Summary

Company Date
- Composition of Capital stock 2
- Dividends declared and/or paid out and after quarter 3

Individual Statements
- Balance Sheets – Assets 4
- Balance Sheets – Liabilities and Shareholders' Equity 5
- Statements of Income 6
- Statements of Comprehensive Income 7
- Statements of Cash Flow 8
- **Statements of Changes in Shareholders' Equity**
  - Equity - 1/1/2017 to 6/30/2017 9
  - Equity - 1/1/2016 to 6/30/2016 10
- Statements Value Added 11

Consolidated Statements
- Balance Sheets – Assets 12
- Balance Sheets – Liabilities and Shareholders' Equity 13
- Statements of Income 14
- Statements of Comprehensive Income 15
- Statements of Cash Flow 16
- **Statements of Changes in Shareholders' Equity**
  - Equity - 1/1/2017 to 6/30/2017 17
  - Equity - 1/1/2016 to 6/30/2016 18
- Statements Value Added 19

Management Report / Business Performance Analysis 20

Explanatory Notes 26

Report on the review of quarterly information 66

COMPANY DATA / COMPOSITION OF CAPITAL STOCK

QUANTITY OF SHARES (In Thousand)	CURRENT QUARTER 6/30/2017
PAID-UP CAPITAL	
COMMON – ON	711,146
PREFERRED - PN	0
TOTAL	**711,146**
TREASURY SHARES	
COMMON – ON	1,499
PREFERRED – PN	0
TOTAL	**1,499**

COMPANY DATA / DIVIDENDS DECLARED AND/OR PAID OUT DURING AND AFTER QUARTER

EVENT	APPROVAL	TYPE	BEGINNING PAYMENT	SHARE'S TYPE	SHARE'S CLASS	AMOUNT PER SHARE
Board of Directors Meeting	3/15/2016	Interest on Capital	4/28/2017	ON		0.06365
Board of Directors Meeting	6/22/2016	Interest on Capital	4/28/2017	ON		0.06418
Board of Directors Meeting	9/21/2016	Interest on Capital	4/28/2017	ON		0.06981
Board of Directors Meeting	12/12/2016	Interest on Capital	4/28/2017	ON		0.07260
Annual General Meeting	4/19/2017	Dividend	4/28/2017	ON		0.11962
Board of Directors Meeting	3/16/2017	Interest on Capital		ON		0.07476
Board of Directors Meeting	6/20/2017	Interest on Capital		ON		0.06474

INDIVIDUAL STATEMENTS / BALANCE SHEETS - ASSETS

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 6/30/2017	Prior end of year 12/31/2016
1	**TOTAL ASSETS**	**5,093,039**	**5,269,993**
1.01	**CURRENT ASSETS**	**2,205,884**	**2,558,698**
1.01.01	**CASH AND CASH EQUIVALENTS**	**482,261**	**711,186**
1.01.03	**ACCOUNTS RECEIVABLE**	**826,357**	**1,061,831**
1.01.03.01	CUSTOMERS	787,253	1,032,156
1.01.03.02	**OTHER ACCOUNTS RECEIVABLE**	**39,104**	**29,675**
1.01.03.02.01	DERIVATIVE FINANCIAL INSTRUMENTS	7,115	359
1.01.03.02.02	OTHER ACCOUNTS RECEIVABLE	31,989	29,316
1.01.04	**INVENTORIES**	**751,934**	**655,615**
1.01.06	**RECOVERABLE TAXES**	**127,438**	**122,386**
1.01.06.01	CURRENT RECOVERABLE TAXES	127,438	122,386
1.01.07	**PREPAID EXPENSES**	**17,894**	**7,680**
1.02	**NONCURRENT ASSETS**	**2,887,155**	**2,711,295**
1.02.01	**LONG -TERM ASSETS**	**346,011**	**380,476**
1.02.01.03	**ACCOUNTS RECEIVABLE**	**10,768**	**9,931**
1.02.01.03.02	OTHER ACCOUNTS RECEIVABLE	10,768	9,931
1.02.01.06	**DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION**	**93,541**	**126,516**
1.02.01.06.01	DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	93,541	126,516
1.02.01.07	**PREPAID EXPENSES**	**1,646**	**2,631**
1.02.01.07.01	PREPAID EXPENSES	1,646	2,631
1.02.01.08	**RECEIVABLES WITH RELATED PARTIES**	**3,954**	**2,158**
1.02.01.08.02	RECEIVABLES WITH SUBSIDIARIES	3,954	2,158
1.02.01.09	**OTHER NONCURRENT ASSETS**	**236,102**	**239,240**
1.02.01.09.03	JUDICIAL DEPOSITS	10,540	10,383
1.02.01.09.04	RECOVERABLE TAXES	43,562	46,857
1.02.01.09.05	FIDC LOJAS RENNER	182,000	182,000
1.02.02	**INVESTMENTS**	**731,059**	**504,427**
1.02.02.01	**INVESTMENTS IN SUBSIDIARIES**	**731,059**	**504,427**
1.02.02.01.02	INVESTMENTS IN SUBSIDIARIES	731,013	504,381
1.02.02.01.04	OTHER INVESTMENTS IN SUBSIDIARIES	46	46
1.02.03	**PROPERTY, PLANT AND EQUIPMENT – NET**	**1,497,205**	**1,503,703**
1.02.03.01	PROPERTY, PLANT AND EQUIPMENT IN OPERATION	1,398,976	1,405,177
1.02.03.02	PROPERTY, PLANT AND EQUIPMENT LEASED	27,951	28,210
1.02.03.03	PROPERTY, PLANT AND EQUIPMENT ON GOING	70,278	70,316
1.02.04	**INTANGIBLE – NET**	**312,880**	**322,689**
1.02.04.01	**INTANGIBLE**	**312,880**	**322,689**
1.02.04.01.01	INTANGIBLE LEASED	31,074	34,293
1.02.04.01.02	OTHER	281,806	288,396

INDIVIDUAL STATEMENTS / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 6/30/2017	Prior end of year 12/31/2016
2	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**5,093,039**	**5,269,993**
2.01	**CURRENT LIABILITIES**	**1,566,097**	**2,132,012**
2.01.01	**SOCIAL AND LABOR OBLIGATIONS**	**171,293**	**161,987**
2.01.01.01	SOCIAL OBLIGATIONS	44,925	39,294
2.01.01.01.01	SOCIAL CHARGES	44,925	39,294
2.01.01.02	LABOR OBLIGATIONS	126,368	122,693
2.01.01.02.01	SALARIES PAYABLE	126,368	122,693
2.01.02	**SUPPLIERS**	**462,724**	**596,188**
2.01.02.01	NATIONAL SUPPLIERS	462,724	596,188
2.01.03	**FISCAL OBLIGATIONS**	**174,115**	**377,750**
2.01.03.01	FEDERAL FISCAL OBLIGATIONS	90,153	228,353
2.01.03.01.01	INCOME TAX AND SOCIAL CONTRIBUTION	62,778	138,651
2.01.03.01.02	OTHER FEDERAL FISCAL OBLIGATIONS	27,375	89,702
2.01.03.02	STATE FISCAL OBLIGATIONS	82,790	148,280
2.01.03.03	MUNICIPAL FISCAL OBLIGATIONS	1,172	1,117
2.01.04	**LOANS AND FINANCING**	**500,301**	**637,496**
2.01.04.01	**LOANS AND FINANCING**	**103,264**	**252,055**
2.01.04.01.01	NATIONAL CURRENCY	103,264	105,350
2.01.04.01.02	FOREIGN CURRENCY	-	146,705
2.01.04.02	DEBENTURES	389,061	382,920
2.01.04.03	FINANCING LEASE	7,976	2,521
2.01.04.03.01	FINANCING LEASE	7,976	2,521
2.01.05	**OTHER OBLIGATIONS**	**223,047**	**325,926**
2.01.05.02	OTHER	223,047	325,926
2.01.05.02.01	DIVIDENDS AND INTEREST ON EQUITY PAYABLE	81,576	149,809
2.01.05.02.04	RENTS PAYABLE	41,737	47,973
2.01.05.02.05	OTHER OBLIGATIONS	52,406	60,303
2.01.05.02.06	STATUTORY PARTICIPATIONS	137	6,870
2.01.05.02.07	OBLIGATIONS WITH CARD ADMINISTRATORS	43,798	6,110
2.01.05.02.08	DERIVATIVE FINANCIAL INSTRUMENTS	3,393	54,861
2.01.06	**PROVISIONS**	**34,617**	**32,665**
2.01.06.01	FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS	34,617	32,665
2.01.06.01.04	CIVIL PROVISIONS	21,300	20,091
2.01.06.01.05	LABOR RISK PROVISIONS	13,317	12,574
2.02	**NONCURRENT LIABILITIES**	**712,930**	**501,185**
2.02.01	**LOANS AND FINANCING**	**664,582**	**462,380**
2.02.01.01	LOANS AND FINANCING	65,357	46,671
2.02.01.01.01	NATIONAL CURRENCY	65,357	46,671
2.02.01.02	DEBENTURES	535,354	346,212
2.02.01.03	FUNDING FINANCING LEASE	63,871	69,497
2.02.02	**OTHER OBLIGATIONS**	**11,291**	**3,267**
2.02.02.01	RELATED PARTIES LIABILITIES	8,572	53
2.02.02.02	OTHER	2,719	3,214
2.02.02.02.04	OTHER OBLIGATIONS	2,719	3,214
2.02.04	**PROVISIONS**	**37,057**	**35,538**
2.02.04.01	FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS	37,057	35,538
2.02.04.01.01	FISCAL PROVISIONS	37,057	35,538
2.03	**SHAREHOLDERS' EQUITY**	**2,814,012**	**2,636,796**
2.03.01	**CAPITAL**	**2,534,081**	**1,178,368**
2.03.02	**CAPITAL RESERVES**	**49,765**	**279,268**
2.03.02.02	PREMIUM RESERVE	-	118,165
2.03.02.04	OPTIONS GRANTED	77,622	180,124
2.03.02.05	TREASURY STOCKS	(27,857)	(19,021)
2.03.04	**REVENUE RESERVES**	**60,168**	**1,216,985**
2.03.04.01	LEGAL RESERVE	-	123,718
2.03.04.08	ADDITIONAL DIVIDEND PROPOSED	-	76,816
2.03.04.10	RESERVES FOR INVESTMENTS AND EXPANSION	60,168	1,016,451
2.03.05	**RETAINED EARNINGS/ACCUMULATED DEFICIT**	**166,604**	-
2.03.06	**CARRYING VALUE ADJUSTMENTS**	**2,822**	**(37,728)**
2.03.07	**ACCUMULATED TRANSLATION ADJUSTMENTS**	**572**	**(97)**

INDIVIDUAL STATEMENTS / INCOME STATEMENTS

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current quarter 1/4/2017 to 6/30/2017	Current period 1/1/2017 to 6/30/2017	Prior quarter 1/4/2016 to 6/30/2016	Prior period 1/1/2016 to 6/30/2016
3.01	**NET REVENUE SALES OF GOODS AND FINANCIAL PRODUCTS AND SERVICES**	**1.831.132**	**3.246.456**	**1.647.580**	**2.894.949**
3.01.01	NET REVENUE SALES OF GOODS	1.630.456	2.865.140	1.464.688	2.540.836
3.01.02	NET REVENUE SALES FINANCIAL PRODUCTS AND SERVICES	200.676	381.316	182.892	354.113
3.02	**COST OF GOODS SOLD AND FINANCIAL PRODUCTS AND SERVICES**	**(712.039)**	**(1.281.595)**	**(637.075)**	**(1.125.499)**
3.02.01	COST OF GOODS SOLD	(706.711)	(1.269.837)	(626.777)	(1.104.359)
3.02.02	COST OF FINANCIAL PRODUCTS AND SERVICES	(5.328)	(11.758)	(10.298)	(21.140)
3.03	**GROSS PROFIT**	**1.119.093**	**1.964.861**	**1.010.505**	**1.769.450**
3.04	**OPERATING (EXPENSES) INCOME**	**(824.385)**	**(1.566.117)**	**(738.046)**	**(1.391.448)**
3.04.01	SELLING	(444.341)	(846.709)	(394.357)	(747.467)
3.04.02	GENERAL AND ADMINISTRATIVE	(141.402)	(275.891)	(130.629)	(251.296)
3.04.03	LOSS ON RECEIVABLES, NET	(59.277)	(105.643)	(77.523)	(127.700)
3.04.04	OTHER OPERATING REVENUES	3.302	3.923	13.111	22.159
3.04.05	OTHER OPERATING EXPENSES	(182.667)	(341.797)	(148.648)	(287.144)
3.05	**OPERATING PROFIT BEFORE FINANCIAL RESULTS AND TAXES**	**294.708**	**398.744**	**272.459**	**378.002**
3.06	**FINANCIAL RESULTS**	**(22.443)**	**(47.377)**	**(27.109)**	**(51.189)**
3.06.01	FINANCIAL INCOME	15.902	35.226	20.105	50.608
3.06.02	FINANCIAL EXPENSES	(38.345)	(82.603)	(47.214)	(101.797)
3.07	**PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAXES**	**272.265**	**351.367**	**245.350**	**326.813**
3.08	**INCOME TAX AND SOCIAL CONTRIBUTION**	**(78.682)**	**(90.808)**	**(70.542)**	**(86.490)**
3.08.01	CURRENT	(77.147)	(83.513)	(72.913)	(81.597)
3.08.02	DEFERRED	(1.535)	(7.295)	2.371	(4.893)
3.09	**NET RESULTS OF CONTINUED OPERATIONS**	**193.583**	**260.559**	**174.808**	**240.323**
3.11	**NET INCOME (LOSS) FOR THE PERIOD**	**193.583**	**260.559**	**174.808**	**240.323**
3.99	EARNINGS PER SHARE (REAIS / SHARE)	-	-	-	-
3.99.01	EARNINGS PER SHARE - BASIC	0,2821	0,3919	0,2480	0,3411
3.99.01.01	ON	0,2821	0,3919	0,2480	0,3411
3.99.02	EARNINGS PER SHARE - DILUTED	0,2279	0,3870	0,2462	0,3389
3.99.02.01	ON	0,2279	0,3870	0,2462	0,3389

INDIVIDUAL STATEMENTS / STATEMENTS OF COMPREHENSIVE INCOME

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current quarter 1/4/2017 to 6/30/2017	Current period 1/1/2017 to 6/30/2017	Prior quarter 1/4/2016 to 6/30/2016	Prior period 1/1/2016 to 6/30/2016
4.01	**NET INCOME FOR THE PERIOD**	**193,583**	**-**	**260,559**	**-**
4.02	**OTHER COMPREHENSIVE INCOME**	**25,391**	**41,219**	**(48,567)**	**(126,427)**
4.02.01	CASH FLOW HEDGE	35,854	58,223	(70,591)	(183,441)
4.02.02	PORTION OF OTHER COMPREHENSIVE INCOME OF SUBSIDIARIES	1,109	2,123	(1,779)	(5,127)
4.02.03	TAXES RELATED TO COMPONENTS OF COMPREHENSIVE INCOME	(12,190)	(19,796)	24,001	62,370
4.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	618	669	(198)	(229)
4.03	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**	**218,974**	**41,219**	**211,992**	**(126,427)**

INDIVIDUAL STATEMENTS / STATEMENTS OF CASH FLOW – INDIRECT METHOD

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 1/1/2017 to 6/30/2017	Prior period 1/1/2016 to 6/30/2016
6.01	**NET CASH FROM OPERATING ACTIVITIES**	**269,111**	**399,784**
6.01.01	**CASH FLOW FROM OPERATING ACTIVITIES**	**516,635**	**506,179**
6.01.01.01	NET INCOME FOR THE PERIOD	260,559	240,323
6.01.01.02	DEPRECIATION AND AMORTIZATION	146,283	141,105
6.01.01.03	RESULT ON DISPOSAL OR WRITE-OFF OF FIXED ASSETS	924	1,299
6.01.01.04	TRANSACTION COSTS OF DEBENTURES	402	512
6.01.01.05	INTEREST EXPENSE OF BORROWING, FINANCING AND DEBENTURES	68,573	76,250
6.01.01.06	STOCK OPTION PLAN AND RESTRICTED SHARES	18,945	13,982
6.01.01.07	EQUITY IN THE RESULTS OF INVESTEES	(32,508)	(24,431)
6.01.01.08	PROVISION FOR TAX, CIVIL AND LABOR RISKS	3,471	6,397
6.01.01.09	DEFERRED AND CURRENT TAXES	75,963	75,461
6.01.01.10	GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS	-	13,445
6.01.01.11	NET FOREIGN EXCHANGE VARIATION	(79)	550
6.01.01.12	REVERSAL FOR ADJUSTMENT TO NET REALIZABLE VALUE	(10,678)	(9,935)
6.01.01.13	REVERSAL FOR LOSS ON ASSETS	(15,220)	(28,779)
6.01.02	**CHANGES IN ASSETS AND LIABILITIES**	**(62,009)**	**40,496**
6.01.02.01	ACCOUNTS RECEIVABLE	259,285	275,400
6.01.02.02	INVENTORIES	(84,143)	(41,268)
6.01.02.04	OTHER ASSETS	(14,495)	(27,476)
6.01.02.05	JUDICIAL DEPOSITS	(157)	344
6.01.02.07	FINANCING – FINANCIAL SERVIVCES OPERATIONS	8,308	41,165
6.01.02.09	SUPPLIERS	(134,045)	(2,840)
6.01.02.10	TAXES AND CONTRIBUTIONS PAYABLE	(127,749)	(155,649)
6.01.02.11	SALARIES AND SOCIAL CHARGES	7,539	(20,122)
6.01.02.12	RENTS PAYABLE	(6,236)	(9,007)
6.01.02.13	OBLIGATIONS WITH CARD ADMINISTRATORS	37,688	(4,198)
6.01.02.14	OTHER PAYABLES	(8,391)	(1,749)
6.01.02.15	STATUTARY OBLIGATIONS	(6,734)	(9,674)
6.01.02.16	INTERCOMPANY PAYABLES	7,121	(4,430)
6.01.03	**OTHERS**	**(185,515)**	**(146,891)**
6.01.03.01	SUBSIDIARIES DIVIDEND RECEIVED	22,000	-
6.01.03.02	PAYMENT OF INCOME TAX AND SOCIAL CONTRIBUTION	(138,669)	(82,392)
6.01.03.03	PAYMENT OF INTEREST ON LOANS, FINANCING AND DEBENTURES	(68,846)	(64,499)
6.02	**NET CASH FROM INVESTING ACTIVITIES**	**(344,630)**	**(246,000)**
6.02.01	ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT	(106,370)	(132,452)
6.02.02	ACQUISITIONS INTANGIBLE ASSETS	(29,098)	(50,815)
6.02.05	PROCEEDS FROM DISPOSAL OF FIXED ASSETS	4,568	31
6.02.06	INVESTMENTS IN SUBSIDIARIES	(213,730)	(62,764)
6.03	**NET CASH FROM FINANCING ACTIVITIES**	**(153,406)**	**(154,751)**
6.03.01	BORROWINGS	326,575	152,554
6.03.02	CAPITAL INCREASE	37,863	24,181
6.03.03	REPAYMENT OF BORROWINGS	(265,505)	(90,253)
6.03.04	INTEREST ON CAPITAL AND DIVIDENDS PAID	(239,003)	(227,913)
6.03.05	PAYMENT OF COSTS OF STRUCTURING BORROWINGS AND DEBENTURES	(1,104)	-
6.03.06	INSTALLMENT LEASE FINANCING	(3,396)	(9,196)
6.03.07	REPURCHASE OF TREASURY STOCKS	(8,836)	(4,124)
6.05	**INCREASE IN CASH AND CASH EQUIVALENTS**	**(228,925)**	**(967)**
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	711,186	593,524
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	482,261	592,557

INDIVIDUAL STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2016 TO 6/30/2016

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.03	**BALANCES ADJUSTED**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**24,181**	**9,239**	**(79,137)**	**(81,871)**	**-**	**(127,588)**
5.04.01	CAPITAL INCREASE	24,181	-	-	-	-	24,181
5.04.02	SHARES IN TREASURY ACQUIRED		(4,124)	-	-	-	(4,124)
5.04.03	STOCK OPTION PLAN	-	12,474	-	-	-	12,474
5.04.04	RESTRICTED SHARES GRANTED		889	-	-	-	889
5.04.07	INTEREST ON CAPITAL	-	-	-	(81,871)	-	(81,871)
5.04.10	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(79,137)	-	-	(79,137)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**240,323**	**(126,427)**	**113,896**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	240,323	-	240,323
5.05.02	OTHER COMPREHENSIVE INCOME	-	-	-	-	(126,427)	(126,427)
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	(126,198)	(126,198)
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	(229)	(229)
5.07	**BALANCES AS OF JUNE, 2016**	**1,160,305**	**275,514**	**765,134**	**158,452**	**(62,201)**	**2,297,204**

INDIVIDUAL STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2017 TO 3/31/2017

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**1,178,368**	**279,268**	**1,216,985**	**-**	**(37,825)**	**2,636,796**
5.03	**BALANCES ADJUSTED**	**1,178,368**	**279,268**	**1,216,985**	**-**	**(37,825)**	**2,636,796**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**1,355,713**	**(229,503)**	**(1,156,817)**	**(93,955)**	**-**	**(124,562)**
5.04.01	CAPITAL INCREASE	1,355,713	(237,849)	(1,080,001)			37,863
5.04.02	SHARES IN TREASURY ACQUIRED		(8,836)	-	-	-	(8,836)
5.04.03	STOCK OPTION PLAN	-	14,452	-	-	-	14,452
5.04.04	RESTRICTED SHARES GRANTED	-	2,730	-	-	-	2,730
5.04.07	INTEREST ON CAPITAL	-	-	-	(93,955)	-	(93,955)
5.04.10	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(76,816)	-	-	(76,816)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**260,559**	**41,219**	**301,778**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	260,559	-	260,559
5.05.02	**OTHER COMPREHENSIVE INCOME**	**-**	**-**	**-**	**-**	**41,219**	**41,219**
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	40,550	40,550
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	669	669
5.07	**BALANCES AS OF JUNE 30, 2017**	**2,534,081**	**49,765**	**60,168**	**166,604**	**3,394**	**2,814,012**

INDIVIDUAL STATEMENTS / STATEMENTS OF VALUE ADDED

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 1/1/2017 to 6/30/2017	Prior period 1/1/2016 to 6/30/2016
7.01	**REVENUES**	**3,663,515**	**3,336,148**
7.01.01	**SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES**	**3,716,523**	**3,396,153**
7.01.02	**OTHER RESULTS**	**(53,008)**	**(60,005)**
7.01.02.01	OTHER OPERATING INCOME	5,313	20,679
7.01.02.02	LOSSES ON RECEIVABLES, NET	(58,321)	(80,684)
7.02	**INPUT PURCHASED FROM THIRD PARTIES**	**(1,787,429)**	**(1,678,533)**
7.02.01	COST OF SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES (INCLUDING TAXES)	(1,353,329)	(1,212,736)
7.02.02	MATERIALS, ENERGY, OUTSIDES SERVICES AND OTHER	(408,880)	(437,106)
7.02.03	LOSSES ON ASSETS	(25,220)	(28,691)
7.03	**GROSS VALUE ADDED**	**1,876,086**	**1,657,615**
7.04	**RETENTIONS**	**(146,283)**	**(141,105)**
7.04.01	DEPRECIATION AND AMORTIZATION	(146,283)	(141,105)
7.05	**NET VALUE ADDED PRODUCED**	**1,729,803**	**1,516,510**
7.06	**VALUE ADDED RECEIVED IN TRANSFER**	**61,818**	**70,552**
7.06.01	EQUITY IN THE RESULTS OF INVESTEES	32,505	24,431
7.06.02	FINANCIAL REVENUES	29,313	46,121
7.07	**VALUE ADDED TO DISTRIBUTE**	**1,791,621**	**1,587,062**
7.08	**DISTRIBUTED VALUE ADDED**	**1,791,621**	**1,587,062**
7.08.01	**PERSONNEL EXPENSES**	**401,920**	**335,382**
7.08.01.01	COMPENSATION	288,173	243,840
7.08.01.02	BENEFITS	61,774	51,618
7.08.01.03	GOVERNMENT SEVERANCE INDEMNITY FUND FOR EMPLOYEES (FGTS)	28,343	22,858
7.08.01.04	OTHER	23,630	17,066
7.08.01.04.01	STOCK OPTION PLAN AND RESTRICTED SHARES	17,605	12,475
7.08.01.04.02	COMPENSATION OF OFFICERS	6,025	4,591
7.08.02	**TAXES AND CONTRIBUTIONS**	**805,578**	**744,519**
7.08.02.01	FEDERAL TAXES	299,754	307,246
7.08.02.02	STATE TAXES	483,381	419,443
7.08.02.03	MUNICIPAL EXPENSES	22,443	17,830
7.08.03	**INTEREST ON THIRD PARTIES' CAPITAL**	**323,564**	**266,838**
7.08.03.02	RENTALS EXPENSES	245,159	169,269
7.08.03.03	OTHER	78,405	97,569
7.08.03.03.01	FINANCIAL EXPENSES	78,405	97,569
7.08.04	**INTEREST ON CAPITAL**	**260,559**	**240,323**
7.08.04.01	PROPOSED INTEREST ON CAPITAL	93,955	81,871
7.08.04.03	RETAINED EARNINGS	166,604	158,452

CONSOLIDATED STATEMENTS / BALANCE SHEETS - ASSETS

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 6/30/2017	Prior period 12/31/2016
1	**TOTAL ASSETS**	**6,596,513**	**6,475,212**
1.01	**CURRENT ASSETS**	**4,205,998**	**4,085,477**
1.01.01	**CASH AND CASH EQUIVALENTS**	**970,338**	**894,881**
1.01.03	**ACCOUNTS RECEIVABLE**	**2,204,610**	**2,266,291**
1.01.03.01	CUSTOMERS	2,141,703	2,209,271
1.01.03.02	**OTHER ACCOUNTS RECEIVABLE**	**62,907**	**57,020**
1.01.03.02.01	DERIVATIVE FINANCIAL INTRUMENTS	7,713	366
1.01.03.02.02	OTHER ACCOUNTS RECEIVABLE	55,194	56,654
1.01.04	**INVENTORIES**	**874,699**	**782,266**
1.01.06	**RECOVERABLE TAXES**	**139,690**	**135,841**
1.01.06.01	CURRENT RECOVERABLE TAXES	139,690	135,841
1.01.07	**PREPAID EXPENSES**	**16,661**	**6,198**
1.02	**NONCURRENT ASSETS**	**2,390,515**	**2,389,735**
1.02.01	**LONG -TERM ASSETS**	**220,200**	**244,376**
1.02.01.03	**ACCOUNTS RECEIVABLE**	**11,449**	**10,692**
1.02.01.03.02	OTHER ACCOUNTS RECEIVABLE	11,449	10,692
1.02.01.06	**DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION**	**128,431**	**156,616**
1.02.01.06.01	DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	128,431	156,616
1.02.01.09	**OTHER NONCURRENT ASSETS**	**80,320**	**77,068**
1.02.01.09.03	JUDICIAL DEPOSITS	10,583	10,444
1.02.01.09.04	RECOVERABLE TAXES	69,737	66,624
1.02.02	**INVESTMENTS**	**46**	**46**
1.02.02.01	**INVESTMENTS IN SUBSIDIARIES**	**46**	**46**
1.02.02.01.04	OTHER INVESTMENTS IN SUBSIDIARIES	**46**	**46**
1.02.03	**PROPERTY, PLANT AND EQUIPMENT – NET**	**1,668,458**	**1,645,069**
1.02.03.01	PROPERTY, PLANT AND EQUIPMENT IN OPERATION	1,556,508	1,540,936
1.02.03.02	PROPERTY, PLANT AND EQUIPMENT LEASED	27,951	28,210
1.02.03.03	PROPERTY, PLANT AND EQUIPMENT ON GOING	83,999	75,923
1.02.04	**INTANGIBLE – NET**	**501,811**	**500,244**
1.02.04.01	**INTANGIBLE**	**385,132**	**383,565**
1.02.04.01.03	INTANGIBLE LEASED	31,074	34,293
1.02.04.01.02	OTHER	354,058	349,272
1.02.04.02	GOODWILL	116,679	116,679

CONSOLIDATED STATEMENTS / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 6/30/2017	Prior end of year 12/31/2016
2	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**6,596,513**	**6,475,212**
2.01	**CURRENT LIABILITIES**	**2,656,776**	**2,917,751**
2.01.01	**SOCIAL AND LABOR OBLIGATIONS**	**186,370**	**179,470**
2.01.01.01	SOCIAL OBLIGATIONS	49,462	43,402
2.01.01.01.01	SOCIAL CHARGES	49,462	43,402
2.01.01.02	LABOR OBLIGATIONS	136,908	136,068
2.01.01.02.01	SALARIES PAYABLE	136,908	136,068
2.01.02	**SUPPLIERS**	**532,843**	**679,721**
2.01.02.01	NATIONAL SUPPLIERS	532,843	679,721
2.01.03	**FISCAL OBLIGATIONS**	**204,325**	**404,760**
2.01.03.01	FEDERAL FISCAL OBLIGATIONS	111,875	245,274
2.01.03.01.01	INCOME TAX AND SOCIAL CONTRIBUTION	77,033	145,623
2.01.03.01.02	OTHER FEDERAL FISCAL OBLIGATIONS	34,842	99,651
2.01.03.02	STATE FISCAL OBLIGATIONS	89,846	157,228
2.01.03.03	**MUNICIPAL FISCAL OBLIGATIONS**	**2,604**	**2,258**
2.01.04	**LOANS AND FINANCING**	**1,064,598**	**996,171**
2.01.04.01	LOANS AND FINANCING	667,561	610,730
2.01.04.01.01	NACIONAL CURRENCY	647,316	421,060
2.01.04.01.02	FOREIGN CURRENCY	20,245	189,670
2.01.04.02	DEBENTURES	389,061	382,920
2.01.04.03	FUNDING FINANCING LEASE	7,976	2,521
2.01.05	**OTHER OBLIGATIONS**	**632,819**	**623,973**
2.01.05.02	**OTHER**	**632,819**	**623,973**
2.01.05.02.01	DIVIDENDS AND INTEREST ON EQUITY PAYABLE	81,576	149,809
2.01.05.02.04	RENTS PAYABLE	48,675	55,608
2.01.05.02.05	OTHER OBLIGATIONS	79,754	62,265
2.01.05.02.06	STATUTORY PARTICIPATIONS	137	6,870
2.01.05.02.07	OBLIGATIONS WITH CARD ADMINISTRATIONS	419,240	291,891
2.01.05.02.08	DERIVATIVE FINANCIAL INTRUMENTS	3,437	57,530
2.01.06	**PROVISIONS**	**35,821**	**33,656**
2.01.06.01	**FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS**	**35,821**	**33,656**
2.01.06.01.04	CIVIL PROVISIONS	21,453	20,188
2.01.06.01.05	LABOR RISK PROVISIONS	14,368	13,468
2.02	**NONCURRENT LIABILITIES**	**1,125,725**	**920,665**
2.02.01	**LOANS AND FINANCING**	**1,083,833**	**879,749**
2.02.01.01	LOANS AND FINANCING	484,608	464,040
2.02.01.01.01	NATIONAL CURRENCY	484,608	464,040
2.02.01.02	DEBENTURES	535,354	346,212
2.02.01.03	FINANCING LEASE	63,871	69,497
2.02.02	**OTHER OBLIGATIONS**	**2,979**	**3,560**
2.02.02.02	OTHER	2,979	3,560
2.02.02.02.03	TAX AND CONTRIBUTION PAYABLE	11	52
2.02.02.02.04	OTHER OBLIGATIONS	2,968	3,508
2.02.04	**PROVISIONS**	**38,913**	**37,356**
2.02.04.01	**FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS**	**38,913**	**37,356**
2.02.04.01.01	FISCAL PROVISIONS	38,913	37,356
2.03	**SHAREHOLDERS' EQUITY**	**2,814,012**	**2,636,796**
2.03.01	CAPITAL	**2,534,081**	**1,178,368**
2.03.02	**CAPITAL RESERVES**	**49,765**	**279,268**
2.03.02.02	PREMIUM RESERVE	-	118,165
2.03.02.04	OPTIONS AND RESTRICTED SHARES GRANTED	77,622	180,124
2.03.02.05	TREASURY SHARES	(27,857)	(19,021)
2.03.04	**REVENUE RESERVES**	**60,168**	**1,216,985**
2.03.04.01	LEGAL RESERVE	-	123,718
2.03.04.08	ADDITIONAL DIVIDEND PROPOSED	-	76,816
2.03.04.10	RESERVES FOR INVESTMENTS AND EXPANSION	60,168	1,016,451
2.03.05	**RETAINED EARNINGS/ACCUMULATED DEFICIT**	**166,604**	**-**
2.03.06	**CARRYING VALUE ADJUSTMENTS**	**2,822**	**(37,728)**
2.03.07	**ACCUMULATED TRANSLATION ADJUSTMENTS**	**572**	**(97)**

CONSOLIDATED STATEMENTS / INCOME STATEMENTS

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current quarter 1/4/2017 to 6/30/2017	Current period 1/1/2017 to 6/30/2017	Prior quarter 1/4/2016 to 6/30/2016	Prior period 1/1/2016 to 6/30/2016
3.01	**NET REVENUE SALES OF GOODS AND FINANCIAL PRODUCTS AND SERVICES**	**1,831,132**	**3,246,456**	**1,647,580**	**2,894,949**
3.01.01	NET REVENUE SALES OF GOODS	1,630,456	2,865,140	1,464,688	2,540,836
3.01.02	NET REVENUE SALES FINANCIAL PRODUCTS AND SERVICES	200,676	381,316	182,892	354,113
3.02	**COST OF GOODS SOLD AND FINANCIAL PRODUCTS AND SERVICES**	**(712,039)**	**(1,281,595)**	**(637,075)**	**(1,125,499)**
3.02.01	COST OF GOODS SOLD	(706,711)	(1,269,837)	(626,777)	(1,104,359)
3.02.02	COST OF FINANCIAL PRODUCTS AND SERVICES	(5,328)	(11,758)	(10,298)	(21,140)
3.03	**GROSS PROFIT**	**1,119,093**	**1,964,861**	**1,010,505**	**1,769,450**
3.04	**OPERATING (EXPENSES) INCOME**	**(824,385)**	**(1,566,117)**	**(738,046)**	**(1,391,448)**
3.04.01	SELLING	(444,341)	(846,709)	(394,357)	(747,467)
3.04.02	GENERAL AND ADMINISTRATIVE	(141,402)	(275,891)	(130,629)	(251,296)
3.04.03	LOSS ON RECEIVABLES, NET	(59,277)	(105,643)	(77,523)	(127,700)
3.04.04	OTHER OPERATING REVENUES	3,302	3,923	13,111	22,159
3.04.05	OTHER OPERATING EXPENSES	(182,667)	(341,797)	(148,648)	(287,144)
3.05	**OPERATING PROFIT BEFORE FINANCIAL RESULTS AND TAXES**	**294,708**	**398,744**	**272,459**	**378,002**
3.06	**FINANCIAL RESULTS**	**(22,443)**	**(47,377)**	**(27,109)**	**(51,189)**
3.06.01	FINANCIAL INCOME	15,902	35,226	20,105	50,608
3.06.02	FINANCIAL EXPENSES	(38,345)	(82,603)	(47,214)	(101,797)
3.07	**PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAXES**	**272,265**	**351,367**	**245,350**	**326,813**
3.08	**INCOME TAX AND SOCIAL CONTRIBUTION**	**(78,682)**	**(90,808)**	**(70,542)**	**(86,490)**
3.08.01	CURRENT	(77,147)	(83,513)	(72,913)	(81,597)
3.08.02	DEFERRED	(1,535)	(7,295)	2,371	(4,893)
3.09	**NET RESULTS OF CONTINUED OPERATIONS**	**193,583**	**260,559**	**174,808**	**240,323**
3.11	**NET INCOME (LOSS) FOR THE PERIOD**	**193,583**	**260,559**	**174,808**	**240,323**
3.99	EARNINGS PER SHARE (REAIS / SHARE)	-	-	-	-
3.99.01	EARNINGS PER SHARE - BASIC	0.2821	0.3919	0.2728	0.3752
3.99.01.01	ON	0.2821	0.3919	0.2728	0.3752
3.99.02	EARNINGS PER SHARE - DILUTED	0.2787	0.3870	0.2708	0.3727
3.99.02.01	ON	0.2787	0.3870	0.2708	0.3727

CONSOLIDATED STATEMENTS / STATEMENTS OF COMPREHENSIVE INCOME

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current quarter 1/4/2017 to 6/30/2017	Current period 1/1/2017 to 6/30/2017	Prior quarter 1/4/2016 to 6/30/2016	Prior period 1/1/2016 to 6/30/2016
4.01	**NET INCOME FOR THE PERIOD**	**193,583**	**260,559**	**174,808**	**240,323**
4.02	**OTHER COMPREHENSIVE INCOME**	**25,391**	**41,219**	**(48,567)**	**(126,427)**
4.02.01	CASH FLOW HEDGE	37,534	61,440	(73,287)	(191,209)
4.02.03	TAXES RELATED TO COMPONENTS OF COMPREHENSIVE INCOME	(12,761)	(20,890)	24,918	65,011
4.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	618	669	(198)	(229)
4.03	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**	**218,974**	**301,778**	**126,241**	**113,896**

CONSOLIDATED STATEMENTS / STATEMENTS OF CASH FLOW – INDIRECT METHOD

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 1/1/2017 to 6/30/2017	Prior period 1/1/2016 to 6/30/2016
6.01	**NET CASH (USED IN) FROM OPERATING ACTIVITIES**	**288,593**	**419,073**
6.01.01	**CASH FLOW FROM OPERATING ACTIVITIES**	**579,076**	**556,385**
6.01.01.01	NET INCOME FOR THE PERIOD	260,559	240,323
6.01.01.02	DEPRECIATION AND AMORTIZATION	158,824	150,278
6.01.01.03	RESULT ON DISPOSAL OR WRITE-OFF OF FIXED ASSETS	1,215	1,299
6.01.01.04	TRANSACTION COSTS OF DEBENTURES	402	512
6.01.01.05	INTEREST EXPENSE OF BORROWING, FINANCING AND DEBENTURES	70,320	77,901
6.01.01.06	SHARE OPTION PLAN AND RESTRICTED SHARE	18,945	13,982
6.01.01.08	PROVISION FOR TAX, CIVIL AND LABOR RISKS	3,722	7,714
6.01.01.09	DEFERRED AND CURRENT TAXES	90,808	86,490
6.01.01.10	GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS	-	13,445
6.01.01.11	NET FOREIGN EXCHANGE VARIATION	(1,148)	531
6.01.01.12	REVERSAL FOR ADJUSTMENT TO NET REALIZABLE VALUE	(10,678)	(9,935)
6.01.01.13	REVERSAL FOR LOSS ON ASSETS	(13,893)	(26,155)
6.01.02	**CHANGES IN ASSETS AND LIABILITIES**	**(68,813)**	**19,884**
6.01.02.01	ACCOUNTS RECEIVABLE	78,638	273,102
6.01.02.02	INVENTORIES	(78,284)	(54,919)
6.01.02.04	OTHER ASSETS	(16,505)	(37,394)
6.01.02.05	JUDICIAL DEPOSITS	(139)	344
6.01.02.07	FINANCING – FINANCIAL SERVIVCES OPERATIONS	90,548	76,632
6.01.02.09	SUPPLIERS	(146,962)	(18,348)
6.01.02.10	TAXES AND CONTRIBUTIONS PAYABLE	(131,880)	(159,157)
6.01.02.11	SALARIES AND VACATIONS	5,139	(24,160)
6.01.02.12	RENTS PAYABLE	(6,933)	(9,747)
6.01.02.13	OBLIGATIONS WITH CARD ADMINISTRATORS	127,349	(10,389)
6.01.02.14	OTHER PAYABLES	16,950	(6,406)
6.01.02.15	STATUTARY OBLIGATIONS	(6,734)	(9,674)
6.01.03	**OTHERS**	**(221,670)**	**(157,196)**
6.01.03.02	PAYMENT OF INCOME TAX AND SOCIAL CONTRIBUTION	(152,109)	(92,301)
6.01.03.03	PAYMENT OF INTEREST ON LOANS, FINANCING AND DEBENTURES	(69,561)	(64,895)
6.02	**NET CASH USED IN INVESTING ACTIVITIES**	**(184,842)**	**(211,516)**
6.02.01	ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT	(143,640)	(154,048)
6.02.02	ACQUISITIONS INTANGIBLE ASSETS	(41,277)	(57,499)
6.02.05	PROCEEDS FROM DISPOSAL OF FIXED ASSETS	75	31
6.03	**NET CASH FROM FINANCING ACTIVITIES**	**(29,172)**	**(158,907)**
6.03.01	BORROWINGS	503,700	172,554
6.03.02	CAPITAL INCREASE	37,863	24,181
6.03.03	REPAYMENT OF BORROWINGS	(318,396)	(114,409)
6.03.04	INTEREST ON CAPITAL AND DIVIDENDS PAID	(239,003)	(227,913)
6.03.05	PAYMENT OF COSTS OF STRUCTURING BORROWINGS AND DEBENTURES	(1,104)	-
6.03.06	INSTALLMENT LEASE FINANCING	(3,396)	(9,196)
6.03.07	REPURCHASE OF TREASURY STOCKS	(8,836)	(4,124)
6.04	**EXCHANGE VARIATION ON CASH AND CASH EQUIVALENTS**	**878**	**(1,471)**
6.05	**INCREASE IN CASH AND CASH EQUIVALENTS**	**75,457**	**47,179**
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	894,881	737,527
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	970,338	784,706

CONSOLIDATED STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2016 TO 3/31/2016

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.03	**BALANCES ADJUSTED**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**24,181**	**9,239**	**(79,137)**	**(81,871)**	**-**	**(127,588)**
5.04.01	CAPITAL INCREASE	24,181	**-**	**-**	**-**	**-**	24,181
5.04.02	SHARES IN TREASURY ACQUIRED		(4,124)	-	-	-	(4,124)
5.04.03	STOCK OPTION PLAN	-	12,474	-	-	-	12,474
5.04.04	RESTRICTED SHARES GRANTED		889	-	-	-	889
5.04.07	INTEREST ON CAPITAL	-	-	-	(81,871)	-	(81,871)
5.04.10	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(79,137)	-	-	(79,137)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**240,323**	**(126,427)**	**113,896**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	240,323	-	240,323
5.05.02	OTHER COMPREHENSIVE INCOME	-	-	-	-	(126,427)	(126,427)
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	(126,198)	(126,198)
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	(229)	(229)
5.07	**BALANCES AS OF JUNE, 2016**	**1,160,305**	**275,514**	**765,134**	**158,452**	**(62,201)**	**2,297,204**

CONSOLIDATED STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2017 TO 3/31/2017

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**1,178,368**	**279,268**	**1,216,985**	**-**	**(37,825)**	**2,636,796**
5.03	**BALANCES ADJUSTED**	**1,178,368**	**279,268**	**1,216,985**	**-**	**(37,825)**	**2,636,796**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**1,355,713**	**(229,503)**	**(1,156,817)**	**(93,955)**	**-**	**(124,562)**
5.04.01	CAPITAL INCREASE	1,355,713	(237,849)	(1,080,001)			37,863
5.04.02	SHARES IN TREASURY ACQUIRED		(8,836)	-	-	-	(8,836)
5.04.03	STOCK OPTION PLAN	-	14,452	-	-	-	14,452
5.04.04	RESTRICTED SHARES GRANTED	-	2,730	-	-	-	2,730
5.04.07	INTEREST ON CAPITAL	-	-	-	(93,955)	-	(93,955)
5.04.10	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(76,816)	-	-	(76,816)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**260,559**	**41,219**	**301,778**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	260,559	-	260,559
5.05.02	**OTHER COMPREHENSIVE INCOME**	**-**	**-**	**-**	**-**	**41,219**	**41,219**
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	40,550	40,550
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	669	669
5.07	**BALANCES AS OF JUNE 30, 2017**	**2,534,081**	**49,765**	**60,168**	**166,604**	**3,394**	**2,814,012**

CONSOLIDATED STATEMENTS / STATEMENTS OF VALUE ADDED

(IN THOUSANDS OF REAIS - R$)

CODE	DESCRIPTION	Current period 1/1/2017 to 6/30/2017	Prior period 1/1/2016 to 6/30/2016
7.01	**REVENUES**	**4,109,050**	**3,675,079**
7.01.01	**SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES**	**4,208,347**	**3,779,237**
7.01.02	**OTHER RESULTS**	**(99,297)**	**(104,158)**
7.01.02.01	OTHER OPERATING INCOME	6,346	23,542
7.01.02.02	LOSSES ON RECEIVABLES, NET	(105,643)	(127,700)
7.02	**INPUT PURCHASED FROM THIRD PARTIES**	**(1,979,364)**	**(1,856,989)**
7.02.01	COST OF SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES (INCLUDING TAXES)	(1,468,977)	(1,321,408)
7.02.02	MATERIALS, ENERGY, OUTSIDES SERVICES AND OTHER	(484,466)	(506,451)
7.02.03	LOSSES ON THE COLLECTION OF ASSETS	(25,921)	(29,130)
7.03	**GROSS VALUE ADDED**	**2,129,686**	**1,818,090**
7.04	**RETENTIONS**	**(158,824)**	**(150,278)**
7.04.01	DEPRECIATION AND AMORTIZATION	(158,824)	(150,278)
7.05	**NET VALUE ADDED PRODUCED**	**1,970,862**	**1,667,812**
7.06	**VALUE ADDED RECEIVED IN TRANSFER**	**35,226**	**50,608**
7.06.02	FINANCIAL REVENUES	35,226	50,608
7.07	**VALUE ADDED TO DISTRIBUTE**	**2,006,088**	**1,718,420**
7.08	**DISTRIBUTED VALUE ADDED**	**2,006,088**	**1,718,420**
7.08.01	**PERSONNEL EXPENSES**	**477,020**	**390,495**
7.08.01.01	COMPENSATION	355,200	292,663
7.08.01.02	BENEFITS	66,702	55,549
7.08.01.03	GOVERNMENT SEVERANCE INDEMNITY FUND FOR EMPLOYEES (FGTS)	31,488	25,217
7.08.01.04	OTHER	23,630	17,066
7.08.01.04.01	STOCK OPTION PLAN AND RESTRICTED SHARES	17,605	12,475
7.08.01.04.02	COMPENSATION OF OFFICERS	6,025	4,591
7.08.02	**TAXES AND CONTRIBUTIONS**	**904,212**	**801,329**
7.08.02.01	FEDERAL TAXES	356,694	335,397
7.08.02.02	STATE TAXES	521,579	445,053
7.08.02.03	MUNICIPAL EXPENSES	25,939	20,879
7.08.03	**INTEREST ON THIRD PARTIES' CAPITAL**	**364,297**	**286,273**
7.08.03.02	RENTALS EXPENSES	281,694	184,476
7.08.03.03	**OTHER**	82,603	101,797
7.08.03.03.01	FINANCIAL EXPENSES	82,603	101,797
7.08.04	**INTEREST ON CAPITAL**	**260,559**	**240,323**
7.08.04.01	PROPOSED INTEREST ON CAPITAL	93,955	81,871
7.08.04.03	RETAINED EARNINGS	166,604	158,452

MANAGEMENT REPORT / BUSINESS PERFORMANCE ANALYSIS

MANAGEMENT COMMENTS

(R$ MM)	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Net Revenue from Merchandise Sales	1,630.5	1,464.7	11.3%	2,865.1	2,540.8	12.8%
Growth in Same Store Sales (%)	6.4%	2.9%	-	7.5%	2.2%	-
Gross Profit from Merchandise Sales	923.7	837.9	10.2%	1,595.3	1,436.5	11.1%
Gross Margin from Retailing Operation (%)	56.7%	57.2%	-0.5p.p.	55.7%	56.5%	-0.8p.p.
Operating Expenses (SG&A)	(585.7)	(525.0)	11.6%	(1,122.6)	(998.8)	12.4%
SG&A as a % of Net Revenue from Merchandise Sales (%)	35.9%	35.8%	0.1p.p.	39.2%	39.3%	-0.1p.p.
Ajusted EBITDA from Retailing Operation	303.7	301.8	0.6%	415.1	418.8	-0.9%
Ajusted EBITDA Margin from Retailing Operation (%)	18.6%	20.6%	-2.0p.p.	14.5%	16.5%	-2.0p.p.
Financial Products Result	79.0	54.2	45.6%	158.0	123.1	28.4%
Ajusted Total EBITDA (Retail + Financial Products)	382.7	356.1	7.5%	573.2	541.9	5.8%
Ajusted Total EBITDA Margin (%)	23.5%	24.3%	-0.8p.p.	20.0%	21.3%	-1.3p.p.
Net Income	193.6	174.8	10.7%	260.6	240.3	8.4%
Net Margin (%)	11.9%	11.9%	0.0p.p.	9.1%	9.5%	-0.4p.p.
ROIC (%)	5.5%	5.9%	-0.4p.p.	8.0%	8.6%	-0.6p.p.

Businesses Breakdown	2Q17			1H17		
	RENNER	CAMICADO	YOUCOM	RENNER	CAMICADO	YOUCOM
Stores in Operation	310	93	70	310	93	70
Selling Area (thousand m²)	552.4	40.1	10.3	552.4	40.1	10.3
Net Revenue (R$ MM)	1,498.4	101.8	30.2	2,627.5	187.2	50.4
% of Growth	9.8%	26.1%	52.5%	11.2%	26.1%	68.5%
Gross Margin (%)	56.8%	52.7%	61.6%	55.8%	53.7%	58.4%

The second quarter 2017 saw a good sales performance in spite of above average temperatures, more particularly in the month of May. Net Revenue from Merchandise Sales rose 11.3% to R$ 1,630.5 million thanks to a well-adjusted product assortment at store level together with the correct execution of operations. Same Store sales were up by 6.4%, against 2.9% reported in 2Q16. Once again in the period, Camicado and Youcom continued to make positive contributions to the businesses with sales growth of 26.1% and 52.5%, respectively.

Gross Profit from the Retailing Operation was R$ 923.7 million with a growth of 10.2% in relation to 2Q16 while Gross Margin reached 56.7%. These results reflected the commercial strategy adopted by the Company for a more price sensitive market in the light of the current economic scenario as well as to a lesser degree, the effect of contracted exchange rates for imported products.

Operating Expenses registered an increase of 11.6% due in large part to projects in progress at the Company and the pace of new store rollouts. In relation to net revenues, these expenses were virtually unchanged in 2Q17 when compared to the same period in 2016.

Adjusted EBITDA from the Retailing Operation was R$ 303.7 million in the quarter and the EBITDA Margin from the Retailing Operation reached 18.6% versus 20.6% in 2Q16, a reflection of the lower Gross Margin and an increase in Other Operating Expenses during the quarter.

Financial Products Result recorded R$ 79.0 million, an increase of 45.6% in relation to 2Q16. This performance reflects the improved quality of the credit portfolio, as a result of initiatives implemented for granting credit, credit limit updates and as a collection strategy. Lower funding costs also bolstered this result.

Consequently, Total Adjusted EBITDA grew by 7.5% to reach R$ 382.7 million in 2Q17 on a Total Adjusted EBITDA Margin of 23.5% versus 24.3% in 2Q16. Net Earnings were R$ 193.6 million in the quarter, a year-on-year increase of 10.7% and a Net Margin of 11.9%, stable in relation to 2Q16.

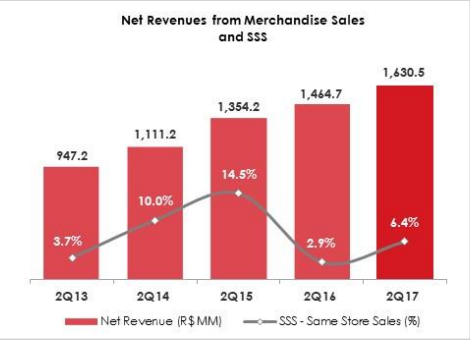
In line with its expansion plan, the Company opened 22 stores in the quarter, 7 of these in the Renner format and 9 and 6 under the Camicado and Youcom banners, respectively. Investments amounted to R$ 118.4 million against R$ 157.9 million in 2Q16.

OPERATING PERFORMANCE

NET REVENUE

Net Revenue from Merchandise Sales were **R$ 1,630.5 million** in **2Q17**, an increase of **11.3%** while **Same Store Sales** rose by **6.4%** relative to the 2.9% in 2Q16.

Sales performance in 2Q17 was a reflection of the well-adjusted allocation of products in the stores together with the correct management of the operations, these results achieved despite higher than average temperatures, notably in May. Camicado and Youcom continued to make a positive contribution to the businesses with sales rising by 26.1% and 52.5%, respectively. In addition, since April and following a Supreme Court ruling, the exclusion of the ICMS sales tax from the calculation base for PIS and Cofins charges also benefited the Net Revenue from Merchandise Sales item.



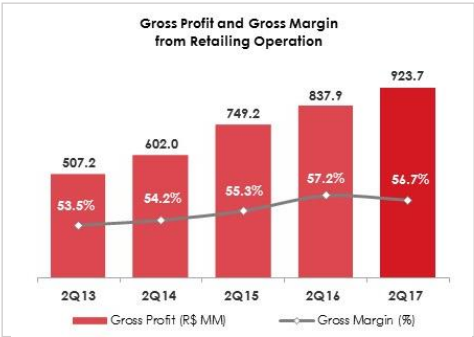
In the **first half, Net Revenue from Merchandise Sales** posted an increase of **12.8%** while **Same Store Sales** were up by **7.5%.**

GROSS PROFIT

Gross Profit from Merchandise Sales in **2Q17** was **R$ 923.7 million,** an increase of **10.2%** corresponding to a **Gross Margin from the Retailing Operation** of **56.7%**.

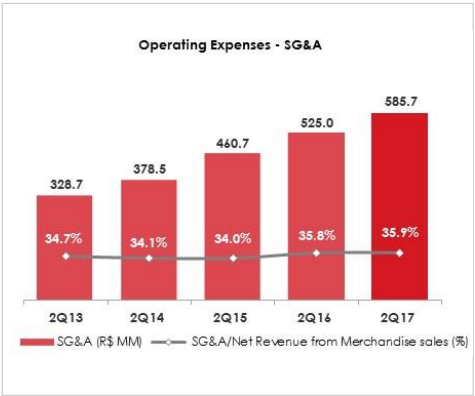
This result reflects the commercial strategy adopted by the Company in the light of a macroeconomic environment which continued to influence the behavior of price-sensitive consumers. The effect of exchange rates contracted for imported products also had an impact on results, albeit it to a lesser degree.

In **1H17**, the **Gross Profit from Merchandise Sales** increased by **11.1%,** reflecting a **Margin** of **55.7%** versus 56.5% in 1H16**.**



OPERATING EXPENSES

Operating Expenses (R$ MM)	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Operating Expenses (SG&A)	**(585.7)**	**(525.0)**	**11.6%**	**(1,122.6)**	**(998.8)**	**12.4%**
% Over Net Revenue from Merchandise Sales	**35.9%**	**35.8%**	**0.1p.p.**	**39.2%**	**39.3%**	**-0.1p.p.**
Selling Expenses	(444.3)	(394.4)	**12.7%**	(846.7)	(747.5)	**13.3%**
General and Administrative Expenses	(141.4)	(130.6)	**8.2%**	(275.9)	(251.3)	**9.8%**
Other Operating Expenses	**(34.5)**	**(11.1)**	**211.0%**	**(57.8)**	**(18.9)**	**205.6%**
Management Remuneration	(3.5)	(2.5)	**38.1%**	(6.3)	(4.6)	**36.5%**
Tax Expenses	(13.1)	(11.8)	**11.6%**	(24.6)	(22.3)	**10.3%**
Employee Profit Sharing	(21.2)	(9.9)	**113.6%**	(30.9)	(14.2)	**117.3%**
Recovery of Tax Credits	1.1	7.6	**-86.0%**	1.1	14.0	**-92.4%**
Other Operating Expenses	2.2	5.5	**-59.6%**	2.9	8.2	**-65.1%**
Total Operating Expenses	**(620.2)**	**(536.1)**	**15.7%**	**(1,180.4)**	**(1,017.7)**	**16.0%**



Operating Expenses (SG&A) were **R$ 585.7 million**, an increase of **11.6%** in **2Q17**, due principally to still maturing projects in the Company and the pace of new store openings. **Selling Expenses** were **R$ 444.3 million,** representing **27.3%** of Revenue from Merchandise Sales against 26.9% in 2Q16. **General and Administrative Expenses**, in turn, were **R$ 141.4 million** and representing **8.7%** of Revenue from Merchandise Sales against 8.9% for the same period in 2016.

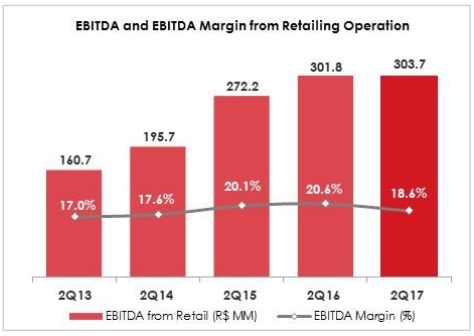
Other Operating Expenses totaled **R$ 34.5 million** versus R$ 11.1 million in 2Q16. This increase is due to the impact of non-comparable items which positively influenced the result in 2Q16 but were not repeated in the same proportion in 2017. This item was also affected by the normalization of the level of provisioning for Employee Profit Sharing, given the Company's operating performance to the present time.

In the **first half**, **Operating Expenses (SG&A)** registered an increase of **12.4%** while **Other Operating Expenses** totaled **R$ 57.8 million**.

ADJUSTED EBITDA FROM THE RETAILING OPERATION

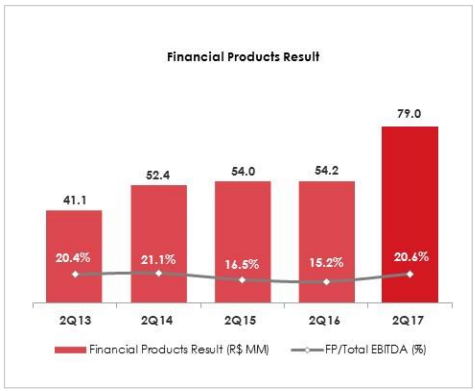
Adjusted EBITDA from the Retailing Operation was **R$ 303.7 million**, an increase of **0.6%** when compared with 2Q16 and a reflection of the lower Gross Margin and increase in Other Operating Expenses. The **Adjusted EBITDA Margin from the Retailing Operation** was **18.6%** against 20.6% in 2Q16.

In **1H17**, the **Adjusted EBITDA for the Retailing Operation** was **R$ 415.1 million**, corresponding to an **EBITDA Margin of 14.5%**.



FINANCIAL PRODUCTS RESULT

Financial Products Result Breakdown (R$ MM)	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Revenues, Net of Funding and Taxes	**195.3**	**172.6**	**13.2%**	**369.6**	**333.0**	**11.0%**
Renner Card (Private Label)	88.8	83.3	**6.6%**	172.5	158.1	**9.1%**
Co-branded Card Meu Cartão	84.0	61.9	**35.8%**	149.0	117.6	**26.7%**
Quick Withdrawal and Insurances	22.5	27.4	**-18.0%**	48.1	57.3	**-16.1%**
Credit Losses, Net of Recoveries	**(59.3)**	**(77.5)**	**-23.5%**	**(105.6)**	**(127.6)**	**-17.2%**
Renner Card (Private Label)	(30.9)	(41.9)	**-26.2%**	(49.7)	(60.4)	**-17.8%**
Co-branded Card Meu Cartão	(23.8)	(24.6)	**-3.6%**	(47.3)	(47.0)	**0.7%**
Quick Withdrawal	(4.6)	(11.0)	**-58.2%**	(8.7)	(20.2)	**-57.2%**
Operating Expenses *(Cards and Other Products)*	**(57.1)**	**(40.8)**	**39.8%**	**(105.9)**	**(82.2)**	**28.8%**
Financial Products Result	**79.0**	**54.2**	**45.6%**	**158.0**	**123.1**	**28.4%**
% of Company's Total Adjusted EBITDA	20.6%	15.2%	5.4p.p.	27.6%	22.7%	4.9p.p.



Financial Products Result in **2Q17** amounted to **R$ 79.0 million**, a **growth** of **45.6%** compared with 2Q16 and representing **20.6%** of the Company's Total EBITDA. Improved results were largely a reflection of lower credit losses and an increase in Meu Cartão revenues.

Revenues, Net of Funding and Taxes in the **quarter** recorded a year-on-year increase of **13.2%** driven by revenues from the Co-branded Meu Cartão product and to a lesser extent, Private Label performance. Lower funding costs also made a positive contribution to this item.

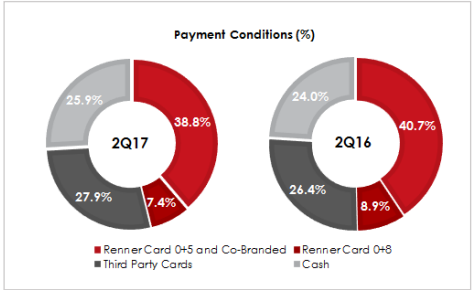
Credit Losses, Net of Recoveries registered a **reduction** of **23.5%** compared with 2Q16, reflecting the measures and strategies adopted over the past few years for granting new credits, credit limit management as well as more efficient process of collection. Improved credit recoveries have also been influenced since March by the actions taken by the Company related to the withdrawal of funds of inactive FGTS (Government Severance Indemnity Fund) accounts.

Operating Expenses increased 39.8% compared to 2Q16 due mainly to new projects with respect to processes involving the incorporation of the Financial Institution and to the new Financial Products platform.

In the context of the Financial Institution, on June 20, the Central Bank's Financial System Organization Department published a Notice in the Official Gazette, authorizing the operations of Realize Crédito, Financiamento e Investimento S.A. In the light of this approval, on July 1, the Meu Cartão portfolio was transferred to the new institution.

In the **first half of 2017**, the **Financial Products Result** posted a total of **R$ 158.0 million, 27.6%** of the Company's Total EBITDA. **Revenues, Net of Funding and Taxes** rose **11.0%** and **Credit Losses, Net of Recoveries fell** by **17.2%**. Conversely, **Operating Expenses** reached **R$ 105.9 million,** a growth of **28.8%**.

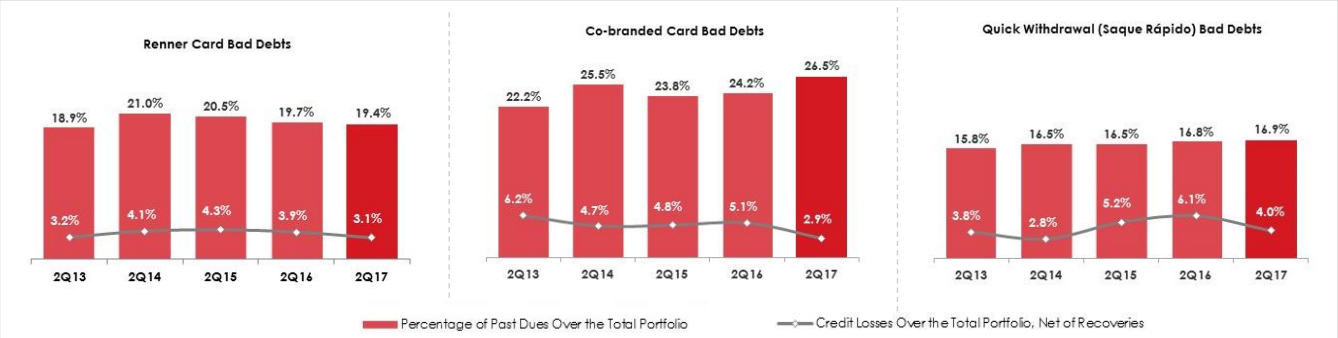
At the end of **June**, **Renner Cards** issued by the Company totaled **28.0 million**, accounting for a **46.2%** share of merchandise sales compared with 49.6% in 2Q16, **38.8%** from sales via the **interest-free 0+5 installment plan** and **7.4%** of total sales using the **interest-bearing 0+8 installment credit plan.**



The **average Renner Card sales ticket** reached **R$ 205.30** in **2Q17**, **2.3%** greater than 2Q16. The **Company's average ticket** was **R$ 153.31**, also **2.3%** higher year-on-year.

The **Renner Card** portfolio amounted to **R$ 993.4 million** at the **end of June 2017**, 6.5% less than in June 2016. With the migration of the financial products platform, this result since February reflects the incorporation of booklet-based purchases via Meu Cartão in Renner stores in the Co-branded Card portfolio.

Losses on the Renner Card, Net of Recoveries amounted to **3.1%** of the total portfolio in **2Q17,** the lowest level in the past few years, while overdues over the portfolio were cut by 0.3 p.p., thanks to the measures adopted and mentioned above.



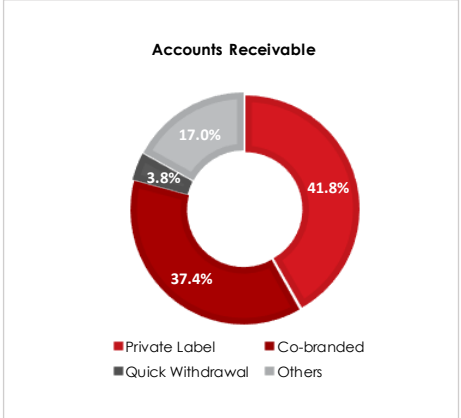
In **June 2017**, **Meu Cartão** surpassed the **3.0 million card mark with a total portfolio of R$ 827.3 million** versus R$ 478.7 million in June 2016. This growth is due partially to recognition of all sales transacted with Meu Cartão in Renner stores using the booklet payment format in addition to withdrawals with this card. The migratory process of the portfolios to the new Financial Products platform is in line with preparations for the launch of the Financial Institution. Increased portfolio outstandings were also driven by the extension of terms for effecting payment of invoices in installments. This followed the publication of the Central Bank of Brazil's Resolution 4549, which since April of this year, has resulted in changes to the revolving credit line. The increased use of the Meu Cartão product, after unification of the credit limits, also impacted the portfolio.

In the **quarter**, Meu Cartão revenues reached **R$ 84.0 million, 35.8%** greater than reported in 2Q16. **Losses from Meu Cartão, Net of Recoveries** were **2.9%** of the total portfolio in **2Q17**, a reduction against the 5.1% in 2Q16 following the adoption of measures already commented above with respect to granting new credit, credit limit reviews and improved efficiency in collections. Conversely, the percentage of overdues of the total portfolio increased 2.3 p.p., solely due to the transfer to this portfolio of purchases at Renner stores using the booklet payment method. Purchases via booklet characteristically suffer payment delays of a few days and, as a consequence, due to the provisioning methodology for Meu Cartão, are automatically dragged to outstandings pending settlement.

The **total Quick Withdrawal (*Saque Rápido)* portfolio** amounted to **R$ 115.5 million** at the end of **June 2017** (R$ 77.6 million when adjusted to present value) against R$ 179.8 million in 2Q16, representing a year-on-year decrease of 35.7%. Despite the reduction in the portfolio amount, in **2Q17**, **Losses from Saque Rápido, Net of Recoveries**, declined 6.1% to **4.0%** of the total portfolio due to greater restrictions imposed since 2015 on the concession of loans as well as improved collection efficiency and the migration of overdraft withdrawals via Meu Cartão, as mentioned above.

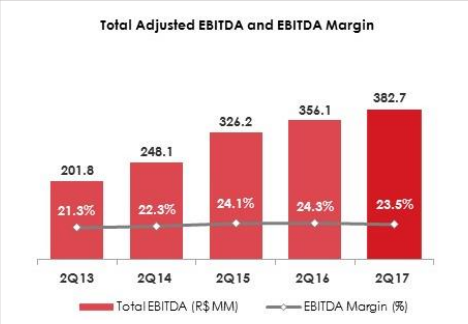
Accounts Receivable (R$ MM)	Mar.17	Dec.16	Mar.16
Renner Card (Private Label) - Total Portfolio (Adjusted to Present Value)	**993.4**	**1,256.8**	**1,062.3**
Renner Card (Private Label) - Net Portfolio	**894.5**	**1,138.7**	**946.1**
On Due Receivable	827.3	1,148.9	882.4
Overdue Receivable	192.2	147.0	209.0
Present Value Adjustment	(26.1)	(39.2)	(29.1)
Allowance for Losses to the Realizable Value	(57.1)	(57.9)	(68.2)
Others	(41.8)	(60.2)	(48.0)
Meu Cartão (Co-Branded) - Total Portfolio (Adjusted to Present Value)	**827.3**	**529.5**	**478.7**
Meu Cartão (Co-Branded) - Net Portfolio	**800.0**	**505.4**	**453.7**
On Due Receivable	613.1	433.7	363.1
Overdue Receivable	219.4	95.8	115.6
Present Value Adjustment	(5.2)	-	-
Allowance for Losses to the Realizable Value	(27.4)	(24.1)	(25.0)
Quick Withdrawal - Total Portfolio	**115.5**	**144.6**	**179.8**
Quick Withdrawal - Net Portfolio	**82.2**	**109.7**	**141.8**
Fees and Transactions Receivable	115.5	144.6	179.8
Allowance for Losses to the Realizable Value	(33.3)	(35.0)	(38.0)
Total Third-Party Credit Card Companies	**364.5**	**454.9**	**314.3**
Other Accounts Receivable	**0.5**	**0.7**	**1.4**
Total Credit Portfolio, Net	**2,141.7**	**2,209.3**	**1,857.3**

On **June 30, 2017**, **Accounts Receivable from Customers** totaled **R$ 2,141.7 million**, **15.3% greater** than the position in June 2016. This increase is due to sales growth in the period and the increase in the Meu Cartão portfolio. Accounts Receivable comprises R$ 894.5 million for the Renner Card (Private Label), R$ 800.0 million, *Meu Cartão* (Co-Branded), R$ 82.2 million for the *Saque Rápido* as well as transactions with Third Party Cards and Other Accounts accounting for a further R$ 365.0 million.



TOTAL ADJUSTED EBITDA: RETAIL AND FINANCIAL PRODUCTS

EBITDA Reconciliation (R$ MM)	2Q17	2Q16	1H17	1H16
Net Income	**193.6**	**174.8**	**260.6**	**240.3**
(+)Income and Social Contribution Taxes	78.7	70.5	90.8	86.5
(+)Financial Result, Net	22.4	27.1	47.4	51.2
(+)Depreciation and Amortization	79.7	76.9	158.8	150.3
Total EBITDA	**374.4**	**349.4**	**557.6**	**528.3**
(+) Stock Option Plan	7.6	5.7	14.5	12.5
(+) Result on Disposal or Write-Off of Fixed Assets	0.7	1.0	1.2	1.1
Total Adjusted EBITDA*	**382.7**	**356.1**	**573.2**	**541.9**
Total Adjusted EBITDA Margin*	23.5%	24.3%	20.0%	21.3%



Pursuant to Article 4 of CVM Instruction 527, the Company has chosen to show its Adjusted EBITDA as in the above table in order to provide the information that best reflects the gross operational cash generation from its activities. These adjustments are based on: a) the Stock Option Plan – corresponding to the fair value of the respective financial instruments recorded "pro rata temporis", during the period services are rendered and offset by the Equity Capital Reserve and thus not representing a cash outflow; b) Statutory Participations are of a contingent nature and are related to the generation of profits pursuant to Article 187 of Law 6.404/76; and c) the Write-off of Fixed Assets relates to the results recorded from the divestment or write-off of fixed assets, largely without a cash impact.

In **2Q17**, **Total Adjusted EBITDA** recorded **growth** of **7.5%**, reaching **R$ 382.7 million**, corresponding to a **Total Adjusted EBITDA Margin** of **23.5%** versus 24.3% in 2Q16, reflecting the lower EBITDA Margin from Retailing and notwithstanding improved results from Financial Products. In **1H17**, **Total Adjusted EBITDA rose 5.8%** on a **Margin** of **20.0%**.

FREE CASH FLOW

Cash Flow (R$ MM)	2Q17	2Q16	Var.	1H17	1H16	Var.
Total Adjusted EBITDA	**382.7**	**356.1**	**26.7**	**573.2**	**541.9**	**31.3**
(+/-) Income and Social Contribution Taxes/Others	(4.7)	2.9	(7.7)	(146.1)	(71.1)	(75.0)
Operating Cash Flow	**378.0**	**359.0**	**19.0**	**427.1**	**470.8**	**(43.7)**
(+/-) Changes in Working Capital	**41.4**	**(22.5)**	**63.9**	**(84.6)**	**(15.8)**	**(68.8)**
Accounts Receivable, Net of Operating Financing	(198.5)	(110.6)	(87.9)	157.8	339.3	(181.4)
Inventories	46.1	(26.2)	72.3	(92.4)	(78.5)	(13.9)
Suppliers	51.1	131.2	(80.1)	(146.9)	(18.9)	(127.9)
Other Accounts Receivable/Payable	142.7	(16.8)	159.5	(3.1)	(257.6)	254.5
(-) Capex	**(118.4)**	**(122.7)**	**4.3**	**(184.8)**	**(210.2)**	**25.4**
(=) Free Cash Flow	**301.0**	**213.8**	**87.2**	**157.7**	**244.8**	**(87.1)**

In **2Q17**, the Company generated a positive **Free Cash Flow** of **R$ 301.0 million,** an increase of R$ 87.2 million over 2Q16.

This result is largely due to better operating cash generation and lower investments in working capital, principally in Inventory and Obligations with Card Administrators, the latter included in the Other Accounts Receivable/Payable item.

In the **first half**, **Free Cash Flow** was **R$ 157.7 million,** with a negative variation of R$ 87.2 million in relation to 1H16.

FINANCIAL RESULT, NET

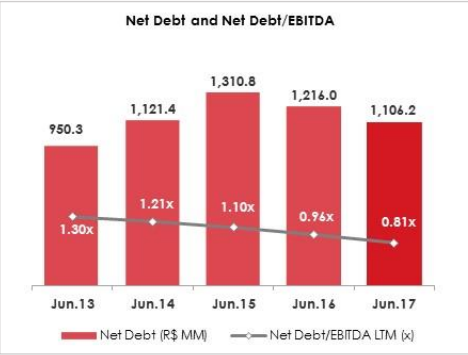
Financial Result, Net (R$ MM)	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Financial Revenue	**14.7**	**18.2**	**-19.6%**	**33.3**	**35.4**	**-6.1%**
Gains on Cash Equivalents	14.5	17.9	**-19.0%**	33.0	33.7	**-2.3%**
Other finance revenues	0.2	0.3	**-48.6%**	0.3	1.7	**-80.2%**
Financial Expenses	**(37.9)**	**(46.6)**	**-18.7%**	**(77.4)**	**(87.0)**	**-11.1%**
Interest on Loans, Borrowings and SWAP	(32.5)	(39.5)	**-17.8%**	(66.0)	(74.8)	**-11.8%**
Other Finance Expenses	(5.4)	(7.1)	**-23.8%**	(11.4)	(12.3)	**-6.8%**
Exchange Variation, Net	**0.8**	**(0.3)**	**-426.2%**	**0.6**	**(0.6)**	**-201.3%**
Hedge Operations (NDF), Net	**(0.0)**	**1.5**	**-101.6%**	**(3.8)**	**1.0**	**-498.3%**
Financial Result, Net	**(22.4)**	**(27.1)**	**-17.2%**	**(47.4)**	**(51.2)**	**-7.4%**

In **2Q17,** the **Net Financial Expense** was **R$ 22.4 million**, a year-on-year reduction of **17.2%**, against 2Q16 due mainly to lower Financial Expenses as a result of falling funding costs.

In the **first half**, the **Net Financial Expenses** was **R$ 47.4 million**, a year-on year decrease of 7.4%.

NET DEBT

Net Debt (R$ MM)	Jun.17	Dec.16	Jun.16
Borrowings and Financing	**(1,190.4)**	**(1,008.3)**	**(1,127.6)**
Current	(588.8)	(615.4)	(496.1)
Noncurrent	(601.6)	(392.9)	(631.6)
Operational Financing	**(886.2)**	**(795.6)**	**(873.1)**
Current	(467.8)	(378.3)	(456.7)
Noncurrent	(418.4)	(417.4)	(416.4)
Cash and Cash Equivalents	**970.3**	**894.9**	**784.7**
Net Debt	**(1,106.2)**	**(909.0)**	**(1,216.0)**
Net Debt / Total Adjusted EBITDA (12M)	*0.81x*	*0.68x*	*0.96x*



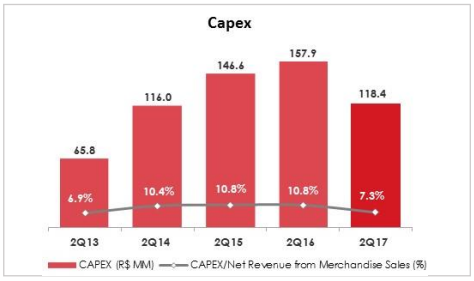
As at **June 30, 2017**, the Company reported **Net Debt of R$ 1,106.2 million,** 21.7% greater than at December 31, 2016 and 9.0% less than the outstanding position on June 30, 2016, the result of improved cash generation in the quarter. Company debt reflects capital management decisions and is made up of debentures, loans from the Brazilian Development Bank - BNDES and the Banco do

Nordeste as well as working capital lines. Operational financing is used for funding the Financial Products portfolios and its variation is a reflection of changing levels in the financed volumes of these products.

Debt servicing charges related to capital management are booked to the Net Financial Result. Conversely, the costs of Operational Financing - a reflection of the volume of Financed Products - are incorporated in the Operating Result.

INVESTMENTS (CAPEX)

CAPEX Summary (R$ MM)	2Q17	2Q16	1H17	1H16
New Stores	50.1	48.3	71.1	87.9
Remodeling of Installations	27.7	37.9	49.1	61.3
IT Equipament & Systems	28.3	65.6	42.7	83.2
Distribution Centers	5.3	2.9	7.7	6.6
Others	7.1	3.1	14.3	6.5
Total	**118.4**	**157.9**	**184.8**	**245.5**



In **2Q17**, **Investments** in fixed assets amounted to **R$ 118.4 million**. Of this amount, R$ 50.1 million was dedicated to the opening of new stores, R$ 27.7 million to store modernization, R$ 28.3 million to IT Systems and Equipment as well as the R$ 5.3 million invested in Distribution Centers, and R$ 7.1 million in Others. During the **quarter** and in line with the expansion plan**, 22 stores were opened**, 7 of these in the Renner format and a further 9 and 6 Camicado and Youcom stores, respectively.

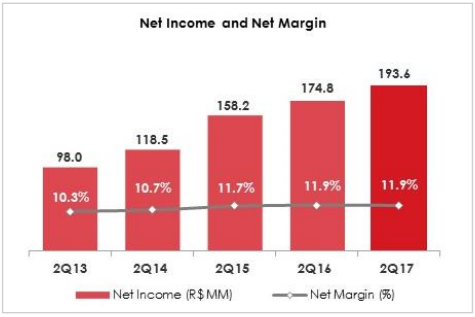
In **1H17**, **Investments** in fixed assets totaled **R$ 184.8 million** with the **opening of 31 stores**, 10 of them in the Renner format, and 10 and 11 Camicado and Youcom units, respectively. In the light of the available opportunities, the Company has ramped up its forecasted store openings for Renner of between 25 and 30 annually in addition to the stores in Uruguay. Plans for new store unveilings at 15 and 25 for Camicado and Youcom, respectively are unchanged.

At month-end **June 2017**, **Renner** was operating **310 stores** and **Youcom, 70 units**, with total selling areas of **552.4 thousand m²** and **10.3 thousand m²**, respectively. In turn, the **Camicado** network had a total of **93 stores**, with a combined selling area of **40.1 thousand m²**.

Depreciation and Amortization expenses were **R$ 79.7 million** in **2Q17**, a year-on-year increase of 3.6%. This increase is largely due to the implementation of the expansion plan. In the **first half,** depreciation and amortization expenses totaled **R$ 158.8 million**.

NET INCOME

The Company posted **Net Earnings** in **2Q17** of **R$ 193.6 million,** a growth of **10.7%** compared with 2Q16 and equivalent to a **Net Margin** of **11.9%** in line with the same period in 2016.
In **1H17**, **Net Earnings** were **R$ 260.6 million** corresponding to a **Net Margin** of **9.1%**.



DIVIDENDS

In **2Q17**, Lojas Renner credited Shareholders with dividends in the form of **Interest on Capital** in the amount of **R$ 45,9 million**, equivalent to **R$ 0.064743 per share,** considering the amount of 709,645,832 common shares, of which those held as treasury stock have been excluded.
In **1H17,** Lojas Renner credited Shareholders with dividends in the form of **Interest on Capital** in the amount of **R$ 94.0 million**, corresponding to **R$ 0.139503 per share**.

SUBSEQUENT EVENTS

Subsidiary Partial Split - On July 1st, 2017, the Shareholder´s Meeting of Renner Administradora de Cartões de Crédito Ltda. and Realize CFI S.A., both direct and indirect subsidiary, respectively, approved the partial split of assets and liabilities of Renner Administradora de Cartões de Crédito Ltda., and merger in the Realize CFI S.A.. According to evaluation report issued on July 1st, 2017, based on accounting records on June 1st, 2017, this transaction resulted in an Equity of R$ 1,000 (a thousand Brazilian Reais), which R$ 779,121 thousand related to assets and R$ 779,120 thousand related to liabilities corresponding to "Meu Cartão" operations. In those corporate acts which approved that transactions, it was defined that any equity variations occurring between the June 1st, 2017 and the effective date of merger will be absorbed by Realize CFI S.A. As of this date, the subsidiary Realize CFI S.A will succeed all the rights and obligations treated in the related corporate acts.

Debentures - The Company's Board of Directors approved, at its meeting on June 20, 2017, the Company's seventh issue of simple, non-convertible debentures, in a single series, for public distribution with restricted efforts according to the Law 6.385, of December 7, 1976, as issued by CVM Instruction 476, of January 16, 2009, and other applicable regulations. Twenty thousand debentures will be issued, with a nominal unit value of R$ 10 (ten thousand Reais), totaling R$ 200,000 (two hundred million Reais). The issue date of the debentures will be in July 4, 2017 and the maturity in July, 2019. The financial resources to be obtained will be used to maintain the Company´s cash flow policy.

EXPLANATORY NOTES

(All amounts in thousands of Reais unless otherwise stated)

1 OPERATIONS

Lojas Renner S.A. (the "Parent Company") is mainly engaged in retail trading of clothing, sports articles, accessories and cosmetics in the domestic market. Parent Company and its subsidiaries (jointly called the "Company" or "Consolidated") are also engaged in retail trading of domestic appliances, towels and linen, furniture and decorative articles, importing of goods, equity interest in other entities, either by exercising control or permanently participating with relevant investment in their capital as partner or shareholder, as well as in administrating own assets and conducting sundry projects, isolated or together with other entities, intermediating financial services, such as personal borrowings, purchase financing, insurance, and credit card, among others.

The Parent Company is a corporation with head office in Porto Alegre, Rio Grande do Sul, and listed in São Paulo Share Exchange ("BM&FBovespa": LREN3).

2 SUBSIDIARIES

The Company's Consolidated interim financial information include the following subsidiaries:

			Direct/Indirect interest	
Companies	**Host country**	**Currency**	**6/30/2017**	**12/31/2016**
Dromegon Participações Ltda. ("Dromegon")	Brazil	BRL	100.00%	100.00%
Renner Administradora de Cartões de Crédito Ltda. ("RACC")	Brazil	BRL	100.00%	100.00%
Maxmix Comercial Ltda. ("Camicado")	Brazil	BRL	100.00%	100.00%
Fashion Business Comércio de Roupas Ltda. ("Youcom")	Brazil	BRL	100.00%	100.00%
Lojas Renner Shanghai Trading Co. Ltd ("LRS")	China	RMB	100.00%	100.00%
Lojas Renner Uruguay S.A	Uruguay	UYU	100.00%	100.00%
Realize Participações S.A	Brazil	BRL	100.00%	100.00%
(*) Realize CFI S.A	Brazil	BRL	100.00%	0.00%
Specific purpose Company				
(**)Credit Rights Investment Fund (FIDC Lojas Renner)	Brazil	BRL	31.21%	31.80%

(*)In March 2017, Realize Participações S.A. and Dromegon Participações Ltda. paid up capital in Realize CFI S.A.
(**) Refers to participation percentage of subordinated quota (see note 10).

2.1 DROMEGON PARTICIPAÇÕES LTDA. ("DROMEGON")

Dromegon owns some of the properties used in the Company's commercial transactions and its income is limited to the rent of these properties.

2.2 RENNER ADMINISTRADORA DE CARTÕES DE CRÉDITO LTDA. – ("RACC")

RACC provides financial services for personal borrowings, by means of agreement for borrowing extension by financial institutions, providing conditions for Renner clients to obtain this type of personal borrowings. (See note 40.1)

2.3 MAXMIX COMERCIAL LTDA. ("CAMICADO")

Camicado is engaged in retail trading of domestic appliances, towels & linen, and decoration articles.

2.4 FASHION BUSINESS COMÉRCIO DE ROUPAS LTDA. ("YOUCOM")

Youcom is engaged in specialized retail trading of clothing and shoes, cosmetics, hygiene articles, watches and sports articles.

2.5 LOJAS RENNER SHANGHAI TRADING CO. LTD. ("LRS")

The purpose of LRS consists of performing the duties of purchasing, quality control and sample development, and also acting as a vehicle for building up relationships with business partners and to provide support in the prospecting of new suppliers.

2.6 LOJAS RENNER URUGUAY S.A.

The purpose of Lojas Renner Uruguay S.A has as object the specialized retail trade in clothing and footwear, perfumery, cosmetics, hygiene products, watches and sporting goods. Lojas Renner Uruguay was in pre-operational phase at the date of approval of these interim financial statements.

2.7 REALIZE PARTICIPAÇÕES S.A.

Realize Participações S.A. is engaged in equity interest in financial institutions and other financial institutions authorized to operate by the Central Bank of Brazil.

2.8 REALIZE CFI S.A.

The purpose of Realize CFI S.A. is practice of active, passive and accessory operations inherent to the credit companies, financing and investment, in accordance with the legal and regulatory provisions in force.

3 BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial information included in the Quarterly Information Form - ITR, are prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting and with IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB), and presented in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Quarterly Information - ITR.

The preparation of interim financial information requires, the Company's Management to use estimates and assumptions that affect the reported amounts of assets, liabilities and other transactions. Since Management's judgment involves the determination of estimates related to the probability of future events, actual results may differ from these estimates (for further details, see note 5.2).

Except for certain interim financial instruments measured at their fair values (note no. 5.7), the interim financial information were prepared considering the historical cost as a basis of value.

The Company's Management claims that all relevant information from its own interim financial statements, and only it, are being highlighted, and which, correspond to those used by it in its Management.

These interim financial information were approved by the Company's Management on July 19, 2017.

4 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Consolidated and individual interim financial information are being presented in Brazilian Reais, functional currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

5 SIGNIFICANT ACCOUNTING POLICIES

Main accounting policies are equally applicable to the Consolidated and individual interim financial statements. These policies have been consistently applied to all the periods presented.

5.1 ACCOUNTING POLICIES APPLICABLE TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Subsidiaries and consolidation principles

Subsidiaries are all entities that are directly or indirectly controlled by the Company. Control is considered to exist when Lojas Renner holds, directly or indirectly, the majority of voting rights or the power to determine financial and operating policies of an entity in order to obtain benefits from its activities. The subsidiaries are fully consolidated as of the date control is transferred to the Company.

Transactions between the Company's subsidiaries, including balances, gains and losses not realized in these transactions were eliminated, when applicable. The subsidiaries' accounting policies were adjusted to ensure consistency with the Parent Company's accounting practices.

As established by CVM Instruction No. 408/04, the Company consolidates financial statements of FIDC Lojas Renner, as this represents a specific purpose entity whose activities are performed substantially in accordance with the Company's operating needs; the Company is being exposed to most risks and benefits related to the fund, as it owns all subordinated shares. In consolidation process of FIDC Lojas Renner, assets and liabilities, as well as gains and losses from transactions between the Company and the Fund were eliminated.

5.2 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management considers as critical accounting policies those that are important to demonstrate financial situation and income and that also require most difficult, subjective or complex judgments by Management, often as a result of the need of making estimates that impact issues that are inherently uncertain. These judgments become even more subjective as the number of variables and assumptions that affect possible future solution of these uncertainties. For the preparation of the consolidated and individual financial statements, the Company adopted variables and assumptions deriving from historic experience and several other factors that are understood as fair and relevant. Even though these estimates and assumptions are reviewed by the Company in the normal course

of business, the demonstration of their financial conditions and the results of the operations often needs the use of judgments in relation to the accounting value of their assets and liabilities. The real results can be different from those estimated as variables, assumptions or differing conditions.

In addition to compliance with prevailing accounting standards and rules, Management understands that the adoption of critical accounting policies that involves estimates are essential to produce the best possible information on income and financial situation upon each year closing, even if such information may temporarily lack accuracy as a result of subjectivity and complexity involved.

Main transactions and evaluations significantly impacted by estimates are as follows:

5.2.1 Provisions for tax, civil and labor risks

They are based on information from its legal advisors, formed a provision in an amount considered sufficient to cover estimated losses from lawsuits in progress. However, as a result of lawsuits' progress, classification of loss likelihood may not be definitive up to the conclusion of lawsuits.

5.2.2 Provision for credit losses

Based on uncertainties of the macro-economic scenario (inflation, interest rates, credit facilities retraction, employment level, salaries, etc.) and on historic default levels, we considered the provision for credit losses as a critical accounting estimate, which requires judgment in provision recognition.

5.2.3 Allowance for inventory losses

We considered the provision for inventory losses as a critical accounting estimate, as it is based on historic levels of the Company's losses, and will be accomplished only upon realization of inventories, which will reflect the Company's operation model and will be the basis for adjustment of provisions.

5.2.4 Discount rate applied to adjustment to present value

We understand that determination of discount rate applied to adjustments to present value is critical, as it involves analysis of capital structure and of macro-economic context uncertainties, which influence variables used to determine such rate.

5.2.5 Determination of shares purchase option plans and financial instruments' fair values

Based on uncertainties of the macro-economic context (inflation, interest rates, volatility of the Company's shares, fluctuation of dollar quotation, etc.), we considered determination of shares purchase option plans and financial instruments' fair values of as a critical accounting estimate that requires judgment.

5.2.6 Estimate for realization of deferred income tax and social contribution

Realization of deferred income tax and social contribution is related to projections of discounted cash flows, which are based on financial budgets approved by Management for a period of 10 years. Also, estimated deferred income and social contribution taxes' realization involves uncertainties of other provisions; accordingly, the Company understands that this accounting policy is a critical estimate that requires judgment.

5.2.7 Definition of the useful life of the fixed and intangible asset

Useful lives of fixed and intangible assets are reviewed every year, based on technical assessments from engineers and specialized employees. Accordingly, the Company understands that this accounting policy is a critical estimate that requires judgment.

5.2.8 Evaluation of impairment of intangible assets with undefined useful life

To determine the recoverable value, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by Management for a 10-year period considering the following assumptions: income, costs and expenses projected from 2017 to 2026, discount rate and growth rate at perpetuity, inflation rates, and shop opening schedule, among others. Based on these uncertainties, we considered evaluation of impairment of intangible assets with undefined useful lives as a critical accounting estimate that requires judgment.

5.3 PRESENTATION OF OPERATING SEGMENTS

The operating segments are presented consistently with the internal report supplied to the Company's main operating decision maker. The main decision maker, in charge of allocating funds and evaluating performance of operating segments is the Company's Board of Directors. The informations of operating segments are divided in:

Retail: sale of garment items (women, men and children fashion), perfumery, cosmetics, toiletry products, correlated, watches, as well as the home & decoration segment;

Financial products: financial services, with intermediation of financial services with charges, personal borrowings, and insurances brokerage.
See more information in note 33.

5.4 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currency are translated into the functional currency of the Company (R$ - Reais) at the current exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currency on the balance sheet date are reconverted into the functional currency at the exchange rate on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the foreign exchange rate on the date that the fair value was determined. Exchange differences arising from the translated are recognized in income (loss).

Foreign currency difference generated upon translation of the subsidiary's financial statements, whose function currency is different to the Brazilian Real ("R$") are recognized in other comprehensive income and accumulated in equity valuation adjustments under shareholders' equity.

5.5 REVENUE

The income comprises the fair value of the consideration received or receivable for the sale of products in the Company's normal course of activities. The income is presented net of taxes, goods returned, rebates and discounts, and eliminations of income between the subsidiaries.

5.5.1 Sale of goods – retail

The Company operates with a chain of retail outlets to trade its goods. Income from sales of goods is recognized in income upon the effective delivery of the goods to the client. Sales are payable at sight, in cash or by credit card, or through financing granted (note 34).

5.5.2 Sales of financial products and services

The Company carries out own credit transactions and offers personal borrowings and sales financing by means of agreements with financial institutions. Operating income is recognized in income considering effective interest rate, throughout contract validity (note 34) and for agreed operations, according to the effective provision of services.

5.6 Non-derivative financial instruments

The Company classifies non-derivative financial assets as borrowings and receivables and held for trading, and non-derivative financial liabilities under category of financial liabilities at amortized cost and fair value. Subsequent measurement of non-derivative financial assets and liabilities is carried out according to their classification.

The Company's Management determines classification of its non-derivative financial assets and liabilities at initial recognition, according to their nature and purpose.

The Company derecognizes a non-derivative financial asset when the contractual rights to the cash flow of the asset expire, or when the Company transfers the rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when its contractual obligations are retained or canceled or expire. Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.6.1 Non-derivative financial assets

5.6.1.1 Cash and cash equivalents

Includes cash balance, demand deposits, short-term and highly liquid short-term interest earning bank deposits (whose redemption may be carried out in a period lower than 90 days after investment date, readily convertible into a known cash amount, and that are not subject to relevant risk of change in value), and balance of earnings from investments in Credit Rights Investment Fund (FIDC Lojas Renner- Parent Company's subordinated quota), recorded at amounts similar to market values. Consolidated includes balance of financial investments in Credit Rights Investment Fund (FIDC Lojas Renner), whose use is restricted to acquisitions of receivables deriving from the Parent Company's transactions.

Cash equivalents are measured, after initial recognition, at fair value plus income earned up to balance sheet dates, exception of the financial investments in Credit rights investment Fund (FIDC Lojas Renner), which are measured at fair value. In practice, fair value and amortized cost are equivalent, considering characteristics of cash equivalents, per definition.

Any losses or gains are recognized in income/loss.

5.6.1.2 Accounts receivable

Trade accounts receivable correspond to the amounts receivable for the sales of goods, through the uses of the branded card at the network of affiliated stores (*Meu Cartão*), and for the amounts of personal borrowings granted to its clients by financial institutions.

Allowance for losses is formed with a basis on the analysis of the portfolio of clients, in an amount considered sufficient by Management to cover any losses in the recovery of receivables. As regards personal borrowings and branded card, allowance for losses in receivables is formed with a basis on the risk rating of operations, similar to the rating criteria of credit operations defined by the Central Bank of Brazil.

Fixed credit sale transactions were brought to present value on transactions date, considering terms and based on the Company's capital weighted average cost rate and credit risk rate; its receivables' portfolio specific costs and risks reflect on Management's evaluation. Contra-entry of credit sales' adjustment to present value is the clients' account (note 9) and its realization is recorded as sales income due to fruition term.

The Parent Company carries out accounts receivable securitization operations through the FIDC Lojas Renner according to note 10.

Trade accounts receivable are initially recognized at fair value using the effective interest method, minus any impairment loss (note 9).

5.6.1.3 Effective interest rate method

The effective interest method is used to calculate amortized cost of a financial instrument and to recognize its interest income or expense over corresponding period. Effective interest rate is the rate that exactly discounts receipts of future cash projected over estimated financial instrument's life, or when appropriate, over a smaller period, for net book value on initial recognition date.

5.6.1.4 Evaluation of recoverability of non-derivative financial assets

Financial assets are appraised on each balance sheet date to identify the recoverability of assets (impairment). These financial assets are considered as non-recoverable assets when there are evidences that one or more events occurred after the initial recognition of the financial asset and that resulted in adverse effects on the estimated future cash flow of the investment.

5.6.2 Non-derivative financial liabilities

5.6.2.1 Borrowings, financing and debentures

Balances of borrowing and financing accounts, financial service transactions, financial lease and debentures are initially recognized at fair value upon receipt of funds. Subsequently, they start to be measured at amortized cost, that is, plus charges, interest calculated at effective rate, monetary and exchange variations, and amortizations - as provided for in contract - incurred up to balance sheet dates.

Balance Working capital – (Law 4.131 *Central Bank of Brazil*) is measured at fair value, using the method of income approach, which converts future cash flows into a single value. The fair value reflect the current market expectations of future values.

5.6.2.2 Trade accounts payable

It is initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method (Note 22).

5.7 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are recognized at fair value on the date in which they are contracted and, at period end, are re-measured at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative is or is not designated as a hedge instrument in cases of adoption of hedge accounting. If that is the case, the method depends on the nature of the item that is being hedged. The Company adopts hedge accounting and assigns some derivatives as: cash flow hedge (note 25.4.1).

The Company documents, early in each transaction, the relationship between the hedge instruments and the hedge-protected items, as well as the risk Management objectives and the strategy for conducting several hedge transactions. The Company also documents its evaluation - both at the start of hedging and continuously - that derivatives used in hedging transactions are highly effective to offset hedged items' cash flow.

The liability at fair value of derivative financial instruments is disclosed in explanatory note 25.4. Changes in cash flow hedge values are presented in "Statements of comprehensive income".

5.7.1 Cash flow hedge

The Company only applies cash flow hedge accounting to protect itself against foreign exchange variation risk deriving from import orders not yet paid (note 25.4.1).

The effective portion of the change in the fair value of designated derivatives and qualified as cash flow hedge, and not settled, is recognized in shareholders' equity as "Equity valuation adjustments". This portion is realized upon elimination of risk for which derivative was contracted. Upon settlement of financial instruments, gains and losses previously deferred in equity are transferred from equity and included in initial measurement of asset's cost.

5.7.2 Swap

In the Swap transactions not designed for hedge accounting, respective gains or losses are recognized in the financial result.

5.8 ADJUSTMENT TO PRESENT VALUE

Fixed credit purchase and sale transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital cost plus credit risk, in case of clients. Interest rate used to calculate credit sales' adjustment to present value was 2.00% p.m. (2.02% p.m. on December 31, 2016) and reflects, in Management´s evaluation, costs and risks that are specific of its receivables' portfolio. Interest rate used to calculate credit purchases' adjustment to present value was 1.06% p.m. (1.05% p.m. on December 31, 2016).

Adjustment of purchases to present value is recorded in supplier and inventories accounts and contra-entry of its reversal is in account sales cost, due to fruition of term in case of suppliers, and due to realization of inventories in relation to amounts recorded in it. Contra-entry of credit sales' adjustment to present value is the clients' account (note 9) and its realization is recorded as sales income due to fruition term.

5.9 INVENTORIES

They are measured at acquisition cost, including non-recoverable taxes, transportation costs, and other costs necessary to take inventories to current conditions. Cost of imported goods' inventories also considers any gains or losses from settled cash flow hedges that are transferred from shareholders' equity.

Inventories are stated at weighted average cost and deducted from provision to adjust them to net realizable values, when applicable.

5.10 FIXED ASSETS AND INTANGIBLE ASSETS

They are recorded at the cost of acquisition, formation or stores, deducted from accumulated depreciation or amortization. Depreciation or amortization is calculated at the straight-line method at rates that consider estimated useful lives of assets, as follows:

	Parent Company and Consolidated	
	Average annual rate	**Average useful life**
Fixed assets		
Buildings and properties	1.76%	57 years
Furnishings, equip, facilities and improvements	10%	10 years
Vehicles	20%	5 years
Computers and peripherals	20%	5 years
Intangible		
IT systems	20%	5 years
Right to use properties	10%	10 years

The Company reviews fixed and intangible assets to verify possible losses, as described in note 5.11. The Company periodically reviews economic useful lives of its properties and equipment and intangible assets.

Any gains and losses on a fixed and intangible assets disposal are recognized in income (loss).

5.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to identify a possible impairment need.

Assets subject to depreciation or amortization are reviewed to confirm their impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. Impairment loss is recognized in the amount by which the book value of the asset exceeds its recoverable value. The latter is the higher of the asset's fair value less its sale costs and value in use.

For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGU), in conformity with the analysis of views used by the Management. Non-financial assets, except goodwill, that have been impaired, are subsequently reviewed for possible reversal of the impairment at each reporting date.

5.12 PROVISIONS

Provisions for tax, civil and labor risks are recorded with basis on the best estimates of the involved risk and are made in amounts considered sufficient by Management to cover probable losses, and are restated through balance sheet dates considering the nature of the contingency and the opinion of the Company's legal advisors.

5.13 CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Provision for current and deferred income tax and social contribution is measured based on the rates in force in the end of the period.

5.13.1 Current taxes

Provision for income and social contribution taxes are based on taxable income for the period.

5.13.2 Deferred taxes

Deferred income tax and social contribution are recognized on the temporary differences at the end of each period between the balances of assets and liabilities recognized in the interim financial information and the respective tax bases employed to arrive at taxable income, including the balance of tax losses, where applicable. Deferred tax liabilities are normally recognized on all taxable temporary differences and deferred tax assets are recognized on all deductible temporary differences only when it is probable that the Company will have taxable income in the future at an amount sufficient to make possible to use these deductible temporary differences. Deferred tax assets or liabilities are not recognized on temporary differences resulting from initial recognition of goodwill or from initial recognition (except for business combination) of other assets and liabilities in a transaction that does not affect taxable income of accounting income.

The recovery of deferred tax asset balances is reviewed at the end of each year and, when it is no longer probable that future taxable profits will be available to allow for the recovery of the asset, in whole or in part, the asset balance is adjusted by the amount that is expected to be recovered.

The current and deferred taxes are recognized in the income, except when they correspond to items recorded in "Other comprehensive income" in the shareholders' equity. When the current and deferred taxes result from the initial accounting of a business combination, the tax effect is taken into consideration in the acquisition date.

Deferred income tax and social contribution balance is presented net in interim financial statements.

5.14 BENEFITS TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company grants to its officers, executives and employees several ordinary market benefits. In order to best align interests of officers, executives and employees with its objectives, the Company has a shares purchase option plan, restricted share plan and a profit sharing program, as described below:

5.14.1 Profit sharing

The Company recognizes a liability and an expense whose main conditions for payment recognition are related to achievement of operating income, sales goals, and enabled cards, among others.

5.14.2 Shares purchase option plan

The Company approved a shares purchase option plan for selected officers and executives, offering them the possibility of acquiring the Company's shares in the form and at conditions described in the plan. Fair value of granted shares purchase option plans is calculated at the date of respective grant using the Black&Scholes model. Expense is recorded at a "*pro rata temporis*" basis, which starts on grant date and ends on the date in which the beneficiary acquires the right to exercise the option (note 31).

5.14.3 Restricted share plan

The Company approved a restricted share plan for selected officers, executives and employees, offering them the possibility of acquiring restricted share in the form and at conditions described in the plan (note 32). Expense is recorded at a pro rata temporis basis, which starts on grant date and ends on the date in which the Company transfers the right of shares to the beneficiary. Expenses corresponds to the amount of issued shares multiplied by the share price on the grant date. The provision of social security contributions is updated monthly according to the closing price of the Company.

5.15 DISTRIBUTION OF DIVIDENDS AND INTEREST ON OWN CAPITAL

The Company's bylaws and corporate law establish that a minimum of 25% of the adjusted annual net income must be distributed as dividends. Accordingly, the Company records provision, upon the closing of each year, in the amount of the minimum compulsory dividend that has not yet been distributed if such limit was not attained by interim remunerations. Dividends exceeding this limit are segregated in a specific account of shareholders' equity denominated "Additional dividends proposed". When decided by Management, interest on capital is calculated in dividends for the year.

The fiscal benefit of interest on own capital is recognized in the income statement (Note 13.4).

5.16 FINANCIAL LEASING PAYABLE

Lease contracts for assets intended to maintenance of the Company and its subsidiaries' activities are classified as financial lease whenever contract terms substantially transfer to the lessee all risks and benefits deriving from ownership of asset. The classification of lease agreements is carried out upon their signing.

Financial lease contracts are recognized in the balance sheet at the lower of leased asset fair value and present value of minimum lease payments. Contracts are accounted for as property, plant and equipment or intangible asset and a financing liability, and assets are subject to depreciation or amortization over the asset's economic useful live (notes 15 and 16) or according to lease contract term (note 18.3), when this is lower.

Financial lease paid installments are partially recognized in liabilities, and the portion referring to financial charges are recognized in income. The corresponding liabilities are classified in current liabilities and non-current according to the contract term.

5.17 STATEMENT OF ADDED-VALUE

The purpose of this statement to evidence the wealth created by the Company and its distribution during a certain year and is presented by the Company, as required by the Brazilian Corporate Law, as part of its individual financial statements and as supplemental information to the Consolidated interim financial information since it is not a statement provided or mandatory as IFRS.

The Statement of added-value has been prepared based on information obtained from the accounting records used as basis for the preparation of the interim financial information and following the provisions in CPC 9 - Statement of Added Value.

6 RULES, INTERPRETATIONS, AND REVIEW ON NON-PREVAILING RULES

The early adoption of standards, although encouraged by the IASB, is not allowed in Brazil by the Committee of Accounting Pronouncements (CPC). The following new standards and interpretations of standards were issued by the IASB but are not in force for the year 2017.

- IFRS 9, "Financial Instruments", issued in November 2009, IFRS 9 introduces new requirements for classification and measurement of financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. It also brings a new expected credit losses model to replace current incurred losses model. IFRS 9 gives greater flexibility to hedge effectiveness requirements. The standard is applicable as of January 1, 2018. The Company has made a preliminary assessment and does not expect material changes in equity and profit and loss positions with adoption of this new standard. The Company intends to take advantage of the exemption that allows not to restate comparative financial statements from prior periods arising from changes in the classification and measurement of financial instruments (including expected credit losses). The differences in the accounting balances of financial assets and liabilities resulting from the adoption of IFRS 9 shall be recognized in retained earnings and reserves as of January 1, 2018;

- *IFRS* 15, "Income from contracts with clients", issued in May 2014. The purpose of this rule is to establish principles that a company must apply to report information corresponding to nature, quantity, time and estimates of income and cash flows deriving from contract with the client. The standard is applicable as of January 1, 2018. The Company has made a preliminary assessment and

does not expect impacts on equity and profit and loss positions due to the application of the new standard. Possible impacts, although not expected, should be addressed prospectively in the transition approach;

- IFRS 16, "Lease", issued in January 2016. The purpose of this rule is to unify lease accounting model, requiring lessees to recognize as asset or liability all lease contracts, unless the contract term is 12 months or the contract has immaterial value. The standard is applicable as of January 1, 2019. The Company is evaluating the impact of application of this new standard, however, given the characteristics of large part of leases contracts are "contingent contracts" (% of sales), low representativeness of new leases contracts in relation to the existing contracts, and the relative cost linearity of contracts during your execution periods, does not expect material changes in net income, however, it is probable that operating income before depreciation, interest and taxes ("EBITDA") will be higher than those presented according to current standards. The cost of part of contracts will be recognized through depreciation and amortization and financial expenses;

There are no other IFRS or IFRIC interpretations that have not yet entered into effect that could have significant impact on the Company's interim financial statements.

7 RISK MANAGEMENT

In the normal course of its operations, the Company is exposed to the following risks: (i) market risk (including foreign exchange risk and interest rate risk); (ii) credit risk; (iii) liquidity risk, (iv) capital risk, and (v) social and environmental risks.

The Company's risk management is performed by a multidisciplinary structure, enabling the Executive Board to evaluate whether the business management is in line with the policies and guidelines set by Management. In April 2012, the Company's Board of Directors created the Audit and Risk Management Committee, aimed at identifying and monitoring the main risk factors of the Company.

7.1 MARKET RISKS

7.1.1 Foreign exchange risk

The foreign exchange risk arises from future and current business operations, mainly generated by the import of goods denominated in US dollars and obtaining a borrowing in foreign currency. The policy on foreign exchange risk management formulated by the Company's Management is to hedge up to 100% of its imports by means of currency forwards purchase contracts such as Non-Deliverable Forward (NDF) and up to 100% of the contracted amount of borrowing in foreign currency (Working capital – Law 4.131 *Central Bank of Brazil*).

For setting the dollar price used in the expected scenario, the Company follows future market projections of BM&F Bovespa for the next base date of disclosure. It is important to highlight that the effective net exposure is mainly related to the future cash flows estimate, for which there is the possibility of adjustment to the price composition to be adopted in retail, as a way to offset possible reflections of costs because of scenarios of dollar price depreciation. It should be greatly considered that the effective results should be noted only upon the settlement of import requests and swap.

We show below the net exposure and the related sensitivity analysis regarding the requests for import of goods, and borrowing in foreign currency as of June 30, 2017:

				Consolidated			
				Currency appreciation		Currency depreciation	
Derivatives for hedge accounting	**Notional US$ Receive (Pay)**	**Probable US$ 1 = R$ 3.1939**	**Possible +25% US$ 1 = R$ 3.9924**	**Remote 50% US$ 1 = R$ 4.7909**	**Possible -25% US$ 1 = R$ 2.3954**	**Remote -50% US$ 1 = R$ 1.5969**
Hedge transactions Import orders	(122,836)	3,327	(96,474)	(196,275)	103,129	202,929
Hedge instrument NDF	122,836	(3,327)	96,474	196,275	(103,129)	(202,929)
Exposure - Import cost	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives not for hedge accounting						
Transaction Borrowings (*Central Bank of Brazil* 4.131)	(6,098)	254	(4,730)	(9,714)	5,239	10,223
Instrument Swap	6,098	(251)	4,673	9,598	(5,176)	(10,100)
Net exposure - Swap	**-**	**3**	**(57)**	**(116)**	**63**	**123**
Total net exposure/effect		**3**	**(57)**	**(116)**	**63**	**123**
Increase (decrease) in profit, net of tax effect		**2**	**(38)**	**(77)**	**42**	**81**

In relation to the impacts of borrowing and swap contracted for hedging the US dollar exposure in these contracts, the demonstrated net exposure is related to the fixed cost of interest plus Libor, not covered by the contracted hedge instrument.

7.1.2 Interest rate risk

The risk related to interest rates arises from transactions of cash equivalents (Marketable securities), financing of financial services operations, debentures and swap. The Company's policy is to keep 100% of its borrowings allocated to the fixed rate market, with funding repaying fixed rates, and adjusted for the CDI, TJLP, Selic, Libor, and also variation of inflation rates. Keeping financial assets indexed to the CDI, as well as the short-term realization of receivables adjusted for fixed interest rates, ensures the Company a low risk level associated with interest rates fluctuation.

The Company analyzes its exposure to interest rate on a dynamic basis. Several scenarios are simulated taking into consideration the refinancing, and the renewal of existing positions and natural hedge. Based on these scenarios, the company defines a reasonable

change in interest rate and calculates impact on income. The comparison between the contracted rates and the effective market rates is permanently followed up.

As of June 30, 2017, as required by IN CVM No. 475/08, the Company conducted sensitivity tests for adverse and favorable scenarios of interest (CDI, TJLP, Selic and IPCA at 25% or 50% higher or lower than the probable scenario), considering the following assumptions: scenario expected for interest rate of the CDI, TJLP, Selic and IPCA for the next disclosure of, respectively, 9.4% p.a., 7% p.a., 9.42% p.a. and 2.49% p.a. These estimates are based on projections of the future market *BM&FBovespa* and TJLP extracted from BNDES.

We present below the sensitivity analysis of the risk of interest rates on June 30, 2017:

							Consolidated
				Interest increase		Interest decrease	
Financial instruments	**Risk**	**On 6/30/2017**	**Probable scenario**	**Possible (+) 25% - R$**	**Remote (+) 50% - R$**	**Possible (-) 25% - R$**	**Remote (-) 50% - R$**
Cash equivalents	Decrease CDI	597,538	13,339	16,674	20,009	10,004	6,670
Borrowings, financing, debentures and swap	Increase CDI and IPCA	(1,190,401)	(26,765)	(33,457)	(40,150)	(20,075)	(13,257)
Financing - financial services operations	Increase CDI	(886,183)	(21,831)	(27,288)	(32,746)	(16,372)	(10,916)
Decrease in profit for the period		**(1,479,046)**	**(35,257)**	**(44,071)**	**(52,887)**	**(26,443)**	**(17,503)**
Impact in profit, net of taxes			**(23,270)**	**(29,087)**	**(34,905)**	**(17,452)**	**(11,552)**

7.2 CREDIT RISK

The Company's credit risk refers, in brief, to cash equivalents, trade accounts receivable and derivative financial instruments.

7.2.1 Cash equivalents

According to the Company's financial policy, cash equivalents (marketable securities with ready liquidity) shall be invested in financial institutions with low risk rating (long-term rating in domestic scale) and that are renowned in the market for their soundness. The ratings of cash equivalents are according to the main risk rating agencies.

We show below the credit quality of the cash equivalents as of June 30, 2017:

	Consolidated	
Rating - National Scale	**6/30/2017**	**12/31/2016**
brAA	93,709	-
brAA-	293,634	387,293
brA+	92,123	268,499
(*) N/a - Brasil Plural Crédito Privado Retail FIRF Fundo	118,072	112,537
Total - National Scale	**597,538**	**768,329**

(*) Not applicable, there is no classification of risk for Brasil Plural Crédito Privado Retail FIRF in the main risk rating agencies. The assets that make up the fund's portfolio have a brAAA risk rating in at least one rating agency.

7.2.2 Accounts receivable

The sales and credit grant policies of the Company are subordinated to the credit policies set out by its Management, supported by advanced technology systems and processes, related to the risk and fraud area, and aim at minimizing possible problems arising from the default of its clients. This objective is achieved by Company's Management through the judicious selection of the client portfolio, which takes into consideration their capacity to pay (credit analysis) and diversification of its operations (risk spread). The breakdown of Consolidated credit quality according to the risk assessment of the portfolio as of June 30, 2017:

	Consolidated			
				6/30/2017
Classification of quality credit risk	**Private label Renner + Third-party credit card administrators**	**Co-branded card "Meu Cartão" (*)**	**Personal loan**	**Total**
Low	879,966	379,677	4,856	1,264,499
Medium low	138,571	133,925	36,625	309,121
Medium	118,434	127,071	26	245,531
Medium high	170,804	78,761	41,589	291,154
High	90,685	70,571	26,527	187,783
Total	**1,398,460**	**790,005**	**109,623**	**2,298,088**

(*) The quality credit risk of Co-branded as of June 30 is presented considering the future interest to be appropriated, in the amount R$ 42,574.

	Consolidated			
				12/31/2016
Classification of credit quality risk	**Private label Renner + Third-party credit card administrators**	**Co-branded card "Meu Cartão"**	**Personal loan**	**Total**
Low	1,167,526	229,762	5,310	1,402,598
Medium low	170,894	98,855	44,460	314,209
Medium	142,235	76,843	212	219,290
Medium high	190,018	56,654	56,691	303,363
High	98,714	67,350	30,576	196,640
Total	**1,769,387**	**529,464**	**137,249**	**2,436,100**

The internal risk rating of the credit quality of the accounts receivable portfolio is as follows:

Low – clients with likelihood lower or equal to 9.3% of being over 60 days past due.
Medium low – clients with likelihood higher than 9.3 % and lower or equal to 16.8% of being over 60 past due.
Medium – clients with up to four months of Renner Credit Card (CCR) and who do not show history of movement for purposes of measuring the likelihood of default.
Medium high – clients with likelihood higher than 16.8% and lower or equal to 31.3% of being over 60 days past due.
High – clients with likelihood higher than 31.3% of being over 60 days past due.

The Company's receivables are originated in its retail operations to individuals in a massified way, with individual credit analysis, with low average ticket, having as characteristic the absolute spread of credit risk and the lack of guarantee instrument, so that the amounts recorded in accounts receivable represent the appropriate size of the Company's exposure to credit risk.

7.2.3 Derivative financial instruments

The ratings of derivatives are in accordance with the main risk rating agencies.

We show below the credit quality of derivatives financial instruments as of June 30, 2017:

	Consolidated	
Rating - National Scale	**6/30/2017**	**12/31/2016**
brAA-	7,713	348
(*) N/a	-	18
Total - National Scale	**7,713**	**366**

(*) Not applicable, because it is not included in the national scale rating. In relation to the global scale, the rating is A+.

7.3 LIQUIDITY RISK

The Company has adopted the Management of its cash and cash equivalents by setting a minimum strategic cash amount, based on the cash cycle of retail operations, as well as on the minimal capital required to guarantee the credit operations. The main objectives of Management in the Management of a strategic minimum cash are: i) precaution against moments of uncertainty in economy; ii) guarantee the performance of the Company's investments and expansion strategy; iii) guarantee the maintenance/expansion of financial product operations in moments of credit restriction; iv) guarantee the debt amortization and services, v) and guarantee the maintenance of the dividend distribution policy.

Management monitors the continuous forecasts of liquidity requirements to ensure the Company has sufficient cash to meet its operational needs. The global limits granted to the Company show sufficient free space available in its restricted credit lines, not giving rise to risk of breaching these borrowing limits or clauses. This forecast takes into account the debt finance plans of the Company.

The Company has borrowings with contractual clauses that require the maintenance of financial covenants having as main operation with clauses of this nature the Debentures, the 4th issue dated July 15, 2011, the 5th issue dated June 15, 2012, the 6th issue dated August 1, 2013 and 7th issue dated February 13, 2017. A summary of the expected financial covenants, according to the public offering documents registered with the CVM:

4th issuance of debentures, July 15, 2011:
Consolidated Net debt/ EBTIDA less than or equal to 2.5;
EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero).

5th issuance of debentures as of June 15, 2012:
Consolidated Net debt/ EBTIDA less than or equal to 3.0;
EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero), considering that in the latter case the EBITDA shall be higher than 0 (zero).

6th issuance of debentures, August 1, 2013:
Consolidated Net debt/ EBTIDA less than or equal to 3.0;
EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero), considering that in the latter case the EBITDA shall be higher than 0 (zero).

7th issuance of debentures, February 13, 2017:
Consolidated Net debt/ EBTIDA less than or equal to 3.0;
EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero), considering that in the latter case the EBITDA shall be higher than 0 (zero).

The Company periodically monitors these covenants and has confirmed the compliance with significant security margin. The contractual cash flows of financial liabilities in Consolidated are as follows:

On June 31,2017	Book Value	Contractual cash flow	Less than 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Borrowings, financing and debentures	1,190,401	1,339,936	450,708	35,926	159,566	304,317	382,874	6,545
Financing - financial services operations	886,183	973,160	226,672	248,985	39,016	458,487	-	-
Finance lease payable	71,847	227,985	3,639	3,249	8,493	15,645	32,382	164,577
Suppliers	532,843	532,843	532,843	-	-	-	-	-
Obligations with credit card administrators	419,240	419,240	314,152	74,632	30,456	-	-	-
Derivatives financial instruments	3,437	3,492	3,348	61	83	-	-	-
Total	**3,103,951**	**3,496,656**	**1,531,362**	**362,853**	**237,614**	**778,449**	**415,256**	**171,122**
On December 31,2016								
Borrowings, financing and debentures	1,008,267	1,150,638	181,553	216,925	300,437	363,195	77,114	11,414
Financing - financial services operations	795,635	918,876	136,845	238,153	53,880	46,775	443,223	-
Finance lease payable	72,018	230,119	1,165	2,869	6,308	16,742	38,632	164,403
Suppliers	679,721	679,721	679,721	-	-	-	-	-
Obligations with credit card administrators	291,891	291,891	238,878	42,433	10,580	-	-	-
Derivatives financial instruments	57,530	59,025	44,001	14,299	725	-	-	-
Total	**2,905,062**	**3,330,270**	**1,282,163**	**514,679**	**371,930**	**426,712**	**558,969**	**175,817**

Additionally, the rating agency Standard & Poors rated the Company credit as brAA+ in the national scale category (Brazil).

7.4 CAPITAL MANAGEMENT

The Company uses its own and third party's capital to finance its activities, the use of third party's capital aiming at optimizing its capital structure. The Company monitors the indebtedness levels in relation to its cash generation capacity and it´s capital structure as of June 30, 2017 is as follows:

	Consolidated	
Borrowings and financing	**6/30/2017**	**12/31/2016**
Current	(588,793)	(615,384)
Non-current	(601,608)	(392,883)
Cash and cash equivalents	970,338	894,881
Net indebtedness	**(220,063)**	**(113,386)**
Borrowings and financing		
Current	(467,829)	(378,266)
Non-current	(418,354)	(417,369)
Net indebtedness total	**(1,106,246)**	**(909,021)**

The balance of net indebtedness is a consequence of the capital Management decisions and the results of the net charges of these positions are reflected in the financial results.

The other liabilities with the financial system refer to operating funding, most of which is directly linked to the financing of the receivables from financial products, whose costs are charged to operating profit (loss). The net indebtedness, including operational financing, reflects the Company's total exposure to the obligations contracted in the financial system.

7.5 SOCIAL AND ENVIRONMENTAL RISKS

7.5.1 Environmental risks

In order to reduce the environmental impacts arising from its operations, Lojas Renner has performed the waste management of its shops since 2010 (paper, cardboard, lamps, plastics, perfumery and beauty bottles, merchandising materials, and other), which are forwarded to the distribution centers of the Company through reverse logistics, where they are separated and sent to end disposal. The Solid Waste Management Program is ran according to Act No. 12,305/10, which introduced the National Solid Waste Policy.

7.5.2 Impact on communities

The Company identifies, in view of the close relationship it has with suppliers, the difficulty, in the textiles sector, in employing expert professionals. Aimed at minimizing the lack of professionals and the discontinuity of production in its suppliers, Lojas Renner has a program to build the capacity of labor in partnership with its suppliers, in the sense of developing employability skills among women and contributing to the develop the fashion segment in the country.

7.5.3 Hiring suppliers

In order to ensure dignified labor conditions to its employees and its entire supply chain, as well as the following, obeying and compliance with the strictest labor rules and regulations, thus avoiding and impeding the existence of any irregular practices like discrimination, harassment, exhaustive working periods, forced labor, insecure and/or inappropriate environment, or any other conditions considered – directly or indirectly – as analogous to slave work, Lojas Renner require that all suppliers sign a Statement of Commitment – Responsible Conduct, which formalizes their adherence to the Code of Conduct and Ethics of the Company, besides the Business Contract whereby they undertake to fully comply with the effective labor legislation.

In addition, Lojas Renner only select resale suppliers accredited by the Brazilian Association of the Textile Retail (Abvtex), and to complement it invests in the periodic monitoring and evaluation of 100% of the textiles suppliers through Social Responsibility audits, by means of its own team or companies with renowned international experience and focused on labor conditions in the supply chain.

8 Cash and cash equivalents

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Cash and banks	53,930	105,661	372,800	126,552
CDB (a)	234,378	241,362	306,387	300,873
Repurchase agreements backed by debentures (b)	60,005	222,389	71,198	239,778
National Treasury Bills (c)	-	-	96,136	101,825
Fixed-income Fund FIDC (d)	11,398	17,455	-	-
Short-term FIDC investments (e)	118,072	112,537	118,072	112,537
Investment fund - BACEN Jude (f)	183	388	183	388
CDB (g)	4,295	11,394	5,562	12,928
Total	**482,261**	**711,186**	**970,338**	**894,881**

a) Bank Deposit Certificates (CDB), whose average yield pegged to CDI was 100.67% in the Parent Company and 100.73% in Consolidated (101.24% in the Parent Company and 101.21% in the Consolidated as of December 31, 2016).
b) Repurchase and resale commitments whose average yield pegged to CDI was 101.78% in Parent Company and 101.5% in Consolidated (101.64% in Parent Company and 101.61% in Consolidated as of December 31, 2016).
c) FIDC Lojas Renner financial investments in National Treasury Bills (LTN and LTF). Average yield pegged to CDI was equivalent to 118.16% (99.32% as of December 31, 2016).
d) Balance of the Parent Company's investments in FIDC Lojas Renner.
e) Fundo Brasil Plural Crédito Privado Retail FIRF are applied in fixed rate. The average yield linked to the CDI was 103.0% in the Parent Company and Consolidated (103.03% in the Company and Consolidated on December 31, 2016).
f) Investment fund created for judicial retentions made by BACEN, when necessary, presented average annual yield of 66.27% of the CDI in the Parent Company and in the Consolidated (67.93% in the Parent Company and in the Consolidated on December 31, 2016).
g) Automatic investments (Product Aplic AUT Itaú), whose average yield is 10% of the CDI variation June 30, 2017 and December 31, 2016).

The Company's exposure to interest rate risks for financial assets and liabilities is disclosed in Note 7.1.2.

9 Accounts receivable

	6/30/2017	12/31/2016
Private label - Renner		
Not yet due		
Falling due within 1 to 30 days	250,096	254,033
Falling due within 31 to 60 days	202,755	273,016
Falling due within 61 to 90 days	149,439	212,848
Falling due within 91 to 120 days	104,362	157,729
Falling due within 121 to 150 days	61,497	125,274
Falling due within 151 to 180 days	29,980	62,580
Falling due over 180 days	29,200	63,421
Overdue	-	-
Overdue from 1 to 30 days	93,871	50,367
Overdue from 31 to 60 days	33,569	22,230
Overdue from 61 to 90 days	26,504	19,608
Overdue from 91 to 180 days	38,237	54,835
	1,019,510	**1,295,941**
Adjustment to present value	(26,140)	(39,177)
Provision for losses on receivables - Retail	(57,079)	(57,860)
Accounts receivable - FIDC Lojas Renner	(522,769)	(538,038)
Unappropriated income - securities assigned – FIDC Lojas Renner	(41,767)	(60,246)
Total private label - Renner	**371,755**	**600,620**
Third-party credit card managers		
Falling due within 1 to 30 days	170,670	230,337
Falling due within 31 to 60 days	98,462	106,143
Falling due over 60 days	38,766	53,685
Adjustment to present value - third-party cards	(14,489)	(18,572)
Total third-party credit card managers	**293,409**	**371,593**
Personal loans		
Transactions receivable	30,565	32,977
Commissions	3,631	4,552
Provision for losses on receivables - Personal loans	(33,272)	(34,989)
Total personal loans	**924**	**2,540**
Co-branded card		
Accounts receivable	125,696	56,921
Adjustment to present value	(5,236)	-
	120,460	**56,921**
Other accounts receivable		
Trade accounts receivable - Subsidiaries	238	-
Other	467	482
Total Parent Company	**787,253**	**1,032,156**
Third-party credit card administrators - Subsidiaries		
Falling due within 1 to 30 days	31,033	37,629
Falling due within 31 to 60 days	20,050	21,151
Falling due over 60 days	19,969	24,501
Total third-party credit card administrators - Subsidiaries	**71,052**	**83,281**
Personal loans - RACC		
Transactions receivable	79,058	104,272
Commissions	2,263	2,838
Total personal loans - RACC	**81,321**	**107,110**
Co-branded card - RACC		
Not yet due	613.136	433,712
Overdue	219.443	95,752
Provision for losses on receivables - co-branded card	(27,390)	(24,090)
Total co-branded card - RACC	**805,189**	**505,374**
Other receivables		
Accounts receivable - FIDC Lojas Renner	522,769	538,038
Accounts receivable - co-branded card - associates	(125,696)	(56,921)
Trade accounts receivable - Subsidiaries	(238)	-
Other	53	233
Total other accounts receivable	**396,888**	**481,350**
Total Consolidated	**2,141,703**	**2,209,271**

The accounts receivable past due over 180 days are written off from the trade accounts receivable against allowance for credit losses, as shown in the table below:

	Parent Company			Consolidated	
	Private Label	Personal Loans	Total	Co-branded card	Total
On 1/1/2016	**(74,969)**	**(36,122)**	**(111,091)**	**(20,151)**	**(131,242)**
(+) Provisions - credit losses	(190,717)	(47,189)	(237,906)	(142,103)	(380,009)
Write-offs	207,826	48,322	256,148	138,164	394,312
On 12/31/2016	**(57,860)**	**(34,989)**	**(92,849)**	**(24,090)**	**(116,939)**
(+) Provisions - credit losses	(87,599)	(17,247)	(104,846)	(73,619)	(178,465)
Write-offs	88,380	18,964	107,344	70,319	177,663
On 6/30/2017	**(57,079)**	**(33,272)**	**(90,351)**	**(27,390)**	**(117,741)**

In the Consolidated, the Company has allowances for credit risks to all the clients with past-due credits, in accordance with the history of losses at each level of delay, in the total amount of R$ 117.741, which correspond to approximately 26.6% of the total amount of past-due credits (42.4% as of December 31, 2016). The Company, based on the history of recovery of the portfolios, in the processes of credit and collection and analysis of the indicators of delinquency, understands that the remaining 73.4% (57.6% as of December 31, 2016) for which there is no allowance recognized, will be received in the normal course of business.

The Company's exposure to the credit risk is disclosed in note 7.2.2.

10 Investment funds in credit rights

In May 2014, FIDC Lojas Renner's operations began, whose purpose defined in regulation is the Investment in credit rights recognized as closed condominium, ruled by CMN Resolution 2.907/2001, CVM Instructions 356/01 and 531/13, by the Regulation and by other applicable legal and regulatory provisions, with the specific purpose of acquiring credit rights originated from the installment payment of shopping malls made by the Company's clients using the Company's installment plan free of charges, or granting of financing with charges by Banco Itaú S.A.. FIDC Lojas Renner has defined operational life, and it will be closed on May 12, 2019.

The shareholding structure of FIDC Lojas Renner, on June 30, 2017, is subdivided into: 16.8 thousand senior quotas held by third parties, in the amount of R$ 426,338, representing 68.79% of FIDC Lojas Renner; and 7.3 thousand subordinated quotas held by the Parent Company, in the amount of R$ 193.398 (of which R$ 11.398 are presented as cash and cash equivalents and R$ 182,000 as noncurrent assets of FIDC Lojas Renner).

The regulation of FIDC Lojas Renner defines that subordinated quotas should represent at least 30% of the shareholders' equity. If this percentage is below 30%, the subordinated quotas should be immediately paid up by Lojas Renner S.A. in order to stay within the minimum ratio. On June 31, 2017, the subordinated quotas represent 31.21% of FIDC Lojas Renner's shareholders' equity. The subordinated quotas do not have remuneration target.

The Parent Company acts as agent of collection in case of default of the Credit Rights, maintaining continuous Management of the portfolio after its transfer to FIDC Lojas Renner.

The credit receivables securitization operations performed by the Parent Company for FIDC Lojas Renner (represented by sales with payment in installments and financing of delinquent clients) total R$ 522.769 as of June 30, 2017.

The balance of costs incurred by the Parent Company for the issuance of FIDC Lojas Renner totals R$ 3.612 as of June 30, 2017, and will be recorded in income/loss (cost of financial services) over the duration of the fund, according to the internal rate of return (IRR) of the funding of. In the individual financial statements, this cost is presented in the balance sheet as prepaid expenses and in the Consolidated statement as a reducer of the financings - financial service operations.

On June 30, 2017, FIDC Lojas Renner's balance sheet is as follows:

Assets	**6/30/2017**	**12/31/2016**
Cash equivalents	96,136	86,507
Accounts receivable	522,769	538,038
Other accounts receivable	1,141	2,885
Total assets	**620,046**	**627,430**
Liabilities		
Accounts payable	310	242
Equity - Subordinated quotas	193,398	199,455
Equity - Senior quotas	426,338	427,733
Total liabilities and equity	**620,046**	**627,430**

The remuneration target of senior quotas is calculated based on the CDI rate plus spread of 1.08% p.a, as set forth in the regulation of the Fund. As of June 30, 2017 the balance to be redeemed totals R$ 426,338.

FIDC Lojas Renner was Consolidated in these interim financial statements, according to note 5.1.

11 Inventories

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Goods for resale	697,612	620,355	808,030	729,134
Adjustment to present value	(17,249)	(16,703)	(17,249)	(16,703)
Provision for losses	(26,889)	(39,611)	(28,749)	(43,444)
Goods for resale, net	**653,474**	**564,041**	**762,032**	**668,987**
Imports in transit	89,223	80,719	101,133	100,574
Advances to suppliers	5,491	6,797	5,491	6,797
Auxiliary materials and warehouse	3,746	4,058	6,043	5,908
Total	**751,934**	**655,615**	**874,699**	**782,266**

Changes in the provision for losses are in the table below:

	Parent Company	Consolidated
On January 1, 2016	**(47.588)**	**(51.410)**
(+) Provision for losses	(60.553)	(63.434)
(-) Actual loss	68.530	71.400
On December 31, 2016	**(39.611)**	**(43.444)**
(+) Provision for losses	(24.356)	(24.767)
(-) Actual loss	37.078	39.462
On June 30, 2017	**(26.889)**	**(28.749)**

12 Recoverable taxes

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Income tax and social contribution	41,684	19,742	42,653	20,859
PIS/COFINS	21,837	38,267	22,605	38,925
ICMS	55,364	55,185	83,664	80,436
ICMS - PPE	50,842	54,884	58,081	60,969
Other taxes recoverable	1,501	1,393	2,652	1,504
Provision for losses	(228)	(228)	(228)	(228)
Total	**171,000**	**169,243**	**209,427**	**202,465**
Current assets	127,438	122,386	139,690	135,841
Non-current assets	43,562	46,857	69,737	66,624
Total	**171,000**	**169,243**	**209,427**	**202,465**

13 Income tax and social contribution

The deferred income tax and social contribution recognized in the non-current assets are calculated to reflect future tax effects attributable to tax losses, negative basis of social contribution and corresponding temporary differences between the tax bases of assets and liabilities and their book values.

13.1 BASIS OF DEFERRED TAXES

	Parent Company				Consolidated			
	6/30/2017		12/31/2016		6/30/2017		12/31/2016	
Deferred tax assets (liabilities)	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Provision for losses on receivables	90,351	90,351	92,849	92,849	117,741	117,741	116,939	116,939
Adjustment to present value	59,887	59,887	70,565	70,565	59,887	59,887	70,565	70,565
Provision for tax risks	28,021	28,021	27,111	27,111	33,455	33,455	32,261	32,261
Provision for civil and labor risks	34,596	34,596	32,665	32,665	35,800	35,800	33,656	33,656
Provision for losses on inventories	26,889	26,889	39,611	39,611	28,749	28,749	43,444	43,444
Provisão para participação de empregados	30,680	30,680	30,654	30,654	30,680	30,680	33,924	33,924
Goodwill on acquisition of equity interest	-	-	-	-	(26,743)	(26,743)	(16,751)	(16,751)
Income tax and social contribution losses (i)	-	-	-	-	125,438	121,864	99,411	96,749
Carrying value adjustments - hedge	(3,722)	(3,722)	54,502	54,502	(4,276)	(4,276)	57,164	57,164
Appreciation of assets	-	-	-	-	(29,958)	(29,958)	(30,203)	(30,203)
Other provisions	8,602	7,909	24,331	23,643	8,247	6,979	20,498	22,130
Total	**275,304**	**274,611**	**372,288**	**371,600**	**379,020**	**374,178**	**460,908**	**459,878**
Combined tax rate	25%	9%	25%	9%	25%	9%	25%	9%
Income tax and social contribution deferred	**68,826**	**24,715**	**93,072**	**33,444**	**94,755**	**33,676**	**115,227**	**41,389**

(i) Credits recognized on tax losses and social contribution tax loss carry forwards of the Parent Company and of the subsidiaries Maxmix Comercial Ltda ("Camicado"), Lojas Renner Shanghai Trading Inc. Co. Ltd. And Lojas Renner Uruguay S.A., Fashion Business Comércio de Roupas Ltda ("Youcom") and Realize CFI S.A. The credits are supported by technical feasibility studies, which shows projections of taxable future results, allowing for an estimate of recovery of credits in a period not exceeding 10 years. The technical feasibility studies are submitted annually to approval of the Company's Board of Directors.

13.2 CHANGES IN DEFERRED TAXES

Below is the movement of deferred taxes, recognized at nominal tax rates:

	Parent Company	Consolidated
On January 1, 2016	**73,615**	**97,899**
(+/-) Income tax expense recognized in result	1,532	6,329
(+/-) Recognized in other comprehensive income	51,369	52,388
On December 31, 2016	**126,516**	**156,616**
(+/-) Income tax expense recognized in result	(13,179)	(7,295)
(+/-) Recognized in other comprehensive income	(19,796)	(20,890)
On June 30, 2017	**93,541**	**128,431**

13.3 REALIZATION OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION IN ASSETS

Based on the history of realization of the assets that originated the balance of deferred income tax and social contribution, as well as on the projections of results for the following years, we estimate the following schedule of recovery of tax credits:

Years	Parent Company	Consolidated
2017	64,421	90,809
2018	20,072	15,145
2019	5,637	12,946
2020	1,905	14,624
2021 onwards	2,771	15,639
Total - Deferred assets	**94,806**	**149,163**

13.4 ANALYSIS OF THE EFFECTIVE RATE FOR THE INCOME TAX AND SOCIAL CONTRIBUTION

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to income is presented below:

	Parent Company				Consolidated			
	2Q17	6M17	2Q16	6M16	2Q17	6M17	2Q16	6M16
Profit before income tax and social contribution	**260,502**	**336,522**	**238,339**	**315,784**	**272,265**	**351,367**	**245,350**	**326,813**
Combined tax rate	34%	34%	34%	34%	34%	34%	34%	34%
Tax expense at nominal rate	**(88,571)**	**(114,417)**	**(81,035)**	**(107,367)**	**(92,570)**	**(119,465)**	**(83,419)**	**(111,116)**
Permanent (additions) exclusions								
Share-based compensation expenses	(2,581)	(4,914)	(1,951)	(4,241)	(2,581)	(4,914)	(1,951)	(4,241)
Equity in the results of subsidiaries	8,005	11,053	5,166	8,307	-	-	-	-
Interest on capital	15,621	31,945	13,998	27,836	15,621	31,945	13,998	27,836
Tax Benefits	1,133	1,133	1,131	1,131	1,133	1,133	1,131	1,131
Income tax and social contribution differences of subsidiaries	-	-	-	-	248	1,351	547	1,042
Other additions	(532)	(769)	(846)	(1,133)	(545)	(882)	(860)	(1,160)
Exempt portion of the 10% surtax	6	6	6	6	12	24	12	18
Income tax and social contribution in the result for the period	**(66,919)**	**(75,963)**	**(63,531)**	**(75,461)**	**(78,682)**	**(90,808)**	**(70,542)**	**(86,490)**
Current	(62,784)	(62,784)	(62,920)	(64,224)	(77,147)	(83,513)	(72,913)	(81,597)
Deferred	(4,135)	(13,179)	(611)	(11,237)	(1,535)	(7,295)	2,371	(4,893)
Effective tax rate	**25.69%**	**22.57%**	**26.66%**	**23.90%**	**28.90%**	**25.84%**	**28.75%**	**26.46%**

14 INVESTMENTS

The balance of investments is composed of R$ 731.013 (R$ 504,381 on December 31, 2016) in subsidiaries and R$ 46 in other investments (R$ 46 on December 31, 2016). See below changes in investments in subsidiaries:

Subsidiaries	On 1/1/2017	Capital increase	Equity in the results of subsidiaries	Carrying value adjustments	Dividends	Reclassification uncovered liability	On 6/30/2017
Renner Adm. Cartões de Crédito Ltda.	55,907	-	36,940	-	(16,000)	-	76,847
Dromegon Participações Ltda.	17,131	-	3,136	-	(6,000)	-	14,267
Maxmix Comercial Ltda	341,159	40,000	545	1,582	-	-	383,286
Fashion Business Comércio de Roupas Ltda.	70,003	21,820	(7,485)	541	-	-	84,879
Lojas Renner Shanghai Trading Co. Ltd. (*)	-	-	312	83	-	(395)	-
Realize Participações S/A	15,268	134,825	(5)	-	-	-	150,088
Lojas Renner Uruguay S/A	3,623	17,085	(938)	586	-	-	20,356
Goodwill on readjustment of assets (Dromegon)	1,290	-	-	-	-	-	1,290
Total	**504,381**	**213,730**	**32,505**	**2,792**	**(22,000)**	**(395)**	**731,013**

Subsidiaries	On 1/1/2016	Capital increase	Equity in the results of subsidiaries	Carrying value adjustments	Dividends	Reclassification uncovered liability	Realization of goodwill	On 12/31/2016
Renner Adm. Cartões de Crédito Ltda.	101,236	-	55,899	-	(101,228)	-	-	55,907
Dromegon Participações Ltda.	10,521	-	6,610	-	-	-	-	17,131
Maxmix Comercial Ltda	289,860	47,000	5,752	(1,453)	-	-	-	341,159
Fashion Business Comércio de Roupas Ltda.	45,525	37,500	(12,496)	(526)	-	-	-	70,003
Lojas Renner Shanghai Trading Co. Ltd. (*)	979	-	(2,760)	(278)	-	2,059	-	-
Realize Participações S/A	-	15,162	106	-	-	-	-	15,268
Lojas Renner Uruguay S/A	-	3,875	(174)	(78)	-	-	-	3,623
Goodwill on readjustment of assets	1,340	-	-	-	-	-	(50)	1,290
Total	**449,461**	**103,537**	**52,937**	**(2,335)**	**(101,228)**	**2,059**	**(50)**	**504,381**

(*) The negative net equity of Lojas Renner Shanghai Trading Co. Ltd. (LRS) is related with its initial stage of operation and has a counterpart in credits with its Parent Company Lojas Renner S/A (see note 27.3.1). The expectation is that this position will be reverted as soon as the business evolves, according with the Company's planning. On June 30, 2017, the net capital deficiency were the amount of R$ 1.664 (R$ 2.059 on December 31, 2016).

15 FIXED ASSETS

15.1 COMPOSITION

	Parent Company					
	6/30/2017			12/31/2016		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Buildings	288	-	288	288	-	288
Properties	92,898	(3,599)	89,299	92,898	(2,876)	90,022
Furnishings, equip, facilities and improvements	2,316,068	(1,031,418)	1,284,650	2,224,716	(933,836)	1,290,880
Vehicles	2,875	(1,149)	1,726	2,014	(1,026)	988
Computers and peripherals	174,626	(123,662)	50,964	165,889	(114,680)	51,209
Construction in progress	70,278	-	70,278	70,316	-	70,316
Total	2,657,033	(1,159,828)	**1,497,205**	2,556,121	(1,052,418)	**1,503,703**

	Consolidated					
	6/30/2017			12/31/2016		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Land	288	-	288	288	-	288
Buildings and properties	107,831	(9,478)	98,353	106,999	(8,755)	98,244
Furnishings, equip, facilities and improvements	2,506,938	(1,077,806)	1,429,132	2,388,228	(972,621)	1,415,607
Vehicles	2,876	(1,148)	1,728	2,015	(1,025)	990
Computers and peripherals	182,000	(127,042)	54,958	171,753	(117,736)	54,017
Construction in progress	83,999	-	83,999	75,923	-	75,923
Total	2,883,932	(1,215,474)	**1,668,458**	2,745,206	(1,100,137)	**1,645,069**

15.2 RECONCILIATION OF NET BOOK VALUE

	Parent Company					
Book value	**On 1/1/16**	**Additions**	**Transf.**	**Write-offs**	**Depreciation**	**On 12/31/2016**
Land	288	-	-	-	-	288
Properties	28,882	-	61,898	-	(758)	90,022
Furnishings, equip and improvements	1,161,882	30,048	302,800	(13,507)	(190,343)	1,290,880
Vehicles	1,116	309	-	(70)	(367)	988
Computers and peripherals	53,795	4,856	13,797	(938)	(20,301)	51,209
Construction in progress	198,373	250,606	(378,495)	(168)	-	70,316
Total	**1,444,336**	285,819	-	(14,683)	(211,769)	**1,503,703**

	Parent Company					
Book value	**On 12/31/2016**	**Additions**	**Transf.**	**Write-offs**	**Depreciation**	**On 6/30/2017**
Land	288	-	-	-	-	288
Properties	90,022	-	-	-	(723)	89,299
Furnishings, equip and improvements	1,290,880	1,953	92,796	(983)	(99,996)	1,284,650
Vehicles	988	969	-	(31)	(200)	1,726
Computers and peripherals	51,209	201	8,985	(54)	(9,377)	50,964
Construction in progress	70,316	103,247	(101,781)	(1,504)	-	70,278
Total	**1,503,703**	106,370	-	(2,572)	(110,296)	**1,497,205**

	Consolidated					
Book value	**On 1/1/16**	**Additions**	**Transf.**	**Write-offs**	**Deprec.**	**On 12/31/16**
Land	288	-	-	-	-	288
Properties	35,640	1,514	-	-	(808)	98,244
Furnishings, equip and improvements	1,248,341	61,974	259,689	(13,448)	(202,796)	1,415,607
Vehicles	1,119	308	-	(70)	(367)	990
Computers	55,724	5,939	10,915	(1,022)	(20,945)	54,017
Construction in progress	203,090	270,756	(270,604)	(168)	-	75,923
Total	**1,544,202**	340,491	-	(14,708)	(224,916)	**1,645,069**

	Consolidated						
Book value	**On 12/31/16**	**Additions**	**Transf.**	**Write-offs**	**Deprec.**	**Exchange rate**	**On 6/30/17**
Land	288	-	-	-	-	-	288
Properties	98,244	832	-	-	(723)	-	98,353
Furnishings, equip and improvements	1,415,607	9,963	112,393	(567)	(108,264)	-	1,429,132
Vehicles	990	969	-	(31)	(200)	-	1,728
Computers	54,017	1,394	9,560	(149)	(9,864)	-	54,958
Construction in progress	75,923	130,482	(121,953)	(499)	-	46	83,999
Total	**1,645,069**	143,640	-	(1,246)	(119,051)	**46**	**1,668,458**

The Company carried out tests of annual review of the accounting value of its assets, and did not identify need of impairment, and there is no occurrence of revaluation or existence of idleness in the fixed assets in the year and it does not have assets no longer in use and not classified as held for sale.

16 INTANGIBLE ASSETS

16.1 COMPOSITION

	Parent Company					
	6/30/2017			12/31/2016		
Book value	**Cost**	**Amortization accumulated**	**Book Value**	**Cost**	**Amortization accumulated**	**Book Value**
IT systems	538,902	(353,872)	185,030	532,307	(319,024)	213,283
Right to use properties	55,563	(42,024)	13,539	53,428	(40,887)	12,541
Trademarks and patents	4,576	(83)	4,493	4,539	(83)	4,456
Intangibles in progress	109,818	-	109,818	92,409	-	92,409
Total	708,859	(395,979)	**312,880**	682,683	(359,994)	**322,689**

	Consolidated					
	6/30/2017			12/31/2016		
Book value	**Cost**	**Amortization accumulated**	**Book Value**	**Cost**	**Amortization accumulated**	**Book Value**
IT systems	586,660	(375,728)	210,932	567,772	(337,962)	229,810
Right to use properties	71,920	(46,913)	25,007	69,334	(44,926)	24,408
Trademarks and patents	32,907	(83)	32,824	32,882	(83)	32,799
Intangible - others	3,500	(3,500)	-	3,500	(3,500)	-
Intangibles in progress	116,369	-	116,369	96,548	-	96,548
Goodwill - Camicado	116,679	-	116,679	116,679	-	116,679
Total	928,035	(426,224)	**501,811**	886,715	(386,471)	**500,244**

16.2 RECONCILIATION OF NET BOOK VALUE

	Parent Company					
Book value	**On 1/1/2016**	**Additions**	**Transf.**	**Write-offs**	**Amort.**	**On 12/31/2016**
IT systems	199,684	27,319	-	(7,233)	(76,697)	213,283
Right to use properties	13,680	-	-	-	(2,744)	12,541
Trademarks and patents	3,996	460	-	-	-	4,456
Intangibles in progress	35,293	128,931	-	-	-	92,409
Total	**252,653**	156,710	-	(7,233)	(79,441)	**322,689**

	Parent Company					
Book value	**On 12/31/2016**	**Additions**	**Transf.**	**Write-offs**	**Amort.**	**On 6/30/2017**
IT systems	213,283	446	6,151	-	(34,850)	185,030
Right to use properties	12,541	-	2,135	-	(1,137)	13,539
Trademarks and patents	4,456	37	-	-	-	4,493
Intangibles in progress	92,409	28,615	(8,286)	(2,920)	-	109,818
Total	**322,689**	29,098	-	(2,920)	(35,987)	**312,880**

	Consolidated					
Book Value	**On 1/1/2015**	**Additions**	**Transf.**	**Write-offs**	**Amortisation**	**On 12/31/2016**
IT systems	211,757	36,641	70,444	(7,233)	(81,799)	229,810
Right to use properties	23,787	752	4,132	-	(4,263)	24,408
Trademarks and patents	32,322	477	-	-	-	32,799
Other intangibles	233	-	-	-	(233)	-
Intangible in progress	37,019	134,105	(74,576)	-	-	96,548
Goodwill - Camicado	116,679	-	-	-	-	116,679
Total	**421,797**	**171,975**	-	**(7,233)**	**(86,295)**	**500,244**

	Consolidated						
Book Value	**On 12/31/2016**	**Additions**	**Transf.**	**Write-offs**	**Amortisation**	**Exchange Variation**	**On 3/31/2017**
IT systems	229,810	5,525	13,384	-	(37,787)	-	210,932
Right to use properties	24,408	450	2,135	-	(1,986)	-	25,007
Trademarks and patents	32,799	37	-	(12)	-	-	32,824
Intangible in progress	96,548	35,265	(15,519)	(32)	-	107	116,369
Goodwill - Camicado	116,679	-	-	-	-	-	116,679
Total	**500,244**	**41,277**	**-**	**(44)**	**(39,773)**	**107**	**501,811**

The Company carried out tests and concluded there are no factors indicating the need of allowance for losses on impairment, as well as there are no events of revaluation or idle fixed assets. There is no assets classified as held for sale.

17 IMPAIRMENT TESTE OF THE GOODWILL AND INTANGIBLES WITH INDEFINITE USEFUL LIFE

The accounting value of the goodwill and the brand allocated to the cash generating unit of Maxmix Comercial Ltda. is R$ 144,741 (R$ 144,741 on December 31, 2016).

The Company's Management carried out the impairment test in these assets on the base date of December 31, 2016, in accordance with the accounting policy presented in the note 5.11.

To determine the recoverable value of Camicado, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by Management for a 10-year. Measures such as mix of products enhancements, increasing openness stores in synergy with the Parent Company, in line with the value proposition of the brand and dilution of costs, provided by growth, are indicative that support the business plan of Camicado, approved by the Parent Company.

The Company carried out tests of review, with base date June 30, 2017, and concluded that there are no factors indicating the need of allowance for losses on impairment, since the recoverable value exceeded the book value.

18 BORROWINGS, FINANCING AND DEBENTURES

18.1 COMPOSITION

		Parent Company		Consolidated	
Descriptions of loans and financing	**Currency**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Northeast Constitutional Financing Fund - FNE (a)	*BRL*	37,663	36,833	38,580	37,743
Prodesign - National Bank for Economic and Social Development (BNDES) (b)	*BRL*	38,953	49,410	38,953	49,410
Debentures - (note 18,2)	*BRL*	923,745	726,145	923,745	726,145
(+/-) swap - debentures - 4th and 5th Issue - 2nd series	*BRL*	670	2,987	670	2,987
Interbank Deposit (c)		-	-	150,000	-
FINEP (d)	*BRL*	18,148	-	18,148	-
Financing imports (e)	USD	-	81,436	-	84,784
(+/-) swap - financing imports	USD	-	15,285	-	15,500
Working Capital - guaranteed account (f)	*BRL*	-	-	-	2,023
Working capital - (Law 4.131 *Central Bank of Brazil*) (g)	USD	-	47,936	20,192	83,982
(+/-) swap - working capital - (Law 4.131 Bacen)	USD	-	2,048	53	5,404
Other loans	*BRL*	60	289	60	289
Total		**1,019,239**	**962,369**	**1,190,401**	**1,008,267**
Current liabilities		418,528	569,486	588,793	615,384
Non-current liabilities		600,711	392,883	601,608	392,883
Total		**1,019,239**	**962,369**	**1,190,401**	**1,008,267**

a) The Company signed a borrowing agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) and received funds as of November 6, 2014, September 1, 2015 and June 3,, 2016, to fund the expansion of its group of stores in that region, in the amounts of R$ 18,284, R$ 21,251 and R$ 2.199, secured by a guarantee letter. Up to June 30, 2017, the first four installments in the total amount of R$ 16,821 of the agreement signed in 2014, the first three installments in the total amount R$ 20,994 of the agreement signed in 2015 and the first installment in the total amount of R$ 2.058 of the agreement signed in 2016, whose amounts have already been paid with interest. During the grace period interest will be paid quarterly, while the amounts of principal and interest will be paid monthly during the amortization period. The

agreement executed into in 2014 has weighted average charge of 8.2% p.a., the contract executed into in 2015 has an average charge of 11.18% p.a. and the agreement executed into in 2016 has weighted average charge of 11.18% p.a., in case of default on the payment of the charges, the Company will receive a bonus of 15% on the amount of the charges on each installment. The financing agreement of 2014 has amortization term of 7 years, and the financing agreements of amortization term of 6 years.

b) The Company entered into a financing operation of the Prodesign facility of BNDES (National Bank for Social and Economic Development) on October 27, 2014, through an accredited financial institution, to fund the development of the 2014/2015 collection, in the amount of R$ 65,426 to be released in instalments, against proof of expenses for subsequent reimbursement. The amount of R$ 40,000 was released in 2014, and the amount of R$ 22,364 in 2015, totaling R$ 62,364 relating to partial expenses already incurred. The financing has a total term of 3 years and a grace period of 1 year. First release, during the grace period interest were paid quarterly, while the amounts of principal and interest have been paid monthly during the amortization period. And the second release, during the grace period interest will be paid quarterly, while the amounts of principal and interest will be paid monthly during the amortization period. The Financing Line has 50% of its cost in SELIC + 2.5% p.a. and the other 50% in TJLP +2. 5% p.a.

The Company entered into a financing operation of the Prodesign with BNDES (National Bank for Social and Economic Development) on December 29, 2015, directly to the financial institution, to invest in developments in design through development and change in the structure and processes of development of products in the amount of R$ 41,545 to be released in installments, against proof of expenses for subsequent reimbursement. The amount of R$ 12,074 was released in third quarter of 2016, R$ 3.852 was released in fourth quarter of 2016, and R$ 6.227 was release in first quarter of 2017, relating to partial expenses already incurred. The financing has a total term of 4.5 years and a grace period of 1.5 year. First, second and third releases, during the grace period, interest will be paid quarterly, and during the amortization period, the amounts of principal and interest will be paid monthly. The Financing Line has 60.4% of its cost in SELIC + 2.5% p.a. and the other 39.6% in TJLP +2.12% p.a.

c) In June 2017, the Company, through the indirectly subsidiary Realize CFI. S.A., signed an Interbank Deposit with Banco ABC S.A. and Banco Itaú Unibanco S.A. in the amounts of R$ 20 millions and R$ 130 millions, respectively. The weight average financial interest is 105.95% of CDI p.a. and the maturity is for July 31, 2017. The main purpose for this financing agreement is to settle the Financing Service Operations related to "Meu Cartão".

d) The Company entered into a financing agreement with the Financing Agency for Studies and Projects (Finep) with the purpose of partially financing its innovation projects on December 12, 2016, directly to the institution, in the amount of R$ 57,937 to be released in four installments. In the first quarter of 2017, the first installment in the amount of R$ 18,291 was released for the execution of the investments and later proof of the expenses. The financing has a total term of 7.1 years and a grace period of 2 years. From the first release, during the grace period, interest will be paid monthly and, during the amortization period, the principal and interest amounts will be paid monthly. The financing line has a cost of TJLP + 5% pa. Reduced by the equalization of 1% a.a., resulting in the final nominal cost of TJLP + 4% a.a ...

e) The Company had four import financing agreements with Banco Citibank S.A., signed in 2016, totaling US$ 25.899. The borrowings intended to optimize the Company's capital structure, maintaining an adequate level of cash and financing of the organic growth strategy. The contracts also had swaps, acquired to eliminate risks of exchange rate variances (note 25.4.2). Import financing agreements were settled in January and March of 2017.

f) The subsidiary Maxmix Comercial Ltda. ("Camicado") had working capital borrowing under the type secured account with Banco Santander (Brazil), with proportional cost of 116% of CDI.

g) The subsidiary Maxmix Comercial Ltda. ("Camicado") has one financing agreement with Banco Tokio-Mitsubishi UFJ Brasil S/A, signed on May 25, 2017 in the amount of US$ 6,098, with settlement date in December 2017. The operation are denominated in US dollars with an average "all in" interest of 2.10% p.a. The financing is intended for the working capital and investments in Camicado's expansion plan. The contract also has swap, which was entered into to eliminate risks of exchange rate variances. (Note 25.4.2).

18.2 DEBENTURES

18.2.1 Debentures Characteristics

Type of issue	Issue value	Outstanding (quantity)	Issue	Maturity	Annual charges %	Unit price (in thousands R$)
4th Issue - 2nd series	84,900	8,490	7/15/2011	2015 - 2017	IPCA + 7.8% p.a.	$ 10.00
5th Issue - 1st series	220,000	22,000	6/15/2012	2016 - 2018	CDI + 0.97% p.a.	$ 10.00
5th Issue - 2nd series	80,000	8,000	6/15/2012	2017 - 2019	IPCA + 5.7% p.a.	$ 10.00
6th Issue - 1st series	400,000	40,000	8/1/2013	2017 - 2018	CDI + 0.85% p.a.	$ 10.00
7th Issue - 1st series	300,000	30,000	2/13/2017	2/13/2020	108% CDI	$ 10.00

18.2.2 Debentures Composition

	Current		Non-current		Total	
Type of issue	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
4th Issue - 2nd series	44,427	42,066	-	-	44,427	42,066
5th Issue - 1st series	73,643	74,297	-	73,333	73,643	147,630
5th Issue - 2nd series	37,333	39,924	37,170	73,045	74,503	112,969
6th Issue - 1st series	219,309	224,095	200,000	200,000	419,309	424,095
7th Issue - 1st series	12,887	-	300,000	-	312,887	-
Structuring costs	(542)	(449)	(482)	(166)	(1,024)	(615)
Interest rate swap - 4th and 5th Issue - 2nd series (note 25,5,2)	2,004	2,987	(1,334)	-	670	2,987
TOTAL	**389,061**	**382,920**	**535,354**	**346,212**	**924,415**	**729,132**

The covenants and the settlement schedule in accordance with the contractual cash flow are shown in note 7. 3.

18.3 FINANCIAL LEASES

As of June 30, 2017 the Company had commitments derived from commercial leasing agreements of IT systems, for up to 46 months and with weighted-average rate of 12.68% p.a. (12.79% p.a. in 2016). The licenses may be acquired at the end of the agreements for a guaranteed residual value.

In July 2012, the Company entered into a commercial leasing agreement for rent of property (Administrative Head Office), for 50 years restated based on the accumulated variation of annual INPC. At the end of the agreement, it is given preference in the acquisition of the property upon notice.

As of June 30, 2017, the financial leasing liabilities are due as follows:

	Parent Company and Consolidated	
Minimum lease payments	**6/30/2017**	**12/31/2016**
Less than 1 year	15,381	10,342
Between 1 and 5 years	48,026	55,374
Over 5 years	164,578	164,403
	227,985	**230,119**
(-) Less future financial charges	(156,138)	(158,101)
Present value of minimum payments	**71,847**	**72,018**
Current liabilities	7,976	2,521
Non-current liabilities	63,871	69,497
Total	**71,847**	**72,018**

As of June 30, 2017, the balances of the captions of fixed assets and intangible assets, net of depreciation or amortization, consider leased assets in the amount of R$ 59.026 (R$ 63,281 on December 31, 2016).

19 FINANCING – FINANCIAL SERVICE OPERATIONS

	Average	Parent Company		Consolidated	
	charges - %	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Financing - Sales and invoice installment (a)	5.9% p.m. to 13.99% p.m.	16,569	42,231	136,356	76,124
Financing - Personal loans (b)	11.67% p.m.	-	-	78,067	102,753
Financing - Guaranteed account (c)	14.9% p.m. to 20.7% p.m.	3,950	4,131	195,756	174,491
Financing - Vendor (d)	20.7% p.m.	53,278	19,127	53,278	19,127
Senior quotas – FIDC Lojas Renner (e)	CDI + 1.08% p.a.	-	-	426,338	427,733
Structuring cost - FIDC Lojas Renner (f)	-	-	-	(3,612)	(4,593)
		73,797	**65,489**	**886,183**	**795,635**
Current liabilities		73,797	65,489	467,829	378,266
Non-current liabilities		-	-	418,354	417,369
Total		**73,797**	**65,489**	**886,183**	**795,635**

(a) The values of "Sale and Installment Payment Invoice" refer to the amounts financed to the clients of the Company by Financial Institutions, through CDCI/Vendor, on shopping malls made under the condition of payment from seven to eight monthly installments at Lojas Renner S.A., and in up to twelve installments for shopping malls made at the establishments associated to Mastercard and Visa ("Meu Cartão). The Company has payment co-obligation.

(b) The values of "Personal Borrowing" correspond to the amounts of personal borrowing agreement, granted to the clients by a bank with which there is special agreement ("bank agreement") and intermediated by the subsidiary RACC. The Company is guarantor of the operations.

(c) The values of "Secured Account" are used for the financing of portfolios in delay, draft and refinancing of "Meu Cartão", and also to finance the portfolio in delay of the sales of the virtual store and Camicado.

(d) The values of "Vendor" are realized through the Special Agreement for Granting of Financing – Electronic Vendor with

Itaú Unibanco, credit facility destined to financing of delinquent clients. The Company guarantees Itaú Unibanco in these transactions, serving as guarantor and chief payer of the liabilities assumed by clients.

(e) Represents the balance of senior quotas issued by FIDC Lojas Renner (explanatory note 10), object of public distribution pursuant to CVM Instruction 400/03, with priority for amortization and redemption in regard to subordinated quotas. This amount will be settled upon closing of FIDC Loja Renner in May 2019.

(f) Refers to the balance of costs incurred in the structuring of FIDC Lojas Renner, which will be recognized in the income (loss) (cost of financial services) over the life of the fund, according to the internal return rate (IRR) of the funding.

20 ENCUMBRANCES, GUARANTEES AND RESPONSIBILITIES

As of August 2005 the Company started offering its clients interest-bearing installment payments intermediated by financial institutions (consumer borrowing/vendor), whereby the Company acts as guarantor and chief payer, jointly responsible for all the liabilities arising from these transactions. As of June 30, 2017 the amounts yet to mature of installment sales guaranteed by the Company totaled R$ 16,569 in the Parent Company and R$ 136,356 in the Consolidated (R$ 42,231 in the Parent Company and R$ 76,124 in the Consolidated as of December 31, 2016 respectively), see note 19.

As of September 2008, the Company made available overdraft credit facilities to its clients, in order to cover its portfolio in arrears, withdrawals and refinancing of "Meu Cartão", as well as for late payments to its virtual store, beauty division and Camicado, assuming responsibility for settlement of such liabilities. The amounts of such transactions are stated under the current liabilities item financing – financial service transactions, which as of June 30, 2017 totaled R$ 3,950 in the Parent Company and R$ 195,756 in the Consolidated (R$ 4,131 and R$ 174,491 as of December 31, 2016 respectively), see note 19.

As of March 2010, the Company, and its subsidiary RACC entered into an Agreement for Granting of Personal Borrowings to Company's customers with Banco Alfa. As part of the transaction, the Company assumes as guarantor and chief player of the main obligations and accessory incurred and to be incurred by Company's customers. As of June 30, 2017 the amount outstanding of guaranteed borrowings is R$ 78,067 (R$ 102,753 as of December 31, 2016) in the Consolidated, as described in note 19.

As of December 2010, the Company started providing its clients with a credit facility to fund non-performing clients, by means of the Itaú Unibanco Electronic Vendor Borrowing Extension Agreement. The Company guarantees Itaú Unibanco in these transactions, serving as guarantor and chief payer of the liabilities assumed by clients. Borrowings granted to clients under this form of credit are stated under the current liabilities item financing – financial services transactions, which as of June 30, 2017 totaled R$ 53.278 in the Parent Company and Consolidated (R$ 19,127 on December 31, 2016 respectively), see note 19.

21 OPERATIONAL LEASE (RENTS PAYABLE)

The Parent Company and its subsidiaries have rental agreements for its retail, logistics and administrative units, classed as operational leasing, with the exception of its head office agreement (see note 18.3), classed as financial leasing.

Most lease agreements of commercial units (stores) provide for a variable rent depending on sales and/or a minimum value, and it is mandatory for the Company to pay the higher value. The minimum contractual amounts are readjusted annually in accordance with the changes in the main inflation indices.

Rental agreements for the logistics areas are based on contractual amounts with annual readjustments according to changes in the main inflation indices.

In the period of three and six months ended on June 30, 2017,, rent expenses, net of recoverable taxes, totaled respectively R$ 105,814 and R$ 210,348 (R$ 97,855 and R$ 189,082 as of June, 30 2016) in the Parent Company and R$ 123,273 and R$ 244,129 (R$ 110,237 and R$ 231,003 as of June 30, 2016) in the Consolidated. The amount of rents payable, in June 30, 2017, is R$ 41,737 in the Parent Company and R$ 48,675 in the Consolidated (R$ 47,973 and R$ 55,608, as of December 31, 2016, respectively).

Future liabilities arising from these agreements on June 30, 2017 totaled a minimum of R$ 1,349,994, allocated as shown below:

	Parent Company and Consolidated	
Future commitments	**6/30/2017**	**12/31/2016**
Less than 1 year	218,448	219,446
Between 1 and 5 years	686,894	697,411
Over 5 years	444,652	368,993
Total	**1,349,994**	**1,285,850**

22 SUPPLIERS

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Trade suppliers	409,987	504,108	465,851	576,798
Adjustment to present value	(3,227)	(3,887)	(3,227)	(3,887)
Suppliers - use and consumption	55,964	95,967	70,219	106,810
Total	**462,724**	**596,188**	**532,843**	**679,721**

As of June 30, 2017, the amount of pre-payments made to suppliers whose original maturity was subsequent to June 30, 2017 totaled R$ 220,709 (R$ 337,988 on December 31, 2016). The discounts obtained from these pre-payments are recorded as reduction of the cost of sales, since they are directly related to the goods supply agreement.

23 TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Income tax and social contribution	62,778	138,651	77,033	145,623
ICMS payable	82,790	148,280	89,846	157,228
PIS/COFINS	22,798	81,871	29,618	90,338
Other taxes	5,749	8,948	7,839	11,623
Total	**174,115**	**377,750**	**204,336**	**404,812**
Current liabilities	174,115	377,750	204,325	404,760
Non-current liabilities	-	-	11	52
Total	**174,115**	**377,750**	**204,336**	**404,812**

24 PROVISION FOR TAX, CIVIL, LABOR RISKS AND CONTINGENCIES LIABILITY

The Company and its subsidiaries are party to tax, labor and civil lawsuits and administrative processes in course before courts and governmental agencies, derived from the normal course of its business.

24.1 PROVISIONS

Management, based on information from its legal advisors, formed a provision in an amount considered sufficient to cover estimated losses from lawsuits in progress. For tax proceedings classified into possible loss, the Company records provision at the estimated amounts of court costs and attorney fees based on the history incurred and current contractual bases negotiated with its legal advisors. The composition of provision amounts as of June 30, 2017 is shown below:

		Parent Company		Consolidated	
Tax		6/30/2017	12/31/2016	6/30/2017	12/31/2016
ICMS - Complementary Law 102/2000	(a,1)	4,599	4,627	4,599	4,627
ICMS - unqualified suppliers	(a,2)	10,619	10,830	10,619	10,830
ICMS - Returns	(a,3)	690	571	690	571
ICMS - Anticipated RS	(a,4)	5,011	4,477	5,011	4,477
IRPJ/CSLL - Law 11,196/2005	(a,5)	10,043	9,783	10,043	9,783
FAP/SAT	(a,6)	-	-	3,578	3,332
IRPJ/CSLL - Interest on own capital of formers periods	(a,7)	1,491	1,369	1,491	1,369
INSS/IRRF - Non-wage installments	(a,8)	2,041	1,967	2,041	1,967
PIS/Cofins - Not homologated compensation	(a,9)	2,097	2,043	2,097	2,043
Others Provisions	(a,10)	6,027	5,589	7,883	7,407
(-) Judicial deposits	(a,11)	(5,561)	(5,718)	(9,139)	(9,050)
		37,057	**35,538**	**38,913**	**37,356**
Civil	(b)	21,300	20,091	21,453	20,188
Labor	(c)	13,317	12,574	14,368	13,468
TOTAL		**71,674**	**68,203**	**74,734**	**71,012**
Current liabilities		34,617	32,665	35,821	33,656
Non-current liabilities		37,057	35,538	38,913	37,356
TOTAL		**71,674**	**68,203**	**74,734**	**71,012**

(a) Tax provisions

(a.1) ICMS (value-added tax)– LC 102/2000 – Refers mainly to the challenging of the application of Complementary Law 102/2000 as regards to ICMS credit in the consumption of power, telecommunications and also to credit in acquisitions of fixed assets. The proceedings are underway, and there is no forecast of a disbursement of resources, in view of a judicial deposit of the amounts being legally disputed.

(a.2) ICMS – Disreputable suppliers – Refers to proceedings related to supposed undue crediting of ICMS related to the acquisition of goods from suppliers considered disreputable by the tax authorities. The proceedings are underway and no date has been set for the disbursement of these resources.

(a.3) ICMS – Returns – Refers to tax assessment notices resulting from the disallowance of ICMS credits vis-à-vis the understanding of SEFAZ/RJ that the return goods invoices issued by the Company did not fulfill the accessory formalities. Of the 11 proceedings in progress, 9 of them were settled with administrative decision partially favorable to the Company. Other proceedings are underway and no date has been set for the disbursement of these resources.

(a.4) Anticipated ICMS RS – Refers to tax assessment notices for collection of the ICMS rate difference, in advance, in the entry of imported goods into the state, received from other Federation unit. The proceedings are underway in administrative area and no date has been set for the disbursement of these resources.

(a.5) IRPJ/CSLL – Law 11,196/2005 – Refers to the tax assessment notice for the disallowance of expenditures on technological innovation which projects have not been understood as such by the Federal Revenue Service.

(a.6) FAP/SAT –Refers to the writ of mandamus challenging the increase in the rate of Workplace Accident Insurance (SAT), from 1% to 3%, and the Accident Prevention Factor (FAP). The provision balance corresponds to the amounts which were deposited in court by the subsidiary Maxmix Comercial Ltda.

(a.7) IRPJ/CSLL – interest on own capital for previous years- Refers to the tax assessment notice related to the disallowance of the expense with the payment of interest on own capital corresponding to the distribution of profit for the previous year, made in the calendar year of 2010. The proceeding is underway and no date has been set for the disbursement of this resource. In January 2016, the spontaneous appeal of the Company was ruled favorably by the panels of the Administrative Council of Tax Appeals (CARF), the decision not being final and non-appealable.

(a.8) INSS/IRRF – Non-salary installments – Refers to the tax assessment notices drawn for collection of the social security contribution on amounts which the Company considers as non-taxable by such contribution, as well as the imposition of ex-officio fine due to the lack of withholding income tax on such amounts. The proceeding is underway and no date has been set for the disbursement of this resource.

(a.9) PIS/COFINS – Non-confirmed offsets – Refers to the offset of PIC credits recognized in lawsuit with PIS/COFINS debts not confirmed because of the supposed nonexistence of credit, the divergence of amounts being related to the adjustment indexes established by legal decision, and the applicable indexes in the inspection's understanding.

(a.10) Other Provisions – These are related to sundry proceedings, addressing subject matters such as social security contributions, application of ex-officio fine on spontaneous payment of debts, accessory obligations, disallowance of adjustments in the taxable income base, IRPJ and CSLL, and others, whose losses are estimated by our legal consultants according to the criteria used for the other items, highlighted in this note.

(a.11) Judicial deposits were made to continue with the litigation involving tax proceedings, which total, on June 30, 2017, R$ 16,101 at the Parent Company and R$ 19,722 in the Consolidated statement (R$ 16,101 and R$ 19,494 on December 31, 2016, respectively). The balances of filed deposits whose proceedings have provision for tax risks, in the amount of R$ 5,561 at the Parent Company and R$ 9,139 in the Consolidated statement, as of June 30, 2017 (R$ 5,718 and R$ 9,050 as of December 31, 2016, respectively), are being submitted after deducting the amount of the corresponding liabilities. The other balances of judicial deposits, in the amount of R$ 10,540 at the Parent Company and R$ 10,583 in the Consolidated statement (R$ 10,383 and R$ 10,444 on December 31, 2016, respectively), are presented in non-current assets.

Classification of tax provisions

The breakdown of the classification of provisions for taxes according to the risk of likelihood of loss, considered by the Company's Management and legal advisors of June 30, 2017 is as follows:

	Parent Company			Consolidated		
Main matters	**Probable**	**Possible**	**Total**	**Probable**	**Possible**	**Total**
ICMS - Complementary Law 102/2000	4,454	145	4,599	4,454	145	4,599
ICMS - unqualified suppliers	-	10,619	10,619	-	10,619	10,619
ICMS - Returns	-	690	690	-	690	690
ICMS - Anticipated RS	-	5,011	5,011	-	5,011	5,011
IRPJ/CSLL - Law 11,196/2005	9,766	277	10,043	9,766	277	10,043
FAP/SAT	-	-	-	-	3,578	3,578
IRPJ/CSLL - Interest on own capital of previous periods	-	1,491	1,491	-	1,491	1,491
INSS/IRRF - Non-wage installments	-	2,041	2,041	-	2,041	2,041
PIS/Cofins - Not homologated compensation	2,097	-	2,097	2,097	-	2,097
Others Provisions	-	6,027	6,027	-	7,883	7,883
Total	**16,317**	**26,301**	**42,618**	**16,317**	**31,735**	**48,052**

(b) Civil provisions

The Company and its subsidiaries are party to civil lawsuits that have consumption-related nature with different objects. The provisions are periodically reviewed, considering the development of lawsuits, and the history of effectively settled amounts.

(c) Labor provisions

The Company and its subsidiaries are party to labor lawsuits with different objects. The provisions are periodically reviewed, considering the development of lawsuits, and the history of effectively settled amounts.

24.2 CHANGES IN PROVISION FOR TAX, CIVIL AND LABOR RISKS

					Parent Company
Nature	**Civil**	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
On 1/1/2017	20,091	12,574	41,256	(5,718)	68,203
(+/-) (Provision) reversal	1,209	743	(23)	157	2,086
(+) Charges	-	-	1,385	-	1,385
On 6/30/2017	**21,300**	**13,317**	**42,618**	**(5,561)**	**71,674**

					Consolidated
Nature	**Civil**	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
On 1/1/2017	20,188	13,468	46,406	(9,050)	71,012
(+/-) (Provision) reversal	1,265	900	209	(89)	2,285
(+) Charges	-	-	1,437	-	1,437
On 6/30/2017	**21,453**	**14,368**	**48,052**	**(9,139)**	**74,734**

24.3 CONTINGENT LIABILITIES

24.3.1 Contingent liabilities

The main contingent liabilities are related to the tax matters mentioned in the chart above "Classification of provisions for taxes", for which the Management understands that the likelihood of disbursement is individually small (claims which likelihood of loss is possible), however, it may be probable that in the set of claims of the same nature there is need of making disbursement at the recorded amounts, mainly because of court costs and attorney fees.

As of June 30, 2017, the estimated amount of judicial contingent liabilities and administrative proceedings, related to tax matters whose likelihood of loss was assessed as possible was R$ 353,889 in the Parent Company and R$ 365,242 in the Consolidated (R$ 354,269 in the Parent Company and R$ 365,218 in the Consolidated as of December 31, 2016, respectively). For the lawsuits classified as possible, the Company accrues the estimated values of court costs: R$ 26,301 in the Parent Company and R$ 31,745 in the Consolidated (R$ 25,249 and R$ 30,399 as of December 31, 2016, respectively).

During the second quarter of 2017, the Company obtained preliminary injunctions for Lojas Renner S.A., Maxmix Comercial Ltda., and Fashion Business Comércio de Roupas Ltda, to suspend the requirement to include the ICMS in the calculation base of PIS and COFINS, applicable only to installments falling due as of the date of the injunction. If the Federal Supreme Court, after the judgment of the leading case with great repercussion about this matter, decide to apply the modulation mechanism, limiting the effects of the decision over time, a revaluation of the risk of loss associated with such actions may be necessary, with the consequent need to make provision for this matter in the future. Regarding the prior competences to obtaining preliminary injunctions, the Company awaits the final judgment of lawsuits about the subject, currently under consideration, whose likelihood of gain is assessed by its legal advisors as probable as to the merits, and possible to obtain equity effects, given the current stage of the proceedings, due to the inexistence of a decision on possible modulation of effects.

24.3.2 Other contingent liabilities

The Company is disputing in court, in a lawsuit filed by Banco Renner, the association of the "Renner" trademark in the marketing of financial services, except those related to the "Renner" Credit Card, support services related to it and insurance. The lawsuit is being disputed in court and its likelihood of loss is considered probable in relation to the trademark use, and remote in relation to possible indemnities, taking into account that in both events there is no contingency amount established in the records, or estimate for disbursement.

25 FINANCIAL INSTRUMENTS

25.1 FINANCIAL INSTRUMENT BY CATEGORY AND FAIR VALUE

We show below the accounting and fair values of the financial assets and liabilities of the Company and Consolidated, including the hierarchical fair value levels. For the financial assets and liabilities not measured at fair value, which accounting balances are a reasonable approximation to their fair values, we did not include the fair values as established in the CPC 40/IFRS 7.

25.1.1 Parent Company

	Book Value					Fair Value
Financial assets (liabilities)	**Fair value through profit/loss**	**Loans and receivables**	**Financial liability fair value**	**Financial liabilities measured at amortized cost**	**Total**	**Level 2**
Cash and cash equivalents	-	482,261	-	-	482,261	-
Accounts receivable	-	787,253	-	-	787,253	-
FIDC Lojas Renner	-	182,000	-	-	182,000	-
Derivative financial instruments	7,115	-	(3,393)	-	3,722	3,722
Borrowings, financing and debentures	1,334	-	(2,004)	(1,018,569)	(1,019,239)	(998,564)
Financing - financial services operations	-	-	-	(73,797)	(73,797)	(76,375)
Finance lease payable	-	-	-	(71,847)	(71,847)	(71,821)
Suppliers	-	-	-	(462,724)	(462,724)	-
Obligations with credit card administrators	-	-	-	(43,798)	(43,798)	-
Total - June 30, 2017	**8,449**	**1,451,514**	**(5,397)**	**(1,670,735)**	**(216,169)**	**(1,143,038)**
Cash and cash equivalents	-	711,186	-	-	711,186	-
Accounts receivable	-	1,032,156	-	-	1,032,156	-
FIDC Lojas Renner	-	182,000	-	-	182,000	-
Derivative financial instruments	359	-	(54,861)	-	(54,502)	(54,502)
Borrowings, financing and debentures	-	-	(149,692)	(812,677)	(962,369)	(855,624)
Financing - financial services operations	-	-	-	(65,489)	(65,489)	(65,842)
Finance lease payable	-	-	-	(72,018)	(72,018)	(70,943)
Suppliers	-	-	-	(596,188)	(596,188)	-
Obligations with credit card administrators	-	-	-	(6,110)	(6,110)	-
Total - December 31, 2016	**359**	**1,925,342**	**(204,553)**	**(1,552,482)**	**168,666**	**(1,046,911)**

25.1.2 Consolidated

	Book Value					Fair Value
Financial assets (liabilities)	**Fair value through profit/loss**	**Loans and receivables**	**Financial liability fair value**	**Financial liabilities measured at amortized cost**	**Total**	**Level 2**
Cash and cash equivalents	96,136	874,202	-	-	970,338	96,136
Accounts receivable	-	2,141,703	-	-	2,141,703	-
Derivative financial instruments	7,713	-	(3,437)	-	4,276	4,276
Borrowings, financing and debentures	1,334	-	(20,915)	(1,170,820)	(1,190,401)	(1,169,726)
Financing - financial services operations	-	-	-	(886,183)	(886,183)	(880,040)
Finance lease payable	-	-	-	(71,847)	(71,847)	(71,821)
Suppliers	-	-	-	(532,843)	(532,843)	-
Obligations with credit card administrators	-	-	-	(419,240)	(419,240)	-
Total - June 30, 2017	**105,183**	**3,015,905**	**(24,352)**	**(3,080,933)**	**15,803**	**(2,021,175)**
Cash and cash equivalents	101,825	793,056	-	-	894,881	101,825
Accounts receivable	-	2,209,271	-	-	2,209,271	-
Derivative financial instruments	366	-	(57,530)	-	(57,164)	(57,164)
Borrowings, financing and debentures	-	-	(192,657)	(815,610)	(1,008,267)	(901,522)
Financing - financial services operations	-	-	-	(795,635)	(795,635)	(786,682)
Finance lease payable	-	-	-	(72,018)	(72,018)	(70,943)
Suppliers	-	-	-	(679,721)	(679,721)	-
Obligations with credit card administrators	-	-	-	(291,891)	(291,891)	-
Total - December 31, 2016	**102,191**	**3,002,327**	**(250,187)**	**(2,654,875)**	**199,456**	**(1,714,486)**

- Level 2: Used for financial instruments that are not traded in active markets (for example, over-the-counter derivatives) and whose evaluation is based on techniques that, in addition to quoted prices included in Level 1, use other information directly (prices) or indirectly (deriving from prices) adopted by the market for the asset or liability.

25.2 MEASUREMENT OF FAIR VALUES

The Company uses the income approach model to measure the fair values, financial investment in Credit Rights Investment Fund (FIDC), of borrowings, finance and debentures, financing of financial services operations, finance lease payable, and derivatives. The income approach model converts amounts receivable (for example, cash flows) into one current amount (that is, discounted). The estimated fair values reflect the market expectations on amounts receivable.

25.3 IMPAIRMENT LOSSES

We show in Note 9 (accounts receivable) the breakdown of allowance for doubtful accounts, according to the Management's evaluation of recoverability.

25.4 DERIVATIVE FINANCIAL INSTRUMENTS

The Management of these instruments is done through operating strategies, aimed at liquidity, profitability and security. The Company and its subsidiaries do not invest in derivatives or any other financial instruments on a speculative basis.

Derivative financial instruments are entered into as defined by an internal policy approved by the Management, in order to hedge the foreign exchange risk taken in import orders and borrowings, as well as to hedge interest rate risk, as described in Note 5.7.

The Company has used as a hedging instrument for its exposure to volatility of foreign currency exchange, dollar futures purchase contracts Non-Deliverable Forward type (NDF) and swap.

The information on transactions with derivatives is segregated between designated to hedge accounting (cash flow hedge) and not designated to hedge accounting.

In the table below, we present the breakdown of derivatives as of June 30, 2017 in the Parent Company and Consolidated financial statements:

		Parent Company		Consolidated	
Description Derivatives	**Category**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
NDF (Import orders)	Designated for hedge accounting	3,722	(54,502)	4,276	(57,164)
Swap - debentures - 4th and 5th Issue - 2nd series	Not designed for hedge accounting	(670)	(2,987)	(670)	(2,987)
Swap - financing imports	Not designed for hedge accounting	-	(15,285)	-	(15,500)
Swap - working capital - (Law 4.131 *Central Bank of Brazil*)	Not designed for hedge accounting	-	(2,048)	(53)	(5,404)
	Total	**3,052**	**(74,822)**	**3,553**	**(81,055)**
	Current assets	7,115	359	7,713	366
	Current Liabilities	(4,063)	(75,181)	(4,160)	(81,421)
	Total	**3,052**	**(74,822)**	**3,553**	**(81,055)**

The balance of swap are contemplated in the line of current liabilities, once they are classified in the line of borrowings, financing and debentures, totaling R$ (670) in Parent Company and R$ (723) in Consolidated (R$ 20,320 in Parent Company and R$ 23,891 in Consolidated on December 31, 2016). The disclosure is according to CPC 40/IFRS 7.

25.4.1 Derivatives designated to hedge accounting

NDF - Non-Deliverable Forward

Hedge instrument				**Hedge transaction**	
Maturity	**Transaction**	**Notional (US$)**	**(*) Fair value**	**Transaction**	**Estimated maturity**
From 1/7/2017 to 3/31/2018	NDF	115,201	3,722	Import orders	From 1/7/2017 to 3/31/2018
Total Parent Company		**115,201**	**3,722**		
From 1/7/2017 to 3/31/2018	NDF	7,635	554	Import orders	From 1/7/2017 to 3/31/2018
Total Consolidated		**122,836**	**4,276**		

(*) Non-Deliverable Forwards are priced under the discounted cash flow method, using projections from BM&FBovespa.

During the period, the NDF transactions used to hedge the cash flow risk of import orders were effective and complied with the levels established by accounting pronouncement CPC 40/IAS 39.

Cash flow

The table below shows the expected cash flow the from import orders of future operations exposed to foreign currency hedged by derivatives, using as reference the US dollar exchange rate expected for the next reporting date of R$ 3.3634:

	3Q17	**4Q17**	**1Q18**	**Total**
Resale goods import orders - R$	151,165	134,317	127,665	**413,147**
Notional amount - US$ thousand	44,944	39,935	37,957	**122,836**

The cash flows related to import orders of merchandise for resale are initially recorded in the cost of inventories and subsequently in profit or loss as the inventories are realized in the normal course of operations.

25.4.2 Derivatives not designated to hedge accounting (swap)

25.4.2.1 Details of the swap characteristics

Instrument	Contracting	Sale off	(protected object)	(hired risk)	(Notional)	(Notional)	Fair Value (*) 6/30/2017	Fair Value (*) 12/31/2016
Debentures - 4th issue - 2nd series	Feb-17	see note 18,2	IPCA + 7.8% p.a.	116.25% CDI p.a.	*BRL*	97,581	(1,421)	(778)
Debentures - 5th issue - 2nd series	Mar-17	see note 18,2	IPCA + 5.7% p.a.	98.7% CDI p.a.	*BRL*	95,513	751	(2,209)
Working Capital (Law 4,131 *Central Bank of Brazil*)	Jun-17	see note 18,1f	Dollar + 1.79% p.a.	98.5% CDI p.a.	*USD*	14,749	-	(2,048)
Import Financing (1st contract)	Feb-17	Feb-17	Dollar + 2.74% p.a.	98% CDI p.a.	*USD*	5,634	-	(6,019)
Import Financing (2st contract)	Mar-17	see note 18,1d	Dollar + 2.51% p.a.	98.5% CDI p.a.	*USD*	14,240	-	(7,346)
Import Financing (3st contract)	Mar-17	see note 18,1d	Dollar + 2.57% p.a.	98.5% CDI p.a.	*USD*	5,010	-	(1,920)
Total Parent Company							**(670)**	**(20,320)**
Working Capital (Law 4,131 *Central Bank of Brazil*)	Jun-17	Jun-17	Dolar + 4,08% a.a	110,15% CDI p.a.	*USD*	5,763	-	(2,416)
Working Capital (Law 4,131 *Central Bank of Brazil*)	Aug-16	Jan-17	Dolar + 2,89% a.a	109,4% CDI p.a.	*USD*	5,089	-	(940)
Working Capital (Law 4,131 *Central Bank of Brazil*)	May-17	dez/17	Dolar + 2,10% a.a	104,9% CDI p.a.	*USD*	6,098	(53)	-
Import Financing	Jul-16	Jan-17	Dolar + 3,01% a.a	112% CDI p.a.	*USD*	1,015	-	(215)
Total Consolidated							**(723)**	**(23,891)**

These swaps were contracted to mitigate the risk of inflation increase of the 2nd series of the 4th issue and 5th issue of debentures and the foreign exchange risk of the borrowing in foreign currency (FINIMP and Working capital – Law 4.131 *Central Bank of Brazil*).

(*) Swaps are priced under the discounted cash flow method, using projections from BM&FBovespa..

25.4.2.2 Change of the swaps:

	Parent Company	Consolidated
On January 1, 2017	**(20,320)**	**(23,891)**
Settlement	22,272	26,811
Interest payment	4,452	4,452
Fair value expenses	(7,074)	(8,095)
On June 30, 2017	**(670)**	**(723)**

26 OTHER LIABILITIES

	Parent Company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Advances from financial institutions (a)	3,709	4,203	27,955	11,100
Obligations with customers (b)	13,841	15,307	27,178	29,250
Obligations related to the transactions with insurance (c)	11,166	10,936	11,642	11,202
Transfer operation of financial products (d)	9,586	17,908	-	-
Other obligations (e)	16,823	15,163	15,947	14,221
Total	**55,125**	**63,517**	**82,722**	**65,773**
Current liabilities	52,406	60,303	79,754	62,265
Non-current liabilities	2,719	3,214	2,968	3,508
Total	**55,125**	**63,517**	**82,722**	**65,773**

(a) Basically refer to advances of income from intermediation of financial services, related to transactions of sale on credit and credit card.
(b) Refer to balances in favor to clients, which credits may be used as payment for purchases in the Company and goods bought from bridal registries, but not yet delivered.
(c) Advances related to insurance operations related to exclusivity contract and insurance premiums paid by clients to be transferred to the insurance Company.
(d) Refer to the agreement of transfers of the personal borrowing agreement and transfers of "*Meu Cartão*" operations balances.
(e) Refer to balances payable corresponding to the acquisition of ICMS credits, freights, royalties, payroll advance borrowings, transfers of the personal borrowing agreement, among others.

27 RELATED PARTIES

The Company, the subsidiaries and related persons perform some transactions among themselves, related to the financial, business and operational aspects of the Company. We describe below the most significant transactions:

27.1 CONSOLIDATED CONTEXT

27.1.1 Compensation of the members of the Board of Directors and Executive Board (the "Management")

Pursuant to Corporation Law and the Company's bylaws, it is the responsibility of shareholders, at a General Shareholders' Meeting, to set the total amount of the annual Management fees. It is up to the Board of Directors to distribute the allowance among the managers after considering the Committee of Persons.

The Extraordinary Shareholders' held on April 19, 2017, approved the director's global compensation limit up to R$ 39,000 (thirty-nine millions) for fiscal year 2017. This amount consists of funds that include fixed remuneration, variable remuneration, which sum, besides participation in meetings, the statutory participation (Art. 34 of the Bylaws and paragraph 1 of art. 152 of Law 6.4047/76), and the cost of the share plan and the restricted share plan (notes 31 and 32).

In the period of three and six months ended on June 30, 2017, the expense with Director's fees amounted to, respectively, R$ 3,239 and R$ 6,025 in the Parent Company, and 3,483 and R$ 6,258, in the Consolidated (R$ 2,526 and R$ 4,591 as of June 30, 2016, in the Parent Company and Consolidated). (note 36).

27.1.1.1 Shares purchase option plan

The Company has a shares purchase option plan whereby the members of the management can acquire Company shares in the form and under the conditions set forth in the plan (note 31). In the period of three and six months ended on June 30, 2017, the expense incurred with the shares purchase option plan for the Management totaled, respectively, R$ 4,574 and R$ 8,237 (R$ 3,049 and R$ 6,910 as of June 30, 2016).

27.1.1.2 Restricted share plan

The Company has a restricted share plan attributed to the members of management (Note 32). In the period of three and six months ended on June 30, 2017, the expense with Management's interests totaled, respectively, R$ 809 and R$ 1,395 (R$ 144 and R$ 240 as of June 2016).

27.2 Parent Company's context

27.2.1 Lease agreements

In 2009, the Company renewed the lease agreement with the subsidiary Dromegon, from which it rents the building of the store located in the city of Porto Alegre. The amount of the lease of this property is always the higher of the following: (i) the equivalent to 4.29% of the gross monthly sales made by the store, or (ii) R$ 209 per month. The aforementioned agreement is effective for ten years, subject to renewal.

In May 2012, the Company entered into lease agreements with the subsidiary Dromegon referring to the buildings of the stores located in Santa Maria and Pelotas. The amount of the lease of the store located in the city of Santa Maria is always the higher of either the equivalent to 4% of the gross monthly sales made by the store or R$ 81 per month, whereas the amount of the lease of the store in the city of Pelotas is always the higher of either the equivalent to 4% of the gross monthly sales made by the store or R$ 69 per month. These agreements are effective for ten years and may be renewed.

27.2.2 Personal borrowing extension service agreement

The Company offers personal borrowing financial services through its subsidiary Renner Administradora de Cartões de Crédito Ltda. (RACC) by means of agreements for borrowing extension by financial institutions, providing conditions for Renner clients to obtain personal borrowings. Lojas Renner is a party in the transaction through its operating infrastructure and serves as guarantor.

27.2.3 Use of Renner Card and "Meu Cartão" in Camicado

One of the main synergy drivers pointed out by management in the Camicado integration process is the acceptance of Renner Card (CCR) and "Meu Cartão" in Camicado stores. As of October 2011 Renner Card and "Meu Cartão" clients were able to use them for purchases from Camicado.

27.2.4 Agreement to apportion corporate costs and expenses

As a means of optimizing the corporate structure made available to management, Lojas Renner and its subsidiaries entered into agreements among themselves to share their structures, mainly focused on sharing back-office and corporate structure.

27.2.5 Income from sale of goods and rendering of services

Lojas Renner Shanghai Trading Co. Ltd. performed business operations of revenue from commission of imported goods intermediation for the Parent Company. Such operation is in line with the Company's strategy of increasing the approximation to and development of its international base of suppliers. The revenue from intermediation commission was produced at a price compatible with the market conditions.

27.2.6 Agreement for transfer of administrative expenses

In 2015, Lojas Renner S.A and Lojas Renner Shanghai Trading Co. Ltd ("Trade") entered into an agreement for transfer of the administrative expenses incurred during the carry out of operations, as a way to determine the effective profit or loss of each transaction.

27.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main asset and liability balances as of June 30, 2017, as well as the transaction amounts recorded in profit or loss for the period from related party transactions arise from transactions performed at arm's length in the respective transaction types and are summarized below:

27.3.1 Balances with related companies

Descriptions of operations - Assets (liabilities)	Renner Administradora de Cartões de Crédito Ltda. - (RACC)	Dromegon Participações Ltda.	Fashion Business Comércio de Roupas Ltda. (Youcom)	Maxmix Comercial Ltda. (Camicado)	Lojas Renner Shanghai Trading Co. Ltd	Realize CFI S.A.	TOTAL
Other obligations - Rents payable	-	(610)	-	(70)	-	-	(680)
Accounts receivable - co-branded "Meu cartão"	125,696	-	-	-	-	-	125,696
Obligations with credit card administrators	(42,081)	-	-	-	-	-	(42,081)
Credits and debits with Related parties	(8,522)	-	-	-	3,904	-	(4,618)
Other obligations - Transfer of financial products operation "CCR"	-	-	-	(9,586)	-	-	(9,586)
Credits and debits with Related parties - Transfer of shared expense	5,246	-	526	545	-	(69)	6,248
Balance receivable (payable) on June 30, 2017	**80,339**	**(610)**	**526**	**(9,111)**	**3,904**	**(69)**	**74,979**
Other obligations - Rents payable	-	(1,098)	-	(21)	-	-	(1,119)
Accounts receivable - co-branded "Meu cartão"	56,921	-	-	-	-	-	56,921
Obligations with credit card administrators	(6,110)	-	-	-	-	-	(6,110)
Other obligations - Transfer of financial products operation "Personal loan"	(1,980)	-	-	-	2,105	-	125
Other obligations - Transfer of financial products operation "CCR"	-	-	-	(15,928)	-	-	(15,928)
Credits and debits with Related parties - Transfer of shared expense	3,275	-	254	176	-	-	3,705
Balance receivable (payable) on December 31, 2016	**52,106**	**(1,098)**	**254**	**(15,773)**	**2,105**	**-**	**37,594**

27.3.2 Transactions with related companies

Subsidiaries	Shared expense		Commision expense		Rents		Export of goods		Trade of fixed assets and intangible		TOTAL	
	2Q17	6M17	2Q17	6M17	2Q17	6M17	2Q17	6M17	2Q17	6M17	2Q17	6M17
Renner Administradora de Cartões de Crédito Ltda.	13,848	29,178	-	-	-	-	-	-	-	-	13,848	29,178
Dromegon Participações Ltda.	16	32	-	-	(1,800)	(3,172)	-	-	-	-	(1,784)	(3,140)
Fashion Business Comércio de Roupas Ltda.	713	1,394	-	-	-	-	-	-	-	-	713	1,394
Maxmix Comercial Ltda.	868	1,366	-	-	(31)	(61)	-	-	-	-	837	1,305
Lojas Renner Shanghai Trading Co.Ltd.	387	759	(2,074)	(3,153)	-	-	-	-	-	-	(1,687)	(2,394)
Realize CFI S.A	1,162	1,162	-	-	-	-	-	-	4,493	4,493	5,655	5,655
Lojas Renner Uruguay S.A	-	-	-	-	-	-	22	22	-	-	22	22
TOTAL	**16,994**	**33,891**	**(2,074)**	**(3,153)**	**(1,831)**	**(3,233)**	**22**	**22**	**4,493**	**4,493**	**17,604**	**32,020**

Subsidiaries	Shared expense		Commision expense		Rents		TOTAL	
	2Q16	6M16	2Q16	6M16	2Q16	6M16	2Q16	6M16
Renner Administradora de Cartões de Crédito Ltda.	11,691	22,101	-	-	-	-	11,691	22,101
Dromegon Participações Ltda.	13	27	-	-	(1,852)	(3,112)	(1,839)	(3,085)
Fashion Business Comércio de Roupas Ltda.	460	859	-	-	-	-	460	859
Maxmix Comercial Ltda.	456	917	-	-	-	-	456	917
Lojas Renner Shanghai Trading Co.Ltd.	-	-	(1,976)	(3,072)	-	-	(1,976)	(3,072)
TOTAL	**12,620**	**23,904**	**(1,976)**	**(3,072)**	**(1,852)**	**(3,112)**	**8,792**	**17,720**

28 Shareholders' equity

28.1 Capital

The Company's authorized capital limit is 1,237,500,000 (one billion, two hundred and thirty-seven million and five hundred thousand) common shares, all without par value. Within the limits authorized in the Articles of Association, the Company will be able to increase the capital independently of statutory reform. The Board of Directors will determine the conditions for the share issue, including price and timeframe for payment.

The Company's paid-up capital as of on June 30, 2017 is R$ 2,534,081 (R$ 1,178,368 on December 31, 2016), represented by 711,145,682 (seven hundred eleven million, one hundred forty-five thousand, six hundred eighty-five) nominative common shares with no par value. According to art. 42 of the Company By-laws, any person or group of shareholders that acquires or becomes the holder of shares issued by the Company (Purchasing Shareholder) in a quantity greater than or equal to 20% of the total shares issued, shall, within 60 days after the date of acquisition, hold a Public Offering (PO) for the acquisition of all the shares, complying with provisions of CVM regulations, of the regulations of *BM&FBovespa* and of the Company By-laws. As of June 30, 2017, no shareholder individually holds ownership interest greater than or equal to 20%.

On May 3, 2017, the Special Shareholder´s Meetings aprooved the Company´s Capital increase in the amount of R$ 1.317.850 through incorporation from capital reserve in the amount of R$ 237.849 and incorporation from profit reserve through bonus shares in the amount of R$ 1.080.001.

Each common share corresponds to the right to one vote in the deliberations of the General Meeting, as well as the right to participate in the allocation of income, in the form of dividends, proposed in compliance with the Company's By-laws and in accordance with articles 190 and 202 of Law 6,404/76, which establish a minimum compulsory dividend equivalent to 25% of the adjusted net income. The changes in the Capital is shown below:

	Share quantity (thousand)	Amount
On January 1, 2015	**640,041**	**1,136,124**
Capital increase, General Meeting on apr/16	3,510	42,244
On December 31, 2016	**643,551**	**1,178,368**
Capital increase, General Meeting on May 15	3,240	37,863
Incorporation with capital reserves	-	237,849
(*) Share bonus with incorporation of profit reserves	64,355	1,080,001
On June 30, 2017	**711,146**	**2,534,081**

28.2 TREASURY SHARES

The table below shows the balance of treasury shares as of June 30, 2017:

Description	Amount	Weighted average price	Total
1st Repurchase Program	1,000	19	19,021
2nd Repurchase Program	363	24	8,836
Share bonus increase	136	-	-
Total	**1,499**	**18.58**	**27,857**

28.3 CAPITAL RESERVES

28.3.1 Goodwill reserves

Refer to the goodwill arising from the upstream merger of JC Penney Brasil Investimentos Ltda. (R$ 106,660) and Company JC Penney Brasil Comercial Ltda. (R$ 11,505), held on December 3, 1999 and May 25, 2005, respectively. On May 3, 2017 the Special Shareholder´s Meeting approved the Company´s Capital increase with goodwill reserves in the amount R$ (118,165).

28.3.2 Share purchase option plan reserve and restricted share plan

Refer to the contra-entry of the shares purchase option plan expenses, as described in Notes 31 and 32. The allocation of capital reserves depends on resolution at Special Shareholders' Meeting. On May 3, 2017 the Special Shareholder´s Meeting approved the Company´s Capital increase with share purchase option plan reserve exercised in the amount of R$ (119,684). The balance on June 30, 2017 is R$ 77,622 (R$ 180,124 as of December 31, 2016).

28.4 PROFIT RESERVES

28.4.1 Reserve for investment and expansion

This reserve is formed according to the intended use decided on by the Management bodies, to cover investments in the Company's expansion plan, as provided for in art. 34, item (c) of the Company's by-laws. On May 3, 2017 the Special Shareholder´s Meeting approved the Company´s Share bonus increase with reserve for investment and expansion in the amount of R$ (956,283). The balance on June 30, 2017 is R$ 60,168 (R$ 1,016,451 on December 31, 2016).

28.4.2 Legal reserve

In compliance with art. 193 of Act 6,404/76 and art. 34, item a of the Company's Bylaws, the legal reserve is set up at amount equivalent to 5% of the net income for each year. On May 3, 2017 the Special Shareholder´s Meeting approved the Company´s share bonus increase with incorporation of legal reserve in the amount of R$ (123,718) to Company´s Capital.

28.4.3 Additional dividend proposed

Refers to dividends proposed in addition to the mandatory minimum, which amount is submitted to the Annual Shareholders' Meeting for approval. On April 28, 2017, the Company paid-up the entire balance.

28.4.4 Equity valuation adjustments

They are presented as equity valuation adjustments cumulative translation adjustment for foreign currency and the unrealized results on derivative financial instruments classified as hedge accounting of cash flow. The amount of adjustments recorded represents gain,

net of tax, in the amount of R$ 3,394 as of June 30, 2017 (R$ 37,825 of loss, net of taxes, as of December 31, 2016) and will be reversed upon the settlement of the abovementioned instruments, with impacts on income/loss according to the accrual basis of accounting.

29 INTEREST ON OWN CAPITAL

The Company's Management proposed in the Board of Directors meetings held on June 20, and March 16, 2017 payment of interest on own capital as part of the mandatory dividends for the 2017 year, of a gross amount of, respectively, R$ 45,945 (R$ 0.064743 per share) and R$ 48,010 (R$ 0.07476 per share). This interest on own capital will be submitted to approval at the Annual Shareholders' Meeting to be held by April 2018.

The amount stated was fully deducted when calculating income tax and social contribution on net profit, and the tax benefits arising from this deduction were of roughly R$ 15,621 and R$ 16,323, respectively, on the period of three and six months ended on June 30, 2017 (R$ 13,998 and R$ 13,838 as of June 30, 2016), pursuant to note 13.4.

30 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit attributable to company shareholders by the weighted average number of common shares issued during the fiscal period.

Diluted profit per share is calculated by adjusting the weighted average number of common shares, presuming the conversion of all the potential diluted common shares for the shares purchase option plans.

The number of shares calculated as described above is compared to the number of issued shares, assuming that the share purchase option is exercised.

We show below basic and diluted earnings per share for the period ended June 30, 2017 and 2016:

	Parent Company and Consolidated			
Basic/Diluted numerator	**2Q17**	**6M17**	**2Q17**	**6M17**
Profit for the period	193,583	260,559	174,808	240,323
Weighted av erage number of common shares	686,102	664,922	640,879	640,450
Potential increase in common shares due to the share purchase option plan	8,474	8,303	4,596	4,287
Basic earnings per share - R$	**0.2821**	**0.3919**	**0.2728**	**0.3752**
Diluted earnings per share - R$	**0.2787**	**0.3870**	**0.2708**	**0.3727**

(*) On May 3, 2017, the Special General Meeting approved the share bonus at the rate of 10% (ten percent), with one (1) new common share for each ten (10) common shares held on this date. The earnings per share for the periods of three and six months of 2016 were adjusted to keep the comparability, according the CPC 41.

31 SHARE PURCHASE OPTION PLAN

All shares purchase option plan granted through 2015 follow the Shares purchase option plan approved at the Extraordinary Shareholders' Meeting of the Company, held on May 25, 2005, and amended by the Annual and Extraordinary Shareholders' Meetings held on April 10, 2007 and March 30, 2009. On September 23, 2015, at the Extraordinary Shareholders' Meeting a new Shares purchase option plan was approved, which still did not have any grants through the reporting dates of the financial statements. Both plans establish the oversight by the Committee of Personnel ("Committee"), created according to the Company's Bylaws, which is composed of the independent members of the Board of Directors ("Board"). The plan in effect for grants made through 2015 establishes that the Committee members may not be benefited from shares purchase option plan, restriction which was extended to the other Board members in the new Plan, approved in 2015 and that is regulating future grants.

31.1 MAIN CHARACTERISTICS OF THE SHARE PURCHASE OPTION PLAN

The programs regulated by the Shares purchase option plan of the grants provided through 2015 establish that 50% of options shall be vested after the lapse of three years from their respective grant, and the remaining portion after the lapse of four years (considering only the options comprising the same grant). In relation to the Shares purchase option plan programs approved in 2015, they establish that 25% are vested after the lapse of one year of their respective grant, and then successively 25% are vested at each subsequent period of one year. The programs also provide for exercise rights in case of the death, retirement or permanent disability of the participant. After the third grant, in case of obligation of carrying out a public offering, under the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the event of success of the tender offer of the Company, if any of these cases result in the termination without cause of a Plan participant by initiative of the Company, all options granted to the respective participant and that are not yet vested shall automatically become vested, which condition is restricted to the termination that occurs up to 12 months in case of the Plan approved in 2015. After an option is granted, the beneficiary (Selected Directors and Executives) may exercise it at any time, at your own discretion, within the term of six (6) years from the date of the granting of such option. On March 5, 2014, it was approved the contractual grant of options of the CEO, which establishes that the option exercise is subject to a total grace period of six years, counted as of the grant date, and from the second and third anniversary of the grant date, it shall be granted the advance exercise

of a portion of 30% of the options in each anniversary, taking into account that the balance of 40% may be exercised from the last quarter of the fourth year counted as of the contract signature date, and provided that a target of Company's valuation is met through the Total Shareholder Return (TSR), set by the Board of Directors.

On February 9, 2017, a new contractual options granting was approved by the Chief Executive Officer, which provides for the same conditions of exercise and grace of the 1st and 2nd grants of the Share purchase option plan approved in September 2015.

31.2 - POSITION OF SHARE PURCHASE OPTION PLAN

								Position of grants (Quantity)	
Option plans (Approval date)	**Grants**	**Exercise amount**	**Grant date**	**Grace period 1st tranche**	**Grace period 2nd tranche**	**Grace period 3rd tranche**	**Grace period 4th tranche**	**(*) On 6/30/17**	**On 12/31/16**
1st plan - may/05	8th grant	10.03	2/6/2012	2/5/2015	2/5/2016	-	-	21	181
1st plan - may/05	9th grant	14.19	2/22/2013	2/22/2016	2/21/2017	-	-	543	1,233
1st plan - may/05	10th grant	10.21	2/19/2014	2/18/2017	2/18/2018	-	-	2,100	3,105
1st plan - may/05	Contractual grant	10.16	3/5/2014	3/4/2016	3/4/2017	9/30/2017	-	4,812	5,013
1st plan - may/05	11th grant	13.25	2/12/2015	2/11/2018	2/11/2019	-	-	3,168	2,992
1st plan - may/05	11th grant compl	15.83	4/16/2015	4/15/2018	4/15/2019	-	-	27	25
								10,671	**12,549**
2nd plan - setember/15	1st grant	15.40	2/4/2016	2/3/2017	2/3/2018	2/3/2019	2/3/2020	1,793	1,937
2nd plan - setember/15	2nd grant	21.71	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	1,521	-
2nd plan - setember/15	Contractual grant	21.71	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	1,564	-
							Total	**15,549**	**14,486**

(*) On May 3, 2017, the Special General Meeting approved the share bonus at the rate of 10% (ten percent), with one (1) new common share for each ten (10) common shares held on this date. As a consequence of the bonus and to maintain the original bases agreed at the time of the grant, the amount of options not yet exercised, as well as the exercise amount, were adjusted.

The closing share price of the Company as of June 30, 2017 is R$ 27.38 (R$ 23.17 as of December 31, 2016).

Each option corresponds to the right to subscribe one share of the Company. As of June 30, 2017, there were 15,549 thousand options in the Money. We show below the effects in the net equity per share and the respective percentage of reduction in the ownership interests of the current shareholders as of June 30, 2017 (December 31, 2016):

	6/30/17	**12/31/16**
Equity	2,814,012	2,636,796
Number of shares - thousand	711,146	643,551
Book value per share - R$	3.96	4.10
Equity, considering the in the Money options exercised	3,029,261	2,825,815
Number of shares, considering the in the Money options exercised	726,695	658,037
Book value of the share, considering the in the Money options exercised	4.17	4.29
% of decrease in the ownership interest of current stockholders, considering the in the Money options exercised	2.14%	2.20%

31.3 ASSUMPTIONS FOR MEASURING THE FAIR VALUE OF SHARES PURCHASE OPTION PLAN

The fair value of granted shares purchase option plan is calculated on the respective grant date based on the Black&Scholes model. For determining fair value, the Company adopted assumptions as:

(a) Option exercise value: corresponds to the weighted average rate over the last 30 share trading sessions of Lojas Renner S.A before the grant date.
(b) The Company's share price volatility: corresponds to the weighting of the trading history of the Company's share.
(c) Risk-free interest rate: the Company used the Interbank Deposit Certificate (CDI) available on the grant date and projected for the maximum grace period of the option.
(d) Expected dividend: this percentage corresponds to the payment of dividends per share in relation to the market value of the Company's shares on the grant date.
(e) Vesting period: represents the maximum period for beneficiaries to exercise their options.

31.4 - CHANGES IN SHARE PURCHASE OPTION PLAN

	Amount (in thousands)
Balance on January 1, 2016	**16,540**
Options granted	2,047
Options exercised	(3,511)
Options canceled	(590)
Balance on December 31, 2016	**14,486**
Options granted	2,816
Options exercised	(3,240)
Options canceled	(229)
(*) Effect of share bonus	1,716
Balance on June 30, 2017	**15,549**

The expense is recorded on pro rata basis, which starts on the grant date and ends on the date the beneficiary is vested with the option. In the period of three and six months ended on June 30, 2017, the shares purchase option plan expense totaled, respectively, R$ 7,591 and R$ 14,452 (R$ 5,739 and R$ 12,475 as of December 31, 2016) in Parent Company and Consolidated.

32 RESTRICTED SHARE PLAN

On September 23, 2015, at the Extraordinary Shareholders' Meeting a Restricted Share Plan was approved, which still does not have any grant as of the reporting date of the Company financial statements. The plan shall be administered by the Committee of Personnel of the Company ("Committee"), created in compliance with the Bylaws, which is composed of independent members of the Board of Directors ("Board"). Such plan establishes that the Committee and Board members shall not be eligible to the Restricted Share plan.

32.1 MAIN CHARACTERISTICS OF THE RESTRICTED SHARE PLAN

For purposes of this plan, the Board of Directors may, upon previous recommendation of the Committee, grant a number of registered and book-entry common shares of the Company, not in excess of 1% of the totality of issued shares. The Restricted Shares to be granted to participants should be those that are held in the Company's treasury. The grants of Restricted Shares shall be periodically performed to benefit the executive officers, executives and employees of the Company and its subsidiaries who occupy strategic positions for the Company and/or its subsidiaries businesses, so identified by the Committee. The definite transfer of Restricted Shares to the participants is conditioned to the fulfillment of a grace period of three years for each grant, and at the end of the grace period, the participant shall have employment agreement with the Company in full effect, or the grants shall be cancelled. All Restricted Shares which grace period has not been completed yet shall be immediately due and shall be transferred to the owners, its heirs or successors in case of death, permanent invalidity or retirement. In the event of the obligation of implementing a public offering of the Company, under the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the event of the success of the tender offer of the Company, formulated under the terms of art. 257 of Act 6,404/76, one or another that results in the termination without case of the Plant participant by initiative of the Company, within the period of up to 12 months of such event, it is already established that all restricted shares attributed to the respective participant, even though they are within the grace period, shall be transferred to the participant, on recommendation of the Committee and if approved by the Board of Directors.

On February 9, 2017, a contractual restricted shares granting was approved by the Chief Executive Officer due to the extension of his contract. The contractual grant has the same conditions of exercise and grace period of the other existing grants.

32.2 POSITION OF RESTRICTED SHARE PLAN

(*) On May 3, 2017, the Special General Meeting approved the share bonus at the rate of 10% (ten percent), with one (1) new common share for each ten (10) common shares held on this date. As a consequence of the bonus and to maintain the original bases agreed at the time of the grant, the amount of options not yet exercised, as well as the exercise amount, were adjusted.

Grant	Grant date	Grace period 1st tranche	(*) Position of grants (Quantity) 6/30/2017	31/12/2016
1st grant	2/4/2016	2/3/2019	484	453
2nd grant	2/9/2017	2/9/2020	425	-
Contractual grant	2/9/2017	2/9/2020	292	-
			1,201	**453**

32.3 CHANGES IN RESTRICTED SHARE PLAN

	Amount (in thousands)
Options granted	472
Options canceled	(19)
Balance on December 31, 2016	**453**
Options granted	654
Options canceled	(16)
(*) Effect share bonus	110
Balance on June 30, 2017	**1,201**

The expense is recorded on pro rata basis, which starts on the grant date and ends on the date the beneficiary is vested with the option. In the period of three and six months ended on June 30, 2017, the restricted share plan expense totaled, respectively R$ 2,533 and R$ 4,493 (R$ 934 and R$ 1,507 as of June 30, 2016).

33 INFORMATION PER BUSINESS SEGMENT

We show below the profit or loss per business segment:

	Retail		Financial Products		Total	
	2Q17	6M17	2Q17	6M17	2Q17	6M17
Net operating revenue	1,630,456	2,865,140	200,676	381,316	1,831,132	3,246,456
Cost of sales	(706,711)	(1,269,837)	(5,328)	(11,758)	(712,039)	(1,281,595)
Gross profit	**923,745**	**1,595,303**	**195,348**	**369,558**	**1,119,093**	**1,964,861**
Selling	(444,341)	(846,709)	-	-	(444,341)	(846,709)
General and administrative	(141,402)	(275,891)	-	-	(141,402)	(275,891)
Losses on receivables, net	-	-	(59,277)	(105,643)	(59,277)	(105,643)
Other operating results	(34,256)	(57,574)	(57,083)	(105,868)	(91,339)	(163,442)
Results from segments	**303,746**	**415,129**	**78,988**	**158,047**	**382,734**	**573,176**
Supplementary information						
Depreciation and amortization	(77,340)	(154,028)	(2,370)	(4,796)	(79,710)	(158,824)
Share purchase option plan	-	-	-	-	(7,591)	(14,452)
Write-off of fixed assets	-	-	-	-	(725)	(1,156)
Finance result, net	-	-	-	-	(22,443)	(47,377)
Income tax and social contribution in profit	-	-	-	-	(78,682)	(90,808)
Net income for the period	-	-	-	-	**193,583**	**260,559**

	Retail		Financial Products		Total	
	2Q16	6M16	2Q16	6M16	2Q16	6M16
Net operating revenue	1,464,688	2,540,836	182,892	354,113	1,647,580	2,894,949
Cost of sales	(626,777)	(1,104,359)	(10,298)	(21,140)	(637,075)	(1,125,499)
Gross profit	**837,911**	**1,436,477**	**172,594**	**332,973**	**1,010,505**	**1,769,450**
Selling	(394,357)	(747,467)	-	-	(394,357)	(747,467)
General and administrative	(130,629)	(251,296)	-	-	(130,629)	(251,296)
Losses on receivables, net	-	-	(77,523)	(127,700)	(77,523)	(127,700)
Other operating results	(11,096)	(18,921)	(40,828)	(82,196)	(51,924)	(101,117)
Results from segments	**301,829**	**418,793**	**54,243**	**123,077**	**356,072**	**541,870**
Supplementary information						
Depreciation and amortization	(74,588)	(145,663)	(2,324)	(4,615)	(76,912)	(150,278)
Share purchase option plan	-	-	-	-	(5,739)	(12,475)
Write-off of fixed assets	-	-	-	-	(962)	(1,115)
Finance result, net	-	-	-	-	(27,109)	(51,189)
Income tax and social contribution in profit	-	-	-	-	(70,542)	(86,490)
Net income for the period	-	-	-	-	**174,808**	**240,323**

The segment profit or loss shown in the above table does not deduct the expenses with depreciation and amortization, with the shares purchase option plan, with profit sharing of Management members, and the write-off of fixed assets. The exclusion of these expenses in the calculation of the profit or loss of segments is in line with the way Management evaluates the performance of each business and its contribution to the cash generation of the Company.

The Company does not allocate the financial income by segment, understanding that its composition is more related to corporate decisions on capital structure than to the nature of the profit or loss of each business segment.

34 REVENUE

	Parent Company				Consolidated			
	2Q17	6M17	2Q16	6M16	2Q17	6M17	2Q16	6M16
Gross operating revenue	**2,095,735**	**3,716,523**	**1,955,904**	**3,396,153**	**2,367,643**	**4,208,347**	**2,165,742**	**3,779,237**
Sales of products	1,979,203	3,485,011	1,836,076	3,163,053	2,145,733	3,786,227	1,964,141	3,389,557
Financial products and services	116,532	231,512	119,828	233,100	221,910	422,120	201,601	389,680
Deductions	**(487,234)**	**(870,852)**	**(479,073)**	**(814,375)**	**(536,511)**	**(961,891)**	**(518,162)**	**(884,288)**
Taxes on sales	(480,538)	(857,293)	(471,950)	(800,664)	(515,277)	(921,087)	(499,453)	(848,721)
Taxes on financial products and services	(6,696)	(13,559)	(7,123)	(13,711)	(21,234)	(40,804)	(18,709)	(35,567)
Net operating revenue	**1,608,501**	**2,845,671**	**1,476,831**	**2,581,778**	**1,831,132**	**3,246,456**	**1,647,580**	**2,894,949**

The Company does not record balance of sales returns, because according to its product return policy, the client receives a bonus voucher at the same price of the returned good for further use in a new purchase.

35 EXPENSES PER TYPE

The Company's statements of income are shown by duty. We show below the breakdown of expenditures by nature as of June 30, 2017:

	Parent Company			
	2Q17	6M17	2Q16	6M16
Personal	(219,905)	(422,304)	(185,940)	(360,075)
Occupancy	(105,245)	(208,992)	(97,795)	(188,994)
Third-party services	(49,739)	(98,109)	(44,847)	(87,624)
Utilities and services	(57,133)	(113,814)	(56,735)	(114,745)
Promotions	(42,392)	(70,082)	(45,580)	(72,779)
Other expenses	(46,629)	(84,445)	(44,052)	(79,184)
Total	**(521,043)**	**(997,746)**	**(474,949)**	**(903,401)**
Classified as:				
Selling expenses				
Personal	(155,775)	(294,367)	(129,615)	(250,470)
Occupancy	(98,349)	(195,066)	(89,950)	(174,121)
Third-party services	(11,843)	(25,693)	(10,046)	(20,613)
Utilities and services	(45,622)	(91,054)	(45,921)	(92,315)
Promotions	(42,392)	(70,082)	(45,580)	(72,779)
Other expenses	(39,175)	(71,740)	(34,411)	(62,715)
	(393,156)	**(748,002)**	**(355,523)**	**(673,013)**
General and administrative expenses				
Personal	(64,130)	(127,937)	(56,325)	(109,605)
Occupancy	(6,896)	(13,926)	(7,845)	(14,873)
Third-party services	(37,896)	(72,416)	(34,801)	(67,011)
Utilities and services	(11,511)	(22,760)	(10,814)	(22,430)
Other expenses	(7,454)	(12,705)	(9,641)	(16,469)
	(127,887)	**(249,744)**	**(119,426)**	**(230,388)**
Total	**(521,043)**	**(997,746)**	**(474,949)**	**(903,401)**

	Consolidated			
	2Q17	6M17	2Q16	6M16
Personal	(244,535)	(470,134)	(205,714)	(398,673)
Occupancy	(122,627)	(242,697)	(110,176)	(212,914)
Third-party services	(55,702)	(110,426)	(49,975)	(97,015)
Utilities and services	(62,005)	(123,308)	(60,663)	(122,436)
Promotions	(46,595)	(77,858)	(48,985)	(79,402)
Other expenses	(54,279)	(98,177)	(49,473)	(88,323)
Total	**(585,743)**	**(1,122,600)**	**(524,986)**	**(998,763)**
Classified as:				
Selling expenses				
Personal	(175,852)	(333,324)	(145,275)	(280,699)
Occupancy	(114,833)	(226,887)	(101,682)	(196,772)
Third-party services	(13,634)	(29,856)	(11,534)	(23,691)
Utilities and services	(49,422)	(98,460)	(49,073)	(98,402)
Promotions	(46,595)	(77,858)	(48,985)	(79,402)
Other expenses	(44,005)	(80,324)	(37,808)	(68,501)
	(444,341)	**(846,709)**	**(394,357)**	**(747,467)**
General and administrative expenses				
Personal	(68,683)	(136,810)	(60,439)	(117,974)
Occupancy	(7,794)	(15,810)	(8,494)	(16,142)
Third-party services	(42,068)	(80,570)	(38,441)	(73,324)
Utilities and services	(12,583)	(24,848)	(11,590)	(24,034)
Other expenses	(10,274)	(17,853)	(11,665)	(19,822)
	(141,402)	**(275,891)**	**(130,629)**	**(251,296)**
Total	**(585,743)**	**(1,122,600)**	**(524,986)**	**(998,763)**

36 OTHER OPERATING INCOME

	Parent Company			
	2Q17	6M17	2Q16	6M16
Management remuneration	(3,239)	(6,025)	(2,526)	(4,591)
Tax expenses	(11,310)	(21,320)	(10,615)	(19,443)
Financial product/service expenses	(22,778)	(43,382)	(18,508)	(37,781)
Write-off of fixed assets	(678)	(864)	(962)	(1,115)
Depreciation and amortization	(73,188)	(146,283)	(72,199)	(141,105)
Share purchase option plan	(7,591)	(14,452)	(5,739)	(12,475)
Other operating income (expenses)	1,761	2,092	6,095	9,414
Recovery of tax credits	917	917	6,998	11,990
Employee profit sharing	(20,177)	(29,898)	(10,658)	(14,962)
Other operating results	**(136,283)**	**(259,215)**	**(108,114)**	**(210,068)**

	Consolidated			
	2Q17	6M17	2Q16	6M16
Management remuneration	(3,483)	(6,269)	(2,526)	(4,591)
Tax expenses	(13,129)	(24,560)	(11,761)	(22,265)
Financial product/service expenses	(56,839)	(105,624)	(40,828)	(82,196)
Write-off of fixed assets	(725)	(1,156)	(962)	(1,115)
Depreciation and amortization	(79,710)	(158,824)	(76,912)	(150,278)
Share purchase option plan	(7,591)	(14,452)	(5,739)	(12,475)
Other operating income (expenses)	2,238	2,859	5,533	8,185
Recovery of tax credits	1,064	1,064	7,578	13,974
Employee profit sharing	(21,190)	(30,912)	(9,920)	(14,224)
Other operating results	**(179,365)**	**(337,874)**	**(135,537)**	**(264,985)**

37 FINANCIAL INCOME

Investment income recognized in financial income are mainly derived from the interest earned from marketable securities classified as "cash equivalents", which are subject to usual market rates, and, accordingly, have amounts similar to the fair or market values of the respective assets. Financial costs are mainly resulting from borrowings, debentures and finance lease charges, swap and loss on hedge transactions.

	Parent Company			
	2Q17	6M17	2Q16	6M16
Financial income	**12,639**	**29,313**	**17,790**	**46,121**
Gains on cash equivalents	12,364	28,905	15,816	29,886
Interest received	89	123	112	1,484
Foreign exchange gains	99	106	26	65
Monetary variation gains	78	89	229	238
Gain on hedge transactions settled	-	-	1,607	14,409
Gain on hedge transactions - accrual	-	-	-	39
Other financial income	9	90	-	-
Financial costs	**(36,721)**	**(78,405)**	**(44,393)**	**(97,569)**
Interest on debentures, borrowings and swaps	(31,718)	(64,225)	(38,329)	(73,131)
Interest - finance lease	(2,208)	(4,348)	(1,662)	(3,119)
Interest payable	(94)	(231)	(1,293)	(1,424)
Foreign exchange losses	(18)	(27)	(186)	(615)
Monetary variation losses	(720)	(1,385)	(757)	(1,649)
Loss on hedge transactions - settled (i)	(25)	(3,840)	-	-
Loss on hedge transactions - accrual	-	-	(89)	(13,484)
Other financial costs	(1,938)	(4,349)	(2,077)	(4,147)
Finance result, net	**(24,082)**	**(49,092)**	**(26,603)**	**(51,448)**

	Consolidated			
	2Q17	**6M17**	**2Q16**	**6M16**
Financial income	**15,902**	**35,226**	**20,105**	**50,608**
Gains on cash equivalents	14,488	32,951	17,896	33,719
Interest received	91	157	117	1,488
Foreign exchange gains	1,236	1,933	256	715
Monetary variation gains	78	94	229	238
Gain on hedge transactions settled	-	-	1,607	14,409
Gain on hedge transactions - accrual	-	-	-	39
Other financial income	9	91	-	-
Financial costs	**(38,345)**	**(82,603)**	**(47,214)**	**(101,797)**
Interest on debentures, borrowings and swaps	(32,503)	(65,972)	(39,523)	(74,782)
Interest - finance lease	(2,208)	(4,348)	(1,662)	(3,119)
Interest payable	(153)	(348)	(1,301)	(1,404)
Foreign exchange losses	(414)	(1,370)	(508)	(1,271)
Monetary variation losses	(758)	(1,456)	(804)	(1,827)
Loss on hedge transactions - settled (i)	(25)	(3,840)	-	-
Loss on hedge transactions - accrual	-	-	(89)	(13,484)
Other financial costs	(2,284)	(5,269)	(3,327)	(5,910)
Finance result, net	**(22,443)**	**(47,377)**	**(27,109)**	**(51,189)**

(i) As of June 30, 2017, the Company's Management reviewed the effectiveness of the hedge operations and decided to discontinue some contracts, which are not effective. In the period of six months, the effect of this discontinuation was a total loss of R$ 3,840.

38 INSURANCE COVERAGE

The Company and its subsidiaries have insurance policies taken out with the main insurance companies in Brazil, which were determined in accordance with the orientation of experts, and take into consideration the nature and the value of risk involved. As of June 30, 2017, the Company and its subsidiaries had insurance coverage for legal liability and property and casualty insurance (basic coverage: against fire, thunder, explosion and other financial loss policy coverage) and for inventory, as shown below:

	Consolidated	
	6/30/2017	**12/31/2016**
Civil liability and Directors & Officers (D&O)	88,200	88,200
Property and inventories	3,791,871	3,419,535
Vehicles	47,322	35,208
	3,927,393	**3,542,943**

39 AGREEMENTS OR OTHER SIGNIFICANT OBLIGATIONS BETWEEN THE COMPANY AND ITS MANAGEMENT MEMBERS

According to Chapter IV, art. 13 of the Company's Bylaws, the Company's Management is incumbent upon the Board of Directors and the Executive Management. The investiture of these Management members in their position is for a term of office drafted in a book, signed by the invested Management member, not requiring any guarantee of Management, and conditioned to the prior signature of the Statement of Compliance of Management Members regarding the Novo Mercado Listing Rules.

The Board of Directors members, elected at Shareholders' Meeting, have unified terms of office of one year, re-election being permitted. The Board of Directors' members in office are automatically considered appointed for re-election by joint proposal of the Board of Directors' members.

The Executive Management, which members are elected and may be removed from office at any time by the Board of Directors, have term of office of two years, re-election being permitted, and are tied to a service contract, which compensation comprises a fixed component annually adjusted for the INPC and a variable component, which amount reflects the financial performance of the Company. The expirations of contracts are tied to the terms of office of executive officers, with exception of the contract signed with the CEO.

As of February 4, 2016, at the Board of Directors meeting, it was approved the extension of the CEO contract for two years from January 1, 2017, as provided in Rights and Obligations Adjustment Agreement signed on March 5, 2014. The compensation comprises a fixed component annually adjusted for the INPC and a variable component, which amount reflects the financial performance of the Company. It was also granted to the CEO a new shares purchase option plan and shares restricted (see Notes 31 and 32).

40 SUBSEQUENT EVENTS

40.1 SUBSIDIARY PARTIAL SPLIT

On July 1st, 2017, the Shareholder´s Meeting of Renner Administradora de Cartões de Crédito Ltda. and Realize CFI S.A., both direct and indirect subsidiary, respectively, approved the partial split of assets and liabilities of Renner Administradora de Cartões de Crédito Ltda., and merger in the Realize CFI S.A.. According to evaluation report issued on July 1st, 2017, based on accounting records on June 1st, 2017, this transaction resulted in an Equity of R$ 1 (a thousand Brazilian Reais), which R$ 779,121 related to assets and R$ 779,120 related to liabilities corresponding to "Meu Cartão" operations. In those corporate acts which approved that transactions, it was defined that any equity variations occurring between the June 1st, 2017 and the effective date of merger will be absorbed by Realize CFI S.A. As of this date, the subsidiary Realize CFI S.A will succeed all the rights and obligations treated in the related corporate acts.

40.2 DEBENTURES

The Company's Board of Directors approved, at its meeting on June 20, 2017, the Company's seventh issue of simple, non-convertible debentures, in a single series, for public distribution with restricted efforts according to the Law 6.385, of December 7, 1976, as issued by CVM Instruction 476, of January 16, 2009, and other applicable regulations. Twenty thousand debentures will be issued, with a nominal unit value of R$ 10 (ten thousand Reais), totaling R$ 200,000 (two hundred million Reais). The issue date of the debentures will be in July 4, 2017 and the maturity in July, 2019. The financial resources to be obtained will be used to maintain the Company´s cash flow policy.

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REPORT ON THE REVIEW OF QUATERLY INFORMATION – ITR

To the Board Members and Shareholders of
Lojas Renner S.A.
Porto Alegre - RS

Introduction
We have reviewed the interim, individual and consolidated, accounting information of Lojas Renner S.A. ("Company"), included in the quarterly financial information – ITR, for the quarter ended June 30, 2017, which comprises the balance sheet as of June 30, 2017, and related statements of income, comprehensive income for the three and six months period then ended, and changes in shareholders' equity and cash flows for the six months period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual an consolidated interim accounting information in accordance with Technical Pronouncements CPC 21 (R1) and with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities Commission, applicable to the preparation of the Quarterly Information – ITR. Our responsibility is to express a conclusion on this interim information based on our review.

Scope of the Review
Our review was carried out in accordance with the Brazilian and international Review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Therefore, we do not express an opinion on the information disclosed.

Conclusion on the interim accounting information
Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Brazilian Securities Commission.

Other matters - Statements of added value
Individual and consolidated statements of added value (DVA), for the six-month period ended June 30, 2017, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes, were submitted to review procedures carried out together with the review of Company's interim accounting information. In order to form our conclusion, we evaluated whether these statements are reconciled with the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. Based on our review, we are not aware of any facts that would make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Porto Alegre, July 24, 2017

KPMG Auditores Independentes
CRC SP-014428/F-7

(Original report in Portuguese signed by)
Cristiano Jardim Seguecio
Accountant CRC SP-244525/O-9 T-RS