10.6% of the total portfolio. Due to this improvement in non-performing loan, the operating profit of Luizacred grew by 196.9%, from R$15.3 million in the 3Q15 to R$45.3 million in the 3Q16. Net profit reached R$24.8 million with ROE of 19%.

R$ million (except when otherwise indicated)	3Q16	3Q15	% Chg	9M16	9M15	% Chg
Gross Revenue	2,693.8	2,431.0	10.8%	7,979.0	7,530.4	6.0%
Net Revenue	2,258.7	2,105.5	7.3%	6,669.5	6,513.3	2.4%
Gross Income	715.9	636.8	12.4%	2,082.0	1,928.3	8.0%
Gross Margin	31.7%	30.2%	150 bps	31.2%	29.6%	160 bps
EBITDA	180.4	110.4	63.4%	487.7	364.4	33.8%
EBITDA Margin	8.0%	5.2%	280 bps	7.3%	5.6%	170 bps
Adjusted EBITDA	180.8	113.4	59.4%	512.4	378.3	35.4%
Adjusted EBITDA Margin	8.0%	5.4%	262 bps	7.7%	5.8%	187 bps
Net Income	24.8	(19.1)	-	40.5	(13.2)	-
Net Margin	1.1%	-0.9%	200 bps	0.6%	-0.2%	80 bps
	-	-		-	-	
Adjusted Net Income	25.1	(17.1)	-	56.8	(4.0)	-
Adjusted Net Margin	1.1%	-0.8%	192 bps	0.9%	-0.1%	91.3 pp
Same Store Sales Growth	9.6%	-15.9%	-	3.9%	-10.6%	-
Same Physical Store Sales Growth	5.5%	-21.2%	-	-1.9%	-13.9%	-
Internet Sales Growth	24.3%	9.2%	-	28.2%	6.1%	-
Number of Stores - End of Period	791	780	11 stores	791	780	11 stores
Sales Area - End of Period (M2)	500,239	494,644	1.1%	500,239	494,644	1.1%

As a result of recent changes in the accounting of payroll taxes, to make the figures more comparable, we opted to reclassify 3Q15 results as follows: expenses with payroll taxes of R$23.0 million, which were previously accounted for as a reduction in gross sales, were reclassified as part of selling expenses (R$16.6 million) and G&A expenses (R$6.4 million).

MESSAGE FROM THE EXECUTIVE MANAGEMENT TEAM

Cycle of Digital Transformation. The Company's main strategy for the next five years is the digital transformation. Our goal is to change Magazine Luiza, going from a traditional brick and mortar retailer with online presence to a digital company with points of sales and human affection. The five strategic pillars of this new cycle are:

1) Multi-channel. We are the only company in the industry operating with a multichannel and in an integrated manner. We have been working on this strategy for over 16 years. One of the main benefits of this model is the infrastructure sharing, reduction of expenses, especially logistics, and optimization of inventories. All 9 distribution centers and more than 900 carriers are already integrated and meet the customers' demands from all channels. All channels also share the same administrative structure.

2) Digital Inclusion. Around 50% of the products we sell are connected, with a high potential to grow. We want to help our customers to make better use of the technology in their day to day lives. Thus, we have the opportunity to build customer loyalty, selling products and a wide range of additional services, some unique.

3) Digitalization of the Physical Stores. We are changing the shopping experience in our stores. All our salespersons are already using the application "Mobile Sales", which, besides providing detailed content on our products, also ensures a more digital and fast sales process, enabling the reduction of the store's administrative costs.

4) Digital Platform. We launched our Marketplace platform and began to sell products from other partners in our e-commerce. Our goal is to multiply the range of products and services, joining new categories, and to leverage the key assets that already exist, such as our brand, e-commerce platform and customer base.

5) Digital Culture. The Luizalabs, created in 2014, currently has more than 100 software engineers, which are ahead of the development of all Magazine Luiza's innovation projects, both for physical stores and for e-commerce. The development of a digital culture and the ability to implement projects in a fast manner are critical to the success of our strategy.

Below are some facts that show the fast progress of the implementation of our strategy:

Consistent growth in all sales channels

- ✓ Highlighting the performance of the e-commerce, of the virtual stores and of the Northeast stores;
- ✓ Sales growth, with gains of mkt share in the main categories, including telephony, image and white line;
- ✓ Increased share in mobile devices: a significant increase in traffic (46% share) up 15 percentage points *vs.* 3Q15.

Promising start of the new Marketplace platform

- ✓ +40,000 SKUs added to the assortment in the last 3 months;
- ✓ Inclusion of new categories such as stationery, petshop, safety equipment and decoration;
- ✓ New partners: Polishop, Multilaser, Casa América, Toymania, Dogloja, Magoobay, Cristalle Presentes, among others.

Growth in the share of new digital channels in the total sale

- ✓ Magazine Você (+379,000 stores created in the year);
- ✓ Época Cosméticos (+50% growth in the year);
- ✓ Clube da Lu (430,000 new registrations in the year);
- ✓ Quero de Casamento (+35,000 lists created in the year);
- ✓ App (+3 millions of downloads).

Excellence in the customer service and satisfaction

- ✓ Seal "*diamante Ebit*" (Ebit Diamond) for over 10 years;
- ✓ Seal "*ótimo*" (great) from the website Reclame Aqui, with the best score among competitors in the same segment and size;
- ✓ Running for the Best Service in Brazil at the Época Reclame Aqui Award.

Accelerated growth of the multi-channel projects

- ✓ **Pick up at Store:**
  - Already deployed in over 500 stores and with a rollout to more 100 stores by the end of the year;
  - Reduction of 80% in shipping costs.

Acceleration of the digitization projects of the physical stores

- ✓ **Mobile Sales:**
  - Implemented in 100% of the stores;
  - Reduction of around 80% in the average time of service;
  - Integrated into the inventory system of the store and the website, register, CRM and Luizacred.

- ✓ **Payment with Mobile Pinpad:**
  - Implemented in 120 stores;
  - Simplifying the sales process to eliminate the need for the customer to go to the cashier;
  - Opportunity for productivity gain.

Implementation of new services of digital inclusion

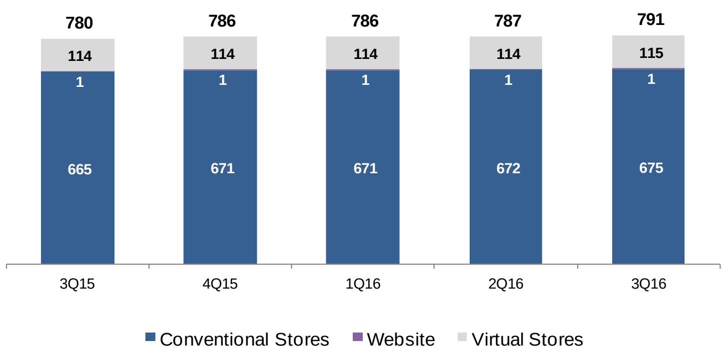
- ✓ **Lu Conecta:** service to install apps and set up smartphones, in addition to the Help Desk to answer questions by phone, access to thousands of places with access to free Wi-fi, antivirus, among others;
- ✓ **Content Card:** sale of contents such as Netflix, Google Play Store and Games;
- ✓ **Wi-fi:** free access to wireless internet (wi-fi) for our customers in the stores;
- ✓ **Mobitech:** Renovation and exchange of movables on display for the interaction with the products, making it easier for the customers to try on the products and driving sales (already implemented in over 600 stores);
- ✓ **Buyback:** Buyback program of used mobiles implemented in 71 stores.

EXECUTIVE MANAGEMENT TEAM

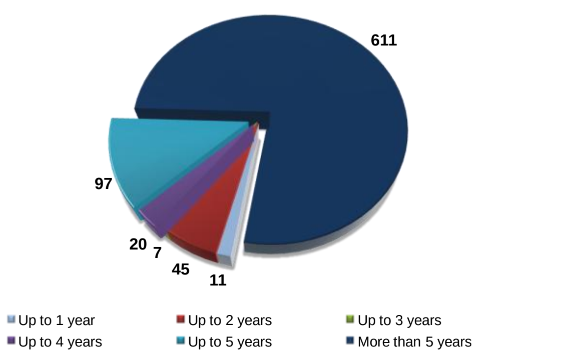
OPERATING AND FINANCIAL PERFORMANCE

Magazine Luiza ended Sep/16 with 791 stores, 675 of which were conventional stores, 115 virtual stores and one website. In the 3Q16, the Company opened four stores (three conventional stores in state of Pernambuco and one virtual store in São Paulo). In the last twelve months, the Company opened 11 new stores. Considering our total number of stores, 23% are not yet mature.

Number of Stores

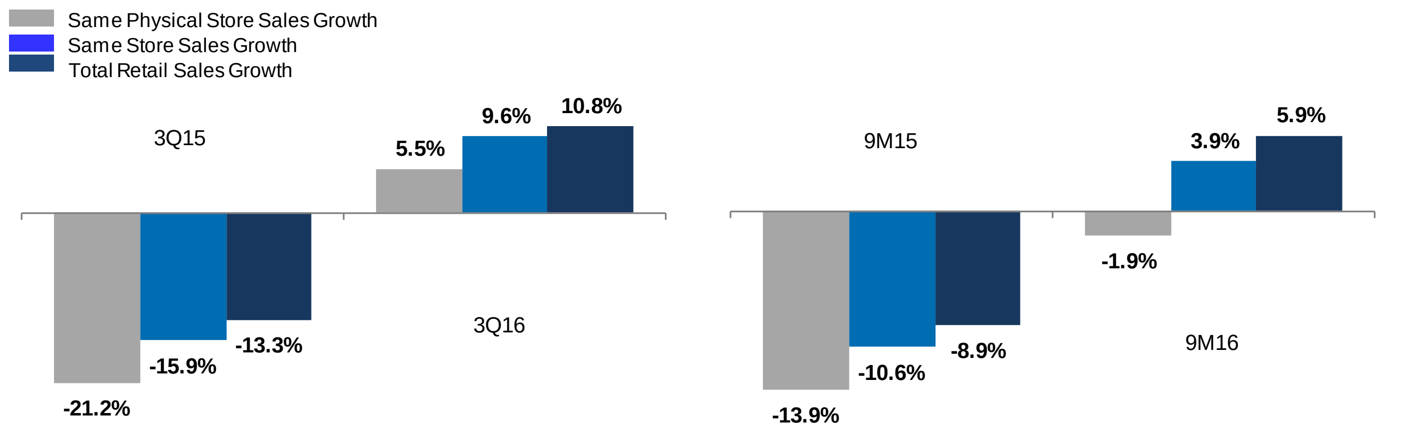


Average Age of Stores (number of stores)



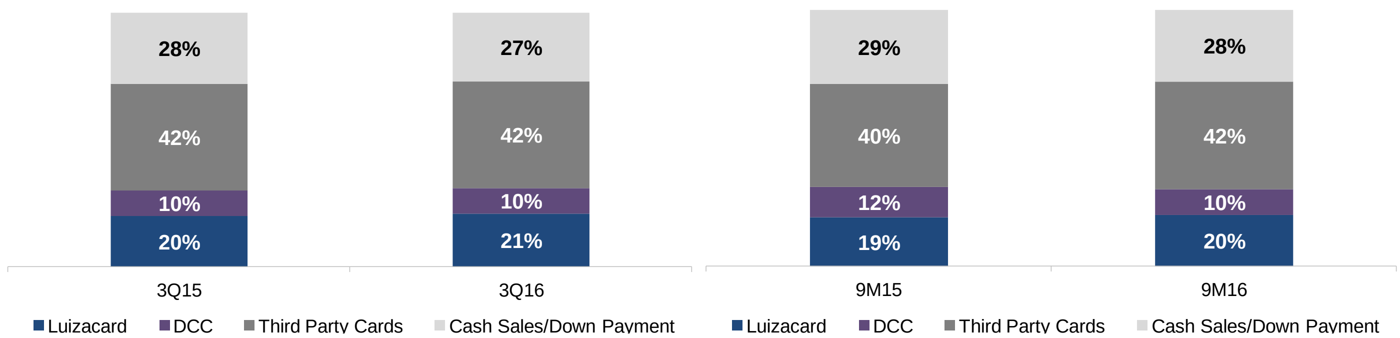
Gross same-store-sales growth 9.6% in 3Q16 as a result of an increase in brick and mortar SSS (+5.5%) and e-commerce (+24,3%). This result reflects a good performance in our online channel and a sequential improvement in brick and mortar store sales.

Same Store Sales Growth (%)



Sales on Luiza Card increased to 21% in 3Q16, contributing to the strategy to increase customer loyalty. Due to more conservative credit approval policy, DCC (direct credit to consumers) participation was stable at 10% of sales in 3Q16. Losango represented 5% of total brick and mortar store sales in the period.

Financed Sales Mix (% of total sales)



Gross Revenues

(in R$ million)	3Q16	3Q15	%Chg	9M16	9M15	%Chg
Gross Revenue - Retail - Merchandise Sales	2,557.5	2,299.1	11.2%	7,591.7	7,134.3	6.4%
Gross Revenue - Retail - Services	124.3	120.9	2.8%	352.2	364.7	-3.4%
Subtotal Retail	**2,681.8**	**2,420.0**	**10.8%**	**7,943.9**	**7,499.1**	**5.9%**
Gross Revenue - Consortium Management	14.8	13.2	12.0%	42.2	37.6	12.2%
Inter-Company Eliminations	(2.7)	(2.2)	25.2%	(7.2)	(6.3)	13.5%
Gross Revenue - Total	**2,693.8**	**2,431.0**	**10.8%**	**7,979.0**	**7,530.4**	**6.0%**

In 3Q16, gross revenues increased by 10.8% to R$2.7 billion due to 9.6% increase in same stores and the contribution of new stores. In 9M16, gross sales were 6.0% higher at R$8.0 billion.

Net Revenues

(in R$ million)	3Q16	3Q15	%Chg	9M16	9M15	%Chg
Net Revenue - Retail - Merchandise Sales	2,138.9	1,989.8	7.5%	6,329.1	6,166.6	2.6%
Net Revenue - Retail - Services	109.0	105.8	3.0%	308.7	318.6	-3.1%
Subtotal Retail	**2,247.8**	**2,095.6**	**7.3%**	**6,637.8**	**6,485.2**	**2.4%**
Net Revenue - Consortium Management	13.6	12.1	12.9%	38.8	34.4	12.7%
Inter-Company Eliminations	(2.7)	(2.2)	25.2%	(7.2)	(6.3)	13.5%
Net Revenue - Total	**2,258.7**	**2,105.5**	**7.3%**	**6,669.5**	**6,513.3**	**2.4%**

In 3Q16, net revenues were by 7.3% to R$2.3 billion due to the increase of taxes on gross revenues in several states, which raised the rates of ICMS taxes on some products. In 9M16, net revenues reached R$6.7 billion.

Gross Profit

(in R$ million)	3Q16	3Q15	% Chg	9M16	9M15	% Chg
Gross Income - Retail - Merchandise Sales	599.7	523.7	14.5%	1,750.8	1,588.4	10.2%
Gross Income - Retail - Services	109.0	105.8	3.0%	308.7	318.6	-3.1%
Subtotal Retail	**708.7**	**629.5**	**12.6%**	**2,059.5**	**1,906.9**	**8.0%**
Gross Income - Consortium Management	7.2	7.3	-0.9%	22.5	21.3	5.3%
Gross Income - Total	**715.9**	**636.8**	**12.4%**	**2,082.0**	**1,928.3**	**8.0%**
Gross Margin - Total	**31.7%**	**30.2%**	**150 bps**	**31.2%**	**29.6%**	**160 bps**

In 3Q16, gross profit increased by 12.4% to R$715.9 million, equivalent to a gross margin expansion of 150bps to 31.7%. Gross margin improvement was due to: (i) more rational pricing in e-commerce channel and physical stores, (ii) charging for shipping and assembly and (iii) sales mix with a better participation of more profitable categories. In 9M16, gross profit totaled R$2.1 billion with a rise in gross margin of 160 bps to 31.2%.

Operating Expenses

(in R$ million)	3Q16	% NR	3Q15	% NR	% Chg	9M16	% NR	9M15	% NR	% Chg
Selling Expenses	(434.5)	-19.2%	(425.5)	-20.2%	2.1%	(1,279.0)	-19.2%	(1,285.9)	-19.7%	-0.5%
General and Administrative Expenses	(118.5)	-5.2%	(119.4)	-5.7%	-0.7%	(348.0)	-5.2%	(354.6)	-5.4%	-1.8%
General and Administrative Expenses	**(553.0)**	**-24.5%**	**(544.9)**	**-25.9%**	**1.5%**	**(1,627.1)**	**-24.4%**	**(1,640.5)**	**-25.2%**	**-0.8%**
Provisions for Loan Losses	(6.1)	-0.3%	(7.3)	-0.3%	-16.1%	(19.3)	-0.3%	(20.3)	-0.3%	-4.6%
Other Operating Revenues, Net	7.2	0.3%	4.6	0.2%	58.5%	5.2	0.1%	27.9	0.4%	-81.5%
Total Operating Expenses	**(551.9)**	**-24.4%**	**(547.6)**	**-26.0%**	**0.8%**	**(1,641.2)**	**-24.6%**	**(1,632.8)**	**-25.1%**	**0.5%**

Selling Expenses

Selling expenses totaled R$434.5 million, equivalent to 19.2% of net revenues in 3Q16 (100 bps lower YoY), due to a more rigorous control of expenses, productivity gains, optimization of marketing expenses, renegotiation of store lease contracts and transportation services, besides a complete revision of all of the operating expenses. In 9M16, selling expenses were 0.5% lower at R$1.3 billion, a 50 bps dilution.

General and Administrative Expenses

General and administrative expenses totaled R$118.5 million, equivalent to 5.2% of net revenues in 3Q16, 40 bps lower YoY, due to optimization of administrative processes. In 9M16, G&A expenses were 1.8% lower at R$348.0 million (20 bps lower YoY), despite higher payroll taxes.

Provisions for Loan Losses

Provisions for loan losses reached R$6.1 million in 3Q16 and R$19.3 million in 9M16.

Other Operating Revenues, Net

(in R$ million)	3Q16	% NR	3Q15	% NR	% Chg	9M16	% NR	9M15	% NR	% Chg
Gain on Sale of Assets	(0.0)	0.0%	(0.2)	0.0%	-97.6%	(0.4)	0.0%	(0.5)	0.0%	-33.6%
Deferred Revenue Recorded	10.3	0.5%	8.2	0.4%	26.2%	30.6	0.5%	39.6	0.6%	-22.7%
Provision for Tax Liabilities	(2.8)	-0.1%	(0.2)	0.0%	1084.3%	(1.6)	0.0%	1.6	0.0%	-197%
Non-recurring Expenses	(0.4)	0.0%	(3.0)	-0.1%	-85.6%	(24.7)	-0.4%	(14.0)	-0.2%	77.2%
Other	0.1	0.0%	(0.2)	0.0%	-171.6%	1.3	0.0%	1.2	0.0%	6.3%
Total	**7.2**	**0.3%**	**4.6**	**0.2%**	**58.5%**	**5.2**	**0.1%**	**27.9**	**0.4%**	**-81.5%**

Other net operating revenues totaled R$7.2 million in 3Q16, due to deferred revenues appropriation of R$10.3 million. In 9M16, other net operating expenses were R$5,2 million, including non-operating charges of R$24.7 million.

Equity Income

Equity income totaled R$16.3 million in 3Q16. The main reasons that impacted equity income were (i) Luizacred's performance with equity income of R$12.4 million (ii) Luizaseg's performance with equity income of R$3.9 million. In 9M16, equity income totaled R$47.0 million.

EBITDA

In 3Q16, EBITDA increased by 63.4% to R$180.4 million, equivalent to a margin EBITDA of 8.0% (+280 bps versus 3Q15). The better sales performance, the expansion of gross margin and better dilution of operating expenses, contributed once again to the evolution of EBITDA.

In 9M16, EBITDA increased by 33.8% to R$487.7 million, equivalent to a margin EBITDA of 7.3% (+170 bps versus 9M15). Excluding the now-recurring expenses, adjusted EBITDA totaled R$512.4 million (margin EBITDA of 7.7%).

Financial Results

R$ million	3Q16	% NR	3Q15	% NR	% Chg	9M16	% NR	9M15	% NR	% Chg
Financial Expenses	(161.5)	-7.1%	(157.7)	-7.5%	2.4%	(453.3)	-6.8%	(436.0)	-6.7%	4.0%
Interest on loans and financing	(71.7)	-3.2%	(71.7)	-3.4%	0.1%	(203.3)	-3.0%	(194.9)	-3.0%	4.3%
Interest on prepayment of receivables – third party card	(41.3)	-1.8%	(43.8)	-2.1%	-5.8%	(118.1)	-1.8%	(115.9)	-1.8%	1.9%
Interest on prepayment of receivables – Luiza Card	(39.9)	-1.8%	(26.8)	-1.3%	48.9%	(104.2)	-1.6%	(74.1)	-1.1%	40.7%
Other expenses	(8.6)	-0.4%	(15.4)	-0.7%	-44.4%	(27.6)	-0.4%	(51.2)	-0.8%	-46.0%
Financial Revenues	34.2	1.5%	33.4	1.6%	2.4%	87.7	1.3%	102.7	1.6%	-14.7%
Gains on marketable securities	1.7	0.1%	2.2	0.1%	-25.8%	10.1	0.2%	7.7	0.1%	30.9%
Other financial revenues	32.6	1.4%	31.2	1.5%	4.4%	77.5	1.2%	95.0	1.5%	-18.4%
Total Financial Results	(127.2)	-5.6%	(124.3)	-5.9%	2.4%	(365.7)	-5.5%	(333.3)	-5.1%	9.7%
Income from securities[1]	9.2	0.4%	6.7	0.3%	35.6%	26.4	0.4%	20.8	0.3%	26.9%
Adjusted Financial Results	(118.1)	-5.2%	(117.5)	-5.6%	0.5%	(339.3)	-5.1%	(312.5)	-4.8%	8.6%

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.

In 3Q16, adjusted financial results reached R$118.1 million (40 bps lower YoY). This result was positively impacted by the reduction in net debt, which was partially offset by sales growth, especially in the Luiza Card. In 9M16, net financial results reached R$339.3 million equivalent to 5.1% of net sales, still influenced by the higher interest rates.

Net Income

In 3Q16, net income increased to R$24.8 million, equivalent to a net margin of 1.1%. In 9M16, net income reached R$40.5 million and net adjusted income totaled R$56.8 million (net margin of 0.9%).

Working Capital

CONSOLIDATED (R$ million)	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
Accounts Receivables	423.1	404.3	389.6	435.2	431.2
Inventories	1,346.3	1,306.7	1,279.3	1,353.1	1,208.1
Related Parties	50.3	41.2	55.4	86.2	48.7
Recoverable Taxes	293.1	296.9	320.9	334.3	311.9
Other Assets	96.1	96.0	60.7	36.6	101.1
Current Operating Assets	2,208.8	2,145.1	2,105.9	2,245.4	2,101.0
Suppliers	1,528.5	1,427.1	1,394.1	1,894.2	1,186.9
Payroll, Vacation and Related Charges	186.1	144.5	141.7	153.9	151.9
Taxes Payable	32.9	28.5	29.5	30.6	25.3
Related Parties	53.8	78.0	61.9	68.4	55.3
Other Accounts Payable	118.0	93.3	92.2	118.0	89.6
Current Operating Liabilities	1,919.2	1,771.3	1,719.5	2,265.0	1,509.0
Working Capital	289.6	373.7	386.4	(19.6)	592.0
% of Gross Revenue (LTM)	2.6%	3.5%	3.7%	-0.2%	5.5%
Balance of Discounted Receivables	1,435.3	1,422.5	1,433.1	1,417.8	1,268.3
Working Capital Adjusted	1,724.9	1,796.2	1,819.5	1,398.2	1,860.4
% of Gross Revenue (LTM)	15.8%	16.8%	17.2%	13.3%	17.3%

In 3Q16, the Company reported an important improvement in its working capital needs, especially in a better relationship between inventories and suppliers. Working capital needs changed from R$592.0 million in Sep-15 to R$289.6 million in Sep-16, representing a reduction of R$302.5 million. Working capital as a percentage of LTM gross sales were 2.6% in Sep-16 versus 5.5% in Sep-15.

Capex

CAPEX (in R$ million)	3Q16	%	3Q15	%	9M16	%	9M15	%
New Stores	1.9	7%	8.6	27%	2.7	3%	29.4	29%
Remodeling	12.5	44%	10.3	33%	26.1	33%	28.8	28%
Technology	11.6	41%	8.6	27%	37.0	47%	33.0	32%
Logistics	2.1	8%	4.0	13%	11.5	15%	10.2	10%
Other	0.2	1%	0.1	0%	1.0	1%	0.2	0%
Total	**28.3**	**100%**	**31.5**	**100%**	**78.2**	**100%**	**101.6**	**100%**

In 3Q16, investments totaled R$28.3 million, 9.9% lower YoY. In 9M16, a total of R$78.2 million was invested and about 62% of the total capex was allocated to technology and logistics projects to support the digital transformation strategy in place.

Net Debt

CONSOLIDATED (R$ million)	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
(+) Current Loans and Financing	980.9	902.3	713.6	568.4	446.6
(+) Non-current Loans and Financing	773.3	794.4	1,050.5	1,255.0	1,564.6
(=) Gross Debt	1,754.2	1,696.7	1,764.1	1,823.3	2,011.2
(-) Cash and Cash Equivalents	234.6	197.5	411.3	617.5	270.4
(-) Current Securities	567.0	464.8	302.2	497.6	265.1
(-) Non-current Securities	2.8	0.1	7.8	46.7	99.8
(-) Total Cash	804.3	662.5	721.3	1,161.8	635.4
(=) Net Debt	949.9	1,034.2	1,042.8	661.5	1,375.8
(-) Credit Card - Third Party Card	187.0	174.9	176.1	158.7	156.0
(-) Credit Card - Luiza Card	12.6	5.1	8.1	13.9	4.8
(-) Total Credit Card	199.6	179.9	184.1	172.6	160.9
(=) Adjusted Net Debt	750.3	854.3	858.7	488.9	1,215.0
Short Term Debt/Total	56%	53%	40%	31%	22%
Long Term Debt/Total	44%	47%	60%	69%	78%
Adjusted EBITDA (LTM)	626.7	559.3	523.3	492.6	553.8
Adjusted Net Debt/ Adjusted EBITDA	1.2 x	1.5 x	1.6 x	1.0 x	2.2 x

Adjusted net debt (excluding credit cards that were not discounted) decreased to R$750.3 million in Sep-16 from R$1,215.0 million in Sep-15, reducing the ratio of adjusted net debt divided by adjusted EBITDA to 1.2x from 2.2x, respectively. In the LTM, net debt decreased by R$464.6 million.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	3Q16	V.A.	3Q15	V.A.	% Chg	9M16	V.A.	9M15	V.A.	% Chg
Gross Revenue	2,693.8	119.3%	2,431.0	115.5%	10.8%	7,979.0	119.6%	7,530.4	115.6%	6.0%
Taxes and Deductions	(435.1)	-19.3%	(325.5)	-15.5%	33.7%	(1,309.5)	-19.6%	(1,017.1)	-15.6%	28.7%
Net Revenue	2,258.7	100.0%	2,105.5	100.0%	7.3%	6,669.5	100.0%	6,513.3	100.0%	2.4%
Total Costs	(1,542.8)	-68.3%	(1,468.7)	-69.8%	5.0%	(4,587.5)	-68.8%	(4,585.1)	-70.4%	0.1%
Gross Income	715.9	31.7%	636.8	30.2%	12.4%	2,082.0	31.2%	1,928.3	29.6%	8.0%
Selling Expenses	(434.5)	-19.2%	(425.5)	-20.2%	2.1%	(1,279.0)	-19.2%	(1,285.9)	-19.7%	-0.5%
General and Administrative Expenses	(118.5)	-5.2%	(119.4)	-5.7%	-0.7%	(348.0)	-5.2%	(354.6)	-5.4%	-1.8%
Provisions for Loan Losses	(6.1)	-0.3%	(7.3)	-0.3%	-16.1%	(19.3)	-0.3%	(20.3)	-0.3%	-4.6%
Other Operating Revenues, Net	7.2	0.3%	4.6	0.2%	58.5%	5.2	0.1%	27.9	0.4%	-81.5%
Equity in Subsidiaries	16.3	0.7%	21.1	1.0%	-22.6%	47.0	0.7%	68.9	1.1%	-31.9%
Total Operating Expenses	(535.5)	-23.7%	(526.4)	-25.0%	1.7%	(1,594.3)	-23.9%	(1,563.9)	-24.0%	1.9%
EBITDA	180.4	8.0%	110.4	5.2%	63.4%	487.7	7.3%	364.4	5.6%	33.8%
Depreciation and Amortization	(31.7)	-1.4%	(28.9)	-1.4%	9.8%	(93.6)	-1.4%	(91.6)	-1.4%	2.2%
EBIT	148.7	6.6%	81.5	3.9%	82.4%	394.1	5.9%	272.7	4.2%	44.5%
Financial Results	(127.2)	-5.6%	(124.3)	-5.9%	2.4%	(365.7)	-5.5%	(333.3)	-5.1%	9.7%
Operating Income	21.4	0.9%	(42.8)	-2.0%	-150.1%	28.4	0.4%	(60.6)	-0.9%	-146.9%
Income Tax and Social Contribution	3.4	0.2%	23.7	1.1%	-85.7%	12.1	0.2%	47.3	0.7%	-74.5%
Net Income	24.8	1.1%	(19.1)	-0.9%	-230.0%	40.5	0.6%	(13.2)	-0.2%	-406.5%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	180.4	8.0%	110.4	5.2%	-	487.7	7.3%	364.4	5.6%	-
Non-recurring Expenses	0.4	0.0%	3.0	0.1%	-	24.7	0.4%	14.0	0.2%	-
Adjusted EBITDA	180.8	8.0%	113.4	5.4%	-	512.4	7.7%	378.3	5.8%	-

Net Income	24.8	1.1%	(19.1)	-0.9%	-	40.5	0.6%	(13.2)	-0.2%	-
Non-recurring Expenses	0.4	0.0%	3.0	0.1%	-	24.7	0.4%	14.0	0.2%	-
Tax Over Non-recurring Expenses	(0.1)	0.0%	(1.0)	0.0%	-	(8.4)	-0.1%	(4.7)	-0.1%	-
Adjusted Net Income	25.1	1.1%	(17.1)	-0.8%	-	56.8	0.9%	(4.0)	-0.1%	-

As a result of recent changes in the accounting of payroll taxes, to make the figures more comparable, we opted to reclassify 3Q15 results as follows: expenses with payroll taxes of R$23.0 million, which were previously accounted for as a reduction in gross sales, were reclassified as part of selling expenses (R$16.6 million) and G&A expenses (R$6.4 million).

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
CURRENT ASSETS					
Cash and Cash Equivalents	234.6	197.5	411.3	617.5	270.4
Securities	567.0	464.8	302.2	497.6	265.1
Accounts Receivable	423.1	404.3	389.6	435.2	431.2
Inventories	1,346.3	1,306.7	1,279.3	1,353.1	1,208.1
Related Parties	50.3	41.2	55.4	86.2	48.7
Taxes Recoverable	293.1	296.9	320.9	334.3	311.9
Other Assets	96.1	96.0	60.7	36.6	101.1
Total Current Assets	3,010.3	2,807.4	2,819.4	3,360.5	2,636.6
NON-CURRENT ASSETS					
Securities	2.8	0.1	7.8	46.7	99.8
Accounts Receivable	2.3	2.0	1.9	2.6	1.9
Deferred Income Tax and Social Contribution	243.8	239.7	236.1	229.3	196.0
Recoverable Taxes	167.8	167.0	164.2	177.3	159.9
Judicial Deposits	281.8	273.0	260.1	248.5	235.0
Other Assets	50.6	50.1	49.4	54.3	53.7
Investments in Subsidiaries	373.7	368.1	368.5	384.0	333.6
Fixed Assets	559.0	562.4	569.6	578.6	567.7
Intangible Assets	508.2	508.4	507.3	506.7	496.3
Total Non-current Assets	2,190.0	2,170.9	2,164.9	2,228.0	2,143.8
TOTAL ASSETS	5,200.3	4,978.4	4,984.3	5,588.5	4,780.4

LIABILITIES (R$ million)	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15
CURRENT LIABILITIES					
Suppliers	1,528.5	1,427.1	1,394.1	1,894.2	1,186.9
Loans and Financing	980.9	902.3	713.6	568.4	446.6
Payroll, Vacation and Related Charges	186.1	144.5	141.7	153.9	151.9
Taxes Payable	32.9	28.5	29.5	30.6	25.3
Related Parties	53.8	78.0	61.9	68.4	55.3
Deferred Revenue	40.3	40.6	40.8	41.4	27.5
Other Accounts Payable	118.0	93.3	92.2	118.0	89.6
Total Current Liabilities	2,940.4	2,714.2	2,473.9	2,874.8	1,983.1
NON-CURRENT LIABILITIES					
Loans and Financing	773.3	794.4	1,050.5	1,255.0	1,564.6
Provision for Tax, Civil and Labor Risks	268.7	263.4	254.7	243.4	229.9
Deferred Revenue	519.2	529.3	539.4	550.9	286.5
Other Accounts Payable	2.3	2.3	2.3	2.3	2.3
Total Non-current Liabilities	1,563.6	1,589.5	1,846.8	2,051.5	2,083.4
TOTAL LIABILITIES	4,504.0	4,303.6	4,320.7	4,926.3	4,066.5
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	17.9	16.8	15.7	14.6	13.5
Treasury Shares	(5.9)	(1.1)	(16.4)	(9.6)	(9.0)
Legal Reserve	16.1	16.1	16.1	16.1	16.1
Profit Retention Reserve	19.8	19.8	36.2	36.2	101.8
Other Comprehensive Income	1.4	0.9	0.2	(1.6)	(1.8)
Accumulated Losses	40.5	15.7	5.3	-	(13.2)
Total Shareholders' Equity	696.3	674.7	663.6	662.2	713.9
TOTAL	5,200.3	4,978.4	4,984.3	5,588.5	4,780.4

ANNEX III
FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	3Q16	3Q15	9M16	9M15
Net Income	**24.8**	**(19.1)**	**40.5**	**(13.2)**
Effect of IR / CS Net of Payment	(4.4)	(24.5)	(14.2)	(49.3)
Depreciation and Amortization	31.7	28.9	93.6	91.6
Interest Accrued on Loans	67.0	70.5	190.2	186.1
Equity, Net of Dividends Received	(5.1)	(21.1)	17.9	(4.9)
Provision for Losses on Inventories and Receivables	18.4	20.6	71.6	101.3
Provision for Tax, Civil and Labor Contingencies	12.3	(18.4)	39.7	(23.3)
Gain on Sale of Fixed Assets	0.0	0.2	0.4	0.5
Recognition of Deferred Income	(10.3)	(8.2)	(30.6)	(39.6)
Stock Option Expenses	1.1	1.1	3.3	3.3
Adjusted Net Income	**135.6**	**30.0**	**412.5**	**252.6**
Trade Accounts Receivable	(29.4)	(26.7)	(19.2)	138.5
Inventories	(47.6)	80.2	(33.1)	215.0
Taxes Recoverable	3.2	(14.8)	50.9	(69.6)
Other Receivables	(18.4)	7.3	(70.6)	(35.0)
Changes in Operating Assets	**(92.1)**	**46.0**	**(72.0)**	**249.0**
Trade Accounts Payable	101.3	11.8	(365.7)	(603.0)
Other Payables	38.7	5.7	28.1	(84.9)
Change in Operating Liabilities	**140.1**	**17.5**	**(337.6)**	**(687.8)**
Cash Flow from Operating Activities	**183.5**	**93.5**	**2.9**	**(186.3)**
Additions of Fixed and Intangible Assets	(28.3)	(31.5)	(78.2)	(101.6)
Renegotiation Payment of Exclusive Contract	0.0	0.0	(11.2)	0.0
Capital Increase in Affiliated Company	0.0	0.0	0.0	(5.0)
Cash Flow from Investing Activities	**(28.3)**	**(31.5)**	**(89.4)**	**(106.6)**
Loans and Financing	60.6	16.4	253.6	686.3
Repayment of Loans and Financing	(8.4)	(8.1)	(236.4)	(587.3)
Changes in Other Financial Assets (Hedge)	(7.9)	123.7		
Payment of Interest on Loans and Financing	(53.8)	(47.0)	(178.9)	(144.0)
Payment of Dividends	0.0	0.0	0.0	(33.5)
Treasury Shares	(3.8)	(4.2)	(11.8)	(14.9)
Cash Flow from Financing Activities	**(13.3)**	**80.9**	**(271.0)**	**65.1**
Cash, Cash Equivalents and Securities at Beginning of Period	662.5	492.4	1,161.8	863.1
Cash, Cash Equivalents and Securities at end of Period	804.3	635.4	804.3	635.4
Change in Cash and Cash equivalents	**141.8**	**142.9**	**(357.5)**	**(227.8)**

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

ANNEX IV
RESULTS BY SEGMENT – 3Q16

3Q16 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,681.8	14.8	(2.7)	2,693.8	194.9	43.0	(61.8)	2,869.9
Taxes and Deductions	(434.0)	(1.1)	-	(435.1)	-	-	-	(435.1)
Net Revenue	2,247.8	13.6	(2.7)	2,258.7	194.9	43.0	(61.8)	2,434.8
Total Costs	(1,539.2)	(6.4)	2.7	(1,542.8)	(29.1)	(6.4)	-	(1,578.3)
Gross Income	708.7	7.2	-	715.9	165.8	36.6	(61.8)	856.5
Selling Expenses	(434.5)	-	-	(434.5)	(76.7)	(28.3)	41.8	(497.6)
General and Administrative Expenses	(113.2)	(5.3)	-	(118.5)	(2.9)	(5.9)	-	(127.3)
Provisions for Loan Losses	(6.1)	-	-	(6.1)	(61.0)	-	-	(67.1)
Equity in Subsidiaries	18.1	-	(1.8)	16.3	-	-	(16.3)	-
Other Operating Revenues, Net	7.2	-	-	7.2	(1.0)	0.0	(1.4)	4.8
Total Operating Expenses	(528.4)	(5.3)	(1.8)	(535.5)	(141.6)	(34.2)	24.1	(687.2)
EBITDA	180.3	1.9	(1.8)	180.4	24.1	2.4	(37.7)	169.3
Depreciation and Amortization	(31.6)	(0.1)	-	(31.7)	(1.5)	(1.2)	1.4	(33.0)
EBIT	148.6	1.8	(1.8)	148.7	22.6	1.2	(36.3)	136.2
Financial Results	(128.1)	0.9	-	(127.2)	-	4.9	19.9	(102.4)
Operating Income (Loss)	20.5	2.7	(1.8)	21.4	22.6	6.2	(16.3)	33.9
Income Tax and Social Contribution	4.3	(0.9)	-	3.4	(10.2)	(2.2)	-	(9.1)
Net Income	24.8	1.8	(1.8)	24.8	12.4	3.9	(16.3)	24.8
Gross Margin	31.5%	53.2%	0.0%	31.7%	85.1%	85.1%	100.0%	35.2%
EBITDA Margin	8.0%	14.2%	65.9%	8.0%	12.4%	5.6%	61.0%	7.0%
Net Margin	1.1%	13.3%	65.9%	1.1%	6.4%	9.1%	26.5%	1.0%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	180.3	1.9	(1.8)	180.4	24.1	2.4	(37.7)	169.3
Non-recurring Expenses	0.4	-	-	0.4	-	-	-	0.4
Adjusted EBITDA	180.7	1.9	(1.8)	180.8	24.1	2.4	(37.7)	169.7
Adjusted EBITDA Margin	8.0%	14.2%	65.9%	8.0%	12.4%	5.6%	61.0%	7.0%

Net Income	24.8	1.8	(1.8)	24.8	12.4	3.9	(16.3)	24.8
Non-recurring Expenses	0.4	-	-	0.4	-	-	-	0.4
Tax over Non-recurring Expenses	(0.1)	-	-	(0.1)	-	-	-	(0.1)
Adjusted Net Income	25.1	1.8	(1.8)	25.1	12.4	3.9	(16.3)	25.1
Adjusted Net Income Margin	1.1%	13.3%	65.9%	1.1%	6.4%	9.1%	26.5%	1.0%

ANNEX V
RESULTS BY SEGMENT – 9M16

9M16 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	7,943.9	42.2	(7.2)	7,979.0	584.4	135.6	(182.6)	8,516.3
Taxes and Deductions	(1,306.1)	(3.4)	-	(1,309.5)	-	-	-	(1,309.5)
Net Revenue	6,637.8	38.8	(7.2)	6,669.5	584.4	135.6	(182.6)	7,206.9
Total Costs	(4,578.3)	(16.4)	7.2	(4,587.5)	(89.2)	(21.7)	-	(4,698.5)
Gross Income	2,059.5	22.5	-	2,082.0	495.2	113.9	(182.6)	2,508.4
Selling Expenses	(1,279.0)	-	-	(1,279.0)	(223.8)	(91.7)	130.5	(1,464.0)
General and Administrative Expenses	(330.5)	(17.6)	-	(348.0)	(3.9)	(17.9)	-	(369.9)
Provisions for Loan Losses	(19.3)	-	-	(19.3)	(194.8)	-	-	(214.2)
Equity in Subsidiaries	51.6	-	(4.7)	47.0	-	-	(47.0)	-
Other Operating Revenues, Net	5.2	0.0	-	5.2	2.1	0.4	(4.2)	3.5
Total Operating Expenses	(1,572.0)	(17.6)	(4.7)	(1,594.3)	(420.5)	(109.2)	79.4	(2,044.6)
EBITDA	487.5	4.9	(4.7)	487.7	74.6	4.7	(103.2)	463.8
Depreciation and Amortization	(93.3)	(0.3)	-	(93.6)	(4.5)	(3.6)	4.2	(97.5)
EBIT	394.1	4.6	(4.7)	394.1	70.1	1.1	(99.1)	366.3
Financial Results	(368.0)	2.4	-	(365.7)	-	14.5	52.1	(299.1)
Operating Income (Loss)	26.1	7.0	(4.7)	28.4	70.1	15.6	(47.0)	67.2
Income Tax and Social Contribution	14.4	(2.3)	-	12.1	(32.0)	(6.7)	-	(26.7)
Net Income	40.5	4.7	(4.7)	40.5	38.1	8.9	(47.0)	40.5
Gross Margin	31.0%	57.8%	0.0%	31.2%	84.7%	84.0%	100.0%	34.8%
EBITDA Margin	7.3%	12.6%	65.5%	7.3%	12.8%	3.4%	56.5%	6.4%
Net Margin	0.6%	12.1%	65.5%	0.6%	6.5%	6.5%	25.7%	0.6%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	487.5	4.9	(4.7)	487.7	74.6	4.7	(103.2)	463.8
Non-recurring Expenses	24.7	-	-	24.7	-	-	-	24.7
Adjusted EBITDA	512.2	4.9	(4.7)	512.4	74.6	4.7	(103.2)	488.5
Adjusted EBITDA Margin	7.7%	12.6%	65.5%	7.7%	12.8%	3.4%	56.5%	6.8%

Net Income	40.5	4.7	(4.7)	40.5	38.1	8.9	(47.0)	40.5
Non-recurring Expenses	24.7	-	-	24.7	-	-	-	24.7
Tax over Non-recurring Expenses	(8.4)	-	-	(8.4)	-	-	-	(8.4)
Adjusted Net Income	56.8	4.7	(4.7)	56.8	38.1	8.9	(47.0)	56.8
Adjusted Net Income Margin	0.9%	12.1%	65.5%	0.9%	6.5%	6.5%	25.7%	0.8%

ANEXO VI
RESULTS BY SEGMENT – 3Q15

3Q15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,420.0	13.2	(2.2)	2,431.0	214.3	49.8	(63.7)	2,631.4
Taxes and Deductions	(324.4)	(1.1)	-	(325.5)	-	-	-	(325.5)
Net Revenue	2,095.6	12.1	(2.2)	2,105.5	214.3	49.8	(63.7)	2,305.9
Total Costs	(1,466.1)	(4.8)	2.2	(1,468.7)	(36.3)	(7.0)	-	(1,512.0)
Gross Income	629.5	7.3	-	636.8	178.0	42.8	(63.7)	793.9
Selling Expenses	(425.5)	-	-	(425.5)	(82.0)	(34.5)	50.4	(491.6)
General and Administrative Expenses	(113.4)	(6.0)	-	(119.4)	(0.9)	(6.0)	-	(126.2)
Provisions for Loan Losses	(7.3)	-	-	(7.3)	(85.5)	-	-	(92.8)
Equity in Subsidiaries	22.4	-	(1.3)	21.1	-	-	(21.1)	-
Other Operating Revenues, Net	4.5	0.0	-	4.6	(0.4)	0.1	(1.4)	2.9
Total Operating Expenses	(519.2)	(6.0)	(1.3)	(526.4)	(168.8)	(40.4)	27.9	(707.8)
EBITDA	110.3	1.3	(1.3)	110.4	9.2	2.4	(35.9)	86.1
Depreciation and Amortization	(28.8)	(0.1)	-	(28.9)	(1.6)	(0.0)	1.4	(29.1)
EBIT	81.5	1.3	(1.3)	81.5	7.6	2.4	(34.5)	57.1
Financial Results	(124.9)	0.6	-	(124.3)	-	4.2	13.4	(106.7)
Operating Income (Loss)	(43.4)	1.9	(1.3)	(42.8)	7.6	6.6	(21.1)	(49.6)
Income Tax and Social Contribution	24.3	(0.6)	-	23.7	9.6	(2.8)	-	30.5
Net Income	(19.1)	1.3	(1.3)	(19.1)	17.3	3.9	(21.1)	(19.1)
Gross Margin	30.0%	60.6%	0.0%	30.2%	83.0%	85.9%	100.0%	34.4%
EBITDA Margin	5.3%	11.0%	58.0%	5.2%	4.3%	4.9%	56.3%	3.7%
Net Margin	-0.9%	10.5%	58.0%	-0.9%	8.0%	7.7%	33.1%	-0.8%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	110.3	1.3	(1.3)	110.4	9.2	2.4	(35.9)	86.1
Non-recurring Expenses	3.0	-	-	3.0	-	-	-	3.0
Adjusted EBITDA	113.4	1.3	(1.3)	113.4	9.2	2.4	(35.9)	89.2
Adjusted EBITDA Margin	5.4%	11.0%	58.0%	5.4%	4.3%	4.9%	56.3%	3.9%

Net Income	(19.1)	1.3	(1.3)	(19.1)	17.3	3.9	(21.1)	(19.1)
Non-recurring Expenses	3.0	-	-	3.0	-	-	-	3.0
Tax over Non-recurring Expenses	(1.0)	-	-	(1.0)	-	-	-	(1.0)
Adjusted Net Income	(17.1)	1.3	(1.3)	(17.1)	17.3	3.9	(21.1)	(17.1)
Adjusted Net Income Margin	-0.8%	10.5%	58.0%	-0.8%	8.0%	7.7%	33.1%	-0.7%

ANEXO VII
RESULTS BY SEGMENT – 9M15

9M15 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	7,499.1	37.6	(6.3)	7,530.4	647.6	152.2	(191.4)	8,138.8
Taxes and Deductions	(1,013.9)	(3.2)	-	(1,017.1)	-	-	-	(1,017.1)
Net Revenue	6,485.2	34.4	(6.3)	6,513.3	647.6	152.2	(191.4)	7,121.7
Total Costs	(4,578.2)	(13.1)	6.3	(4,585.1)	(100.6)	(19.2)	-	(4,704.9)
Gross Income	1,906.9	21.3	-	1,928.3	547.0	133.0	(191.4)	2,416.8
Selling Expenses	(1,285.9)	-	-	(1,285.9)	(236.2)	(108.4)	154.4	(1,476.1)
General and Administrative Expenses	(337.3)	(17.3)	-	(354.6)	(2.4)	(18.0)	-	(374.9)
Provisions for Loan Losses	(20.3)	-	-	(20.3)	(231.9)	-	-	(252.2)
Equity in Subsidiaries	72.6	-	(3.7)	68.9	-	-	(68.9)	-
Other Operating Revenues, Net	27.9	0.0	-	27.9	3.1	0.2	(4.2)	27.0
Total Operating Expenses	(1,543.0)	(17.2)	(3.7)	(1,563.9)	(467.4)	(126.2)	81.3	(2,076.2)
EBITDA	364.0	4.1	(3.7)	364.4	79.7	6.7	(110.1)	340.6
Depreciation and Amortization	(91.4)	(0.2)	-	(91.6)	(4.7)	(0.0)	4.2	(92.2)
EBIT	272.6	3.9	(3.7)	272.7	75.0	6.7	(106.0)	248.5
Financial Results	(335.0)	1.7	-	(333.3)	-	12.2	37.0	(284.1)
Operating Income (Loss)	(62.4)	5.5	(3.7)	(60.6)	75.0	18.9	(68.9)	(35.6)
Income Tax and Social Contribution	49.2	(1.8)	-	47.3	(17.3)	(7.7)	-	22.4
Net Income	(13.2)	3.7	(3.7)	(13.2)	57.7	11.3	(68.9)	(13.2)
Gross Margin	29.4%	61.9%	0.0%	29.6%	84.5%	87.4%	100.0%	33.9%
EBITDA Margin	5.6%	11.9%	58.6%	5.6%	12.3%	4.4%	57.5%	4.8%
Net Margin	-0.2%	10.7%	58.6%	-0.2%	8.9%	7.4%	36.0%	-0.2%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	364.0	4.1	(3.7)	364.4	79.7	6.7	(110.1)	340.6
Non-recurring Expenses	14.0	-	-	14.0	-	-	-	14.0
Adjusted EBITDA	377.9	4.1	(3.7)	378.3	79.7	6.7	(110.1)	354.6
Adjusted EBITDA Margin	5.8%	11.9%	58.6%	5.8%	12.3%	4.4%	57.5%	5.0%
Net Income	(13.2)	3.7	(3.7)	(13.2)	57.7	11.3	(68.9)	(13.2)
Non-recurring Expenses	14.0	-	-	14.0	-	-	-	14.0
Tax over Non-recurring Expenses	(4.7)	-	-	(4.7)	-	-	-	(4.7)
Adjusted Net Income	(4.0)	3.7	(3.7)	(4.0)	57.7	11.3	(68.9)	(4.0)
Adjusted Net Income Margin	-0.1%	10.7%	58.6%	-0.1%	8.9%	7.4%	36.0%	-0.1%

ANNEX VIII
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)					Growth
	3Q16	V.A.	3Q15	V.A.	Total
Virtual Stores	123.9	4.6%	109.0	4.5%	13.7%
Website	660.3	24.7%	531.2	22.0%	24.3%
Subtotal - Virtual Stores	**784.2**	29.3%	**640.2**	26.5%	22.5%
Conventional Stores	1,888.4	70.7%	1,773.0	73.5%	6.5%
Total	**2,672.6**	100.0%	**2,413.2**	100.0%	10.7%

Gross Revenue by Channel (R$ million)					Growth
	9M16	V.A.	9M15	V.A.	Total
Virtual Stores	370.1	4.7%	344.2	4.6%	7.5%
Website	1,837.1	23.2%	1,432.5	19.2%	28.2%
Subtotal - Virtual Stores	**2,207.1**	27.9%	**1,776.6**	23.8%	24.2%
Conventional Stores	5,710.3	72.1%	5,701.6	76.2%	0.2%
Total	**7,917.4**	100.0%	**7,478.2**	100.0%	5.9%

Number of stores per channel – End of the period					Growth
	Sep-16	Part(%)	Sep-15	Part(%)	Total
Virtual Stores	115	14.5%	114	14.6%	1
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**116**	14.7%	**115**	14.7%	1
Conventional Stores	675	85.3%	665	85.3%	10
Total	**791**	100.0%	**780**	100.0%	11
Total Sales Area (m²)	500,239	100%	494,644	100%	1.1%

* 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$9.2 million in 3Q16 and R$6.7 million in 3Q15. The differences in gross revenue from the retail segment in the breakdown by channel and income statements refer to these classifications.

ANNEX IX
LUIZACRED

Operating Indicators

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

In Sep-16, Luizacred had a total base of 3.2 million cards issued. In 3Q16, Luizacred maintained its conservative credit approval rate. As the Luiza Card customers are more loyal than others, the sales using Luiza Card inside of our stores grew by 22.1% in 3Q16. Due to the conservative approach to approving credit, especially with respect to DCC (direct credit to consumers), its sales decreased from R$155 million in 3Q15 to R$79 million in 3Q16.

Luizacred's credit portfolio, including credit cards, DCC and personal loans, totaled R$4.2 billion in 3Q16, a reduction of 3.8% YoY, highlighting Luiza Card portfolio, which increased by 6.1%, while DCC portfolio decreased by 54.5%, following Luizacred's strategy to focus the Luiza Card.

LUIZACRED – Key Indicators (R$ million)	3Q16	3Q15	% Chg	9M16	9M15	% Chg
Total Card Base (thousand)	3,171	3,558	-10.9%	3,171	3,558	-10.9%
Luiza Card Sales – In chain	572	468	22.1%	1,547	1,381	12.1%
Luiza Card Sales – Outside Brand	2,317	2,014	15.1%	6,582	5,887	11.8%
CDC Sales	79	155	-49.0%	253	593	-57.3%
Personal Loans Sales	17	21	-17.5%	57	73	-21.4%
Luizacred Sales - Total	**2,985**	**2,658**	**12.3%**	**8,440**	**7,934**	**6.4%**
Card Portfolio	3,834	3,613	6.1%	3,834	3,613	6.1%
CDC Portfolio	319	702	-54.5%	319	702	-54.5%
Personal Loans Portfolio	40	45	-10.7%	40	45	-10.7%
Portfolio - Total	**4,193**	**4,360**	**-3.8%**	**4,193**	**4,360**	**-3.8%**

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.

Income Statement

LUIZACRED – Income (R$ million)	3Q16	V.A.	3Q15	V.A.	% Chg	9M16	V.A.	9M15	V.A.	% Chg
Financial Intermediation Revenue	287.0	100.0%	337.8	100.0%	-15.0%	889.3	100.0%	1,023.3	100.0%	-13.1%
Cards	229.8	80.1%	238.9	70.7%	-3.8%	691.5	77.8%	689.2	67.3%	0.3%
CDC	44.9	15.6%	86.4	25.6%	-48.0%	161.5	18.2%	296.4	29.0%	-45.5%
Personal Loans	12.3	4.3%	12.5	3.7%	-1.5%	36.4	4.1%	37.7	3.7%	-3.6%
Financial Intermediation Expenses	(180.2)	-62.8%	(243.7)	-72.1%	-26.1%	(568.1)	-63.9%	(665.1)	-65.0%	-14.6%
Market Funding Operations	(58.2)	-20.3%	(72.7)	-21.5%	-19.9%	(178.5)	-20.1%	(201.3)	-19.7%	-11.3%
Provision for Loan Losses	(122.0)	-42.5%	(171.0)	-50.6%	-28.7%	(389.7)	-43.8%	(463.8)	-45.3%	-16.0%
Gross Financial Intermediation Income	106.9	37.2%	94.1	27.9%	13.5%	321.2	36.1%	358.2	35.0%	-10.3%
Other Operating Revenues (Expenses)	(61.6)	-21.5%	(78.9)	-23.4%	-21.9%	(181.0)	-20.4%	(208.3)	-20.4%	-13.1%
Service Revenue	102.7	35.8%	90.9	26.9%	13.0%	279.4	31.4%	272.0	26.6%	2.7%
Personnel Expenses	(5.9)	-2.1%	(1.7)	-0.5%	245.3%	(7.9)	-0.9%	(4.7)	-0.5%	66.7%
Other Administrative Expenses	(133.6)	-46.5%	(144.0)	-42.6%	-7.3%	(388.7)	-43.7%	(409.4)	-40.0%	-5.1%
Depreciation and Amortization	(3.0)	-1.0%	(3.1)	-0.9%	-4.0%	(9.1)	-1.0%	(9.4)	-0.9%	-3.5%
Tax Expenses	(19.8)	-6.9%	(20.1)	-5.9%	-1.5%	(59.0)	-6.6%	(62.9)	-6.1%	-6.3%
Other Operating Revenues (Expenses)	(2.0)	-0.7%	(0.8)	-0.2%	148.9%	4.1	0.5%	6.1	0.6%	-33.0%
Income Before Tax	45.3	15.8%	15.3	4.5%	196.9%	140.2	15.8%	149.9	14.7%	-6.5%
Income Tax and Social Contribution	(20.5)	-7.1%	19.3	5.7%	-206.3%	(64.1)	-7.2%	(34.6)	-3.4%	85.2%
Net Income	24.8	8.6%	34.5	10.2%	-28.1%	76.2	8.6%	115.3	11.3%	-34.0%

Revenue from Financial Intermediation

In 3Q16, gross revenue from financial intermediation slip by 15.0% over 3Q15, mainly due to decrease of 48.0% in transactions on direct consumer credit (DCC) segment. In 9M16, gross revenue from financial intermediation slip by 13.1% over 9M15, mainly due to lower DCC revenue.

Provision for Loan Losses

The short-term indicator remains under control. The portfolio of loans overdue up to 15 days (NPL 15) accounted for 3.4% of total in Sep-16 when compared to 3.9% in Jun-16 and 4.1% in Sep-15, as a result of a more conservative credit policy.

Even considering a challenging macroeconomic environment, the portfolio of loans overdue for more than 90 days (NPL 90) accounted for 10.6% of total portfolio in Sep-16 versus 12.2% in Sep-15 (-170 bps) and 11.7% in Jun-16 (-110 bps). Provisions for loan losses accounted for 2.9% of the total portfolio in Sep-16 versus 3.9% in Sep-15 and 3.2% in Jun-16. We highlight the portfolio coverage ratio increased to 127% in Sep-16 from 118% in Sep-15.

PORTFOLIO - OVERDURE	Sep-16		Jun-16		Mar-16		Dec-15		Sep-15	
Total Portfolio (R$ million)	4,193	100.0%	4,151	100.0%	4,210	100.0%	4,441	100.0%	4,360	100.0%
000 to 014 days	3,607	86.0%	3,502	84.4%	3,506	83.3%	3,726	83.9%	3,648	83.7%
015 to 030 days	43	1.0%	44	1.1%	57	1.4%	41	0.9%	51	1.2%
031 to 060 days	45	1.1%	51	1.2%	55	1.3%	42	0.9%	54	1.2%
061 to 090 days	54	1.3%	66	1.6%	69	1.6%	69	1.5%	74	1.7%
091 to 120 days	55	1.3%	60	1.4%	55	1.3%	74	1.7%	76	1.7%
121 to 150 days	52	1.3%	60	1.4%	55	1.3%	70	1.6%	71	1.6%
151 to 180 days	56	1.3%	57	1.4%	58	1.4%	62	1.4%	69	1.6%
180 to 360 days	281	6.7%	310	7.5%	354	8.4%	357	8.0%	317	7.3%
Overdue 15-90 days	143	3.4%	162	3.9%	182	4.3%	151	3.4%	178	4.1%
Overdue Above 90 days	444	10.6%	487	11.7%	522	12.4%	564	12.7%	534	12.2%
Total Overdue	586	14.0%	649	15.6%	704	16.7%	715	16.1%	712	16.3%
Provisions for loan losses in IFRS	562	13.4%	598	14.4%	631	15.0%	663	14.9%	627	14.4%
Coverage (%)	127%		123%		121%		118%		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

Gross margin from financial intermediation totaled 37.2% in 3Q16, representing an increase of 940 bps over 3Q15 mainly due to lower provisions in the period. In 9M16, gross margin from financial intermediation was 36.1%, 110 bps better over 9M15.

Other Operating Revenues (Expenses)

Other operating expenses totaled R$61.6 million in 3Q16, a decrease of 21.9% YoY, due to revenues from other services, better expense control and productivity gains. In 9M16, other operating expenses totaled R$181.0 million, 13.1% lower YoY.

Net Operating Results and Net Income

In 3Q16, Luizacred recorded operating income of R$45.3 million (196% higher YoY), equivalent to 15.8% of intermediation revenue). In 9M16, operating income was R$140.2 million (110 bps higher over 9M15).

In 3Q16, net income totaled R$24.8 million and in 9M16 was R$76.2 million.

Shareholders' Equity

In compliance with the accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$24.9 million in 3Q16, with a shareholders' equity of R$577.3 million in sep/16. 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$537.5 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous translation)

October 31 2016 (Monday)
11h00 am– Brazil time
09h00 am– USA time (EST)

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

Webcast Português

Callers from US or other countries::
Dian in #: +1 (786) 924 6977
CODE: Magazine Luiza
Link de webcast:

Webcast Inglês

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

Investor Relations

Roberto Bellissimo Rodrigues
CFO and IR Director

Rovilson Vieira
IR Manager

Kenny Damazio
IR Analyst

Phone: +55 11 3504-2727
ri@magazineluiza.com.br

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.