Magazine Luiza S.A.
3Q13 Earnings Release

São Paulo, October 31, 2013 - Magazine Luiza S.A. (BM&FBOVESPA: MGLU3), one of the largest retail chains focused on durable goods, actively engaged in serving Brazil's low-income segment, announces today its results for the third quarter of 2013 (3Q13). The Company's accounting information is based on consolidated figures, in millions of reais (except where indicated otherwise), in accordance with International Financial Reporting Standards (IFRS).

3Q13 HIGHLIGHTS

Net income: R$25.4 million (8 times the adjusted result reported in 3Q12)
EBITDA: R$122.3 million, equivalent to 6.1% in 3Q13
Gross revenue: 18.9% growth (17.0% increase in same-store sales increase)
Sales and administrative expenses: 24.0% of net revenue (dilution of 1.5 p.p. over 3Q12)
Luizacred: EBITDA of 9.6% and net income of R$19.4 million

The Company posted its best quarterly result in recent years delivering R$25.4 million in 3Q13 net incomes and R$80.8 million over the first nine months. The third quarter was marked by impressive 17.0% same-store sales growth, Northeast gross margin expansion, operating expense dilution and a solid Luizacred performance.

- **Consolidated gross revenue grew 18.9%, totaling R$2.4 billion in 3Q13:** same-store sales climbed 17.0%, fueled by a 14.0% increase in bricks-and-mortar stores and a 36.4% jump in e-commerce despite a high year-on-year basis of comparison (7.4% SSS growth in bricks-and-mortar stores and 25.5% in e-commerce in 3Q12).

- **Northeast gross margin expansion:** on a comparable basis consolidated gross margin remained stable compared to the same period last year, representing 29.1% of net revenue in 3Q13. This result reflects an improvement in Northeast stores margin and the preservation of margin in other regions, offsetting e-commerce's larger contribution during the period. Considering an accounting reclassification of social security expenses (0.8 p.p.), from operating expenses to a net revenue write-down, gross margin represented 28.3% of net revenue in 3Q13.

- **Significant decrease in selling and administrative expenses:** on a comparable basis, selling and administrative expenses dropped 1.5 p.p., from 25.5% in 3Q12 to 24.0% in 3Q13. Adjusting the accounting reclassification of the social security tax (0.8 p.p.), selling and administrative expenses represented 23.1% of net revenue in 3Q13.

- **Significant improvement in Luizacred's profitability:** EBITDA margin jumped to 9.6% in 3Q13 (versus 4.2% in 3Q12), while net margin climbed to 5.1% (versus 2.0% in 3Q12), thanks to an improved balance between direct consumer credit (CDC) and Luiza Card, an increase in operational efficiency and dilution of provisions for loan losses (PLL), offsetting the more expensive funding costs that stemmed from a higher average CDI rate during the period. In 3Q13, Luizacred's net income came to R$19.4 million, totaling 19.0% Return on Equity (ROE).

- **Consolidated recurring EBITDA came to R$122.3 million with margin of 6.1% in 3Q13:** EBTIDA grew 64.9%, 1.7 p.p. up on 3Q12, and was positively impacted by a pick-up in sales, the dilution of operating expenses and equity income from Luizacred. The operating result reinforces the company's commitment to gradually delivering better results throughout 2013, following the integration of store chains Lojas Maia and Baú da Felicidade.

- **Consolidated net income totaled R$25.4 million, with a net margin of 1.3%:** the 3Q13 improvement in net income was significant, equivalent to eight times the adjusted result reported during the same period a year earlier; the Company also recorded its best first nine months result in recent years (R$80.8 million in net income for 9M13).

- **Store openings:** we opened eight new stores in 3Q13, bringing the 9M13 new store total to 13. We started investing in three additional stores, which will open in 4Q13.

Consolidated Key Indicators

R$ million (except when otherwise indicated)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Revenue	2,420.3	2,035.1	18.9%	6,744.0	5,999.0	12.4%
Net Revenue	2,020.8	1,700.6	18.8%	5,609.5	5,019.1	11.8%
Gross Income	572.4	495.3	15.6%	1,584.8	1,434.8	10.5%
Gross Margin	28.3%	29.1%	-0.8 pp	28.3%	28.6%	-0.3 pp
EBITDA	122.3	74.2	64.9%	345.1	177.5	94.5%
EBITDA Margin	6.1%	4.4%	1.7 pp	6.2%	3.5%	2.6 pp
Adjusted EBITDA	122.3	75.5	62.1%	279.8	214.4	30.5%
Adjusted EBITDA Margin	6.1%	4.4%	1.6 pp	5.0%	4.3%	0.7 pp
Net Income	25.4	2.3	980.7%	80.8	(16.5)	-591.2%
Net Margin	1.3%	0.1%	1.1 pp	1.4%	-0.3%	1.8 pp
Adjusted Net Income	25.4	3.2	694.5%	37.7	2.4	1483.8%
Adjusted Net Margin	1.3%	0.2%	1.1 pp	0.7%	0.1%	0.6 pp
Same Store Sales Growth	17.0%	9.6%	-	10.5%	12.7%	-
Same Physical Store Sales Growth	14.0%	7.4%	-	8.5%	9.6%	-
Internet Sales Growth	36.4%	25.5%	-	23.7%	37.0%	-
Number of Stores - End of Period	740	736	0.5%	740	736	0.5%
Sales Area - End of Period (M2)	470,929	461,506	2.0%	470,929	461,506	2.0%

MGLU3: R$ 9.00 per share
Total Shares: 186,494,467
Market Cap: R$ 1.7 billion

Conference call: November 01, 2013 (Friday)
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In compliance with CPC 19 and IFRS 11, in 1Q13 the Company began presenting its position in joint ventures (Luizacred and Luizaseg) by treating it as equity income rather than a proportional consolidation of assets, liabilities, revenues and expenses. The effect of the changes to the accounting practices are explained in Note 2.2 of the Quarterly Information. The consolidated results correspond to the retail and consortium segments. In order to guarantee the transparency and breakdown of information, the Company maintained the financial statements by segment in the Annexes.

BOARD COMMENTS

Magazine Luiza reported net income of R$25.4 million in 3Q13, a significant increase compared to 3Q12. The strong result reflects the Company's initiatives and projects aimed at gradually and consistently improving profitability each quarter.

Despite challenging economic conditions and an extremely competitive environment, we had our best quarter for the year, ensuring significant sales growth in all channels, increasing store productivity and sustaining gross margin levels.

The continuing maturation of Lojas Maia and Baú da Felicidade chains combined with our projects and efforts aimed at cutting expenses, as well as increasing productivity and profitability all contributed to quarter's stronger result. In 3Q13, EBITDA totaled R$122.3 million, equivalent to 6.1% of net revenue for the period.

We have tremendous opportunities to continue growing our sales consistently in the coming quarters. The *Minha Casa Melhor* program is in its initial phase and is growing rapidly, representing an excellent opportunity for Magazine Luiza to leverage its sales. As from October, the program has been offering new product lines, such as tablets, microwaves, kitchen furniture, racks and bookshelves and has changed the range of products included in the previous list (wardrobes, washing machines, couches, beds and dining sets).

Magazine Luiza is the only Brazilian retailer sponsoring the 2014 World Cup in Brazil on the Globo network, which holds exclusive broadcast rights to the event. This investment will give the Company the best national network visibility in its history – eight months of exposure on Brazil's biggest channel during the world's largest sports event.

We believe the Company will maintain its positive trajectory and we also foresee opportunities to increase profitability in 4Q13 and in future quarters thanks to the maturation of the Maia and Baú chains as well as projects and efforts to reduce costs and expenses.

EXPECTATIONS FOR 4Q13

Management focused on improving productivity and profitability

The Company reiterates that it expects to make more significant gains in 4Q13, when a large portion of the initiatives and projects we have been working on throughout 2013 will be fully implemented.

- **Expected growth in sales**: the Company is confident of sales growth and expects to achieve its targets for the year.

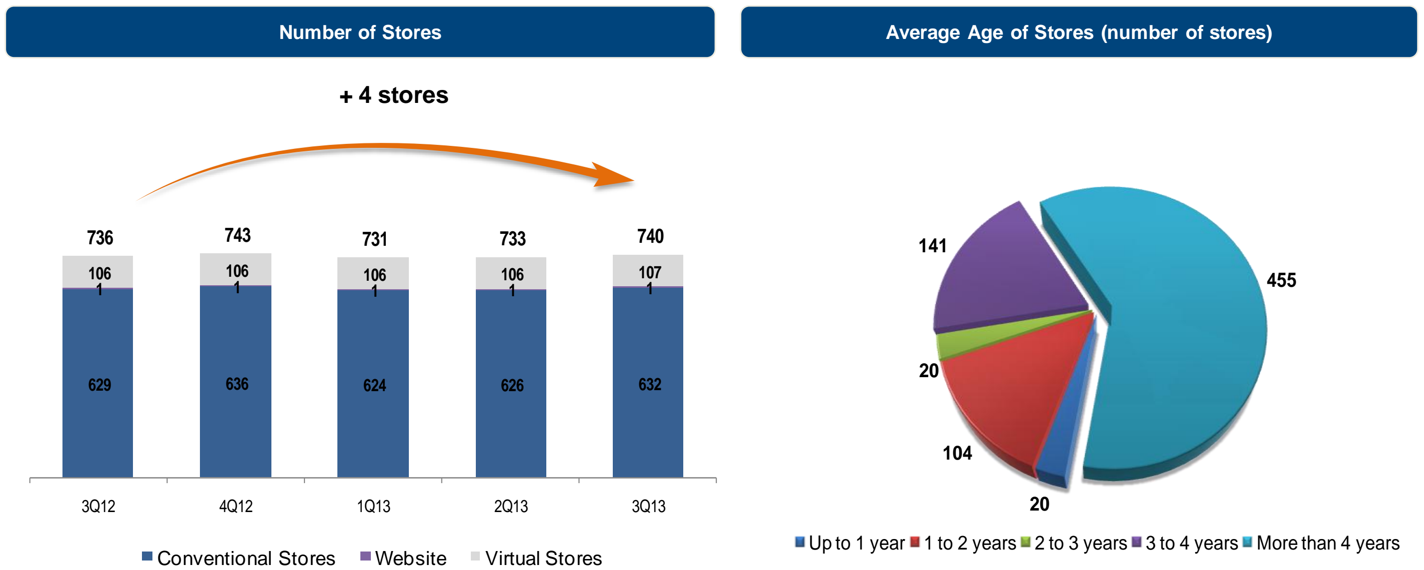
- **Preserve gross margin in 2013:** increase the Northeast gross margin and maintain stable gross margin across other regions.
  i. **Increasing e-commerce share:** maintenance of e-commerce accelerated growth and increasingly contribution to the company's overall revenue. E-commerce margin is lower than that of bricks-and-mortar stores but its contribution to EBITDA margin is higher thanks to its lower cost base model.
  ii. **Northeast gross margin:** expansion of Northeast stores gross margin, closing the gap versus other regions;
  iii. **Pricing Project:** this project was developed to improve pricing processes across channels and regions with the initial goal of preserving stable margin across all regions;

- **Operating expenses:** we expect gains from cost and expense streamlining to be more significant in 4Q13.
  i. **Evolution of Maia and Baú stores:** improvements in management and synergies across all processes, ensuring consistent and sustainable growth in store productivity and profitability, given that 2013 is the first year the stores are fully integrated;
  ii. **Multichannel delivery projects:** e-commerce orders will be directly delivered by six distribution centers, ensuring lower costs and better customer service. Two other distribution centers will be added to the network at the beginning of next year;
  iii. **Zero Base Budgeting Program:** more rigorous expense control policies and a new department-specific budgeting process, based on the adoption of zero-base goals and lower costs, ensuring the continuity of the cost and expense streamlining process.
  iv. **Luizacred Operational Efficiency Project:** revision of processes to ensure the sustainable growth of Luizacred's operating efficiency, with the streamlining of costs and expenses and increased operational productivity at all the stores.

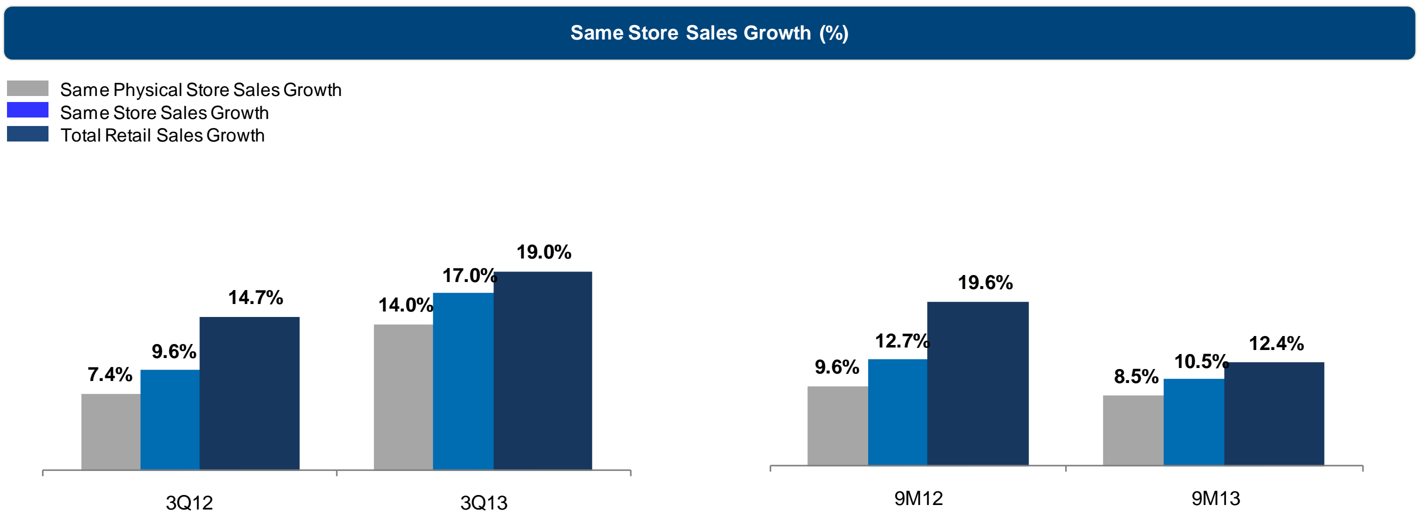
OPERATING PERFORMANCE

Magazine Luiza ended September 2013 with 740 stores, 632 conventional, 107 virtual multimedia branches and the website. In 3Q13, the Company opened eight new stores – seven conventional stores (four in São Paulo, one in Minas Gerais, one in Mato Grosso do Sul and one in Sergipe) and one virtual multimedia store in the city of São Paulo (the Heliópolis store is the first Magazine Luiza virtual store in São Paulo city and the first store in an underprivileged community) – and shut down one store in João Pessoa, Paraíba State. The Company inaugurated 13 new stores in 2013.

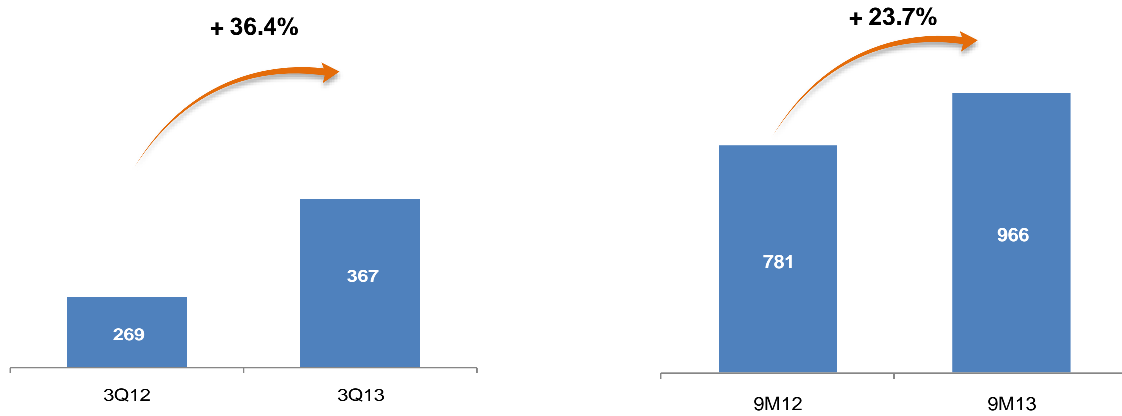
Of Magazine Luiza's 740 stores, 285 (38.5%) are less than four years old and are still maturing.



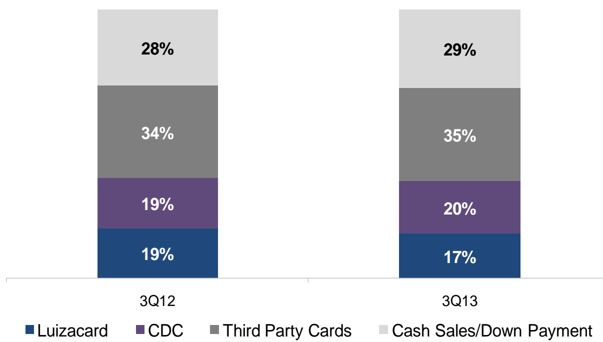
Year-on-year same-store sales jumped 17.0% in 3Q13. In 9M13, same-store sales climbed 10.5% over the same period in 2012.

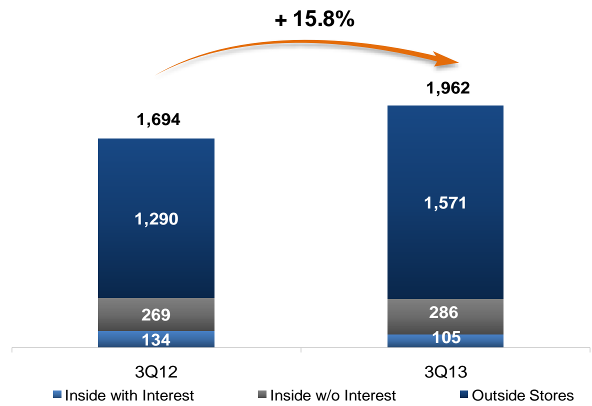


E-commerce (www.magazineluiza.com.br) posted 36.4% growth in 3Q13, generating R$367.0 million in gross revenue, which corresponds to 15.3% of total retail sales. Year-to-date online sales totaled R$966.3 million, 23.7% up on the same period last year.



Over the past 12 months, Luizacred's credit card base declined from 4.0 million in 3Q12 to 3.5 million in 3Q13. In 3Q13, total spending on Luiza Cards accounted for 17% of total retail sales, lower than the same period last year. This is thanks to an increase in direct consumer credit (CDC) and a conservative approach to approving credit.





In 3Q13, total spending on Luiza Cards increased 15.8% to R$2.0 billion. In the same period, the use of Luiza Cards outside the Company's stores grew 21.8%, accounting for 80.1% of total spending (versus 76.2% in 3Q12).

It should be noted that the Company is maintaining its policy of encouraging interest-bearing sales and limiting interest-free sales in Luiza Cards to no higher than 15% of total sales. In 9M13, the share of interest-free sales in Luiza Cards fell to 12% of total sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

(in R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Revenue - Retail - Merchandise Sales	2,306.3	1,947.5	18.4%	6,442.3	5,748.7	12.1%
Gross Revenue - Retail - Services	105.9	80.4	31.8%	278.2	230.0	21.0%
Subtotal Retail	**2,412.3**	**2,027.9**	**19.0%**	**6,720.5**	**5,978.7**	**12.4%**
Gross Revenue - Consortium Management	9.8	8.8	11.6%	28.7	24.5	17.1%
Inter-Company Eliminations	(1.8)	(1.5)	17.6%	(5.2)	(4.2)	23.6%
Total Gross Revenue	**2,420.3**	**2,035.1**	**18.9%**	**6,744.0**	**5,999.0**	**12.4%**

Magazine Luiza's consolidated gross revenue increased 18.9%, from R$2,035.1 million in 3Q12 to R$2,420.3 million in 3Q13, primarily reflecting an improvement in the retail segment fueled by 17.0% same-store sales growth (bricks-and-mortar and e-commerce increased 14.0% and 36.4%, respectively). Bear in mind that this growth was obtained despite a high base of comparison of positive 9.6% SSS (SSS bricks-and-mortar and e-commerce increase 7.4% and 25.5%, respectively in 3Q12).

In 9M13, consolidated gross revenue climbed 12.4% to R$6,744.0 million.

Consolidated Net Revenue

(in R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Net Revenue - Retail - Merchandise Sales	1,921.3	1,623.8	18.3%	5,345.3	4,800.2	11.4%
Net Revenue - Retail - Services	92.4	70.2	31.5%	243.2	200.8	21.1%
Subtotal Retail	**2,013.6**	**1,694.0**	**18.9%**	**5,588.5**	**5,000.9**	**11.7%**
Net Revenue - Consortium Management	8.9	8.0	11.3%	26.2	22.4	17.1%
Inter-Company Eliminations	(1.8)	(1.5)	17.6%	(5.2)	(4.2)	23.6%
Total Net Revenue	**2,020.8**	**1,700.6**	**18.8%**	**5,609.5**	**5,019.1**	**11.8%**

Magazine Luiza's consolidated net revenue climbed 18.8%, from R$1,700.6 million in 3Q12 to R$2,020.8 million in 3Q13, following gross revenue's trends. In 3Q13 and 9M13, net revenue reflected the reclassification of social security expenses, previously recorded as operating expenses and now recorded as sales tax (with the program's payroll tax deduction, social security tax is now calculated as a percentage of gross revenue instead as a percentage of payroll expenses).

In 9M13, consolidated net revenue grew by 11.7%, totaling R$5,609.5 million.

Consolidated Gross Profit

(in R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Income - Retail - Merchandise Sales	474.2	420.1	12.9%	1,325.2	1,220.2	8.6%
Gross Income - Retail - Services	92.4	70.2	31.5%	243.2	200.8	21.1%
Subtotal Retail	**566.6**	**490.3**	**15.5%**	**1,568.4**	**1,421.0**	**10.4%**
Gross Income - Consortium Management	5.8	5.0	17.7%	16.4	13.9	18.3%
Inter-Company Eliminations	-	-	0.0%	-	-	0.0%
Total Gross Income	**572.4**	**495.3**	**15.6%**	**1,584.8**	**1,434.8**	**10.5%**

(as % of Net Revenue)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Gross Margin - Retail - Merchandise Sales	24.7%	25.9%	-1.2 pp	24.8%	25.4%	-0.6 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp	100.0%	100.0%	0.0 pp
Subtotal Retail	**28.1%**	**28.9%**	**-0.8 pp**	**28.1%**	**28.4%**	**-0.3 pp**
Gross Margin - Consortium Management	65.2%	61.7%	3.6 pp	62.7%	62.0%	0.6 pp
Inter-Company Eliminations	0.0%	0.0%	0.0 pp	0.0%	0.0%	0.0 pp
Total Gross Margin	**28.3%**	**29.1%**	**-0.8 pp**	**28.3%**	**28.6%**	**-0.3 pp**

Consolidated gross profit totaled R$572.4 million in 3Q13 with 28.3% gross margin. On a comparable basis, excluding the effect of an accounting reclassification of social security tax to net revenue (0.8 p.p.), gross margin totaled 29.1% in 3Q13, in line with 3Q12

figures. Gross margin was influenced by a higher share in Internet sales, but also reflected an improvement in Northeast stores gross margin, owing to the complete integration of operations and maintenance of margins in other regions.

In 9M13, consolidated gross profit totaled R$1,584.8 million with 28.3% gross margin. On a comparable basis, gross margin came to 28.8% in 9M13, a pick-up of 0.2 p.p. over the same period last year.

Operating Expenses

(in R$ million)	3Q13	% NR	3Q12	% NR	%Chg	9M13	% NR	9M12	% NR	%Chg
Selling expenses	(371.7)	-18.4%	(347.4)	-20.4%	7.0%	(1,076.3)	-19.2%	(1,008.0)	-20.1%	6.8%
General and adm. expenses	(95.9)	-4.7%	(86.9)	-5.1%	10.3%	(275.6)	-4.9%	(258.9)	-5.2%	6.5%
Provisions for loan losses	(5.2)	-0.3%	(4.4)	-0.3%	18.4%	(15.2)	-0.3%	(15.8)	-0.3%	-3.9%
Other operating revenues, net	10.6	0.5%	11.6	0.7%	-9.2%	92.4	1.6%	20.6	0.4%	348.0%
Total Operating Expenses	**(462.2)**	**-22.9%**	**(427.0)**	**-25.1%**	**8.2%**	**(1,274.7)**	**-22.7%**	**(1,262.0)**	**-25.1%**	**1.0%**

Selling Expenses

Selling expenses totaled R$371.7 million in 3Q13, representing 18.4% of net revenue, down 2.0 p.p. on 3Q12. Selling expenses continued to drop compared with recent quarters - in line with the Company's expectations of gradual improvement, reflecting its focus on streamlining expenses and maturation of new stores and former Maia and Baú outlets. Selling expenses also reflected an accounting reclassification of 0.5 p.p. of the social security tax.

In 9M13, selling expenses totaled R$1,076.3 million, representing 19.2% of net revenue.

General and Administrative Expenses

General and administrative expenses totaled R$95.9 million in 3Q13, or 4.7% of net revenue, 0.4 p.p. below 3Q12. This decrease was a result of the reclassification of 0.3 p.p. of the social security tax.

In 9M13, general and administrative expenses came to R$275.6 million, equivalent to 4.9% of net revenue.

Provisions for Loan Losses

Provisions for loan losses came to R$5.2 million in 3Q13, up from R$4.4 million in 3Q12, corresponding to 0.3% of net revenue. This line remained practically level compared to the same period last year. Note that these provisions refer only to Magazine Luiza, and most of loan loss provisions are recorded by Luizacred (explained in Annex 1).

In 9M13, provisions for loan losses amounted to R$15.2 million, representing 0.3% of net revenue.

Other Operating Revenues (Expenses)

(in R$ million)	3Q13	% NR	3Q12	% NR	%Chg	9M13	% NR	9M12	% NR	%Chg
Gain on sale of assets	0.1	0.0%	(0.1)	0.0%	-310.9%	126.4	2.3%	(0.6)	0.0%	-
Deferred revenue recorded	7.6	0.4%	8.9	0.5%	-13.9%	24.5	0.4%	34.4	0.7%	-28.9%
Provision for tax liabilities	4.8	0.2%	7.8	0.5%	-38.9%	(39.1)	-0.7%	7.4	0.1%	-631.9%
Non-recurring expenses	(2.2)	-0.1%	(6.3)	-0.4%	-65.5%	(19.4)	-0.3%	(22.6)	-0.5%	-14.2%
Other	0.2	0.0%	1.3	0.1%	-83.1%	0.0	0.0%	2.1	0.0%	-99.6%
Total	**10.6**	**0.5%**	**11.6**	**0.7%**	**-9.2%**	**92.4**	**1.6%**	**20.6**	**0.4%**	**348.0%**

Other net operating revenues totaled R$11.6 million in 3Q12 versus R$10.6 million in 3Q13, mainly owing to the appropriation of deferred revenue of R$7.6 million, reversal in the provisions for tax liabilities in the amount of R$4.8 million and non-recurring expenses totaling R$2.2 million.

In 9M13, net operating revenues totaled R$92.4 million or 1.6% of net revenue.

Equity in Subsidiaries

Equity in subsidiaries climbed from R$6.0 million income in 3Q12 to R$12.1 million income in 3Q13, equivalent to 0.6% of net revenue, led by the improvement in Luizacred's net result (as explained in Annex I).

EBITDA

(in R$ million)	3Q13	% NR	3Q12	% NR	%Chg	9M13	% NR	9M12	% NR	%Chg
EBITDA	**122.3**	**6.1%**	**74.2**	**4.4%**	**64.9%**	**345.1**	**6.2%**	**177.5**	**3.5%**	**94.5%**
Extraordinary costs	-	0.0%	-	0.0%	0.0%	-	0.0%	15.0	0.3%	-100.0%
Extraordinary revenue	-	0.0%	(5.0)	-0.3%	-100.0%	(126.4)	-2.3%	(5.0)	-0.1%	2423.3%
Extraordinary Expenses	-	0.0%	6.3	0.4%	-100.0%	61.1	1.1%	35.6	0.7%	71.8%
Deferred revenue adjustment	-	0.0%	-	0.0%	0.0%	-	0.0%	(8.8)	-0.2%	-100.0%
Adjusted EBITDA	**122.3**	**6.1%**	**75.5**	**4.4%**	**62.1%**	**279.8**	**5.0%**	**214.4**	**4.3%**	**30.5%**

In 3Q13, earnings before interest, taxes, depreciation and amortization (consolidated EBITDA) reached R$122.3 million, with a margin of 6.1%. The primary factors driving the EBITDA increase include a pickup in sales, a streamlining in expenses and an increase in equity income owing to Luizacred's improved net result.

For 9M13, EBTIDA came to R$345.1 million, with 6.2% margin. Excluding non-recurring effects, adjusted EBITDA totaled R$279.8 million for the nine-month period, accompanied by 5.0% margin.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (in R$ million)	3Q13	% NR	3Q12	% NR	9M13	% NR	9M12	% NR
Financial Expenses	(82.7)	-4.1%	(60.1)	-3.5%	(216.1)	-3.9%	(188.1)	-3.7%
Interest on loans and financing	(37.5)	-1.9%	(27.5)	-1.6%	(95.8)	-1.7%	(87.6)	-1.7%
Interest on prepayment of receivables – third party cards	(20.1)	-1.0%	(15.1)	-0.9%	(53.3)	-1.0%	(42.5)	-0.8%
Interest on prepayment of receivables – Luiza Card	(13.1)	-0.7%	(10.2)	-0.6%	(34.7)	-0.6%	(34.8)	-0.7%
Other expenses	(12.0)	-0.6%	(7.4)	-0.4%	(32.3)	-0.6%	(23.3)	-0.5%
Financial Revenues	17.3	0.9%	9.1	0.5%	45.9	0.8%	31.3	0.6%
Gains on marketable securities	2.2	0.1%	1.0	0.1%	3.6	0.1%	3.2	0.1%
Other financial revenues	15.2	0.7%	8.1	0.5%	42.3	0.8%	28.1	0.6%
Total Financial Results	(65.4)	-3.2%	(51.0)	-3.0%	(170.1)	-3.0%	(156.8)	-3.1%
Income from cash and cash equivalentes[1]	7.2	0.4%	3.3	0.2%	15.9	0.3%	8.2	0.2%
Adjusted Financial Results	(58.1)	-2.9%	(47.6)	-2.8%	(154.2)	-2.7%	(148.6)	-3.0%

Note(1): income from the exclusive fund, which is booked as financial income in the Parent Company and as gross revenue in the Consolidated results, as presented in the Notes.

Adjusted net financial expenses (including income from an exclusive fund) totaled R$58.1 million in 3Q13, accounting for 2.9% of consolidated net revenue, practically in line with the 3Q12 figure despite the period's higher average CDI rate, which is indicative of the Company's improved net debt profile.

In 9M13, adjusted net financial expenses amounted to R$154.2 million, dropping from 3.0% to 2.7% of net revenue in the period.

Consolidated Net Income

The 3Q13 net result was positive by R$25.4 million, with a net margin of 1.3%, influenced by the group's excellent sales performance, the streamlining of expenses and the improvement in Luizacred's net result. The result is in line with the Company's gradual trend of boosting profitability in 2013.

In 9M13, consolidated net income totaled R$80.8 million with margin of 1.4%. Excluding the non-recurring results, adjusted net income came to R$37.7 million with margin of 0.7%.

Working Capital

CONSOLIDATED (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
Accounts receivables	463.7	458.4	448.8	486.5	490.2
Inventories	1,135.5	1,051.1	974.9	1,068.8	1,306.9
Related parties	67.8	86.3	85.0	73.6	67.6
Recoverable taxes	214.3	230.5	190.4	208.5	40.8
Other assets	64.0	73.2	63.3	38.0	71.9
Current operating assets	1,945.3	1,899.6	1,762.5	1,875.3	1,977.4
Suppliers	1,332.3	1,306.1	1,169.8	1,326.3	1,173.2
Payroll, vacation and related charges	146.7	126.7	115.8	138.3	139.5
Taxes payable	18.9	28.5	20.4	47.8	13.8
Related parties	53.8	50.9	41.7	51.1	29.5
Taxes in installments	8.9	8.9	9.0	9.1	9.2
Other accounts payable	85.4	80.1	113.1	80.9	94.8
Current operating liabilities	1,646.0	1,601.1	1,469.9	1,653.6	1,460.2
Working Capital	299.2	298.5	292.6	221.8	517.3
% of Net Revenue	3.3%	3.4%	3.4%	2.6%	6.4%
Balance of Discounted Receivables	993.1	904.9	838.2	791.4	659.5
Working Capital Adjusted	1,292	1,203	1,131	1,013	1,177
% of Net Revenue	14.0%	13.6%	13.2%	12.0%	14.5%

In September 2013, net working capital stood at R$299.2 million, representing only 3.3% of gross revenue in the last 12 months, lower than the 6.4% recorded in September 2012. The reduction in relation to that period stemmed primarily from improvements in inventory turnover and the booking of part of taxes recoverable in the long term. In September 2013, the Company recorded tax credits of R$370.4 million, R$214.3 million of which was recognized under current assets and R$156.1 million under non-current assets. These amounts refer mainly to accrued ICMS tax and tax substitution credits and will be realized through a request for compensation of debits of a similar nature in the states where the credits originated.

On the same date, the balance for prepaid receivables from third-party credit cards was R$993.1 million. Considering the balance of discounted receivables, working capital requirements would correspond to 14.0% of gross revenue, lower than the same period last year.

Capex

CAPEX (in R$ million)	3Q13	3Q12	9M13	9M12
New Stores	5.2	4.4	15.7	16.0
Remodeling	16.5	18.6	34.1	37.7
Technology	8.3	5.7	24.5	17.0
Logistics	7.3	11.1	19.8	33.1
Other	6.5	4.9	10.6	19.9
Total	**43.7**	**44.8**	**104.7**	**123.8**

Investments in fixed and intangible assets fell from R$44.8 million in 3Q12 to R$43.7 million in 3Q13 and include renovations to existing stores as well as investments in technology, logistics and new stores (inaugurated and yet to be inaugurated). In 3Q13, we opened eight stores, bringing the 9M13 total to 13 new stores. The Company also began investing in four additional stores that will be opened in 4Q13.

Net Debt

CONSOLIDATED (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
(+) Current loans and financing	555.5	534.8	404.3	317.2	223.0
(+) Non-current loans and financing	829.1	860.4	1,016.2	918.8	892.6
(=) Gross Debt	1,384.6	1,395.2	1,420.5	1,236.0	1,115.5
(-) Cash and cash equivalents	260.3	176.6	152.3	418.9	92.9
(-) Current securities	423.5	539.0	476.2	126.4	204.4
(-) Total Cash	683.8	715.6	628.5	545.3	297.4
(=) Net Debt	700.9	679.6	792.0	690.7	818.2
Short term debt/total	40%	38%	28%	26%	20%
Long term debt/total	60%	62%	72%	74%	80%
Adjusted EBITDA (LTM)	364.3	317.4	305.3	298.8	326.6
Net Debt/ Adjusted EBITDA	1.9 x	2.1 x	2.6 x	2.3 x	2.5 x

In September of 2013, Magazine Luiza had loans and financing totaling R$1,384.6 million and cash and financial investments of R$683.8 million, resulting in a net debt of R$700.9 million, equivalent to 1.9x adjusted EBITDA of the last 12 months, representing another consistent reduction in leverage.

The lower debt balance at the close of September 2013 in relation to September 2012 reflected improved operating results, lower working capital requirements, as explained previously, and cash from the sale of distribution center Louveira in June 2013. It should also be noted that in October 2013, Magazine Luiza held its third debenture issue in an effort to extend and optimize the Company's debt profile.

According to the previous method of proportional consolidation of Luizacred's and Luizaseg's results, assets and liabilities, net debt stood at R$585.0 million, equivalent to 1.6x adjusted EBITDA in the last 12 months, versus 1.8x in June 2013 and 2.4x in September 2012, as disclosed in our previous earnings releases.

ANNEX I
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 financing at Luizacred, drafting the credit and collection policies, and back-office activities, such as accounting and treasury.

In September 2013, Luizacred had a total base of 3.5 million cards issued. In the last 12 months, the total card base decreased by 13.5%, partially offset by the increased share of direct consumer credit (CDC). In 3Q13, purchases outside Magazine Luiza stores represented 80.1% of total card billings, 21.8% up on 3Q12.

Luizacred's credit portfolio, including credit cards, direct consumer credit and personal loans, totaled R$3.7 billion at the close of 3Q13.

LUIZACRED – Key Indicators (R$ million)	3Q13	3Q12	% Chg	9M13	9M12	% Chg
Total Card Base (thousand)	3,498	4,042	-13.5%	3,498	4,042	-13.5%
Luiza Card Sales – In chain	391	404	-3.1%	1,096	1,328	-17.5%
Luiza Card Sales – Outside Brand	1,571	1,290	21.8%	4,493	3,727	20.5%
CDC Sales	377	316	19.4%	1,057	846	25.0%
Personal Loans Sales	30	39	-23.0%	105	143	-27.1%
Total Luizacred Sales	**2,369**	**2,049**	**15.6%**	**6,750**	**6,044**	**11.7%**
Card Portfolio	2,593	2,527	2.6%	2,593	2,527	2.6%
CDC Portfolio	1,084	777	39.6%	1,084	777	39.6%
Personal Loans Portfolio	69	104	-34.3%	69	104	-34.3%
Total Portfolio	**3,746**	**3,408**	**9.9%**	**3,746**	**3,408**	**9.9%**

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 3Q13.

Income Statement

LUIZACRED – Income (R$ million)	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Financial Intermediation Revenue	306.6	100.0%	276.2	100.0%	11.0%	887.5	100.0%	815.0	100.0%	8.9%
Cards	170.9	55.7%	166.5	60.3%	2.7%	493.5	55.6%	510.3	62.6%	-3.3%
CDC	117.7	38.4%	86.7	31.4%	35.8%	337.8	38.1%	221.6	27.2%	52.4%
Personal Loans	17.9	5.8%	23.0	8.3%	-22.0%	56.2	6.3%	83.1	10.2%	-32.4%
Financial Intermediation Expenses	(213.2)	-69.5%	(198.0)	-71.7%	7.7%	(608.7)	-68.6%	(605.5)	-74.3%	0.5%
Market Funding Operations	(40.8)	-13.3%	(38.5)	-13.9%	6.0%	(107.9)	-12.2%	(131.7)	-16.2%	-18.1%
Provision for Loan Losses	(172.4)	-56.2%	(159.5)	-57.8%	8.1%	(500.8)	-56.4%	(473.8)	-58.1%	5.7%
Gross Financial Intermediation Income	93.4	30.5%	78.2	28.3%	19.4%	278.8	31.4%	209.5	25.7%	33.1%
Other Operating Revenues (Expenses)	(60.4)	-19.7%	(67.4)	-24.4%	-10.4%	(186.4)	-21.0%	(219.4)	-26.9%	-15.1%
Service Revenue	70.7	23.1%	56.8	20.6%	24.4%	194.8	21.9%	167.9	20.6%	16.0%
Personnel Expenses	(1.3)	-0.4%	(1.7)	-0.6%	-20.3%	(2.8)	-0.3%	(4.7)	-0.6%	-41.5%
Other Administrative Expenses	(109.5)	-35.7%	(106.7)	-38.6%	2.6%	(323.1)	-36.4%	(327.4)	-40.2%	-1.3%
Depreciation and Amortization	(3.3)	-1.1%	(3.3)	-1.2%	-0.8%	(9.8)	-1.1%	(9.9)	-1.2%	-0.9%
Tax Expenses	(19.4)	-6.3%	(16.8)	-6.1%	15.5%	(55.6)	-6.3%	(50.0)	-6.1%	11.3%
Other Operating Revenues (Expenses)	2.5	0.8%	4.3	1.6%	-42.3%	10.1	1.1%	4.6	0.6%	119.0%
Income Before Tax	33.0	10.8%	10.8	3.9%	205.2%	92.5	10.4%	(10.0)	-1.2%	-1027.8%
Income Tax and Social Contribution	(13.6)	-4.4%	(4.3)	-1.6%	216.4%	(37.4)	-4.2%	3.7	0.5%	-1112.2%
Net Income	19.4	6.3%	6.5	2.4%	197.8%	55.1	6.2%	(6.3)	-0.8%	-978.1%

Revenue from Financial Intermediation

In 3Q13, gross revenue from financial intermediation increased by 11.0% over 3Q12, mainly due to the higher share of direct consumer credit in retail sales.

Provisions for Loan Losses

Luizacred's short-term default indicators improved by 0.8 p.p. compared with September 2012. The portfolio of loans overdue for more than 90 days (NPL 90) increased by 0.9 p.p., and the total overdue portfolio remained practically flat in relation to September 2012. The default indicators remain under control and likely to improve, considering the conservativeness on approval rates and the reduction on delinquency of early portfolio overdue.

Provisions on gross revenue from financial intermediation fell from 57.8% in 3Q12 to 56.2% in 3Q13, reflecting the improvement in default indicators in recent quarters. Provisions for loan losses represented 4.6% of the total portfolio in 3Q13, slightly below the 4.7% recorded in 3Q12.

PORTFOLIO OVERDUE	sep-13		jun-13		mar-13		dec-12		sep-12	
Total Portfolio (R$ million)	3,746.5	100.0%	3,626.4	100.0%	3,573.6	100.0%	3,650.3	100.0%	3,408.4	100.0%
000 to 014 days	3,204.2	85.5%	3,112.9	85.8%	3,103.9	86.9%	3,229.4	88.5%	2,917.3	85.6%
015 to 030 days	36.6	1.0%	44.1	1.2%	50.6	1.4%	41.0	1.1%	42.2	1.2%
031 to 060 days	30.3	0.8%	40.9	1.1%	45.2	1.3%	34.3	0.9%	39.8	1.2%
061 to 090 days	52.0	1.4%	64.4	1.8%	64.6	1.8%	46.8	1.3%	53.2	1.6%
091 to 120 days	52.2	1.4%	50.6	1.4%	42.9	1.2%	35.6	1.0%	51.8	1.5%
121 to 150 days	50.8	1.4%	49.6	1.4%	31.3	0.9%	27.0	0.7%	39.6	1.2%
151 to 180 days	51.5	1.4%	45.0	1.2%	31.0	0.9%	28.1	0.8%	38.5	1.1%
180 to 360 days	268.8	7.2%	218.9	6.0%	204.0	5.7%	208.0	5.7%	226.0	6.6%
Overdue 15-90 days	119.0	3.2%	149.4	4.1%	160.5	4.5%	122.1	3.3%	135.1	4.0%
Overdue above 90 days	423.3	11.3%	364.0	10.0%	309.2	8.7%	298.8	8.2%	355.9	10.4%
Total Overdue	542.3	14.5%	513.5	14.2%	469.7	13.1%	420.9	11.5%	491.1	14.4%
Allowance for doubtful in IFRS	493.9	13.2%	458.8	12.7%	454.2	12.7%	456.4	12.5%	460.8	13.5%
Coverage (%)	117%		126%		147%		153%		129%	

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

Gross Financial Intermediation Result

As a result of the sharp growth in direct consumer credit revenue in the period, the gross margin from financial intermediation stood at 30.5% in 3Q13, a 2.2 p.p. increase over 3Q12 (28.3%).

Other Operating Revenues (Expenses)

- **Service Revenue:** increased by 24.4% over 3Q12, mainly driven by commissions for the use of Luiza Cards outside the stores, and revenues from insurance and new services;
- **Selling and Administrative Expenses** (personnel, administrative, amortization and taxes): equivalent to 43.5% of financial intermediation revenue, 3.0% p.p. down on 3Q12 (46.5%) and 0.5 p.p. down on 2Q13 (44.0%). These gains are thanks to the Company's project focus on reducing costs and expenses and an adjustment in the mix of different financial products;
- **Other Operating Revenues (Expenses):** net revenues of R$2.5 million, equivalent to just 0.8% of financial intermediation revenue.

Net Operating Result

Luizacred recorded operating income of R$33.0 million in 3Q13, equivalent to 10.8% of financial intermediation revenue, a significant improvement over the operating income of R$10.8 million recorded in 3Q12 (3.9% of revenue from financial intermediation).

Net income totaled R$19.4 million in the quarter with ROE of 19.0%.

Shareholders' Equity

In compliance with accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$20.7 million in 3Q13, with a shareholders' equity of R$446.3 million in September of 2013. 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$418.6 million.

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Gross Revenue	2,420.3	119.8%	2,035.1	119.7%	18.9%	6,744.0	120.2%	5,999.0	119.5%	12.4%
Taxes and Deductions	(399.5)	-19.8%	(334.6)	-19.7%	19.4%	(1,134.5)	-20.2%	(979.9)	-19.5%	15.8%
Net Revenue	2,020.8	100.0%	1,700.6	100.0%	18.8%	5,609.5	100.0%	5,019.1	100.0%	11.8%
Total Costs	(1,448.4)	-71.7%	(1,205.3)	-70.9%	20.2%	(4,024.6)	-71.7%	(3,584.3)	-71.4%	12.3%
Gross Income	572.4	28.3%	495.3	29.1%	15.6%	1,584.8	28.3%	1,434.8	28.6%	10.5%
Selling expenses	(371.7)	-18.4%	(347.4)	-20.4%	7.0%	(1,076.3)	-19.2%	(1,008.0)	-20.1%	6.8%
General and administrative expenses	(95.9)	-4.7%	(86.9)	-5.1%	10.3%	(275.6)	-4.9%	(258.9)	-5.2%	6.5%
Provisions for loan losses	(5.2)	-0.3%	(4.4)	-0.3%	18.4%	(15.2)	-0.3%	(15.8)	-0.3%	-3.9%
Other operating revenues, net	10.6	0.5%	11.6	0.7%	-9.2%	92.4	1.6%	20.6	0.4%	348.0%
Equity in Subsidiaries	12.1	0.6%	6.0	0.4%	103.9%	35.0	0.6%	4.7	0.1%	650.8%
Total Operating Expenses	(450.1)	-22.3%	(421.1)	-24.8%	6.9%	(1,239.7)	-22.1%	(1,257.3)	-25.1%	-1.4%
EBITDA	122.3	6.1%	74.2	4.4%	64.9%	345.1	6.2%	177.5	3.5%	94.5%
Depreciation and Amortization	(25.3)	-1.3%	(22.0)	-1.3%	15.0%	(75.5)	-1.3%	(65.8)	-1.3%	14.7%
EBIT	97.0	4.8%	52.2	3.1%	85.9%	269.6	4.8%	111.7	2.2%	141.4%
Financial Results	(65.4)	-3.2%	(51.0)	-3.0%	28.3%	(170.2)	-3.0%	(156.8)	-3.1%	8.5%
Operating Income	31.7	1.6%	1.2	0.1%	2471.9%	99.5	1.8%	(45.1)	-0.9%	-320.5%
Income Tax and Social Contribution	(6.3)	-0.3%	1.1	0.1%	-662.7%	(18.6)	-0.3%	28.7	0.6%	-165.0%
Net Income	25.4	1.3%	2.3	0.1%	980.7%	80.8	1.4%	(16.5)	-0.3%	-591.2%

Reconciliation of EBITDA for extraordinary expenses

	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
EBITDA	122.3	6.1%	74.2	4.4%	-	345.1	6.2%	177.5	3.5%	-
Extraordinary costs	-	0.0%	-	0.0%	-	-	0.0%	15.0	0.3%	-
Extraordinary revenues	-	0.0%	(5.0)	-0.3%	-	(126.4)	-2.3%	(5.0)	-0.1%	-
Extraordinary expenses	-	0.0%	6.3	0.4%	-	61.1	1.1%	35.6	0.7%	-
Adjusted deferred revenues	-	0.0%	-	0.0%	-	-	0.0%	(8.8)	-0.2%	-
Adjusted EBITDA	122.3	6.1%	75.5	4.4%	-	279.8	5.0%	214.4	4.3%	-

	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Net Income	25.4	1.3%	2.3	0.1%	-	80.8	1.4%	(16.5)	-0.3%	-
Extraordinary operational results	-	0.0%	1.3	0.1%	-	(65.3)	-1.2%	36.9	0.7%	-
Extraordinary financial results	-	0.0%	-	0.0%	-	-	0.0%	10.6	0.2%	-
Tax over extraordinary results	-	0.0%	(0.4)	0.0%	-	22.2	0.4%	(16.1)	-0.3%	-
Extraordinary tax credits	-	0.0%	-	0.0%	-	-	0.0%	(12.5)	-0.2%	-
Adjusted Net Income	25.4	1.3%	3.2	0.2%	-	37.7	0.7%	2.4	0.0%	-

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
CURRENT ASSETS					
Cash and cash equivalents	260.3	176.6	152.3	418.9	92.9
Securities	423.5	539.0	476.2	126.4	204.4
Accounts receivable	463.7	458.4	448.8	486.5	490.2
Inventories	1,135.5	1,051.1	974.9	1,068.8	1,306.9
Related parties	67.8	86.3	85.0	73.6	67.6
Taxes recoverable	214.3	230.5	190.4	208.5	40.8
Other assets	64.0	73.2	63.3	38.0	71.9
Total current assets	2,629.0	2,615.2	2,391.0	2,420.6	2,274.8
NON-CURRENT ASSETS					
Accounts receivable	4.3	4.0	3.4	0.4	1.3
Deferred income tax and social contribution	148.0	148.3	156.5	148.3	152.5
Recoverable taxes	156.1	148.3	144.4	137.4	9.2
Judicial deposits	157.4	150.4	138.5	129.3	115.0
Other assets	42.8	41.7	39.1	39.6	38.2
Investments in subsidiaries	248.7	236.6	224.6	222.9	213.2
Fixed assets	527.9	510.8	575.5	574.0	550.7
Intangible assets	437.5	436.6	436.2	435.3	435.5
Total non-current assets	1,722.6	1,676.8	1,718.1	1,687.2	1,515.5
TOTAL ASSETS	4,351.7	4,292.0	4,109.1	4,107.7	3,790.3

LIABILITIES (R$ million)	sep-13	jun-13	mar-13	dec-12	sep-12
CURRENT LIABILITIES					
Suppliers	1,332.3	1,306.1	1,169.8	1,326.3	1,173.2
Loans and financing	555.5	534.8	404.3	317.2	223.0
Payroll, vacation and related charges	146.7	126.7	115.8	138.3	139.5
Taxes payable	18.9	28.5	20.4	47.8	13.8
Related parties	53.8	50.9	41.7	51.1	29.5
Taxes in installments	8.9	8.9	9.0	9.1	9.2
Deferred revenue	35.6	35.6	36.2	37.1	38.0
Other accounts payable	85.4	80.1	113.1	80.9	94.8
Total current liabilities	2,237.2	2,171.5	1,910.4	2,007.9	1,721.2
NON-CURRENT LIABILITIES					
Loans and financing	829.1	860.4	1,016.2	918.8	892.6
Taxes in installments	-	0.6	1.2	1.8	2.4
Provision for tax, civil and labor risks	228.7	227.3	196.2	187.6	173.5
Deferred revenue	358.2	359.9	367.5	375.2	382.8
Deferred income tax and social contribution	-	-	-	-	6.5
Other accounts payable	1.0	0.9	0.7	0.6	5.9
Total non-current liabilities	1,417.0	1,449.1	1,581.8	1,483.9	1,463.6
SHAREHOLDERS' EQUITY					
Capital stock	606.5	606.5	606.5	606.5	606.5
Capital reserve	4.9	4.2	3.5	2.8	2.1
Legal reserve	4.0	4.0	4.0	4.0	4.0
Profit retention reserve	2.6	2.6	2.6	2.6	9.3
Other comprehensive income	(1.4)	(1.3)	(0.5)	0.1	0.1
Accumulated losses	80.8	55.5	0.8	-	(16.5)
Total shareholders' equity	697.5	671.4	616.9	616.0	605.6
TOTAL	4,351.7	4,292.0	4,109.1	4,107.7	3,790.3

ANNEX IV
FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	3Q13	3Q12	9M13	9M12
Net Income	**25.4**	**2.3**	**80.8**	**(16.5)**
Effect of IR / CS net of payment	(2.2)	(1.1)	6.3	(29.4)
Depreciation and amortization	25.3	22.0	75.5	65.8
Interest accrued on loans	33.3	24.7	83.6	74.8
Equity, net of dividends received	(12.1)	(6.0)	(23.6)	2.5
Provision for losses on inventories and receivables	18.1	6.9	51.4	27.0
Provision for tax, civil and labor contingencies	3.7	3.4	58.7	19.0
Gain on sale of fixed assets	(0.1)	1.2	(126.4)	2.3
Recognition of deferred income	(7.6)	(8.9)	(24.5)	(34.4)
Stock option expenses	0.7	0.7	2.1	2.1
Adjusted Net Income	**84.3**	**45.3**	**183.9**	**113.1**
Trade accounts receivable	(18.6)	(15.3)	(16.5)	(2.5)
Inventories	(89.3)	(178.2)	(82.7)	(53.4)
Taxes recoverable	16.8	(6.7)	(12.2)	2.8
Other receivables	20.4	78.1	(54.5)	(56.3)
Changes in operating assets	**(70.7)**	**(122.2)**	**(165.9)**	**(109.5)**
Trade accounts payable	32.6	156.8	6.0	(93.5)
Other payables	3.6	(26.0)	(57.2)	11.5
Change in operating liabilities	**36.2**	**130.8**	**(51.2)**	**(82.0)**
Cash Flow from Operating Activities	**49.8**	**53.9**	**(33.2)**	**(78.4)**
Additions of fixed and intangible assets	(43.7)	(44.1)	(104.8)	(123.1)
Cash on sale of fixed assets	-	-	205.5	-
Sale of exclusive dealing and exploration right contract	6.0	-	6.0	-
Investment in subsidiary	-	-	-	(24.0)
Cash Flow from Investing Activities	**(37.7)**	**(44.1)**	**106.6**	**(147.1)**
Loans and financing	4.2	3.8	206.9	478.4
Repayment of loans and financing	(16.0)	(19.9)	(71.5)	(80.1)
Payment of interest on loans and financing	(32.1)	(19.9)	(70.3)	(68.9)
Payment of dividends	-	-	-	(2.8)
Cash Flow from Financing Activities	**(43.9)**	**(36.0)**	**65.1**	**326.7**
Cash, cash equivalents and securities at beginning of period	715.6	323.6	545.3	196.2
Cash, cash equivalents and securities at end of period	683.8	297.4	683.8	297.4
Change in Cash and Cash equivalents	**(31.8)**	**(26.2)**	**138.5**	**101.2**

Note: the only difference between the Cash Flow Statement and the Adjusted Cash Flow Statement is the treatment of securities as cash equivalents.

ANNEX V
RESULTS BY SEGMENT – 3Q13

3Q13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,412.3	9.8	(1.8)	2,420.3	188.6	28.1	(51.0)	2,586.0
Taxes and Deductions	(398.6)	(0.9)	-	(399.5)	-	-	-	(399.5)
Net Revenue	2,013.6	8.9	(1.8)	2,020.8	188.6	28.1	(51.0)	2,186.5
Total Costs	(1,447.1)	(3.1)	1.8	(1,448.4)	(20.4)	(2.7)	-	(1,471.5)
Gross Income	566.6	5.8	-	572.4	168.2	25.3	(51.0)	715.0
Selling expenses	(371.7)	-	-	(371.7)	(64.5)	(19.6)	44.4	(411.4)
General and administrative expenses	(91.3)	(4.5)	-	(95.9)	(0.7)	(3.6)	-	(100.2)
Provisions for loan losses	(5.2)	-	-	(5.2)	(86.2)	-	-	(91.4)
Equity in Subsidiaries	13.1	-	(1.0)	12.1	-	-	(12.1)	(0.0)
Other operating revenues, net	10.6	0.0	-	10.6	1.2	0.0	(1.4)	10.4
Total Operating Expenses	(444.6)	(4.5)	(1.0)	(450.1)	(150.1)	(23.3)	30.9	(592.5)
EBITDA	122.0	1.3	(1.0)	122.3	18.1	2.1	(20.1)	122.4
Depreciation and Amortization	(25.2)	(0.1)	-	(25.3)	(1.6)	(0.0)	1.4	(25.6)
EBIT	96.8	1.2	(1.0)	97.0	16.5	2.1	(18.7)	96.9
Financial Results	(65.6)	0.2	-	(65.4)	-	2.1	6.6	(56.7)
Operating Income	31.2	1.4	(1.0)	31.7	16.5	4.1	(12.1)	40.1
Income Tax and Social Contribution	(5.8)	(0.5)	-	(6.3)	(6.8)	(1.7)	-	(14.8)
Net Income	25.4	1.0	(1.0)	25.4	9.7	2.4	(12.1)	25.4
Gross Margin	28.1%	65.2%	0.0%	28.3%	89.2%	90.3%	100.0%	32.7%
EBITDA Margin	6.1%	14.6%	54.7%	6.1%	9.6%	7.4%	39.4%	5.6%
Net Margin	1.3%	10.8%	54.7%	1.3%	5.1%	8.7%	23.8%	1.2%

Reconciliation of EBITDA for extraordinary expenses

	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
EBITDA	122.0	1.3	(1.0)	122.3	18.1	2.1	(20.1)	122.4
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	-	-	-	-	-	-	-	-
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	122.0	1.3	(1.0)	122.3	18.1	2.1	(20.1)	122.4
Adjusted EBITDA Margin	6.1%	14.6%	54.7%	6.1%	9.6%	7.4%	39.4%	5.6%
Net Income	25.4	1.0	(1.0)	25.4	9.7	2.4	(12.1)	25.4
Extraordinary operational results	-	-	-	-	-	-	-	-
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	-	-	-	-	-	-	-	-
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	25.4	1.0	(1.0)	25.4	9.7	2.4	(12.1)	25.4
Adjusted Net Income Margin	1.3%	10.8%	54.7%	1.3%	5.1%	8.7%	23.8%	1.2%

ANNEX VI
RESULTS BY SEGMENT – 9M13

9M13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	6,720.5	28.7	(5.2)	6,744.0	541.1	73.4	(135.3)	7,223.1
Taxes and Deductions	(1,132.0)	(2.5)	-	(1,134.5)	-	-	-	(1,134.5)
Net Revenue	5,588.5	26.2	(5.2)	5,609.5	541.1	73.4	(135.3)	6,088.6
Total Costs	(4,020.0)	(9.8)	5.2	(4,024.6)	(53.9)	(7.4)	-	(4,085.9)
Gross Income	1,568.4	16.4	-	1,584.8	487.2	66.0	(135.3)	2,002.7
Selling expenses	(1,076.3)	-	-	(1,076.3)	(189.3)	(49.5)	118.0	(1,197.2)
General and administrative expenses	(262.1)	(13.5)	-	(275.6)	(1.4)	(9.8)	-	(286.7)
Provisions for loan losses	(15.2)	-	-	(15.2)	(250.4)	-	-	(265.6)
Equity in Subsidiaries	37.2	-	(2.2)	35.0	-	-	(35.0)	(0.0)
Other operating revenues, net	92.4	0.1	-	92.4	5.0	0.0	(4.2)	93.3
Total Operating Expenses	(1,224.1)	(13.4)	(2.2)	(1,239.7)	(436.1)	(59.3)	78.8	(1,656.2)
EBITDA	344.4	3.0	(2.2)	345.1	51.2	6.7	(56.5)	346.5
Depreciation and Amortization	(75.3)	(0.2)	-	(75.5)	(4.9)	(0.0)	4.2	(76.3)
EBIT	269.1	2.7	(2.2)	269.6	46.2	6.7	(52.3)	270.2
Financial Results	(170.7)	0.5	-	(170.2)	-	5.7	17.4	(147.1)
Operating Income	98.4	3.3	(2.2)	99.5	46.2	12.4	(35.0)	123.2
Income Tax and Social Contribution	(17.6)	(1.1)	-	(18.6)	(18.7)	(5.0)	-	(42.3)
Net Income	80.8	2.2	(2.2)	80.8	27.5	7.5	(35.0)	80.8
Gross Margin	28.1%	62.6%	0.0%	28.3%	90.0%	90.0%	100.0%	32.9%
EBITDA Margin	6.2%	11.3%	41.9%	6.2%	9.5%	9.2%	41.7%	5.7%
Net Margin	1.4%	8.3%	41.9%	1.4%	5.1%	10.2%	25.8%	1.3%

Reconciliation of EBITDA for extraordinary expenses

	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
EBITDA	344.4	3.0	(2.2)	345.1	51.2	6.7	(56.5)	346.5
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	(126.4)	-	-	(126.4)	-	-	-	(126.4)
Extraordinary expenses	61.1	-	-	61.1	-	-	-	61.1
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	279.0	3.0	(2.2)	279.8	51.2	6.7	(56.5)	281.2
Adjusted EBITDA Margin	5.0%	11.3%	41.9%	5.0%	9.5%	9.2%	41.7%	4.6%
Net Income	80.8	2.2	(2.2)	80.8	27.5	7.5	(35.0)	80.8
Extraordinary operational results	(65.3)	-	-	(65.3)	-	-	-	(65.3)
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	22.2	-	-	22.2	-	-	-	22.2
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	37.7	2.2	(2.2)	37.7	27.5	7.5	(35.0)	37.7
Adjusted Net Income Margin	0.7%	8.3%	41.9%	0.7%	5.1%	10.2%	25.8%	0.6%

ANNEX VII
RESULTS BY SEGMENT – 3Q12

3Q12 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,027.9	8.8	(1.5)	2,035.1	166.5	23.5	(42.8)	2,182.3
Taxes and Deductions	(333.8)	(0.8)	-	(334.6)	-	-	-	(334.6)
Net Revenue	1,694.0	8.0	(1.5)	1,700.6	166.5	23.5	(42.8)	1,847.8
Total Costs	(1,203.7)	(3.1)	1.5	(1,205.3)	(19.2)	(1.7)	(0.0)	(1,226.2)
Gross Income	490.3	5.0	-	495.3	147.3	21.8	(42.8)	621.6
Selling expenses	(347.4)	-	-	(347.4)	(61.8)	(16.2)	37.7	(387.7)
General and administrative expenses	(82.8)	(4.1)	-	(86.9)	(0.8)	(3.2)	(0.0)	(91.0)
Provisions for loan losses	(4.4)	-	-	(4.4)	(79.8)	-	-	(84.1)
Equity in Subsidiaries	6.8	-	(0.8)	6.0	-	-	(6.0)	-
Other operating revenues, net	11.4	0.2	-	11.6	2.1	0.2	(0.7)	13.3
Total Operating Expenses	(416.4)	(3.9)	(0.8)	(421.1)	(140.2)	(19.2)	31.0	(549.5)
EBITDA	74.0	1.1	(0.8)	74.2	7.1	2.6	(11.8)	72.1
Depreciation and Amortization	(21.9)	(0.1)	-	(22.0)	(1.7)	(0.0)	0.7	(22.9)
EBIT	52.0	1.0	(0.8)	52.2	5.4	2.6	(11.0)	49.2
Financial Results	(51.2)	0.2	-	(51.0)	-	1.8	5.1	(44.0)
Operating Income	0.8	1.3	(0.8)	1.2	5.4	4.4	(6.0)	5.1
Income Tax and Social Contribution	1.5	(0.4)	-	1.1	(2.2)	(1.7)	-	(2.8)
Net Income	2.3	0.8	(0.8)	2.3	3.3	2.7	(6.0)	2.3
Gross Margin	28.9%	61.7%	0.0%	29.1%	88.4%	92.9%	100.0%	33.6%
EBITDA Margin	4.4%	13.4%	55.9%	4.4%	4.2%	11.1%	27.5%	3.9%
Net Margin	0.1%	10.5%	55.9%	0.1%	2.0%	11.5%	13.9%	0.1%

Reconciliation of EBITDA for extraordinary expenses

	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
EBITDA	74.0	1.1	(0.8)	74.2	7.1	2.6	(11.8)	72.1
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	(5.0)	-	-	(5.0)	-	-	-	(5.0)
Extraordinary expenses	6.3	-	-	6.3	-	-	-	6.3
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	75.2	1.1	(0.8)	75.5	7.1	2.6	(11.8)	73.4
Adjusted EBITDA Margin	4.4%	13.4%	55.9%	4.4%	4.2%	11.1%	27.5%	4.0%
Net Income	2.3	0.8	(0.8)	2.3	3.3	2.7	(6.0)	2.3
Extraordinary operational results	1.3	-	-	1.3	-	-	-	1.3
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	(0.4)	-	-	(0.4)	-	-	-	(0.4)
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	3.2	0.8	(0.8)	3.2	3.3	2.7	(6.0)	3.2
Adjusted Net Income Margin	0.2%	10.5%	55.9%	0.2%	2.0%	11.5%	13.9%	0.2%

ANNEX VIII
RESULTS BY SEGMENT – 9M12

9M12 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	5,978.7	24.5	(4.2)	5,999.0	491.5	62.5	(113.4)	6,439.5
Taxes and Deductions	(977.8)	(2.1)	-	(979.9)	-	-	-	(979.9)
Net Revenue	5,000.9	22.4	(4.2)	5,019.1	491.5	62.5	(113.4)	5,459.6
Total Costs	(3,580.0)	(8.5)	4.2	(3,584.3)	(65.9)	(5.0)	(0.0)	(3,655.1)
Gross Income	1,421.0	13.9	-	1,434.8	425.6	57.5	(113.4)	1,804.5
Selling expenses	(1,008.0)	-	-	(1,008.0)	(188.7)	(41.3)	96.0	(1,141.9)
General and administrative expenses	(247.5)	(11.4)	-	(258.9)	(2.4)	(9.6)	(0.0)	(270.8)
Provisions for loan losses	(15.8)	-	-	(15.8)	(236.9)	-	-	(252.7)
Equity in Subsidiaries	6.9	-	(2.3)	4.7	-	-	(4.7)	-
Other operating revenues, net	20.2	0.4	-	20.6	2.3	0.2	(4.2)	19.0
Total Operating Expenses	(1,244.1)	(11.0)	(2.3)	(1,257.3)	(425.6)	(50.6)	87.2	(1,646.3)
EBITDA	176.9	2.9	(2.3)	177.5	(0.0)	6.9	(26.2)	158.2
Depreciation and Amortization	(65.6)	(0.2)	-	(65.8)	(5.0)	(0.0)	4.2	(66.6)
EBIT	111.3	2.7	(2.3)	111.7	(5.0)	6.9	(22.0)	91.5
Financial Results	(157.5)	0.7	-	(156.8)	-	6.0	17.4	(133.4)
Operating Income	(46.2)	3.4	(2.3)	(45.1)	(5.0)	12.9	(4.7)	(41.8)
Income Tax and Social Contribution	29.8	(1.1)	-	28.7	1.8	(5.1)	-	25.4
Net Income	(16.5)	2.3	(2.3)	(16.5)	(3.1)	7.8	(4.7)	(16.5)
Gross Margin	28.4%	62.0%	0.0%	28.6%	86.6%	92.1%	100.0%	33.1%
EBITDA Margin	3.5%	12.9%	53.9%	3.5%	0.0%	11.0%	23.1%	2.9%
Net Margin	-0.3%	10.1%	53.9%	-0.3%	-0.6%	12.5%	4.1%	-0.3%

Reconciliation of EBITDA for extraordinary expenses

	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
EBITDA	176.9	2.9	(2.3)	177.5	(0.0)	6.9	(26.2)	158.2
Extraordinary costs	15.0	-	-	15.0	-	-	-	15.0
Extraordinary revenues	(5.0)	-	-	(5.0)	-	-	-	(5.0)
Extraordinary expenses	35.6	-	-	35.6	-	-	-	35.6
Adjusted deferred revenues	(8.8)	-	-	(8.8)	-	-	-	(8.8)
Adjusted EBITDA	213.7	2.9	(2.3)	214.4	(0.0)	6.9	(26.2)	195.0
Adjusted EBITDA Margin	4.3%	12.9%	53.9%	4.3%	0.0%	11.0%	23.1%	3.6%
Net Income	(16.5)	2.3	(2.3)	(16.5)	(3.1)	7.8	(4.7)	(16.5)
Extraordinary operational results	36.9	-	-	36.9	-	-	-	36.9
Extraordinary financial results	10.6	-	-	10.6	-	-	-	10.6
Tax over extraordinary results	(16.1)	-	-	(16.1)	-	-	-	(16.1)
Extraordinary tax credits	(12.5)	-	-	(12.5)	-	-	-	(12.5)
Adjusted Net Income	2.4	2.3	(2.3)	2.4	(3.1)	7.8	(4.7)	2.4
Adjusted Net Income Margin	0.0%	10.1%	53.9%	0.0%	-0.6%	12.5%	4.1%	0.0%

ANNEX IX
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS (PRO-FORMA)

CONSOLIDATED PRO-FORMA (R$ million)	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Gross Revenue	2,586.0	118.3%	2,182.3	118.1%	18.5%	7,223.1	118.6%	6,439.5	117.9%	12.2%
Taxes and Deductions	(399.5)	-18.3%	(334.6)	-18.1%	19.4%	(1,134.5)	-18.6%	(979.9)	-17.9%	11.3%
Net Revenue	2,186.5	100.0%	1,847.8	100.0%	18.3%	6,088.6	100.0%	5,459.6	100.0%	12.3%
Total Costs	(1,471.5)	-67.3%	(1,226.2)	-66.4%	20.0%	(4,085.9)	-67.1%	(3,655.1)	-66.9%	11.8%
Gross Income	715.0	32.7%	621.6	33.6%	15.0%	2,002.7	32.9%	1,804.5	33.1%	13.4%
Selling expenses	(411.4)	-18.8%	(387.7)	-21.0%	6.1%	(1,197.2)	-19.7%	(1,141.9)	-20.9%	7.5%
General and administrative expenses	(100.2)	-4.6%	(91.0)	-4.9%	10.1%	(286.7)	-4.7%	(270.8)	-5.0%	10.8%
Provisions for loan losses	(91.4)	-4.2%	(84.1)	-4.6%	8.6%	(265.6)	-4.4%	(252.7)	-4.6%	5.1%
Equity in Subsidiaries	10.4	0.5%	13.3	0.7%	-21.6%	93.3	1.5%	19.0	0.3%	390.6%
Total Operating Expenses	(592.5)	-27.1%	(549.5)	-29.7%	7.8%	(1,656.2)	-27.2%	(1,646.3)	-30.2%	3.2%
EBITDA	122.4	5.6%	72.1	3.9%	69.8%	346.5	5.7%	158.2	2.9%	119.1%
Depreciation and Amortization	(25.6)	-1.2%	(22.9)	-1.2%	11.4%	(76.3)	-1.3%	(66.6)	-1.2%	14.5%
EBIT	96.9	4.4%	49.2	2.7%	97.0%	270.2	4.4%	91.5	1.7%	195.2%
Financial Results	(56.7)	-2.6%	(44.0)	-2.4%	28.8%	(147.1)	-2.4%	(133.4)	-2.4%	10.3%
Operating Income	40.1	1.8%	5.1	0.3%	682.4%	123.2	2.0%	(41.8)	-0.8%	-394.4%
Income Tax and Social Contribution	(14.8)	-0.7%	(2.8)	-0.2%	-	(42.3)	-0.7%	25.4	0.5%	-
Net Income	25.4	1.2%	2.3	0.1%	980.7%	80.8	1.3%	(16.5)	-0.3%	-591.2%

Reconciliation of EBITDA for extraordinary expenses

	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
EBITDA	122.4	5.6%	72.1	3.9%	-	346.5	5.7%	158.2	2.9%	-
Extraordinary costs	-	0.0%	-	0.0%	-	-	0.0%	15.0	0.3%	-
Extraordinary revenues	-	0.0%	(5.0)	-0.3%	-	(126.4)	-2.1%	(5.0)	-0.1%	-
Extraordinary expenses	-	0.0%	6.3	0.3%	-	61.1	1.0%	35.6	0.7%	-
Adjusted deferred revenues	-	0.0%	-	0.0%	-	-	0.0%	(8.8)	-0.2%	-
Adjusted EBITDA	122.4	5.6%	73.4	4.0%	-	281.2	4.6%	195.0	3.6%	-

	3Q13	V.A.	3Q12	V.A.	% Chg	9M13	V.A.	9M12	V.A.	% Chg
Net Income	25.4	1.2%	2.3	0.1%	-	80.8	1.3%	(16.5)	-0.3%	-
Extraordinary operational results	-	0.0%	1.3	0.1%	-	(65.3)	-1.1%	36.9	0.7%	-
Extraordinary financial results	-	0.0%	-	0.0%	-	-	0.0%	10.6	0.2%	-
Tax over extraordinary results	-	0.0%	(0.4)	0.0%	-	22.2	0.4%	(16.1)	-0.3%	-
Extraordinary tax credits	-	0.0%	-	0.0%	-	-	0.0%	(12.5)	-0.2%	-
Adjusted Net Income	25.4	1.2%	3.2	0.2%	-	37.7	0.6%	2.4	0.0%	-

ANNEX X
BREAKDOWN OF SALES AND NUMBER OF STORES BY CHANNEL

Gross Revenue by Channel (R$ million)	3Q13	V.A.	3Q12	V.A.	Growth Total
Virtual Stores	107.1	4.5%	98.1	4.8%	9.2%
Website	367.0	15.3%	269.0	13.3%	36.4%
Subtotal - Virtual Stores	**474.1**	19.7%	**367.2**	18.1%	29.1%
Conventional Stores	1,930.9	80.3%	1,657.4	81.9%	16.5%
Total	**2,405.0**	100.0%	**2,024.5**	100.0%	18.8%

Gross Revenue by Channel (R$ million)	9M13	V.A.	9M12	V.A.	Growth Total
Virtual Stores	302.0	4.5%	272.0	4.6%	11.0%
Website	966.2	14.4%	781.0	13.1%	23.7%
Subtotal - Virtual Stores	**1,268.2**	18.9%	**1,053.0**	17.6%	20.4%
Conventional Stores	5,436.3	81.1%	4,917.5	82.4%	10.6%
Total	**6,704.6**	100.0%	**5,970.5**	100.0%	12.3%

Number of stores per channel – End of the period	sep-13	Part(%)	sep-12	Part(%)	Growth Total
Virtual Stores	107	14.5%	106	14.4%	1
Website	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**108**	14.6%	**107**	14.5%	1
Conventional Stores	632	85.4%	629	85.5%	3
Total	**740**	100.0%	**736**	100.0%	4
Total Sales Area (m²)	**470,929**	100.0%	**461,506**	100%	2.0%

Note: In compliance with Technical Pronouncement CPC 36, the booking of revenues from the exclusive funds whose quotas are 100% owned by Magazine Luiza was reclassified from financial income to operating income from services in the retail segment, totaling R$7.2 million in 3Q13, versus R$3.3 million in 3Q12. The differences in gross revenue from the retail segment in the breakdown by channel and income statement refer to these classifications.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

November 1, 2013 (Friday)

11:00 a.m. – Brasília Time

9:00 a.m. – US EST

Callers from Brazil:

Dial-in: +55 11 2188-0155
Access code: Magazine Luiza
Webcast link: http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1670

Callers from other countries:

Dial-in: +1 646-843-6054
Access code: Magazine Luiza
Webcast link:http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1671

Replay (available for 7 days):

Dial-in number callers from Brazil: +55 11 2188-0155
Dial-in number for callers outside of Brazil: +1 866-890-2584
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 an alliance 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 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 according to 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.

Interim Financial Information

Magazine Luiza S.A.

September 30, 2013

Magazine Luiza S.A.

Interim financial information

September 30, 2013

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A free translation from Portuguese into English of Review Report on individual interim financial information in accordance with accounting practices adopted in Brazil and on consolidated interim financial information in accordance International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB) and accounting practices adopted in Brazil

Report on review of interim financial information

To the Management and Shareholders of
Magazine Luiza S.A.
Franca, SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Magazine Luiza S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2013, which comprises the balance sheet (statement of financial position) as at September 30, 2013, and the related statement of income comprehensive income for the three and nine months ended on that and the statements of changes in equity, and statements of cash flows for the nine-month period then ended, including the notes to financial statements.

The Company´s management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Uma empresa-membro da Ernst & Young Global Limited

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the interim financial statements referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Interim Financial Statements (ITR), and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

Restatement of corresponding figures

As mentioned in Note 2.2, due to a change in the accounting practice applicable to joint ventures, introduced by CPC 19 (R2) and IFRS11 – Joint Arrangements, the corresponding consolidated figures relating to the balance sheet as at December 31, 2012 and the corresponding interim financial information relating to the statement of income and statements of comprehensive income for the three and nine months as of September 30, 2013 and the statements of changes in equity, statements of cash flows and statements of value added (supplemental information) for the nine-month period ended September 30, 2012, presented for purposes of comparison, have been adjusted and are restated as required by CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, and CPC 26 (R1) - Presentation of Financial Statements. Our conclusion does not contain any modifications regarding this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("SVA") for the nine-month period ended September 30, 2013, prepared under the Management's responsibility, the presentation of which in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR) and considered supplemental information by IFRS, which do not require the presentation of an SVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

São Paulo, October 31, 2013.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6

Alexandre Rubio
Contador CRC-1SP223361/O-2

Magazine Luiza S.A.

Statement of financial position
September 30,2013 and December 31, 2012
(Amounts in thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
	Note	9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Assets					
Current assets					
Cash and cash equivalents	4.1	**258,177**	404,143	**260,296**	418,879
Securities	4.2	**410,246**	126,385	**423,487**	126,385
Trade accounts receivable	5	**463,675**	486,474	**463,675**	486,474
Inventories	6	**1,135,483**	1,068,762	**1,135,483**	1,068,762
Related parties	7	**68,316**	74,342	**67,761**	73,625
Recoverable taxes	8	**214,310**	208,490	**214,310**	208,503
Other assets		**62,670**	37,130	**64,035**	37,950
Total current assets		**2,612,877**	2,405,726	**2,629,047**	2,420,578
Noncurrent assets					
Trade accounts receivable	5	**4,302**	398	**4,302**	398
Deferred income tax and social contribution	9	**147.481**	147,758	**147,984**	148,301
Recoverable taxes	8	**156,103**	137,365	**156,103**	137,365
Judicial deposits		**157,355**	129,348	**157,355**	129,348
Other assets		**41,730**	38,943	**42,770**	39,565
Investments in subsidiaries	10	**12,448**	12,272	**-**	-
Investments in joint ventures	11	**248,715**	222,894	**248,715**	222,894
Property, plant and equipment	12	**527,179**	573,223	**527,893**	573,957
Intangible assets	13	**437,248**	435,049	**437,499**	435,338
Total noncurrent assets		**1,732,561**	1,697,250	**1,722,621**	1,687,166
Total assets		**4,345,438**	4,102,976	**4,351,668**	4,107,744

	Note	Parent Company		Consolidated	
		9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Liabilities and equity					
Current liabilities					
Trade accounts payable	14	**1,331,967**	1,325,992	**1,332,284**	1,326,310
Borrowings and financing	15	**555,542**	317,198	**555,542**	317,198
Payroll, vacation pay and related charges		**144,672**	136,586	**146,727**	138,255
Taxes payable		**18,407**	47,401	**18,876**	47,800
Related parties	7	**53,829**	51,291	**53,829**	51,291
Tax installment payment		**8,880**	9,128	**8,880**	9,128
Deferred revenue	16	**35,573**	37,104	**35,573**	37,104
Other accounts payable		**84,573**	80,541	**85,442**	80,775
Total current liabilities		**2,233,443**	2,005,241	**2,237,153**	2,007,861
Noncurrent liabilities					
Borrowings and financing	15	**829,107**	918,766	**829,107**	918,766
Tax installment payment		**-**	1,783	**-**	1,783
Provision for contingencies	17	**227,182**	186,027	**228,662**	187,553
Deferred revenue	16	**358,226**	375,167	**358,226**	375,167
Other accounts payable		**-**	-	**1,040**	622
Total noncurrent liabilities		**1,414,515**	1,481,743	**1,417,035**	1,483,891
Total liabilities		**3,647,958**	3,486,984	**3,654,188**	3,491,752
Equity					
Capital stock		**606,505**	606,505	**606,505**	606,505
Capital reserve		**4,934**	2,820	**4,934**	2,820
Legal reserve		**4,025**	4,025	**4,025**	4,025
Profit retention reserve		**2,561**	2,561	**2,561**	2,561
Other comprehensive income		**(1,377)**	81	**(1,377)**	81
Profit for the period		**80,832**	-	**80,832**	-
Total equity		**697,480**	615,992	**697,480**	615,992
Total liabilities and equity		**4,345,438**	4,102,976	**4,351,668**	4,107,744

See accompanying notes.

Magazine Luiza S.A.

Statement of income
Nine-month periods ended September 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

		Nine-month periods ended				Quarters ended			
		Parent Company		Consolidated		Parent Company		Consolidated	
	Note	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Net sales revenue	18	**5,572,564**	4,680,797	**5,609,476**	5,019,074	**2,006,416**	1,690,691	**2,020,802**	1,700,561
Costs of goods resold and services rendered	19	**(4,020,040)**	(3,338,455)	**(4,024,630)**	(3,584,250)	**(1,447,054)**	(1,203,693)	**(1,448,395)**	(1,205,269)
Gross profit		**1,552,524**	1,342,342	**1,584,846**	1,434,824	**559,362**	486,998	**572,407**	495,292
Operating revenue (expenses)									
Selling	20	**(1,076,321)**	(948,194)	**(1,076,321)**	(1,007,973)	**(371,747)**	(347,433)	**(371,747)**	(347,433)
General and administrative	20	**(262,102)**	(222,662)	**(275,591)**	(258,856)	**(91,343)**	(82,818)	**(95,875)**	(86,893)
Allowance for doubtful accounts		**(15,180)**	(14,093)	**(15,180)**	(15,790)	**(5,176)**	(4,370)	**(5,176)**	(4,370)
Depreciation and amortization		**(75,285)**	(59,877)	**(75,513)**	(65,807)	**(25,230)**	(21,936)	**(25,305)**	(22,007)
Equity in the earnings (loss) of subsidiaries	10 and 11	**37,156**	(20,620)	**34,980**	4,659	**13,104**	6,792	**12,138**	5,953
Other operating revenue, net	20 and 21	**92,359**	19,118	**92,410**	20,627	**10,570**	11,449	**10,582**	11,649
		(1,299,373)	(1,246,328)	**(1,315,215)**	(1,323,140)	**(469,822)**	(438,316)	**(475,383)**	(443,101)
Operating income before financial result		**253,151**	96,014	**269,631**	111,684	**89,540**	48,682	**97,024**	52,191
Finance income		**61,249**	38,461	**45,931**	31,325	**24,293**	12,244	**17,305**	9,146
Finance expenses		**(216,000)**	(178,863)	**(216,086)**	(188,127)	**(82,647)**	(60,106)	**(82,668)**	(60,106)
Financial result	22	**(154,751)**	(140,402)	**(170,155)**	(156,802)	**(58,354)**	(47,862)	**(65,363)**	(50,960)
Operating profit (loss) before income tax and social contribution		**98,400**	(44,388)	**99,476**	(45,118)	**31,186**	820	**31,661**	1,231
Current and deferred income tax and social contribution	9	**(17,568)**	27,933	**(18,644)**	28,663	**(5,810)**	1,528	**(6,285)**	1,117
Profit (loss) for the period		**80,832**	(16,455)	**80,832**	(16,455)	**25,376**	2,348	**25,376**	2,348
Profit (loss) attributable to:									
Owners of the Company		**80,832**	(16,455)	**80,832**	(16,455)	**25,376**	2,348	**25,376**	2,348
Earnings (loss) per share									
Basic and diluted earnings (loss) per share (R$)		**0.43**	(0.09)	**0.43**	(0.09)	**0.14**	0.01	**0.14**	0.01

See accompanying notes.

Magazine Luiza S.A.

Statement of changes in equity
Nine-month periods ended September 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

	Capital stock	Capital reserve	Legal reserve	Profit retention reserve	Retained earnings (accumulated losses)	Other comprehensive income	Total
Balances as at December 31, 2011	606,505	-	4,025	10,415	-	-	620,945
							-
Stock option plan	-	2,115	-	-	-	-	2,115
Loss for the period	-	-	-	-	(16,455)	-	(16,455)
Dividend distribution	-	-	-	(1,109)	-	-	(1,109)
	606,505	2,115	4,025	9,306	(16,455)	-	605,496
Other comprehensive income:							
Financial instrument adjustments	-	-	-	-	-	67	67
Balances as at September 30, 2012	**606,505**	**2,115**	**4,025**	**9,306**	**(16,455)**	**67**	**605,563**
Balances as at December 31, 2012	**606,505**	**2,820**	**4,025**	**2,561**	**-**	**81**	**615,992**
							-
Stock option plan	**-**	**2,114**	**-**	**-**	**-**	**-**	**2,114**
Profit for the period	**-**	**-**	**-**	**-**	**80,832**	**-**	**80,832**
	606,505	**4,934**	**4,025**	**2,561**	**80,832**	**81**	**698,938**
Other comprehensive income:							
Financial instrument adjustments	**-**	**-**	**-**	**-**	**-**	**(1,458)**	**(1,458)**
Balances as at September 30, 2013	**606,505**	**4,934**	**4,025**	**2,561**	**80,832**	**(1,377)**	**697,480**

See accompanying notes.

Magazine Luiza S.A.

Statement of cash flows
Nine-month periods ended September 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

	Note	Parent Company		Consolidated	
		9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012 (restated)
Cash flows from operating activities					
Profit (loss) for the period		**80,832**	(16,455)	**80,832**	(16,455)
Adjustments to reconcile profit for the period to cashprovided by operating activities:					
Income tax and social contribution expense recognized in profit or loss	9	**17,568**	(27,933)	**18,644**	(28,663)
Depreciation and amortization		**75,285**	59,877	**75,513**	65,807
Interest on borrowings and financing provisioned		**83,605**	70,310	**83,605**	74,753
Yield on securities		**(16,165)**	(8,436)	**(16,770)**	(8,436)
Equity in the earnings (losses) of subsidiaries	10 and 11	**(37,156)**	20,620	**(34,980)**	(4,659)
Changes in allowance for inventory losses		**51,405**	25,276	**51,405**	26,973
Provision for contingencies	17	**58,463**	17,200	**58,660**	18,951
Gain (loss) on disposal, net of property, plant & equipment writtenoff		**(126,443)**	2,288	**(126,443)**	2,305
Appropriation of deferred revenue	21	**(24,473)**	(30,822)	**(24,473)**	(34,428)
Stock option costs		**2,114**	2,115	**2,114**	2,115
(Increase) decrease in operating assets:					
Trade accounts receivable		**(16,513)**	13,687	**(16,513)**	(2,520)
Securities		**-**	-	**(280,332)**	(169,130)
Inventories		**(82,718)**	(68,779)	**(82,718)**	(53,445)
Related parties		**2,323**	73,244	**2,161**	27,999
Recoverable taxes		**(12,965)**	4,775	**(12,197)**	2,787
Other assets		**(55,714)**	(79,914)	**(56,677)**	(84,314)
Increase (decrease) in operating liabilities:					
Trade accounts payable		**5,975**	(98,496)	**5,974**	(93,496)
Payroll, vacation pay and related charges		**8,086**	15,223	**8,472**	18,291
Taxes payable		**(46,285)**	(20,236)	**(47,251)**	(21,460)
Related parties		**2,538**	(68,663)	**2,538**	(15,964)
Tax installment payment		**(2,031)**	4,373	**(2,031)**	4,373
Other payables		**(19,706)**	22,910	**(18,896)**	26,225
Cash used in operating activities		**(51,975)**	(87,836)	**(329,363)**	(262,391)
Income tax and social contribution paid		**(11,593)**	(346)	**(12,348)**	(738)
Dividends received from subsidiaries		**13,404**	7,150	**11,404**	7,150
Net cash used in operating activities		**(50,164)**	(81,032)	**(330,307)**	(255,979)
Cash flows from investing activities					
Purchase of property, plant and equipment	12	**(79,699)**	(92,348)	**(79,802)**	(106,197)
Purchase of intangible assets	13	**(24,948)**	(12,963)	**(25,015)**	(16,871)
Investments in exclusive investment fund		**(1,625,523)**	(694,800)	**-**	-
Redemptions from exclusive investment fund		**1,357,827**	525,670	**-**	-
Receivables from property, plant and equipment disposal		**205,461**	-	**205,461**	-
Sale of exclusive dealing and exploration right agreement		**6,000**	-	**6,000**	-
Investment in subsidiary		**-**	(49,465)	**-**	(24,000)
Cash provided by merger		**-**	5,459	**-**	-
Cash provided by (used in) investing activities		**(160,882)**	(318,447)	**106,644**	(147,068)

See accompanying notes.

Magazine Luiza S.A.

Statement of cash flows (Continued)
Nine-month periods ended September 30, 2013 and 2012
(Amounts in thousands of Brazilian Reais - R$)

		Parent Company		Consolidated	
	Note	9/30/2013	9/30/2012	9/30//2013	9/30/2012 (restated)
Cash flows from financing activities					
Borrowings and financing		**206,857**	478,413	**206,857**	478,413
Payment of borrowings and financing		**(71,517)**	(80,043)	**(71,517)**	(80,069)
Repayment of interest on borrowings and financing		**(70,260)**	(68,883)	**(70,260)**	(68,883)
Dividend payment		**-**	(2,771)	**-**	(2,771)
Cash flows provided by financing activities		**65,080**	326,716	**65,080**	326,690
Decrease in cash and cash equivalents		**(145,966)**	(72,763)	**(158,583)**	(76,357)
Cash and cash equivalents at the beginning of the period		**404,143**	150,980	**418,879**	169,282
Cash and cash equivalents at the end of the period		**258,177**	78,217	**260,296**	92,925
Decrease in cash and cash equivalents		**(145,966)**	(72,763)	**(158,583)**	(76,357)

See accompanying notes.

Magazine Luiza S.A.

Statements of value added
Nine-month periods ended September 30, 2013 and 2012
(Amounts in thousands of Brazilian Reais - R$)

	Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Revenues				
Sale of goods, products and services	**6,324,016**	5,285,515	**6,363,427**	5,691,868
Allowance for doubtful accounts, net of reversals	**(15,180)**	(14,093)	**(15,180)**	(15,790)
Other operating revenue	**105,831**	40,392	**105,877**	49,535
	6,414,667	5,311,814	**6,454,124**	5,725,613
Inputs acquired from third parties				
Cost of products, goods and services sold	**(4,420,923)**	(3,635,480)	**(4,425,515)**	(3,885,508)
Materials, electricity, outsourced services and other	**(496,678)**	(423,257)	**(501,770)**	(466,479)
Loss and recovery of receivables	**(12,158)**	(9,080)	**(12,158)**	(9,080)
	(4,929,759)	(4,067,817)	**(4,939,443)**	(4,361,067)
Gross value added	**1,484,908**	1,243,997	**1,514,681**	1,364,546
Depreciation and amortization	**(75,285)**	(59,877)	**(75,513)**	(61,609)
Net value added produced by the entity	**1,409,623**	1,184,120	**1,439,168**	1,302,937
Value added received through transfer				
Equity in the earnings (loss) of subsidiaries	**37,156**	(20,620)	**34,980**	4,659
Finance income	**61,249**	38,461	**45,931**	31,325
Total value added for distribution	**1,508,028**	1,201,961	**1,520,079**	1,338,921
Distribution of value added				
Personnel and charges:				
Direct compensation	**489,615**	406,651	**495,375**	434,747
Benefits	**94,723**	80,982	**95,271**	87,725
Government Severance Indemnity Fund for Employees (FGTS)	**46,023**	38,274	**46,529**	41,059
	630,361	525,907	**637,175**	563,531
Taxes, fees and contributions:				
Federal	**176,378**	199,437	**180,504**	239,450
State	**216,698**	165,241	**216,698**	202,489
Municipal	**21,476**	16,978	**22,296**	18,502
	414,552	381,656	**419,498**	460,441
Value distributed to providers of capital:				
Interest	**183,820**	156,112	**183,820**	164,874
Rentals	**166,284**	131,989	**166,501**	143,274
Other	**32,179**	22,752	**32,253**	23,256
	382,283	310,853	**382,574**	331,404
Value distributed to shareholders:				
Retained earnings (accumulated losses)	**80,832**	(16,455)	**80,832**	(16,455)
	1,508,028	1,201,961	**1,520,079**	1,338,921

See accompanying notes.

1. General information

Magazine Luiza S.A. (the “Company” or “Parent Company”) is primarily engaged in the retail sale of consumer goods (mainly home appliances, electronics and furniture), through its physical and virtual stores or through e-commerce, having its headquarters located in the city of Franca, State of São Paulo, Brazil. Its parent and holding company is LTD Administração e Participação S.A.

As at September 30, 2013, the Company and its subsidiaries have740 stores (743 stores as at December 31, 2012) and eight distribution centers (eight distribution centers as at December 31, 2012) located in the South, Southeast, Mid-West and Northeast regions of the country.

The information provided above is not part of the scope of auditors’ review.

The Company holds equity interests in other companies, as detailed below:

a) A 50% direct interest in Luizacred S.A.- Sociedade de Crédito, Financiamento e Investimento’s voting capital (“Luizacred”) – a jointly-controlled entity with BancoItaúcard S.A., engaged in the offer, distribution and sale of financial products and services to the customers of Magazine Luiza’s store chain;

b) A 50% direct interest in Luizaseg Seguros S.A.’s voting capital (“Luizaseg”) – a jointly-controlled entity with NCVP Participações Societárias S.A., a subsidiary of Cardif do BrasilSeguros e Previdência S.A., engaged in the development, sale and management of extended warranties for any kind of product sold in Brazil, to the customers of Magazine Luiza’s store chain;

c) Luiza Administradora de Consórcios Ltda. (“LAC”) - Wholly-owned subsidiary engaged in the management of consortium groups created to purchase vehicles, motorcycles, home appliances and furniture.

Magazine Luiza S.A., its subsidiaries and joint ventures are hereinafter referred to as “Group” for purposes of this report, unless otherwise indicated through specific information.

2. Basis of presentation and accounting policies

2.1. Accounting policies

The interim financial information is presented in Brazilian reais (R$), which is the Company's functional and reporting currency.

The parent company and consolidated interim financial information for the periods ended September 30, 2013 and 2012 has been prepared in conformity with CPC 21 (R1) (interim financial statement) and IAS 34 and is fairly presented according to the standards issued by the Brazilian Securities and Exchange Commission.

The accounting policies adopted when preparing the parent company and consolidated interim financial information are consistent with those adopted and disclosed in Note 2 to the financial statements for the year ended December 31, 2012, except for the application of CPC 19 (R2) - Joint Ventures and IFRS 11 - Joint Arrangements, which requires the transition from the proportionate consolidation to the equity method of accounting when recording joint ventures, the effects of which are disclosed in Note 2.2 below. Accordingly, this interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2012.

The statement of value added is intended to disclose the wealth created by the Company and its distribution during a certain period and is presented by the Company, as required by Brazilian Corporation Law, as part of the parent company financial statements and as supplementary information to the consolidated financial statements, since it is neither provided for nor mandatory under the IFRS.

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) - Joint Arrangements to the Company's equity interests in Joint Ventures

Under CPC 19 (R1) – Investments in Joint Ventures (prior to the transition to IFRS 11 and CPC 19 (R2)), the Company's interests in the assets, liabilities, revenues and expenses of Luizacred and Luizaseg, both classified as joint ventures, were presented using the proportionate consolidation in the consolidated financial statements. Upon adoption of IFRS 11 and CPC 19 (R2), the Company was required to state equity interests in joint ventures under the equity method of accounting. Below, the effect of such application:

Impact on the statement of income	Consolidated 9/30/2012
Decrease in net sales revenue	(432,368)
Decrease in the cost of goods sold, services rendered and funding for financial operations	70,840
Decrease in gross profit	(361,528)
Decrease in selling, general and administrative expenses	145,859
Decrease in losses on doubtful accounts	236,884
Decrease in depreciation and amortization	821
Increase in equity in the earnings (losses) of subsidiaries	4,659
Increase in other operating revenue, net	1,606
Decrease in operating expenses	389,829
Decrease in financial result (costs)	(31,592)
Decrease in current and deferred income tax and social contribution	3,291
Net effects on statement of income	-

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) - Joint Arrangements to the Company's equity interests in Joint Ventures (Continued)

Impact on the statement of financial position	Consolidated 12/31/2012
Decrease in cash and cash equivalents	(4,249)
Decrease in securities	(48,842)
Decrease in trade accounts receivable	(1,618,005)
Increase in related parties	38,084
Decrease in recoverable taxes	(6,268)
Decrease in other assets	(10,112)
Decrease in current assets	(1,649,392)
Decrease in securities	(59,255)
Decrease in trade accounts receivable	(1,373)
Decrease in deferred income tax and social contribution	(53,429)
Decrease in recoverable taxes	(1,044)
Decrease in judicial deposits	(8,444)
Decrease in other assets	(340)
Increase in investments in joint ventures	222,894
Decrease in property, plant and equipment	(1,228)
Decrease in intangible assets	(5,400)
Increase in noncurrent assets	92,381
Decrease in trade accounts payable	(1,845)
Decrease in interbank deposits	(990,021)
Decrease in credit card operations	(566,664)
Decrease in payroll, vacation pay and related charges	(1,282)
Decrease in taxes payable	(32,374)
Increase in related parties	25,302
Increase in deferred revenue	5,544
Decrease in insurance technical reserves	(34,140)
Decrease in other trade accounts payable	(3,673)
Decrease in current liabilities	(1,599,153)
Decrease in provision for contingencies	(11,649)
Decrease in insurance technical reserves	(27,353)
Increase in deferred revenue	81,144
Increase in noncurrent liabilities	42,142
Effect on equity	-

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) - Joint Arrangements to the Company's equity interests in Joint Ventures (Continued)

Impact on statement of cash flows	Consolidated 9/30/2012
Decrease in income tax and social contribution expenses recognized in profit or loss	(3,291)
Decrease in depreciation and amortization	(821)
Increase in equity in the earnings (losses) of subsidiaries	(4,659)
Decrease in changes in the allowance for inventory losses	(236,884)
Decrease in provisions for contingencies	(8,868)
Decrease in appropriation of deferred revenue	3,342
Increase in cash flows from operating assets	152,528
Decrease in cash flows from operating liabilities	(60,717)
Increase in changes in income tax and social contribution paid	4,746
Increase in changes in dividends received from subsidiaries	7,150
Decrease in cash flows from operating activities	(147,474)
Decrease in cash flows from purchase of property, plant and equipment	52
Decrease in cash flows from purchases of intangible assets	26
Increase in cash flows and investments in exclusive investment fund	694,800
Decrease in cash flows from redemptions from exclusive investment fund	(525,670)
Decrease in cash flows of investments in subsidiaries	(24,000)
Increase in cash flows from investing activities	145,208
Decrease in total cash flows	(2,266)

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) - Joint Arrangements to the Company's equity interests in Joint Ventures (Continued)

Impact on statement of value added	Consolidated 9/30/2012
Decrease in sale of goods, products and services	(432,369)
Decrease in the allowance for doubtful accounts, net of reversals	236,884
Decrease in other operating revenue	(24,139)
Decrease in revenue	(219,624)
Decrease in the cost of products and goods sold and services rendered	66,649
Decrease in materials, electricity, outsourced services and other	131,438
Decrease in inputs acquired from third parties	198,087
Increase in depreciation and amortization	5,019
Increasein equity in the earnings (losses) of subsidiaries	4,659
Decrease in finance income	(14,200)
Net effect on the statement of value added	(26,059)
Decrease in direct compensation	(3,064)
Decrease in benefits	(886)
Decrease in FGTS	(130)
Decrease in payroll and related charges	(4,080)
Decrease in federal taxes	(34,756)
Decrease in municipal taxes	(3,809)
Decrease in taxes, fees and contributions	(38,565)
Increase in interest rates	17,386
Decrease in rentals	(759)
Decrease in other	(41)
Increase in value distributed to providers of capital	16,586
Net effect on the statements of value added	(26,059)

2. Basis of presentation and accounting policies (Continued)

2.3. Standards, interpretations and revised standards not yet effective and which were not early adopted by the Company

There are no other standards and interpretations issued and not yet adopted that in Management's opinion can significantly impact the statement of income for the period or the equity reported by the Company.

<u>New or revised pronouncements not effective yet</u>

Below, the standard that will become effective as of the fiscal year beginning on January 1, 2014:

- IAS 32/CPC 39 - Financial Instruments: Disclosures - Offsetting Financial Assets and Liabilities - it provides additional clarifications to the guidance on IAS 32 about the requirements to offset financial assets and liabilities in the statement of financial position.

Below, the standard that will become effective as of the fiscal year beginning on January 1, 2015:

- IFRS 9 Financial Instruments - IFRS 9 Financial Instruments ends the first part of the project to replace "IAS 39 Financial Instruments: Recognition and Measurement." IFRS 9 applies a simple approach to calculate if a financial asset is measured at amortized cost or fair value. The new approach is based on how an entity manages its financial instruments (its business model) and the financial assets' contractual cash flows. This standard also requires the adoption of only one method to measure asset impairment losses.

3. Notes included in the financial statements as at December 31, 2012 not presented in this interim financial information

This interim financial information is presented in conformity with CPC 21 (R1) and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the provisions set forth in CVM Circular Letter SNC/SEP 003/2011 of April 28, 2011. The preparation of this interim financial information requires the Company's management to make judgments on the relevance of the changes that should be disclosed in the notes to the financial statements. Accordingly, this interim financial information includes selected notes to the financial statements and does not comprise all the notes presented in the financial statements for the year ended December 31, 2012. As permitted by CVM Circular Letter 03/2011, the following notes to the financial statements were not stated:

- Credit card operations (Note17);
- Insurance technical reserves (Note 19);
- Tax installment payment (Note 21);
- Equity (Note 22);
- Employee benefits (Note 28);
- Commitments (Note 31);
- Statements of cash flows (Note 32);

4. Cash and cash equivalents and securities

4.1. Cash and cash equivalents

		Parent company		Consolidated	
	Rates	9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Cash		**23,628**	16,973	**23,637**	16,977
Banks		**22,549**	86,819	**24,659**	88,445
Financial assets at fair value through profit or loss and held for trading:					
Bank deposit certificates	80% to 105% CDI	**159,880**	237,828	**159,880**	238,244
Non-exclusive investment funds	102% CDI	**52,120**	62,523	**52,120**	75,213
		258,177	404,143	**260,296**	418,879

4. Cash and cash equivalents and securities (Continued)

4.2. Securities

Financial assets at fair value through profit or loss		Parent company		Consolidated	
		9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Held for trading					
Non-exclusive investment fund	105% CDI	**4,576**	4,333	**17,817**	4,333
Exclusive investment fund:					
Investment fund units	(a)	**7,772**	7,210	**7,772**	7,210
Federal government bonds	(a)	**80,478**	2,898	**80,478**	2,898
Repurchase agreements	(a)	**190,453**	33,339	**190,453**	33,339
Time deposits and other securities	(a)	**126,967**	78,605	**126,967**	78,605
		405,670	122,052	**405,670**	122,052
		410,246	126,385	**423,487**	126,385

(a) It refers to fixed income exclusive investment funds. As at September 30, 2013, the portfolio is substantially distributed into the four categories described in the table above, which are pegged to financial operations and securities, indexed to the monthly variation of the Overnight Brazilian Interbank Deposit Rate (CDI), intended to provide the Company with an average return of 103% of CDI.

5. Trade accounts receivable

	Parent company and Consolidated	
	9/30/2013	12/31/2012 (restated)
Trade accounts receivable:		
Debit and credit cards (a)	**202,442**	230,151
Own installment plan (b)	**77,596**	81,623
Extended warranty agreements (c)	**112,702**	84,691
Total trade accounts receivable	**392,740**	396,465
Commercial agreements (d)	**134,884**	155,610
Allowance for doubtful accounts	**(39,320)**	(38,496)
Present value adjustment	**(20,327)**	(26,707)
	467,977	486,872
Current assets	**463,675**	486,474
Noncurrent assets	**4,302**	398

The amounts classified as trade accounts receivable above are classified as receivables and, therefore, measured at amortized cost. The average term of trade accounts receivable is 16 days, in the Parent Company and Consolidated.

5. Trade accounts receivable (Continued)

The adjustment to present value is calculated on the reporting dates for all trade accounts receivable, expect for those arising from commercial agreements settled in the short term and whose impact is not material. The calculation of such adjustment is based on the term of realization of the underlying asset by using a discount rate based on the average rate of finance charges the Company incurs in funding, as stated in Note 2.13 to the financial statements for the year ended December 31, 2012. This rate is taken into consideration by the Group's Management when making market valuations of the time value of money and the specific risks relating to these assets.

As at September 30, 2013 trade accounts receivable were collateralized as loans in the amount of R$128,047 (R$144,802 as at December 31, 2012), represented by credit card receivables.

(a) Trade accounts receivable from credit and debit card sales, which the Company receives from operators at the amounts, terms and number of installments defined upon sale of the product.

    As at September30, 2013, the Company had credits granted to financial institutions totaling R$993,052 (R$791,361 as at December 31, 2012), on which a discount ranging from 105.0% to 108.0% of CDI is applied, recognized in the statement of income under "Finance expense". The Company, through advances from cards, transfers to the credit card companies and financial institutions all risks of payment by customers and, therefore, derecognizes the receivables referring to these credits. The respective finance charges are recorded in profit or loss for the year upon derecognition.

(b) It refers to receivables from sales financed by the Company.

(c) The Company intermediates sales on behalf of Luizaseg. The Company allocates to Luizaseg the full extended warranty amount in the month subsequent to the sale and receives it from customers according to the transaction term.

(d) It refers to bonuses on products to be received from suppliers, arising from the achievement of purchase volume and as part of agreements providing for the suppliers' participation in advertising and marketing expenditures (joint advertising).

5. Trade accounts receivable (Continued)

Changes in the allowance for doubtful accounts are as follows:

	Parent company and Consolidated	
	9/30/2013	**12/31/2012 (restated)**
Opening balance	**(38,496)**	(24,456)
(+) Additions	**(35,408)**	(37,125)
(-) Write-offs	**34,584**	23,085
Closing balances	**(39,320)**	(38,496)

The aging list of trade accounts receivable is as follows:

	Parent Company and Consolidated	
	9/30/2013	**12/31/2012 (restated)**
Current:		
Up to 30 days	**52,741**	54,932
31 to 60 days	**40,057**	34,545
61 to 90 days	**36,013**	29,765
91 to 180 days	**89,068**	107,162
181 to 360 days	**141,619**	143,024
Over 361 days	**6,444**	6,051
	365,942	375,479
Overdue:		
Up to 30 days	**5,838**	6,091
31 to 60 days	**4,543**	3,839
61 to 90 days	**4,151**	3,246
91 to 180 days	**12,266**	7,810
	26,798	20,986
	392,740	396,465

5. Trade accounts receivable (Continued)

The aging list of trade accounts receivable from sales agreements is as follows:

	Parent company and Consolidated	
	9/30/2013	**12/31/2012**
Current:		
Up to 30 days	**30,918**	26,458
31 to 60 days	**28,886**	46,379
61 to 90 days	**17,095**	57,681
91 to 180 days	**46,779**	16,284
181 to 360 days	**-**	188
	123,678	146,990
Overdue:		
Up to 30 days	**8,344**	1,376
31 to 60 days	**1,429**	456
61 to 90 days	**114**	896
91 to 180 days	**494**	1,010
181 to 360 days	**825**	2,072
Over 361 days	**-**	2,810
	11,206	8,620
	134,884	155,610

6. Inventories

	Parent company and Consolidated	
	9/30/2013	**12/31/2012**
Goods for resale	**1,149,266**	1,079,285
Consumables	**10,296**	9,706
Advances to suppliers	**-**	826
Provision for losses	**(24,079)**	(21,055)
	1,135,483	1,068,762

As at September 30, 2013, the Company's cycle-counting inventories were collateralized in lawsuits under phase of execution amounting to approximately R$1,671 (R$17,163 as at December 31, 2012).

6. Inventories (Continued)

Changes in provision for losses and adjustment to net realizable value of goods for resale reduced the balance of inventories, and are as follows:

	Parent company and Consolidated	
	9/30/2013	**12/31/2012**
Opening balance for the period	**(21,055)**	(15,034)
Inventories written off or sold	**12,973**	19,385
Additions due to merger	**-**	(3,781)
Recognition of provision	**(15,997)**	(21,625)
Balance at the end of the period	**(24,079)**	(21,055)

The provision for inventory losses remained unaltered in relation to the financial statements for the year ended December 31, 2012.

7. Related parties

a) Related-party balance

Current assets	Parent Company		Consolidated	
	9/30/2013	**12/31/2012 (restated)**	**9/30/2013**	**12/31/2012 (restated)**
Commissions on services rendered				
Joint ventures:				
Luizacred (i)	**15,076**	19,420	**15,076**	19,420
Luizaseg (ii)	**23,269**	18,985	**23,269**	18,985
	38,345	38,405	**38,345**	38,405
Subsidiaries:				
Consortia Group (“LAC”) (iii)	**555**	717	**-**	-
Reimbursement of expenses and expenditures related to purchase in consortium drawings				
Subsidiaries:				
Consortia Group (“LAC”) (iii)	**812**	1,154	**812**	1,154
Dividends receivable:				
Luizacred (i)	**-**	1,130	**-**	1,130
Luizaseg (ii)	**-**	2,573	**-**	2,573
	-	3,703	**-**	3,703
Balance receivable from credit card sales and CDC receivables (direct consumer credit):				
Luizacred (i)	**28,604**	30,363	**28,604**	30,363
	68,316	74,342	**67,761**	73,625
Securities				
Fundo de investimento ML Renda Fixa (fixed income investment fund) and Caixa investment fund(viii)	**405,670**	122,052	**405,670**	122,052

7. Related parties (Continued)

a) Related-party balance (Continued)

Current liabilities	Parent Company		Consolidated	
	9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Transfer of services rendered				
Joint ventures:				
Luizacred (i)	**18,378**	23,623	**18,378**	23,623
Luizaseg (ii)	**33,754**	25,551	**33,754**	25,551
	52,132	49,174	**52,132**	49,174
Subsidiaries:				
Consortia Group (“LAC”) (iii)	**583**	698	**583**	698
Rental payable and other transfers				
Subsidiaries of the Company’s owners:				
MTG Administração, Assessoria e Participações S.A. (v)	**975**	1,258	**975**	1,258
PJD Agropastoril Ltda. (vii)	**113**	137	**113**	137
	1,088	1,395	**1,088**	1,395
Subsidiary of the Company’s owners:				
Balances of advertising campaigns payable:				
ETCO - Empresa Técnica de Comunicação Ltda. (vi)	**26**	24	**26**	24
	53,829	51,291	**53,829**	51,291

Magazine Luiza S.A.

Notes to the interim financial information (Continued)
September 30, 2013
(In thousands of Brazilian reais - R$)

7. Related Parties (Continued)

b) Related-party transactions

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012 (restated)
Income from service brokerage commission								
Joint ventures:								
Luizacred (i)	**121,598**	95,812	**121,598**	95,812	**41,794**	30,678	**41,794**	30,678
Luizaseg (ii)	**114,366**	84,384	**114,366**	84,384	**47,054**	32,828	**47,054**	32,828
	235,964	180,196	**235,964**	180,196	**88,848**	63,506	**88,848**	63,506
Subsidiaries:								
Consortia Group (“LAC”) (iii)	**5,188**	4,197	**-**	-	**1,767**	1,502	**-**	-
Income from exclusive fund:								
Fundo de investimento ML Renda Fixa (viii)	**15,923**	8,166	**15,923**	8,166	**7,218**	3,344	**7,218**	3,344
Reimbursement of shared expenses								
Joint venture:								
Luizacred (i)	**37,392**	27,173	**37,392**	27,173	**12,080**	9,275	**12,080**	9,275
Subsidiaries:								
Lojas Maia (iv)	**-**	7,131	**-**	-	**-**	-	**-**	-
Financial revenue from loans:								
Lojas Maia (iv)	**-**	1,108	-	-	**-**	-	**-**	-
	294,467	227,971	**289,279**	215,535	**109,913**	77,627	**108,146**	76,125

7. Related parties (Continued)

b) Related-party transactions (Continued)

	Nine-month period ended		Quarter ended	
	Parent Company and Consolidated		Parent Company and Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Office building rental expenses				
Subsidiaries of the Company's owners:				
MTG Administração, Assessoria e Participações S.A. (v)	**(8,633)**	(2,763)	**(2,886)**	(1,943)
PJD Agropastoril Ltda. (vii)	**(282)**	(320)	**(78)**	(129)
	(8,915)	(3,083)	**(2,964)**	(2,072)
Expenses with anticipated credit card charges:				
Luizacred (i)	**(34,709)**	(34,774)	**(13,139)**	(10,164)
Advertising campaigns expenses				
Subsidiary of the Company's owners:				
ETCO - Empresa Técnica de Comunicação Ltda. (vi)	**(102,150)**	(109,203)	**(28,792)**	(40,113)
	(145,774)	(147,060)	**(44,895)**	(52,349)

(i) The transactions with Luizacred, joint venture of Banco Itaúcard S.A., refer to the following activities:

(a) Commissions on the issuance and activation of own branded credit cards ("Luiza Card") and financial expenses related to the anticipation of receivables from such cards;

(b) Balance receivable from sales of products financed to customers by Luizacred, received by the Company on the following day ("D+1");

(c) Commissions on services provided by the Company on a monthly basis that include the customers prospecting, management and administration of consumer credit transactions, control over and collection of loans granted, access to telecommunication systems and network, in addition to storage and availability of physical area at the points of sale (POS).

The amounts payable (current liabilities) refer to receivables from customers' installments in the Company's store cashiers, which are transferred to Luizacred on D+1.

(d) Balance receivable from Luizacred's dividend proposal.

(ii) Receivables (current assets) and revenues of Luizaseg, joint venture with NCVP Participações Societárias S.A., subsidiary of Cardif do Brasil Seguros e Previdência S.A., refer to the commissions on services monthly rendered by the Company related to the sales of additional guarantees and proposed dividends. Payables (current liabilities) refer to the transfers of extended warranties sold to Luizaseg, in full, in the month following the sale.

(iii) Receivables (current assets) of LAC, wholly-owned subsidiary, refer to commissions and sales by the Company as the representative of the purchase in consortium operations. Payables (current liabilities) refer to the transfers to be made to LAC relating to the consortia installments received by the Company at its point-of-sale cashiers.

(iv) It refers to all transactions of Lojas Maia, wholly-owned subsidiary until its merger on April 30, 2012, comprising the following:
(i) reimbursement of the advertising expenses assumed by the Company, based on a formal agreement entered into by the parties; and
(ii) loan between the parties falling due on April 30, 2012 and yielding 100% interest of the CDI rate.

7. Related parties (Continued)

b) Related-party transactions (Continued)

(v) Transactions with MTG Administração, Assessoria e Participações S.A. ("MTG"), controlled by the same owners of the Company, refer to expenses on office buildings rentals for the installation of stores, distribution centers and head office.

(vi) Transactions with ETCO – Empresa Técnica de Comunicação Ltda., an entity indirectly controlled by the Vice Chairman of the Company's Board of Directors, refer to advertising and marketing service agreements, also including transfers relating to distribution, media production and graphic design services.

(vii) Transactions with PJD Agropastoril Ltda., an entity controlled by the Company's indirect controlling shareholders, refer to expenses on rental of commercial buildings for installation of stores.

(viii) Transactions with *ML Renda Fixa Crédito Privado Fundo de Investimento, ML Renda Fixa Crédito Privado FI* and *Fundo de Investimento FIC Caixa Aporte Imediato 200 RF LP* refer to exclusive investment fund operations (see Note 4.2 – Securities).

Additionally, the Company has balances relating to deferred revenue deriving from related-party transactions, which were maintained in a specific item for reporting purposes, as described in Note 16.

c) Management compensation

	9/30/2013	**9/30/2012**
Compensation paid to the Board of Directors	**198**	246
Compensation paid to the Board of Executive Officers	**4,652**	4,493
Total	**4,850**	4,739

In addition to the Board of Directors' compensation, compensations are paid to members of the internal and non-statutory committees, which advise the Board of Directors. The Company does not grant postemployment benefits, severance benefits, or any other long-term benefits to management. The short-term benefits to the Board of Executive Officers are the same benefits granted to employees. These benefits are included in the compensation of the Board of Executive Officers. The Company also offers the Stock Option Plan to its management, employees or service providers, as described in Note 22 to the financial statements for the year ended December 31, 2012. In addition, the Company does not provide any benefit to the key management personnel of its related parties.

Under Brazilian Corporation Law and the Company's Articles of Incorporation, the shareholders must determine and approve at the Shareholders' Meeting the annual overall Management compensation. For the year ended December 31, 2013, the maximum management overall compensation was R$10,186.

8. Recoverable taxes

	Parent Company		Consolidated	
	9/30/2013	**12/31/2012**	**9/30/2013**	**12/31/2012 (restated)**
Recoverable ICMS - State VAT (a)	**363,045**	320,594	**363,045**	320,594
Recoverable income tax and social contribution	**5,350**	7,849	**5,350**	7,849
Recoverable IRRF - withholding income tax	**903**	10,365	**903**	10,378
Taxes on revenue (PIS and COFINS)	**1,101**	7,037	**1,101**	7,037
Other	**14**	10	**14**	10
Total	**370,413**	345,855	**370,413**	345,868
Current assets	**214,310**	208,490	**214,310**	208,503
Non current assets	**156,103**	137,365	**156,103**	137,365

(a) It refers to accumulated ICMS credits, on direct sales and under the tax substitution taxation (ICMS-ST) system, deriving from the several rates in the interstate inflow and outflow of goods. Such credits will be realized through an application for reimbursement and offset of debts of the same nature with the State that originated the credit. On June 1, 2013, the Company adhered to the São Paulo state special taxation system, assigning the tax substitution condition to the distribution center. This mode virtually alters how the ICMS-ST tax is collected and from this new system, the Company started paying ICMS upon shipment of the goods from its establishment.

9. Income tax and social contribution

a) The table below shows the reconciliation of the tax effect on income before income tax and social contribution by applying the tax rates effective for the Parent Company and the consolidated effects in force in respective periods

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Profit (loss) before income tax and social contribution	**98,400**	(44,388)	**99,476**	(45,118)	**31,186**	820	**31,661**	1,231
Effective rate	**34%**	34%	**34%**	34%	**34%**	34%	**34%**	34%
Income tax and social contribution credit (debit) at effective rates	**(33,456)**	15,092	**(33,822)**	15,340	**(10,603)**	(279)	**(10,765)**	(419)
Effect of deferred tax assets not recorded on merged company Lojas Maia's results	**-**	-	**-**	(8,149)	**-**	-	**-**	-
Deferred taxes over temporary differences deriving from Lojas Maia, after merger	**-**	20,741	-	20,741	**-**	-	**-**	-
Reconciliation to effective tax rate (effect of applying tax rates):								
Deduction - equity accounting	**12,633**	(7,011)	**11,893**	1,584	**4,455**	2,309	**4,127**	2,024
Other permanent (additions) deductions, net	**3,255**	(889)	**3,285**	(853)	**338**	(502)	**353**	(488)
Income tax and social contribution credit (debit)	**(17,568)**	27,933	**(18,644)**	28,663	**(5,810)**	1,528	**(6,285)**	1,117
Current	**(17,291)**	-	**(18,327)**		**(5,518)**	-	**(5,993)**	699
Deferred	**(277)**	27,933	**(317)**	28,663	**(292)**	1,528	**(292)**	418
Total	**(17,568)**	27,933	**(18,644)**	28,663	**(5,810)**	1,528	**(6,285)**	1,117
Effective rate	**17.9%**	62.9%	**18.7%**	63.5%	**18.6%**	186.3%	**19.9%**	90.7%

9. Income tax and social contribution (Continued)

b) Breakdown of deferred income tax and social contribution assets and liabilities

	Parent Company		Consolidated	
	9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Deferred income tax and social contribution assets:				
Tax loss and social contribution tax loss carryforwards	**67,786**	75,337	**67,786**	75,337
Allowance for doubtful accounts	**14,566**	18,459	**14,566**	18,459
Allowance for inventory losses	**8,187**	7,159	**8,187**	7,159
Provision for contingencies	**68,875**	49,849	**69,378**	50,392
Other provisions	**-**	1,648	**-**	1,648
	159,414	152,452	**159,917**	152,995
Deferred income tax and social contribution liabilities:				
Temporary difference for adoption of RTT [(1)]	**(11,933)**	(4,694)	**(11,933)**	(4,694)
Deferred income tax and social contribution	**147,481**	147,758	**147,984**	148,301

(1) The Company adopted the Transition Tax Regime (RTT), as prescribed by Law No. 11941/09, which, as of the adoption of new accounting practices, creates temporary differences for tax bases.

10. Investment in subsidiary

The Company holds 100% of the shares of subsidiary Luiza Administradora de Consórcio (“LAC”) as at September 30, 2013and December 31, 2012. Changes in the investment in the subsidiary, disclosed in the parent company financial statements, are as follows:

	Luiza Administradora de Consórcio (“LAC”)	
	9/30/2013	12/31/2012
Shares held	**6,500**	6,500
Current assets	**16,725**	15,569
Noncurrent assets	**2,508**	2,188
Current liabilities	**4,265**	3,337
Noncurrent liabilities	**2,520**	2,148
Net revenue	**26,177**	30,755
Capital stock	**6,500**	6,500
Equity	**12,448**	12,272
Profit for the year/period	**2,176**	2,501

Changes in investments	9/30/2013	12/31/2012
Opening balances	**12,272**	9,771
Distributed dividends	**(2,000)**	-
Equity in earnings of subsidiaries	**2,176**	2,501
Closing balances	**12,448**	12,272

11. Investments in joint ventures

	Luizacred		Luizaseg	
	9/30/2013	**12/31/2012**	**9/30/2013**	**12/31/2012**
Total shares – in thousands	**978**	978	**13,883**	13,883
Direct interest percentage	**50%**	50%	**50%**	50%
Current assets	**3,322,838**	3,299,478	**147,614**	124,647
Noncurrent assets	**364,461**	326,972	**113,900**	122,432
Current liabilities	**3,225,661**	3,224,852	**118,427**	109,885
Noncurrent liabilities	**43,082**	38,096	**64,214**	54,907
Net revenue	**1,082,292**	1,334,394	**146,712**	172,670
Capital stock	**274,623**	274,623	**13,882**	13,884
Equity	**418,556**	363,502	**78,873**	82,286
Profit for the year	**55,054**	14,782	**14,906**	21,240

Changes in investments	**9/30/2013**	**12/31/2012**	**9/30/2013**	**12/31/2012**
Opening balance	**181,751**	122,858	**41,143**	38,398
Capital increase	**-**	19,465	**-**	-
Addition through merger of subsidiary	**-**	30,532	**-**	-
Proposed dividends	**-**	(1,131)	**(7,701)**	(7,949)
Other comprehensive income	**-**	-	**(1,458)**	75
Equity in earnings of subsidiaries	**27,527**	10,027	**7,453**	10,619
Closing balance	**209,278**	181,751	**39,437**	41,143

Total investments in joint ventures	**9/30/2013**	**12/31/2012**
Luizacred	**209,278**	181,751
Luizaseg	**39,437**	41,143
	248,715	222,894

The Company's interests in joint ventures are described in Note 1.

The interests in joint ventures are stated in the parent company and consolidated results under the equity method of accounting, according to CPC 19 (R2) - *Negócios em Conjunto* and IFRS 11 - Joint Arrangements.

12. Property, plant and equipment

Changes in property, plant and equipment for the quarter ended September 30, 2013, are as follows:

	Parent Company	**Consolidated (restated)**
Net PP&E at December 31, 2012	573,223	573,957
Additions	79,699	79,802
Write-offs	(73,185)	(73,185)
Depreciation	(52,558)	(52,681)
Net PP&E at September 30, 2013	**527,179**	**527,893**
Breakdown of PP&E at September30, 2013:		
Cost of property, plant and equipment	**870,813**	**872,571**
Accumulated depreciation	**(343,634)**	**(344,678)**
Net PP&E at September 30, 2013	**527,179**	**527,893**

In the quarter ended June 30, 2013, the Company sold its 76.7% interest in the distribution center located in the city of Louveira (state of São Paulo) for R$205,461; the property's net cost and other transaction costs totaled R$78,907. Total gain from this operation is recorded under "Other operating revenue, net" item.

The Company will continue using this distribution center by means of 10-year lease agreement, with operating lease characteristics, renewable for other periods, pursuant to applicable laws. This transaction was materialized by means of approval from Brazilian Federal Savings Bank, whose loan agreement contained restrictive covenants involving the sale of relevant assets.

During the quarter no indications that property, plant and equipment items might be impaired were identified.

13. Intangible assets

Changes in intangible assets for the quarter ended September30, 2013, are as follows:

	Parent Company	Consolidated (restated)
Net intangible assets at December 31, 2012	435,049	435,338
Additions	24,948	25,015
Write-offs	(22)	(22)
Amortization	(22,727)	(22,832)
Net intangible assets at September 30, 2013	**437,248**	**437,499**
Breakdown of intangible assets at September 30, 2013		
Cost of the intangible assets	**582,098**	**583,007**
Accumulated amortization	**(144,850)**	**(145,508)**
Net intangible assets at September 30, 2013	**437,248**	**437,499**

During the quarter no indications that intangible assets might be impaired were identified.

14. Trade accounts payable

	Parent Company		Consolidated	
	9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Goods for resale - domestic market	**1,327,359**	1,323,817	**1,327,359**	1,323,817
Other trade accounts payable	**19,946**	14,369	**20,263**	14,687
Present value adjustment	**(15,338)**	(12,194)	**(15,338)**	(12,194)
	1,331,967	1,325,992	**1,332,284**	1,326,310

15. Borrowings and financing

Type	Charges	Guarantees	Final maturity	Parent Company and Consolidated	
				9/30/2013	**12/31/2012**
Investment (a)	IPCA + 8.91% p.a.	Bank guarantee	Dec/13	**6,158**	13,579
Working capital (b)	107.5% to 118.8% of CDI p.a. (ditto in 2012)	(b)	Dec/19	**743,996**	801,494
Finance leases (c)	CDI/LIBOR	Fiduciary sale/ escrow deposits	Dec/19	**15,344**	18,032
Debentures - restricted offer (d)	112% to 114.5% of CDI	-	Mar/16	**404,505**	200,180
Promissory notes (e)	105% of CDI	-	Oct/13	**214,646**	202,679
				1,384,649	1,235,964
Current liabilities				**555,542**	317,198
Noncurrent liabilities				**829,107**	918,766

(a) Loans contracted with BNDES comprise: (i) financing for the opening of new stores and ii) purchase of facilities and equipment. Principal and interest on these contracts are paid on an annual basis.

(b) This financing is collateralized by sureties, guarantees, and part of the credit card receivables, as described in Note 5.

Part of funding was contracted in foreign currency, subject to fixed interest and exchange fluctuations. In order to hedge its transactions against foreign exchange risks, the Company contracted swap operations, replacing charges contracted with CDI-indexed floating interest rates. This is a fully matched operation that does not expose the Company to foreign exchange or foreign interest rate risks.

(c) The Company has finance lease agreements relating to: (i) an aircraft, whose agreement was entered into in 2005 and expires in 2016. For this agreement, R$1,360(equivalent to US$610,000) was deposited in escrow, recorded under "Other noncurrent assets," to be redeemed on the final maturity of the agreement. This deposit, equivalent to 15% of asset's total amount, is adjusted by foreign exchange variation, whose corresponding entry is recognized in profit or loss; (ii) IT equipment and software, whose agreements expire in 2019.

15. Borrowings and financing (Continued)

(d) The Company conducted its first issue of nonconvertible debentures, in a single series, for public offering with restricted placement efforts, in accordance with CVM Rule 476/09, on December 26, 2011. A total of 200 debentures were issued, with unit face value of R$1,000 each, totaling R$200,000.

Debentures have a 30-month effectiveness term from the issue date, therefore, maturing on June 26, 2014. The debentures' unit face value will not be adjusted for inflation and will bear compensatory interest corresponding to 113%of accumulated variation in average daily Interbank Deposit (DI) rates, which will be paid every six months as of the first payment on June 26, 2012. For the transaction, the Company had costs of R$1,722, which will be recorded in profit or loss during the same effectiveness term. Considering transaction costs, the expected effective interest rate (TIR) is approximately 116.38% of CDI p.a.

The debentures were fully paid in on January 6, 2012, after registration and compliance with CETIP settlement rules, at their unit face value plus proportional interest from the date of issue to the date of effective payment.

On March 7, 2013 the Company conducted its second issue of unsecured, nonconvertible debentures, in two series, for public offering with restricted placement efforts. A total of 200 debentures were issued, with unit face value of R$1,000 each, totaling R$200,000. For legal purposes, the issue date of these debentures was March 22, 2013 in two series, as follows: (a) 1st series amounting to R$100,000, with two-year effectiveness term, whose unit value is not adjusted for inflation and will accrue interest rates equivalent to 112.00% of accumulated variation of DI average rates; and (b) 2nd series amounting to R$100,000,with three-year term, whose unit value is not adjusted for inflation and will accrue interest rates equivalent to 114.50% of DI rate.

(e) On October 4, 2012, the Company's Board of Directors approved the second issue of promissory notes, in a single series, for public offering with restricted placement efforts. A total of 20 promissory notes were issued, with unit face value of R$10,000, totaling R$200,000. The promissory notes have 360-day effectiveness term from the issue date. The unit face value of the promissory notes is not adjusted for inflation and they accrue compensatory interest rates calculated from the issue date, equivalent to 105.00% of accumulated variation of DI average daily rates. The funds raised were used to reinforce the Company's cash position.

15. Borrowings and financing (Continued)

The Company has few working capital agreements with restrictive covenants. The covenants referring to financial ratios are:

(i) Banco do Brasil: maintenance of the adjusted net debt-to-EBITDA ratio below three times. Adjusted net debt refers to the sum of any and all bank loans, including debentures and excluding compror and vendor transactions, less cash and cash equivalents plus credit card receivables.

(ii) Federal Savings Bank: maintenance of the net debt-to-EBITDA ratio below 3.5 times. Additionally, it requires evidence of use of funds raised through investment plan and fund use reports.

As of September 30, 2013, the Company is in compliance with the restrictive covenants described above.

16. Deferred revenue

	Parent Company and Consolidated	
	9/30/2013	12/31/2012
Deferred revenue with third parties:		
Exclusive dealing agreement with Banco Itaúcard (a)	**174,626**	184,000
Commercial agreement –Cardif (c)	**33,109**	38,360
Exploration right agreement – other (b)	**6,000**	1,531
	213,735	223,891
Deferred revenue with related parties:		
Exclusive dealing agreement with Luizacred (d)	**180,064**	188,380
	393,799	412,271
Current liabilities	**35,573**	37,104
Noncurrent liabilities	**358,226**	375,167

(a) On September 27, 2009, the company entered into a Partnership Agreement with the financial institutions Itaú Unibanco Holding S.A. ("Itaú") and Banco Itaúcard S.A., under which the Company assigned to Luizacred the exclusive right to offer, distribute and sell financial products and services at its store chain during a 20-year period.

Under this partnership, Itaú's entities paid R$250,000 in cash, of which: (i) R$230,000 referring to the closed deal, without withdrawal right and; (ii) R$20,000 referring to the fulfillment of profitability targets at Luizacred, subject to full or partial refund of amount, to be appropriated to profit or loss during the agreement's period—20 years—as targets are achieved.

(b) On June 30, 2008, the Company entered into with a financial institution an agreement for the assignment of exclusive rights over its payroll during a five-year period to render banking services to its employees. This partnership allowed the inflow of R$20,250 into the Company's cash. The recognition of revenue deriving from funds received is appropriated to profit or loss during the agreement's effectiveness period.

16. Deferred revenue (Continued)

On August 30, 2013, the Company entered into an agreement for the assignment of exclusive exploration rights for a 62-month period as of November 1, 2013. This partnership allowed the inflow ofR$6,000into the Company's cash. The recognition of revenue deriving from funds received is appropriated to profit or loss during the agreement's effectiveness period.

(c) On June 21, 2012, as a result of the merger of subsidiary Lojas Maia and the intention to renew and extend the Operating and Commercial Agreement for distribution of several insurance services in Magazine Luiza's distribution chain up to December 31, 2015, the Company and Cardif do Brasil entered into an amendment to referred agreement, which allowed the inflow of R$80,000 into the Company's cash, R$30,000 of which are allocated to the joint venture Luizacred, since the latter waived the priority in the distribution of credit card loss and theft insurance. The recognition of revenue deriving from this agreement is appropriated to profit or loss during the agreement's effectiveness period.

(d) On December 29, 2010, subsidiary Lojas Maia entered into a partnership agreement with Luizacred, a joint venture, whereby it grants the exclusive right to offer, distribute and sell financial products and services in its store chain during a 19-year period. Under this partnership, Luizacred paid R$160,000 in cash to Lojas Maia (R$80,000 in consolidated are eliminated against Luizacred's intangible assets), which are appropriated to profit or loss during the agreement's effectiveness period. As part of this partnership agreement, the amount of R$20,000, referred to in letter "(a) ii" above was increased to R$55,000.

On December 16, 2011, the Company entered into an amendment to the partnership agreement with joint venture Luizacred, due to the increase in the Company's operations, resulting from the acquisition of New-Utd. Under this amendment, Luizacred paid R$48,000 in cash to the Company, which will be appropriated to profit or loss during the remaining effectiveness period of the partnership agreement.

On February 22, 2013, the Company entered into a new amendment to the partnership agreement to transfer Luizacred's credit card issuance activities ("Luiza Card"), and related assets and liabilities to Itaú or an Itaú's affiliate ("Transfer"). After the transfer, Magazine Luiza would continue to receive 50% of Luiza Card's results through profit sharing, thus maintaining its economic interest. Said transfer was suspended in a new amendment signed on July 5, 2013, in view of new understandings between the parties regarding the implementation of a new structure to replace the previous one. This amendment also maintains its exclusive rights up to 2029.

17. Provision for contingencies

The Company and its subsidiary are parties to labor, civil and tax lawsuits in progress for which it has filed administrative or legal defense. In those cases where the opinion of the legal counsel is unfavorable, the Company recognized a provision for tax, civil and labor contingencies in noncurrent liabilities as at September 30, 2013 that corresponds to Group's management's best estimate of future disbursement. Changes in the provision for contingencies are as follows:

Parent Company

	12/31/2012	Additions	Reversal	Payments	Adjustments	9/30/2013
Tax	151,485	54,584	(9,881)	(13,748)	6,660	**189,100**
Civil	10,098	2,695	-	(2,267)	-	**10,526**
Labor	24,444	4,405	-	(1,293)	-	**27,556**
	186,027	61,684	(9,881)	(17,308)	6,660	**227,182**

17. Provision for contingencies (Continued)

Consolidated

	12/31/2012 (restated)	Additions	Reversal	Payments	Adjustments	9/30/2013
Tax	151,485	54,584	(9,881)	(13,748)	6,660	**189,100**
Civil	11,292	2,913	(12)	(2,423)	-	**11,770**
Labor	24,776	4,405	(9)	(1,380)	-	**27,792**
	187,553	61,902	(9,902)	(17,551)	6,660	**228,662**

As at September 30, 2013, the Company's main lawsuits classified by Management as probable loss based on the opinion of its legal counsel and the legal obligations whose amounts are deposited in court and included in the provision for contingencies above, are as follows:

a) Tax lawsuits

(i) The Company is challenging several tax assessment notices filed by a few Finance State Departments, which allege differences in payment of ICMS (State VAT), supposed errors when fulfilling certain ancillary obligations and federal tax offsetting procedures with the Brazilian Federal Revenue Office. The Company recorded a provision since its legal counsel assessed the corresponding risk as probable loss. These tax notices totaled R$41,400 as at September 30, 2013 (R$18,687 as at December 31, 2012). Of this amount, approximately R$1,671 are guaranteed by cycle-counting inventories of the Company's goods.

In the second quarter, the Company adhered to the special installment payment program of ICMS debits registered or not in the federal enforceable debt of the State of São Paulo (PEP-SP). These debits were being discussed at the administrative or judicial levels by the Company's legal counsel.

Total debits included in the installment payment program, after a detailed analysis by the Company's Management about the costs of holding them in court, amounted to R$41,912, adjusted for inflation until the adhesion date. The Company was granted an amnesty of R$24,614, and the debit was fully settled in a lump sum of R$17,298, of which R$8,997 was principal andR$8,301 was interest and fines. Approximately R$10,646 were recorded as provision for tax risks, since their probability of success was assessed as remote.

Concurrently with adhering to the installment payment program described above, the Company revised its lawsuits of several natures, regarding their probability of success or loss, which explains the change in tax provision seen in the last quarter.

17. Provision for contingencies (Continued)

a) Tax lawsuits (Continued)

(ii) The Company is challenging at court through a writ of mandamus, the unconstitutionality of obligation to pay the contribution to the National Agrarian Settlement and Reform Institute (INCRA). Accordingly, the Company made deposits in court and set up a provision for tax risks in account restricted to this case, totaling R$6,351 as at September 30, 2013 (R$5,353 as at December 31, 2012.

(iii) The Company is challenging at court the increase in the Occupational Accident Risk (RAT) tax rate. Therefore, it filed a lawsuit and deposited in court in account restricted to the case, the amounts corresponding to the increase difference. The provision totals R$38,589 as at September 30, 2013 (R$29,652 as at December 31, 2012).

(iv) The Company is challenging in court at the administrative level the FAP (Accident Prevention Factor) index which was required by MPS/CNPS Resolution 1269/06, whose provision totals R$29,244 as at September 30, 2013 (R$22,123 as at December 31, 2012).

(v) Other tax lawsuits assessed by the Company's Management and its legal counsel as probable loss amount to R$26,086 as at September 30, 2013 (R$31,227 as at December 31, 2012), which were accrued and refer to tax deficiency notices for alleged differences in ICMS rates applied, as well as risks related to PIS/COFINS referring to debits on interest income, tax subsidies received and credits subject to challenge by tax authorities.

(vi) The merged subsidiary Lojas Maia did not recognize the mandatory payment of PIS/COFINS on the ICMS calculation basis, and made a deposit in court and set up related provision, totaling R$41,110 as at September 30, 2013 (R$36,554 as at December 31, 2012).

(vii) During the business combination process of merged subsidiary Lojas Maia, other tax risks relating to ICMS, IRPJ, CSSL and ISS were identified by the Company and weighted within the context of calculating the related fair values, and an additional provision was recognized, totaling R$6,320 as at September 30, 2013 (R$7,889 as at December 31, 2012).

17. Provision for contingencies (Continued)

b) Civil lawsuits

The Company's civil contingencies, amounting to R$11,770as at September 30, 2013 (R$11,292 as at December 31, 2012) are related to claims mainly filed by customers on possible product defects. Other non-relevant balances are recorded in the Company's joint ventures.

c) Labor lawsuits

i. At the labor courts, the Company is a party to various labor lawsuits, mostly claiming overtime.

The amount accrued of R$19,993 as at September 30, 2013 (R$18,483 as at December 31, 2012) in the parent company, reflects the likelihood of probable loss assessed by the Company's Management and its legal counsel. Other non-relevant balances are recorded in the Company's subsidiaries and joint ventures.

ii. The Company is also challenging the payment of social security contribution over prior notice indemnified, which has been fully deposited in court and totals R$7,799 as at September 30, 2013 (R$6,383 as at December 31, 2012).

The Company is a party to other lawsuits which were classified by Management, based on the opinion of its legal counsel, as possible losses; therefore, no provision was recognized for these lawsuits. The amounts attributed to the main lawsuits where the Company is the defendant are:

a) Tax lawsuits: there are tax lawsuits where the Company, its subsidiary and joint ventures are the defendants. The amount estimated by Management and its legal counsel relating to these lawsuits, under the administrative or court level, is R$368,852 as at September 30, 2013 (R$339,161 as at December 31, 2012).

Below, the nature of main lawsuits assessed as possible losses where the Company is defendant:

PIS/COFINS - Administrative lawsuits, which are pending in the Regional Judgment Authority and the Administrative Board of Tax Appeals (CARF), relating to tax deficiency notices issued due to possible differences in tax bases due to credits calculated and offset, but not ratified by the Federal Revenue Office, among other less relevant amounts. The amount involved in these proceedings totals R$181,500.

17. Provision for contingencies (Continued)

a) Tax lawsuits (Continued)

ICMS - Administrative and court proceedings, relating to tax deficiency notices issued due to: (i) possible differences in ICMS tax rates; (ii) noncompliance with certain ancillary obligations, (iii) acquisition of goods from suppliers whose registrations were subsequently declared invalid by the tax authorities; and (iv) discussion on the tax rate increase in the state of São Paulo, from 17% to 18%, where the government does not accept reimbursement of a 1% difference, among others involving less relevant amounts estimated at R$63,672.

b) Civil and labor lawsuits

The Company is party to civil and labor administrative proceedings with likelihood of possible loss, whose amounts are not relevant for reporting purposes.

Contingent assets

The Company is party to other tax lawsuits of different types as plaintiff. The estimated amounts of these proceedings total approximately R$463,604 as at September 30, 2013 (R$371,821 as at December 31, 2012), which were not recorded since they refer to contingent assets. These credits mainly refer to the litigation that aims at excluding ICMS from PIS/COFINS calculation basis, totaling approximately R$229,843. Other credits may be obtained from lawsuits discussing the increase in the PIS/COFINS calculation basis, the exclusion of ISS from the PIS/COFINS calculation basis, among others.

18. Net operating revenue

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Gross revenue:								
Retail – resale of goods	**6,442,303**	5,368,333	**6,442,303**	5,748,736	**2,306,349**	1,947,495	**2,306,349**	1,947,495
Retail – services rendered	**262,264**	212,274	**272,999**	225,769	**98,686**	77,018	**104,137**	78,860
Purchase in consortium management	**-**	-	**28,676**	24,481	**-**	-	**9,810**	8,793
	6,704,567	5,580,607	**6,743,978**	5,998,986	**2,405,035**	2,024,513	**2,420,296**	2,035,148
Taxes and refunds:								
Resale of goods	**(1,097,020)**	(871,770)	**(1,097,020)**	(948,578)	**(385,089)**	(323,704)	**(385,089)**	(323,704)
Services rendered	**(34,983)**	(28,040)	**(37,482)**	(31,334)	**(13,530)**	(10,118)	**(14,405)**	(10,883)
	(1,132,003)	(899,810)	**(1,134,502)**	(979,912)	**(398,619)**	(333,822)	**(399,494)**	(334,587)
Net sales revenue	**5,572,564**	4,680,797	**5,609,476**	5,019,074	**2,006,416**	1,690,691	**2,020,802**	1,700,561

19. Costs of goods resold and services rendered

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Costs:								
of goods resold	**(4,020,040)**	(3,338,455)	**(4,020,040)**	(3,575,755)	**(1,447,054)**	(1,203,693)	**(1,447,054)**	(1,199,496)
of services rendered		-	**(4,590)**	(8,495)	**-**	-	**(1,341)**	(5,773)
	(4,020,040)	(3,338,455)	**(4,024,630)**	(3,584,250)	**(1,447,054)**	(1,203,693)	**(1,448,395)**	(1,205,269)

20. Information on the nature of the expenses recognized in the statement of income for the period

The Group presented its statement of income using a classification of expenses according to their function. Information on the nature of these expenses recognized in the statement of income is shown below:

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Personnel expenses	**(713,827)**	(651,529)	**(713,827)**	(689,432)	**(245,014)**	(229,132)	**(245,014)**	(229,132)
Service providers expenses	**(271,971)**	(252,771)	**(271,971)**	(281,584)	**(87,421)**	(99,795)	**(87,421)**	(99,795)
Other	**(260,266)**	(247,438)	**(273,704)**	(275,186)	**(120,085)**	(89,875)	**(124,605)**	(93,750)
	(1,246,064)	(1,151,738)	**(1,259,502)**	(1,246,202)	**(452,520)**	(418,802)	**(457,040)**	(422,677)
Classified by function as:								
Selling expenses	**(1,076,321)**	(948,194)	**(1,076,321)**	(1,007,973)	**(371,747)**	(347,433)	**(371,747)**	(347,433)
General and administrative expense	**(262,102)**	(222,662)	**(275,591)**	(258,856)	**(91,343)**	(82,818)	**(95,875)**	(86,893)
Other operating revenue	**92,359**	19,118	**92,410**	20,627	**10,570**	11,449	**10,582**	11,649
	(1,246,064)	(1,151,738)	**(1,259,502)**	(1,246,202)	**(452,520)**	(418,802)	**(457,040)**	(422,677)

21. Other operating revenue, net

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)	9/30/2013	9/30/2012	9/30/2013	9/30/2012 (restated)
Gain (loss) on sale of property, plant and equipment items (a)	**126,443**	(586)	**126,443**	(586)	**116**	(55)	**116**	(55)
Appropriation of deferred revenue (b)	**24,473**	30,822	**24,473**	34,428	**7,647**	8,881	**7,647**	8,881
Provision for tax losses (c)	**(39,104)**	7,352	**(39,104)**	7,352	**4,768**	7,802	**4,768**	7,802
Nonrecurring expenses (d)	**(19,410)**	(19,999)	**(19,410)**	(22,635)	**(2,171)**	(6,293)	**(2,171)**	(6,293)
Other	**(43)**	1,529	**8**	2,068	**210**	1,114	**222**	1,314
Total	**92,359**	19,118	**92,410**	20,627	**10,570**	11,449	**10,582**	11,649

(a) On June 27, 2013, the Company sold 76.7% of the distribution center located in the municipality of Louveira (state of São Paulo) recording a gain of R$126,554, as detailed in Note 12. The remaining balance of R$111refers to the loss from sale of property, plant and equipment items.

(b) It refers to the appropriation of deferred revenue due to the assignment of exploration rights, as described in Note16.

(c) The Company adhered to the installment payment of tax debts of the State of São Paulo, as detailed in Note 17. Concurrently, the Company, together with its legal counsel, reviewed the judicial proceedings as to their probability of success or loss, which affected the provision for tax risks.

(d) It mainly refers to provisions and accounting write-offs deriving from the merger process of acquired chains.

22. Financial result

	Nine-month period ended				Quarter ended			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012
				(restated)				(restated)
Finance income:								
Interest rates on extended warranty sales	**33,164**	17,603	**33,164**	17,603	**11,969**	7,234	**11,969**	7,234
Income on short-term investments and securities	**18,927**	10,467	**3,609**	3,179	**9,141**	4,112	**2,153**	1,014
Interest rates on the sale of goods - Interest rates due to delays in receivables	**2,813**	1,358	**2,813**	1,496	**923**	591	**923**	591
Exchange gains	**33**	92	**33**	92	**-**	-	**-**	-
Discounts obtained	**6,083**	3,067	**6,083**	3,081	**2,256**	297	**2,256**	297
Other	**229**	5,874	**229**	5,874	**4**	10	**4**	10
	61,249	38,461	**45,931**	31,325	**24,293**	12,244	**17,305**	9,146
Finance expense:								
Interest on borrowings and financing	**(95,787)**	(81,240)	**(95,787)**	(87,578)	**(37,481)**	(27,459)	**(37,481)**	(27,459)
Charges on anticipation of credit card	**(88,022)**	(74,872)	**(88,022)**	(77,297)	**(33,226)**	(25,277)	**(33,226)**	(25,277)
Accrued interest on extended warranty	**(20,229)**	(10,065)	**(20,229)**	(10,065)	**(7,917)**	(3,350)	**(7,917)**	(3,350)
Exchange losses	**(296)**	(349)	**(296)**	(349)	**(15)**	(16)	**(15)**	(16)
Other	**(11,666)**	(12,337)	**(11,752)**	(12,838)	**(4,008)**	(4,004)	**(4,029)**	(4,004)
	(216,000)	(178,863)	**(216,086)**	(188,127)	**(82,647)**	(60,106)	**(82,668)**	(60,106)
Net financial result	**(154,751)**	(140,402)	**(170,155)**	(156,802)	**(58,354)**	(47,862)	**(65,363)**	(50,960)

23. Segment information

CPC 22 and IFRS 8 - Segment Reporting requires the operating segments to be identified based on internal reports related to the Company's components periodically reviewed by the CEO, the chief operating decision maker, so that funds are allocated to segments and their performance are evaluated.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into Retail, Financial, Insurance and Purchase in Consortium Management operations. These classifications are considered as the primary reporting segments. The characteristics of each segment are described as follows:

Retail - mainly resale of goods and provision of services at the Company's stores;

Financial transactions - through the joint venture Luizacred, mainly engaged in the granting of credit to the Company's customers for acquisition of products;

Insurance - through the joint venture Luizaseg, mainly engaged in the offer of extended warranties of products purchased by the Company's customers;

Purchase in consortium management - through the subsidiary LAC, mainly engaged in the management of purchase in consortium to the Company's customers for purchase of products.

The Company's sales are fully made in the Brazilian territory and, considering retail operations, there is no concentration of customers or of products and services offered by the Group.

23. Segment information (Continued)

Statements of income

	9/30/2013			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium operations**
Gross revenue	**6,720,490**	**541,146**	**73,356**	**28,676**
Revenue deductions	**(1,132,003)**	**-**	**-**	**(2,499)**
Segment's net revenue	**5,588,487**	**541,146**	**73,356**	**26,177**
Costs	**(4,020,040)**	**(53,939)**	**(7,356)**	**(9,778)**
Gross profit	**1,568,447**	**487,207**	**66,000**	**16,399**
Selling expenses	**(1,076,321)**	**(189,322)**	**(49,534)**	**-**
General and administrative expenses	**(262,102)**	**(1,377)**	**(9,760)**	**(13,489)**
Loss on allowance for doubtful accounts	**(15,180)**	**(250,401)**	**-**	**-**
Depreciation and amortization	**(75,285)**	**(4,924)**	**(14)**	**(228)**
Equity accounting	**37,156**	**-**	**-**	**-**
Other operating revenue	**92,359**	**5,044**	**10**	**51**
Financial result	**(170,674)**	**-**	**5,736**	**519**
Income tax and social contribution	**(17,568)**	**(18,700)**	**(4,985)**	**(1,076)**
Profit (loss) for the period	**80,832**	**27,527**	**7,453**	**2,176**

	9/30/2012			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium operations**
Gross revenue	5,978,704	491,458	62,496	24,481
Revenue deductions	(977,788)	-	-	(2,124)
Segment's net revenue	5,000,916	491,458	62,496	22,357
Costs	(3,579,952)	(65,872)	(4,968)	(8,495)
Gross profit	1,420,964	425,586	57,528	13,862
Selling expenses	(1,007,973)	(188,669)	(41,253)	-
General and administrative expenses	(247,457)	(2,353)	(9,617)	(11,399)
Loss on allowance for doubtful accounts	(15,790)	(236,884)	-	-
Depreciation and amortization	(65,591)	(4,971)	(8)	(216)
Equity accounting	6,923	-	-	-
Other operating revenue	20,207	2,305	247	420
Financial result	(157,509)	-	6,039	707
Income tax and social contribution	29,773	1,847	(5,138)	(1,110)
Profit (loss) for the period	(16,455)	(3,139)	7,798	2,264

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Notes to the interim financial information (Continued)
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(In thousands of Brazilian reais – R$)

23. Segment information (Continued)

Statement of financial position

	9/30/2013			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium operations**
Assets				
Cash and cash equivalents	**258,177**	**2,267**	**36**	**2,119**
Securities	**410,246**	**6,040**	**107,568**	**13,241**
Trade accounts receivable	**467,977**	**1,642,574**	**-**	**-**
Inventories of goods for resale	**1,135,483**	**-**	**-**	**-**
Investments	**261,163**	**-**	**-**	**-**
Property, plant and equipment and intangible assets	**964,427**	**96,005**	**4**	**-**
Other	**847,965**	**96,336**	**23,149**	**3,873**
	4,345,438	**1,843,222**	**130,757**	**19,233**
Liabilities				
Trade accounts payable	**1,331,967**	**-**	**1,084**	**317**
Borrowings and financing	**1,384,649**	**-**	**-**	**-**
Interbank deposits	**-**	**1,023,807**	**-**	**-**
Credit card transactions	**-**	**540,428**	**-**	**-**
Insurance technical reserves	**-**	**-**	**77,574**	**-**
Provision for contingencies	**227,182**	**14,041**	**81**	**1,480**
Deferred revenue	**393,799**	**7,500**	**-**	**-**
Other	**310,361**	**48,168**	**12,582**	**4,988**
	3,647,958	**1,633,944**	**91,321**	**6,785**

	12/31/2012			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium operations**
Assets				
Cash and cash equivalents	404,143	4,244	5	14,736
Securities	126,385	5,024	103,073	-
Trade accounts receivable	486,872	1,619,378	-	-
Inventories of goods for resale	1,068,762	-	-	-
Investments	235,166	-	-	-
Property, plant and equipment and intangible assets	1,008,272	100,802	16	1,023
Other	773,376	83,777	20,448	1,998
	4,102,976	1,813,225	123,542	17,757
Liabilities				
Trade accounts payable	1,325,992	-	1,845	318
Borrowings and financing	1,235,964	-	-	-
Interbank deposits	-	990,021	-	-
Credit card transactions	-	566,664	-	-
Insurance technical reserves	-	-	61,493	-
Provision for contingencies	186,027	11,548	101	1,526
Deferred revenue	412,271	7,500	-	-
Other trade accounts payable	326,730	55,741	18,960	3,641
	3,486,984	1,631,474	82,399	5,485

24. Financial instruments

Capital risk management

The objectives of capital management are to safeguard the continuous return to the Company's shareholders and benefits to other related parties, and maintain an ideal capital structure to reduce this cost and maximize its funds to allow for investments in new stores, refurbishment and redesign of existing stores.

The Company's capital structure comprises financial liabilities, cash and cash equivalents, securities and equity.

Periodically, Management reviews the capital structure and its ability to settle its liabilities, and monitors, on a timely basis, the average term of trade accounts payable in relation to the average term of inventory turnover. Actions are taken when assets are higher than the liabilities.

The Company also uses the Net Debt-to-EBITDA ratio, which in its opinion, represents the most adequate manner to measure its indebtedness, since it reflects the consolidated financial obligations less cash and cash equivalents for payment, considering its cash from operating activities. Net Debt means the sum of any and all Borrowings and Financing in current and noncurrent liabilities, less cash and cash equivalents and securities in current assets. EBITDA means earnings before income tax and social contribution, finance income and expenses, depreciation and amortization.

The Company's capital structure can be broken down as follows:

	Parent Company		Consolidated	
	9/30/2013	12/31/2012	9/30/2013	12/31/2012 (restated)
Borrowings and financing	**1,384,649**	1,235,964	**1,384,649**	1,235,964
(-) Cash and cash equivalents	**(258,177)**	(404,143)	**(260,296)**	(418,879)
(-) Securities	**(410,246)**	(126,385)	**(423,487)**	(126,385)
Net debt	**716,226**	705,436	**700,866**	690,700
Equity	**697,480**	615,992	**697,480**	615,992

24. Financial instruments (Continued)

Categories of financial instruments

	Parent Company		Consolidated	
	9/30/2013	**12/31/2012**	**9/30/2013**	**12/31/2012 (restated)**
Financial assets				
Loans and receivables (including cash and banks):				
Cash and banks	**46,177**	103,792	**48,296**	105,422
Judicial deposits	**157,355**	129,348	**157,355**	129,348
Trade accounts receivable	**467,977**	486,872	**467,977**	486,872
Related parties	**68,316**	74,342	**67,761**	73,625
Held for trading:				
Cash and cash equivalents and securities	**622,246**	426,736	**635,487**	439,842
Financial liabilities				
Amortized cost:				
Borrowings and financing	**1,384,649**	1,235,964	**1,384,649**	1,235,964
Trade accounts payable	**1,331,967**	1,325,992	**1,332,284**	1,326,310
Related parties	**53,829**	51,291	**53,829**	51,291
Tax installment payment	**8,880**	10,911	**8,880**	10,911

Fair value measurement

Consolidated assets and liabilities at fair value are summarized as follows:

Cash and cash equivalents are classified in Level 2 and the fair value is estimated based on reports from brokerage firms making use of market prices quoted for similar instruments.

The fair value of other financial instruments described above allows to approximating their carrying amounts based on current payment conditions. The Company has no outstanding assets or liabilities where the fair value could be measured by using non-observable relevant information (Level 3) at September 30, 2013and December 31, 2012.

24. Financial instruments (Continued)

Liquidity risk management

The Company's Finance Department has the ultimate responsibility for managing the liquidity risk and has prepared a proper liquidity risk management model to manage funding requirements as well as liquidity in the short, medium and long-terms. The Group manages the liquidity risk through the continuous monitoring of estimated and actual cash flows, the combination of the maturity profiles of financial assets and liabilities and the maintenance of a close relationship with financial institutions, with regular disclosure of information to support credit decisions when external funds are necessary.

The table below details the remaining contractual maturity of the Group's financial liabilities and the contractual amortization periods. This table was prepared using the undiscounted cash flows of financial liabilities, based on the closest date when the Group should settle the related obligations. The tables include interest and principal cash flows. As interest flows are based on floating rates, the undiscounted amount was based on the interest curves at the end of the reporting period.

Contractual maturity is based on the most recent date when the Group should settle related obligations.

	Less than one year	One to three years	Over three years	Total
Trade accounts payable	1,331,967	-	-	1,331,967
Borrowings and financing	555,542	705,312	123,795	1,384,649
Related parties	53,829	-	-	53,829
Tax installment payment	8,880	-	-	8,880

Considerations on risks

The Company's and its subsidiaries' business mainly comprises the retail sale of consumer goods, mainly home appliances, electronic equipment, furniture and financial services, consumer financing for purchase of these goods and purchase in consortium-related activities, created to acquire vehicles, motorcycles, home appliances and furniture. The main market risk factors affecting the Company's business are summarized as follows:

24. Financial instruments (Continued)

<u>Considerations on risks</u> (Continued)

Credit risk: arises from the possibility of the Company incurring losses due to default of amounts billed to its customers, totaling R$392,740 as at September 30, 2013 (R$396,465 as at December 31, 2012). This risk is assessed by the Company as low due to the normal dispersion of sales, as a result of the large number of customers; however, there are no guarantees of actual receipt of the total balance of trade accounts receivable due to the nature of the Group's activities. In cases in which the concentration of billed amounts is higher, the risk is managed by means of periodic analysis of default rate and adoption of more efficient collection measures. As at September30, 2013,the Group recorded past-due or uncollectible balances that had been renegotiated, amounting to R$10,614 (R$11,196 at December 31, 2012), which are included in the Group's analysis on the need to recognize an allowance for doubtful accounts.

Market risk: arises from the slowdown of retail sales in the Brazilian economic scenario. These transactions' inherent risks are managed through the definition of operating and sales policies, setting limits for derivative transactions, and monitoring positions assumed.

Interest rate risk: the Group is exposed to floating interest rates tied to the "Extended Consumer Price Index (IPCA)" and "Overnight Brazilian Interbank Deposit Rate (CDI)," relating to financial investments and borrowings and financing in Brazilian reais, for which it performed a sensitivity analysis, as described below.

Foreign exchange rate risk management: the Company contracts derivative transactions, recorded in equity and statement of income accounts, to meet its market risk management requirements, arising from mismatching between currencies and indexes. Derivative transactions are carried out through the Finance Department, pursuant to the strategies previously approved by the Group's Board of Directors. In this scenario, the Company raised interest-bearing foreign currency-denominated loans, for which it entered into swap transactions to hedge against exchange rate fluctuations, swapping contracted interest rate and foreign currency exchange rate change for CDI plus fixed rate. This is a matched transaction which consists formally of a loan agreement and a swap transaction entered into on the same date, with the same maturity and counterparty and that should be settled by its net value. Thus, Management believes that, in substance, this is a loan transaction denominated in local currency, subject to a certain interest rate; accordingly, the accounting treatment and related disclosures reflect the substance of the transaction.

24. Financial instruments (Continued)

Considerations on risks (Continued)

The Company does not adopt the hedge accounting provided for in CPC 38.

Below, a description of contracts that impacted profit for the period ended September30, 2013:

Bank	Notional amount	Fair value with gain (loss) on swap (a)	Bank index		Company index	
			Index	Interest	Index	Interest
Bradesco	14,644	10,591	US$	4.08% p.a.	CDI	118.8% p.a.
Banco do Brasil	91,712	70,203	US$	4.79% p.a.	CDI	116.0% p.a.
	106,356	80,794				

(a) The fair value of derivatives is calculated by using a methodology commonly used by market players; the present value of payments is estimated by using market curves disclosed by BM&FBOVESPA.

There were no transactions in the reporting period no longer classified as hedging transactions, and there are no future commitments subject to cash flow hedge.

Sensitivity analysis of financial instruments

As at September30, 2013, Management carried out a sensitivity analysis taking into account a 25% and 50% increase in the expected interest rates (probable scenario), using future interest rates disclosed by BM&FBOVESPA and/or Brazilian Central Bank (BACEN). The expected effects of interest expenses, net of finance income from financial investments for the next quarterly results (September 30, 2013) are as follows:

	Probable rate	Scenario I probable	Scenario II (+ 25%)	Scenario III (+ 50%)
Future interest exposed to:				
CDI	9.50%	29,318	36,648	43,978
IPCA	5.80%	87	109	131
Total		29,405	36,757	44,109
Impact on financial result, net of taxes		19,407	24,260	29,112

24. Financial instruments (Continued)

Sensitivity analysis of financial instruments (Continued)

As previously mentioned, the Group's Management understands there is no market risk arising from changes in exchange rates, since all material financial liabilities recorded in foreign currency are pegged to swap transactions, so that the accounting and financial treatment of these borrowings are denominated in local currency. Thus, changes in swap derivative instruments and borrowings and financing are offset.

25. Insurance

The Company has insurance agreements whose coverage is determined by experts' opinion, taking into account the nature and the risk level for amounts deemed sufficient to cover possible losses on its assets and/or liabilities.

Below are the amounts of insurance coverage as at September 30,2013:

	9/30/2013	12/31/2012
Civil and D&O liability	**40,000**	500
Sundry risks–inventories and property, plant and equipment	**1,290,830**	723,533
Vehicles	**19,349**	12,759
	1,350,179	736,792

26. Events after the reporting period

26.1. Share buyback program

On September 18, 2013, the Company's Board of Directors approved a share buyback program in order to hold these shares in treasury for later sale, cancellation and/or covering Company's liabilities resulting from the stock option plan for the Company's executive officers. Thus, the Company may acquire up to 5,000,000 common shares, equivalent to 2.68% of total shares issued and 8.37% of outstanding shares on the program approval date. The last day for acquisition of common shares is December 18, 2014. In October 2013,the Company acquired 500,200 common shares, for a total ofR$4,529.

26. Events after the reporting period (Continued)

26.2. Acquisition of Época Cosméticos

On October 2, 2013, the Company closed an agreement for the acquisition of Campos Floridos Comércio de Cosméticos Ltda., a limited liability company headquartered in the city of Rio de Janeiro, also known as “Época Cosméticos”. The Company acquired all units of interest of Campos Floridos’ capital stock for R$25,600, whose first fixed installment of R$13,600 was paid on the agreement’s closing date and the remaining amount of up to R$12,000 will be paid in two installments, as follows: (i) the first installment ofR$4,000 will be paid one year after agreement’s closing date; and (ii) the second installment of up to R$8,000 will be paid two years after the closing date; both of which subject to the compliance with certain conditions set forth in the Agreement.

The Company is under a business combination assessment process, pursuant to CPC 15 and IFRS 3.

26.3. Issue of debentures

On October 14, 2013, the Company’s Board of Directors approved the third issue of non-convertible, unsecured debentures, in a single series for public distribution with restricted placement efforts. A total of 20,000debentures will be issued for the nominal unit price of R$10,000, totaling R$200,000. For legal purposes, the date of the Debenture issue will be October 21, 2013. The debentures will have a three-year term, and the unit value will not be adjusted for inflation and will bear interest of 108.80% of the accumulated variation in Interbank Deposit (DI) average rates. The funds raised will be used for debt extension and/or optimization of the Company’s cash flows.

27. Approval of quarterly information

The interim quarterly information was approved and authorized for disclosure by the Board of Directors on October 31, 2013.