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Company Data / Capital Composition

QUANTITY OF SHARES (In Thousand)	CURRENT QUARTER 6/30/2019
PAID-UP CAPITAL	
COMMON – ON	793,812
PREFERRED – PN	0
TOTAL	793,812
TREASURY SHARES	
COMMON – ON	1,831
PREFERRED – PN	0
TOTAL	1,831

Company Data / Cash Distribution

EVENT	APPROVAL	TYPE	BEGINNING PAYMENT	SHARE'S TYPE	SHARE'S CLASS	AMOUNT PER SHARE
Board of Directors Meeting	3/15/2018	Interest on Capital	4/29/2019	ON		0.07296
Board of Directors Meeting	6/19/2018	Interest on Capital	4/29/2019	ON		0.07324
Board of Directors Meeting	9/19/2018	Interest on Capital	4/29/2019	ON		0.07969
Board of Directors Meeting	12/19/2018	Interest on Capital	4/29/2019	ON		0.08969
Board of Directors Meeting	3/18/2019	Interest on Capital		ON		0.09295
General Shareholder's Meeting	4/18/2019	Dividends	4/29/2019	ON		0.25433
Board of Directors Meeting	6/19/2019	Interest on Capital		ON		0.07765

Individual Statements / Balance Sheet-Asset**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 6/30/2019	Prior end of year 12/31/2018
1	Total Assets	8,650,035	6,981,216
1.01	Current assets	3,468,242	3,738,518
1.01.01	Cash and cash equivalents	702,154	876,302
1.01.03	Trade Accounts Receivable	1,459,863	1,543,223
1.01.03.01	Customers	1,459,863	1,543,223
1.01.04	Inventories	958,618	944,195
1.01.06	Recoverable Taxes	194,710	112,320
1.01.06.01	Recoverable Current Taxes	194,710	112,320
1.01.08	Other Current Assets	152,897	262,478
1.01.08.03	Others	152,897	262,478
1.01.08.03.01	FIDC Lojas Renner	-	182,000
1.01.08.03.02	Derivative financial instruments	4,970	10,210
1.01.08.03.03	Other Assets	130,720	47,460
1.01.08.03.04	Credits with related parties	17,207	22,808
1.02	Non-Current Assets	5,181,793	3,242,698
1.02.01	Long-Term Assets	139,064	155,075
1.02.01.07	Deferred Taxes	61,881	71,451
1.02.01.07.01	Deferred Income Tax and Social Contribution	61,881	71,451
1.02.01.09	Credits with related parties	7,298	7,169
1.02.01.09.02	Credits with subsidiaries	7,298	7,169
1.02.01.10	Other Non-Current Assets	69,885	76,455
1.02.01.10.04	Recoverable Taxes	49,665	50,501
1.02.01.10.05	Other Assets	20,220	25,954
1.02.02	Investments	1,154,643	956,742
1.02.02.01	Shareholdings	1,154,643	956,742
1.02.02.01.02	Investments in Subsidiaries	1,154,643	956,742
1.02.03	Fixed Assets	3,450,767	1,717,872
1.02.03.01	Fixed Assets in Operation	1,582,556	1,628,210
1.02.03.02	Right-of-Use in Progress	1,765,121	-
1.02.03.03	Fixed Assets in Progress	103,090	89,662
1.02.04	Intangible	437,319	413,009
1.02.04.01	Intangible	437,319	413,009

Individual Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 6/30/2019	Prior end of year 12/31/2018
2	Total Liabilities	8,650,035	6,981,216
2.01	Current Liabilities	2,632,174	2,638,369
2.01.01	Social and Labor Obligations	212,368	222,567
2.01.01.01	Social Obligations	65,274	63,063
2.01.01.01.01	Social charges	65,274	63,063
2.01.01.02	Labor obligations	147,094	159,504
2.01.01.02.01	Wages payable	147,094	159,504
2.01.02	Suppliers	618,877	845,229
2.01.02.01	National suppliers	618,877	845,229
2.01.03	Tax Obligations	224,989	416,981
2.01.03.01	Federal Tax Obligations	110,472	212,584
2.01.03.01.01	Income Tax and Social Contribution Payable	68,943	140,177
2.01.03.01.02	Other Federal Tax Obligations	41,529	72,407
2.01.03.02	State Tax Obligations	113,347	202,641
2.01.03.03	Municipal Tax Obligations	1,170	1,756
2.01.04	Borrowings, Financing and Debentures	973,851	709,062
2.01.04.01	Borrowings and Financing	454,985	455,764
2.01.04.01.01	In National Currency	314,888	144,307
2.01.04.01.02	In Foreign Currency	140,097	311,457
2.01.04.02	Debentures	518,866	252,825
2.01.04.03	Lease Financing	-	473
2.01.05	Other obligations	559,075	405,078
2.01.05.01	Debts with related parties	988	1,271
2.01.05.01.02	Debts with Subsidiaries	988	1,271
2.01.05.02	Others	558,087	403,807
2.01.05.02.01	Dividends and Interest on equity Payable	112,333	234,701
2.01.05.02.04	Rent payable	25,396	61,030
2.01.05.02.05	Other obligations	60,071	68,421
2.01.05.02.06	Statutory Participation	-	8,294
2.01.05.02.07	Obligations with Card Administrators	11,111	18,355
2.01.05.02.08	Derivative financial instruments	1,559	13,006
2.01.05.02.09	Leases payable	347,617	-
2.01.06	Provisions	43,014	39,452
2.01.06.01	Labor, Civil, Security and Tax Provisions	43,014	39,452
2.01.06.01.04	Civil Provisions	19,563	19,707
2.01.06.01.05	Labor Provisions	23,451	19,745
2.02	Non-Current Liabilities	1,905,611	388,335
2.02.01	Borrowings, Financing and Debentures	407,918	360,040
2.02.01.01	Borrowings and Financing	7,918	26,617
2.02.01.01.01	In National Currency	7,918	26,617
2.02.01.02	Debentures	400,000	299,956
2.02.01.03	Lease Financing	-	33,467
2.02.02	Other obligations	1,469,401	1,236
2.02.02.02	Others	1,469,401	1,236
2.02.02.02.04	Other obligations	742	1,236
2.02.02.02.05	Leases payable	1,468,659	-
2.02.04	Provisions	28,292	27,059
2.02.04.01	Labor, Civil, Security and Tax Provisions	28,292	27,059
2.02.04.01.01	Tax Provisions	28,292	27,059

Individual Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 6/30/2019	Prior end of year 12/31/2018
2.03	Shareholder's Equity	4,112,250	3,954,512
2.03.01	Capital	3,774,294	2,637,473
2.03.02	Capital reserves	21,462	79,557
2.03.02.04	Granted Options	57,015	124,093
2.03.02.05	Treasury Shares	(35,553)	(44,536)
2.03.04	Profit Reserves	50,695	1,235,334
2.03.04.01	Legal reserve	-	87,641
2.03.04.07	Tax Incentive Reserve	-	56,540
2.03.04.08	Proposed Additional Dividend	-	144,639
2.03.04.10	Reserve for Investment and Expansion	50,695	946,514
2.03.05	Accumulated Profit / Loss	268,806	-
2.03.06	Equity Valuation Adjustments	2,505	(2,412)
2.03.07	Accumulated Conversion Adjustments	(9,169)	4,560
2.03.08	Other Comprehensive Income	3,657	-

Individual Statements / Income Statements

(All amounts in thousands of Reals unless otherwise stated)

CODE	DESCRIPTION	Quarter 4/1/2019 to 6/30/2019	Acumulated of Current Year 1/1/2019 to 6/30/2019	Same Quarter of Last Year 4/1/2018 to 6/30/2018	Acumulated of Last Year 1/1/2018 to 6/30/2018
3.01	Revenue from Sale of Goods and / or Services	1,922,984	3,494,250	1,715,402	3,069,634
3.01.01	Net sales revenue from goods	1,839,683	3,322,623	1,619,020	2,880,241
3.01.02	Net revenue from financial products and services	83,301	171,627	96,382	189,393
3.02	Cost of Goods and / or Services Sold	(812,321)	(1,487,990)	(696,504)	(1,256,723)
3.02.01	Cost of sales with goods	(808,942)	(1,480,374)	(691,849)	(1,247,469)
3.02.02	Cost of financial products and services	(3,379)	(7,616)	(4,655)	(9,254)
3.03	Gross Profit	1,110,663	2,006,260	1,018,898	1,812,911
3.04	Operating Expenses / Revenues	(779,910)	(1,462,300)	(691,053)	(1,342,097)
3.04.01	Selling Expenses	(542,235)	(1,028,361)	(474,788)	(925,392)
3.04.02	General and Administrative Expenses	(191,769)	(371,359)	(172,240)	(332,427)
3.04.03	Losses due to non-recoverability of assets	(21,832)	(48,380)	(33,087)	(52,053)
3.04.04	Other Operating Income	5,613	35,045	4,854	7,537
3.04.05	Other Operating Expenses	(64,403)	(121,149)	(46,115)	(100,653)
3.04.06	Equity on Profit/Loss of Subsidiaries	34,716	71,904	30,323	60,891
3.05	Income Before Net Financial Expenses and Taxes	330,753	543,960	327,845	470,814
3.06	Net Financial expenses	(30,217)	(55,155)	(14,616)	(28,605)
3.06.01	Financial income	9,433	16,294	8,296	18,245
3.06.02	Financial expenses	(39,650)	(71,449)	(22,912)	(46,850)
3.07	Income Before Taxes on Profit	300,536	488,805	313,229	442,209
3.08	Income Tax and Social Contribution on Profit	(65,390)	(92,061)	(38,520)	(56,058)
3.08.01	Current	(70,664)	(84,601)	(4,824)	(4,824)
3.08.02	Deferred	5,274	(7,460)	(33,696)	(51,234)
3.09	Net Income from Continuing Operations	235,146	396,744	274,709	386,151
3.11	Profit / Loss for the Period	235,146	396,744	274,709	386,151
3.99.01	Basic Earnings per Share	0.3057	0.5326	0.3601	0.5231
3.99.01.01	ON	0.3057	0.5326	0.3601	0.5231
3.99.02	Diluted Earnings per Share	0.3045	0.5302	0.3570	0.5181
3.99.02.01	ON	0.3045	0.5302	0.3570	0.5181

Individual Statements / Comprehensive Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 4/1/2019 to 6/30/2019	Acumulated of Current Year 1/1/2019 to 6/30/2019	Same Quarter of Last Year 4/1/2018 to 6/30/2018	Acumulated of Last Year 1/1/2018 to 6/30/2018
4.01	Net Income For The Period	235,146	396,744	274,709	386,151
4.02	Other Comprehensive Income	(9,031)	(5,155)	34,053	33,472
4.02.01	Cash Flow Hedge	(9,597)	6,207	38,345	35,483
4.02.02	Portion Of Other Comprehensive Income Of Subsidiaries	(71)	820	3,973	3,529
4.02.03	Taxes Related To Components Of Comprehensive Income	3,263	(2,110)	(13,037)	(12,064)
4.02.04	Cumulative Translation Adjustments	(6,283)	(13,729)	4,772	6,524
4.02.05	Monetary Correction for Hyperinflation	3,657	3,657	-	-
4.03	Total Comprehensive Income For The Period	226,115	391,589	308,762	419,623

Individual Statements / Cash Flow Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current Year	Acumulated of Last Year
		1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
6.01	Net Cash From Operating Activities	496,171	182,587
6.01.01	Cash Flow From Operating Activities	785,369	515,727
6.01.01.01	Net Income For The Period	396,744	386,151
6.01.01.02	Depreciation And Amortization	313,997	132,124
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	66,903	42,579
6.01.01.07	Equity on Profit/Loss of Subsidiaries	(71,904)	(60,891)
6.01.01.09	Deferred And Current Taxes	92,061	56,058
6.01.01.12	Estimated losses (Reversal) On Assets net	(21,239)	(24,063)
6.01.01.13	Other adjustments of Net Income	8,807	(16,231)
6.01.02	Changes In Assets And Liabilities	(128,687)	(213,878)
6.01.02.01	Accounts Receivable	83,826	323,694
6.01.02.02	Inventories	15,971	(89,038)
6.01.02.03	Recoverable Taxes	(81,554)	(38,222)
6.01.02.04	Other assets	(77,517)	(5,159)
6.01.02.05	Financing – Financial Services Operations	357,168	(22,962)
6.01.02.06	Suppliers	(227,188)	(144,460)
6.01.02.07	Taxes And Contributions Payable	(136,842)	(143,435)
6.01.02.11	Obligations With Card Administrators	(4,675)	(27,900)
6.01.02.12	Other Payables	(57,876)	(66,396)
6.01.03	Others	(160,511)	(119,262)
6.01.03.01	Subsidiaries Dividend Received	4,173	67,873
6.01.03.02	Payment of Income Tax and Social Contribution	(139,738)	(130,202)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(24,946)	(56,933)
6.02	Net cash from investing activities	(314,079)	(249,641)
6.02.01	Acquisitions of fixed and intangible assets	(175,822)	(166,149)
6.02.03	Proceeds from disposal of fixed assets	674	209
6.02.04	Investments in subsidiaries	(138,931)	(83,701)
6.03	Net cash from financing activities	(356,240)	(221,388)
6.03.01	Capital increase	24,771	43,151
6.03.02	Repurchase of treasury stocks	-	(16,988)
6.03.03	Borrowings	401,447	166,680
6.03.04	Payments of borrowings and debentures	(240,518)	(125,509)
6.03.06	Leases payments	(146,995)	(9,482)
6.03.07	Interest on Capital and Dividends Paid	(394,945)	(279,240)
	Net Foreign Exchange Variation in Cash and Cash Equivalents		
6.04		-	16
6.05	Decrease In Cash and Cash Equivalents	(174,148)	(288,426)
6.05.01	Cash And Cash Equivalents at the beginning of the period	876,302	981,014
6.05.02	Cash And Cash Equivalents at the end of the period	702,154	692,588

Individual Statements / Changes in Shareholder's Equity - 1/1/2019 to 6/30/2019**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL
5.01	Opening Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512
5.03	Adjusted Initial Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512
5.04	Capital Transactions with Stockholders	1,136,821	(58,095)	(1,184,639)	(127,938)	-	(233,851)
5.04.01	Capital Increases	1,136,821	(72,050)	(1,040,000)	-	-	24,771
5.04.03	Granted Options Recognized	-	9,965	-	-	-	9,965
5.04.07	Interest on equity	-	-	-	(128,265)	-	(128,265)
5.04.08	Proposed additional dividend resolution	-	-	(144,639)	-	-	(144,639)
5.04.09	Restricted Stock Plan	-	3,990	-	-	-	3,990
5.04.11	Prescribed dividends	-	-	-	327	-	327
5.05	Total Comprehensive Income	-	-	-	396,744	(5,155)	391,589
5.05.01	Net Income for the Period	-	-	-	396,744	-	396,744
5.05.02	Other Comprehensive income	-	-	-	-	(5,155)	(5,155)
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	6,207	6,207
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	820	820
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(2,110)	(2,110)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(13,729)	(13,729)
5.05.02.06	Monetary Correction for Hyperinflation	-	-	-	-	3,657	3,657
5.07	Balances as of June 30, 2019	3,774,294	21,462	50,695	268,806	(3,007)	4,112,250

Individual Statements / Changes in Shareholder's Equity - 1/1/2018 to 6/30/2018**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL
5.01	Opening Balances	2,556,896	66,428	596,022	-	4,100	3,223,446
5.03	Balances Adjusted	2,556,896	66,428	596,022	-	4,100	3,223,446
5.04	Capital Transactions with Stockholders	43,151	(2,759)	(96,247)	(125,431)	-	(181,286)
5.04.01	Capital Increase	43,151	-	-	-	-	43,151
5.04.03	Stock Option Plan	-	9,801	-	-	-	9,801
5.04.04	Shares In Treasury Acquired	-	(16,988)	-	-	-	(16,988)
5.04.06	Proposed additional dividend resolution	-	-	(96,247)	-	-	(96,247)
5.04.07	Interest on equity	-	-	-	(104,269)	-	(104,269)
5.04.09	Restricted Stock Plan	-	4,428	-	-	-	4,428
5.04.10	Initial adoption of CPC 48 / IFRS 9 - Expected Losses	-	-	-	(21,162)	-	(21,162)
5.05	Total Comprehensive Income	-	-	-	386,151	33,472	419,623
5.05.01	Net Income For The Period	-	-	-	386,151	-	386,151
5.05.02	Other Comprehensive Income	-	-	-	-	33,472	33,472
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	35,483	35,483
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	3,529	3,529
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(12,064)	(12,064)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	6,524	6,524
5.07	Balances as of June 30, 2018	2,600,047	63,669	499,775	260,720	37,572	3,461,783

Individual Statements / Statement of Added Value**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current Year	Acumulated of Last Year
		1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
7.01	Income	4,538,225	3,938,961
7.01.01	Sales of Goods, Products and Services	4,544,624	3,978,290
7.01.02	Other Receives	41,981	12,724
7.01.04	Provision / Reversal of Credits Doubtful Settlement	(48,380)	(52,053)
7.02	Input Purchased From Third Parties	(2,255,184)	(1,926,146)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(1,690,773)	(1,434,813)
7.02.02	Materials, Energy, Outsides Services And Others	(541,150)	(469,612)
7.02.03	Loss / Recovery of Assets	(23,261)	(21,721)
7.03	Gross Value Added	2,283,041	2,012,815
7.04	Retentions	(313,997)	(132,124)
7.04.01	Depreciation and Amortization	(313,997)	(132,124)
7.05	Value Added Net Produced	1,969,044	1,880,691
7.06	Value Added Received In Transfer	88,983	80,020
7.06.01	Equity on Profit/Loss of Subsidiaries	71,904	60,891
7.06.02	Financial income	17,079	19,129
7.07	Total Added Value to Distribute	2,058,027	1,960,711
7.08	Distribution of Added Value	2,058,027	1,960,711
7.08.01	Personnel Expenses	493,503	437,020
7.08.01.01	Compensation	370,621	324,082
7.08.01.02	Benefits	69,580	67,489
7.08.01.03	Government Severance Indemnity Fund For Employees	35,675	29,991
7.08.01.04	Others	17,627	15,458
7.08.01.04.01	Stock Option Plan	9,965	9,801
7.08.01.04.02	Management remuneration	7,662	5,657
7.08.02	Taxes, fees and contributions	986,691	835,222
7.08.02.01	Federal Taxes	336,505	282,613
7.08.02.02	State Taxes	623,218	527,723
7.08.02.03	Municipal Taxes	26,968	24,886
7.08.03	Remuneration of Third Party Capital	181,089	302,318
7.08.03.01	Interest	71,449	46,850
7.08.03.02	Rents	109,640	255,468
7.08.04	Remuneration of Shareholders' Equity	396,744	386,151
7.08.04.01	Interest on Equity	128,265	104,269
7.08.04.03	Retained Earnings / Loss for the Period	268,479	281,882

Consolidated Statements / Balance Sheet-Asset**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 6/30/2019	Prior end of year 12/31/2018
1	Total Assets	10,318,428	8,821,048
1.01	Current assets	5,376,263	5,930,335
1.01.01	Cash and cash equivalents	810,451	944,671
1.01.02	Financial investments	137,238	439,693
1.01.02.01	Financial investments measured at fair value through profit	137,238	439,693
1.01.02.01.02	Fair Value Titles	137,238	439,693
1.01.03	Trade Accounts Receivable	2,896,784	3,162,670
1.01.03.01	Customers	2,896,784	3,162,670
1.01.04	Inventories	1,148,162	1,110,305
1.01.06	Recoverable Taxes	234,288	208,840
1.01.06.01	Recoverable Current Taxes	234,288	208,840
1.01.08	Other Current Assets	149,340	64,156
1.01.08.03	Others	149,340	64,156
1.01.08.03.02	Derivative financial instruments	5,417	10,860
1.01.08.03.03	Other Assets	143,923	53,296
1.02	Non-Current Assets	4,942,165	2,890,713
1.02.01	Long-Term Assets	266,123	261,188
1.02.01.07	Deferred Taxes	160,391	153,458
1.02.01.07.01	Deferred Income Tax and Social Contribution	160,391	153,458
1.02.01.10	Other Non-Current Assets	105,732	107,730
1.02.01.10.04	Recoverable Taxes	82,027	78,327
1.02.01.10.05	Other Assets	23,705	29,403
1.02.03	Fixed Assets	3,994,335	1,994,449
1.02.03.01	Fixed Assets in Operation	1,857,223	1,894,086
1.02.03.02	Right-of-Use in leases	2,017,571	-
1.02.03.03	Fixed Assets in Progress	119,541	100,363
1.02.04	Intangible	681,707	635,076
1.02.04.01	Intangibles	565,028	518,397
1.02.04.01.02	Others Intangibles	565,028	518,397
1.02.04.02	Goodwill	116,679	116,679

Consolidated Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 6/30/2019	Prior end of year 12/31/2018
2	Total Liabilities	10,318,428	8,821,048
2.01	Current Liabilities	3,872,384	4,324,355
2.01.01	Social and Labor Obligations	237,800	246,009
2.01.01.01	Social Obligations	73,069	70,766
2.01.01.01.01	Social charges	73,069	70,766
2.01.01.02	Labor obligations	164,731	175,243
2.01.01.02.01	Wages payable	164,731	175,243
2.01.02	Suppliers	707,863	955,834
2.01.02.01	National suppliers	707,863	955,834
2.01.03	Tax Obligations	297,839	550,016
2.01.03.01	Federal Tax Obligations	171,038	329,640
2.01.03.01.01	Income Tax and Social Contribution Payable	120,120	222,638
2.01.03.01.02	Other Federal Obligations	50,918	107,002
2.01.03.02	State Tax Obligations	122,992	215,899
2.01.03.03	Municipal Tax Obligations	3,809	4,477
2.01.04	Borrowings, Financing and Debentures	1,218,087	1,423,835
2.01.04.01	Borrowings and Financing	699,221	1,170,537
2.01.04.01.01	In National Currency	497,154	745,309
2.01.04.01.02	In Foreign Currency	202,067	425,228
2.01.04.02	Debentures	518,866	252,825
2.01.04.03	Lease Financing	-	473
2.01.05	Other obligations	1,360,237	1,100,878
2.01.05.02	Others	1,360,237	1,100,878
2.01.05.02.01	Dividends and Interest on equity Payable	112,333	234,701
2.01.05.02.04	Rent payable	28,929	69,990
2.01.05.02.05	Other obligations	77,466	79,383
2.01.05.02.06	Statutory Participation	-	8,294
2.01.05.02.07	Obligations with Card Administrators	741,692	693,994
2.01.05.02.08	Derivative financial instruments	1,623	14,516
2.01.05.02.09	Leases payable	398,194	-
2.01.06	Provisions	50,558	47,783
2.01.06.01	Labor, Civil, Security and Tax Provisions	50,558	47,783
2.01.06.01.04	Civil Provisions	25,285	26,165
2.01.06.01.05	Labor Provisions	25,273	21,618
2.02	Non-Current Liabilities	2,333,794	542,181
2.02.01	Borrowings, Financing and Debentures	589,502	499,753
2.02.01.01	Borrowings and Financing	189,502	166,331
2.02.01.01.01	In National Currency	6,119	27,303
2.02.01.01.02	In Foreign Currency	183,383	139,028
2.02.01.02	Debentures	400,000	299,955
2.02.01.03	Lease Financing	-	33,467
2.02.02	Other obligations	1,705,710	1,762
2.02.02.02	Others	1,705,710	1,762
2.02.02.02.04	Other obligations	27,296	1,762
2.02.02.02.05	Leases payable	1,678,414	-
2.02.03	Deferred Taxes	7,867	11,214
2.02.03.01	Deferred Income Tax and Social Contribution	7,867	11,214
2.02.04	Provisions	30,715	29,452
2.02.04.01	Labor, Civil, Security and Tax Provisions	30,715	29,452
2.02.04.01.01	Tax Provisions	30,715	29,452

Consolidated Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 6/30/2019	Prior end of year 12/31/2018
2.03	Shareholder's Equity	4,112,250	3,954,512
2.03.01	Capital	3,774,294	2,637,473
2.03.02	Capital reserves	21,462	79,557
2.03.02.04	Granted Options	57,015	124,093
2.03.02.05	Treasury Shares	(35,553)	(44,536)
2.03.04	Profit Reserves	50,695	1,235,334
2.03.04.01	Legal reserve	-	87,641
2.03.04.07	Tax Incentive Reserve	-	56,540
2.03.04.08	Proposed Additional Dividend	-	144,639
2.03.04.10	Reserve for Investment and Expansion	50,695	946,514
2.03.05	Accumulated Profit / Loss	268,806	-
2.03.06	Equity Valuation Adjustments	2,505	(2,412)
2.03.07	Accumulated Conversion Adjustments	(9,169)	4,560
2.03.08	Other Comprehensive Results	3,657	-

Consolidated Statements / Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 4/1/2019 to 6/30/2019	Acumulated of Current Year 1/1/2019 to 6/30/2019	Same Quarter of Last Year 4/1/2018 to 6/30/2018	Acumulated of Last Year 1/1/2018 to 6/30/2018
3.01	Revenue from Sale of Goods and / or Services	2,292,004	4,184,121	2,020,097	3,648,382
3.01.01	Net sales revenue from goods	2,019,374	3,669,711	1,780,031	3,178,850
3.01.02	Net revenue from financial products and services	272,630	514,410	240,066	469,532
3.02	Cost of Goods and / or Services Sold	(885,492)	(1,629,523)	(765,024)	(1,384,446)
3.02.01	Cost of sales with goods	(879,737)	(1,618,167)	(757,798)	(1,370,437)
3.02.02	Cost of financial products and services	(5,755)	(11,356)	(7,226)	(14,009)
3.03	Gross Profit	1,406,512	2,554,598	1,255,073	2,263,936
3.04	Operating Expenses / Revenues	(1,041,818)	(1,951,502)	(903,099)	(1,741,907)
3.04.01	Selling Expenses	(635,676)	(1,211,977)	(551,641)	(1,073,288)
3.04.02	General and Administrative Expenses	(213,061)	(414,742)	(193,745)	(373,125)
3.04.03	Losses due to non-recoverability of assets	(98,455)	(170,971)	(79,119)	(136,542)
3.04.04	Other Operating Income	11,648	41,080	6,181	8,894
3.04.05	Other Operating Expenses	(106,274)	(194,892)	(84,775)	(167,846)
3.05	Income Before Net Financial Expenses and Taxes	364,694	603,096	351,974	522,029
3.06	Net Financial expenses	(38,164)	(65,573)	(13,318)	(27,199)
3.06.01	Financial income	16,013	27,198	12,609	24,882
3.06.02	Financial expenses	(54,177)	(92,771)	(25,927)	(52,081)
3.07	Income Before Taxes on Profit	326,530	537,523	338,656	494,830
3.08	Income Tax and Social Contribution on Profit	(91,384)	(140,779)	(63,947)	(108,679)
3.08.01	Current	(111,363)	(153,864)	(38,146)	(77,297)
3.08.02	Deferred	19,979	13,085	(25,801)	(31,382)
3.09	Net Income from Continuing Operations	235,146	396,744	274,709	386,151
3.11	Profit / Loss for the Period	235,146	396,744	274,709	386,151
3.11.01	Attributed to Parent Company Shareholders	235,146	396,744	274,709	386,151
3.99.01	Basic Earnings per Share	0.3057	0.5326	0.3601	0.5231
3.99.01.01	ON	0.3057	0.5326	0.3601	0.5231
3.99.02	Diluted Earnings Per Share	0.3045	0.5302	0.3570	0.5181
3.99.02.01	ON	0.3045	0.5302	0.3570	0.5181

Consolidated Statements / Comprehensive Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 4/1/2019 to 6/30/2019	Acumulated of Current Year 1/1/2019 to 6/30/2019	Same Quarter of Last Year 4/1/2018 to 6/30/2018	Acumulated of Last Year 1/1/2018 to 6/30/2018
4.01	Net Income For The Period	235,146	396,744	274,709	386,151
4.02	Other Comprehensive Income	(9,031)	(5,155)	34,053	33,472
4.02.01	Cash Flow Hedge	(9,705)	7,450	44,365	40,830
4.02.03	Taxes Related To Components Of Comprehensive Income	3,300	(2,533)	(15,084)	(13,882)
4.02.04	Cumulative Translation Adjustments	(6,283)	(13,729)	4,772	6,524
4.02.05	Monetary Correction for Hyperinflation	3,657	3,657	-	-
4.03	Total Comprehensive Income For The Period	226,115	391,589	308,762	419,623
4.03.01	Attributed to Parent Company Shareholders	226,115	391,589	308,762	419,623

Consolidated Statements / Cash Flow Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current	Acumulated of Last
		Year 1/1/2019 to 6/30/2019	Year 1/1/2018 to 6/30/2018
6.01	Net Cash From Operating Activities	507,101	94,310
6.01.01	Cash Flow From Operating Activities	996,542	684,780
6.01.01.01	Net Income For The Period	396,744	386,151
6.01.01.02	Depreciation And Amortization	362,919	150,129
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	74,943	44,140
6.01.01.09	Deferred And Current Taxes	140,779	108,679
6.01.01.12	Estimated losses (Reversal) On Assets net	13,656	11,392
6.01.01.13	Other adjustments of Net Income	7,501	(15,711)
6.01.02	Changes In Assets And Liabilities	(550,283)	(336,482)
6.01.02.01	Accounts Receivable	227,673	246,561
6.01.02.02	Inventories	(2,862)	(132,110)
6.01.02.03	Recoverable Taxes	(29,148)	(53,220)
6.01.02.04	Other assets	(83,830)	(8,482)
6.01.02.05	Financing – Financial Services Operations	(238,798)	(14,530)
6.01.02.06	Suppliers	(248,779)	(155,417)
6.01.02.07	Taxes And Contributions Payable	(191,278)	(145,024)
6.01.02.11	Obligations With Card Administrators	47,698	(8,580)
6.01.02.12	Other Payables	(30,959)	(65,680)
6.01.03	Others	60,842	(253,988)
6.01.03.02	Payment of Income Tax and Social Contribution	(214,752)	(190,480)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(26,861)	(57,687)
6.01.03.04	Financial investments	302,455	(5,821)
6.02	Net Cash From Investing Activities	(244,609)	(228,077)
6.02.01	Acquisitions of fixed and intangible assets	(245,283)	(228,290)
6.02.03	Proceeds From Disposal Of Fixed Assets	674	213
6.03	Net Cash From Financing Activities	(394,757)	(169,518)
6.03.01	Capital Increase	24,771	43,151
6.03.02	Repurchase Of Treasury Stocks	-	(16,988)
6.03.03	Borrowings	469,010	234,660
6.03.04	Payments of borrowings and debentures	(324,630)	(141,619)
6.03.06	Leases payments	(168,962)	(9,482)
6.03.07	Interest on Capital and Dividends Paid	(394,946)	(279,240)
6.04	Net Foreign Exchange Variation in Cash And Cash Equivalents	(1,955)	1,105
6.05	Decrease In Cash And Cash Equivalents	(134,220)	(302,180)
6.05.01	Cash And Cash Equivalents at the beginning of the period	944,671	1,059,873
6.05.02	Cash And Cash Equivalents at the end of the period	810,451	757,693

Consolidated Statements / Changes in Shareholder's Equity - 1/1/2019 to 6/30/2019**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL ATTRIBUTED TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING SHAREHOLDER INTEREST	SHAREHOLDER'S EQUITY
5.01	Opening Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512	-	3,954,512
5.03	Adjusted Initial Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512	-	3,954,512
5.04	Capital Transactions with Stockholders	1,136,821	(58,095)	(1,184,639)	(127,938)	-	(233,851)	-	(233,851)
5.04.01	Capital Increases	1,136,821	(72,050)	(1,040,000)	-	-	24,771	-	24,771
5.04.03	Granted Options Recognized	-	9,965	-	-	-	9,965	-	9,965
5.04.07	Interest on equity	-	-	-	(128,265)	-	(128,265)	-	(128,265)
5.04.08	Proposed additional dividend resolution	-	-	(144,639)	-	-	(144,639)	-	(144,639)
5.04.09	Restricted Stock Plan	-	3,990	-	-	-	3,990	-	3,990
5.04.11	Prescribed dividends	-	-	-	327	-	327	-	327
5.05	Total Comprehensive Income	-	-	-	396,744	(5,155)	391,589	-	391,589
5.05.01	Net Income for the Period	-	-	-	396,744	-	396,744	-	396,744
5.05.02	Other Comprehensive income	-	-	-	-	(5,155)	(5,155)	-	(5,155)
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	6,207	6,207	-	6,207
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	820	820	-	820
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(2,110)	(2,110)	-	(2,110)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(13,729)	(13,729)	-	(13,729)
5.05.02.06	Monetary Correction for Hyperinflation	-	-	-	-	3,657	3,657	-	3,657
5.07	Balances as of June 30, 2019	3,774,294	21,462	50,695	268,806	(3,007)	4,112,250	-	4,112,250

Consolidated Statements / Changes in Shareholder's Equity - 1/1/2018 to 6/30/2018**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL ATTRIBUTED TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING SHAREHOLDER INTEREST	SHAREHOLDER'S EQUITY
5.01	Opening Balances	2,556,896	66,428	596,022	-	4,100	3,223,446	-	3,223,446
5.03	Balances Adjusted	2,556,896	66,428	596,022	-	4,100	3,223,446	-	3,223,446
5.04	Capital Transactions with Stockholders	43,151	(2,759)	(96,247)	(125,431)	-	(181,286)	-	(181,286)
5.04.01	Capital Increase	43,151	-	-	-	-	43,151	-	43,151
5.04.03	Stock Option Plan	-	9,801	-	-	-	9,801	-	9,801
5.04.04	Shares In Treasury Acquired	-	(16,988)	-	-	-	(16,988)	-	(16,988)
5.04.06	Proposed additional dividend resolution	-	-	(96,247)	-	-	(96,247)	-	(96,247)
5.04.07	Interest on equity	-	-	-	(104,269)	-	(104,269)	-	(104,269)
5.04.09	Restricted Stock Plan	-	4,428	-	-	-	4,428	-	4,428
5.04.10	Initial adoption of CPC 48 / IFRS 9 - Expected Losses	-	-	-	(21,162)	-	(21,162)	-	(21,162)
5.05	Total Comprehensive Income	-	-	-	386,151	33,472	419,623	-	419,623
5.05.01	Net Income For The Period	-	-	-	386,151	-	386,151	-	386,151
5.05.02	Other Comprehensive Income	-	-	-	-	33,472	33,472	-	33,472
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	35,483	35,483	-	35,483
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	3,529	3,529	-	3,529
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(12,064)	(12,064)	-	(12,064)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	6,524	6,524	-	6,524
5.07	Balances as of June 30, 2018	2,600,047	63,669	499,775	260,720	37,572	3,461,783	-	3,461,783

Consolidated Statements / Statement of Added Value**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current	Acumulated of Last
		Year 1/1/2019 to 6/30/2019	Year 1/1/2018 to 6/30/2018
7.01	Income	5,220,604	4,529,171
7.01.01	Sales of Goods, Products and Services	5,342,841	4,651,573
7.01.02	Other Receives	48,734	14,140
7.01.04	Provision / Reversal of Credits. Doubtful Settlement	(170,971)	(136,542)
7.02	Input Purchased From Third Parties	(2,531,920)	(2,188,804)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(1,844,310)	(1,576,700)
7.02.02	Materials, Energy, Outsides Services And Others	(664,281)	(586,745)
7.02.03	Loss / Recovery of Assets	(23,329)	(25,359)
7.03	Gross Value Added	2,688,684	2,340,367
7.04	Retentions	(362,919)	(150,129)
7.04.01	Depreciation and Amortization	(362,919)	(150,129)
7.05	Value Added Net Produced	2,325,765	2,190,238
7.06	Value Added Received In Transfer	28,061	25,830
7.06.02	Financial income	28,061	25,830
7.07	Total Added Value to Distribute	2,353,826	2,216,068
7.08	Distribution of Added Value	2,353,826	2,216,068
7.08.01	Personnel Expenses	578,210	500,277
7.08.01.01	Compensation	441,576	376,497
7.08.01.02	Benefits	78,516	74,205
7.08.01.03	Government Severance Indemnity Fund For Employees	40,074	33,632
7.08.01.04	Others	18,044	15,943
7.08.01.04.01	Stock Option Plan	9,965	9,801
7.08.01.04.02	Management remuneration	8,079	6,142
7.08.02	Taxes, fees and contributions	1,144,632	975,313
7.08.02.01	Federal Taxes	429,615	372,402
7.08.02.02	State Taxes	679,300	570,460
7.08.02.03	Municipal Taxes	35,717	32,451
7.08.03	Remuneration of Third Party Capital	234,240	354,327
7.08.03.01	Interest	92,771	52,081
7.08.03.02	Rents	141,469	302,246
7.08.04	Remuneration of Shareholders' Equity	396,744	386,151
7.08.04.01	Interest on Equity	128,265	104,269
7.08.04.03	Retained Earnings / Loss for the Period	268,479	281,882

Adoption of IFRS 16 – Main Impacts

- With the adoption of IFRS 16 as from January 1, 2019, some changes have been made to the fixed portion of rental payments, classified as leases, requiring recognition of future commitments in the liabilities offset against the right of use in the Assets. Until 2018, rental expenses were recorded as "Occupancy", but are now recognized in the Depreciation and Finance Expense lines in the accounts.
- For a better understanding of the changes, the tables in this report show a proforma column for 2Q19, with the effect of the new standard excluded in relation to those accounts which have been impacted. Further details can be found in Explanatory Note 4.1 of these Financial Statements for the quarter ending June 30, 2019.

BALANCE SHEET



Assets – Right of Use
+R\$ 1,990.9 MM



Liabilities - Leasing:
+R\$ 2,041.9 MM

2Q19 RESULTS



SG&A (Occupation Expenses):
-R\$ 99.1 MM



Lease Depreciation: +R\$ 93.5 MM



Financial Expenses of Leasing (APV):
+R\$ 17.5 MM



Adjusted EBITDA: -R\$ 12.0 MM (0.6 p.p.)

Highlights of the Period

Consolidated Information (R\$ MM)	2Q19	2Q18	Var.	1Q19 Proforma	Var.	1H19	1H18	Var.	1H19 Proforma	Var.
Net Revenue from Merchandise Sales	2,019.4	1,780.0	13.4%	2,019.4	13.4%	3,669.7	3,178.9	15.4%	3,669.7	15.4%
Growth in Same Store Sales (%)	9.3%	2.5%	-	9.3%	-	10.8%	4.2%	-	10.8%	-
Gross Profit from Merchandise Sales	1,139.6	1,022.2	11.5%	1,139.6	11.5%	2,051.5	1,808.4	13.4%	2,051.5	13.4%
Gross Margin from Retailing Operation (%)	56.4%	57.4%	-1.0p.p.	56.4%	-1.0p.p.	55.9%	56.9%	-1.0p.p.	55.9%	-1.0p.p.
Operating Expenses (SG&A) ¹	(669.5)	(672.3)	-0.4%	(768.6)	14.3%	(1,270.8)	(1,302.8)	-2.5%	(1,467.5)	12.6%
SG&A as a % of Net Revenue from Merchandise Sales (%)	33.2%	37.8%	-4.6p.p.	38.1%	0.3p.p.	34.6%	41.0%	-6.4p.p.	40.0%	-1.0p.p.
Ajusted EBITDA from Retailing Operation	350.8	352.9	-0.6%	362.8	2.8%	569.4	499.6	14.0%	591.2	18.3%
Ajusted EBITDA Margin from Retailing Operation (%)	17.4%	19.8%	-2.4p.p.	18.0%	-1.8p.p.	15.5%	15.7%	-0.2p.p.	16.1%	0.4p.p.
Financial Products Result	91.1	81.3	12.0%	91.1	12.0%	188.8	184.1	2.6%	188.8	2.6%
Ajusted Total EBITDA (Retail + Financial Products)	441.9	434.2	1.8%	453.9	4.5%	758.2	683.7	10.9%	780.0	14.1%
Ajusted Total EBITDA Margin (%)	21.9%	24.4%	-2.5p.p.	22.5%	-1.9p.p.	20.7%	21.5%	-0.8p.p.	21.3%	-0.2p.p.
Net Income	235.1	274.7	-14.4%	243.1	-11.5%	396.7	386.2	2.7%	411.2	6.5%
Net Margin (%)	11.6%	15.4%	-3.8p.p.	12.0%	-3.4p.p.	10.8%	12.1%	-1.3p.p.	11.2%	-0.9p.p.
ROIC LTM (%)	21.7%	21.9%	-0.2p.p.	22.1%	0.2p.p.	21.7%	21.9%	-0.2p.p.	22.1%	0.2p.p.

¹ In the Income Statements for the fiscal year ending December 31, 2018, the expenses with Depreciation and Amortization, Tax Expenses and Management Compensation, previously shown in "Other Operating Income", were reclassified as Sales, General and Administrative Expenses. To facilitate analysis, Depreciation and Amortization expenses, including Lease Depreciation, have been excluded from the above table.

Operational Highlights – 2Q19

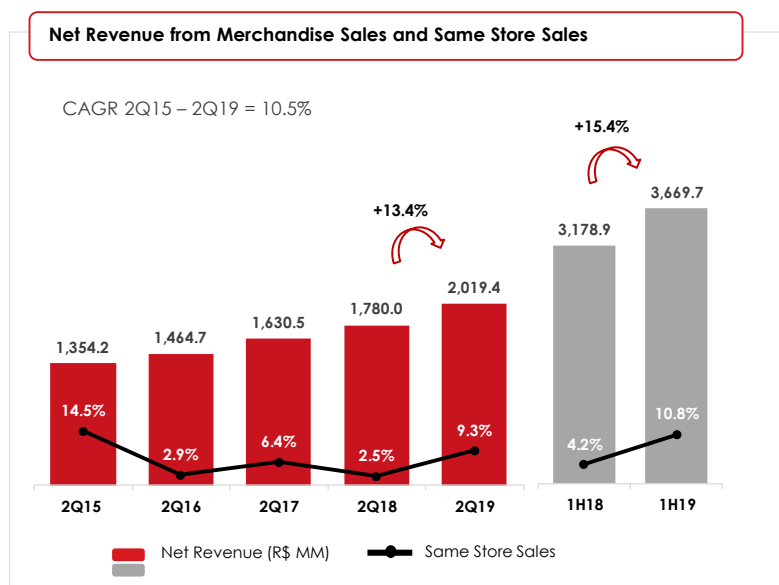
Net Revenue +13.4% SSS +9.3%	▪ Good pace of sales, with assertiveness of the fall-winter collection ▪ Greater customer traffic through the stores ▪ Adequate inventory assortment
Gross Profit +11.5% Gross Margin -1.0 p.p.	▪ Effect of FX contracted for imported products ▪ Markdowns at normal levels
EBITDA Retail Margin -2.4 p.p.	▪ Lower gross margin (-1,0 p.p.) ▪ Higher provisioning for the Profit Sharing Program (-0,6 p.p.) ▪ Effect of IFRS 16 adoption (-0,6 p.p.)
Financial Products Results +12.0%	▪ Stronger revenue growth, mainly in Meu Cartão ▪ Good credit quality of the total portfolio
Net Margin -3.8 p.p.	▪ Reduction in retailing EBITDA ▪ Higher effective income tax rate (tax credit in 2Q18)
Capex R\$ 166.4 MM	▪ Rollout of 14 stores (6 Renner, 4 Camicado and 4 Youcom) ▪ New stores and IT systems

Businesses Breakdown

Businesses Breakdown	2Q19	2Q18	Var.	1H19	1H18	Var.
 *						
Stores in Operation	360	334	26	360	334	26
Net Openings	6	8	-	6	4	-
Selling Area (thousand m²)	649.9	606.2	7.2%	649.9	606.2	7.2%
Net Revenue (R\$ MM)	1,853.6	1,626.8	13.9%	3,351.2	2,895.4	15.7%
Gross Margin (%)	56.5%	57.9%	-1.4p.p.	56.0%	57.3%	-1.3p.p.
CAMICADO						
Stores in Operation	113	101	12	113	101	12
Net Openings	3	3	-	5	3	-
Selling Area (thousand m²)	49.1	43.5	12.9%	49.1	43.5	12.9%
Net Revenue (R\$ MM)	117.2	114.1	2.7%	230.7	215.7	7.0%
Gross Margin (%)	52.4%	50.4%	2.0p.p.	53.2%	51.5%	1.7p.p.
YOUCOM						
Stores in Operation	97	92	5	97	92	5
Net Openings	3	7	-	3	8	-
Selling Area (thousand m²)	16.0	14.7	8.8%	16.0	14.7	8.8%
Net Revenue (R\$ MM)	48.6	39.1	24.2%	87.8	67.8	29.6%
Gross Margin (%)	62.3%	60.0%	2.3p.p.	60.7%	58.3%	2.4p.p.

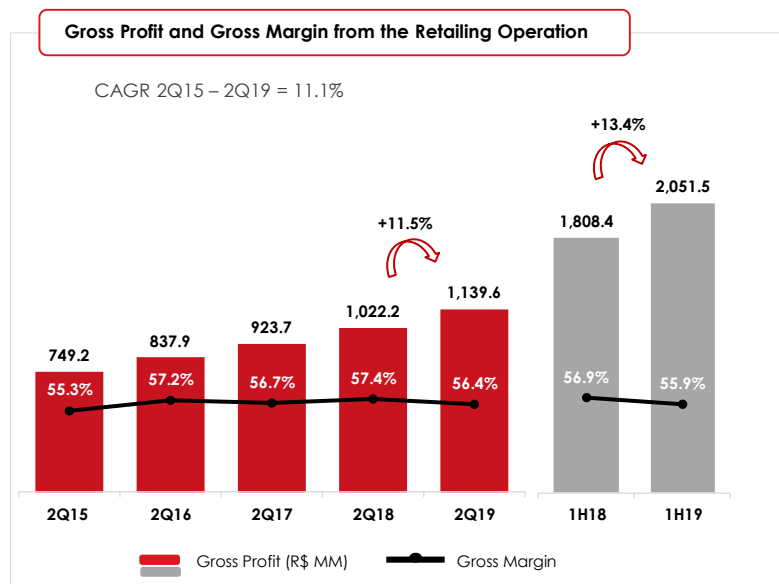
* Includes 3 Ashua stores opened in 3Q18.

Net Revenue from Merchandise Sales



- During the second quarter, sales continued at a good pace accompanied by an increase in customer traffic, producing an increase in same store sales of 9.3%.
- Good customer acceptance and adequate inventory assortment in the period with a reduced dependence on winter items were instrumental in driving sales despite higher than usual temperatures.
- The disciplined execution of the operations with an in-store product assortment attuned to customer demands also positively influenced performance.
- Sales at Youcom grew 24.2%, reflecting the ready acceptance of the collection with an adequate product mix. Conversely, at Camicado, the still unfavorable macroeconomic scenario combined with a higher degree of promotional activity in the home décor segment resulted in 2.7% Net Revenue growth.
- In the first half, the Company reported a growth of 15.4% in Net Revenue and 10.8% in Same Store Sales. This performance represents consistent gains in market share throughout the year, given that the sector as a whole reported growth of only 0.2%, between January and May according to the IBGE's Monthly Retailing Survey Index.

Gross Profit from the Retailing Operation



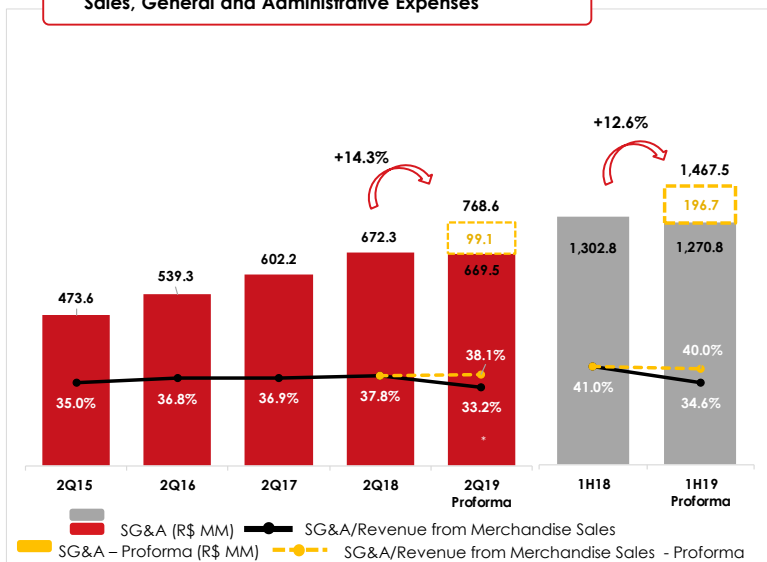
- Well managed commercial operations throughout 2Q19 kept markdowns at normal levels despite the more promotional environment from competitors.
- In this context therefore, the lower Gross Margin basically reflected the effect of the contracted FX for imported goods.
- The increase of 2.0 p.p. in Gross Margin at Camicado reflects the greater share of imported goods and the improvement in inventory management despite the effect of the contracted FX. At Youcom, the increase of 2.3 p.p. was largely due to the greater assertiveness of the collection together with an adequate inventory management.
- In 1H19, the reduction in Gross Margin from the Retailing Operation was the result of the hedging effect covering exposure to imported products.

Operating Expenses

Operating Expenses (R\$ MM)	2Q19	2Q18	Var.	2Q19 Proforma	Var.	1H19	1H18	Var.	1H19 Proforma	Var.
Operating Expenses (SG&A) ¹	(669.5)	(672.3)	-0.4%	(768.6)	14.3%	(1,270.8)	(1,302.8)	-2.5%	(1,467.5)	12.6%
% Over Net Revenue from Merchandise Sales	33.2%	37.8%	-4.6p.p.	38.1%	0.3p.p.	34.6%	41.0%	-6.4p.p.	40.0%	-1.0p.p.
Selling Expenses	(487.9)	(507.8)	-3.9%	(575.5)	13.3%	(919.7)	(985.9)	-6.7%	(1,095.8)	11.1%
% Over Net Revenue from Merchandise Sales	24.2%	28.5%	-4.3p.p.	28.5%	0.0p.p.	25.1%	31.0%	-5.9p.p.	29.9%	-1.1p.p.
General and Administrative Expenses	(181.6)	(164.5)	10.4%	(193.1)	17.4%	(351.1)	(316.9)	10.8%	(371.7)	17.3%
% Over Net Revenue from Merchandise Sales	9.0%	9.2%	-0.2p.p.	9.6%	0.4p.p.	9.6%	10.0%	-0.4p.p.	10.1%	0.1p.p.
Other Operating Expenses	(14.3)	(3.2)	347.3%	(14.3)	347.3%	(4.4)	(18.1)	-75.4%	(4.4)	-75.4%
Profit Sharing Program	(18.7)	(5.8)	219.5%	(18.7)	219.5%	(31.6)	(14.4)	120.4%	(31.6)	120.4%
Recovery of Tax Credits	11.6	6.2	88.4%	11.6	88.4%	41.1	8.9	361.9%	41.1	361.9%
Other Operating Revenues/ (Expenses)	(7.3)	(3.5)	105.8%	(7.3)	105.8%	(13.9)	(12.6)	10.2%	(13.9)	10.2%
Total Operating Expenses	(683.8)	(675.5)	1.2%	(782.9)	15.9%	(1,275.2)	(1,320.8)	-3.5%	(1,471.9)	11.4%

¹ In the Income Statement for the fiscal year ending December 31, 2018, the expenses with Depreciation and Amortization, Tax Expenses and Management Profit Sharing, previously shown in "Other Operating Income", were reclassified as Sales, General and Administrative Expenses. To facilitate analysis, the above table excludes Depreciation and Amortization Expenses, as well as Leasing Expenses.

Sales, General and Administrative Expenses

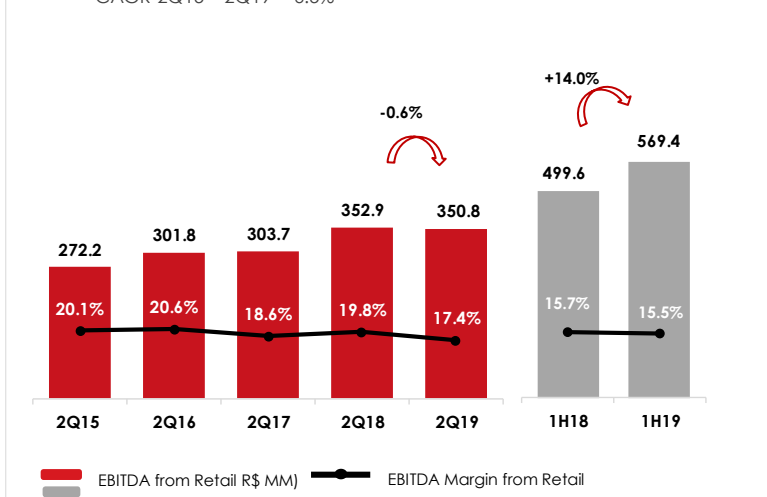


- Operating Expenses (SG&A) remained stable relative to 2Q18 largely due to the adoption of IFRS 16, which reduced this account by R\$ 99.1 million. On comparable basis these expenses would have grown by 14.3% against 2Q18.
- In addition, if the postponement of the booking of marketing expenses from 1Q19 to the 2Q19 is excluded, then operating expenses in relation to Net Revenue from Merchandise Sales would have been flat compared to 2Q18.
- The increase in Other Operating Expenses in 2Q19, is due largely to the higher level of provisioning for the Profit Sharing Program.
- Also, R\$ 3.5 MM of tax credits were booked relative to the exclusion of ICMS from the PIS/Cofins tax calculation base at Youcom, due to the definitive conclusion of the legal action and the Internal Revenue Service ratification.
- As to Operating Expenses in 1H19, there was an improvement of 1.0 p.p., a function of Selling Expenses, reflecting higher sales volume and budgetary discipline in the period.

Adjusted EBITDA from Retailing

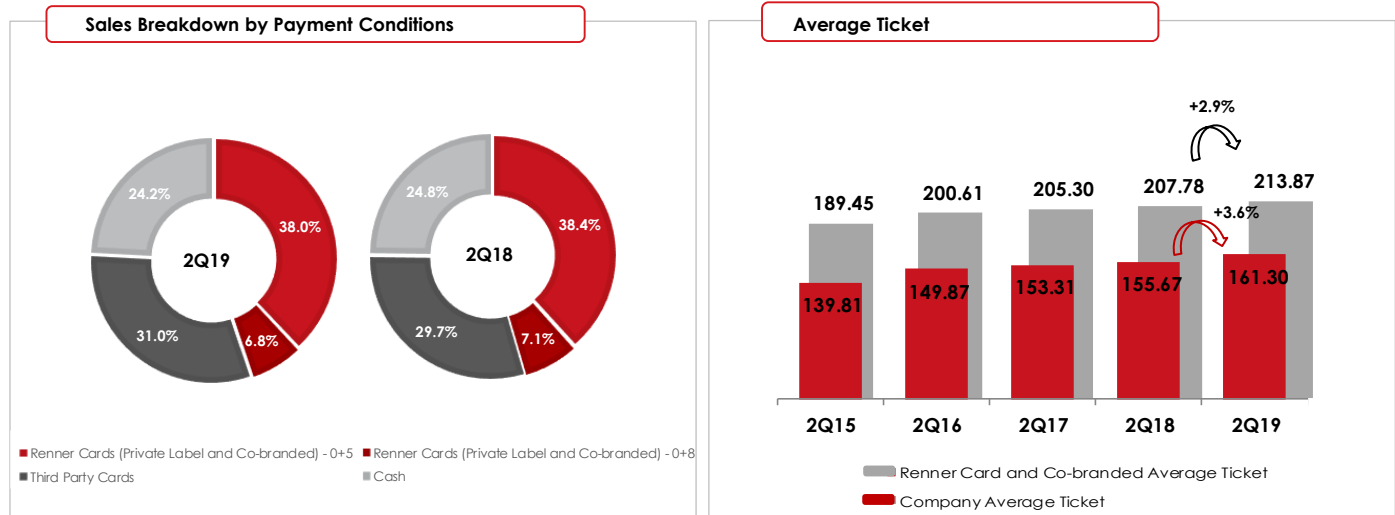
Adjusted EBITDA and EBITDA Margin from Retailing

CAGR 2Q15 - 2Q19 = 6.5%



- The reduction of 2.4 p.p. on the Adjusted EBITDA from Retailing is largely a consequence of the decline in Gross Margin (1.0 p.p.) and the higher level of Provisioning for the Profit Sharing Program (0.6 p.p.), as well as the impact of 0.3 p.p. arising from the postponement of expenses in 1Q19.
- Additionally, in the light of the adoption of IFRS 16, for comparison's sake, from 1Q19, the Company began reporting EBITDA from the Retailing Operation also adjusted for Depreciation and Financial Expenses relative to leasing activity (details on page 8). Consequently, in 2Q19, the adoption of the standard had a negative effect of R\$ 12.0 million (0.6 p.p.) on this result.
- In 1H19, the EBITDA Margin from Retailing was practically unchanged, reflecting effective budgetary control during the year, combined with the good pace of sales. This performance virtually offset the reduction in Gross Margin for the first half of the year.

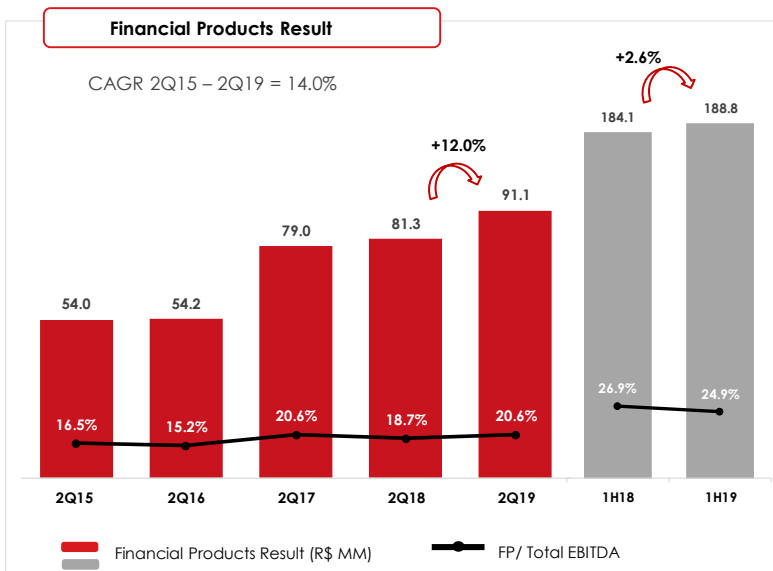
Payment Conditions and Average Ticket



- At the end of June 2019, the Company reached 31.5 million cards issued, representing 44.8% of merchandise sales in 2Q19 compared with 45.5% for the same quarter in 2018. This reduction refers to customer behavior, reflecting continued caution with respect to purchases in instalments.

Financial Products Result

Financial Products Result (R\$ MM)	2Q19	2Q18	Var.	1H19	1H18	Var.
Revenues, Net of Funding and Taxes	266.9	232.8	14.6%	503.1	455.5	10.4%
Renner Card (Private Label)	85.6	79.1	8.2%	159.0	152.2	4.5%
Co-branded Card Meu Cartão	161.8	130.7	23.8%	306.5	257.2	19.2%
Quick Withdrawal and Insurances	19.5	23.0	-15.5%	37.5	46.1	-18.7%
Credit Losses, Net of Recoveries	(98.5)	(79.1)	24.4%	(171.0)	(136.5)	25.2%
Renner Card (Private Label)	(38.8)	(34.4)	12.6%	(67.5)	(54.4)	24.0%
Co-branded Card Meu Cartão	(58.4)	(43.8)	33.3%	(102.2)	(81.6)	25.1%
Quick Withdrawal - Saque Rápido	(1.3)	(0.9)	43.0%	(1.3)	(0.5)	170.7%
Operating Expenses	(77.3)	(72.4)	6.8%	(143.3)	(134.9)	6.2%
Financial Products Result	91.1	81.3	12.0%	188.8	184.1	2.6%
% of Company's Total Adjusted EBITDA	20.6%	18.7%	1.9p.p.	24.9%	26.9%	-2.0p.p.



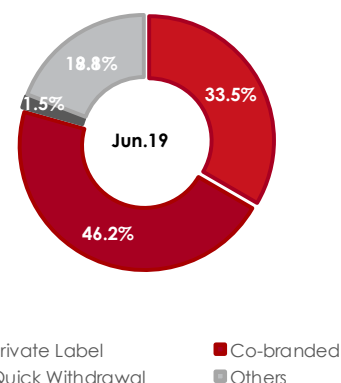
- Growth in the Financial Products Result reflects higher revenues generated, mainly from Meu Cartão.
- Revenue from Private Label activity exceeded growth in the portfolio and reflects the lower cost of funding due to the transactions being booked to Realize CFI since April. The increase in Revenue from Meu Cartão is the result of growth of 38.3% in the portfolio for this product.
- The increase in Net Losses is largely due to higher provisioning for Meu Cartão, a reflection of growth in this portfolio.

Customer Accounts Receivable

Customer Accounts Receivable (R\$ MM)	Jun.19	Jun.18	Var.
Renner Card (Private Label) - Net Portfolio	970.8	895.7	8.4%
Renner Card (Private Label) - Total Portfolio ⁽¹⁾	1,076.0	1,030.3	4.4%
Estimated Credit Losses	(89.0)	(82.2)	8.3%
Present Value Adjustment	(16.2)	(14.4)	12.2%
Other	-	(38.0)	-
Co-branded (Meu Cartão) - Net Portfolio	1,337.4	958.7	39.5%
Meu Cartão (Co-Branded) - Total Portfolio	1,597.3	1,155.3	38.3%
Estimated Credit Losses	(255.2)	(193.2)	32.1%
Present Value Adjustment	(4.6)	(3.4)	36.5%
Quick Withdrawal - Net Portfolio	45.1	48.6	-7.2%
Fees and Transactions Receivable	54.8	58.3	-6.1%
Estimated Credit Losses	(9.6)	(9.7)	-0.6%
Total Third-Party Credit Card Companies	540.3	451.4	19.7%
Other Accounts Receivable	3.1	5.0	-38.5%
Total Credit Portfolio, Net	2,896.8	2,359.4	22.8%

(1) Private Label total portfolio excludes the "Other" account, related to the RDC's (Securitization Fund) fee

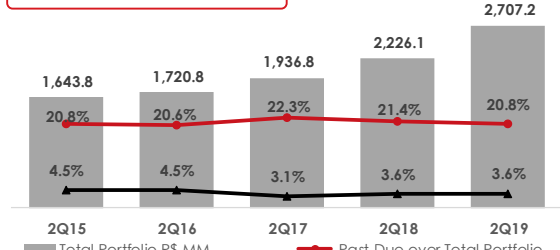
Customer Accounts Receivable



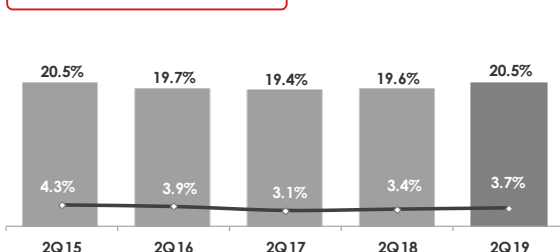
- As of June 30, 2019, Customer Accounts Receivable were 22.8% higher than the position in June 2018 due to growth in sales in the period and increased use of the Co-branded Meu Cartão.

Delinquency

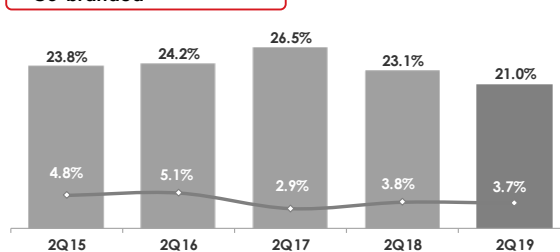
Total Portfolio



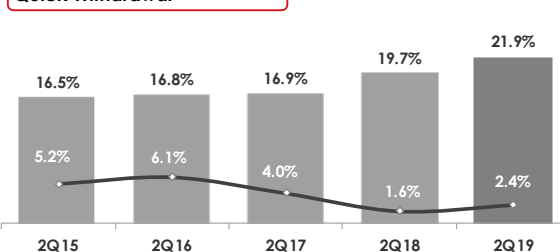
Private Label



Co-branded



Quick Withdrawal



■ % Past Dues/Total Portfolio — Credit Losses/Total Portfolio, Net of Recoveries

- The total Financial Products Portfolio (Renner Card, Co-Branded Meu Cartão and Quick Withdrawal - Saque Rápido) reported a growth of 21.6% in 2Q19, driven largely by the Co-branded credit card and by stronger sales volume at Renner.

- The reduction in the percentage of total overdues is mainly the result of the increase in the Meu Cartão portfolio as well as improvements in the processes for granting and recovering credits.

- The percentage of losses on the portfolio remained stable due to the consistency of its quality.

- Private Label (Renner Card):** The increase in the percentage of net losses is due to higher levels of provisioning of credits plus interest, in line with the methodology applied to financial institutions. The reduced recovery of credits also had an impact on this indicator as well as the level of past dues over the portfolio.

- Co-Branded (Meu Cartão):** There was a reduction in Meu Cartão delinquencies, an indication of the maintenance of credit quality and growth in the portfolio.

- Quick Withdrawal (Saque Rápido):** The increase in the Percentage of Losses and Overdues is due above all to the reduction in the portfolio, in turn a reflection of the offer of the withdrawal facility as a feature of the Meu Cartão product as from 2017.

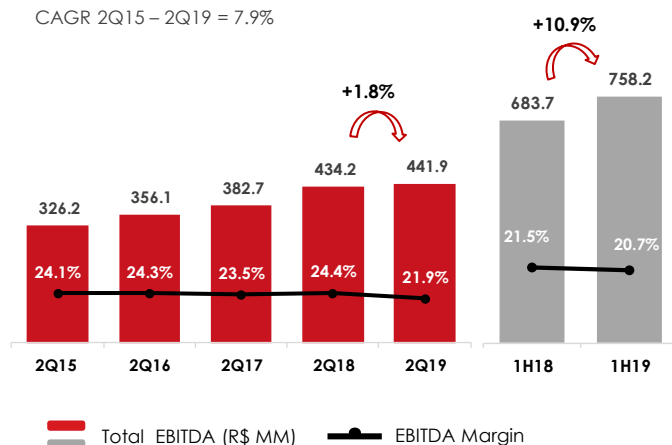
Total Adjusted EBITDA

EBITDA Reconciliation (R\$ MM)	2Q19	2Q18	Var.	2Q19 Proforma	Var.	1H19	1H18	Var.	1H19 Proforma	Var.
Net Income	235.1	274.7	-14.4%	243.1	-11.5%	396.7	386.2	2.7%	411.2	6.5%
(+) Income and Social Contribution Taxes	91.4	63.9	42.9%	95.5	49.3%	140.8	108.7	29.5%	148.2	36.4%
(+) Financial Result, Net	38.2	13.3	186.6%	20.6	54.9%	65.6	27.2	141.1%	32.1	18.1%
(+) Depreciation and Amortization	182.8	76.3	139.6%	89.3	17.0%	362.9	150.1	141.7%	177.8	18.4%
Total EBITDA	547.5	428.3	27.8%	448.4	4.7%	966.0	672.2	43.7%	769.3	14.5%
(-) Depreciation for Leasing (IFRS16)	(93.5)	-	-	-	-	(185.1)	-	-	-	-
(-) Financial Expenses for Leasing (IFRS16)	(17.5)	-	-	-	-	(33.5)	-	-	-	-
(+) Stock Option Plan	5.2	4.7	9.4%	5.2	9.4%	10.0	9.8	1.7%	10.0	1.7%
(+) Result on Write-Off and Provision for Impairment of Fixed Assets	0.3	1.2	-76.3%	0.3	-76.3%	0.8	1.7	-54.7%	0.8	-54.7%
Total Adjusted EBITDA	441.9	434.2	1.8%	453.9	4.5%	758.2	683.7	10.9%	780.0	14.1%
Total Adjusted EBITDA Margin*	21.9%	24.4%	-2.5p.p.	22.5%	-1.9p.p.	20.7%	21.5%	-0.8p.p.	21.3%	-0.2p.p.

*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.

Total Adjusted EBITDA and EBITDA Margin

CAGR 2Q15 – 2Q19 = 7.9%



- With the adoption of IFRS 16, for comparison's sake, the Company has begun to report EBITDA, also adjusted for Depreciation and Financial Expenses, given the similarity with cash flows incurred in the rental agreements.
- The reduction of 2.5 p.p. in the Total Adjusted EBITDA Margin was the result of a lower EBITDA Margin from Retailing in the period. On a like-for-like comparative basis, the reduction in this Margin was 1.9 p.p..
- For the year up to June 30, 2019, total proforma EBITDA Margin was 0.2 p.p. down, principally due to the reduced contribution from Financial Products in 1Q19.

Financial Result, Net

Financial Result, Net (R\$ MM)	2Q19	2Q18	Var.	2Q19 Proforma	Var.	1H19	1H18	Var.	1H19 Proforma	Var.
Financial Revenue	10.5	8.9	19.0%	10.5	19.0%	18.1	19.6	-7.5%	18.1	-7.5%
Gains on Cash Equivalents	9.9	7.9	25.3%	9.9	25.3%	17.1	18.1	-5.3%	17.1	-5.3%
Other financial revenue	0.7	1.0	-32.2%	0.7	-32.2%	1.0	1.5	-33.5%	1.0	-33.5%
Financial Expenses	(45.1)	(24.2)	86.2%	(27.6)	13.8%	(81.4)	(49.5)	64.4%	(48.0)	-3.2%
Interest on Loans, Borrowings and Swap	(23.0)	(20.0)	15.2%	(23.0)	15.2%	(39.1)	(41.6)	-5.9%	(39.1)	-5.9%
Other Financial Expenses	(4.5)	(4.2)	7.3%	(4.5)	7.3%	(8.8)	(8.0)	11.3%	(8.8)	11.3%
Financial Expenses for Leasing (IFRS16)	(17.5)	0.0	-	0.0	-	(33.5)	0.0	-	0.0	-
Foreing Exchange, Net	(3.6)	2.0	-	(3.6)	-	(2.3)	2.7	-	(2.3)	-
Financial Result, Net	(38.2)	(13.3)	186.6%	(20.6)	54.9%	(65.6)	(27.2)	141.1%	(32.1)	18.1%

- The Net Financial Expenses in the quarter increased 186.6%, principally in the light of recognition in the accounts of R\$ 17.5 million of financial expenses on leasing following the adoption of IFRS 16.
- On a comparable basis, the year-on-year increase in Net Financial Expenses in 2Q19 was largely due to variations in monetary restatement at the controlled companies.

Free Cash Flow

Cash Flow (R\$ MM)	2Q19	2Q18	Var.	1H19	1H18	Var.
Total Adjusted EBITDA	441.9	434.2	7.7	758.2	683.7	74.5
(+/-) Income and Social Contribution Taxes/Others	(20.3)	(12.6)	(7.7)	(217.8)	(161.2)	(56.6)
Operating Cash Flow	421.5	421.6	(0.0)	540.4	522.5	17.9
(+/-) Changes in Working Capital	(425.6)	(135.7)	(289.8)	(483.0)	(376.1)	(107.0)
Accounts Receivable	(193.4)	(191.3)	(2.1)	265.9	250.7	15.2
Operating Financing (Financial Products)	(442.1)	(20.2)	(422.0)	(238.8)	(14.5)	(224.3)
Inventories	99.3	10.5	88.8	(37.9)	(162.5)	124.6
Suppliers	47.1	91.2	(44.2)	(247.9)	(156.2)	(91.7)
Other Accounts Receivable/Payable	63.7	(26.0)	89.7	(224.3)	(293.5)	69.2
(-) Capex	(166.4)	(134.2)	(32.2)	(245.3)	(228.3)	(17.0)
(=) Free Cash Flow	(170.4)	151.6	(322.1)	(187.9)	(81.9)	(106.1)

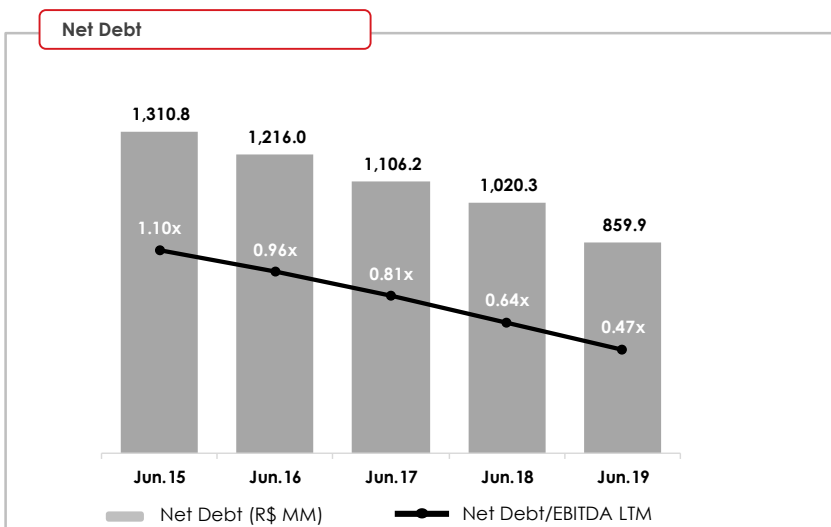
- The generation of negative Free Cash Flow in the quarter was mainly due to a reduction in Operational Financing in the light of the winding up in May of the FIDC – Fundo de Investimento em Direitos Creditórios (securitization fund).



Net Debt

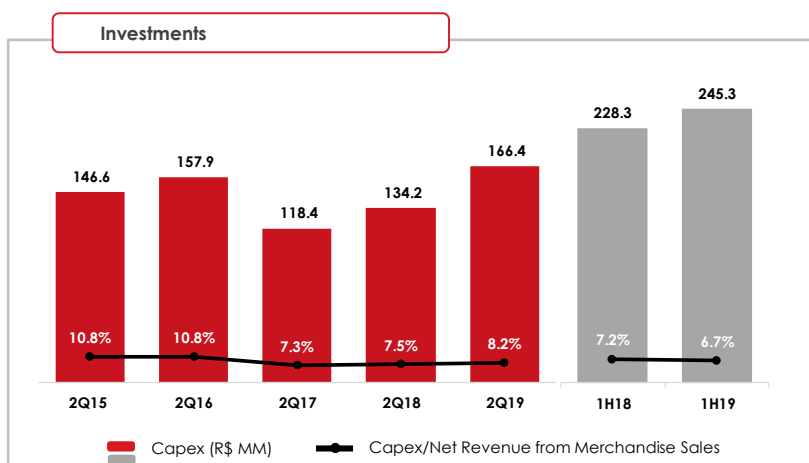
Net Debt (R\$ MM)	Jun. 19	Dec. 18	Jun. 18
Borrowings and Financing	(1,194.8)	(1,038.1)	(1,183.2)
Current	(748.6)	(710.8)	(519.4)
Noncurrent	(446.2)	(327.3)	(663.8)
Operational Financing	(612.8)	(851.6)	(683.0)
Current	(469.5)	(712.6)	(527.3)
Noncurrent	(143.3)	(139.0)	(155.7)
Gross Debt	(1,807.6)	(1,889.6)	(1,866.2)
Cash and Cash Equivalents and Financial Investments	947.7	1,384.4	845.9
Net Debt	(859.9)	(505.3)	(1,020.3)
Net Debt / Total Adjusted EBITDA (LTM)	0.47x	0.28x	0.64x

- On June 30, 2019, the Company's Net Debt was lower than reported in June 2018, principally due to more robust operating cash generation between the periods.
- On April 10, 2019, the Company executed its 9th debenture issue for R\$ 400 million, falling due in October 2022. The net resources were allocated to maintaining the Company's minimum strategic cash position.



Operational finance is used for financing the Financial Products portfolios and its variation is reflection of the financed volumes of these products. Debt servicing charges related to capital management are booked to the Financial Result, Net. Conversely, the costs of Operational Financing relative to the volume of Financial Products – are reflected in the Operational Result.

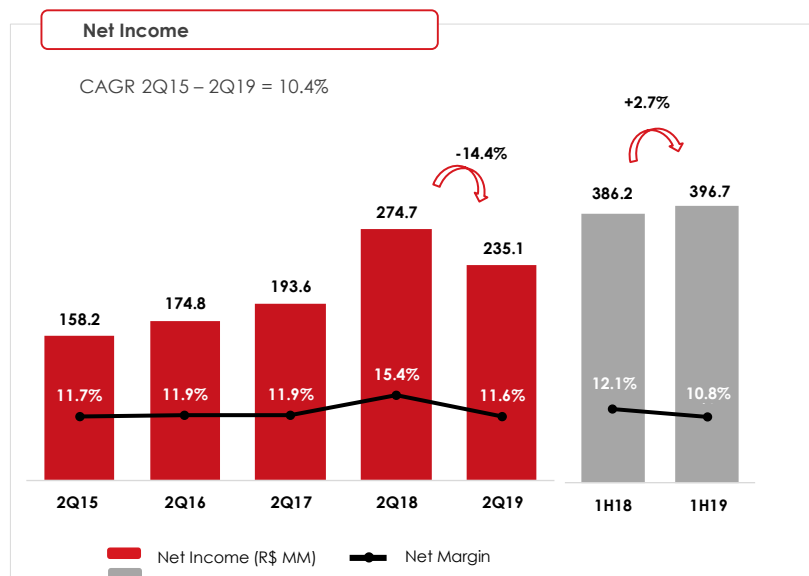
Investments



CAPEX Summary (R\$ MM)	2Q19	2Q18	1H19	1H18
New Stores	59.4	45.8	87.3	76.1
Remodeling of Installations	34.2	47.5	51.6	73.8
IT Equipament & Systems	64.0	32.5	92.7	67.4
Distribution Centers	8.5	4.8	12.0	6.3
Others	0.3	3.5	1.6	4.6
Total Capex	166.4	134.2	245.3	228.3

- Out of total investments in fixed assets in the quarter, 56.3% were applied in the opening of new stores and remodeling and a further 38.4% in technology.
- During the quarter, Renner opened 6 stores, reaching a total of 360 units in operation including 7 in Uruguay and a further 3 in the Ashua format, totaling a 649.9 thousand m² sales area in all. Camicado opened 4 more units and closed one, at the end of the period having 113 stores in operation, with a total sales area of 49.1 thousand m². Youcom in turn opened a further 4 stores and closed 1 in the quarter to reach 97 units with a total sales area of 16.0 thousand m². In the first six months of the year, 18 stores were inaugurated, of which 6 in the Renner format together with 8 Camicado and 4 Youcom units.
- Depreciation and Amortization expenses amounted to R\$ 89.3 million in 2Q19, 17.0% greater than 2Q18, largely due to the increase in assets relative to the IT systems. In the first half year, these expenses amounted to R\$ 177.8 million, a growth of 18.4% in relation to 1H18.

Net Income and Dividends



- The reduction in Net Margin in 2Q19, was basically due to the lower operational result for the period.
- Additionally, the normalization of the effective rate of income tax following the registering of R\$ 36.0 million in 2Q18 in tax breaks on values deemed as a subsidy for investments (Complementary Law 160/17), also impacted this result. If excluded this effect and the IFRS 16 impact, the Net Income would have grown 1.8%.
- For the first six months to June, the reduction in net margin was a consequence of a lower total EBITDA and the higher effective tax rate in 2Q19.
- In 2Q19, Lojas Renner credited shareholders with dividends in the form of interest on capital of R\$ 61.5 million, corresponding to R\$ 0.07765 per share considering 791.981.194 common shares, from which treasury stock has been excluded. For the first six months from January to June, interest on capital paid out to shareholders had already totaled R\$ 128.3 million, corresponding to R\$ 0.17060 per share.

1 OPERATIONS

Lojas Renner S.A. ("Parent Company") is a corporation with head office at 401 Joaquim Porto Villanova Avenue, Porto Alegre, RS, Brazil, listed in B3 S.A.- Brasil, Bolsa e Balcão under the code LREN3.

Lojas Renner S.A. and its direct and indirect subsidiaries, individually or jointly (the "Company" or the "Consolidated"), are mainly engaged in:

- i) Retail trade of clothes and sports products, shoes, accessories and perfumery;
- ii) Retail trade of domestic appliances, towels & linen, and decoration articles;
- iii) Granting of quick withdrawals, financing of purchases and insurance, and the practice of operations inherent to credit companies, such as branded card, among others.

2 HIGHLIGHTS

Below, Management emphasizes certain important matters in this disclosure:

2.1 INITIAL ADOPTION OF NEW STANDARD

IFRS 16/ CPC 06 (R2) Lease became effective as of January 1, 2019. In note 4.1, the Company's Management comments the main factors supporting adoption of standard, such as:

- i) Evaluation for adoption of standard IFRS 16 / CPC 06 (R2);
- ii) Evolution of standard adoption during the first half of 2019;
- iii) Impact on balance sheet; and
- iv) Impact in the income statement

2.2 RENNER CREDIT CARD – REALIZE (NEW PRIVATE LABEL)

As of April 2019, in line with the reorganization strategy and business enhancement, the sales through the Renner Credit Card (Private Label) started being recorded by the indirect subsidiary Realize CFI. Thus, the assets from these new sales are currently part of the new Private Label balance on that Company(note 7).

2.3 FIDC CLOSURE

On May 12, 2019, the Credit Rights Investment Fund (FIC Lojas Renner) operation was closed, as provided for in the fund's regulations. In line with Realize's expansion strategy, such receivables are now financed by this company.

2.4 ICMS IN PIS AND COFINS CALCULATION BASIS - YOUCOM

The final and unappealable decision regarding the lawsuit of subsidiary Youcom was handed down in April 2019. Its claim for deferred offsetting was upheld by the Brazilian Federal Revenue Service in June 2019, period during which the amount of R\$ 3,482 was recognized in income (Note 21.6).

3 BASIS FOR THE PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS

3.1 STATEMENT OF CONFORMITY

The interim financial statements included in the Quarterly Information Form - ITR, are prepared in accordance with Technical Pronouncement CPC 21 - 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.

Interim financial statements were approved by the Company's Management on July 17, 2019.

3.2 STATEMENT OF RELEVANCE

The Company's Management applied technical guideline OCPC 7 and CVM Resolution 727/14 on preparation of interim financial statements, for disclosing only relevant information that helps users of interim financial statements to make decisions, so that minimum requirements will be complied with. In addition, the Company's Management affirms that all relevant information is being evidenced and corresponds to the information used in the Management of the business.

3.3 RECLASSIFICATION IN INCOME STATEMENTS

The Company conducted reclassifications in balances in income statements for the quarter and semester ended on June 30, 2018, presented for comparison purposes, in the amounts of R\$ 64,520 and R\$ 126,855, R\$ 12,607 and R\$ 23,215; and R\$ 2,855 and R\$ 5,657 in the Parent Company, and R\$ 73,057 and R\$ 143,636; R\$ 15,421 and R\$ 27,816; and R\$ 3,091 and R\$ 6,141 in the Consolidated for better disclosure, respectively, of depreciation and amortization expenses, tax expenses and expenses with Directors' fees, previously presented as "Other operating net income". The Company's Management understands that said reclassification reflects the best information for monitoring its results. Reclassification did not change net income and did not change the Company's Balance Sheets, Statements of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows.

3.4 MEASURING BASIS

The interim financial statements were measured considering the historical cost as a basis of value, except for certain financial instruments measured at their fair values (Note 22.3).

3.5 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of an entity is the currency of the primary economic environment in which it operates. The Parent company's consolidated financial statements are presented in Real (R\$), functional and presentation currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

For foreign subsidiaries operating in a stable economic environment and with a different functional currency from the Parent Company, the income statements are translated into Brazilian Reais at the average monthly exchange rate, assets and liabilities are translated at the closing rate and shareholders' equity items are translated at the historical rate. For subsidiaries operating in a hyperinflationary environment, the balances of assets, liabilities and retained earnings are translated at the closing rate, while shareholders' equity items are translated at the historical rate.

3.6 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial statements 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.

In addition to compliance with prevailing accounting standards and rules, Management understands that the adoption of critical accounting estimates is essential to produce the best possible information on income and financial situation upon each period closing, even if such information may temporarily lack accuracy because the subjectivity and complexity involved. Main transactions and evaluations significantly impacted by estimates are as follows:

- i) Provisions for tax, civil and labor risks (Note 21);
- ii) Estimated credit losses (Note 7.3);
- iii) Estimated inventory losses (Note 9.3);
- iv) Discount rate applied to adjustment to present value (Notes: 4.1.2.2.1, 7.1, 9.1 and 18.1);
- v) Determination of fair values of derivative financial instruments and stock option plans (Notes 22.1 and 28.6);
- vi) Definition of the useful life of the fixed and intangible assets (Note 14.1);
- vii) Evaluation of impairment of intangible assets with undefined useful life (Note 15.1); and
- viii) Realization of deferred income tax and social contribution (Note 12.4)

3.7 ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these individual and consolidated interim financial statements are presented and summarized in notes of the respective account group and have been consistently adopted in the periods presented to the Parent Company and its subsidiaries, except for the accounting policy of lease CPC 06 (R2)/IFRS 16, which started as of January 1, 2019.

3.7.1 Consolidation

In the preparation of individual and consolidated interim financial statements, financial statements of subsidiaries are closed on the same base date were used.

As established by CVM Instruction 408/04, the Company consolidated the financial statements of *FIDC* Lojas Renner up to April 2019, since this represented a specific purpose entity whose activities are performed substantially in accordance with the Company's operating needs; the Company was being exposed to most risks and benefits related to the fund, as it owns all subordinated quotas. 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 (Note 8).

As of July 2018, Argentina started being considered a hyperinflationary economy. Thus, the adoption of CPC 42/IAS 29 accounting standard was required. Pursuant to this CPC, non-monetary assets and liabilities, shareholders' equity and the income statement of the subsidiary Lojas Renner Argentina S.A.U. shall be adjusted for changes in the general purchasing power of currency, applying a general price index before the foreign exchange translation. Because of this, requirement to adopt CPC 42/IAS 29, non-monetary assets and liabilities recorded at historical cost and the shareholders' equity of the subsidiary in Argentina were adjusted based on the inflation index, in accordance with Argentina's IPC (index defined by Argentina's Resolution JG 539/18-FACPCE) with impacts on its balance sheet and income statement.

The Company's consolidated interim financial statements include the following companies:

			Direct/Indirect interest	
	Country	Currency	06/30/2019	12/31/2018
Direct subsidiaries				
Dromegon Participações Ltda. ("Dromegon")	Brazil	BRL	100.0%	100.0%
Renner Administradora de Cartões de Crédito Ltda. ("RACC")	Brazil	BRL	100.0%	100.0%
Maxmix Comercial Ltda. ("Camicado")	Brazil	BRL	100.0%	100.0%
Fashion Business Comércio de Roupas Ltda. ("Youcom")	Brazil	BRL	100.0%	100.0%
Lojas Renner Shanghai Trading Co. Ltd. ("LRS")	China	RMB	100.0%	100.0%
Lojas Renner Uruguay S.A. ("LRU")	Uruguay	UYU	100.0%	100.0%
Lojas Renner Argentina S.A.U. ("LRA")	Argentina	ARS	100.0%	100.0%
Realize Participações S.A.	Brazil	BRL	100.0%	100.0%
Indirect subsidiaries				
Realize Crédito Financiamento e Investimento S.A. ("Realize CFI")	Brazil	BRL	100.0%	100.0%
Specific purpose Company				
Credit Rights Investment Fund ("FIDC Lojas Renner")	Brazil	BRL	-	40.7%

3.7.1.1 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.

3.7.1.2 RACC

Until the end of fiscal year 2018, RACC was engaged in rendering intermediation financial services by means of executing into contract on bank correspondent product for quick withdrawal, by means of agreement for borrowing extension by financial institutions.

3.7.1.3 Camicado

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

3.7.1.4 Youcom

Youcom is engaged in specialized retail trading of clothing, shoes and accessories.

3.7.1.5 LRS

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

3.7.1.6 LRU

The purpose of Lojas Renner Uruguay S.A has as object the specialized retail trade in clothing, sports and footwear, perfumery, cosmetics, watches and sporting goods.

3.7.1.7 LRA

The purpose of LRA will have as object the specialized retail trade in clothing, sports and footwear, perfumery, cosmetics, watches and sporting goods. On these interim financial statements' approval date, LRA was at pre-operating stage.

3.7.1.8 Realize Participações S.A.

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

3.7.1.9 Realize CFI

The purpose of Realize CFI 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.

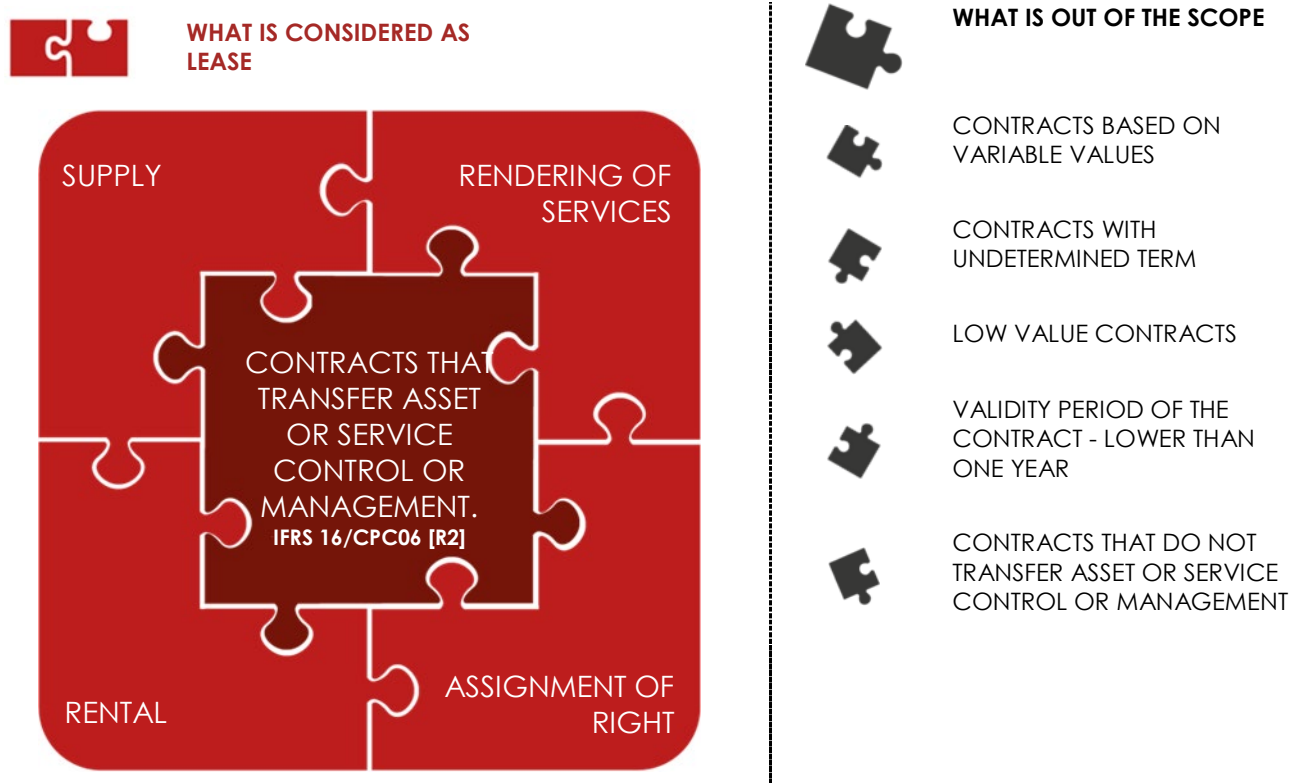
4 STANDARDS AND INTERPRETATIONS IN FORCE

This is the first set of interim financial statements of the Company in which IFRS 16 / CPC 06 (R2) - Lease has been applied.

4.1 IFRS 16 / CPC 06 (R2) - LEASE

The purpose of the standard IFRS 16/CPC 06 (R2), applicable as of January 1, 2019, is to unify lease accounting model, requiring lessees to recognize assumed liabilities against respective right of use assets for all lease contracts within the scope of the standard, unless they are covered by exemption.

The concept of the lease and exemptions are presented below:

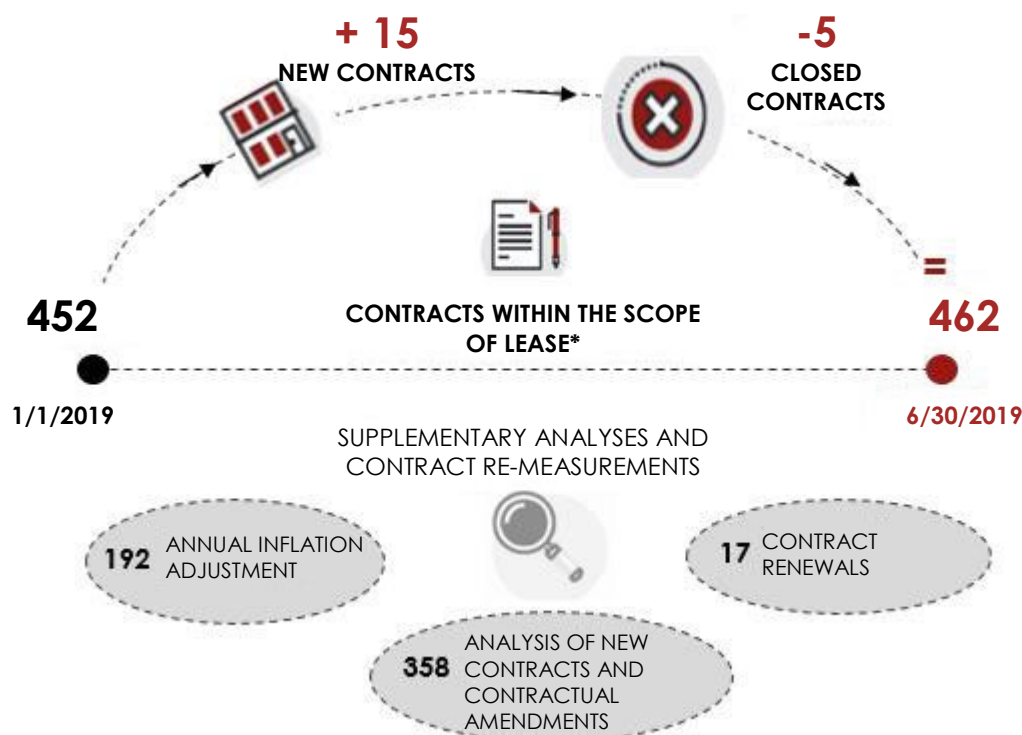


During 2018, Lojas Renner S.A. and its subsidiaries evaluated possible impacts from first-time adoption of standard IFRS 16 / CPC 06 (R2) on its financial statements. This evaluation was divided into stages, such as:

- Identification of contracts;
- Transition approach;
- Measurement of initial liabilities and initial assets; and
- Effects in first-time adoption.

In this period, the Company made an inventory of contracts, which started with 6,013 analyzed contracts and resulted in 567, among which, 115 contracts classify for exemptions and 452 contracts are within lease scope (fixed minimum rent) at initial survey, as disclosed in Financial Statement as of December 31, 2018, note 5.2.1.1.2.

Flow of contracts since the beginning the standard started to take effect is shown below and involves the number of contracts in standard scope and analyses deriving from inflation adjustments after one year of contract, verification of addenda, renewals and new contracts, which may impact re-measurement of amounts, even when not affecting the number of total contracts in standard scope:



*It refers to store rents and administrative contracts (offices and distribution center)

4.1.1 Transition approach

The Company's Management has chosen the simplified retrospective transition approach. Such approach does not impact retained earnings (shareholders' equity) on first-time adoption date, as right-of-use asset value is equal to lease liabilities payable brought to present value, allowing the use of practical procedures.

4.1.2 Impact on balance sheet

Balance sheet accounts were subject to significant changes due to recognition of all future commitments originated from contracts in lease scope. At first-time adoption, right-of-use asset value is equal to lease liabilities payable adjusted at present value, R\$ 1,719,658 in the Parent company and R\$ 1,993,746 in Consolidated. Shareholders' equity suffered no impact at first-time adoption because the simplified retrospective approach model was chosen.

Beginning as of January 1, 2019, previous balance of leased fixed assets was reclassified to right-of-use asset and financial lease liability was incorporated into leases payable balance.

4.1.2.1 Right-of-use

4.1.2.1.1 ACCOUNTING POLICY

Measurement of right of use asset corresponds to initial lease liability value plus initial direct costs incurred. The Company's Management chose to use the practical measure for transition and to not consider initial costs for initial measurement of right of use asset, thus maintaining the initial lease liability value.

Depreciation is calculated using the straight-line method according to the remaining term of contracts.

4.1.2.1.2 Breakdown of right-of-use

Descriptions	Useful life (years)	Parent Company	Consolidated
		06/30/2019	06/30/2019
Real estate (*)	43	26,711	26,711
Leases	2-13	1,738,410	1,990,860
Total		1,765,121	2,017,571

(*) Corresponds to leased fixed assets (IAS 17) reclassified as of December 31, 2018 as right-of-use assets as of January 1, 2019.

4.1.2.1.3 Changes in right-of-use

	Parent Company	Consolidated
Balance at December 31, 2018	-	-
(+) First-time adoption - IFRS 16 / CPC 06 (R2)	1,719,658	1,993,746
(+) Reclassification - real estate - IFRS 16 / CPC 06 (R2) (*)	27,021	27,021
Balance at January 1, 2019	1,746,679	2,020,767
(+/-) Remeasurement and new contracts	178,226	185,652
(-) Accumulated depreciation	(159,784)	(185,445)
(+/-) Translation adjustment	-	(3,403)
Balance at June 30, 2019	1,765,121	2,017,571

(*) It corresponds to reclassification of leased fixed assets balance as of December 31, 2018 (IAS 17) to right-of-use asset, beginning as of January 1, 2019.

4.1.2.2 Leases payable

4.1.2.2.1 ACCOUNTING POLICY

Of contracts that were in the standard's scope, the Company's Management considered only minimum fixed rent value as lease component for liability evaluation purposes. The measurement of lease liability corresponds to total future fixed rent payments for which we considered renewals in accordance with the Company's internal policy, which usually occurs one year before contract maturity, when we identify "reasonable certainty" of renewal. These payment flows are adjusted at present value, considering real discount rate.

Financial charges are recognized as financial expenses and appropriated based on the actual discount rate, according to the remaining term of the contracts.

Real discount rate corresponds to market quotations (reference in %, CDI accumulated in the last 12 months, net of inflation) for funding at amounts that represent total investments for the opening of new stores, considering remaining period of each set of contracts.

The Company chose to use the practical measure of using a single discount rate in accordance with respective periods of contracts with similar characteristics. Due to this, an interval from 2.82% to 3.57% is presented.

4.1.2.2.2 Breakdown in leases payable

Descriptions	Annual rates	Maturity	Parent Company		Consolidated	
			06/30/2019	12/31/2018	06/30/2019	12/31/2018
Properties	8.81%(*)	2062	34,750	33,940	34,750	33,940
Leases	2.82-3.57%	2021-2032	1,781,526	-	2,041,858	-
Total			1,816,276	33,940	2,076,608	33,940
Current liabilities			347,617	473	398,194	473
Non-current liabilities			1,468,659	33,467	1,678,414	33,467
Total			1,816,276	33,940	2,076,608	33,940

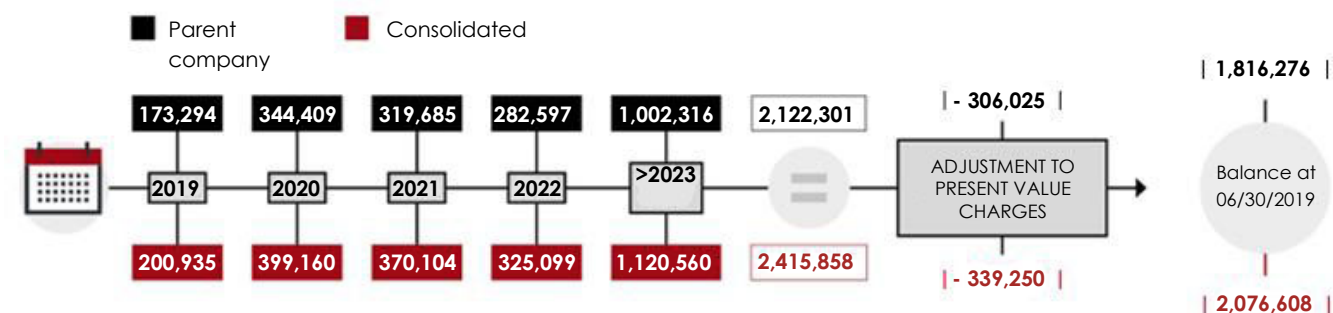
(*) The building discount rate agrees with contract for rent of property (administrative head office) entered in July 2012. The contract value is restated based on the accumulated change of the annual INPC.

4.1.2.2.3 Changes in leases payable

	Parent Company	Consolidated
Balance at December 31, 2018	33,940	33,940
(+) First-time adoption - IFRS 16 / CPC 06 (R2)	1,842,387	2,146,252
(-) Present value adjustment charges - IFRS 16 / CPC 06 (R2)	(122,729)	(152,506)
Balance at January 1, 2019	1,753,598	2,027,686
(+) Charges	31,447	35,723
(+/-) Remeasurement and new contracts	178,226	185,652
(-) Consideration	(146,995)	(168,962)
(+/-) Translation adjustment	-	(3,491)
Balance at June 30, 2019	1,816,276	2,076,608

(*) Opening balance corresponds to former financial lease (IAS 17), which was incorporated to leases payable balance beginning as of January 1, 2019.

4.1.2.2.4 Future commitments



4.1.2.3 Impact in the income statement

According to CPC 06 (R2) / IFRS 16, the Company concluded that lease considerations that were previously recorded as expenses with occupancy were recognized in the accounts of depreciation and financial expenses. Although this new pronouncement did not introduce any change to total amount that will be taken to net income throughout the contract's useful life, it is correct to state that a temporal effect in net income, with a decrease in the three and six months ended June 30, 2019 of R\$ 7.9 million and 14.3 million, respectively, mainly due to the method adopted for recognition of interest and inflation adjustment associated to leases.

In relation to taxes, it is correct to say that there is a temporary effect on income tax and social contribution, as we recognize a deferred tax asset that will be realized as rent contracts are complied with. And for recoverable PIS/COFINS taxes, we continue to recognize credits in net income based on consideration payments.

For tax purposes, neutrality is assured, both for income tax and social contribution, as well as for PIS/COFINS credits. Thus, there is no impact on the calculation of said taxes.

4.2 ICPC 22 / IFRIC 23 UNCERTAINTY ON INCOME TAX TREATMENTS

Interpretation ICPC 22 clarifies how to apply CPC 32 recognition and measurement requirements when there is uncertainty about how to treat taxes on income. The Company's Management must recognize and measure its current tax or deferred tax asset or liability, applying requirement of CPC 32 based on taxable income (tax losses), tax bases, tax losses not used, tax credits not used and determined tax rates, applying this Interpretation. The interpretation was approved on December 21, 2018 and became effective as of January 1, 2019.

In the Company's Management evaluation, there were no significant impacts due to the interpretation, as all procedures adopted for determination and payment of taxes on income are backed by the law and on previous decisions of Administrative and Judicial Courts.

5 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 (Notes 6.4, 7.4 and 22.5);
- iii) Liquidity risk, and
- iv) Capital Management:

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.

5.1 MARKET RISKS

5.1.1 Exchange rate risk

The foreign exchange risk arises from current and future business operations, mainly generated by the import of goods 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 the contracted amount of borrowing in foreign currency (Bacen [Central Bank of Brazil] Law 4.131) by means of Foreign exchange swap. For setting the dollar price used in the expected scenario, the Company follows future market projections of "B3 S.A.- Brasil, Bolsa e Balcão" 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, to offset possible reflections of costs because of scenarios

of dollar price valuation. It should be greatly considered that the effective results should be noted only upon the settlement of import requests, borrowings in foreign currency and swaps.

We show below the net exposure and the related sensitivity analysis regarding the requests for import of goods, swaps and borrowings in foreign currency as of June 30, 2019:

	Notional US\$ (Pay) Receive	Probable US\$ 1 = R\$ 3.8689	Consolidated			
			Currency appreciation		Currency depreciation	
			Possible +25% US\$ 1 = R\$ 4.8361	Remote 50% US\$ 1 = R\$ 5.8034	Possible +25% US\$ 1 = R\$ 2.9017	Remote 50% US\$ 1 = R\$ 1.9345
Derivatives for hedge accounting						
Hedge transactions Import orders	(166,050)	535	(157,351)	(315,238)	158,423	316,310
Hedge instrument NDF	128,708	(415)	121,965	244,346	(122,796)	(245,177)
Net exposure of import orders	(37,342)	120	(35,386)	(70,892)	35,627	71,133
Derivatives not for hedge accounting						
Hedge transactions Borrowing (Bacen 4131)	(103,915)	5,446	(94,253)	(193,953)	105,145	204,844
Hedge Instrument Swap	102,765	(5,010)	90,665	186,340	(100,685)	(196,360)
Swap net exposure	(1,150)	436	(3,588)	(7,613)	4,460	8,484
Total net exposure/effect		556	(38,974)	(78,505)	40,087	79,617
(*) Impact in net income, net of income tax and social contribution		348	(24,382)	(49,113)	25,078	49,808

(*) Weighted nominal rate of income tax and social contribution is 37.44%.

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.

5.1.2 Interest rate risk

The risk related to interest rates arises from transactions of cash equivalents, interest earning bank deposits, financing of financial services operations, debentures, borrowings and swap. The Company's policy is to keep 100% of its borrowings in the fixed rate market, with funding repaying fixed rates, and adjusted for CDI, Selic, TJLP and Libor. 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 rates 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 net income. The comparison between the contracted rates and the effective market rates is permanently followed up.

As of June 30, 2019, as required by IN CVM 475/08, the Company conducted sensitivity tests for adverse and favorable scenarios of interest (CDI, Selic and TJPL at 25% or 50% higher or lower than the probable scenario), considering the following assumptions: scenario expected for interest rate of CDI, Selic and TJLP for the next disclosure of, respectively, 6.28% p.a., 6.28% p.a. and 5.95% p.a. The estimates of CDI and SELIC rates are based on projections of the future market B3 S.A and TJLP extracted from BNDES.

We present below the sensitivity analysis of the risk of interest rates on June 30, 2019:

Financial instruments	Risk	Balance at 06/30/2019	Probable scenario	Interest increase		Interest decrease	
				Possible (+) 25% - R\$	Remote (+) 50% - R\$	Possible (-) 25% - R\$	Remote (-) 50% - R\$
(*) Cash equivalents	CDI decr.	654,739	9,498	11,873	14,247	7,124	4,749
(*) Interest earning bank deposits	CDI decr.	137,238	2,010	2,512	3,015	1,508	1,005
Borrowings, financing and debentures and swap	CDI incr.	(1,194,801)	(19,242)	(24,053)	(28,863)	(14,432)	(9,621)
Financing - financial services operations	CDI incr.	(612,788)	(4,730)	(5,913)	(7,095)	(3,548)	(2,365)
Total			(12,464)	(15,581)	(18,696)	(9,348)	(6,232)
(**) Decrease in income for the period, net of income tax/social contribution			(8,063)	(10,079)	(12,095)	(6,047)	(4,032)

(*) The income from cash equivalents and interest earning bank deposits are net of Social Integration Program (PIS) contributions and Social Contribution on Revenues (COFINS).

(**) Weighted nominal rate of income tax and social contribution is 35.31%.

5.2 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.

Management's main goals in the Management of a strategic minimum cash are the following:

- Precaution in times of uncertainty in economy;
- Guarantee the implementation of the Company's investment and expansion strategy;
- Guarantee the maintenance/expansion of financial product operations in times of credit restriction;
- Guarantee debt amortization and services; 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 enough free space available in its restricted credit lines, not giving rise to risk of breaching these borrowing limits or clauses. This forecast considers the debt finance plans of the Company. The Company has loans with covenants that require the maintenance of financial indicators, as follows:

Instrument	Issuance	2nd Indicator		2nd Indicator
7th issuance of debentures	02/13/2017			
8th issuance of debentures	07/04/2017			
9th issuance of debentures	03/18/2019	<i>Consolidated Net Debt</i>		<i>EBITDA</i>
Borrowing 4,131	04/08/2019	<i>EBITDA</i>	≤ 3.0	<i>Financial income (loss)</i> ≤ 2.0
Borrowing 4,131	04/18/2019			
Borrowing 4,131	05/15/2019			
Borrowing 4,131	06/27/2019			

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:

	Book balance	Contractual cash flow	<3 months	3-6 months	6-12 months	1-2 years	2-5 years	>5 years
Borrowings, financing and debentures	1,194,801	1,289,905	372,038	52,602	354,257	66,198	444,810	-
Financing - financial services operations	612,788	616,075	244,238	204,273	18,890	148,674	-	-
Leases payable	2,076,608	2,415,858	100,467	100,468	199,912	384,299	883,601	747,110
Suppliers	707,863	707,863	659,010	48,532	322	-	-	-
Obligations with credit card administrators	741,692	741,692	549,968	132,489	57,655	1,578	-	-
Derivative financial instruments	1,623	1,623	1,623	-	-	-	-	-
Total at June 30, 2019	5,335,375	5,773,016	1,927,344	538,364	631,037	600,750	1,328,411	747,110
Borrowings, financing and debentures	1,038,062	1,087,854	73,545	270,608	402,199	323,621	17,881	-
Financing - financial services operations	851,586	904,226	51,889	479,845	372,492	-	-	-
Leases payable	33,940	181,801	1,057	1,069	2,138	2,937	10,036	164,564
Suppliers	955,834	960,801	955,859	4,615	327	-	-	-
Obligations with credit card administrators	693,994	693,994	514,351	129,494	50,149	-	-	-
Derivative financial instruments	14,516	14,697	12,636	2,061	-	-	-	-
Total at December 31, 2018	3,587,932	3,843,373	1,609,337	887,692	827,305	326,558	27,917	164,564

Contractual cash flow includes principal plus future estimated interest.

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

5.3 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 its capital structure as of is as follows: As of June 30, 2019, is as follows:

	Consolidated	
	06/30/2019	12/31/2018
Borrowings and financing	(1,194,801)	(1,038,062)
Current	(748,594)	(710,804)
Non-current	(446,207)	(327,258)
Operating financing	(612,788)	(851,586)
Current	(469,493)	(712,558)
Non-current	(143,295)	(139,028)
Gross indebtedness	(1,807,589)	(1,889,648)
Cash and cash equivalents and interest earning bank deposits	947,689	1,384,364
Net indebtedness	(859,900)	(505,284)
Shareholders' equity	4,112,250	3,954,512
Leverage ratio	20.91%	12.78%

The net indebtedness, including operational financing, reflects the Company's total exposure to the obligations contracted in the financial system, which does not include the liabilities related to leases payable.

6 CASH AND CASH EQUIVALENTS AND INTEREST EARNING BANK DEPOSITS

6.1 ACCOUNTING POLICY

It includes cash balance, demand deposits, short-term and highly liquid short-term interest earning bank deposits, recorded at amounts like market values. Cash equivalents are measured at fair value through profit or loss.

Interest earning bank deposits not classified as cash equivalents are investments that do not have repurchase guarantees by the issuer in the primary market, only in the secondary market. Interest earning bank deposits are measured at fair value through profit or loss.

6.2 BREAKDOWN OF CASH AND CASH EQUIVALENTS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			06/30/2019	12/31/2018	06/30/2019	12/31/2018
Cash and banks			86,584	166,478	155,712	222,057
Cash equivalents						
CDB	CDI	101.3%	344,515	331,994	383,580	453,545
Investment funds	CDI	101.4%	255,780	249,113	255,780	249,113
Repo operations in debentures	CDI	78.0%	-	-	-	7
Automatic Investment	CDI	10.0%	15,235	19,328	15,339	19,786
Financial income Fund FIDC	CDI	-	-	109,226	-	-
Fundo - BACEN Jud	CDI	51.3%	40	163	40	163
Total			702,154	876,302	810,451	944,671

6.3 BREAKDOWN OF INTEREST EARNING BANK DEPOSITS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			06/30/2019	12/31/2018	06/30/2019	12/31/2018
Financial National Treasury Bills	SELIC	100.1%	-	-	137,238	439,693
Total			-	-	137,238	439,693

6.4 CREDIT RISK

According to the Company's financial policy, cash equivalents and interest earning bank deposits shall be invested in financial institutions with long-term rating in domestic scale classified as low credit risk 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, 2019:

Rating - National Scale	Consolidated	
	06/30/2019	12/31/2018
brAAA	149,917	104,319
brAA+	249,042	369,182
(*) N/a - Fundo Brasil Plural and Western	255,780	249,113
(**) N/a - National Treasury Bills	137,238	439,693
Total	791,977	1,162,307

(*) Not applicable, there is no classification of risk for Funds – Brasil Plural Crédito Privado Retail FIRC e Western in the main risk rating agencies. The assets that make up the funds' balance have a brAAA risk rating in at least one rating agency.

(**) Not applicable, there is no classification risk for National Treasury Bills in the national scale. The sovereign credit rating is BB (negative perspective) in the global scale, as per main rating agencies.

7 TRADE ACCOUNTS RECEIVABLE

7.1 ACCOUNTING POLICY

Trade accounts receivable correspond to the amounts receivable for the sale of goods, through co-branded card at the network of affiliated stores by the Visa and Mastercard system, and for the amounts of quick withdrawals granted to its customers by the indirect subsidiary Realize CFI and financial institutions in the agreement.

The discount rate applied to adjustments to present value involves analysis of capital structure and of macro-economic context uncertainties, which influence variables used to determine such rate.

Fixed credit sale transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital average weighted cost. The discount rate applied to adjustments to present value involves analysis of capital structure and of macro-economic context uncertainties, which influence variables used to determine such rate.

Contra-entry of adjustment to present value is the clients' account and its realization is recorded as sales income due to fruition term. Discount rate used was 0.99% p.m. to the Parent Company and to the subsidiaries (0.99% p.m. on December 31, 2018).

7.2 BREAKDOWN

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
(*) Renner credit card (Private Label)	384,906	1,281,243	384,906	1,281,243
Branded card (<i>Meu Cartão</i>)	195,025	228,724	1,597,266	1,457,426
(*) Renner Credit Card - Realize (Private Label)	537,139	-	691,123	-
Third party cards	443,823	577,255	553,009	718,467
Quick withdrawal (<i>Saque rápido</i>)	-	1,574	54,755	50,849
Export - Related parties	3,791	13,293	-	-
Other receivables	574	888	3,077	3,659
(-) FIDC Lojas Renner	-	(453,893)	-	-
(-) Estimated credit losses	(73,795)	(65,406)	(353,855)	(305,766)
(-) Adjustment to present value	(31,600)	(40,455)	(33,497)	(43,208)
Total	1,459,863	1,543,223	2,896,784	3,162,670

(*) As of April 2019, in line with the reorganization strategy and business enhancement, the sales through the Renner Credit Card (Private Label) started being recorded by the indirect subsidiary Realize CFI. Thus, the assets from these new sales are currently part of the new Private Label balance on that Company.

7.3 ESTIMATED CREDIT LOSSES

The estimated credit loss is formed with a basis on the analysis of the balance of clients, in an amount considered sufficient by Management to cover any losses in the recovery of receivables.

Due to the practices of financial institutions, the balances of branded card (*Meu Cartão* - in English My Card), Renner credit card - *Realize* (Private Label) and of Quick Withdrawal with a maturity over 360 days are written off from the balance of trade accounts receivable against estimated losses in credit, except for Renner Credit Card (Private Label), which is written off when the bonds are overdue for more than 180 days.

7.3.1 Changes in estimated credit losses

	Parent Company		
	Renner Card	Quick Withdrawal	Total
Balances at January 1, 2018	(53,064)	(11,470)	(64,534)
Initial adoption - CPC 48 / IFRS 9	(16,569)	(814)	(17,383)
Estimated losses, net	(190,053)	(4,292)	(194,345)
Write-offs	195,693	15,163	210,856
Balances at December 31, 2018	(63,993)	(1,413)	(65,406)
Estimated losses (Reversals of losses), net	(94,622)	54	(94,568)
Write-offs	84,820	1,359	86,179
Balances at June 30, 2019	(73,795)	-	(73,795)

	Consolidated				
	Renner Card	Branded card	Quick Withdrawal	Renner Card - Realize	Total
Balances at January 1, 2018	(53,064)	(145,545)	(11,571)	-	(210,180)
Initial adoption - CPC 48 / IFRS 9	(16,569)	(15,947)	(1,016)	-	(33,532)
Estimated losses, net	(190,053)	(223,621)	(12,497)	-	(426,171)
Write-offs	195,693	153,106	15,318	-	364,117
Balances at December 31, 2018	(63,993)	(232,007)	(9,766)	-	(305,766)
Estimated losses (Reversals of losses), net	(94,622)	(135,466)	(5,363)	(15,228)	(250,679)
Write-offs	84,820	112,285	5,485	-	202,590
Balances at June 30, 2019	(73,795)	(255,188)	(9,644)	(15,228)	(353,855)

7.3.2 Coverage of losses per delay ranges and credit product:

Criterion for estimated credit losses for Renner Card (Private Label) is based on balance realization history, taking into consideration recovery of receivables in arrears for up to 360 days. This methodology has calculated estimated losses in this balance with high level of accuracy, complying with concepts of international standards IFRS 9 and CPC 48. This criterion, both for distribution of ranges and attribution of estimated loss percentage, is not comparable with that used for financial institutions' loan balances, which follows the Central Bank of Brazil's standard (Resolution 2682), which establishes the transfer of clients' balances to the worst delay range, with application of minimum estimated loss percentages for each range.

	06/30/2019			12/31/2018		
	Balance	Estimated losses	% coverage	Balance	Estimated losses	% coverage
Renner credit card (Private Label)						
Not yet due	205,628	(3,864)	1.9%	1,137,120	(17,644)	1.6%
Overdue (in days)						
1-30	50,713	(9,886)	19.5%	50,079	(10,359)	20.7%
31-60	33,864	(14,314)	42.3%	23,230	(10,699)	46.1%
61-90	29,002	(15,895)	54.8%	18,865	(10,555)	56.0%
91-120	25,017	(15,418)	61.6%	18,375	(11,662)	63.5%
121-150	23,636	(16,416)	69.5%	17,305	(12,034)	69.5%
151-180	17,046	(12,851)	75.4%	16,269	(12,540)	77.1%
181-360	78,490	(69,971)	89.1%	98,343	(89,039)	90.5%
Total balance	463,396	(158,615)	34.2%	1,379,586	(174,532)	12.7%
(-) Credits written-off 181-360 days	(84,820)	84,820	100.0%	(110,539)	110,539	100.0%
(+) Credits written-off 181-360 days - recovered	6,330	-		12,196	-	
Book balance	384,906	(73,795)	19.2%	1,281,243	(63,993)	5.0%
(*) Coverage ratio over 90			112.3%			123.2%

(*) Over 90 coverage index refers to estimated loss of assets overdue from 90 to 180 days.

As regards branded card (*Meu Cartão*), Renner credit card – Realize (Private Label) and Quick Withdrawal, estimated credit losses are formed with a basis on the risk rating of operations, in accordance to the rating criteria of credit operations defined by the Central Bank of Brazil (Res. 2682), plus expected losses in accordance with CPC 48 / IFRS 9.

	06/30/2019			12/31/2018		
	Balance	Estimated losses	% coverage	Balance	Estimated losses	% coverage
Branded Card (Meu Cartão) - in days						
A. 0-14	1,125,217	(21,154)	1.9%	1,089,398	(24,839)	2.3%
B. 15-30	87,534	(1,926)	2.2%	53,688	(1,224)	2.3%
C. 31-60	61,322	(2,925)	4.8%	39,011	(1,849)	4.7%
D. 61-90	67,750	(11,097)	16.4%	48,803	(8,023)	16.4%
E. 91-120	42,739	(20,959)	49.0%	38,584	(18,979)	49.2%
F. 121-150	40,557	(28,350)	69.9%	27,381	(19,164)	70.0%
G. 151-180	31,046	(27,676)	89.1%	25,134	(22,502)	89.5%
H. >180	141,101	(141,101)	100.0%	135,427	(135,427)	100.0%
Total	1,597,266	(255,188)	16.0%	1,457,426	(232,007)	15.9%
Estimated losses x Minimum required (Resolution 2,682 Central Bank of Brazil)			120.9%			121.9%

	06/30/2019			12/31/2018		
	Balance	Estimated losses	% coverage	Balance	Estimated losses	% coverage
Personal borrowing (Saque rápido) - in days						
A. 0-14	37,624	(828)	2.2%	35,714	(813)	2.3%
B. 15-30	3,187	(70)	2.2%	2,164	(49)	2.3%
C. 31-60	2,311	(109)	4.7%	1,785	(84)	4.7%
D. 61-90	1,865	(306)	16.4%	1,408	(231)	16.4%
E. 91-120	1,695	(831)	49.0%	1,355	(666)	49.2%
F. 121-150	1,446	(1,011)	69.9%	1,273	(891)	70.0%
G. 151-180	1,270	(1,132)	89.1%	1,124	(1,006)	89.5%
H. >180	5,357	(5,357)	100.0%	6,026	(6,026)	100.0%
Total	54,755	(9,644)	17.6%	50,849	(9,766)	19.2%
Estimated losses x Minimum required (Resolution 2,682 Central Bank of Brazil)			121.3%			118.4%

Renner Credit Card - Realize (Private Label) - in days

A.	0-14
B.	15-30
C.	31-60
D.	61-90
E.	91-120
F.	121-150
G.	151-180
H.	>180

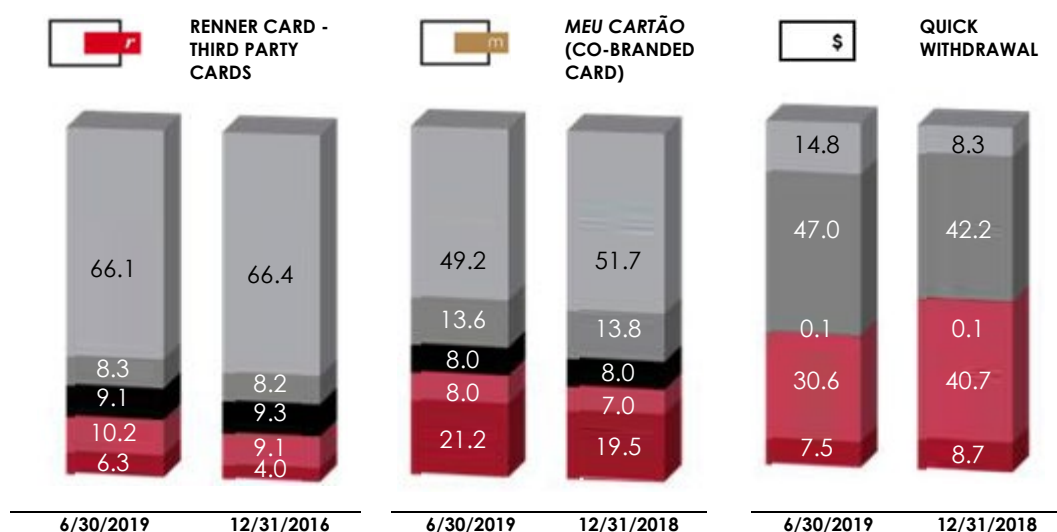
Total

06/30/2019		
Balance	Estimated losses	% coverage
613,784	(10,435)	1.7%
51,730	(879)	1.7%
21,737	(1,037)	4.8%
646	(106)	16.4%
433	(212)	49.0%
564	(394)	69.9%
589	(525)	89.1%
1,640	(1,640)	100.0%
691,123	(15,228)	2.2%
Estimated losses x Minimum required (Resolution 2,682 Central Bank of Brazil)		225.0%

On April 2, 2019, the Company started its migration of the Renner Credit Card Balance (Private Label) to the indirect subsidiary Realize CFI. This definition is line with the reorganization strategy and business enhancement of the Company.

7.4 CREDIT RISK

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 balance, which takes into consideration their capacity to pay (credit analysis) and diversification of its operations (risk spread). Breakdown of credit quality risk in Consolidated is as follows:

CREDIT RISK DISTRIBUTION (by %)

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

- i) **Low Risk:** Clients with likelihood lower or equal to 9.3% of being over 60 days past due.
- ii) **Medium low risk:** Clients with likelihood higher than 9.3 % and lower or equal to 16.8% of being over 60 days past due.
- iii) **Medium Risk:** Clients with up to four months of Renner Credit Card (including the new Renner Credit Card – Realize) or “Meu Cartão” with little history of movement for purposes of measuring the likelihood of default.
- iv) **Medium high risk:** Clients with likelihood higher than 16.8 % and lower or equal to 31.3% of being over 60 pasts due.
- v) **High risk:** 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.

8 INVESTMENT FUNDS IN CREDIT RIGHTS

On May 13, 2019, the Company settled the FIDC operation of Lojas Renner, which had been started in May 2014 with the specific purpose of acquiring credit rights originated from the installment purchase of the Company's clients, using the Company's

installment plan free of charges, ownership of the Company, or granting of financing with charges by Banco Itaú S.A. On the closing date, the FIDC Lojas Renner settled the amount of R\$ 674,506, which R\$ 247,165 is related to 7,280 subordinated shares owned by Lojas Renner S.A. and R\$ 427,341 related to 16,800 thousand senior shares owned by third-parties.

9 INVENTORIES

9.1 ACCOUNTING POLICY

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

Inventories are valued at weighted average cost and deducted from estimated losses and adjustment to present value, when applicable. Estimated losses are based on historic levels of the Company's losses, and is accomplished only upon realization of inventories, which will reflect the Company's operation model and will be the basis for adjustment of the estimate.

9.2 BREAKDOWN

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Goods for resale	883,489	851,182	1,046,945	1,005,972
Imports in transit	119,321	159,738	141,702	174,236
Advances to suppliers	2,585	8,850	3,404	9,505
Auxiliary materials and warehouse	3,458	5,052	9,906	9,382
Adjustment to present value	(18,057)	(18,822)	(19,138)	(19,698)
Estimated losses	(32,178)	(61,805)	(34,657)	(69,092)
Total	958,618	944,195	1,148,162	1,110,305

9.3 ESTIMATED LOSSES

Changes in the estimate for inventory losses is stated in the table below:

	Parent Company	Consolidated
Balance at January 1, 2018	(63,437)	(65,671)
(-) Estimated losses, net	(65,773)	(73,221)
(+) Actual loss	67,405	69,819
(+/-) Translation adjustment	-	(19)
Balance at December 31, 2018	(61,805)	(69,092)
(-) Estimated losses, net	(21,858)	(22,539)
(+) Actual loss	51,485	56,967
(+/-) Translation adjustment	-	7
Balance at June 30, 2019	(32,178)	(34,657)

10 RECOVERABLE TAXES

	Parent Company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
ICMS	105,729	83,290	142,549	120,060
ICMS – Fixed assets	54,408	55,402	62,832	64,319
Income tax and social contribution	48,943	8,432	51,210	38,112
PIS and COFINS	7,419	13,088	8,417	16,008
Tax credits from foreign subsidiaries	-	-	18,707	45,487
Other recoverable taxes	27,876	2,609	32,600	3,181
Total	244,375	162,821	316,315	287,167
Current assets	194,710	112,320	234,288	208,840
Non-current assets	49,665	50,501	82,027	78,327
Total	244,375	162,821	316,315	287,167

11 OTHER ASSETS

	Parent Company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Prepaid expenses	14,135	5,782	15,171	5,426
Judicial deposits	9,504	10,081	9,597	10,132
Advances to third parties	17,702	25,683	25,885	32,223
Advance to employees	9,929	5,916	11,980	6,793
Credits from agreement with suppliers	7,133	5,140	7,133	5,140
Insurance indemnities in progress	2,620	4,407	3,821	5,060
Insurance commissions receivable	536	2,651	1,498	2,651
Amounts receivable – Operating financial services Agreement	56,505	4,167	56,505	4,167
Other accounts receivable	32,876	9,587	36,038	11,107
Total	150,940	73,414	167,628	82,699
Current assets	130,720	47,460	143,923	53,296
Non-current assets	20,220	25,954	23,705	29,403
Total	150,940	73,414	167,628	82,699

12 INCOME TAX AND SOCIAL CONTRIBUTION

12.1 ACCOUNTING POLICY

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

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 statements and the respective tax bases employed to arrive at taxable income, including the balance of tax losses, where applicable.

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. Management's evaluation is based on technical feasibility studies, which demonstrate projections of future taxable earnings, allowing for an estimate of the recovery of credits within a period of no more than 10 years. Also, estimated deferred income tax and social contribution' realization involves uncertainties of other estimates.

The current and deferred taxes are recognized in net income, except when they correspond to items recorded in "Other comprehensive income" in the shareholders' equity.

12.2 BREAKDOWN

12.2.1 Parent Company

	06/30/2019		12/31/2018	
	IRPJ	CSLL	IRPJ	CSLL
Deferred income tax/social contribution tax calculation bases				
Estimated losses in assets	105,973	105,973	127,211	127,211
Provisions for tax, civil and labor risks	73,412	73,412	68,752	68,752
Adjustment to present value	45,954	45,954	54,729	54,729
Provision employee profit sharing	28,901	28,901	44,455	44,455
Restricted share plan	26,617	26,617	34,604	34,604
Equity valuation adjustments - hedge	-	-	2,796	2,796
Other provisions	25,619	24,929	-	-
Deferred tax assets base	306,476	305,786	332,547	332,547
Review of the useful life	(93,448)	(93,448)	(61,857)	(61,857)
Equity valuation adjustments - hedge	(3,411)	(3,411)	-	-
Swap from borrowing	(27,431)	(27,431)	(37,181)	(37,181)
Other provisions	-	-	(23,175)	(23,866)
Deferred tax liabilities basis	(124,290)	(124,290)	(122,213)	(122,904)
Total	182,186	181,496	210,334	209,643
Nominal rates	25%	9%	25%	9%
Deferred income tax and social contribution assets	45,546	16,335	52,583	18,868

12.2.2 Consolidated

	06/30/2019		12/31/2018	
	IRPJ	CSLL	IRPJ	CSLL
Deferred income tax/social contribution tax calculation bases				
Estimated losses in assets	290,758	290,758	257,294	257,294
Provisions for tax, civil and labor risks	88,115	88,115	84,109	84,109
Adjustment to present value	48,449	48,449	57,940	57,940
Provision employee profit sharing	28,979	28,979	44,455	44,455
Restricted share plan	26,617	26,617	34,604	34,604
Income tax and social contribution losses (i)	157,884	152,930	128,218	128,788
Equity valuation adjustments - hedge	-	-	3,656	3,656
Other provisions	25,619	24,929	11,647	-
Deferred tax assets base	666,421	660,777	621,923	610,846
Goodwill on acquisition of equity interest	(66,715)	(66,715)	(56,722)	(56,722)
Appreciation of assets	(29,055)	(29,055)	(29,234)	(29,234)
Review of the useful life	(99,274)	(99,274)	(64,821)	(64,821)
Equity valuation adjustments - hedge	(3,794)	(3,794)	-	-
Swap from borrowing	(27,587)	(27,587)	(47,032)	(47,032)
Other provisions	(13,264)	(19,129)	(24,510)	(25,281)
Deferred tax liabilities basis	(239,689)	(245,554)	(222,319)	(223,090)
Total - Deferred tax asset base, net	426,732	415,223	399,604	387,756
Weighted nominal rates (ii)	25%	11.04%	25%	10.92%
Deferred income tax and social contribution assets and liabilities (iii)	106,683	45,841	99,901	42,343

- (i) Credits recognized on tax losses and negative basis of social contribution of subsidiaries Camicado, Youcom, LRS, LRU and LRA. The credits are supported by technical feasibility studies, which shows projections of taxable future net income, 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.
- (ii) The weighted nominal rate of Social Contribution is greater than the general rate of 9% due to the consolidation of the balances of the indirect subsidiary Realize CFI, which has a 15% rate as of 2019.
- (iii) The Company's Management individually offsets deferred assets against the deferred liabilities of the Parent Company and its subsidiaries. Therefore, in Consolidated, net deferred liability belongs to subsidiary Camicado and LRA.

12.3 CHANGES IN DEFERRED TAXES NET

Below are the changes in deferred taxes, recognized at weighted nominal tax rates:

	Parent Company	Consolidated
Balance at 01/01/2018	112,994	199,211
(-) Recognized in net income	(49,382)	(71,960)
(-) Recognized in other comprehensive income	1,929	2,528
(+) Translation adjustments	-	95
(+) Initial adoption - CPC 48 / IFRS 9	5,910	12,370
Balance at 12/31/2018	71,451	142,244
(-) Recognized in net income	(7,460)	13,085
(-) Recognized in other comprehensive income	(2,110)	(2,533)
(+) Translation adjustments	-	(272)
Balance at 06/30/2019	61,881	152,524

12.4 REALIZATION OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION ASSETS

Based on the history of realization of bases that originated the balances of deferred income and social contribution tax assets, as well as on the projections of net income for the following periods, we estimate the following schedule of recovery of tax credits:

Period	Parent Company	Consolidated
2019	66,648	148,273
2020	17,712	26,879
2021	9,672	16,004
2022	4,393	18,106
>2023	5,715	29,570
Total - Deferred assets	104,140	239,555

12.5 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 net income is presented below:

	Parent Company			
	2Q19	6M19	2Q18	6M18
Net income before income tax and social contribution	300,536	488,805	313,229	442,209
Nominal rates	34%	34%	34%	34%
Tax expense at nominal rate	(102,182)	(166,194)	(106,498)	(150,351)
Permanent (additions) exclusions				
Stock option plan expense	(1,754)	(3,388)	(1,603)	(3,332)
Net income from ownership interest	11,803	24,447	10,310	20,703
Interest on own capital	20,909	43,610	17,795	35,452
Tax Benefits	2,056	2,462	679	679
Investment grant (i)	3,985	7,513	41,137	41,137
Other additions	(213)	(523)	(346)	(352)
Exempt portion of the 10% surtax	6	12	6	6
Income tax and social contribution for the period	(65,390)	(92,061)	(38,520)	(56,058)
Current	(70,664)	(84,601)	(4,824)	(4,824)
Deferred	5,274	(7,460)	(33,696)	(51,234)
Effective tax rate	21.76%	18.83%	12.30%	12.68%

	Consolidated			
	2Q19	6M19	2Q18	6M18
Net income before income tax and social contribution	326,530	537,523	338,656	494,830
Nominal rates	34%	34%	34%	34%
Tax expense at nominal rate	(111,020)	(182,758)	(115,143)	(168,242)
Permanent (additions) exclusions				
Stock option plan expense	(1,754)	(3,388)	(1,603)	(3,332)
Interest on own capital	20,909	43,610	17,795	35,452
Tax Benefits	2,089	2,525	720	879
Investment grant (i)	4,116	8,348	41,570	41,570
Income tax and social contribution differences of subsidiaries	(4,960)	(7,236)	(7,201)	(14,687)
Other additions	(782)	(1,916)	(109)	(351)
Exempt portion of the 10% surtax	18	36	24	32
Income tax and social contribution for the period	(91,384)	(140,779)	(63,947)	(108,679)
Current	(111,363)	(153,864)	(38,146)	(77,297)
Deferred	19,979	13,085	(25,801)	(31,382)
Effective tax rate	27.99%	26.19%	18.88%	21.96%

- (i) The Company used amounts of tax incentives for tax deduction purposes, which are considered investment grants pursuant to the requirements of ICMS Agreement 190/2017, arising from Complementary Law 160/2017.

13 INVESTMENTS**13.1 BREAKDOWN**

	Parent Company	
	06/30/2019	12/31/2018
Investments in subsidiaries	1,153,353	955,452
Goodwill on asset appreciation	1,290	1,290
Total	1,154,643	956,742

13.2 CHANGES IN INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Balance at 12/31/2018	Capital contribution	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Reclassification of unsecured liability	Balance at 06/30/2019
RACC	2,167	-	4,237	-	(2,161)	-	4,243
Dromegon	11,573	-	2,751	-	(2,012)	-	12,312
Camicado	413,838	-	(6,002)	826	-	-	408,662
Youcom	122,949	20,000	(5,249)	(6)	-	-	137,694
LRS	7	-	(778)	280	-	491	-
Realize Participações S.A.	283,938	50,000	83,320	-	-	-	417,258
LRU	120,967	23,533	(5,795)	(10,924)	-	-	127,781
LRA	11	45,398	(580)	572	-	-	45,401
Realize CFI	2	-	-	-	-	-	2
Total	955,452	138,931	71,904	(9,252)	(4,173)	491	1,153,353

Subsidiaries	Balance at 01/01/2018	Capital contribution	First-time adoption of IFRS 9 - Estimated losses	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Reclassification of unsecured liability	Balance at 12/31/2018
RACC	61,286	-	-	17,109	-	(76,228)	-	2,167
Dromegon	16,154	-	(2)	6,371	-	(10,950)	-	11,573
Camicado	400,397	-	-	14,732	(1,291)	-	-	413,838
Youcom	91,877	40,000	-	(9,056)	128	-	-	122,949
LRS	-	-	-	1,997	429	-	(2,419)	7
Realize Participações S.A.	183,955	-	(9,688)	109,671	-	-	-	283,938
LRU	69,190	50,986	-	(1,736)	2,527	-	-	120,967
LRA	-	11	-	-	-	-	-	11
Realize CFI	1	-	-	1	-	-	-	2
Total	822,860	90,997	(9,690)	139,089	1,793	(87,178)	(2,419)	955,452

14 FIXED ASSETS AND INTANGIBLE ASSETS

14.1 ACCOUNTING POLICY

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

	Consolidated	
	Rate	Useful life
Fixed assets		
Buildings	2%	60 years
Furniture and utensils	10–25%	4–10 years
Facilities	5–10%	10–20 years
Machinery and equipment	5–10%	10–20 years
Leasehold improvements	10%	10 years
Vehicles	20%	5 years
Computers and peripherals	10–20%	5–10 years
Intangible assets		
IT systems	12.5–20%	5–8 years
Right-of-use properties	10%	10 years

As a procedure, the Company annually reviews the fixed and intangible assets technical assessments from specialized employees and aiming at:

- Identify evidences that its assets may be impaired; and
- Identify changes in the form of use and maintenance that may affect the useful life of your fixed and intangible assets.

14.2 BREAKDOWN OF FIXED ASSETS

	Parent Company					
	6/30/2019			12/31/2018		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	61,899	(2,201)	59,698	92,898	(5,767)	87,131
Furniture and utensils	446,506	(218,728)	227,778	430,181	(199,796)	230,385
Facilities	497,358	(235,170)	262,188	487,378	(223,056)	264,322
Machinery and equipment	263,084	(139,406)	123,678	256,745	(133,308)	123,437
Leasehold improvements	1,612,529	(813,931)	798,598	1,572,341	(746,423)	825,918
Vehicles	2,016	(414)	1,602	2,117	(399)	1,718
Computers and peripherals	257,888	(149,162)	108,726	232,947	(137,936)	95,011
Fixed assets in progress	103,090	-	103,090	89,662	-	89,662
Total	3,244,658	(1,559,012)	1,685,646	3,164,557	(1,446,685)	1,717,872

	Consolidated					
	6/30/2019			12/31/2018		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	76,835	(8,081)	68,754	107,835	(11,647)	96,188
Furniture and utensils	513,769	(240,894)	272,875	492,833	(220,237)	272,596
Facilities	552,200	(254,931)	297,269	536,403	(240,806)	295,597
Machinery and equipment	271,842	(141,420)	130,422	265,221	(134,999)	130,222
Leasehold improvements	1,833,436	(865,150)	968,286	1,781,552	(787,926)	993,626
Vehicles	2,016	(414)	1,602	2,117	(399)	1,718
Computers and peripherals	273,129	(155,402)	117,727	247,017	(143,166)	103,851
Fixed assets in progress	119,541	-	119,541	100,363	-	100,363
Total	3,643,056	(1,666,292)	1,976,764	3,533,629	(1,539,180)	1,994,449

14.3 RECONCILIATION OF NET BOOK VALUE OF FIXED ASSETS**14.3.1 Parent Company**

Book value	Balance at 12/31/2018	Additions	Transf.	Write- offs	Transf. IFRS 16 / CPC 06 (R2)	Depreciation	Balance at 6/30/2019
Land	288	-	-	-	-	-	288
Properties	87,131	-	-	-	(27,021)	(412)	59,698
Furniture and utensils	230,385	34	18,850	(526)	-	(20,965)	227,778
Facilities	264,322	185	9,963	(62)	-	(12,220)	262,188
Machinery and equipment	123,437	3	6,936	(30)	-	(6,668)	123,678
Leasehold improvements	825,918	24	40,112	(2)	-	(67,454)	798,598
Vehicles	1,718	311	-	(301)	-	(126)	1,602
Computers	95,011	6	29,081	(1,176)	-	(14,196)	108,726
Construction in progress	89,662	118,382	(104,942)	(12)	-	-	103,090
Total	1,717,872	118,945	-	(2,109)	(27,021)	(122,041)	1,685,646

Book value	Balance at 1/1/2018	Additions	Transf.	Write-offs	Depreciation	Balance at 12/31/2018
Land	288	-	-	-	-	288
Properties	88,577	-	-	-	(1,446)	87,131
Furniture and utensils	201,909	284	68,821	(1,385)	(39,244)	230,385
Facilities	250,119	29	37,417	(509)	(22,734)	264,322
Machinery and equipment	112,933	66	23,712	(97)	(13,177)	123,437
Leasehold improvements	787,275	356	166,859	(184)	(128,388)	825,918
Vehicles	2,499	17	-	(489)	(309)	1,718
Computers	63,847	483	54,715	(520)	(23,514)	95,011
Construction in progress	96,263	344,952	(351,524)	(29)	-	89,662
Total	1,603,710	346,187	-	(3,213)	(228,812)	1,717,872

14.3.2 Consolidated

Book value	Balance at 12/31/2018	Additions	Transf.	Write-offs	Transf. IFRS 16 / CPC 06 (R2)	Depreciation	Translation adjustment	Balance at 6/30/2019
Land	288	-	-	-	-	-	-	288
Properties	96,188	-	-	-	(27,021)	(413)	-	68,754
Furniture and utensils	272,596	292	23,793	(438)	-	(22,804)	(564)	272,875
Facilities	295,597	2,630	13,544	(9)	-	(14,363)	(130)	297,269
Machinery and equipment	130,222	-	7,546	(16)	-	(6,998)	(332)	130,422
Leasehold improvements	993,626	470	59,654	(1,826)	-	(78,758)	(4,880)	968,286
Vehicles	1,718	311	-	(301)	-	(126)	-	1,602
Computers	103,851	858	29,891	(1,082)	-	(15,556)	(235)	117,727
Construction in progress	100,363	153,926	(134,428)	(181)	-	-	(139)	119,541
Total	1,994,449	158,487	-	(3,853)	(27,021)	(139,018)	(6,280)	1,976,764

Book value	Balance at 1/1/2018	Additions	Transf.	Write- offs	Estimated losses	Depreciation	Translation adjustment	Balance at 12/31/2018
Land	288	-	-	-	-	-	-	288
Properties	97,634	-	-	-	-	(1,446)	-	96,188
Furniture and utensils	233,269	1,255	85,675	(1,471)	(467)	(45,622)	(43)	272,596
Facilities	280,233	233	42,181	(770)	(179)	(25,987)	(114)	295,597
Machinery and equipment	116,038	132	27,971	(143)	(22)	(13,759)	5	130,222
Leasehold improvements	901,370	4,496	234,736	(1,479)	(868)	(145,284)	655	993,626
Vehicles	2,499	17	-	(489)	-	(309)	-	1,718
Computers	68,656	2,355	59,191	(521)	(4)	(25,099)	(727)	103,851
Construction in progress	113,640	435,589	(449,754)	(29)	-	-	917	100,363
Total	1,813,627	444,077	-	(4,902)	(1,540)	(257,506)	693	1,994,449

14.4 BREAKDOWN OF INTANGIBLE ASSET

	Parent Company					
	6/30/2019			12/31/2018		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	759,325	(461,632)	297,693	701,935	(430,915)	271,020
Right-of-use properties	69,057	(47,523)	21,534	63,471	(46,075)	17,396
Trademarks and patents	6,290	(83)	6,207	6,017	(83)	5,934
Intangible asset in progress	111,885	-	111,885	118,659	-	118,659
Total	946,557	(509,238)	437,319	890,082	(477,073)	413,009

	Consolidated					
	6/30/2019			12/31/2018		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	865,642	(497,493)	368,149	788,531	(462,211)	326,320
Right-of-use properties	93,029	(56,810)	36,219	87,500	(54,142)	33,358
Trademarks and patents	34,622	(83)	34,539	34,348	(83)	34,265
Intangible - others	3,500	(3,500)	-	3,500	(3,500)	-
Intangible asset in progress	126,121	-	126,121	124,454	-	124,454
Goodwill - Camicado	116,679	-	116,679	116,679	-	116,679
Total	1,239,593	(557,886)	681,707	1,155,012	(519,936)	635,076

14.5 RECONCILIATION OF NET BOOK VALUE OF INTANGIBLE ASSETS**14.5.1 Parent Company**

Book value	Balance at 12/31/2018	Additions	Transf.	Write-offs	Amort.	Balance at 6/30/2019
IT systems	271,020	36	57,743	(380)	(30,726)	297,693
Right-of-use properties	17,396	-	5,584	-	(1,446)	21,534
Trademarks and patents	5,934	273	-	-	-	6,207
Intangible asset in progress	118,659	56,568	(63,327)	(15)	-	111,885
Total	413,009	56,877	-	(395)	(32,172)	437,319

Book value	Balance at 1/1/2018	Additions	Transf.	Write-offs	Amort.	Balance at 12/31/2018
IT systems	238,962	8,918	67,321	-	(44,181)	271,020
Right-of-use properties	19,938	(1,311)	1,543	-	(2,774)	17,396
Trademarks and patents	5,526	408	-	-	-	5,934
Intangible asset in progress	60,099	128,325	(68,864)	(901)	-	118,659
Total	324,525	136,340	-	(901)	(46,955)	413,009

14.5.2 Consolidated

Book value	Balance at 12/31/2018	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance at 06/30/2019
IT systems	326,320	17,318	61,966	(412)	-	(35,743)	(1,300)	368,149
Right-of-use properties	33,358	-	5,984	-	-	(2,713)	(410)	36,219
Trademarks and patents	34,265	274	-	-	-	-	-	34,539
Intangible asset in progress	124,454	69,204	(67,950)	(15)	-	-	428	126,121
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	635,076	86,796	-	(427)	-	(38,456)	(1,282)	681,707

Book value	Balance at 01/01/2018	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance at 12/31/2018
IT systems	277,827	28,581	71,633	(143)	-	(52,212)	634	326,320
Right-of-use properties	34,547	(1,954)	5,737	(88)	(110)	(4,856)	82	33,358
Trademarks and patents	33,857	408	-	-	-	-	-	34,265
Intangible asset in progress	63,325	139,295	(77,370)	(901)	-	-	105	124,454
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	526,235	166,330	-	(1,132)	(110)	(57,068)	821	635,076

15 IMPAIRMENT TEST OF THE GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

15.1 ACCOUNTING POLICY

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. 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.

15.2 EVALUATION OF THE RECOVERABLE VALUE

The book value of the goodwill and the trademark allocated Camicado is R\$ 144,741 (R\$ 144,741 on December 31, 2018).

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 period measures such as the improvement of the product mix, opening of an increasing number of stores in synergy with the parent company, aligned with the brand value proposition and cost dilution, brought about by growth, are signs that sustain the business plan of Camicado, approved by the parent company. The Company conducts review tests of impairment at least once a year and there are no signs of the need to perform the recoverability test of goodwill and other long-lived assets for the quarter ended June 30, 2019.

16 BORROWINGS, FINANCING AND DEBENTURES

16.1 ACCOUNTING POLICY

Balances of borrowing, financing 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, inflation adjustment, exchange-rate change, and amortizations - as provided for in contract - incurred up to balance sheet dates.

Balance of working capital borrowing – Law 4.131 of Central Bank of Brazil is measured at fair value, using the discounted cash flow evaluation techniques, which converts future cash flows into a single value. The fair value reflects the current market expectations of future values.

16.2 BREAKDOWN OF BORROWINGS, FINANCING, AND DEBENTURES

Descriptions	Weighted annual rates	Maturity	Parent Company		Consolidated	
			06/30/2019	12/31/2018	06/30/2019	12/31/2018
In domestic currency						
Debentures - 5th issuance - 2nd series (i)	-	-	-	40,173	-	40,173
Debentures - 7th issuance - single series (i)	108% CDI	2020	307,428	307,669	307,428	307,669
Debentures - 8th issuance - single series (i)	104.5% CDI	2019	206,270	206,424	206,270	206,424
Debentures – 9t - issuance - single series (i)	103.9% CDI	2022	405,356	-	405,356	-
Debentures - Structuring costs	-	-	(188)	(399)	(188)	(399)
(+/-) swap of debentures (ii)	-	-	-	(1,087)	-	(1,087)
Fundo do Nordeste - FNE (iii)	6.97% p.a.	06/30/2023	10,009	10,954	10,009	10,954
Fundo do Nordeste - FNE (iii)	-	-	-	16,468	-	16,468
Fundo do Nordeste - FNE (iii)	-	-	-	1,904	-	1,904
Fundo do Nordeste - FNE (iii)	11.01% p.a.	07/25/2024	-	-	784	859
BNDES (iv)	SELIC + 2.5% p.a.	07/15/2020	5,942	8,426	5,942	8,426
BNDES (iv)	TJLP + 2.12% p.a.	07/15/2020	3,250	4,736	3,250	4,736
Working capital - secured account - (v)	112.5% CDI	-	-	-	13,795	16,385
Other borrowings	-	-	-	-	-	322
Foreign currency						
Working capital - Law 4131 - (v)	US\$ + 2.61% p.a.	08/15/2019	167,528	168,254	167,528	168,254
Working capital - Law 4131 - (v)	-	-	-	179,297	-	179,297
Working capital - Law 4131 - (v)	US\$ + 3.58% p.a.	01/07/2021	-	-	41,482	42,047
Working capital - Law 4131 - (v)	US\$ + 3.26% p.a.	12/27/2019	-	-	35,027	35,160
Working capital - Law 4131 - (v)	US\$ + 3.49% p.a.	04/09/2020	-	-	25,705	34,263
Working capital	-	-	-	-	-	8,548
Working capital	-	-	-	-	-	3,604
(+/-) swap - working capital (ii)	103% CDI	08/15/2019	(27,431)	(29,240)	(27,431)	(29,240)
(+/-) swap - working capital (ii)	-	-	-	(6,854)	-	(6,854)
(+/-) swap - working capital (ii)	103.9% CDI	01/10/2019	-	-	-	(6,566)
(+/-) swap - working capital (ii)	106.95% CDI	01/07/2021	-	-	(1,394)	-
(+/-) swap - working capital (ii)	100.95% CDI	04/09/2020	-	-	505	(3,914)
(+/-) swap - working capital (ii)	102.5% CDI	12/27/2019	-	-	733	629
Total			1,078,164	906,725	1,194,801	1,038,062
Current liabilities			670,246	580,152	748,594	710,804
Non-current liabilities			407,918	326,573	446,207	327,258
Total			1,078,164	906,725	1,194,801	1,038,062

- (i) Funds obtained from issuances of debentures were intended to maintain the Company's minimum strategic cash level.
- (ii) Swap transactions of debentures and in foreign currency (Law 4.131) are hedging against foreign exchange rate and inflation rate fluctuations.

- (iii) The Company signed financing agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) to fund the expansion of its group of stores in that region.
- (iv) The Company entered into a financing transaction with BNDES (Brazilian Bank for Economic and Social Development) using the Prodesign facility to invest in design by increasing and changing product development structure and processes.
- (v) The Company entered into contracts of the types of secured account and Law 4.131 Bacen for working capital purposes and to invest in the organic expansion plan of its subsidiaries. The Parent Company is the guarantor of working capital loans.

16.2.1 Schedule of realization of borrowings, debentures and financing

The covenants and the settlement schedule in accordance with the contractual cash flow (principal plus estimated future interest up to maturity) are shown in Note 5.2.

16.2.2 Changes in borrowings

Changes in parent company's and consolidated borrowings are shown in Note 35.

17 FINANCING – FINANCIAL SERVICES OPERATIONS AND GUARANTEES

17.1 FINANCING – FINANCIAL SERVICE OPERATIONS

Financing	Weighted average charges - %	Parent Company		Consolidated	
		06/30/2019	12/31/2018	06/30/2019	12/31/2018
Credit sales (i)	6.9% p.a.	101,404	97,937	101,404	97,937
Secured account (ii)	20.7% p.a.	202,201	1,165	202,201	1,165
Vendor	-	-	29,335	-	29,335
Financial bills (iv)	103.25% CDI	-	-	165,888	160,755
Working capital - Law 4131 - (iv)	US\$ + 4.67% p.a.	-	-	134,772	131,829
(+/-) swap - working capital	101.8% CDI	-	-	8,523	7,199
Senior quotas – FIDC Lojas Renner	-	-	-	-	424,022
Structuring cost - FIDC Lojas Renner	-	-	-	-	(656)
		303,605	128,437	612,788	851,586
Current liabilities		303,605	128,437	469,493	712,558
Non-current liabilities		-	-	143,295	139,028
Total		303,605	128,437	612,788	851,586

- (i) The values of "Credit sales" refer to the amounts financed to the clients of the Company by Financial Institutions, through Vendor, on shopping malls made under the condition of payment from seven to eight monthly installments at Lojas Renner S.A.
- (ii) The values of "Secured Account" are used for the financing of balances in delay of sales made by Renner Card.
- (iii) Through its indirect subsidiary Realize CFI, the Company issued Financial Bills for private distribution in the amount of R\$150,000 on December 4, 2017, at the cost of 103.25% of CDI, with settlement period of two years after issuance date. This issuance is solely intended to be used in the ordinary course of business and financing of operations.
- (iv) The indirect subsidiary Realize CFI entered into contract in modality 4.131 on August 27, 2018 with Banco Santander S.A. in the amount of US\$ 33,000 at a cost of 4.67% p.a. plus exchange-rate changes, with maturity on August 17, 2020. This issuance is solely intended to be used in the ordinary course of business and financing of operations. The Parent Company is the guarantor of this operation.

17.2 GUARANTEES

Parent Company is the guarantor and main payer, and is jointly responsible for all (main and accessory) obligations deriving from the following transactions (further details in Note 17.1):

- i) Credit sales;
- ii) Secured account; and
- iii) Vendor.

18 SUPPLIERS

18.1 ACCOUNTING POLICY

Trade accounts payable are measured at amortized cost using the effective interest rate method. Purchase transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital cost. Interest rate used to calculate credit purchases' adjustment to present value was 0.99% p.m. to the Parent Company and its subsidiaries (0.99% p.m. on December 31, 2018). Adjustment of purchases to present value is recorded in supplier and its reversal is in account sales cost, due to fruition of term in case of suppliers.

18.2 BREAKDOWN

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Trade suppliers	509,727	685,163	573,894	765,678
Adjustment to present value	(3,703)	(4,548)	(4,186)	(4,966)
Suppliers - use and consumption	112,853	164,614	138,155	195,122
Total current liabilities	618,877	845,229	707,863	955,834

As of June 30, 2019, the amount of pre-payments made to suppliers whose original maturity was subsequent to June 30, 2019 totaled R\$ 169,800 (R\$ 272,183 on December 31, 2018). 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.

19 TAX LIABILITIES

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Income tax and social contribution	68,943	140,177	120,120	222,638
ICMS payable	113,347	202,641	122,992	215,899
PIS/COFINS	30,713	57,405	35,649	66,796
Taxes payable - Foreign subsidiaries	-	-	1,245	22,876
Other taxes	11,986	16,758	17,833	21,807
Total current liabilities	224,989	416,981	297,839	550,016

20 SOCIAL CHARGES AND LABOR LEGISLATION OBLIGATIONS

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Salaries payable	35,200	36,875	39,581	42,850
Profit sharing	28,901	61,300	29,469	61,791
Provision for vacation, 13 th salary and bonus	82,993	61,329	95,681	70,602
Social charges	65,274	63,063	73,069	70,766
Total current liabilities	212,368	222,567	237,800	246,009

21 PROVISION FOR TAX, CIVIL, LABOR RISKS, CONTINGENT LIABILITIES AND ASSETS

21.1 ACCOUNTING POLICY

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. Management, based on information from its legal advisors, formed a provision in an amount considered sufficient to cover estimated losses from lawsuits in progress.

21.1.1 Tax provisions

Tax provisions are established taking into consideration individuality of each process, classification of loss, and internal and external legal advisors' evaluation. For the classification of possible loss, the Company's 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, since the future disbursements of finds is likely.

21.1.2 Civil and labor provisions

The civil and labor provisions are periodically reviewed, considering the development of lawsuits, and the history of effectively settled amounts once that Company's Management understands that there is a likelihood of outflow of funds to comply with these obligations.

21.2 PROVISIONS

The breakdown of provisions as of June 30, 2019 is as follows:

Nature	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Civil	19,563	19,707	25,285	26,165
Labor	23,451	19,745	25,273	21,618
Tax	34,966	32,168	42,125	39,114
(-) Judicial deposits	(6,674)	(5,109)	(11,410)	(9,662)
	71,306	66,511	81,273	77,235
Classified as:				
Current liabilities	43,014	39,452	50,558	47,783
Non-current liabilities	28,292	27,059	30,715	29,452
Total	71,306	66,511	81,273	77,235

Most significant tax provisions refer to:

- (i) Disallowance of ICMS credit right in acquisitions from suppliers considered as disreputable;
- (ii) Disallowance of ICMS credit right (on energy, acquisitions of merchandise, rate difference, among others);
- (iii) Increase in SAT (Occupational Accident Insurance) rate and establishment of FAP (Accident Prevention Factor);
- (iv) Collection of anticipated ICMS rate difference upon entry of goods in the state, received from another state;
- (v) Disallowance of expense with payment of interest on own capital of prior years; and
- (vi) Requirement of INSS/IRRF on non-salary portions.

And regarding the civil and labor provisions, the Company and its subsidiaries are party to civil and labor lawsuits that have consumption-related nature with different objects.

21.3 CHANGES IN THE PROVISION FOR TAX, CIVIL AND LABOR RISKS

Nature	Parent Company				
	Civil	Labor	Tax	(-) Judicial deposits	Total
Balance at January 1, 2019	19,707	19,745	32,168	(5,109)	66,511
(+/-) Provisions / (reversal)	(144)	3,706	1,580	(1,549)	3,593
(-) Charges	-	-	1,218	(16)	1,202
Balance at June 30, 2019	19,563	23,451	34,966	(6,674)	71,306

Nature	Consolidated				
	Civil	Labor	Tax	(-) Judicial deposits	Total
Balance at January 1, 2019	26,165	21,618	39,114	(9,662)	77,235
(+/-) Provisions / (reversal)	(880)	3,655	1,764	(1,732)	2,807
(-) Charges	-	-	1,247	(16)	1,231
Balance at June 30, 2019	25,285	25,273	42,125	(11,410)	81,273

21.4 TAX CONTINGENT LIABILITIES

Contingent liabilities plus interest and inflation adjustment for which disbursement is possible, in the opinion of our internal and external legal advisors, are stated below:

Nature	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Tax	370,714	363,366	387,251	380,965

The significant lawsuits related to contingent liabilities as of June 30, 2019 and December 31, 2018 are detailed below:

- i) 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. The restated amount of the lawsuit was R\$ 141,186 in the Parent Company and R\$ 142,428 in the Consolidated (R\$ 137,924 in the Parent Company and R\$ 139,128 in the Consolidated as of December 31, 2018).
- ii) ICMS - Anticipated RS - Refers to tax assessment notices for collection of anticipated ICMS rate difference upon entry of goods in the state, received from another state. The proceedings are underway at the administrative and court level and no date has been set for the disbursement of these resources. The restated amount of the lawsuit was R\$ 80,883 in the Parent Company

and in Consolidated (R\$ 79,034 in the Parent Company and in Consolidated as of December 31, 2018). In case the Company settles such lawsuits, the credit of the amount of R\$ 34,888 corresponding to the required tax may be obtained to rebate the ICMS of its commercial operations.

- iii) INSS/IRPF non-wage installments – Refers to tax assessment notices filed for charging social security contribution on amounts considered by the Company as not taxable by said contribution, as well as application of ex-officio fine because income tax was not withheld on said amounts. The proceeding is underway, and no date has been set for the disbursement of this resource. The restated amount of the lawsuit was R\$ 36,936 in the Parent Company and in Consolidated (R\$ 36,268 in the Parent Company and in Consolidated as of December 31, 2018).
- iv) IRPJ/CSLL - Interest on own capital of formers years - Refers to the disallowance of expenses with payment of interest on capital calculated based on prior year's shareholders' equity. The proceeding is underway, and no date has been set for the disbursement. The restated amount of the lawsuit was R\$ 26,835 in the Parent Company and in Consolidated (R\$ 26,786 in the Parent Company and in Consolidated as of December 31, 2018).
- v) ICMS - Disallowance of third party credits - Disallowance of ICMS credits acquired from third parties in Rio de Janeiro State. The proceedings are underway, and no date has been set for the disbursement. The restated amount of the lawsuits was R\$ 19,097 in the Parent Company and in Consolidated (R\$ 19,063 in the Parent Company and in Consolidated as of December 31, 2018).
- vi) ICMS – breakdown of inventories – Refers to tax assessment notices and tax enforcements for collection of ICMS deriving from differences in tax and accounting inventories calculated through survey of inventory quantities that, in the Company's understanding, are due to breakdown of inventories. The proceedings are underway, and no date has been set for the disbursement. The restated amount of the lawsuits was R\$ 18,536 in the Parent Company and R\$ 19,980 in the Consolidated (R\$ 16,503 in the Parent Company and R\$ 17,831 in the Consolidated as of December 31, 2018).
- vii) Other contingent assets with the amount of lawsuit restated totaling R\$ 47,241 in the Parent Company and R\$ 61,092 in Consolidated (R\$ 47,788 in the Parent Company and R\$ 62,855 in the Consolidated as of December 31, 2018) refer to sundry matters, both federal, state and municipal.

21.5 CONTINGENT, CIVIL AND LABOR LIABILITIES

For civil and labor lawsuits, the Company chooses to consider the history of obligations effectively settled, considering that they refer to massified lawsuits of consumer civil nature and of diverse labor nature, in which lawsuit value frequently does not reflect contingency value. For this reason, the Company considers that amounts for which a provision was recorded correspond to exposure to this kind of risk.

21.6 CONTINGENT ASSETS

ICMS in PIS and COFINS calculation basis - The Company has lawsuits in progress related to companies Lojas Renner and Camicado, for obtaining the right to exclude ICMS from PIS and COFINS calculation basis, as well as offsetting amounts unduly paid. Parent company lawsuit has already received a favorable decision issued by the Federal Court of the 4th Region, and a Bill of Review filed by the Federal Union is still waiting judgment, due to the denial of the Special Appeal. The lawsuit of subsidiary Camicado is awaiting a decision of the Regional Federal Court of the 3rd Region. The final and unappealable decision regarding the lawsuit of subsidiary Youcom was handed down in April 2019. Its claim for deferred offsetting was upheld by the Brazilian Federal Revenue Service in June 2019, period during which the amount of R\$ 3,482 was recognized in income.

As Parent company's and subsidiary Camicado's lawsuits are still pending a final court decision, it is not possible to recognize the asset related to credits to be surveyed beginning as of 5 years preceding the filing of lawsuits up to the period of March 2017 (STF decision date). Based on preliminary survey, prepared based on information available as of June 30, 2019 and according to court decisions rendered until now (both to determine the exclusion of ICMS highlighted in the invoices), the Company estimates possible value of credits as approximately R\$ 1,323,406 in the Parent Company and R\$ 15,471 in Consolidated for such period. However, since there is no final decision on the request for modulation of effects submitted by the Federal Government in the leading case files, judged in view of general repercussion, which is the subject of the lack of definition regarding the calculation method of the exclusion (exclusion of ICMS or ICMS highlighted to be paid from the PIS/COFINS basis), and based on the possible modification of the decisions in the Parent and Subsidiary's lawsuits, still in progress, the estimated value may vary significantly. Lastly, there is no way to ensure when or whether the estimated amounts will actually be realized.

In relation to amounts related to periods later than STF decision date (March 15, 2017), when likelihood of loss is evaluated by legal advisors as remote, the Company has been recognizing effects on net income.

22 FINANCIAL INSTRUMENTS

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 abroad, as well as to hedge interest rate risk.

Company Management determines the classification of its non-derivative financial assets and liabilities at the time of their initial recognition, pursuant to the business model in which the asset is managed and its respective characteristics of contractual cash flows in CPC 48/IFRS 9. Financial liabilities are measured according to their nature and purpose.

22.1 ACCOUNTING POLICY

Derivatives are recognized at fair value through other comprehensive income, except swaps. The fair values of derivative financial instruments are determined based on the macro-economic scenario indicators and method for recognizing the resulting gain or loss depends on whether the derivative is or is not designated as a hedge instrument. Regarding the derivatives for hedge, the method depends on the nature of the item that is being hedged. The Company adopts hedge accounting and assigns forward contracts (NDF) as cash flow hedge.

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.

22.1.1 Cash flow hedge

The Company only applies cash flow hedge accounting to protect itself against exchange-rate change risk deriving from import orders not yet paid. 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" in other comprehensive income. 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 and included in initial measurement of asset's cost.

22.1.2 Swap

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

22.2 FINANCIAL INSTRUMENTS BY CATEGORY

22.2.1 Parent Company

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	702,154	-	702,154
Trade accounts receivable	1,459,863	-	-	1,459,863
Derivative financial instruments (hedge)	-	-	4,970	4,970
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(1,559)	(1,559)
Borrowings, financing and debentures	(938,067)	(140,097)	-	(1,078,164)
Financing - financial services operations	(303,605)	-	-	(303,605)
Leases payable	(1,816,276)	-	-	(1,816,276)
Suppliers	(618,877)	-	-	(618,877)
Obligations with credit card administrators	(11,111)	-	-	(11,111)
Total at June 30, 2019	(2,228,073)	562,057	3,411	(1,662,605)
Financial assets				
Cash and cash equivalents	-	876,302	-	876,302
Trade accounts receivable	1,543,223	-	-	1,543,223
FIDC Lojas Renner	182,000	-	-	182,000
Derivative financial instruments (hedge)	-	-	10,210	10,210
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(13,006)	(13,006)
Borrowings, financing and debentures	(596,355)	(310,370)	-	(906,725)
Financing - financial services operations	(128,437)	-	-	(128,437)
Leases payable	(33,940)	-	-	(33,940)
Suppliers	(845,229)	-	-	(845,229)
Obligations with credit card administrators	(18,355)	-	-	(18,355)
Total - December 31, 2018	102,907	565,932	(2,796)	666,043

22.2.2 Consolidated

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	810,451	-	810,451
Interest earning bank deposits	-	137,238	-	137,238
Trade accounts receivable	2,896,784	-	-	2,896,784
Derivative financial instruments (hedge)	-	-	5,417	5,417
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(1,623)	(1,623)
Borrowings, financing and debentures	(952,646)	(242,155)	-	(1,194,801)
Financing - financial services operations	(469,493)	(143,295)	-	(612,788)
Leases payable	(2,076,608)	-	-	(2,076,608)
Suppliers	(707,863)	-	-	(707,863)
Obligations with credit card administrators	(741,692)	-	-	(741,692)
Total at June 30, 2019	(2,051,518)	562,239	3,794	(1,485,485)
Financial assets				
Cash and cash equivalents	-	944,671	-	944,671
Interest earning bank deposits	-	439,693	-	439,693
Trade accounts receivable	3,162,670	-	-	3,162,670
Derivative financial instruments (hedge)	-	-	10,860	10,860
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(14,516)	(14,516)
Borrowings, financing and debentures	(626,073)	(411,989)	-	(1,038,062)
Financing - financial services operations	(712,558)	(139,028)	-	(851,586)
Leases payable	(33,940)	-	-	(33,940)
Suppliers	(955,834)	-	-	(955,834)
Obligations with credit card administrators	(693,994)	-	-	(693,994)
Total - December 31, 2018	140,271	833,347	(3,656)	969,962

22.3 MEASUREMENT AND HIERARCHY OF FAIR VALUES

The Company uses discounted cash flow evaluation technique to measure financial assets and liabilities' fair values, and as an assumption, the present value of estimated cash flows based on future market quotations. For the financial assets and liabilities not measured at fair value, which book balances are a reasonable approximation, we did not include the fair values as established in the CPC 40/IFRS 7. As of financial, fair values of financial assets and liabilities are classified in "Level 2" of the fair value hierarchy versus book balances:

22.3.1 Parent Company

	6/30/2019		12/31/2018	
Financial assets and liabilities	Fair value	Book balance	Fair value	Book balance
Cash and cash equivalents	702,154	702,154	876,302	876,302
Working capital - Law 4131 Bacen	(167,528)	(167,528)	(347,551)	(347,551)
Debentures (i)	(918,661)	(918,866)	(551,148)	(553,867)
Financing - financial services operations (i)	(303,948)	(303,605)	(130,402)	(128,437)
Leases payable	(1,816,276)	(1,816,276)	(33,940)	(33,940)
Derivative financial instruments (hedge)	3,411	3,411	(2,796)	(2,796)
Swaps	27,431	27,431	37,181	37,181
Total	(657,141)	(657,003)	(152,354)	(153,108)

22.3.2 Consolidated

	6/30/2019		12/31/2018	
Financial assets and liabilities	Fair value	Book balance	Fair value	Book balance
Cash and cash equivalents	810,451	810,451	944,671	944,671
Financial investments	137,238	137,238	439,693	439,693
Working capital - Law 4131 Bacen	(269,742)	(269,742)	(459,021)	(459,021)
Debentures (i)	(918,661)	(918,866)	(551,148)	(553,867)
Financing - financial services operations (i)	(612,672)	(612,788)	(848,571)	(851,586)
Leases payable	(2,076,608)	(2,076,608)	(33,940)	(33,940)
Derivative financial instruments (hedge)	3,794	3,794	(3,656)	(3,656)
Swaps	19,064	19,064	39,833	39,833
Total	(830,528)	(830,849)	(472,132)	(477,873)

- (i) The Company measures fair value of debentures and financing for disclosure purposes – financial service operations.

Level 2 - Inputs that are observable for assets or liabilities, whether directly or indirectly, except for prices quoted (not adjusted) in active markets for identical assets and liabilities to which the Entity may have access on the measurement date.

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

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

Description of derivatives	Category	Parent Company		Consolidated	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
NDF (Import orders)	Designated for hedge	3,411	(2,796)	3,794	(3,656)
Interest rate swap	Not designated for hedge	-	1,087	-	1,087
Exchange rate swap	Not designated for hedge	27,431	36,094	19,064	38,746
	Total	30,842	34,385	22,858	36,177

The NDFs are classified as part of current assets in the amount of R\$ 5,417 and part of current liabilities in the amount of R\$ (1,623).

Swaps are stated in balance of borrowing, financing and debenture (Note 16.2) and Financing - financial services operations (Note 17.1) since they are in compliance with CPC 40/IFRS 7. As a result, in Parent Company is recognized on current liability the amount of R\$ 27,431, on Consolidated is recognized on current liability the amount R\$ 25,249 and R\$ R\$ (6,185) is classified in non-current liabilities.

22.4.1 Derivatives for hedge accounting

22.4.1.1 NDF (Non-Deliverable Forward)

Hedge instrument			Hedge transactions	
Maturity dates	Notional (US\$)	(*) Fair value	Transaction	Estimated maturity
7/01/2019–1/31/2020	121,200	3,411	Import orders	7/1/2019–1/31/2020
Total Parent Company	121,200	3,411		
7/01/2019–12/31/2019	7,508	383	Import orders	7/1/2019–12/31/2019
Total Consolidated	128,708	3,794		

(*) Non-Deliverable Forwards are priced under the discounted cash flow method, using projections from "B3 S.A.- Brasil, Bolsa e Balcão".

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 48/IFRS 9.

22.4.1.2 Cash flow

The cash flows related to import orders of goods for resale are initially recorded in the inventories and subsequently in net income as the inventories are realized in the normal course of operations. The table below shows the expected cash flow from the 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\$ 3.8689:

	3Q19	4Q19	1Q20	Total
Resale goods import orders	247,679	230,935	19,345	497,959
Notional amount - US\$ thousand	64,018	59,690	5,000	128,708

22.4.2 Derivatives not for hedge accounting

22.4.2.1 Swaps

Type	Maturity	Long position	Short position	Notional	Note	Amount receivable (payable)	
						6/30/2019	12/31/2018
Interest rate swap	-	-	-	-	-	-	1,087
Exchange rate swap	Aug 2019	US\$ + 2.61% p.a.	103% CDI	US\$ 43,550	16.2	27,431	29,240
Exchange rate swap	-	-	-	-	-	-	6,854
Total - Parent Company						27,431	37,181
Exchange rate swap	-	-	-	-	-	-	6,566
Exchange rate swap	Jan 2021	US\$ + 3.58% p.a.	106.95% CDI	US\$ 10,515	16.2	1,394	-
Exchange rate swap	Dec 2019	US\$ + 3.26% p.a.	102.5% CDI	US\$ 9,100	16.2	(733)	(629)
Exchange rate swap	Apr 2020	US\$ + 3.49% p.a.	100.95% CDI	US\$ 6,600	16.2	(505)	3,914
Exchange rate swap	Aug 2020	US\$ + 4.67% p.a.	101.8% CDI	US\$ 33,000	17.1	(8,523)	(7,199)
Total - Consolidated						19,064	39,833

22.4.2.2 Change of the swaps

	Parent Company	Consolidated
Balance at January 1, 2018	6,176	6,176
Swap adjustment payment	4,302	5,725
Change in the fair value	26,703	27,932
Balance at December 31, 2018	37,181	39,833
Swap adjustment payment	2,092	2,092
Swap Adjustment receipt	(5,410)	(9,749)
Change in the fair value	(6,432)	(13,112)
Balance at June 30, 2019	27,431	19,064

22.5 CREDIT RISK

The ratings of derivatives are in accordance with the main risk rating agencies. Below we present the credit risk of derivative assets at June 30, 2019 (currency forward contracts of the Non-Deliverable Forward (NDF) type), since the balances of swaps are presented in Note 5.2 on liquidity risk:

Rating - National Scale	Consolidated	
	6/30/2019	12/31/2018
brAAA	34,242	56,076
(*) N/a	-	2,445
Total - Derivative financial instrument (assets)	34,242	58,521

(*) Not applicable, because it is not included in the national scale rating.

23 OTHER OBLIGATIONS

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Prepaid revenues (a)	1,731	2,225	35,895	4,911
Obligations with customers (b)	15,650	22,281	37,268	44,857
Obligations related to transactions w/ insurance (c)	7,572	5,909	9,305	6,101
Transfer of operation of financial products (d)	11,340	16,928	-	-
Acquisition of ICMS credits (e)	11,267	19,008	11,522	19,693
Other obligations (f)	13,253	3,306	10,772	5,583
Total	60,813	69,657	104,762	81,145
Current liabilities	60,071	68,421	77,466	79,383
Non-current liabilities	742	1,236	27,296	1,762
Total	60,813	69,657	104,762	81,145

- (a) Refer to advances of payroll agreements from financial institution, prepaid revenues from insurance exclusivity premiums with the insurance company and co-branded card incentive premium.
- (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 quick withdrawal agreement to Realize CFI and receipt of sales in Renner card at Camicado.

- (e) Refer to balances payable corresponding to the acquisition of ICMS credits.
- (f) Refer to balances payable corresponding to royalties, payroll advance borrowings, among others.

24 RELATED PARTIES

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

24.1 PARENT COMPANY'S CONTEXT

24.1.1 Lease agreements

In August 2018, the Company updated lease agreements by means of addendum with the subsidiary Dromegon referring to the buildings of the stores located in the downtown of Porto Alegre, Santa Maria and Pelotas. The lease values for these properties were set at 4.29%, 4% and 4% of gross monthly sales by stores, in this order. These lease agreements are effective for ten years and may be renewed.

24.1.2 Quick withdrawal extension service agreement

The Company provides quick withdrawal services, through its indirect subsidiary Realize CFI, making it possible for Renner customers to obtain quick withdrawal. Lojas Renner is a party in the transaction through its operating infrastructure, providing bank correspondent product services.

24.1.3 Use of Renner Card and "Meu Cartão" (co-branded card) 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" (co-branded card) in Camicado stores.

24.1.4 Renner Credit Card Operations - Realize

As of April 2019, in line with the reorganization strategy and business enhancement, the sales through the Renner Credit Card (Private Label) started being recorded by the indirect subsidiary Realize CFI. Thus, the assets from these new sales are currently part of the new Private Label balance on that Company.

24.1.5 Agreement to apportion corporate costs and expenses

As a means of optimizing the corporate structure 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. For foreign subsidiaries, the sharing of corporate expenses is charged by the parent company in the form of service exports.

24.1.6 Import intermediation

The Parent Company carries out commercial transactions with its subsidiary LRS, which operates as import intermediary. 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 recognized at a price compatible with the market conditions.

24.1.7 Export of goods

Parent Company carries out commercial transactions with its subsidiary LRU related to the export of merchandise for building inventories and be prepared for retail transactions in the country. All commercial transactions carried out with this subsidiary are priced considering market conditions.

24.1.8 ICMS credits purchase

On May 29, 2019, a pledge agreement for the assignment of ICMS credits on behalf of the subsidiary Camicado to the Parent Company was signed, in the amount of R\$ 9,446. The payment was adjusted to the present value on R\$ 9,109, based on a CDI of 0.5% per month. These tax credits are in the process of approval for qualification by São Paulo's Treasury Department to allow the transfer to Parent Company, time when the effect from the negative goodwill of this operation will be recognized.

24.2 CONSOLIDATED CONTEXT

24.2.1 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, 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 remuneration comprises a fixed component annually adjusted for the INPC and a variable component, which amount reflects the financial performance of the Company. A Board of Directors' Meeting held on April 18, 2019 elected the Company's Executive Board, according to which their term in office started as of the date and will end on the date of the next Annual Shareholders' Meeting, in 2020.

24.2.2 Remuneration 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 an Annual 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 Management members after considering the Committee of Persons.

The Annual Shareholders' Meeting held on April 18, 2019, approved the Management members' global remuneration limit up to R\$ 45,200 (forty-five million and two hundred thousand reais) for fiscal year 2019. 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 6.404/76), and the cost of the share plan and the restricted share plan (Notes 28 and 29). Summary of amounts is as follows:

	Parent Company				Consolidated			
	2Q19	6M19	2Q18	6M18	2Q19	6M19	2Q18	6M18
Management remuneration	(4,639)	(7,661)	(2,855)	(5,657)	(4,886)	(8,079)	(3,091)	(6,141)
Stock option plans	(1,959)	(4,381)	(2,374)	(4,706)	(1,959)	(4,381)	(2,374)	(4,706)
Restricted share plan	(78)	(1,176)	(952)	(1,856)	(78)	(1,176)	(952)	(1,856)
Total	(6,676)	(13,218)	(6,181)	(12,219)	(6,923)	(13,636)	(6,417)	(12,703)

Total Management remuneration is impacted by calculation of operating and financial indicators that are reflected in the Company's net income.

24.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES**24.3.1 Accounting Policy**

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.

24.3.2 Balances with related companies

The main asset and liability balances, as well as the transaction amounts recorded in net income for the period from related party transactions arise from transactions performed at arm's length in the respective transaction types and are summarized below:

	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	LRA	Realize CFI	Total
Operations - Assets (liabilities)										
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	3,678	113	-	3,791
Transactions with co-branded card	-	-	-	-	-	-	-	-	195,025	195,025
Renner Realize credit card (Private Label)	-	-	-	-	-	-	-	-	537,139	537,139
Other assets										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	1,192	1,192
Credit with related parties										
Sharing of expenses	-	6	631	456	7,790	4	-	-	16,109	24,996
Negative equity	-	-	-	-	(491)	-	-	-	-	(491)
Debits with related parties										
Sharing of expenses	-	-	-	-	-	-	-	-	(386)	(386)
Rents payable	-	(575)	(27)	-	-	-	-	-	-	(602)
Obligations with credit card administrators										
Transactions with co-branded	(918)	-	-	-	-	-	-	-	(10,193)	(11,111)
Other obligations										
Renner-Realize Credit Card Transactions (Private Label)	-	-	(2,636)	-	-	-	-	-	-	(11,340)
Total at June 30, 2019	(918)	(569)	(2,032)	456	7,299	4	3,678	113	730,182	738,213
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	13,293	-	-	13,293
Transactions with co-branded card	-	-	-	-	-	-	-	-	228,724	228,724
Credit with related parties										
Sharing of expenses	-	-	795	257	7,170	4	155	-	21,596	29,977
Debits with related parties										
Sharing of expenses	(92)	6	-	-	(26)	-	-	-	(18)	(130)
Rents payable	-	(1,087)	(54)	-	-	-	-	-	-	(1,141)
Obligations with credit card administrators										
Transactions with co-branded (My Card)	(1,404)	-	-	-	-	-	-	-	(16,951)	(18,355)
Other obligations										
Renner-Realize Credit Card Transactions (Private Label)	-	-	(16,326)	-	-	-	-	-	-	(16,326)
Quick withdrawal operations	-	-	-	-	-	-	-	-	(602)	(602)
Total - December 31, 2018	(1,496)	(1,081)	(15,585)	257	7,144	4	13,448	-	232,749	235,440

24.3.3 Transactions with related companies

Type of income (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment for corporate expenses	(1)	18	1,879	1,241	(413)	-	-	7,683	10,407
Intermediation commission	-	-	-	-	(2,599)	-	-	-	(2,599)
Property rent expenses	-	(1,732)	-	-	-	-	-	-	(1,732)
Income from rendering of services	-	-	-	-	-	1,038	-	8,274	9,312
Export of goods	-	-	-	-	-	15,601	113	-	15,714
Export return	-	-	-	-	-	(732)	-	-	(732)
Total - 2Q19	(1)	(1,714)	1,879	1,241	(3,012)	15,907	113	15,957	30,370
Apportionment for corporate expenses	(42)	37	3,563	2,411	(1)	-	-	10,532	16,500
Intermediation commission	-	-	-	-	(6,348)	-	-	-	(6,348)
Property rent expenses	-	(3,150)	-	-	-	-	-	-	(3,150)
Income from rendering of services	-	-	-	-	-	1,770	-	13,798	15,568
Export of goods	-	-	-	-	-	26,904	113	-	27,017
Return of exports	-	-	-	-	-	(2,504)	-	-	(2,504)
Total - 6M19	(42)	(3,113)	3,563	2,411	(6,349)	26,1702	113	24,330	47,083
Type of income (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	LRU	Realize CFI	Total
Apportionment for corporate expenses	(194)	18	901	1,130	779	-	-	2,083	4,717
Intermediation commission	-	-	-	-	(3,013)	-	-	-	(3,013)
Property rent expenses	-	(1,815)	-	-	-	-	-	-	(1,815)
Income from rendering of services	-	-	-	-	-	253	-	3,021	3,274
Export of goods	-	-	-	-	-	13,770	-	-	13,770
Total - 2Q18	(194)	(1,797)	901	1,130	(2,234)	14,023	-	5,104	16,933
Apportionment for corporate expenses	(372)	36	1,756	2,429	995	-	-	3,618	8,462
Intermediation commission	-	-	-	-	(5,941)	-	-	-	(5,941)
Property rent expenses	-	(3,262)	-	-	-	-	-	-	(3,262)
Income from rendering of services	-	-	-	-	-	732	-	6,416	7,148
Export of goods	-	-	-	-	-	21,550	-	-	21,550
Total - 6M18	(372)	(3,226)	1,756	2,429	(4,946)	22,282	-	10,034	27,957

25 SHAREHOLDERS' EQUITY

25.1 CAPITAL

The Company's authorized capital limit is 1,361,250,000 (one billion, three hundred and sixty-one million and two hundred fifty 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 issuance, including price and timeframe for payment.

According to art. 40 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 B3 and of the Company's By-laws. As of June 30, 2019, no shareholder individually holds ownership interest greater than or equal to 20%.

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 6404/76, which establish a minimum compulsory dividend equivalent to 25% of the adjusted net income.

25.1.1 The changes in the Capital is shown below:

	Share quantity (thousand)	Total
Balance at January 1, 2018	713,235	2,556,896
Capital increase, RCA on May 21, August 16 and November 21	6,789	80,577
Balance at December 31, 2018	720,024	2,637,473
Capital increase, RCA (Board of Directors' Meeting) as of May 23	1,786	24,771
Incorporation of capital reserves, SSM (Special Shareholders' Meeting) as of March 30	-	72,050
(*) Share bonus increase (incorporation of profit reserves)	72,002	1,040,000
Balance at June 30, 2019	793,812	3,774,294

(*) On April 30, 2019, the Company's Special Shareholders' Meeting approved the share bonus through the incorporation of the capital reserve and profit reserve balances.

25.2 TREASURY SHARES

As of June 30, 2019, treasury shares balance is R\$ 35,553 (R\$ 44,536 as of December 31, 2018), corresponding to 1,831,115 common shares at average weighted cost of R\$ 19.41 (R\$ 21.36 as of December 31, 2018).

25.2.1 Changes in treasury shares

	Amount (in thousand)	Amount	Average price
Balance at January 1, 2018	1,499	27,857	18.58
Repurchase of shares	600	16,988	28.31
Disposal of shares	(14)	(309)	21.36
Balance at December 31, 2018	2,085	44,536	21.36
Disposal of shares	(421)	(8,983)	21.34
Share bonus increase, SSM (Special Shareholders' Meeting) as of March 30	167	-	-
Balance at June 30, 2019	1,831	35,553	19.41

25.3 CAPITAL RESERVES

25.3.1 Stock option plan reserve and restricted share plan

Refer to the contra-entry of the stock option plan expenses, as described in Notes 28 and 29. The allocation of capital reserves depends on resolution at Special Shareholders' Meeting. The balance on June 30, 2019 is R\$ 57,015 (R\$ 124,093 on December 31, 2018).

25.4 PROFIT RESERVES

25.4.1 Legal reserve

In compliance with art. 193 of Law 6404/76 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 April 30, 2019 the Special Shareholders' Meeting approved the Company's share bonus with incorporation of the legal reserve balance in the amount of R\$ 87,641 to Company's Capital.

25.4.2 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 April 30, 2019, the Special Shareholders' Meeting approved the Company's Share bonus increase with reserve for investment and expansion in the amount of R\$ 895,819. The balance on June 30, 2019 is R\$ 50,695 (R\$ 946,514 on December 31, 2018).

25.4.3 Tax incentive reserve

The Company uses ICMS tax incentives in the form of "presumed credit," with its respective impacts on net income, having earned the amount of R\$ 32,871 at the parent company in 2018. The Company's Management, in view of the publication of Complementary Law 160/17 and in compliance with Law 6404/76, allocated these incentives as tax incentive reserve. On April 30, 2019 the Special Shareholders' Meeting approved the Company's share bonus with incorporation of the tax incentive reserve balance in the amount of R\$ 56,540 to Company's Capital.

25.4.4 Additional dividend proposed

Refers to the dividends proposed in addition to the minimum mandatory dividend, totaling R\$ 144,639, submitted to and approved by the Annual Shareholders' Meeting (AGO) held on April 18, 2019 and paid on April 29, 2019.

25.5 OTHER COMPREHENSIVE INCOME

They are presented as other comprehensive income: accumulated translation adjustments, hyperinflation adjustment and the unrealized net income on derivative financial instruments as equity valuation adjustments. The amount of adjustments recorded represents an accumulated balance of loss, net of taxes, in the amount of R\$ 3,007 on June 30, 2019 (R\$ 2,148 of gain, net of taxes, on December 31, 2018).

26 DIVIDENDS AND INTEREST ON OWN CAPITAL

26.1 ACCOUNTING POLICY

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 own capital is calculated in dividends for the year. The tax benefit of interest on own capital is recognized in the net income (Note 12.5).

26.2 DISTRIBUTION OF INTEREST ON OWN CAPITAL

The statement of the proposal for distribution of interest on own capital and dividends as of June 30, 2019 and 2018:

				(*) Outstanding shares			
Period	Nature	Payment	(thousand)	R\$/share	6/30/2019	R\$/share	06/30/2018
1Q19	JSCP - 03/18/2019	April 2020	718,360	0.092945	66,768	0.072964	51,931
2Q19	JSCP - 06/19/2019	April 2020	791,981	0.077650	61,497	0.073243	52,338
			Total	0.170595	128,265	0.146207	104,269

(*) The number of outstanding shares does not consider treasury shares.

Interest on own capital was fully deducted when calculating income tax and social contribution, and the tax benefits arising from this deduction for the three and six-month period ended June 30, 2019 were roughly R\$ 20,909 and R\$ 43,610 (R\$ 17,795 and R\$ 35,452 as of June 30, 2018).

27 EARNINGS PER SHARE

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

Diluted earnings 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 stock option plans.

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

Basic and diluted earnings per share for the three and six-month period ended June 30, 2019 and 2018 are as follows:

	Parent Company and Consolidated			
	2Q19	6M19	2Q18	6M18
Basic/Diluted numerator				
Net income for the period	235,146	396,744	274,709	386,151
Weighted average of common shares	769,249	744,880	762,848	738,242
Potential increase in common shares because of the option plan	2,949	3,435	6,676	7,066
(*) Basic earnings per share - R\$	0.3057	0.5326	0.3601	0.5231
(*) Diluted earnings per share - R\$	0.3045	0.5302	0.3570	0.5181

(*) On April 30, 2019, the Special Shareholders' Meeting approved the share bonus at the rate of 10% (ten percent). Therefore, for purposes of compliance with CPC 41 accounting standard, Earnings per share, we have recalculated earnings per share for the quarter and semester of 2018.

28 STOCK OPTION PLAN

28.1 ACCOUNTING POLICY

The Company approved a stock option plan for selected Management members 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 stock 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.

Currently, the Company maintains two stock option plans, totaling six programs and three ongoing contract grants. Details of stock option plans are as follow:

28.2 1ST PLAN (PROGRAMS 2005–2015 AND CONTRACT GRANTS)

All stock option plan granted through 2015 follow the stock option plan approved at the Special Shareholders' Meeting of the Company, held on May 25, 2005, and amended by the Annual and Special Shareholders' Meetings held on April 10, 2007 and March 30, 2009. The programs establish that 50% of options shall be vested after the lapse of three years (1st tranche) from their respective grant, and the remaining portion (2nd tranche) after the lapse of four years (considering only the options comprising the same grant).

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.

28.3 2ND PLAN (PROGRAMS 2016–2018 AND CONTRACT GRANTS)

On September 23, 2015, at the Special Shareholders' Meeting a new stock option plan was approved, which still did not have any grants through the reporting dates of the financial statements. Each program will have four tranches, with 25% being exercisable after one year and successively. On February 9, 2017, a new contractual options granting was approved by the Chief Executive Officer, which provides for the same conditions of the 2nd Stock option plans.

28.4 COMMON FEATURES OF THE PLANS

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"). Committee members may not be benefitted in stock options. Once an option becomes exercisable, the beneficiary (selected Management members and Executives) may exercise it at any time, at its own discretion, up to the end of the 6-year period counted as of such option grant date. Plans also provide for the right to exercise them in case of death, retirement or permanent disability of the member.

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.

28.5 POSITION OF STOCK OPTION PLAN

Grant	Exercise value	Grant date	Grace period 1st tranche	Grace period 2nd tranche	Grace period 3rd tranche	Grace period 4th tranche	Position of grants (Quantity)	
							Balance at 6/30/2019	Balance at 12/31/2018
10th grant	9.28	02/19/2014	02/18/2017	02/18/2018	-	-	144	201
Contractual grant	9.23	03/05/2014	03/04/2016	03/04/2017	09/30/2017	-	784	713
11th grant	12.04	02/12/2015	02/11/2018	02/11/2019	-	-	627	1,611
11th compl. grant	14.39	04/16/2015	04/15/2018	04/15/2019	-	-	-	14
Subtotal - 1st plan							1,555	2,539
1st grant	14.00	02/04/2016	02/03/2017	02/03/2018	02/03/2019	02/03/2020	859	1,076
2nd grant	19.73	02/09/2017	02/09/2018	02/09/2019	02/09/2020	02/08/2021	972	1,086
Contractual grant	19.73	02/09/2017	02/09/2018	02/09/2019	02/09/2020	02/08/2021	1,721	1,564
3rd grant	32.91	02/08/2018	02/08/2019	02/08/2020	02/07/2021	02/07/2022	976	1,011
Contractual grant	38.62	02/07/2019	02/07/2020	02/06/2021	02/06/2022	02/06/2023	133	-
4th grant	38.62	02/07/2019	02/07/2020	02/06/2021	02/06/2022	02/06/2023	982	-
Subtotal - 2nd plan							5,643	4,737
Total							7,198	7,276

The closing share price of the Company as of June 30, 2019 is R\$ 47.16 (R\$ 42.40 as of December 31, 2018).

Each option corresponds to the right to subscribe one share of the Company. As of June 30, 2019, there were 7,198 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:

	6/30/2019	12/31/2018
Shareholders' equity	4,112,250	3,954,512
Number of shares - thousand	793,812	720,024
Book value per share - R\$	5.18	5.49
Shareholders' equity, considering the in the Money options exercised	4,268,712	4,096,086
Number of shares, considering the in the Money options exercised	801,010	727,300
Book value of the share, considering the in the Money options exercised	5.33	5.63
% of decrease in the ownership interest of current shareholders, considering the in the Money options exercised	0.90%	1.00%

28.6 ASSUMPTIONS TO FAIR VALUE MEASUREMENT OF STOCK OPTION PLAN

Assumptions for measuring the fair value of stock option plans

Black&Scholes. For determining fair value, the Company adopted assumptions as:

- i) 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.
- ii) The Company's share price volatility: corresponds to the weighting of the trading history of the Company's share.
- iii) 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.
- iv) 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.
- v) Vesting period: represents the maximum period for beneficiaries to exercise their options.

28.7 CHANGES IN STOCK OPTION PLAN

	Amount (in thousands)
Balance at January 1, 2018	13,460
Options granted	1,178
Options exercised	(6,789)
Options canceled	(573)
Balance at December 31, 2018	7,276
Options granted	1,092
Options exercised	(1,786)
Options canceled	(215)
Share bonus increase, SSM (Special Shareholders' Meeting) as of March 30	831
Balance at June 30, 2019	7,198

In the three and six-month period ended June 30, 2019, expense with stock option plan totaled R\$ 5,160 and R\$ 9,965 (R\$ 4,716 and R\$ 9,801 on June 30, 2018) in the Parent Company and Consolidated.

29 RESTRICTED SHARE PLAN

29.1 ACCOUNTING POLICY

The Company approved a restricted share plan for selected Management members and executives, offering them the possibility of acquiring restricted share in the form and at conditions described in the plan. 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.

On September 23, 2015, at the Special Shareholders' Meeting a Restricted Share Plan was approved. The plan is administered by the Committee, which is composed of independent members of the Board. The plan establishes that the Committee and Board members shall not be eligible to the Restricted Share plan.

29.2 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 Management members and executives of the Company who occupy strategic positions for the 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, otherwise, the grants shall be cancelled. All Restricted Shares which grace period has not been completed yet shall be due and shall be transferred to the owners, heirs or successors in case of death, permanent invalidity or retirement.

In case public offer is mandatory pursuant to the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the hypothesis public offer is successful for acquisition of the Company's control, if any of these cases result in termination without cause of a Plan member at the Company's initiative, all restricted shares assigned to the respective member that are still within grace year will be transferred to the member by recommendation of the Committee and if approved by the Board of Directors.

The contractual grants have the same conditions of exercise and grace period of the other existing grants.

29.3 POSITION OF RESTRICTED SHARE PLAN

Grant	Grant date	Grace period 1st tranche	Position of grants (Quantity)	
			6/30/2019	12/31/2018
1st grant	02/04/2016	02/03/2019	-	421
2nd grant	02/09/2017	02/09/2020	373	369
Contractual grant	02/09/2017	02/09/2020	321	292
3rd grant	02/08/2018	02/07/2021	279	269
Contractual grant	02/07/2019	02/06/2022	40	-
4th grant	02/07/2019	02/06/2022	328	-
			1,341	1,351

29.4 CHANGES IN RESTRICTED SHARE PLAN

	Amount (In thousands)
Balance at January 1, 2017	1,201
Options granted	317
Options canceled	(147)
Options exercised	(20)
Balance at December 31, 2018	1,351
Options granted	355
Options canceled	(70)
Options exercised	(421)
Share bonus increase, SSM (Special Shareholders' Meeting) as of March 30	126
Balance at June 30, 2019	1,341

In the three and six-month period ended June 30, 2019, expenses with restricted share plan, including principal and social charges, R\$ 5,127 and R\$ 9,996 (R\$ 2,491 and R\$ 5,864 on June 30, 2018).

30 INFORMATION PER BUSINESS SEGMENT**30.1 ACCOUNTING POLICY**

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. Information of operating segments is divided in:

- (i) **Retail:** sale of garment items (women, men and children fashion), perfumery, cosmetics, watches, as well as the home & decoration segment; including Renner, Camicado, Youcom and Ashua operations;
- (ii) **Financial products:** granting of quick withdrawals, financing of purchases and insurance, and the practice of active and liabilities inherent to credit companies, such as branded card, among others.

	Retail		Financial Products		Consolidated	
	2Q19	6M19	2Q19	6M19	2Q19	6M19
Net operating income	2,019,374	3,669,711	272,630	514,410	2,292,004	4,184,121
Cost of sales	(879,737)	(1,618,167)	(5,755)	(11,356)	(885,492)	(1,629,523)
Gross income	1,139,637	2,051,544	266,875	503,054	1,406,512	2,554,598
Sales	(587,945)	(1,117,608)	-	-	(587,945)	(1,117,608)
General and administrative	(191,998)	(370,812)	-	-	(191,998)	(370,812)
Losses on receivables, net	-	-	(98,455)	(170,971)	(98,455)	(170,971)
Other operating net income	(8,900)	6,262	(77,349)	(143,286)	(86,249)	(137,024)
Net income from segments	350,794	569,386	91,071	188,797	441,865	758,183
Depreciation and Amortization	(85,944)	(171,184)	(3,308)	(6,600)	(89,252)	(177,784)
Stock option plan					(5,160)	(9,965)
Net income from write-off and provision for fixed assets losses					(289)	(789)
Net financial income					(20,634)	(32,122)
Income tax and social contribution					(91,384)	(140,779)
Net income for the period					235,146	396,744

	Retail		Financial Products		Consolidated	
	2Q18	6M18	2Q18	6M18	2Q18	6M18
Net operating income	1,780,031	3,178,850	240,066	469,532	2,020,097	3,648,382
Cost of sales	(757,798)	(1,370,437)	(7,226)	(14,009)	(765,024)	(1,384,446)
Gross income	1,022,233	1,808,413	232,840	455,523	1,255,073	2,263,936
Sales	(507,826)	(985,925)	-	-	(507,826)	(985,925)
General and administrative	(164,268)	(316,368)	-	-	(164,268)	(316,368)
Losses on receivables, net	-	-	(79,119)	(136,542)	(79,119)	(136,542)
Other operating net income	2,740	(6,516)	(72,410)	(134,884)	(69,670)	(141,400)
Net income from segments	352,879	499,604	81,311	184,097	434,190	683,701
Depreciation and Amortization	(73,057)	(143,636)	(3,224)	(6,493)	(76,281)	(150,129)
Stock option plan	-	-	-	-	(4,716)	(9,801)
Net income from write-off and provision for fixed assets losses	-	-	-	-	(1,218)	(1,741)
Net financial income	-	-	-	-	(13,319)	(27,200)
Income tax and social contribution	-	-	-	-	(63,947)	(108,679)
Net income for the period					274,709	386,151

The segment profit or loss shown in the above table does not deduct the expenses with depreciation and amortization, with the stock option plan and net income from write-off of assets. The exclusion of these expenses in the calculation of the net income 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 net income by segment, understanding that its composition is more related to corporate decisions on capital structure than to the nature of the net income of each business segment.

31 REVENUE

31.1 ACCOUNTING POLICY

CPC 47 / IFRS 15 - Revenue from Contracts with Customers establishes a model aimed at evidencing whether the criteria for accounting were satisfied or not. The steps of this process comprise:

- Identification of the contract with the client;
- Identification of performance obligations;
- Determination of transaction price;
- To allocation of transaction price; and
- Income recognition upon satisfaction of performance obligation.

Considering the above-mentioned aspects, revenues are recorded at the amount that reflects the Company's expectation of receiving in consideration of the products and financial services offered to customers.

The gross income is less rebates and discounts and eliminations of income between related parties and adjustment to present value, as Note 7.1.

Sale of goods – retail: The Company operates with e-commerce and chain of retail outlets to trade its goods. Income is recognized in net income upon the effective delivery of the goods to the customer. Sales are spot sales, in cash and debit cards, or forward sales through third party cards, Renner card, through financing granted through agreements with financial institutions or through the indirect subsidiary Realize CFI.

Sales of financial products and services: The Company carries out own credit transactions and offers quick withdrawals and sales financing through the indirect subsidiary Realize CFI and other financial institutions (until April 1st). Operating net income is recognized in net income considering effective interest rate, throughout contract validity and for agreed operations, according to the effective provision of services.

31.2 BREAKDOWN

	Parent Company			
	2Q19	6M19	2Q18	6M18
Gross operating income	2,662,172	4,832,434	2,370,726	4,234,058
Sales of goods	2,572,143	4,647,559	2,268,076	4,032,285
Financial products and services	90,029	184,875	102,650	201,773
Deductions	(739,188)	(1,338,184)	(655,324)	(1,164,424)
Returns and cancellations	(156,958)	(287,810)	(142,501)	(255,768)
Taxes on sales	(575,502)	(1,037,126)	(506,555)	(896,276)
Taxes on financial products and services	(6,728)	(13,248)	(6,268)	(12,380)
Net operating income	1,922,984	3,494,250	1,715,402	3,069,634

	Consolidated			
	2Q19	6M19	2Q18	6M18
Gross operating income	3,097,696	5,650,059	2,736,460	4,926,631
Sales of goods	2,807,673	5,102,754	2,481,581	4,427,553
Financial products and services	290,023	547,305	254,879	499,078
Deductions	(805,692)	(1,465,938)	(716,363)	(1,278,249)
Returns and cancellations	(166,312)	(307,218)	(152,744)	(275,058)
Taxes on sales	(621,987)	(1,125,825)	(548,806)	(973,645)
Taxes on financial products and services	(17,393)	(32,895)	(14,813)	(29,546)
Net operating income	2,292,004	4,184,121	2,020,097	3,648,382

According to Company's product return policy, the client receives a bonus voucher at the same price of the returned good for further use in a new purchase.

32 EXPENSES PER TYPE

The Company's statement of net income is shown by duty. We show below the details of expenditures by nature.

32.1 SELLING EXPENSES

	Parent company				Consolidated			
	2Q19	6M19	2Q18	6M18	2Q19	6M19	2Q18	6M18
Personal	(184,891)	(357,902)	(168,407)	(330,745)	(216,036)	(419,303)	(194,590)	(381,124)
Occupancy	(48,725)	(94,715)	(115,670)	(228,876)	(62,267)	(122,036)	(137,903)	(271,740)
Outsourced services	(18,334)	(37,838)	(15,719)	(31,637)	(21,489)	(44,848)	(18,365)	(37,238)
Utilities and services	(53,947)	(108,757)	(50,300)	(100,584)	(60,052)	(120,988)	(56,011)	(111,356)
Promotions	(61,434)	(92,225)	(45,142)	(78,866)	(69,658)	(106,601)	(52,715)	(93,228)
Depreciation and amortization	(51,567)	(101,719)	(37,971)	(75,670)	(63,042)	(123,610)	(43,815)	(87,362)
Depreciation – Right-of-use	(72,558)	(144,230)	-	-	(84,738)	(168,657)	-	-
Other expenses	(50,779)	(90,975)	(41,579)	(79,014)	(58,394)	(105,934)	(48,242)	(91,240)
	(542,235)	(1,028,361)	(474,788)	(925,392)	(635,676)	(1,211,977)	(551,641)	(1,073,288)

32.2 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company				Consolidated			
	2Q19	6M19	2Q18	6M18	2Q19	6M19	2Q18	6M18
Personal	(86,698)	(165,191)	(72,998)	(141,712)	(94,029)	(179,880)	(79,082)	(153,451)
Occupancy	-	-	(7,648)	(15,019)	(465)	(1,049)	(8,857)	(17,261)
Outsourced services	(49,776)	(96,304)	(43,739)	(84,069)	(56,868)	(110,911)	(49,787)	(95,765)
Utilities and services	(12,516)	(25,650)	(12,747)	(24,750)	(13,878)	(28,297)	(13,967)	(27,148)
Depreciation and amortization	(23,138)	(47,361)	(26,549)	(51,185)	(22,747)	(47,264)	(29,242)	(56,274)
Depreciation – Right-of-use	(8,230)	(15,554)	-	-	(8,692)	(16,424)	-	-
Other expenses	(11,411)	(21,299)	(8,559)	(15,692)	(16,382)	(30,917)	(12,810)	(23,226)
	(191,769)	(371,359)	(172,240)	(332,427)	(213,061)	(414,742)	(193,745)	(373,125)

32.3 OTHER OPERATING INCOME

	Parent Company				Consolidated			
	2Q19	6M19	2Q18	6M18	2Q19	6M19	2Q18	6M18
Expenses with products and financial services	(37,067)	(71,878)	(35,388)	(69,481)	(76,757)	(142,412)	(72,175)	(134,400)
Depreciation and amortization	(2,536)	(5,133)	(2,622)	(5,269)	(3,308)	(6,600)	(3,224)	(6,493)
Depreciation – Right-of-use	-	-	-	-	(269)	(364)	-	-
Net income from write-off of fixed assets	(487)	(1,403)	(685)	(1,279)	(289)	(789)	(1,218)	(1,741)
Stock option plan	(5,160)	(9,965)	(4,716)	(9,801)	(5,160)	(9,965)	(4,716)	(9,801)
Other operating net income	(1,026)	(1,682)	2,926	(685)	(1,814)	(3,124)	2,404	(1,057)
Recovery of tax credits	5,613	35,045	4,854	7,537	11,648	41,080	6,181	8,894
Employee profit sharing	(18,127)	(31,088)	(5,630)	(14,138)	(18,677)	(31,638)	(5,846)	(14,354)
	(58,790)	(86,104)	(41,261)	(93,116)	(94,626)	(153,812)	(78,594)	(158,952)

33 FINANCIAL NET INCOME

	Parent Company				Consolidated			
	2Q19	6M19	2Q18	6M18	2Q19	6M19	2Q18	6M18
Financial income	9,433	16,294	8,296	18,245	16,013	27,198	12,609	24,882
Gains on cash equivalents	9,187	15,849	7,308	16,761	9,892	17,141	7,896	18,102
Foreign-exchange gains	43	167	55	79	5,468	9,065	3,750	5,289
SELIC interest on tax credits	121	126	823	1,031	129	281	834	1,046
Other financial income	82	152	110	374	524	711	129	445
Financial expenses	(39,650)	(71,449)	(22,912)	(46,850)	(54,177)	(92,771)	(25,927)	(52,081)
Interest on borrowings, financing and swap	(21,008)	(35,246)	(19,048)	(40,020)	(23,035)	(39,115)	(19,998)	(41,581)
Interest on leases	(16,466)	(31,447)	(1,970)	(3,988)	(18,653)	(35,722)	(1,970)	(3,988)
Foreign-exchange losses	(58)	(159)	(48)	(63)	(6,704)	(7,756)	(1,713)	(2,550)
Liability interest	(197)	(689)	(313)	(525)	(417)	(1,117)	(351)	(673)
Monetary restatements	-	-	-	-	(2,383)	(3,601)	-	-
Other financial expenses	(1,921)	(3,908)	(1,533)	(2,254)	(2,985)	(5,460)	(1,895)	(3,289)
Net financial income	(30,217)	(55,155)	(14,616)	(28,605)	(38,164)	(65,573)	(13,318)	(27,199)

34 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, 2019, 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	
	6/30/2019	12/31/2018
Civil liability and Directors & Officers (D&O)	98,000	98,200
Property and inventories	4,575,221	4,356,319
Vehicles	17,244	20,276
	4,690,465	4,474,795

35 SUPPLEMENTARY INFORMATION TO THE CASH FLOW**35.1 PARENT COMPANY****Balance at January 1, 2018****Changes affecting cash**

Capital increase/Purchase of treasury shares
 (Amortizations) funding of borrowings and lease consideration
 Interest paid on borrowings, debentures and leases
 Management profit sharing

Changes not affecting cash

Disposal/ transfer of shares
 Interest expenses and structuring costs
 Distribution of interest on own capital and dividends

Balance at December 31, 2018**Changes affecting cash**

Capital increase
 (Amortizations) funding of borrowings and lease consideration
 Interest paid on borrowings, debentures and leases
 Interest on own capital, dividends paid and income tax on interest on own capital
 Payment of Management fees

Changes not affecting cash

First-time adoption - IFRS 16 / CPC 06 (R2) and contractual remeasurement
 Share bonus and incorporation of capital reserves
 Disposal/ transfer of shares
 Interest expenses on loans and structuring costs
 Distribution of interest on own capital and dividends

Balance at June 30, 2019

Capital	Treasury shares	Leases payable	Borrowings, financing and debentures	Statutory payables	Total
2,556,896	(27,857)	68,786	1,087,364	180,933	3,866,122
80,577	(16,988)	(42,865)	(249,534)	(290,177)	(518,987)
80,577	(16,988)	-	-	-	63,589
-	-	(38,665)	(166,996)	(287,651)	(493,312)
-	-	(4,200)	(82,538)	-	(86,738)
-	-	-	-	(2,526)	(2,526)
-	309	8,019	68,895	352,239	429,462
-	309	-	-	-	309
-	-	8,019	68,895	-	76,914
-	-	-	-	352,239	352,239
2,637,473	(44,536)	33,940	906,725	242,995	3,776,597
24,771	-	(146,995)	135,983	(403,239)	(389,480)
24,771	-	-	-	-	24,771
-	-	(146,995)	160,929	-	13,934
-	-	-	(24,946)	-	(24,946)
-	-	-	-	(394,945)	(394,945)
-	-	-	-	(8,294)	(8,294)
1,112,050	8,983	1,929,331	35,456	272,577	3,358,397
-	-	1,897,884	-	-	1,897,884
1,112,050	-	-	-	-	1,112,050
-	8,983	-	-	-	8,983
-	-	31,447	35,456	-	66,903
-	-	-	-	272,577	272,577
3,774,294	(35,553)	1,816,276	1,078,164	112,333	6,745,514

35.2 CONSOLIDATED

	Capital	Treasury shares	Leases payable	Borrowings, financing and debentures	Statutory payables	Total
Balance at January 1, 2018	2,556,896	(27,857)	68,786	1,104,525	180,933	3,883,283
Changes affecting cash	80,577	(16,988)	(42,865)	(140,781)	(290,177)	(410,234)
Capital increase/Purchase of treasury shares	80,577	(16,988)	-	-	-	63,589
(Amortizations) funding of borrowings and lease consideration	-	-	(38,665)	(54,787)	(287,651)	(381,103)
Interest paid on borrowings, debentures and leases	-	-	(4,200)	(85,994)	-	(90,194)
Management profit sharing	-	-	-	-	(2,526)	(2,526)
Changes not affecting cash	-	309	8,019	74,318	352,239	434,885
Disposal/ transfer of shares	-	309	-	-	-	309
Interest expenses and structuring costs	-	-	8,019	74,318	-	82,337
Distribution of interest on own capital and dividends	-	-	-	-	352,239	352,239
Balance at December 31, 2018	2,637,473	(44,536)	33,940	1,038,062	242,995	3,907,934
Changes affecting cash	24,771	-	(168,962)	117,519	(403,239)	(429,911)
Capital increase	24,771	-	-	-	-	24,771
(Amortizations) funding of borrowings	-	-	(168,962)	144,380	-	(24,582)
Interest paid on borrowings, debentures and leases	-	-	-	(26,861)	-	(26,861)
Interest on own capital, dividends paid and income tax on interest on own capital	-	-	-	-	(394,945)	(394,945)
Payment of Management fees	-	-	-	-	(8,294)	(8,294)
Changes not affecting cash	1,112,050	8,983	2,211,630	39,220	272,577	3,644,460
First-time adoption - IFRS 16 / CPC 06 (R2) and contractual remeasurement	-	-	2,175,907	-	-	2,175,907
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	1,112,050
Disposal/ transfer of shares	-	8,983	-	-	-	8,983
Interest expenses and structuring costs	-	-	35,723	39,220	-	74,943
Distribution of interest on own capital and dividends	-	-	-	-	272,577	272,577
Balance at June 30, 2019	3,774,294	(35,553)	2,076,608	1,194,801	112,333	7,122,483

Report on the review of quarterly 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, 2019, which comprises the balance sheet as of June 30, 2019, and related statements of income, comprehensive income for the three and six-month period then ended, and changes in shareholders' equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim accounting information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Statement 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 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 individual and consolidated 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 Securities Commission.

Other issues - Statements of added value

Individual and consolidated statements of added value (DVA), for the six-month period ended June 30, 2019, 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 29, 2019

KPMG Auditores Independentes
CRC SP-014428/F-7

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

STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS ON THE INTERIM FINANCIAL STATEMENTS

Pursuant to subsection VI, Article 25 of CVM Instruction 480 of December 7, 2009 (amended by CVM Instruction 586 of June 8, 2017), the Board of Executive Officers states that it has reviewed, discussed and agreed the Company's Quarterly Financial Information for the period of three and six months ended on June 30, 2019, authorizing their conclusion as of this date.

Porto Alegre, July 17, 2019.

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio

Chief Executive Officer and Interim
Chief Information Technology and
Business Management Officer

Laurence Beltrão Gomes

Chief Financial and Administrative
Officer and Investor Relations
Officer

Fabiana Silva Taccola

Chief Operating Officer

Clarice Martins Costa

Chief Human Resource Officer

Henry Costa

Chief Product Officer

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS ON THE REPORT OF THE INDEPENDENT AUDITORS

In conformity with sub-item V, article 25 of CVM Instruction 480 of December 7, 2009 (amended by CVM Instruction 586 of June 8, 2017), the Board of Executive Officers declares that it has reviewed and discussed the content and opinion expressed in the report of the Independent Auditors on the Company's Quarterly Financial Information for the three and six months ended on June 30, 2019, issued on this date.

The Board of Executive Officers declares that it agrees with the content and opinion expressed in the said report of the Independent Auditors on the Company's Quarterly Financial Information - ITR.

Porto Alegre, July 29, 2019.

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio

Chief Executive Officer and Interim
Chief Information Technology and
Business Management Officer

Laurence Beltrão Gomes

Chief Financial and Administrative
Officer and Investor Relations
Officer

Fabiana Silva Taccola

Chief Operating Officer

Clarice Martins Costa

Chief Human Resource Officer

Henry Costa

Chief Product Officer