SUMMARY

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

Individual Statements
Balance Sheets – Assets 4
Balance Sheets – Liabilities and Shareholders' Equity 5
Statements of Income 6
Statements of Comprehensive Income 7
Statements of Cash Flow 8
Statements of Changes in Shareholders' Equity
Equity - 1/1/2016 to 9/30/2016 9
Equity - 1/1/2015 to 9/30/2015 10
Statements Value Added 11

Consolidated Statements
Balance Sheets – Assets 12
Balance Sheets – Liabilities and Shareholders' Equity 13
Statements of Income 14
Statements of Comprehensive Income 15
Statements of Cash Flow 16
Statements of Changes in Shareholders' Equity
Equity - 1/1/2016 to 9/30/2016 17
Equity - 1/1/2015 to 9/30/2015 18
Statements Value Added 19

Management Report / Business Performance Analysis 20

Explanatory Notes 27

Report on the review of quarterly information 65

INDIVIDUAL STATEMENTS / COMPANY DATE / COMPOSITION OF CAPITAL STOCK

QUANTITY OF SHARES (In Thousand)	CURRENT QUARTER 9/30/2016
PAID-UP CAPITAL	
COMMON – ON	642,853
PREFERRED - PN	0
TOTAL	**642,853**
TREASURY SHARES	
COMMON – ON	600
PREFERRED – PN	0
TOTAL	**600**

INDIVIDUAL STATEMENTS / COMPANY DATE / DIVIDENDS DECLARED AND/OR PAID OUT DURING AND AFTER QUARTER

EVENT	APPROVAL	TYPE	BEGINNING PAYMENT	SHARE'S TYPE	SHARE'S CLASS	AMOUNT PER SHARE
Board of Directors Meeting	3/18/2015	Interest on Capital	4/29/2016	ON		0.03740
Board of Directors Meeting	6/18/2015	Interest on Capital	4/29/2016	ON		0.04170
Board of Directors Meeting	9/23/2015	Interest on Capital	4/29/2016	ON		0.04670
Board of Directors Meeting	12/17/2015	Interest on Capital	4/29/2016	ON		0.05100
Shareholders General Meeting	1/21/2016	Dividend	4/29/2016	ON		0.18600
Board of Directors Meeting	3/15/2016	Interest on Capital		ON		0.06365
Board of Directors Meeting	6/22/2016	Interest on Capital		ON		0.06418
Board of Directors Meeting	9/21/2016	Interest on Capital		ON		0.06981

INDIVIDUAL STATEMENTS / BALANCE SHEETS - ASSETS

CODE	DESCRIPTION	Current quarter 9/30/2016	Prior end of year 12/31/2015
1	**TOTAL ASSETS**	**4,528,294**	**4,799,679**
1.01	**CURRENT ASSETS**	**1,903,574**	**2,325,003**
1.01.01	**CASH AND CASH EQUIVALENTS**	**554,259**	**593,524**
1.01.03	**ACCOUNTS RECEIVABLE**	**595,112**	**1,116,205**
1.01.03.01	CUSTOMERS	569,795	989,990
1.01.03.02	**OTHER ACCOUNTS RECEIVABLE**	**25,317**	**126,215**
1.01.03.02.01	DERIVATIVE FINANCIAL INSTRUMENTS	438	98,533
1.01.03.02.02	OTHER ACCOUNTS RECEIVABLE	24,879	27,682
1.01.04	**INVENTORIES**	**671,940**	**536,703**
1.01.06	**RECOVERABLE TAXES**	**72,227**	**71,989**
1.01.06.01	CURRENT RECOVERABLE TAXES	72,227	71,989
1.01.07	**PREPAID EXPENSES**	**10,036**	**6,582**
1.02	**NONCURRENT ASSETS**	**2,624,720**	**2,474,676**
1.02.01	**LONG -TERM ASSETS**	**380,394**	**328,163**
1.02.01.03	**ACCOUNTS RECEIVABLE**	**10,161**	**8,563**
1.02.01.03.02	OTHER ACCOUNTS RECEIVABLE	10,161	8,563
1.02.01.06	**DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION**	**120,954**	**73,615**
1.02.01.06.01	DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	120,954	73,615
1.02.01.07	**PREPAID EXPENSES**	**3,122**	**4,449**
1.02.01.07.01	PREPAID EXPENSES	3,122	4,449
1.02.01.08	**RECEIVABLES WITH RELATED PARTIES**	**5,163**	**1,352**
1.02.01.08.02	RECEIVABLES WITH SUBSIDIARIES	5,163	1,352
1.02.01.09	**OTHER NONCURRENT ASSETS**	**240,994**	**240,184**
1.02.01.09.03	JUDICIAL DEPOSITS	10,250	10,782
1.02.01.09.04	RECOVERABLE TAXES	48,744	47,402
1.02.01.09.05	FIDC LOJAS RENNER	182,000	182,000
1.02.02	**INVESTMENTS**	**469,528**	**449,524**
1.02.02.01	**INVESTMENTS IN SUBSIDIARIES**	**469,528**	**449,524**
1.02.02.01.02	INVESTMENTS IN SUBSIDIARIES	469,478	449,474
1.02.02.01.04	OTHER INVESTMENTS IN SUBSIDIARIES	50	50
1.02.03	**PROPERTY, PLANT AND EQUIPMENT – NET**	**1,476,192**	**1,444,336**
1.02.03.01	PROPERTY, PLANT AND EQUIPMENT IN OPERATION	1,314,367	1,217,082
1.02.03.02	PROPERTY, PLANT AND EQUIPMENT LEASED	28,416	28,881
1.02.03.03	PROPERTY, PLANT AND EQUIPMENT ON GOING	133,409	198,373
1.02.04	**INTANGIBLE – NET**	**298,606**	**252,653**
1.02.04.01	**INTANGIBLE**	**298,606**	**252,653**
1.02.04.01.01	INTANGIBLE LEASED	39,629	16,076
1.02.04.01.02	OTHER	258,977	236,577

INDIVIDUAL STATEMENTS / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY

CODE	DESCRIPTION	Current quarter 9/30/2016	Prior end of year 12/31/2015
2	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**4,528,294**	**4,799,679**
2.01	**CURRENT LIABILITIES**	**1,657,687**	**1,668,861**
2.01.01	**SOCIAL AND LABOR OBLIGATIONS**	**151,174**	**158,676**
2.01.01.01	**SOCIAL OBLIGATIONS**	**41,874**	**32,819**
2.01.01.01.01	SOCIAL CHARGES	41,874	32,819
2.01.01.02	**LABOR OBLIGATIONS**	**109,300**	**125,857**
2.01.01.02.01	SALARIES PAYABLE	109,300	125,857
2.01.02	**SUPPLIERS**	**484,501**	**483,082**
2.01.02.01	NATIONAL SUPPLIERS	484,501	483,082
2.01.03	**FISCAL OBLIGATIONS**	**82,177**	**326,006**
2.01.03.01	**FEDERAL FISCAL OBLIGATIONS**	**46,506**	**168,089**
2.01.03.01.01	INCOME TAX AND SOCIAL CONTRIBUTION	21,005	81,106
2.01.03.01.02	OTHER FEDERAL FISCAL OBLIGATIONS	25,501	86,983
2.01.03.02	**STATE FISCAL OBLIGATIONS**	33,994	154,442
2.01.03.03	**MUNICIPAL FISCAL OBLIGATIONS**	1,677	3,475
2.01.04	**LOANS AND FINANCING**	**628,623**	**375,351**
2.01.04.01	**LOANS AND FINANCING**	**246,663**	**108,825**
2.01.04.01.01	NATIONAL CURRENCY	100,797	108,825
2.01.04.01.02	FOREIGN CURRENCY	145,866	-
2.01.04.02	DEBENTURES	369,879	258,197
2.01.04.03	**FINANCING LEASE**	**12,081**	**8,329**
2.01.04.03.01	FINANCING LEASE	12,081	8,329
2.01.05	**OTHER OBLIGATIONS**	**279,559**	**296,329**
2.01.05.02	**OTHER**	**279,559**	**296,329**
2.01.05.02.01	DIVIDENDS AND INTEREST ON EQUITY PAYABLE	109,819	98,107
2.01.05.02.02	MINIMUN DIVIDEND MANDATORY PAYABLE	-	39,807
2.01.05.02.04	RENTS PAYABLE	37,666	45,388
2.01.05.02.05	OTHER OBLIGATIONS	50,559	75,714
2.01.05.02.06	STATUTORY PARTICIPATIONS	270	9,944
2.01.05.02.07	OBLIGATIONS WITH CARD ADMINISTRATORS	12,022	25,419
2.01.05.02.08	DERIVATIVE FINANCIAL INSTRUMENTS	69,223	1,950
2.01.06	**PROVISIONS**	**31,653**	**29,417**
2.01.06.01	**FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS**	**31,653**	**29,417**
2.01.06.01.04	CIVIL PROVISIONS	20,535	15,157
2.01.06.01.05	LABOR RISK PROVISIONS	11,118	14,260
2.02	**NONCURRENT LIABILITIES**	**504,484**	**819,922**
2.02.01	**LOANS AND FINANCING**	**465,689**	**780,872**
2.02.01.01	**LOANS AND FINANCING**	**49,225**	**52,669**
2.02.01.01.01	NATIONAL CURRENCY	49,225	52,669
2.02.01.02	DEBENTURES	345,860	687,100
2.02.01.03	**FUNDING FINANCING LEASE**	**70,604**	**41,103**
2.02.01.03.01	FUNDING FINANCING LEASE	70,604	41,103
2.02.02	**OTHER OBLIGATIONS**	**3,517**	**5,362**
2.02.02.01	**RELATED PARTIES LIABILITIES**	55	5,362
2.02.02.02	**OTHER**	3,462	-
2.02.02.02.04	OTHER OBLIGATIONS	3,462	-
2.02.04	**PROVISIONS**	**35,278**	**33,688**
2.02.04.01	**FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS**	**35,278**	**33,688**
2.02.04.01.01	FISCAL PROVISIONS	35,278	33,688
2.03	**SHAREHOLDERS' EQUITY**	**2,366,123**	**2,310,896**
2.03.01	**CAPITAL**	**1,170,192**	**1,136,124**
2.03.02	**CAPITAL RESERVES**	**281,833**	**266,275**
2.03.02.02	PREMIUM RESERVE	118,165	118,165
2.03.02.04	OPTIONS GRANTED	173,808	154,126
2.03.02.05	TREASURY STOCKS	(10,140)	(6,016)
2.03.04	**REVENUE RESERVES**	**765,134**	**844,271**
2.03.04.01	LEGAL RESERVE	92,465	92,465
2.03.04.08	ADDITIONAL DIVIDEND PROPOSED	-	79,137
2.03.04.10	RESERVES FOR INVESTMENTS AND EXPANSION	672,669	672,669
2.03.05	**RETAINED EARNINGS/ACCUMULATED DEFICIT**	**198,520**	**-**
2.03.06	**CARRYING VALUE ADJUSTMENTS**	**(49,609)**	**64,156**
2.03.07	**ACCUMULATED TRANSLATION ADJUSTMENTS**	**53**	**70**

INDIVIDUAL STATEMENTS / STATEMENTS OF INCOME

CODE	DESCRIPTION	Current quarter 1/7/2016 to 9/30/2016	Current nine-month period 1/1/2016 to 9/30/2016	Prior quarter 1/7/2015 to 9/30/2015	Prior nine-month period 1/1/2015 to 9/30/2015
3.01	**NET REVENUE SALES OF GOODS AND FINANCIAL PRODUCTS AND SERVICES**	**1,274,360**	**3,856,137**	**1,280,902**	**3,746,430**
3.01.01	NET REVENUE SALES OF GOODS	1,161,099	3,523,488	1,168,514	3,397,513
3.01.02	NET REVENUE SALES FINANCIAL PRODUCTS AND SERVICES	113,261	332,649	112,388	348,917
3.02	**COST OF GOODS SOLD AND FINANCIAL PRODUCTS AND SERVICES**	**(548,420)**	**(1,593,245)**	**(554,082)**	**(1,573,312)**
3.02.01	COST OF GOODS SOLD	(538,014)	(1,561,699)	(543,390)	(1,537,393)
3.02.02	COST OF FINANCIAL PRODUCTS AND SERVICES	(10,406)	(31,546)	(10,692)	(35,919)
3.03	**GROSS PROFIT**	**725,940**	**2,262,892**	**726,820**	**2,173,118**
3.04	**OPERATING (EXPENSES) INCOME**	**(595,844)**	**(1,765,563)**	**(575,643)**	**(1,645,300)**
3.04.01	SELLING	(334,042)	(1,007,054)	(310,795)	(910,152)
3.04.02	GENERAL AND ADMINISTRATIVE	(123,267)	(353,654)	(113,332)	(315,894)
3.04.03	LOSS ON RECEIVABLES, NET	(38,541)	(119,226)	(53,515)	(140,874)
3.04.04	OTHER OPERATING REVENUES	14,527	35,934	14,982	34,058
3.04.05	OTHER OPERATING EXPENSES	(124,365)	(355,839)	(124,302)	(339,135)
3.04.06	EQUITY IN THE RESULTS OF INVESTEES	9,844	34,276	11,319	26,697
3.05	**OPERATING PROFIT BEFORE FINANCIAL RESULTS AND TAXES**	**130,096**	**497,329**	**151,177**	**527,818**
3.06	**FINANCIAL RESULTS**	**(28,291)**	**(79,739)**	**(27,483)**	**(80,424)**
3.06.01	FINANCIAL INCOME	16,594	62,713	16,108	65,217
3.06.02	FINANCIAL EXPENSES	(44,885)	(142,452)	(43,591)	(145,641)
3.07	**PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAXES**	**101,805**	**417,590**	**123,694**	**447,394**
3.08	**INCOME TAX AND SOCIAL CONTRIBUTION**	**(16,901)**	**(92,363)**	**(27,728)**	**(120,069)**
3.08.01	CURRENT	(19,252)	(83,476)	(31,582)	(110,219)
3.08.02	DEFERRED	2,351	(8,887)	3,854	(9,850)
3.09	**NET RESULTS OF CONTINUED OPERATIONS**	**84,904**	**325,227**	**95,966**	**327,325**
3.11	**NET INCOME (LOSS) FOR THE PERIOD**	**84,904**	**325,227**	**95,966**	**327,325**
3.99	EARNINGS PER SHARE (REAIS / SHARE)	-	-	-	-
3.99.01	EARNINGS PER SHARE - BASIC	-	-	-	-
3.99.01.01	ON	0.1322	0.5073	0.1502	0.5130
3.99.02	EARNINGS PER SHARE - DILUTED	-	-	-	-
3.99.02.01	ON	0.1311	0.5033	0.1499	0.5119

INDIVIDUAL STATEMENTS / STATEMENTS OF COMPREHENSIVE INCOME

CODE	DESCRIPTION	Current quarter 1/7/2016 to 9/30/2016	Current nine-month period 1/1/2016 to 9/30/2016	Prior quarter 1/7/2015 to 9/30/2015	Prior nine-month period 1/1/2015 to 9/30/2015
4.01	**NET INCOME FOR THE PERIOD**	**84,904**	**325,227**	**95,966**	**327,325**
4.02	**OTHER COMPREHENSIVE INCOME**	**12,645**	**(113,782)**	**96,411**	**93,796**
4.02.01	CASH FLOW HEDGE	18,074	(165,368)	144,294	140,391
4.02.02	PORTION OF OTHER COMPREHENSIVE INCOME OF SUBSIDIARIES	693	(4,434)	924	862
4.02.03	TAXES RELATED TO COMPONENTS OF COMPREHENSIVE INCOME	(6,146)	56,226	(49,060)	(47,734)
4.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	24	(206)	253	277
4.03	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**	**97,549**	**211,445**	**192,377**	**421,121**

INDIVIDUAL STATEMENTS / STATEMENTS OF CASH FLOW – INDIRECT METHOD

CODE	DESCRIPTION	Current nine-month period 1/1/2016 to 9/30/2016	Prior nine-month period 1/1/2016 to 9/30/2016
6.01	**NET CASH FROM OPERATING ACTIVITIES**	**583,957**	**407,016**
6.01.01	**CASH FLOW FROM OPERATING ACTIVITIES**	**728,987**	**742,127**
6.01.01.01	NET INCOME FOR THE PERIOD	325,227	327,325
6.01.01.02	DEPRECIATION AND AMORTIZATION	214,501	182,056
6.01.01.03	RESULT ON DISPOSAL OR WRITE-OFF OF FIXED ASSETS	13,522	1,433
6.01.01.04	TRANSACTION COSTS OF DEBENTURES	668	778
6.01.01.05	INTEREST EXPENSE OF BORROWING, FINANCING AND DEBENTURES	112,162	117,653
6.01.01.06	STOCK OPTION PLAN	20,705	19,508
6.01.01.07	EQUITY IN THE RESULTS OF INVESTEES	(34,276)	(26,697)
6.01.01.08	PROVISION FOR TAX, CIVIL AND LABOR RISKS	3,826	8,707
6.01.01.09	DEFERRED AND CURRENT TAXES	92,363	120,069
6.01.01.10	GAIN (LOSS) ON DERIVATIVE FINANCIAL INSTRUMENTS	12,824	(101)
6.01.01.11	NET FOREIGN EXCHANGE VARIATION	550	(2,331)
6.01.01.12	REVERSAL FOR ADJUSTMENT TO NET REALIZABLE VALUE	(14,080)	(16,077)
6.01.01.13	PROVISION FOR LOSS ON ASSETS	(19,005)	9,804
6.01.02	**CHANGES IN ASSETS AND LIABILITIES**	**48,067**	**(43,562)**
6.01.02.01	ACCOUNTS RECEIVABLE	449,893	302,996
6.01.02.02	INVENTORIES	(133,969)	(137,899)
6.01.02.04	OTHER ASSETS	(9,221)	(13,805)
6.01.02.05	JUDICIAL DEPOSITS	532	(4,011)
6.01.02.07	FINANCING – FINANCIAL SERVIVCES OPERATIONS	(8,959)	15,240
6.01.02.09	SUPPLIERS	1,869	(44,256)
6.01.02.10	SALARIES AND VACATIONS	(8,526)	(5,569)
6.01.02.11	TAXES AND CONTRIBUTIONS PAYABLE	(181,948)	(142,332)
6.01.02.12	OBLIGATIONS WITH CARD ADMINISTRATORS	(13,397)	1,743
6.01.02.13	OTHER PAYABLES	(21,693)	(1,396)
6.01.02.14	RENTS PAYABLE	(7,722)	(6,647)
6.01.02.15	STATUTARY OBLIGATIONS	(9,674)	(11,657)
6.01.02.16	INTERCOMPANY PAYABLES	(9,118)	4,031
6.01.03	**OTHERS**	**(193,097)**	**(291,549)**
6.01.03.01	SUBSIDIARIES DIVIDEND RECEIVED	84,000	-
6.01.03.02	PAYMENT OF INCOME TAX AND SOCIAL CONTRIBUTION	(145,358)	(205,599)
6.01.03.03	PAYMENT OF INTEREST ON LOANS, FINANCING AND DEBENTURES	(131,739)	(85,950)
6.02	**NET CASH FROM INVESTING ACTIVITIES**	**(344,878)**	**(413,183)**
6.02.01	ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT	(194,288)	(289,056)
6.02.02	ACQUISITIONS INTANGIBLE ASSETS	(76,204)	(67,631)
6.02.05	PROCEEDS FROM DISPOSAL OF FIXED ASSETS	31	338
6.02.06	INVESTMENTS IN SUBSIDIARIES	(74,417)	(56,834)
6.03	**NET CASH FROM FINANCING ACTIVITIES**	**(278,344)**	**(298,483)**
6.03.01	BORROWINGS	164,628	36,362
6.03.02	CAPITAL INCREASE	34,068	25,203
6.03.03	REPAYMENT OF LOANS	(229,429)	(170,798)
6.03.05	INSTALLMENT LEASE FINANCING	(9,549)	(10,302)
6.03.06	INTEREST ON CAPITAL AND DIVIDENDS PAID	(233,938)	(178,948)
6.03.07	REPURCHASE OF TREASURY STOCKS	(4,124)	-
6.05	**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**	**(39,265)**	**(304,650)**
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	593,524	709,403
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	554,259	404,753

INDIVIDUAL STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2016 TO 9/30/2016

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.03	**BALANCES ADJUSTED**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**34,068**	**15,558**	**(79,137)**	**(126,707)**	**-**	**(156,218)**
5.04.01	CAPITAL INCREASE	34,068	-	-	-	-	34,068
5.04.03	STOCK OPTION PLAN	-	19,682	-	-	-	19,682
5.04.04	SHARES IN TREASURY ACQUIRED	-	(4,124)	-	-	-	(4,124)
5.04.07	INTEREST ON CAPITAL	-	-	-	(126,707)	-	(126,707)
5.04.08	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(79,137)	-	-	(79,137)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**325,227**	**(113,782)**	**211,445**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	325,227	-	325,227
5.05.02	**OTHER COMPREHENSIVE INCOME**	**-**	**-**	**-**	**-**	**(113,782)**	**(113,782)**
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	(113,576)	(113,576)
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	(206)	(206)
5.07	**BALANCES AS OF SEPTEMBER 30, 2016**	**1,170,192**	**281,833**	**765,134**	**198,520**	**(49,556)**	**2,366,123**

INDIVIDUAL STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2015 TO 9/30/2015

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**750,853**	**245,860**	**839,257**	**-**	**19,298**	**1,855,268**
5.03	**BALANCES ADJUSTED**	**750,853**	**245,860**	**839,257**	**-**	**19,298**	**1,855,268**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**379,511**	**19,508**	**(421,426)**	**(80,298)**	**-**	**(102,705)**
5.04.01	CAPITAL INCREASE	379,511	-	(354,308)	-	-	25,203
5.04.03	STOCK OPTION PLAN	-	19,508	-	-	-	19,508
5.04.07	INTEREST ON CAPITAL	-	-	-	(80,298)	-	(80,298)
5.04.09	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(67,118)	-	-	(67,118)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**327,325**	**93,796**	**421,121**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	327,325	-	327,325
5.05.02	**OTHER COMPREHENSIVE INCOME**	**-**	**-**	**-**	**-**	**93,796**	**93,796**
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	93,519	93,519
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	277	277
5.07	**BALANCES AS OF SEPTEMBER 30, 2015**	**1,130,364**	**265,368**	**417,831**	**247,027**	**113,094**	**2,173,684**

INDIVIDUAL STATEMENTS / STATEMENTS OF VALUE ADDED

CODE	DESCRIPTION	Current nine-month period 1/1/2016 to 9/30/2016	Prior nine-month period 1/1/2016 to 9/30/2016
7.01	**REVENUES**	**4,970,798**	**4,850,930**
7.01.01	**SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES**	**5,064,241**	**4,955,768**
7.01.02	**OTHER RESULTS**	**(93,443)**	**(104,838)**
7.01.02.01	OTHER OPERATING INCOME	39,103	37,439
7.01.02.02	LOSSES ON RECEIVABLES, NET	(119,226)	(140,874)
7.01.02.03	RESULT ON DISPOSAL OR WRITE-OFF OF FIXED ASSETS	(13,320)	(1,403)
7.02	**INPUT PURCHASED FROM THIRD PARTIES**	**(2,546,596)**	**(2,439,359)**
7.02.01	COST OF SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES (INCLUDING TAXES)	(1,852,260)	(1,721,631)
7.02.02	MATERIALS, ENERGY, OUTSIDES SERVICES AND OTHER	(651,915)	(673,287)
7.02.03	LOSSES ON ASSETS	(42,421)	(44,441)
7.03	**GROSS VALUE ADDED**	**2,424,202**	**2,411,571**
7.04	**RETENTIONS**	**(214,501)**	**(182,056)**
7.04.01	DEPRECIATION AND AMORTIZATION	(214,501)	(182,056)
7.05	**NET VALUE ADDED PRODUCED**	**2,209,701**	**2,229,515**
7.06	**VALUE ADDED RECEIVED IN TRANSFER**	**96,989**	**91,914**
7.06.01	EQUITY IN THE RESULTS OF INVESTEES	34,276	26,697
7.06.02	FINANCIAL REVENUES	62,713	65,217
7.07	**VALUE ADDED TO DISTRIBUTE**	**2,306,690**	**2,321,429**
7.08	**DISTRIBUTED VALUE ADDED**	**2,306,690**	**2,321,429**
7.08.01	**PERSONNEL EXPENSES**	**507,255**	**486,712**
7.08.01.01	COMPENSATION	365,893	354,942
7.08.01.02	BENEFITS	81,178	73,326
7.08.01.03	GOVERNMENT SEVERANCE INDEMNITY FUND FOR EMPLOYEES (FGTS)	34,735	31,683
7.08.01.04	OTHER	25,449	26,761
7.08.01.04.01	STOCK OPTION PLAN	18,260	19,508
7.08.01.04.02	COMPENSATION OF OFFICERS	7,189	7,253
7.08.02	**TAXES AND CONTRIBUTIONS**	**1,075,545**	**1,142,796**
7.08.02.01	FEDERAL TAXES	428,975	440,029
7.08.02.02	STATE TAXES	618,793	678,481
7.08.02.03	MUNICIPAL EXPENSES	27,777	24,286
7.08.03	**INTEREST ON THIRD PARTIES' CAPITAL**	**398,663**	**364,596**
7.08.03.02	RENTALS EXPENSES	256,211	218,955
7.08.03.03	OTHER	142,452	145,641
7.08.03.03.01	FINANCIAL EXPENSES	142,452	145,641
7.08.04	**INTEREST ON CAPITAL**	**325,227**	**327,325**
7.08.04.01	PROPOSED INTEREST ON CAPITAL	126,707	80,298
7.08.04.03	RETAINED EARNINGS	198,520	247,027

CONSOLIDATED STATEMENTS / BALANCE SHEETS - ASSETS

CODE	DESCRIPTION	Current quarter 9/30/2016	Prior end of year 12/31/2015
1	**TOTAL ASSETS**	**5,674,332**	**5,863,719**
1.01	**CURRENT ASSETS**	**3,356,909**	**3,721,211**
1.01.01	**CASH AND CASH EQUIVALENTS**	**717,775**	**737,527**
1.01.03	**ACCOUNTS RECEIVABLE**	**1,751,386**	**2,268,184**
1.01.03.01	CUSTOMERS	1,702,339	2,119,836
1.01.03.02	**OTHER ACCOUNTS RECEIVABLE**	**49,047**	**148,348**
1.01.03.02.01	DERIVATIVE FINANCIAL INTRUMENTS	438	99,469
1.01.03.02.02	OTHER ACCOUNTS RECEIVABLE	48,609	48,879
1.01.04	**INVENTORIES**	**788,558**	**622,534**
1.01.06	**RECOVERABLE TAXES**	**90,497**	**87,630**
1.01.06.01	CURRENT RECOVERABLE TAXES	90,497	87,630
1.01.07	**PREPAID EXPENSES**	**8,693**	**5,336**
1.02	**NONCURRENT ASSETS**	**2,317,423**	**2,142,508**
1.02.01	**LONG -TERM ASSETS**	**241,486**	**176,446**
1.02.01.03	**ACCOUNTS RECEIVABLE**	**10,936**	**8,563**
1.02.01.03.02	OTHER ACCOUNTS RECEIVABLE	10,936	8,563
1.02.01.06	**DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION**	**155,916**	**97,899**
1.02.01.06.01	DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	155,916	97,899
1.02.01.09	**OTHER NONCURRENT ASSETS**	**74,634**	**69,984**
1.02.01.09.03	JUDICIAL DEPOSITS	10,293	10,825
1.02.01.09.04	RECOVERABLE TAXES	64,341	59,108
1.02.01.09.06	DERIVATIVE FINANCIAL INTRUMENTS	-	51
1.02.02	**INVESTMENTS**	**50**	**63**
1.02.02.01	**INVESTMENTS IN SUBSIDIARIES**	**50**	**63**
1.02.02.01.04	OTHER INVESTMENTS IN SUBSIDIARIES	**50**	**63**
1.02.03	**PROPERTY, PLANT AND EQUIPMENT – NET**	**1,603,876**	**1,545,704**
1.02.03.01	PROPERTY, PLANT AND EQUIPMENT IN OPERATION	1,433,298	1,312,231
1.02.03.02	PROPERTY, PLANT AND EQUIPMENT LEASED	28,416	28,881
1.02.03.03	PROPERTY, PLANT AND EQUIPMENT ON GOING	142,162	204,592
1.02.04	**INTANGIBLE – NET**	**472,011**	**420,295**
1.02.04.01	**INTANGIBLE**	**355,332**	**303,616**
1.02.04.01.03	INTANGIBLE LEASED	39,629	16,076
1.02.04.01.02	OTHER	315,703	287,540
1.02.04.02	GOODWILL	116,679	116,679

CONSOLIDATED STATEMENTS / BALANCE SHEETS - LIABILITIES AND SHAREHOLDERS' EQUITY

CODE	DESCRIPTION	Current quarter 9/30/2016	Prior end of year 12/31/2015
2	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**5,674,332**	**5,863,719**
2.01	**CURRENT LIABILITIES**	**2,384,018**	**2,319,127**
2.01.01	**SOCIAL AND LABOR OBLIGATIONS**	**164,549**	**174,704**
2.01.01.01	**SOCIAL OBLIGATIONS**	**45,946**	**35,846**
2.01.01.01.01	SOCIAL CHARGES	45,946	35,846
2.01.01.02	**LABOR OBLIGATIONS**	**118,603**	**138,858**
2.01.01.02.01	SALARIES PAYABLE	118,603	138,858
2.01.02	**SUPPLIERS**	**541,420**	**553,453**
2.01.02.01	NATIONAL SUPPLIERS	541,420	553,453
2.01.03	**FISCAL OBLIGATIONS**	**100,223**	**342,976**
2.01.03.01	**FEDERAL FISCAL OBLIGATIONS**	**59,207**	**178,697**
2.01.03.01.01	INCOME TAX AND SOCIAL CONTRIBUTION	27,964	83,629
2.01.03.01.02	OTHER FEDERAL FISCAL OBLIGATIONS	31,243	95,068
2.01.03.02	**STATE FISCAL OBLIGATIONS**	38,347	160,080
2.01.03.03	**MUNICIPAL FISCAL OBLIGATIONS**	2,669	4,199
2.01.04	**LOANS AND FINANCING**	**1,007,573**	**706,589**
2.01.04.01	**LOANS AND FINANCING**	**625,613**	**440,063**
2.01.04.01.01	NACIONAL CURRENCY	438,193	419,870
2.01.04.01.02	FOREIGN CURRENCY	187,420	20,193
2.01.04.02	DEBENTURES	369,879	258,197
2.01.04.03	**FUNDING FINANCING LEASE**	12,081	8,329
2.01.05	**OTHER OBLIGATIONS**	**537,354**	**511,539**
2.01.05.02	**OTHER**	**537,354**	**511,539**
2.01.05.02.01	DIVIDENDS AND INTEREST ON EQUITY PAYABLE	109,819	98,107
2.01.05.02.02	MINIMUN DIVIDEND MANDATORY PAYABLE	-	39,807
2.01.05.02.04	RENTS PAYABLE	42,963	51,152
2.01.05.02.05	OTHER OBLIGATIONS	64,888	68,842
2.01.05.02.06	STATUTORY PARTICIPATIONS	270	9,944
2.01.05.02.07	OBLIGATIONS WITH CARD ADMINISTRATIONS	243,811	241,086
2.01.05.02.08	DERIVATIVE FINANCIAL INTRUMENTS	75,603	2,601
2.01.06	**PROVISIONS**	**32,899**	**29,866**
2.01.06.01	**FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS**	**32,899**	**29,866**
2.01.06.01.04	CIVIL PROVISIONS	20,647	15,201
2.01.06.01.05	LABOR RISK PROVISIONS	12,252	14,665
2.02	**NONCURRENT LIABILITIES**	**924,191**	**1,233,696**
2.02.01	**LOANS AND FINANCING**	**882,567**	**1,196,423**
2.02.01.01	**LOANS AND FINANCING**	**466,103**	**468,220**
2.02.01.01.01	NATIONAL CURRENCY	466,103	468,220
2.02.01.02	DEBENTURES	345,860	687,100
2.02.01.03	FINANCING LEASE	70,604	41,103
2.02.02	**OTHER OBLIGATIONS**	**4,508**	**2,425**
2.02.02.02	**OTHER**	4,508	2,425
2.02.02.02.03	TAX AND CONTRIBUTION PAYABLE	95	169
2.02.02.02.04	OTHER OBLIGATIONS	4,413	2,256
2.02.04	**PROVISIONS**	**37,116**	**34,848**
2.02.04.01	**FISCAL, LABOR, SECURITY AND CIVIL PROVISIONS**	**37,116**	**34,848**
2.02.04.01.01	FISCAL PROVISIONS	37,116	34,848
2.03	**SHAREHOLDERS' EQUITY**	**2,366,123**	**2,310,896**
2.03.01	CAPITAL	**1,170,192**	**1,136,124**
2.03.02	**CAPITAL RESERVES**	**281,833**	**266,275**
2.03.02.02	PREMIUM RESERVE	118,165	118,165
2.03.02.04	OPTIONS GRANTED	173,808	154,126
2.03.02.05	TREASURY SHARES	(10,140)	(6,016)
2.03.04	**REVENUE RESERVES**	**765,134**	**844,271**
2.03.04.01	LEGAL RESERVE	92,465	92,465
2.03.04.08	ADDITIONAL DIVIDEND PROPOSED	-	79,137
2.03.04.10	RESERVES FOR INVESTMENTS AND EXPANSION	672,669	672,669
2.03.05	**RETAINED EARNINGS/ACCUMULATED DEFICIT**	**198,520**	**-**
2.03.06	**CARRYING VALUE ADJUSTMENTS**	**(49,609)**	**64,156**
2.03.07	**ACCUMULATED TRANSLATION ADJUSTMENTS**	**53**	**70**

CONSOLIDATED STATEMENTS / STATEMENTS OF INCOME

CODE	DESCRIPTION	Current quarter 1/7/2016 to 9/30/2016	Current nine-month period 1/1/2016 to 9/30/2016	Prior quarter 1/7/2015 to 9/30/2015	Prior nine-month period 1/1/2015 to 9/30/2015
3.01	**NET REVENUE SALES OF GOODS AND FINANCIAL PRODUCTS AND SERVICES**	**1,445,829**	**4,340,777**	**1,420,605**	**4,130,953**
3.01.01	NET REVENUE SALES OF GOODS	1,260,418	3,801,254	1,248,365	3,613,486
3.01.02	NET REVENUE SALES FINANCIAL PRODUCTS AND SERVICES	185,411	539,523	172,240	517,467
3.02	**COST OF GOODS SOLD AND FINANCIAL PRODUCTS AND SERVICES**	**(594,216)**	**(1,719,715)**	**(596,697)**	**(1,687,489)**
3.02.01	COST OF GOODS SOLD	(583,810)	(1,688,169)	(586,005)	(1,651,570)
3.02.02	COST OF FINANCIAL PRODUCTS AND SERVICES	(10,406)	(31,546)	(10,692)	(35,919)
3.03	**GROSS PROFIT**	**851,613**	**2,621,062**	**823,908**	**2,443,464**
3.04	**OPERATING (EXPENSES) INCOME**	**(718,718)**	**(2,110,165)**	**(667,252)**	**(1,902,359)**
3.04.01	SELLING	(375,259)	(1,122,726)	(339,070)	(990,361)
3.04.02	GENERAL AND ADMINISTRATIVE	(134,271)	(385,567)	(122,131)	(339,135)
3.04.03	LOSS ON RECEIVABLES, NET	(68,811)	(196,511)	(76,307)	(196,180)
3.04.04	OTHER OPERATING REVENUES	14,747	36,907	20,572	41,516
3.04.05	OTHER OPERATING EXPENSES	(155,124)	(442,268)	(150,316)	(418,199)
3.05	**OPERATING PROFIT BEFORE FINANCIAL RESULTS AND TAXES**	**132,895**	**510,897**	**156,656**	**541,105**
3.06	**FINANCIAL RESULTS**	**(26,239)**	**(77,427)**	**(26,923)**	**(80,693)**
3.06.01	FINANCIAL INCOME	19,708	70,314	19,068	71,548
3.06.02	FINANCIAL EXPENSES	(45,947)	(147,741)	(45,991)	(152,241)
3.07	**PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAXES**	**106,656**	**433,470**	**129,733**	**460,412**
3.08	**INCOME TAX AND SOCIAL CONTRIBUTION**	**(21,752)**	**(108,243)**	**(33,767)**	**(133,087)**
3.08.01	CURRENT	(26,152)	(107,750)	(41,288)	(130,214)
3.08.02	DEFERRED	4,400	(493)	7,521	(2,873)
3.09	**NET RESULTS OF CONTINUED OPERATIONS**	**84,904**	**325,227**	**95,966**	**327,325**
3.11	**NET INCOME (LOSS) FOR THE PERIOD**	**84,904**	**325,227**	**95,966**	**327,325**
3.99	EARNINGS PER SHARE (REAIS / SHARE)	-	-	-	-
3.99.01	EARNINGS PER SHARE - BASIC	-	-	-	-
3.99.01.01	ON	0.1322	0.5073	0.1502	0.5130
3.99.02	EARNINGS PER SHARE - DILUTED	-	-	-	-
3.99.02.01	ON	0.1311	0.5033	0.1499	0.5119

CONSOLIDATED STATEMENTS / STATEMENTS OF COMPREHENSIVE INCOME

CODE	DESCRIPTION	Current quarter 1/7/2016 to 9/30/2016	Current nine-month period 1/1/2016 to 9/30/2016	Prior quarter 1/7/2015 to 9/30/2015	Prior nine-month period 1/1/2015 to 9/30/2015
4.01	**NET INCOME FOR THE PERIOD**	**84,904**	**325,227**	**95,966**	**327,325**
4.02	**OTHER COMPREHENSIVE INCOME**	**12,645**	**(113,782)**	**96,411**	**93,796**
4.02.01	CASH FLOW HEDGE	19,124	(172,086)	145,694	141,696
4.02.03	TAXES RELATED TO COMPONENTS OF COMPREHENSIVE INCOME	(6,503)	58,510	(49,536)	(48,177)
4.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	24	(206)	253	277
4.03	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**	**97,549**	**211,445**	**192,377**	**421,121**

CONSOLIDATED STATEMENTS / STATEMENTS OF CASH FLOW – INDIRECT METHOD

CODE	DESCRIPTION	Current nine-month period 1/1/2016 to 9/30/2016	Prior nine-month period 1/1/2016 to 9/30/2016
6.01	**NET CASH FROM OPERATING ACTIVITIES**	**559,896**	**424,520**
6.01.01	**CASH FLOW FROM OPERATING ACTIVITIES**	**799,836**	**804,240**
6.01.01.01	NET INCOME FOR THE PERIOD	325,227	327,325
6.01.01.02	DEPRECIATION AND AMORTIZATION	228,878	193,305
6.01.01.03	RESULT ON DISPOSAL OR WRITE-OFF OF FIXED ASSETS	13,547	1,610
6.01.01.04	TRANSACTION COSTS OF DEBENTURES	668	778
6.01.01.05	INTEREST EXPENSE OF BORROWING, FINANCING AND DEBENTURES	115,023	121,018
6.01.01.06	STOCK OPTION PLAN	20,705	19,508
6.01.01.08	PROVISION FOR TAX, CIVIL AND LABOR RISKS	5,301	9,195
6.01.01.09	DEFERRED AND CURRENT TAXES	108,243	133,087
6.01.01.10	GAIN (LOSS) ON DERIVATIVE FINANCIAL INSTRUMENTS	12,824	411
6.01.01.11	NET FOREIGN EXCHANGE VARIATION	324	(3,506)
6.01.01.12	REVERSAL FOR ADJUSTMENT TO NET REALIZABLE VALUE	(14,080)	(16,076)
6.01.01.13	PROVISION FOR LOSS ON ASSETS	(16,824)	17,585
6.01.02	**CHANGES IN ASSETS AND LIABILITIES**	**57,259**	**(68,631)**
6.01.02.01	ACCOUNTS RECEIVABLE	443,510	235,755
6.01.02.02	INVENTORIES	(163,252)	(151,602)
6.01.02.04	OTHER ASSETS	(20,341)	(24,603)
6.01.02.05	JUDICIAL DEPOSITS	532	(4,011)
6.01.02.07	FINANCING – FINANCIAL SERVIVCES OPERATIONS	21,769	95,403
6.01.02.08	FINANCING – IMPORTS	-	(8,442)
6.01.02.09	SUPPLIERS	(11,329)	(41,978)
6.01.02.10	SALARIES AND VACATIONS	(11,177)	(4,659)
6.01.02.11	TAXES AND CONTRIBUTIONS PAYABLE	(185,518)	(147,643)
6.01.02.12	OBLIGATIONS WITH CARD ADMINISTRATORS	2,725	2,973
6.01.02.13	OTHER PAYABLES	(1,797)	51
6.01.02.14	RENTS PAYABLE	(8,189)	(8,218)
6.01.02.15	STATUTARY OBLIGATIONS	(9,674)	(11,657)
6.01.03	**OTHERS**	**(297,199)**	**(311,089)**
6.01.03.02	PAYMENT OF INCOME TAX AND SOCIAL CONTRIBUTION	(165,064)	(225,036)
6.01.03.03	PAYMENT OF INTEREST ON LOANS, FINANCING AND DEBENTURES	(132,135)	(86,053)
6.02	**NET CASH FROM INVESTING ACTIVITIES**	**(316,942)**	**(384,540)**
6.02.01	ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT	(229,972)	(311,127)
6.02.02	ACQUISITIONS INTANGIBLE ASSETS	(87,001)	(73,751)
6.02.05	PROCEEDS FROM DISPOSAL OF FIXED ASSETS	31	338
6.03	**NET CASH FROM FINANCING ACTIVITIES**	**(262,500)**	**(314,980)**
6.03.01	LOANS	204,628	60,361
6.03.02	CAPITAL INCREASE	34,068	25,203
6.03.03	REPAYMENT OF LOANS	(253,585)	(211,294)
6.03.05	INSTALLMENT LEASE FINANCING	(9,549)	(10,302)
6.03.06	INTEREST ON CAPITAL AND DIVIDENDS PAID	(233,938)	(178,948)
6.03.07	REPURCHASE OF TREASURY STOCKS	(4,124)	-
6.04	**EXCHANGE VARIATION ON CASH AND CASH EQUIVALENTS**	**(206)**	**277**
6.05	**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**	**(19,752)**	**(274,723)**
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	737,527	834,340
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	717,775	559,617

CONSOLIDATED STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2016 TO 9/30/2016

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.03	**BALANCES ADJUSTED**	**1,136,124**	**266,275**	**844,271**	**-**	**64,226**	**2,310,896**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**34,068**	**15,558**	**(79,137)**	**(126,707)**	**-**	**(156,218)**
5.04.01	CAPITAL INCREASE	34,068	-	-	-	-	34,068
5.04.03	STOCK OPTION PLAN	-	19,682	-	-	-	19,682
5.04.04	SHARES IN TREASURY ACQUIRED	-	(4,124)	-	-	-	(4,124)
5.04.07	INTEREST ON CAPITAL	-	-	-	(126,707)	-	(126,707)
5.04.08	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(79,137)	-	-	(79,137)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**325,227**	**(113,782)**	**211,445**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	325,227	-	325,227
5.05.02	**OTHER COMPREHENSIVE INCOME**	**-**	**-**	**-**	**-**	**(113,782)**	**(113,782)**
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	(113,576)	(113,576)
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	(206)	(206)
5.07	**BALANCES AS OF SEPTEMBER 30, 2016**	**1,170,192**	**281,833**	**765,134**	**198,520**	**(49,556)**	**2,366,123**

CONSOLIDATED STATEMENTS / STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1/1/2015 TO 9/30/2015

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	RETAINED EARNINGS	CARRYING VALUE ADJUSTMENT	TOTAL
5.01	**OPENING BALANCES**	**750,853**	**245,860**	**839,257**	**-**	**19,298**	**1,855,268**
5.03	**BALANCES ADJUSTED**	**750,853**	**245,860**	**839,257**	**-**	**19,298**	**1,855,268**
5.04	**CAPITAL TRANSACTIONS WITH STOCKHOLDERS**	**379,511**	**19,508**	**(421,426)**	**(80,298)**	**-**	**(102,705)**
5.04.01	CAPITAL INCREASE	379,511	-	(354,308)	-	-	25,203
5.04.03	STOCK OPTION PLAN	-	19,508	-	-	-	19,508
5.04.07	INTEREST ON CAPITAL	-	-	-	(80,298)	-	(80,298)
5.04.09	ADDITIONAL DIVIDEND PROPOSED APPROVED	-	-	(67,118)	-	-	(67,118)
5.05	**TOTAL COMPREHENSIVE INCOME**	**-**	**-**	**-**	**327,325**	**93,796**	**421,121**
5.05.01	NET INCOME FOR THE PERIOD	-	-	-	327,325	-	327,325
5.05.02	**OTHER COMPREHENSIVE INCOME**	**-**	**-**	**-**	**-**	**93,796**	**93,796**
5.05.02.01	CARRYING VALUE ADJUSTMENTS	-	-	-	-	93,519	93,519
5.05.02.04	CUMULATIVE TRANSLATION ADJUSTMENTS	-	-	-	-	277	277
5.07	**BALANCES AS OF SEPTEMBER 30, 2015**	**1,130,364**	**265,368**	**417,831**	**247,027**	**113,094**	**2,173,684**

CONSOLIDATED STATEMENTS / STATEMENTS OF VALUE ADDED

CODE	DESCRIPTION	Current nine-month period 1/1/2016 to 9/30/2016	Prior nine-month period 1/1/2016 to 9/30/2016
7.01	**REVENUES**	**5,490,522**	**5,259,879**
7.01.01	**SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES**	**5,658,159**	**5,412,518**
7.01.02	**OTHER RESULTS**	**(167,637)**	**(152,639)**
7.01.02.01	OTHER OPERATING INCOME	42,219	45,120
7.01.02.02	LOSSES ON RECEIVABLES, NET	(196,511)	(196,180)
7.01.02.03	RESULT ON DISPOSAL OR WRITE-OFF OF FIXED ASSETS	(13,345)	(1,579)
7.02	**INPUT PURCHASED FROM THIRD PARTIES**	**(2,825,694)**	**(2,673,756)**
7.02.01	COST OF SALES OF GOODS, FINANCIAL PRODUCTS AND SERVICES (INCLUDING TAXES)	(2,022,303)	(1,867,561)
7.02.02	MATERIALS, ENERGY, OUTSIDES SERVICES AND OTHER	(759,536)	(759,125)
7.02.03	LOSSES ON THE COLLECTION OF ASSETS	(43,855)	(47,070)
7.03	**GROSS VALUE ADDED**	**2,664,828**	**2,586,123**
7.04	**RETENTIONS**	**(228,878)**	**(193,305)**
7.04.01	DEPRECIATION AND AMORTIZATION	(228,878)	(193,305)
7.05	**NET VALUE ADDED PRODUCED**	**2,435,950**	**2,392,818**
7.06	**VALUE ADDED RECEIVED IN TRANSFER**	**70,314**	**71,548**
7.06.02	FINANCIAL REVENUES	70,314	71,548
7.07	**VALUE ADDED TO DISTRIBUTE**	**2,506,264**	**2,464,366**
7.08	**DISTRIBUTED VALUE ADDED**	**2,506,264**	**2,464,366**
7.08.01	**PERSONNEL EXPENSES**	**591,888**	**556,392**
7.08.01.01	COMPENSATION	440,975	418,258
7.08.01.02	BENEFITS	87,216	77,078
7.08.01.03	GOVERNMENT SEVERANCE INDEMNITY FUND FOR EMPLOYEES (FGTS)	38,248	34,295
7.08.01.04	OTHER	25,449	26,761
7.08.01.04.01	STOCK OPTION PLAN	18,260	19,508
7.08.01.04.02	COMPENSATION OF OFFICERS	7,189	7,253
7.08.02	**TAXES AND CONTRIBUTIONS**	**1,162,046**	**1,193,118**
7.08.02.01	FEDERAL TAXES	471,329	467,734
7.08.02.02	STATE TAXES	658,351	697,305
7.08.02.03	MUNICIPAL EXPENSES	32,366	28,079
7.08.03	**INTEREST ON THIRD PARTIES' CAPITAL**	**427,103**	**387,531**
7.08.03.02	RENTALS EXPENSES	279,362	235,290
7.08.03.03	**OTHER**	147,741	152,241
7.08.03.03.01	FINANCIAL EXPENSES	147,741	152,241
7.08.04	**INTEREST ON CAPITAL**	**325,227**	**327,325**
7.08.04.01	PROPOSED INTEREST ON CAPITAL	126,707	80,298
7.08.04.03	RETAINED EARNINGS	198,520	247,027

MANAGEMENT REPORT / BUSINESS PERFORMANCE ANALYSIS

MANAGEMENT COMMENTS – 3Q16

(R$ MM)	3Q16	3Q15	Var. %	9M16	9M15	Var. %
Net Revenue from Merchandise Sales	1,260.4	1,248.4	1.0%	3,801.3	3,613.5	5.2%
Growth in Same Store Sales (%)	-3.9%	12.6%	-	0.1%	14.4%	-
Gross Profit from Merchandise Sales	676.6	662.4	2.2%	2,113.1	1,961.9	7.7%
Gross Margin from Retailing Operation (%)	53.7%	53.1%	0.6p.p.	55.6%	54.3%	1.3p.p.
Operating Expenses (SG&A)	(509.5)	(461.2)	10.5%	(1,508.3)	(1,329.5)	13.4%
SG&A as a % of Net Revenue from Merchandise Sales (%)	40.4%	36.9%	3.5p.p.	39.7%	36.8%	2.9p.p.
Ajusted EBITDA from Retailing Operation	164.2	182.7	-10.1%	583.0	585.5	-0.4%
Ajusted EBITDA Margin from Retailing Operation (%)	13.0%	14.6%	-1.6p.p.	15.3%	16.2%	-0.9p.p.
Financial Products Result	65.3	47.9	36.5%	188.4	169.9	10.9%
Ajusted Total EBITDA (Retail + Financial Products)	229.5	230.5	-0.4%	771.4	755.5	2.1%
Ajusted Total EBITDA Margin (%)	18.2%	18.5%	-0.3p.p.	20.3%	20.9%	-0.6p.p.
Net Income	84.9	96.0	-11.5%	325.2	327.3	-0.6%
Net Margin (%)	6.7%	7.7%	-1.0p.p.	8.6%	9.1%	-0.5p.p.
ROIC (%)	3.4%	3.9%	-0.5p.p.	12.1%	13.1%	-1.0p.p.

Businesses Breakdown	3Q16			9M16		
	RENNER	CAMICADO	YOUCOM	RENNER	CAMICADO	YOUCOM
Stores in Operation	290	76	52	290	76	52
Selling Area (thousand m²)	519.7	33.8	8.1	519.7	33.8	8.1
Net Revenue (R$ MM)	1,161.1	81.6	17.7	3,523.5	230.1	47.7
% of Growth	-0.6%	15.6%	90.7%	3.7%	19.4%	105.4%
Gross Margin (%)	53.7%	52.5%	58.2%	55.8%	52.0%	59.4%

The third quarter of the year was characterized by lower sales, influenced by the current economic environment with reduced traffic in shopping malls, principally during the Olympic Games. The temperatures below average and issues relating to two women's brands - now in the process of being adjusted, also impacted this performance.

More specifically in the month of August, in addition to the factors already mentioned, the conclusion to the ERPs upgrade resulted in an intra-store network mismatch of inventory, an expected effect involving this type of process. However, it is worth pointing out that this new technological platform enables the Company to implement additional functions, producing greater operational efficiency and a better shopping experience.

The quarter was also characterized by the Company's agility in matching operating expenses with reduced sales volume at Renner. This was instrumental in both protecting operating leverage and maintaining the EBITDA Margin above 18%. In addition, well adjusted inventories also contributed to the profitability and ensured the maintenance of a Gross Margin of 53.7% despite greater promotional activity in the market.

In 3Q16, the Company recorded a growth of 1.0% in Net Revenue from Merchandise Sales, reaching R$ 1,260.4 million, while Same Store Sales were down by -3.9% (against +12.6%, in 3Q15). Notwithstanding, both the Camicado and Youcom operations turned in a thoroughly resilient performance when set against the backdrop of the current economic cycle and continued to make positive contributions to the business with sales growth of 15.6% and 90.7%, respectively.

Gross Profit from the Retailing Operations was R$ 676.6 million, a growth of 2.2% in relation to 3Q15. Gross Margin reached 53.7%, due to the well adjusted inventory levels. The quarter also benefited from the resumed deductions of social charges from payroll, improving Gross Margin by 0.6 p.p..

Operating Expenses (Selling, General and Administrative) were 40.4% of Net Revenue from Merchandise Sales, again largely due to the resumed collection of social charges on payroll as well as the rollout of a larger number of new stores in the period and the new Distribution Center in the state of Santa Catarina. The reduced sales in the quarter also impacted the ratio. If the resumed charging of social taxes to payroll is excluded, then Operating Expenses on a same stores basis would have decreased by 1.2%, an indication of the Company's strict control of expenses.

Adjusted EBITDA from the Retailing Operation was R$ 164.2 million, a decrease of 10.1% over 3Q15. The EBITDA Margin from the Retailing Operation was 13.0% (or 14.0%, again discounting the resumed charging of social taxes to payroll) versus 14.6% in the same period in 2015.

Meanwhile, the Result from Financial Products amounted to R$ 65.3 million, a growth of 36.5% in relation to 3Q15. This performance reflected improved credit quality, the result of initiatives implemented in the credit granting, credit limit updates and collection strategy. It should be pointed out here that Losses on the Renner Card, Net of Recoveries, were 3.3% of the portfolio, with an improvement against the 4.2% recorded in 3Q15.

Adjusted Total EBITDA was R$ 229.5 million, practically a flat result to 3Q15 (R$ 230.5 million), with an Adjusted Total EBITDA Margin of 18.2%. Again, if the effect of the resumed charging of social taxes to payroll is discounted, the Margin would have been 19.4% against 18.5% for 3Q15, a growth of 0.9 p.p., the result of the Company's focus on protecting operating margins and positive results from the Financial Products business.

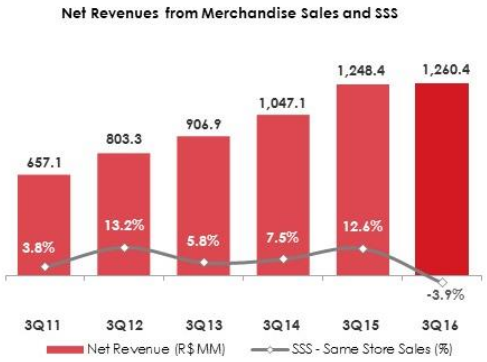
Finally, Net Income was R$ 84.9 million and the Net Margin, 6.7% against 7.7% in 3Q15, largely due to the writing down of assets (IT systems and equipment at the former Santa Catarina DC). Excluding this non-recurring effect, Net Income would have been R$ 92.3 million with a Net Margin of 7.3%.

The Company proceeded apace with its expansion plan during the quarter, opening 10 stores, 6 of them in the Renner format and 4 more under the Camicado banner. Investments amounted to R$ 106.8 million against R$ 166.8 million in 3Q15.

FINANCIAL PERFORMANCE

NET REVENUE

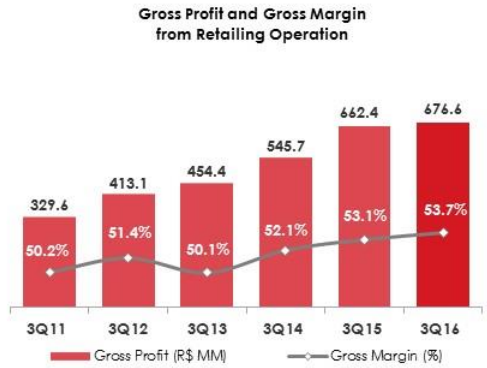
Net Revenue from Merchandise Sales in **3Q16**, reported year-on-year growth of **1.0%** reflecting the current economic scenario, with reduced traffic in malls, principally during the Olympic Games, higher levels of promotional activity in the market as a whole as well as below average temperatures for the period. The freezing of the operation during the upgrade process of ERPs at Renner and issues surrounding two brands of the women's segment similarly impacted results. Conversely, sales at Camicado and Youcom made a positive contribution ensuring that Lojas Renner as a whole again surpassed the Federal Statistics Office's Monthly Retailing Survey Index as per figures already published. In **3Q16**, **Same Store Sales were -3.9%** versus +12.6% in 3Q15.



In the **nine months, Net Revenue from Merchandise Sales** posted growth of **5.2%** while **Same Store Sales** were **0.1%**.

GROSS PROFIT

Gross Profit from Merchandise Sales in **3Q16** recorded growth of **2.2%** with **Gross Margin from the Retailing Operation** reaching **53.7%,** benefiting from better adjusted inventory and despite greater promotional activity in the market. The resumed charging of social taxes to payroll also positively impacted results by 0.6 p.p..

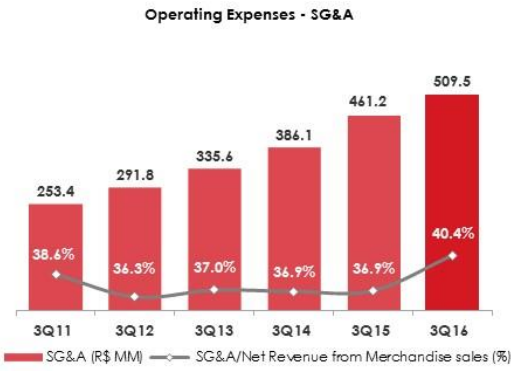


In **9M16**, **Gross Profit from Merchandise Sales** increased **7.7%** and the **Gross Margin from the Retail Operation** was **55.6%** against 54.3% in 9M15.

OPERATING EXPENSES

In the context of **Operating Expenses, Selling Expenses** represented **29.8%** of Revenue from Merchandise Sales due principally to payroll charges and to the greater number of stores opened. **General and Administrative Expenses** were **10.6%** of Revenue from Merchandise Sales, a reflection again of resumed charging of social taxes to payroll and overheads incurred at the new Distribution Center in Santa Catarina, which in 3Q15, was still not fully operational. Consequently, **Operating Expenses (SG&A)** increased **10.5%**, (4.7%, if social taxes charged to payroll are excluded), a reflection of the Company's strict control over expenses. For the first **nine months**, **Operating Expenses (SG&A)** recorded an increase of **13.4%**, although when excluding social charges to payroll, this increase would have been 7.9%.

Operating Expenses (R$ MM)	3Q16	3Q15	Var. %	9M16	9M15	Var. %
Operating Expenses (SG&A)	**(509.5)**	**(461.2)**	**10.5%**	**(1,508.3)**	**(1,329.5)**	**13.4%**
% Over Net Revenue from Merchandise Sales	**40.4%**	**36.9%**	**3.5p.p.**	**39.7%**	**36.8%**	**2.9p.p.**
Selling Expenses	(375.2)	(339.1)	**10.7%**	(1,122.7)	(990.4)	**13.4%**
General and Administrative Expenses	(134.3)	(122.1)	**9.9%**	(385.6)	(339.1)	**13.7%**
Other Operating Expenses	**(2.9)**	**(18.5)**	**-84.4%**	**(21.8)**	**(46.9)**	**-53.4%**
Management Remuneration	(2.6)	(2.3)	**13.7%**	(7.2)	(7.3)	**-0.9%**
Tax Expenses	(12.0)	(11.1)	**7.4%**	(34.2)	(30.7)	**11.3%**
Employee Profit Sharing	(3.1)	(8.9)	**-65.3%**	(17.3)	(32.2)	**-46.3%**
Recovery of Tax Credits	11.6	20.6	**-43.5%**	25.6	41.5	**-38.4%**
Other Operating Expenses	3.2	(16.7)	-	11.3	(18.2)	-
Total Operating Expenses	**(512.4)**	**(479.7)**	**6.8%**	**(1,530.1)**	**(1,376.4)**	**11.2%**

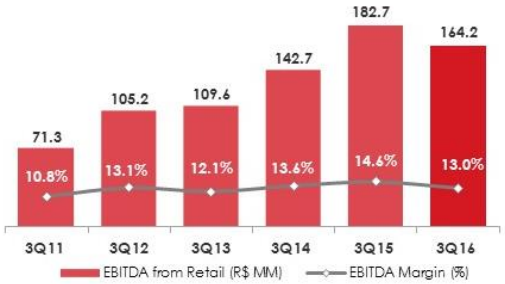


ADJUSTED EBITDA FROM THE RETAILING OPERATION

Notwithstanding the Company's rigid control of expenses, **Adjusted EBITDA from the Retailing** Operation posted a year-on-year **decline** of **10.1%** (-4.7% if the resumption of social charges on payroll is discounted), a reflection of weaker sales in the period, social charges on payroll and the greater number of stores which have been opened in recent quarters. The **Adjusted EBITDA Margin from Retailing** was **13.0%,** (14.0% if the charging of social taxes to payroll is not considered) against 14.6% in 3Q15.

In **9M16**, **Adjusted EBITDA from Retailing** registered a **decline** of **0.4%** while the **Adjusted EBITDA Margin from Retailing** was **15.3%** (16.2% if the resumed payment of social charges on payroll is excluded).

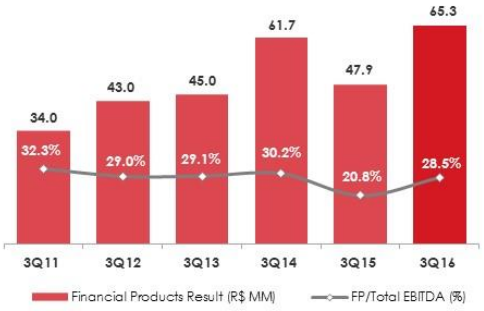
EBITDA and EBITDA Margin from Retailing Operation



FINANCIAL PRODUCTS RESULT

Financial Products Result Breakdown (R$ MM)	3Q16	3Q15	Var. %	9M16	9M15	Var. %
Revenues, Net of Funding and Taxes	**175.0**	**161.5**	**8.3%**	**508.0**	**481.5**	**5.5%**
Renner Card (Private Label)	82.5	81.6	**1.1%**	240.6	254.7	**-5.5%**
Co-branded Card Meu Cartão	63.9	51.1	**24.9%**	181.5	142.9	**27.0%**
Quick Withdrawal and Insurances	28.6	28.8	**-0.8%**	85.9	83.9	**2.4%**
Credit Losses, Net of Recoveries	**(68.8)**	**(76.3)**	**-9.8%**	**(196.5)**	**(196.2)**	**0.2%**
Renner Card (Private Label)	(31.8)	(41.7)	**-23.6%**	(92.3)	(111.6)	**-17.3%**
Co-branded Card Meu Cartão	(30.3)	(22.8)	**32.8%**	(77.3)	(55.3)	**39.7%**
Quick Withdrawal	(6.7)	(11.9)	**-43.2%**	(27.0)	(29.3)	**-7.9%**
Operating Expenses *(Cards and Other Products)*	**(40.9)**	**(37.4)**	**9.3%**	**(123.1)**	**(115.4)**	**6.6%**
Financial Products Result	**65.3**	**47.9**	**36.5%**	**188.4**	**169.9**	**10.9%**
% of Company's Total Adjusted EBITDA	28.5%	20.8%	7.7p.p.	24.4%	22.5%	1.9p.p.

Financial Products Result

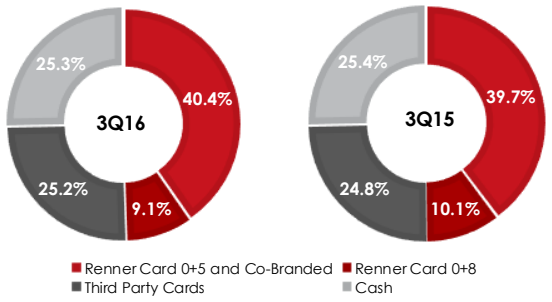


The **Result from Financial Products** in **3Q16** amounted to **R$ 65.3 million, growth** of **36.5%**, against 3Q15, representing **28.5%** of the Company's Total EBITDA as a result of an improvement in revenue flows and lower levels of losses on Renner Card business. Operating expenses rose 9.3% compared with 3Q15, again principally due to the resumed charging of social taxes to payroll and to new projects, among which, the incorporation of the Financial Institution and the establishment of the new Financial Products platform. In the first **nine months**, the **Result from Financial Products** totaled **R$ 188.4 million,** representing **24.4%** of Total EBITDA.

Revenues, Net of Funding and Taxes, were **8.3%** higher than the same period in 2015, largely driven by growth of the Co-branded Meu Cartão. Revenue from the Private Label card, in turn, have already seen a recovery now that there is year-on-year comparability in terms of taxes charged (PIS and COFINS) and in the light of initiatives taken early on in 2016. Nevertheless, this item continues to be depressed by the reduction in average term of receivables and the declining share of total sales using the interest-bearing 0+8 installment credit plan, basically reflecting customer preferences away from this source of credit. **Credit Losses, Net of Recoveries** are also worthy of mention in the light of a **decrease** of **9.8%** in relation to 3Q15, results of improved recoveries as well as lower loss provisions, given current sales performance.

In **9M16**, **Revenues, Net of Funding and Taxes** increased **5.5%** in relation to 9M15 and **Credit Losses, Net of Recoveries** recorded stability.

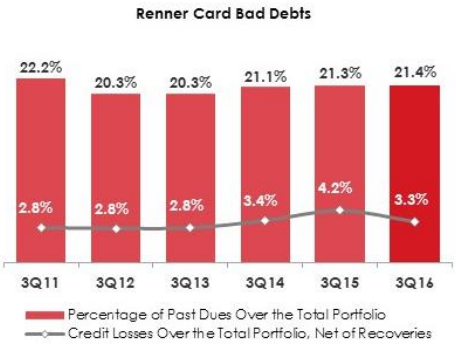
Payment Conditions (%)

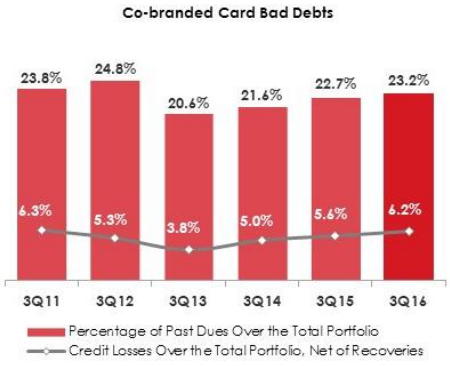


At the end of **September, Renner Cards** issued by the Company totaled **26.9 million**, accounting for a **49.5%** share of merchandise sales compared with 49.8% in 3Q15, **40.4%** from sales under the **interest-free 0+5 installment plan** and **9.1%** under the **interest-bearing 0+8 installment credit plan.**

The **average Renner Card sales ticket** reached **R$ 182.03** in **3Q16**, **2.3%** greater than 3Q15. On the other hand, the **Company's average ticket** was **R$ 134.70**, **3.1%** higher than 3Q15.

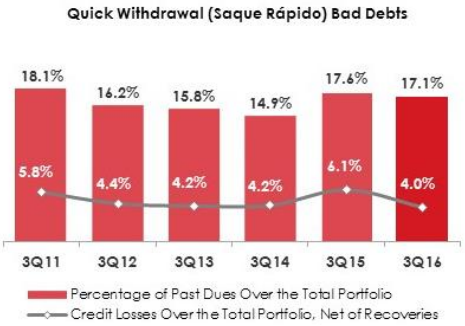
Losses on Renner Card business, Net of Recoveries were **3.3%** of the total portfolio in **3Q16,** versus 4.2% in 3Q15, due to measures and strategies adopted in recent years involving restrictions on the concession of new credit, maintenance of credit limits as well as a more efficient collection system, which also contributed to maintaining the level of portfolio coverage.





In **September 2016**, **Meu Cartão** reached **2.5 million cards** and a total **portfolio of R$ 492.1 million,** reflecting growth of **20.5%** compared with the portfolio in September 2015**.** In the **quarter**, revenue from the product was **R$ 63.9 million, 24.9%** greater than reported in 3Q15. **Losses from the Co-branded Meu Cartão, Net of Recoveries**, were **6.2%** on the total portfolio in **3Q16** against 5.6%, mainly due to slower portfolio growth and a slight increase in loss levels, a reflection of the characteristics of the product which is more sensitive to the macro-economic climate.

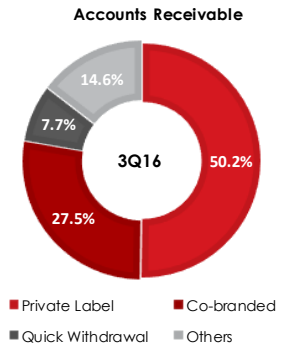
The **total Quick Withdrawal (*Saque Rápido)* portfolio** amounted to **R$ 167.1 million** at the end of **September 2016** (R$ 114.7 million when adjusted to present value) against R$ 194.3 million in 3Q15, equivalent to a year-on-year decrease of 14.0%, and representing 10.3% of the Total Financial Products Portfolio. Despite the reduction in the portfolio, **Losses from Saque Rápido, Net of Recoveries**, in **3Q16**, declined from 6.1% to **4.0%** of the total portfolio due to greater restrictions on the concession of loans and improved collection efficiency.



Operational Expenses on Financial Products were **R$ 40.9 million**, an increase of 9.3% against 3Q15, principally due to the resumed charging of social taxes to payroll and to new projects. In the **nine months**, these **expenses amounted to R$ 123.1 million,** a rise of 6.6%.

Accounts Receivable (R$ MM)	Sep.16	Dec.15	Sep.15
Renner Card (Private Label) - Total Portfolio (Adjusted to Present Value)	**961.5**	**1,270.5**	**990.7**
Renner Card (Private Label) - Net Portfolio	**854.0**	**1,135.1**	**883.0**
On Due Receivable	781.5	1,145.2	804.0
Overdue Receivable	205.4	162.2	210.9
Present Value Adjustment	(25.5)	(36.9)	(24.2)
Allowance for Losses to the Realizable Value	(62.0)	(75.0)	(63.9)
Others	(45.4)	(60.4)	(43.8)
Meu Cartão (Co-Branded) - Total Portfolio	**492.1**	**455.2**	**408.3**
Meu Cartão (Co-Branded) - Net Portfolio	**468.2**	**435.1**	**389.4**
On Due Receivable	378.0	374.4	315.5
Overdue Receivable	114.1	80.8	92.7
Allowance for Losses to the Realizable Value	(23.8)	(20.1)	(18.8)
Quick Withdrawal - Total Portfolio	**167.1**	**179.3**	**194.3**
Quick Withdrawal - Net Portfolio	**130.6**	**143.2**	**159.5**
Fees and Transactions Receivable	167.1	179.3	194.3
Allowance for Losses to the Realizable Value	(36.5)	(36.1)	(34.8)
Total Third-Party Credit Card Companies	**247.8**	**405.0**	**232.6**
Other Accounts Receivable	**1.7**	**1.4**	**6.1**
Total Credit Portfolio, Net	**1,702.3**	**2,119.8**	**1,670.8**

As of **September 30, 2016**, **Customer Accounts Receivable** totaled **R$ 1,702.3 million**, **1.9% more** than the position in September 2015. This increase is in line with sales growth in the period and breaks down into R$ 854.0 million for the Renner Card (Private Label), R$ 468.2 million for Meu Cartão (Co-Branded) and R$ 130.6 million for *Saque Rápido*. Third Party Card Companies and Other Accounts totaled R$ 249.5 million.

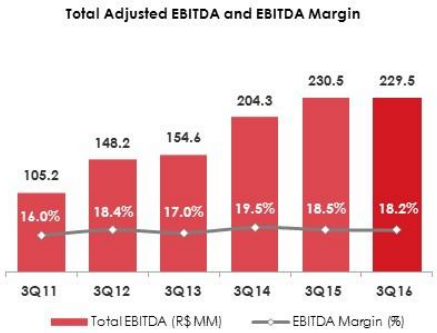


ADJUSTED TOTAL EBITDA: RETAIL + FINANCIAL PRODUCTS

In **3Q16**, **Adjusted Total EBITDA** posted a slight decrease of **0.4%,** equivalent to an **Adjusted Total EBITDA Margin** of **18.2%,** practically in line with the margin reported in 3Q15, a reflection of the Company's rigid control of expenses and positive results from Financial Products. If the resumed charging of social taxes to payroll is excluded, the **Adjusted Total EBITDA Margin** would have been **19.4%**, exceeding the margin in 3Q15 by 0.9 p.p., and reflecting the Company's focus on conserving operational margins and the good results of the Financial Products business.

In **9M16**, the **Adjusted Total EBITDA** registered **an increase** of **2.1%** and **Adjusted Total EBITDA Margin** was **20.3%**.

EBITDA Reconciliation (R$ MM)	3Q16	3Q15	9M16	9M15
Net Income	**84.9**	**96.0**	**325.2**	**327.3**
(+)Income and Social Contribution Taxes	21.8	33.8	108.2	133.1
(+)Financial Result, Net	26.2	26.9	77.4	80.7
(+)Depreciation and Amortization	78.6	68.2	228.9	193.3
Total EBITDA	**211.5**	**224.9**	**739.8**	**734.4**
(+) Stock Option Plan	5.8	5.5	18.3	19.5
(+) Result on Disposal or Write-Off of Fixed Assets	12.2	0.1	13.3	1.6
Total Adjusted EBITDA*	**229.5**	**230.5**	**771.4**	**755.5**
Total Adjusted EBITDA Margin*	18.2%	18.5%	20.3%	20.9%



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

CASH FLOW

Cash Flow (R$ MM)	3Q16	3Q15	Var.	9M16	9M15	Var.
Total Adjusted EBITDA	**229.5**	**230.5**	**(1.0)**	**771.4**	**755.5**	**15.9**
(+/-) Income and Social Contribution Taxes/Others	(68.7)	(64.5)	(4.2)	(139.8)	(183.6)	43.8
Operating Cash Flow	**160.8**	**166.0**	**(5.2)**	**631.6**	**571.9**	**59.6**
(+/-) Changes in Working Capital	**38.3**	**40.7**	**(2.5)**	**46.2**	**(79.9)**	**126.1**
Accounts Receivable, Net of Operating Financing	100.3	86.8	13.5	439.6	334.3	105.3
Inventories	(87.5)	(75.4)	(12.1)	(166.0)	(151.3)	(14.7)
Suppliers	6.9	27.8	(20.9)	(12.0)	(43.8)	31.8
Other Accounts Receivable/Payable	18.6	1.5	17.1	(215.4)	(219.1)	3.7
(-) Capex	**(105.4)**	**(166.8)**	**61.4**	**(317.0)**	**(384.9)**	**67.9**
(=) Free Cash Flow	**93.6**	**40.0**	**53.6**	**360.8**	**107.2**	**253.6**

In **3Q16**, the Company generated a **Free Cash Flow** of **R$ 93.6 million,** a positive variation of R$ 53.6 million, or 134.2% growth in relation to 3Q15. This performance is largely due to reduced investments in fixed assets.

In the **first nine months**, the **Free Cash Flow** was **R$ 360.8 million,** again with a positive variation of R$ 253.6 million in relation to 9M15, principally due to a reduced allocation of working capital, reflecting the lower pace of sales.

FINANCIAL RESULT, NET

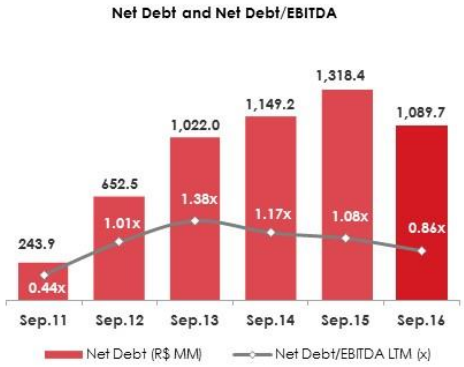
Financial Result, Net (R$ MM)	3Q16	3Q15	Var. %	9M16	9M15	Var. %
Financial Revenue	**18.6**	**13.5**	**37.7%**	**54.1**	**44.7**	**21.0%**
Gains on Cash Equivalents	17.9	13.3	**34.8%**	51.6	42.7	**21.0%**
Other finance revenues	0.7	0.2	**216.4%**	2.5	2.0	**20.5%**
Financial Expenses	**(39.4)**	**(42.9)**	**-8.2%**	**(126.4)**	**(131.3)**	**-3.7%**
Interest on Loans, Borrowings, Debentures and SWAP	(34.4)	(37.9)	**-9.4%**	(109.1)	(116.8)	**-6.5%**
Other Finance Expenses	(5.0)	(5.0)	**0.5%**	(17.3)	(14.5)	**19.5%**
Exchange Variation, Net	**0.2**	**0.8**	**-71.9%**	**(0.3)**	**3.5**	**-**
Hedge Operations (NDF), Net	**(5.7)**	**1.6**	**-**	**(4.7)**	**2.4**	**-**
Financial Result, Net	**(26.2)**	**(26.9)**	**-2.5%**	**(77.4)**	**(80.7)**	**-4.0%**

In **3Q16,** the Company reported **Net Financial Expenses** of **R$ 26.2 million**, a decrease of 2.5% in relation to 3Q15, largely due to a higher cash position in relation to the preceding year and to a reduction in debt servicing, the result of lower leverage.

In **nine months**, the **Net Financial Expenses** were **R$ 77.4 million**, presenting a decrease of 4.0%.

NET DEBT

Net Debt (R$ MM)	Set.16	Dec.15	Sep.15
Borrowings and Financing	**(989.2)**	**(1,057.1)**	**(1,032.3)**
Current	(594.1)	(317.3)	(290.7)
Noncurrent	(395.1)	(739.8)	(741.6)
Operational Financing	**(818.2)**	**(796.5)**	**(845.8)**
Current	(401.4)	(380.9)	(430.7)
Noncurrent	(416.9)	(415.6)	(415.1)
Cash and Cash Equivalents	**717.8**	**737.5**	**559.6**
Net Debt	**(1,089.7)**	**(1,116.1)**	**(1,318.4)**
Net Debt / Total Adjusted EBITDA (12M)	*0.86x*	*0.89x*	*1.08x*

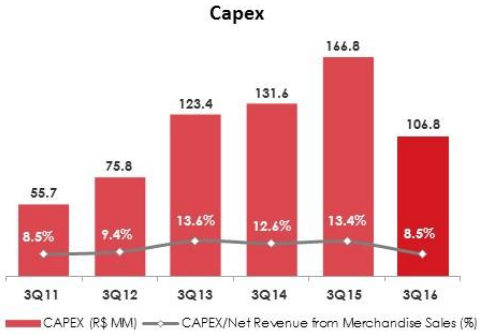


As of **September 30, 2016**, the Company's **Net Debt** was **R$ 1,089.7 million,** 2.4% less than the position on December 31, 2015 and 17.4% lower than in relation to 3Q15 - principally due to improved cash generation during the quarter. This debt reflects capital management decisions taken by the Company and is currently made up of debentures and by loans from the Brazilian Development Bank – BNDES and the Banco do Nordeste in addition to working capital lines extended to Camicado. Operational financing is dedicated to funding the Financial Products portfolios and its variation is a reflection of product volume financed.

Debt servicing charges related to Capital Management are booked to the Net Financial Result. Conversely, the costs of Operational Financing - linked to Financial Products - are reflected in the Operational Result.

INVESTMENTS (CAPEX)

CAPEX Summary (R$ MM)	3Q16	3Q15	9M16	9M15
New Stores	42.3	40.3	130.2	123.1
Remodeling of Installations	24.3	69.7	85.6	139.7
IT Equipament & Systems	31.3	33.8	114.5	77.5
Distribution Centers	1.2	21.2	7.8	41.3
Others	7.7	1.8	14.1	3.2
Total	**106.8**	**166.8**	**352.4**	**384.8**



In **3Q16**, **Investments** in fixed assets totaled **R$ 106.8 million**. Out of this amount, a total of R$ 42.3 million was dedicated to opening new stores, R$ 24.3 million to store modernization, R$ 31.3 million to IT Systems and Equipment as well as a further R$ 1.2 million to the Distribution Centers and R$ 7.7 million in Others. In the **quarter**, **10 stores were opened**, 6 in the Renner format together with 4 Camicado, all store openings part of the Company's continued expansion plan.

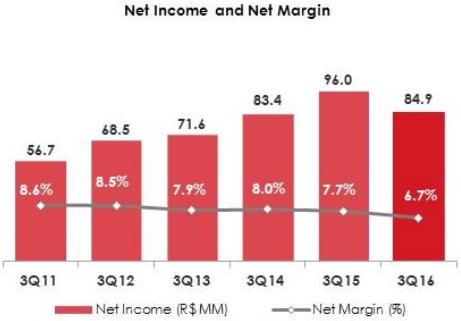
In **9M16**, **Investments** in fixed assets amounted to **R$ 352.4 million,** with the **rolling out of 38 stores**, 15 of them in the Renner format and a further 8 Camicado and 15 Youcom stores.

As of **September 2016**, **Renner** operated **290 stores** and **Youcom, 52 stores**, with a total selling area of **519.7 thousand m²** and **8.1 thousand m²**, respectively. In turn, **Camicado's** network of stores amounted to **76** with an aggregate selling area of **33.8 thousand m²**.

Depreciation and Amortization expenses totaled **R$ 78.6 million** in **3Q16**, a year-on-year variation of 15.2%. This increase is predominantly due to the larger number of stores in accordance with the Company's expansion plan currently being implemented. **9M16 Depreciation and Amortization** expenses were **R$ 228.9 million.**

NET INCOME

Lojas Renner posted **Net Income** in **3Q16** of **R$ 84.9 million, a decline of 11.5%** compared with 3Q15, equivalent to a **Net Margin** of **6.7%** against 7.7% in 3Q15, both results due principally to the non-recurring effect of the writing down of assets (IT systems and equipment of the former Santa Catarina DC). Excluding this effect, **Net Income** would have been **R$ 92.3 million**, a **decrease** of **3.8%**, with **Net Margin** of **7.3%**. In the first **nine months of 2016**, **Net Income** was **R$ 325.2 million** on a **Net Margin** of **8.6%**.



DIVIDENDS

In **3Q16**, Lojas Renner credited Shareholders with dividends in the form of **Interest on Capital** amounting to **R$ 44.8 million**, corresponding to **R$ 0.0698 per share** and based on a total of 642,253,325 common shares, net of shares held as treasury stock.

In the **first nine months**, the Company credited dividends in the form of **Interest on Capital** totaling **R$ 126.7 million**, corresponding to **R$ 0.1976 per share.**

EXPLANATORY NOTES

*(*In thousands of Brazilian reais – R$*)*

1 OPERATIONS

Lojas Renner S.A. (the "Parent Company") is mainly engaged in retail sales of clothing, sportswear, accessories and perfumery in the domestic market. The Parent Company and its subsidiaries (together, "the Company" or Consolidated) are also engaged in the retail business of household appliances, bedding and bath, furniture and home decor products, import of goods, investments in other companies, exercising control or investing on a permanent basis with significant investment in its capital, as a partner or shareholder, as well as the administration of its own assets and the realization of various projects, either alone or jointly with other companies, intermediation of financial services, such as personal loans, financing of purchases, insurance and capitalization certificates, private label credit card, and other activities.

The Parent Company is a corporation with head office in Porto Alegre, state of Rio Grande do Sul, listed on the São Paulo Futures, Commodities and Securities Exchange ("BM&FBOVESPA": LREN3).

2 SUBSIDIARIES

The Company's consolidated financial statements include the following subsidiaries:

			Direct/Indirect interest	
Companies	**Host country**	**Currency**	**9/30/2016**	**12/31/2015**
Dromegon Participações Ltda. ("Dromegon")	Brazil	BRL	100.00%	100.00%
Renner Administradora de Cartões de Crédito Ltda. ("RACC")	Brazil	BRL	100.00%	100.00%
Maxmix Comercial Ltda. ("Camicado")	Brazil	BRL	100.00%	100.00%
Fashion Business Comércio de Roupas Ltda. ("Youcom")	Brazil	BRL	100.00%	100.00%
Lojas Renner Shanghai Trading Co. Ltd ("LRS")	China	RMB	100.00%	100.00%
(*) Realize Participações S.A	Brazil	BRL	100.00%	-
(**) Lojas Renner Uruguay S.A	Uruguay	UYU	100.00%	-
Specific purpose Company				
(***)Credit Rights Investment Fund (FIDC Lojas Renner)	Brazil	BRL	32.71%	33.76%

(*) In 2016, Lojas Renner S.A. paid-in capital in Realize Participações S.A.
(**)In May 2016, Lojas Renner S.A paid-in capital in Lojas Renner Uruguay SA
(***)Refers to percentage of subordinated quota interest (see note 9).

2.1 DROMEGON PARTICIPAÇÕES LTDA. ("DROMEGON")

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

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

RACC provides financial services for personal loans, by means of agreement for loan extension by financial institutions, providing conditions for Renner clients to obtain this type of personal loans. RACC also operates with cards under the brand Meu Cartão.

2.3 MAXMIX COMERCIAL LTDA. ("CAMICADO")

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

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

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

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

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

2.6 REALIZE PARTICIPAÇÕES S.A

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

2.7 LOJAS RENNER URUGUAY S.A. ("LRU")

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

3 BASIS FOR THE PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

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

The preparation of interim financial 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 (for further details, see note 5.2).

Except in relation to certain financial instruments measured at their fair values, the interim financial statements were prepared considering the historical cost as a basis of value (note no. 5.6).

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

These interim financial statements were approved by the Company's management on October 18, 2016.

4 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Consolidated and Individual interim financial statements are presented in Brazilian reais ("R$"), which is the functional currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

5 SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies are equally applicable to the Parent Company and the consolidated financial statements. These policies have been consistently applied in all periods presented.

5.1 ACCOUNTING POLICIES APPLICABLE TO CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries and consolidation principles

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

Balances and transactions between the consolidated entities, including balances and unrealized gains and losses on these transactions, when applicable, were eliminated. The accounting practices used by the subsidiaries were adjusted to ensure consistency with the accounting practices used by the Parent Company.

As established by CVM Instruction 408/04, the Company consolidates the financial statements of FIDC Lojas Renner, because the latter represents a Special purpose entity whose activities are substantially conducted according to the operational necessities of the Company, which is exposed to most of the risks and benefits related to this Fund as it is the owner of all the Fund's subordinated quotas.

Certain assets and liabilities and gains and losses on operations between the Company and the Fund were eliminated in the consolidation of FIDC Lojas Renner.

5.2 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management evaluates as critical accounting policies not only those that are significant to present the financial position and the results of operations but also those that require more difficult, subjective or complex judgments, usually as a result of the necessity of estimates involving the impact of inherently uncertain matters. These judgments become more subjective and complex as the number of variables and assumptions that affect the possible future resolution of the uncertainty increases. In the preparation of the consolidated financial statements, the Company has adopted variables and assumptions that are derived from historical experience and other factors that it believes are reasonable and relevant. Even though these estimates and assumptions may be revised by the Company in the ordinary course of its business, the balance sheet and the statement of income frequently require the use of judgment regarding the effects of inherently uncertain matters that affect the book values of its assets and liabilities. The actual results may vary from the estimates under different variables, assumptions and conditions.

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

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

5.2.1 Provisions tax, civil and labor risks

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

5.2.2 Provision for credit losses

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

5.2.3 Provision for inventory losses

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

5.2.4 Discount rate applied to adjustment to present value

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

5.2.5 Determination of stock options and financial instruments' fair values

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

5.2.6 Estimate for realization of deferred income and social contribution taxes

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

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

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

5.2.8 Evaluation of impairment of intangible assets with undefined useful life

To determine the recoverable value 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 considering the following assumptions: income, costs and expenses projected from 2016 to 2025, discount rate and growth rate at perpetuity, inflation rates, and shop opening schedule, among others. Based on these uncertainties, we considered evaluation of impairment of intangible assets with undefined useful lives as a critical accounting estimate that requires judgment.

5.3 PRESENTATION OF OPERATING SEGMENTS

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

5.4 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

Monetary assets and liabilities denominated and calculated in foreign currency on the balance sheet date are reconverted into the functional currency at the exchange rate on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the foreign exchange rate on the date the fair value was determined.

Foreign currency difference generated upon translation of the subsidiary's financial statements, whose function currency is not the Brazilian Real to presentation currency ("R$") are recognized in other comprehensive income and accumulated in equity valuation adjustments under shareholders' equity.

5.5 INCOME

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

5.5.1 Sale of goods – retail

The Company operates with a chain of retail outlets to trade its goods. Income from sales of goods is recognized in income upon the effective delivery of the goods to the client. Sales are payable at sight, in cash or by credit card, or through financing granted (note 35).

5.5.2 Sales of financial products and services

The Company carries out it´s own credit transactions and offers personal loans and sales financing by means of agreements with financial institutions. Operating income is recognized in income considering effective interest rate, throughout contract validity (note 35).

5.6 NON-DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

5.6.1 Non-derivative financial assets

5.6.1.1 Cash and cash equivalents

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

Cash equivalents are measured, after initial recognition, at fair value plus income earned up to balance sheet dates. In practice, fair value and amortized cost are equivalent, considering characteristics of cash equivalents, per definition.

Any losses or gains are recognized in income/loss.

5.6.1.2 Accounts Receivable

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

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

Fixed credit sale transactions were brought to present value on transactions date, considering terms and based on the Company's capital weighted average cost rate and credit risk rate, its receivables' portfolio specific costs and risks reflect on Management's evaluation. Contra-entry of credit sales' adjustment to present value is the clients' account (note 8) and its realization is recorded as sales income due to fruition term.

The Parent Company carries out accounts receivable securitization operations through the "FIDC Lojas Renner" (credit receivables investment fund), according to note 9.

Trade accounts receivable are initially recognized at fair value using the effective interest method, minus any impairment loss (note 8).

5.6.1.3 Effective interest rate method

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

5.6.1.4 Evaluation of recoverability of non-derivative financial assets

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

5.6.2 Non-derivative financial liabilities

5.6.2.1 Loans, financing and debentures

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

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

5.6.2.2 Accounts payable

Accounts payable are obligations due for assets or services acquired from suppliers in the normal course of businesses, and are classified as current liabilities if payment is due within one year.

It is initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method (Note 20).

5.7 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are recognized at fair value on the date in which they are contracted and, at period end, are re-measured at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative is or is not designated as a hedge instrument in cases of adoption of hedge accounting. If that is the case, the method depends on the nature of the item that is being hedged. The Company adopts hedge accounting and assigns some derivatives as: cash flow hedge (note 28.5).

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

The liability at fair value of derivative financial instruments is disclosed in accompanying note 28.5. Changes in cash flow hedge values are presented in "Statements of comprehensive income".

5.7.1 Cash Flow Hedge

The Company only applies cash flow hedge accounting to protect itself against foreign exchange variation risk deriving from import orders not yet paid (note 28.5.1).

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

5.7.2 Swap e Non-Deliverable Forward (NDF)

Swap e Non-Deliverable Forward (NDF), not designed for hedge accounting, respective gains or losses are recognized in the financial result.

5.8 ADJUSTMENT TO PRESENT VALUE

Fixed credit purchase and sale transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital cost plus credit risk, in case of clients. Interest rate used to calculate credit sales' adjustment to present value was 2.02% p.m. (1.84% p.m. on 12/31/2015) and reflects, in Management´s evaluation, costs and risks that are specific of its receivables' portfolio. Interest rate used to calculate credit purchases' adjustment to present value was 1.05% p.m. (0.99% p.m. on 12/31/2015).

Adjustment of purchases to present value is recorded in supplier and inventories accounts and contra-entry of its reversal is in account sales cost, due to fruition of term in case of suppliers, and due to realization of inventories in relation to amounts recorded in it. Contra-entry of credit sales' adjustment to present value is the clients' account (note 8) and its realization is recorded as sales income due to fruition term.

5.9 INVENTORIES

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

Inventories are stated at weighted average cost and deducted from provision to adjust them to net realizable values, when applicable. Provisions are an estimate of losses considering last inventories' history.

5.10 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

They are recorded at the cost of acquisition, formation or installation of stores, deducted from accumulated depreciation or amortization. Depreciation or amortization is calculated at the straight-line method at rates that consider estimated useful lives of assets, as described in notes 13 and 14. The Company reviews property, plant and equipment and intangible assets to verify possible losses, as described in note 5.11. The Company periodically reviews economic useful lives of its property and equipment and intangible assets.

Any gains and losses on disposal a property and equipment item are recognized in income (loss).

5.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

5.12 PROVISIONS

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

5.13 CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

5.13.1 Current taxes

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

5.13.2 Deferred taxes

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

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

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

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

5.14 BENEFITS TO DIRECTORS, OFFICERS AND EMPLOYEES

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

5.14.1 Profit sharing

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

5.14.2 Stock option plan

The Company approved a stock option plan for selected officers and executives, offering them the possibility of acquiring the Company's shares in the form and at conditions described in the plan. Fair value of granted stock options is calculated at the date of respective grant using the Black&Scholes model. Expense is recorded at a "*pro rata temporis*" basis, which starts on grant date and ends on the date in which the beneficiary acquires the right to exercise the option (note 32).

5.14.3 Restricted stock plan

The Company approved a restricted stock plan for selected officers, executives and employees, offering them the possibility of acquiring restricted stock in the form and at conditions described in the plan (note 33). Expense is recorded at a pro rata temporis basis, which starts on grant date and ends on the date in which the Company transfers the right of shares to the beneficiary. Expenses corresponds to the amount of issued shares multiplied by the share price on the grant date. The provision of social security contributions is updated monthly according to the closing price of the Company.

5.15 DISTRIBUTION OF DIVIDENDS AND INTEREST ON OWN CAPITAL

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

The fiscal benefit of interest on own capital is recognized in the income statement (Note 11.4).

5.16 FINANCIAL LEASE PAYABLE

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

Financial lease contracts are recognized in the balance sheet at the lower of leased asset fair value and present value of minimum lease payments. Contracts are accounted for as property, plant and equipment or intangible asset and a financing liability, and assets are subject to depreciation or amortization over the asset's economic useful live (notes 13, 14 and 19) or according to lease contract term, when this is lower.

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

5.17 STATEMENT OF ADDED-VALUE

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

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

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

The early adoption of standards, although encouraged by the IASB, is not allowed in Brazil by the Committee of Accounting Pronouncements (CPC).

The following new standards and interpretations of standards were issued by the IASB but are not in force for the period 2016.

- IFRS 9, "Financial Instruments", issued in November 2009, IFRS 9 introduces new requirements for classification and measurement of financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. It also brings a new expected credit losses model to replace current incurred losses model. IFRS 9 gives greater flexibility to hedge effectiveness requirements, requires an economic relation between hedged asset and hedging instrument, and that hedging rate be the same as the one Management uses for risk management purposes. The standard is applicable as of January 1, 2018. The Company is evaluating impacts of application of this rule.

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

- IFRS 16, "Lease", issued in January 2016. The purpose of this rule is to unify lease accounting model, requiring lessees to recognize as asset or liability all lease contracts, unless the contract term is 12 months or contract has immaterial value. The standard is applicable as of January 1, 2019. The Company is evaluating impacts of application of this rule.

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

7 CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Cash and banks	44,312	82,272	61,774	93,494
CDB (a)	99,525	82,304	119,856	140,337
Repurchase agreements backed by debentures (b)	271,064	273,670	323,000	287,726
National Treasury Bills (c)	-	-	98,745	96,253
Fixed-income Fund FIDC (d)	26,166	36,254	-	-
Short-term FIDC investments (e)	110,037	100,160	110,037	100,160
Investment fund - BACEN Jude (f)	1	15	1	15
CDB (g)	3,154	18,849	4,362	19,542
Total	**554,259**	**593,524**	**717,775**	**737,527**

a) Bank Deposit Certificates (CDB's), whose average yield pegged to CDI was 101.91% in the Parent Company and in Consolidated (101.08% as of December 31, 2015 in Parent Company and 101.39% in Consolidated).

b) Repurchase and resale commitments whose average yield pegged to CDI was 103.4% in Parent Company and 103.13% in Consolidated (102.23% in Parent Company and 101.95% in Consolidated as of December 31, 2015).

c) FIDC Lojas Renner financial investments are in National Treasury Bills (LTN and LTF). Average yield pegged to CDI was equivalent to 95.41% (100.03% as of December 31, 2015).

d) Balance of the Parent Company's investments in "FIDC Lojas Renner".

e) "Brasil Plural Crédito Privado Retail FIRF" Fund investments are invested in fixed income. Average yield pegged to CDI was equivalent to 103.36% in Parent Company and Consolidated (101.80% as of December 31, 2015 in Parent Company and Consolidated).

f) Investment fund created for judicial retentions made Brazilian Central Bank, when necessary, presented average annual yield of 68.40 % of the CDI in the Parent Company and in the Consolidated (66.58% in the Parent Company and in the Consolidated on December 31, 2015).

g) Automatic investments (Product Aplic AUT Itaú), whose average yield is 10% of the CDI variation (10% of the CDI variation on December 31, 2015).

The Company's exposure to interest rate risks for financial assets and liabilities is disclosed in Note 27.1.1.

8 ACCOUNTS RECEIVABLE

Private label - Renner	9/30/2016	12/31/2015
Not yet due		
Falling due within 1 to 30 days	247,576	251,988
Falling due within 31 to 60 days	197,711	271,249
Falling due within 61 to 90 days	139,055	213,673
Falling due within 91 to 120 days	92,011	157,049
Falling due within 121 to 150 days	55,798	125,522
Falling due within 151 to 180 days	25,286	62,835
Falling due over 180 days	24,065	62,886
Overdue		
Overdue from 1 to 30 days	84,005	54,706
Overdue from 31 to 60 days	32,262	23,852
Overdue from 61 to 90 days	23,109	20,601
Overdue from 91 to 180 days	66,037	63,072
	986,915	**1,307,433**
Adjustment to present value	(25,462)	(36,917)
Provision for losses on receivables - Retail	(62,010)	(74,969)
Accounts receivable - FIDC Lojas Renner	(532,406)	(549,497)
Unappropriated income - securities assigned – FIDC Lojas Renner	(44,763)	(60,271)
Credit balance positions	(721)	(132)
Total private label - Renner	**321,553**	**585,647**
Third-party credit card managers		
Falling due within 1 to 30 days	115,903	207,781
Falling due within 31 to 60 days	60,525	100,818
Falling due over 60 days	24,647	50,985
Adjustment to present value - third-party cards	(9,801)	(15,459)
Total third-party credit card managers	**191,274**	**344,125**
Personal loans		
Commissions and transactions receivable	43,347	46,994
Provision for losses on receivables - Personal loans	(36,496)	(36,122)
Total personal loans	**6,851**	**10,872**
Accounts receivable - co-branded card	49,650	48,588
Other accounts receivable	467	758
Total Parent Company	**569,795**	**989,990**
Third-party credit card administrators - Subsidiaries		
Falling due within 1 to 30 days	27,259	28,265
Falling due within 31 to 60 days	14,178	15,060
Falling due over 60 days	15,074	17,540
Total third-party credit card administrators - Subsidiaries	**56,511**	**60,865**
Personal loans - RACC		
Commissions and transactions receivable	123,793	132,389
Total personal loans - RACC	**123,793**	**132,389**
Co-branded card - RACC		
Not yet due	378,020	374,417
Overdue	114,064	80,808
Provision for losses on receivables - co-branded card	(23,836)	(20,151)
Total co-branded card - RACC	**468,248**	**435,074**
Other receivables		
Accounts receivable - FIDC Lojas Renner	532,406	549,497
Accounts receivable - co-branded card - associates	(49,650)	(48,588)
Other	1,236	609
Total other accounts receivable	**483,992**	**501,518**
Total Consolidated	**1,702,339**	**2,119,836**

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

Changes in the provision for losses are as follows:

	Parent Company			Consolidated	
	Private Label	Personal Loans	Total	Co-branded card	Total
On 1/1/2015	**(58,878)**	**(27,189)**	**(86,067)**	**(11,926)**	**(97,993)**
(-) Provisions/(+) Reversals	(223,771)	(52,694)	(276,465)	(104,030)	(380,495)
Write-offs	207,680	43,761	251,441	95,805	347,246
On 12/31/2015	**(74,969)**	**(36,122)**	**(111,091)**	**(20,151)**	**(131,242)**
(-) Provisions/(+) Reversals	(137,707)	(37,533)	(175,240)	(103,845)	(279,085)
Write-offs	150,666	37,159	187,825	100,160	287,985
On 9/30/2016	**(62,010)**	**(36,496)**	**(98,506)**	**(23,836)**	**(122,342)**

In the Consolidated, the Company has allowances for credit risks to all the clients with past-due credits, in accordance with the history of losses at each level of delay, in the total amount of R$ 122,342, which correspond to approximately 34.42% of the total amount of past-due credits (44.27% as of December 31, 2015). The Company, based on the history of recovery of the portfolios, in the processes of credit and collection and analysis of the indicators of delinquency, understands that the remaining 66.58% for which there is no allowance recognized, will be received in the normal course of business.

The Company's exposure to the credit risk is disclosed in note 27.2.2.

9 INVESTMENT FUNDS IN CREDIT RIGHTS ("FIDC LOJAS RENNER")

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

The shareholding structure of FIDC Lojas Renner, on September 30, 2016, is subdivided into: 16.8 thousand senior quotas held by third parties, in the amount of R$ 428,177, representing 67.29% of FIDC Lojas Renner; and 7.3 thousand subordinated quotas held by the Parent Company, in the amount of R$ 208,166 (of which R$ 26,166 are presented as cash and cash equivalents and R$ 182,000 as noncurrent assets of FIDC Lojas Renner).

The regulation of FIDC Lojas Renner defines that subordinated quotas should represent at least 30% of the shareholders' equity. If this percentage is below 30%, the subordinated quotas should be immediately paid up by Lojas Renner S.A. in order to stay within the minimum ratio. On September 30, 2016, the subordinated quotas represent 32.71% of FIDC Lojas Renner's shareholders' equity. The subordinated quotas do not have remuneration target.

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

The credit receivables securitization operations performed by the Parent Company for FIDC Lojas Renner (represented by sales with payment in installments and financing of delinquent clients) total R$ 532,406 as of September 30, 2016 (R$ 549,497 as of December 31, 2015).

The balance of costs incurred by the Parent Company for the issuance of FIDC Lojas Renner totals R$ 5,082 as of September 30, 2016, and will be recorded in income/loss (cost of financial services) over the duration of the fund, according to the internal rate of return (IRR) of the funding of. In the individual financial statements, this cost is presented in the balance sheet as prepaid expenses and in the consolidated statement as a reducer of the financings - financial service operations.

On September 30, 2016, FIDC Lojas Renner's balance sheet is as follows:

Assets	**9/30/2016**	**12/31/2015**
Cash equivalents	98,745	96,253
Accounts receivable	532,406	549,497
Other accounts receivable	5,415	929
Total assets	**636,566**	**646,679**
Liabilities		
Accounts payable	223	243
Equity	636,343	646,436
Total liabilities and equity	**636,566**	**646,679**

The remuneration target of senior quotas is calculated based on the CDI rate plus spread of 1.08% p.a., as set forth in the regulation of the Fund. As of September 30, 2016 the balance to be redeemed totals R$ 428,177 (R$ 428,182 as of December 31, 2015).

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

10 INVENTORIES

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Goods for resale	649,881	502,134	754,938	584,694
Adjustment to present value	(16,689)	(11,807)	(16,689)	(11,807)
Provision for losses	(41,438)	(47,588)	(43,756)	(51,410)
Goods for resale, net	**591,754**	**442,739**	**694,493**	**521,477**
Imports in transit	68,644	87,742	80,755	92,789
Advances to suppliers	7,166	1,981	7,166	1,981
Auxiliary materials and warehouse	4,376	4,241	6,144	6,287
Total	**671,940**	**536,703**	**788,558**	**622,534**

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

	Parent Company	Consolidated
On January 1, 2015	**(31,263)**	**(32,219)**
(+/-) (Provision) reversal for losses	(63,349)	(67,853)
(-) Actual loss	47,024	48,662
On December 31, 2015	**(47,588)**	**(51,410)**
(+/-) (Provision) for losses	(42,421)	(43,856)
(-) Actual loss	48,571	51,510
On September 30, 2016	**(41,438)**	**(43,756)**

11 INCOME AND SOCIAL CONTRIBUTIONS TAXES AND RECOVERABLE TAXES

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

	Parent Company				Consolidated			
	9/30/2016		12/31/2015		9/30/2016		12/31/2015	
Deferred tax assets (liabilities)	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Provision for losses on receivables	98,506	98,506	111,091	111,091	122,342	122,342	131,242	131,242
Adjustment to present value	47,630	47,630	61,710	61,710	47,630	47,630	61,710	61,710
Provision for tax risks	27,629	27,629	27,233	27,233	32,687	32,687	31,243	31,243
Provision for civil and labor risks	31,653	31,653	29,417	29,417	32,899	32,899	29,866	29,866
Provision for losses on inventories	41,438	41,438	47,588	47,588	43,756	43,756	51,410	51,410
Provisão para participação de empregados	17,144	17,144	38,712	38,712	17,144	17,144	42,998	42,998
Goodwill on acquisition of equity interest	-	-	-	-	(11,754)	(11,754)	3,235	3,235
Income tax and social contribution losses (i)	-	-	-	-	104,404	104,064	67,600	67,859
Carrying value adjustments - hedge	68,785	68,785	(96,583)	(96,583)	75,165	75,165	(96,919)	(96,919)
Appreciation of assets	-	-	-	-	(30,331)	(30,331)	(30,959)	(30,959)
Finance leases	-	-	(5,124)	(5,124)	-	-	(5,124)	(5,124)
Other provisions	23,143	22,460	2,640	2,000	24,906	24,220	1,738	1,095
Total	**355,928**	**355,245**	**216,684**	**216,044**	**458,848**	**457,822**	**288,040**	**287,656**
Combined tax rate	25%	9%	25%	9%	25%	9%	25%	9%
Income tax and social contribution deffered	**88,982**	**31,972**	**54,171**	**19,444**	**114,712**	**41,204**	**72,010**	**25,889**

11.1 DEFERRED TAXES CALCULATION BASIS

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

11.2 CHANGES IN DEFERRED TAXES

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

	Parent Company	Consolidated
On January 1, 2015	**77,931**	**95,670**
(+/-) Income tax expense recognised in result	18,633	25,240
(+/-) Recognised in other comprehensive income	(22,949)	(23,011)
On December 31, 2015	**73,615**	**97,899**
(+/-) Income tax expense recognised in result	(8,887)	(493)
(+/-) Recognised in other comprehensive income	56,226	58,510
On September 30, 2016	**120,954**	**155,916**

11.3 REALIZATION OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION IN ASSETS

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

Period	Parent Company	Consolidated
2016	25,557	29,507
2017	84,317	95,771
2018	5,915	10,224
2019	1,879	9,599
2020 onwards	3,286	25,124
Total	**120,954**	**170,225**

11.4 ANALYSIS OF THE EFFECTIVE RATE FOR THE INCOME AND SOCIAL CONTRIBUTION TAXES

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

	Parent Company			
	3Q16	9M16	3Q15	9M15
Profit before income tax and social contribution	**101,805**	**417,590**	**123,694**	**447,394**
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	**(34,614)**	**(141,981)**	**(42,056)**	**(152,114)**
Permanent (additions) exclusions				
Share-based compensation expenses	(1,967)	(6,208)	(1,869)	(6,633)
Equity in the results of subsidiaries	3,347	11,654	3,848	9,077
Interest on capital	15,244	43,080	10,143	27,301
Tax incentives (Worker's Meal Program (PAT))	377	1,508	721	2,210
Innovation incentiv e - Law 11,196/2005	-	-	2,243	2,243
Income tax and social contribution differences of subsidiaries	-	-	-	-
Other additions	706	(428)	(764)	(2,171)
Exempt portion of the 10% surtax	6	12	6	18
Income tax and social contribution in the result for the period	**(16,901)**	**(92,363)**	**(27,728)**	**(120,069)**
Current	(19,252)	(83,476)	(31,582)	(110,219)
Deferred	2,351	(8,887)	3,854	(9,850)
Effective tax rate	**16.60%**	**22.12%**	**22.42%**	**26.84%**

	Consolidated			
	3Q16	9M16	3Q15	9M15
Profit before income tax and social contribution	**106,656**	**433,470**	**129,733**	**460,412**
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	**(36,263)**	**(147,380)**	**(44,109)**	**(156,540)**
Permanent (additions) exclusions				
Share-based compensation expenses	(1,967)	(6,208)	(1,869)	(6,633)
Equity in the results of subsidiaries	-	-	-	-
Interest on capital	15,244	43,080	10,143	27,301
Tax incentives (Worker's Meal Program (PAT))	377	1,508	721	2,210
Innovation incentiv e - Law 11,196/2005	-	-	2,243	2,243
Income tax and social contribution differences of subsidiaries	55	1,127	327	1,022
Other additions	790	(400)	(1,235)	(2,726)
Exempt portion of the 10% surtax	12	30	12	36
Income tax and social contribution in the result for the period	**(21,752)**	**(108,243)**	**(33,767)**	**(133,087)**
Current	(26,152)	(107,750)	(41,288)	(130,214)
Deferred	4,400	(493)	7,521	(2,873)
Effective tax rate	**20.39%**	**24.97%**	**26.03%**	**28.91%**

11.5 COMPOSITION OF RECOVERABLE TAXES

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Income tax and social contribution	15,651	11,812	18,454	14,273
PIS/COFINS	8,367	4,081	9,048	4,706
ICMS	38,240	40,068	63,437	60,789
ICMS - PPE	57,228	63,079	62,301	65,967
Other taxes recoverable	1,713	849	1,826	1,501
Provision for losses	(228)	(498)	(228)	(498)
Total	**120,971**	**119,391**	**154,838**	**146,738**
Current assets	72,227	71,989	90,497	87,630
Non-current assets	48,744	47,402	64,341	59,108
Total	**120,971**	**119,391**	**154,838**	**146,738**

12 INVESTMENTS

The balance of investments is composed of R$ 469,478 (R$ 449,461 on December 31, 2015) in subsidiaries and R$ 50 in other investments (R$ 63 on December 31, 2015).

12.1 CHANGES IN INVESTMENTS IN SUBSIDIARIES

	Renner Adm, Cartões de Crédito	Dromegon Participações	Fashion Business Comércio de Roupas (Youcom)	Maxmix Comercial (Camicado)	Lojas Renner Shanghai Trading Co,	Realize Participações S/A	Lojas Renner Uruguay S/A (*)	Goodwill on readjustment of assets	Total
On January 1, 2015	**52,031**	**10,515**	**32,200**	**248,024**	**-**	**-**	**-**	**1,391**	**344,161**
Equity in the results of subsidiaries	49,205	5,884	(9,255)	1,787	(795)	-	-	-	46,826
Carrying value adjustments	-	-	70	49	260	-	-	-	379
Capital increase	-	-	22,510	40,000	1,514	-	-	-	64,024
Dividends	-	(5,878)	-	-	-	-	-	-	(5,878)
Realization of goodwill	-	-	-	-	-	-	-	(51)	(51)
On December 31, 2015	**101,236**	**10,521**	**45,525**	**289,860**	**979**	**-**	**-**	**1,340**	**449,461**
Capital in the amount/increase	-	-	27,060	47,000	-	1	356	-	74,417
Equity in the results of subsidiaries	43,259	4,514	(11,700)	(2,119)	415	-	(93)	-	34,276
Carrying value adjustments	-	-	(2,122)	(2,312)	(211)	-	5	-	(4,640)
Dividends	(84,000)	-	-	-	-	-	-	-	(84,000)
Realization of goodwill	-	-	-	-	-	-	-	(36)	(36)
On September 30, 2016	**60,495**	**15,035**	**58,763**	**332,429**	**1,183**	**1**	**268**	**1,304**	**469,478**

(*) The Board of Directors approved in May 2016 the constitution of subsidiary of Lojas Renner SA in Uruguay for future investments in opening stores in that country. In such context, the Company acquired total shares of Cantana SA, a pre-operational Company, for R$ 16, equivalent to costs of opening a company, and changed its name to Lojas Renner Uruguay SA. The operation in Uruguay will start with the opening of two stores in the second half of 2017 in the city of Montevideo, with the same standard of the Brazilian units, maintaining the positioning of Brazil.

12.2 SUMMARY OF THE FINANCIAL INFORMATION OF THE SUBSIDIARIES

							On 9/30/2016
	Renner Adm, Cartões de Crédito Ltda	Dromegon Participações	Fashion Business Comércio de Roupas Ltda,	Maxmix Comercial Ltda,	Lojas Renner *Shanghai Trading Inc Co,*	Realize Participações S/A	Lojas Renner Uruguay S/A
Current	704,989	8,166	20,189	186,887	2,116	1	273
Non-current	13,779	7,150	62,034	268,781	217	-	-
Total assets	**718,768**	**15,316**	**82,223**	**455,668**	**2,333**	**1**	**273**
Current	653,504	280	23,399	121,093	56	-	5
Non-current	4,750	-	60	2,146	1,093	-	-
Total liabilities	**658,254**	**280**	**23,459**	**123,239**	**1,149**	**-**	**5**
Equity	60,514	15,036	58,764	332,429	1,184	1	268
Total liabilities and Equity	**718,768**	**15,316**	**82,223**	**455,668**	**2,333**	**1**	**273**
Net revenue	206,874	4,663	47,657	230,109	3,423	-	-
Profit (loss) for the period	43,265	4,514	(11,700)	(2,119)	415	-	(93)
Interest in total capital	99.99%	99.99%	99.99%	100.00%	100.00%	100.00%	100.00%

					On 12/31/2015
	Renner Adm, Cartões de Crédito Ltda	Dromegon Participações	Fashion Business Comércio de Roupas Ltda,	Maxmix Comercial Ltda,	Lojas Renner *Shanghai Trading Inc Co,*
Current	708,618	1	19,096	167,987	3,348
Non-current	9,679	10,799	42,952	245,646	58
Total assets	**718,297**	**10,800**	**62,048**	**413,633**	**3,406**
Current	614,741	278	16,523	122,488	1,074
Non-current	2,307	-	-	1,286	1,353
Total liabilities	**617,048**	**278**	**16,523**	**123,774**	**2,427**
Equity	101,249	10,522	45,525	289,859	979
Total liabilities and Equity	**718,297**	**10,800**	**62,048**	**413,633**	**3,406**
Net revenue	228,852	6,856	41,722	294,751	4,613
Profit (loss) for the period	49,210	5,884	(9,255)	1,787	(795)
Interest in total capital	99.99%	99.99%	99.99%	100.00%	100.00%

13 PROPERTY AND EQUIPMENT

13.1 COMPOSITION

		Parent Company					
		9/30/2016			12/31/2015		
	Average annual rate of depreciation	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Buildings	-	288	-	288	288	-	288
Properties	2%	31,000	(2,583)	28,417	31,000	(2,118)	28,882
Furnishings, equip, facilities and improvements	10%	2,150,305	(887,457)	1,262,848	1,921,846	(759,964)	1,161,882
Vehicles	20%	2,148	(1,004)	1,144	1,871	(755)	1,116
Computers and peripherals	20%	160,591	(110,505)	50,086	151,535	(97,740)	53,795
Construction in progress	-	133,409	-	133,409	198,373	-	198,373
Total		2,477,741	(1,001,549)	**1,476,192**	2,304,913	(860,577)	**1,444,336**

		Consolidated					
		9/30/2016			12/31/2015		
	Average annual rate of depreciation	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Land	-	288	-	288	288	-	288
Buildings	3%	13,521	(5,867)	7,654	12,587	(5,829)	6,758
Properties	2%	31,000	(2,583)	28,417	31,000	(2,118)	28,882
Furnishings, equip, facilities and improvements	10%	2,294,298	(922,641)	1,371,657	2,034,664	(786,323)	1,248,341
Vehicles	20%	2,148	(1,004)	1,144	1,874	(755)	1,119
Computers and peripherals	20%	165,918	(113,364)	52,554	155,875	(100,151)	55,724
Construction in progress	-	142,162	-	142,162	204,592	-	204,592
Total		2,649,335	(1,045,459)	**1,603,876**	2,440,880	(895,176)	**1,545,704**

13.2 RECONCILIATION OF NET BOOK VALUE

	Parent Company										
Book value	**On 1/1/15**	**Additions**	**Transf.**	**Write-offs**	**Deprec.**	**On 12/31/15**	**Additions**	**Transf.**	**Write-offs**	**Deprec.**	**On 9/30/16**
Land	288	-	-	-	-	288	-	-	-	-	288
Properties	29,502	-	-	-	(620)	28,882	-	-	-	(465)	28,417
Furnishings, equip and improvements	1,005,517	96,809	232,139	(11,860)	(160,723)	1,161,882	28,267	218,733	(6,069)	(139,965)	1,262,848
Vehicles	1,319	287	-	(129)	(361)	1,116	310	-	(3)	(279)	1,144
Computers and peripherals	46,444	16,150	10,211	(271)	(18,739)	53,795	4,827	6,950	(149)	(15,337)	50,086
Construction in progress	143,086	297,872	(242,350)	(235)	-	198,373	160,884	(225,683)	(165)	-	133,409
Total	**1,226,156**	411,118	-	(12,495)	(180,443)	**1,444,336**	194,288	-	(6,386)	(156,046)	**1,476,192**

	Consolidated										
Book value	**On 1/1/15**	**Additions**	**Transf.**	**Write-offs**	**Deprec.**	**On 12/31/15**	**Additions**	**Transf.**	**Write-offs**	**Deprec.**	**On 9/30/16**
Land	288	-	-	-	-	288	-	-	-	-	288
Buildings	6,981	-	-	-	(223)	6,758	932	-	-	(36)	7,654
Properties	29,502	-	-	-	(620)	28,882	-	-	-	(465)	28,417
Furnishings, equip and improvements	1,067,910	101,829	259,689	(12,026)	(169,061)	1,248,341	43,225	234,921	(6,074)	(148,756)	1,371,657
Vehicles	1,321	288	-	(129)	(361)	1,119	310	-	(4)	(281)	1,144
Computers	47,870	16,464	10,915	(281)	(19,244)	55,724	5,380	7.469	(168)	(15,851)	52,554
Construction in progress	150,193	325,238	(270,604)	(235)	-	204,592	180,125	(242,390)	(165)	-	142,162
Total	**1,304,065**	443,819	-	(12,671)	(189,509)	**1,545,704**	229,972	-	(6,411)	(165,389)	**1,603,876**

The Company evaluated the indicators and did not identify evidence for the need of impairment, and there is no occurrence of revaluation or existence of idleness in the fixed assets in the period and it does not have assets no longer in use and not classified as held for sale. During the quarter, the Company wrote off fixed assets from the distribution center in the city of Palhoça, as this operation was transferred to distribution center in São José, in state of Santa Catarina.

14 INTANGIBLE ASSETS

14.1 COMPOSITION

		Parent Company					
		9/30/2016			12/31/2015		
Book value	Average annual rate of amortisation	Cost	Amortisation accumulated	Book Value	Cost	Amortisation accumulated	Book Value
IT systems	20%	528,767	(298,669)	230,098	465,446	(265,762)	199,684
Right to use properties	10%	53,428	(40,221)	13,207	51,823	(38,143)	13,680
Trademarks and patents	-	4,469	(83)	4,386	4,079	(83)	3,996
Intangibles in progress	-	50,915	-	50,915	35,293	-	35,293
Total		637,579	(338,973)	**298,606**	556,641	(303,988)	**252,653**

							Consolidated
		9/30/2016					12/31/2015
Book value	**Average annual rate of amortisation**	**Cost**	**Amortisation accumulated**	**Book Value**	**Cost**	**Amortisation accumulated**	**Book Value**
IT systems	20%	561,529	(316,203)	245,326	491,355	(279,598)	211,757
Right to use properties	10%	68,656	(43,844)	24,812	64,451	(40,664)	23,787
Trademarks and patents	-	32,813	(83)	32,730	32,405	(83)	32,322
Intangible - others	20%	3,500	(3,500)	-	3,500	(3,267)	233
Goodwill - Camicado	-	116,679	-	116,679	116,679	-	116,679
Intangibles in progress	-	52,464	-	52,464	35,517	-	35,517
Total		835,641	(363,630)	**472,011**	743,907	(323,612)	**420,295**

14.2 RECONCILIATION OF NET BOOK VALUE

	Parent Company									
Book value	**On 1/1/2015**	**Additions**	**Write-offs**	**Amort.**	**On 12/31/2015**	**Additions**	**Transf.**	**Write-offs**	**Amort.**	**On 9/30/2016**
IT systems	177,981	87,775	(11)	(66,061)	199,684	22,722	71,187	(7,154)	(56,341)	230,098
Right to use properties	14,772	1,699	-	(2,791)	13,680	-	1,605	-	(2,078)	13,207
Trademarks and patents	2,435	1,561	-	-	3,996	390	-	-	-	4,386
Intangibles in progress	6,100	29,193	-	-	35,293	88,414	(72,792)	-	-	50,915
Total	**201,288**	120,228	(11)	(68,852)	**252,653**	111,526	-	(7,154)	(58,419)	**298,606**

	Consolidated									
Book Value	**On 1/1/2015**	**Additions**	**Write-offs**	**Amortisation**	**On 12/31/2015**	**Additions**	**Transf.**	**Write-offs**	**Amortisation**	**On 9/30/2016**
IT systems	189,531	92,716	(11)	(70,479)	211,757	29,345	71,418	(7,154)	(60,040)	245,326
Right to use properties	23,979	3,900	-	(4,092)	23,787	1,918	2,287	-	(3,180)	24,812
Trademarks and patents	30,712	1,610	-	-	32,322	408	-	-	-	32,730
Intangible - others	933	-	-	(700)	233	-	-	-	(233)	-
Goodwill - Camicado	116,679	-	-	-	116,679	-	-	-	-	116,679
Intangible in progress	6,250	29,267	-	-	35,517	90,652	(73,705)	-	-	52,464
Total	**368,084**	**127,493**	**(11)**	**(75,271)**	**420,295**	**122,323**	-	**(7,154)**	**(63,453)**	**472,011**

The Company acquired assets in the amount of R $ 35,322 through finance lease (note n ° 19.1).

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

During the quarter, the Company replaced significant part of its management system, explaining significant write off of obsolete IT system.

15 IMPAIRMENT TEST ON GOODWILL AND INTANGIBLES ASSETS WITH INDEFINITE USEFUL LIFE

The accounting value of the goodwill and the brand allocated on the Maxmix Comercial Ltda. ("Camicado") is R$ 144,741 (R$ 144,741 on December 31, 2015).

The Company's management carried out the impairment test in these assets on the base date of December 31, 2015, in accordance with the accounting policy presented in the note 5.11. To determine the recoverable value of Camicado, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by management for a 10-year period. Measures such as mix of products enhancements, increasing openness stores in synergy with the Parent Company, in line with the value proposition of the brand and dilution of costs, provided by growth, are indicative that support the business plan of Camicado, approved by the Parent Company.

The Company carried out tests of review, with base date Semptember 30, 2016, and concluded that there are no factors indicating the need of allowance for losses on impairment.

16 LOANS, FINANCING AND DEBENTURES

		Parent Company		Consolidated	
Descriptions of loans and financing	**Currency**	**9/30/2016**	**12/31/2015**	**9/30/2016**	**12/31/2015**
Northeast Constitutional Financing Fund - FNE (a)	*BRL*	33,015	24,786	33,015	24,786
Prodesign - National Bank for Economic and Social Development (BNDES) (b)	*BRL*	53,046	63,788	53,046	63,788
Debentures - (note 16,2)	*BRL*	714,143	943,795	714,143	943,795
(+/-) swap - debentures - 4th and 5th Issue - 2nd series	*BRL*	1,597	1,501	1,597	1,501
Import financing (c)	USD	81,451	-	84,780	-
(+/-) swap - financing imports	USD	14,401	-	14,521	-
Working Capital - guaranteed account (d)	*BRL*	-	-	-	3,052
Working capital - (Law 4.131 *Central Bank of Brazil*) (e)	USD	47,932	-	83,925	20,457
(+/-) swap - working capital - (Law 4.131 Bacen)	USD	2,080	-	4,194	(264)
Total		**947,665**	**1,033,870**	**989,221**	**1,057,115**
Current liabilities		552,580	294,101	594,136	317,346
Non-current liabilities		395,085	739,769	395,085	739,769
Total		**947,665**	**1,033,870**	**989,221**	**1,057,115**

a) The Company signed loan agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) as of November 6, 2014 and September 1, 2015, both to fund the expansion of its group of stores in that region, in the amounts of R$ 18,284 and R$ 21,251, secured by a guarantee letter. Up to September 30, 2016, the first three installments in the total amount

of R$ 12,459 of the agreement signed in 2014 and R$ 20,994 of the agreement signed in 2015 were released, whose amounts have already been paid with interest. During the grace period interest will be paid quarterly, while the amounts of principal and interest will be paid monthly during the amortization period. The agreement executed into in 2014 has weighted average charge of 8.2% p.a. and the contract executed into in 2015 has an average charge of 11.18% p.a., and in case of default on the payment of the charges, the Company will receive a bonus of 15% on the amount of the charges on each installment. The financing agreements have amortization term of, respectively, 7 and 6 years.

b) The Company entered into a financing operation of the Prodesign with BNDES (National Bank for Social and Economic Development) on October 27, 2014, through an accredited financial institution, to fund the development of the 2014/2015 collection, in the amount of R$ 65,426 to be released in instalments, against proof of expenses for subsequent reimbursement. The amount of R$ 40,000 was released in 2014, and the amount of R$ 22,364 in 2015, totaling R$ 62,364 relating to partial expenses already incurred. The financing has a total term of 3 years and a grace period of 1 year. First release, during the grace period interest were paid quarterly, while the amounts of principal and interest have been paid monthly during the amortization period. And the second release, during the grace period interest will be paid quarterly, while the amounts of principal and interest will be paid monthly during the amortization period. The Financing Line has 50% of its cost in SELIC + 2.5% p.a. and the other 50% in TJLP +2. 5% p.a.The Company entered into a financing operation of the Prodesign with BNDES (National Bank for Social and Economic Development) on December 29, 2015, directly to the financial institution, to invest in developments in design through development and change in the structure and processes of development of products in the amount of R$ 41,545 to be released in installments, against proof of expenses for subsequent reimbursement. The amount of R$ 12,074 was released in this third quarter, relating to partial expenses already incurred. The financing has a total term of 4.5 years and a grace period of 1.5 year. From first release on, during the grace period, interest will be paid quarterly, and during the amortization period , the amounts of principal and interest will be paid monthly. The Financing Line has 64.1% of its cost in SELIC + 2.5% p.a. and the other 35.9% in TJLP +2.12% p.a.

c) The Company has four import financing agreements with Banco Citibank S.A., signed in February 2016, two contracts signed in March 2016 and one signed in July 2016, totaling US$ 25.899. The first contract has a settlement date set, for principal and interests, for February 2017, two contracts have settlement date on March 2017 for principal and interest on quarterly basis starting on June 2016 and the last contract for January 2017 for principal and interests. The import financing agreements are denominated in US dollars with a weighted average "all in" interest of 2.59% p.a., composed by Libor rate, bank spread and withholding income taxes. The loans intend to optimize the Company's capital structure, maintaining an adequate level of cash and financing of the organic growth strategy. The contracts also have swaps, acquired to eliminate risks of exchange rate variances (note 28.5.2).

d) The subsidiary Maxmix Comercial Ltda. ("Camicado") obtained working capital loan under the type guaranteed account with Banco Santander (Brazil), with interest rate of 108.5% p.m. of CDI. Total amount was settled in March 2016.

e) Parent company Lojas Renner S.A. entered into a loan with Banco de Tokyo-Mitsubishi UFJ Brasil S.A., signed on June 29, 2016 totaling US$ 14,749. The contract has a settlement date for principal in June 27, 2017 and for interest quarterly from September 2016. The operation is denominated in US$, and average interest "all in" of 1.7910% p.a. composed by Libor rate, bank spread and withholding income tax. The loan is intended to optimize the Company's capital structure, maintaining an adequate level of cash and financing of its organic growth strategy. The contract also has swap, which was entered into to eliminate risks of exchange rate changes. (note 28.5.2).The subsidiary Maxmix Comercial Ltda. ("Camicado") has two financing agreements with Banco Bradesco S.A, and Banco Santander Brasil S.A., signed on June 17, 2016 and August 1, 2016, totaling US$ 10,852, with settlement dates in June 2016 and January 2017, respectively. The operation are denominated in US dollars with a weighted average "all in" interest of 3.52% p.a. The financings are intended for the working capital and investments in Camicado's expansion plan. The contracts also have swaps, which were entered into to eliminate risks of exchange rate variances. (note 28.5.2).

16.1 DEBENTURES

Type of issue	Issue value	Outstanding (quantity)	Issue	Maturity	Annual charges %	Unit price (in R$)	Parent Company and Consolidated 9/30/2016	Parent Company and Consolidated 12/31/2015
4th Issue - 1st series	215,100	21,510	7/15/2011	2015 - 2016	CDI + 1.1% p.a.	R$ 10.00	-	114,919
4th Issue - 2nd series	84,900	8,490	7/15/2011	2015 - 2017	IPCA + 7.8% p.a.	R$ 10.00	41,140	78,994
5th Issue - 1st series	220,000	22,000	6/15/2012	2016 - 2018	CDI + 0.97% p.a.	R$ 10.00	153,076	221,367
5th Issue - 2nd series	80,000	8,000	6/15/2012	2017 - 2019	IPCA + 5.7% p.a.	R$ 10.00	110,983	106,044
6th Issue - 1st series	400,000	40,000	8/1/2013	2017 - 2018	CDI + 0.85% p.a.	R$ 10.00	409,715	423,909
Structuring costs	-	-	-	-	-	-	(771)	(1,438)
Interest rate swap - 4th and 5th Issue - 2nd series (note 28,5,2)							1,597	1,501
						TOTAL	**715,740**	**945,296**

The covenants and the settlement schedule in accordance with the contractual cash flow are shown in note 27.3.

17 FINANCING – FINANCIAL SERVICE OPERATIONS

	Average charges - %	Parent Company		Consolidated	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015
Financing - Sales and invoice installment (a)	5.9% p.m to 13.99% p.m	10,501	19,130	45,149	54,711
Financing - Personal loans (b)	11.69% p.m	-	-	119,149	126,026
Financing - Guaranteed account (c)	18.7% p.m to 20.7% p.m	4,421	4,243	181,801	144,339
Financing - Vendor (d)	19.8% p.m to 20.7% p.m	49,040	49,548	49,040	49,548
Senior quotas – FIDC Lojas Renner (e)	CDI + 1.08% p.a	-	-	428,177	428,182
Structuring cost - FIDC Lojas Renner (f)	-	-	-	(5,082)	(6,341)
		63,962	**72,921**	**818,234**	**796,465**
Current liabilities		63,962	72,921	401,356	380,914
Non-current liabilities		-	-	416,878	415,551
Total		**63,962**	**72,921**	**818,234**	**796,465**

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

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

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

(d) The values of "Financing – Vendor" are realized through the Special Agreement for Granting of Financing – Electronic Vendor with Itaú Unibanco, credit facility destined to financing of delinquent clients. The Company guarantees Itaú Unibanco in these transactions, serving as guarantor and chief payer of the liabilities assumed by clients.

(e) Represents the balance of senior quotas issued by FIDC Lojas Renner (note 9), object of public distribution pursuant to CVM Instruction 400/03, with priority for amortization and redemption in regard to subordinated quotas. This amount will be settled upon closing of FIDC Loja Renner in May 2019.

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

18 ENCUMBRANCES, GUARANTEES AND RESPONSIBILITIES

As of August 2005 the Company started offering its clients interest-bearing installment payments intermediated by financial institutions (consumer loan/vendor), whereby the Company acts as guarantor and chief payer, jointly responsible for all the liabilities arising from these transactions. As of September 30, 2016 the amounts yet to mature of installment sales guaranteed by the Company totaled R$ 10,501 in the Parent Company and R$ 45,149 in the Consolidated (R$ 19,130 in the Parent Company and R$ 54,711 in the Consolidated as of December 31, 2015 respectively), see note 17.

As of September 2008, the Company made available overdraft credit facilities to its clients, in order to cover its portfolio in arrears, withdrawals and refinancing of "Meu Cartão", as well as for late payments to its virtual store, beauty division and Camicado, assuming responsibility for settlement of such liabilities. The amounts of such transactions are stated under the current liabilities item financing – financial service transactions, which as of September 30, 2016 totaled R$ 4,421 in the Parent Company and R$ 181,801 in the Consolidated (R$ 4,243 and R$ 144,339 as of December 31, 2015 respectively), see note 17.

As of March 2010, the Company, and its subsidiary RACC entered into an Agreement for Granting of Personal Loans to Company's customers with Banco Alfa. As part of the transaction, the Company assumes as guarantor and chief player of the main obligations and accessory incurred and to be incurred by Company's customers. As of September 30, 2016 the amount outstanding of guaranteed loans is R$ 119,149 (R$ 126,026 as of December 31, 2015) in the Consolidated, as described in note 17.

As of December 2010, the Company started providing its clients with a credit facility to fund non-performing clients, by means of the Itaú Unibanco Electronic Vendor Loan Extension Agreement. The Company guarantees Itaú Unibanco in these transactions, serving as guarantor and chief payer of the liabilities assumed by clients. Loans granted to clients under this form of credit are stated under the current liabilities item financing – financial services transactions, which as of September 30, 2016 totaled R$ 49,040 in the Parent Company and Consolidated (R$ 49,548 on December 31, 2015 respectively), see note 17.

As of June 17, 2016 and , August 1, 2016 the subsidiary Maxmix Comercial Ltda. obtained foreign currency loans from Banco Citibank S.A. and Banco Santander Brasil S.A, with Lojas Renner S.A. serving as guarantor. The guarantee was in the form of a promissory note, which on September 30, 2016 totaled R$ 19,980 (R$ 20,457 as of December 31, 2015), see note 16.

19 LEASES PAYABLE

19.1 FINANCIAL LEASES

As of September 30, 2016 the Company had commitments derived from commercial leasing agreements of IT systems, for up to 55 months and with weighted-average rate of 12.84% p.a. (12.68% p.a. in 2015). The licenses may be acquired at the end of the agreements for a guaranteed residual value.

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

As of September 30, 2016, the financial leasing liabilities are due as follows:

	Parent Company and Consolidated	
Minimum lease payments	**9/30/2016**	**12/31/2015**
Less than 1 year	20,306	13,243
Between 1 and 5 years	57,455	20,024
Over 5 years	164,774	157,594
	242,535	**190,861**
(-) Less future financial charges	(159,850)	(141,429)
Present value of minimum payments	**82,685**	**49,432**

As of September 30, 2016, the balances of the captions of fixed assets and intangible assets, net of depreciation or amortization, consider leased assets in the amount of R$ 68,045 (R$ 44,957 on December 31, 2015).

19.2 OPERATIONAL LEASE (RENTS PAYABLE)

The Parent company and its subsidiaries have rental agreements for its retail, logistics and administrative units, classed as operational leasing, with the exception of its head office agreement (see note 19.1), classed as financial leasing.

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

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

As of September 30, 2016, rent expenses in the three-month period ended that date, net of recoverable taxes, totaled R$ 97,673 (R$ 86,489 as of September 30, 2015) in the Parent Company and R$ 111,248 (R$ 96,714 as of September 30, 2015) in the Consolidated. Regarding the nine-month period ended in September 30, 2016, rent expenses net of recoverable taxes, totaled R$ 286,755 (R$ 254,460 as of September 30, 2015) in the Parent Company and R$ 324,251 (R$ 283,046 as of September 30, 2015) in the Consolidated. The amount of rents payable, in September 30, 2016, is R$ 37,666 in the Parent Company and R$ 42,963 in the Consolidated (R$ 45,388 and R$ 51,152, as of December 31, 2015, respectively).

Future liabilities arising from these agreements on September 30, 2016 totaled a minimum of R$ 1,370,477, allocated as shown below:

	Consolidated	
Future commitments	**9/30/2016**	**12/31/2015**
Less than 1 year	267,344	230,622
Between 1 and 5 years	708,476	757,346
Over 5 years	394,657	467,014
Total	**1,370,477**	**1,454,982**

20 SUPPLIERS

	Parent Company		Consolidated	
	9/30/2016	**12/31/2015**	**9/30/2016**	**12/31/2015**
Trade suppliers	429,481	405,130	477,508	466,992
Adjustment to present value	(4,322)	(2,473)	(4,322)	(2,473)
Suppliers - use and consumption	59,342	80,425	68,234	88,934
Total	**484,501**	**483,082**	**541,420**	**553,453**

As of September 30, 2016, the amount of pre-payments made to suppliers whose original maturity was subsequent to September 30, 2016 totaled R$ 247,052 (R$ 244,730 on December 31, 2015). 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.

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

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.

21.1 PROVISIONS

Management, based on information from its legal advisors, formed a provision in an amount considered sufficient to cover estimated losses from lawsuits in progress. For tax proceedings classified into possible loss, the Company records provision at the estimated amounts of court costs and attorney fees, based on actual historical and current contractual basis negotiated with its legal advisors. The composition of the provision amounts as of September 30, 2016 is shown below:

		Parent Company		Consolidated	
Tax		**9/30/2016**	**12/31/2015**	**9/30/2016**	**12/31/2015**
ICMS - Complementary Law 102/2000	(a,1)	4,703	5,009	4,703	5,009
ICMS - suppliers not idoneous	(a,2)	10,535	11,183	10,535	11,183
ICMS - Returns	(a,3)	1,004	1,004	1,004	1,004
ICMS - Anticipated RS	(a,4)	3,928	3,961	3,928	3,961
IRPJ/CSLL - Law 11,196/2005	(a,5)	9,563	8,797	9,563	8,797
FAP/SAT	(a,6)	-	-	3,222	2,850
IRPJ/CSLL - Interest on own capital of formers periods	(a,7)	1,324	1,187	1,324	1,187
INSS/IRRF - Non-wage installments	(a,8)	1,941	1,793	1,941	1,793
PIS/Cofins - Not homologated compensation	(a,9)	2,002	1,872	2,002	1,872
Others Provisions	(a,10)	6,468	5,182	8,304	6,342
(-) Judicial deposits	(a,11)	(6,190)	(6,300)	(9,410)	(9,150)
		35,278	**33,688**	**37,116**	**34,848**
Civil	(b)	20,535	15,157	20,647	15,201
Labor	(c)	11,118	14,260	12,252	14,665
TOTAL		**66,931**	**63,105**	**70,015**	**64,714**
Current liabilities		31,653	29,417	32,899	29,866
Non-current liabilities		35,278	33,688	37,116	34,848
TOTAL		**66,931**	**63,105**	**70,015**	**64,714**

21.1.1 Tax provisions

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

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

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

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

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

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

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

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

(a,9) PIS/COFINS – Non-confirmed offsets – Refers to the offset of PIC credits recognized in lawsuit with PIS/COFINS debts not confirmed because of the supposed nonexistence of credit, the divergence of amounts being related to the adjustment indexes established by legal decision, and the applicable indexes in the inspection's understanding. The proceeding is underway and no date has been set for the disbursement of this resource.

(a.10) Other Provisions – Non-confirmed offsets – Refers to the offset of PIC credits recognized in lawsuit with PIS/COFINS debts not confirmed because of the supposed nonexistence of credit, the divergence of amounts being related to the adjustment indexes established by legal decision, and the applicable indexes in the inspection's understanding. The proceeding is underway and no date has been set for the disbursement of this resource.

(a.11) Judicial deposits were made to continue with the litigation involving tax proceedings, which total, on September 30, 2016, R$ 16,440 at the Parent Company and R$ 19,703 in the Consolidated statement (R$ 17,082 and R$ 19,975 on December 31, 2015, respectively). The balances of fixed deposits whose proceedings have provision for tax risks, in the amount of R$ 6,190 at the Parent Company and R$ 9,410 in the Consolidated statement, as of September 30, 2016 (R$ 6,300 and R$ 9,150 as of December 31, 2015, respectively), are being submitted after deducting the amount of the corresponding liabilities. The other balances of judicial deposits,

in the amount of R$ 10,250 at the Parent Company and R$ 10,293 in the Consolidated statement (R$ 10,782 and R$ 10,825 on December 31, 2015, respectively), are presented in non-current assets.

Classification of tax provisions

The broken down of the classification of provisions for taxes according to the risk of likelihood of loss, considered by the Company's management and legal advisors of September 30, 2016 is as follows:

	Parent Company			Consolidated		
Main matters	**Probable**	**Possible**	**Total**	**Probable**	**Possible**	**Total**
ICMS - Complementary Law 102/2000	4,448	255	4,703	4,448	255	4,703
ICMS - suppliers not idoneous	-	10,535	10,535	-	10,535	10,535
ICMS - Returns	-	1,004	1,004	-	1,004	1,004
ICMS - Anticipated RS	-	3,928	3,928	-	3,928	3,928
IRPJ/CSLL - Law 11,196/2005	9,299	264	9,563	9,299	264	9,563
FAP/SAT	-	-	-	-	3,222	3,222
IRPJ/CSLL - Interest on own capital of formers periods	-	1,324	1,324	-	1,324	1,324
INSS/IRRF - Non-wage installments	-	1,941	1,941	-	1,941	1,941
PIS/Cofins - Not homologated compensation	2,002	-	2,002	2,002	-	2,002
Others Provisions	-	6,468	6,468	1,053	7,251	8,304
Total	**15,749**	**25,719**	**41,468**	**16,802**	**29,724**	**46,526**

21.1.2 Civil provisions

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

21.1.3 Labor provisions

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

21.2 CHANGES IN PROVISION FOR TAX, CIVIL AND LABOR RISKS

The change in the provision for tax, civil and labor risks as of September 30, 2016 is as follows:

					Parent Company
Nature	**Civil**	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
On 1/1/2016	15,157	14,260	39,988	(6,300)	63,105
(+/-) (Provision) reversal	5,378	(3,142)	(92)	110	2,254
(+) Charges	-	-	2,271	-	2,271
(-) Write-off	-	-	(699)	-	(699)
On 9/30/2016	**20,535**	**11,118**	**41,468**	**(6,190)**	**66,931**

					Consolidated
Nature	**Civil**	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
On 1/1/2016	15,201	14,665	43,998	(9,150)	64,714
(+/-) (Provision) reversal	5,446	(2,413)	1,002	(260)	3,775
(+) Charges	-	-	2,225	-	2,225
(-) Write-off	-	-	(699)	-	(699)
On 9/30/2016	**20,647**	**12,252**	**46,526**	**(9,410)**	**70,015**

21.3 CONTINGENT LIABILITIES

21.3.1 Contingent liabilities

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

As of September 30, 2016, the estimated amount of judicial contingent liabilities and administrative proceedings, related to tax matters whose likelihood of loss was assessed as possible was R$ 328,782 in the Parent Company and R$ 335,257 in the Consolidated (R$ 300,452 in the Parent Company and R$ 304,788 in the Consolidated as of December 31, 2015, respectively). For the lawsuits classified as possible, the Company accrues the estimated values of court costs: R$ 25,719 in the Parent Company and R$ 29,724 in the Consolidated (R$ 25,206 and R$ 28,713 as of December 31, 2015, respectively).

21.3.2 Other contingent liabilities

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

22 OTHER LIABILITIES

The other obligations of current and non-current liabilities comprise the following:

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Advances from financial institutions (a)	4,451	396	12,679	9,632
Obligations with customers (b)	10,243	16,215	27,815	30,666
Obligations related to the transactions with insurance (c)	9,057	8,566	9,367	8,726
Obligations with former controlling stockholders - Camicado	-	-	-	3,581
Transfer operation of financial products (d)	10,577	32,418	-	-
Other obligations (e)	19,693	18,119	19,440	18,493
Total	**54,021**	**75,714**	**69,301**	**71,098**
Current liabilities	50,559	75,714	64,888	68,842
Non-current liabilities	3,462	-	4,413	2,256
Total	**54,021**	**75,714**	**69,301**	**71,098**

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

23 TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Income tax and social contribution	21,005	81,106	27,964	83,629
ICMS payable	33,994	154,442	38,347	160,080
PIS/COFINS	15,851	81,168	20,508	88,240
Other taxes	11,327	9,290	13,499	11,196
Total	**82,177**	**326,006**	**100,318**	**343,145**
Current liabilities	82,177	326,006	100,223	342,976
Non-current liabilities	-	-	95	169
Total	**82,177**	**326,006**	**100,318**	**343,145**

24 SHAREHOLDERS' EQUITY

24.1 CAPITAL

The Company's authorized capital limit is 1,125,000,000 (one billion, one hundred twenty-five million) common shares, all without par value. Within the limits authorized in the Articles of Association, the Company will be able to increase the capital independently of statutory reform. The Board of Directors will determine the conditions for the share issue, including price and timeframe for payment.

The Company's paid-up capital as of on September 30, 2016 is R$ 1,170,192 (R$ 1,136,124 on December 31, 2015), represented by 642,853,325 (six hundred and forty-two million, eight hundred and fifty-three thousand, three hundred and twenty-five) nominative common shares with no par value. According to art. 42 of the Company By-laws, any person or group of shareholders that acquires or becomes the holder of shares issued by the Company (Purchasing Shareholder) in a quantity greater than or equal to 20% of the total shares issued, shall, within 60 days after the date of acquisition, hold a Public Offering (PO) for the acquisition of all the shares, complying with provisions of CVM regulations, of the regulations of *BM&FBovespa* and of the Company By-laws. As of September 30, 2016, no shareholder individually holds ownership interest greater than or equal to 20%.

See below evolution of share capital:

	Share quantity (k)	Amount
On January 1, 2015	**636,973**	**750,853**
Capital increase, General Meeting on apr/16	-	354,308
Capital increase, Board Meeting on may/19, aug/27, nov/17 e dec/17	3,068	30,963
On December 31, 2015	**640,041**	**1,136,124**
Capital increase, Board Meeting on may/24 and aug/24	2,812	34,068
On September 30, 2016	**642,853**	**1,170,192**

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

24.2 TREASURY SHARES

On December 17, 2015, the Board of Directors of the Company approved the Stock Repurchase Program ("Repurchase Program"), of the Company's own shares, without capital reduction, to be held in treasury and later used for meeting the exercise of Restricted Stock Plan (Note 33), taking into account that they may also be canceled or disposed. As of September 30, 2016, the treasury stock balance is R$ 10,140 (R$ 6,016 as of December 31, 2015) corresponding to 600,000 (six hundred thousand) common shares at a weighted average cost of acquisition of R$ 16.89 (R$ 17.17 as of December 31, 2015).

24.3 CAPITAL RESERVES

24.3.1 Goodwill reserves

Refer to the goodwill arising from the upstream merger of JC Penney Brasil Investimentos Ltda. (R$ 106,660) and company JC Penney Brasil Comercial Ltda. (R$ 11,505), held on December 3, 1999 and May 25, 2005, respectively.

24.3.2 Stock option plan and restricted stock plan reserve

Refer to the contra-entry of the stock option plan and restricted stock plan expenses, as described in Notes 32 and 33. The allocation of capital reserves depends on resolution at Special Shareholders' meeting (ESM). The balance on September 30, 2016 is R$ 173,808 (R$ 154,126, on December 31, 2015).

24.4 PROFIT RESERVES

24.4.1 Reserve for investment and expansion

This reserve is formed according to the intended use decided on by the management bodies, to cover investments in the Company's expansion plan, as provided for in art. 34, item (c) of the Company's by-laws. The balance on September 30, 2016 is R$ 672,669 (R$ 672,669 on December 31, 2015).

24.4.2 Legal reserve

In compliance with art. 193 of Act 6,404/76 and art. 34, item a of the Company's Bylaws, the legal reserve is set up at amount equivalent to 5% of the net income for each year. The balance on September 30, 2016 is R$ 92,465 (R$ 92,465, on December 31, 2015).

24.4.3 Additional dividend proposed

Refers to dividends proposed in addition to the mandatory minimum, which amount is submitted to the Annual Shareholders' Meeting (ASM) for approval. In April 2016, additional dividend proposed was paid in the amount of R$ 79,137.

24.5 CARRYING VALUE ADJUSTMENTS

They are presented as equity valuation adjustments cumulative translation adjustment for foreign currency and the unrealized results on derivative financial instruments classified as hedge accounting of cash flow. The amount of adjustments recorded represents loss, net of tax, in the amount of R$ 49,556 as of September 30, 2016 (R$ 64,226 of gain, net of taxes, as of December 31, 2015) and will be reversed upon the settlement of the abovementioned financial instruments, with impacts on income/loss according to the accrual basis of accounting.

25 INTEREST ON OWN CAPITAL

The Company's Management proposed in the Board of Directors meetings held on March 15, 2016, June 22 and Spetember 21, 2016 payment of interest on own capital as part of the mandatory dividends for the 2016 year, of a gross amount of R$ 40,700 (R$ 0.06365 per share), R$ 41,171 (R$ 0.06418 per share) and R$ 44,836 (R$ 0.06981 per share). This interest on own capital will be submitted to approval at the Annual Shareholders' Meeting to be held by April 2017.

The amount stated was fully deducted when calculating income tax and social contribution on net profit, and the tax benefits arising from this deduction were of roughly R$ 15,244 on the quarter ended September 30, 2016 (R$ 10,144 as of September 30, 2015) and R$ 43,080 on the nine-month period ended September 30, 2016 (R$ 27,301 as of September 30, 2015), pursuant to note 11.4.

26 EARNINGS PER SHARE

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

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

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

We show below basic and diluted earnings per share for the three and nibe-month period ended September 30, 2016:

	Parent Company and Consolidated			
Basic numerator	**3Q16**	**9M16**	**3Q15**	**9M15**
Profit for the period	84,904	325,227	95,966	327,325
Weighted average number of common shares	642,392	641,109	638,987	638,086
Basic earnings per share	**0.1322**	**0.5073**	**0.1502**	**0.5130**
Diluted numerator				
Profit for the period	84,904	325,227	95,966	327,325
Weighted average number of common shares	642,392	641,109	638,987	638,086
Potential increase in common shares due to the stock option plan	5,149	5,140	1,074	1,393
Diluted earnings per share	**0.1311**	**0.5033**	**0.1499**	**0.5119**

27 RISK MANAGEMENT

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

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

27.1 MARKET RISKS

27.1.1 Foreign exchange risk

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

For setting the dollar price used in the expected scenario, the Company follows future market projections of BM&FBovespa for December 31, 2016. It is important to highlight that the effective net exposure is mainly related to the future cash flows estimate, for which there is the possibility of adjustment to the price composition to be adopted in retail, as a way to offset possible reflections of costs because of scenarios of dollar price depreciation. It should be greatly considered that the effective results should be noted only upon the settlement of import requests, loans in foreign currency and swap.

We show below the net exposure and the related sensitivity analysis regarding the requests for import of goods, requests of use and consumption and loan in foreign currency as of September 30, 2016:

				Consolidated			
				Currency appreciation		Currency depreciation	
Derivatives for hedge accounting		**Notional US$ Receive (Pay)**	**Probable US$ 1 = R$ 3.3325**	**Possible +25% US$ 1 = R$ 4.1656**	**Remote 50% US$ 1 = R$ 4.9988**	**Possible -25% US$ 1 = R$ 2.4994**	**Remote -50% US$ 1 = R$ 1.6663**
Hedge transactions	Import orders	(152,459)	7,595	(113,042)	(233,647)	128,139	248,729
Hedge instrument	NDF	152,459	(8,111)	112,553	233,218	(128,775)	(249,439)
Net Exposure - Import orders		**-**	**(516)**	**(489)**	**(429)**	**(636)**	**(710)**
Exposure - Import cost	Estimated cost - import	(7,623)	380	(5,652)	(11,682)	6,407	12,436
		(7,623)	**380**	**(5,652)**	**(11,682)**	**6,407**	**12,436**
Derivatives not for hedge accounting							
Transaction	Borrowings (Finimp and Law 4.131I)	(51,500)	4,865	(36,132)	(77,130)	45,863	86,861
Instrument	Swap	51,500	(4,774)	35,365	75,503	(44,913)	(85,052)
Net exposure - Swap		**-**	**91**	**(767)**	**(1,627)**	**950**	**1,809**
Total net exposure/effect			**(45)**	**(6,908)**	**(13,738)**	**6,721**	**13,535**
Increase (decrease) in profit, net of tax effect			**(30)**	**(4,559)**	**(9,067)**	**4,436**	**8,933**

Even if hedge is employed for most of the exposure in US dollars, the fact that the BM&FBovespa weighted average US dollar is used for exposure of import requests, and the BM&FBovespa dollar for maturities of currency forwards contracts, small temporary differences arise, which cancel each other upon the effective transaction settlement. In relation to the impacts of loan 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.

27.1.2 Interest rate risk

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

The Company analyzes its exposure to interest rate on a dynamic basis. Several scenarios are simulated taking into consideration the refinancing, and the renewal of existing positions and natural hedge. Based on these scenarios, the Company defines a reasonable change in interest rate and calculates impact on income. The comparison between the contracted rates and the effective market rates is permanently followed up.

As of September 30, 2016, as required by IN CVM no. 475/08, the Company conducted sensitivity tests for adverse and favorable scenarios of interest (CDI, TJLP, Selic and IPCA at 25% or 50% higher or lower than the probable scenario), considering the following assumptions: scenario expected for interest rate of the CDI, TJLP, Selic and IPCA for the next disclosure (indicators and sensitivity for December 31, 2016) of, respectively, 13.78% p.a., 7.5% p.a., 13.80% p.a. and 6.45% p.a. CDI and SELIC estimates are based on projections of the future market *BM&FBovespa,* TJLP are extracted from BNDES and IPCA are based on projections of the Focus report of the *Central Bank for Brazil*.

We present below the sensitivity analysis of the risk of interest rates on September 30, 2016:

						Consolidated	
				Interest increase		Interest decrease	
Financial instruments	**Risk**	**On 9/30/2016**	**Probable scenario**	**Possible (+) 25% - R$**	**Remote (+) 50% - R$**	**Possible (-) 25% - R$**	**Remote (-) 50% - R$**
Cash equivalents	Low CDI	656,001	21,750	27,188	32,625	16,313	10,875
Borrowings, financing, debentures and swap	High CDI and IPCA	(989,221)	(30,982)	(38,728)	(46,473)	(23,235)	(15,491)
Financing - financial services operations	High CDI	(818,234)	(12,635)	(15,794)	(18,953)	(9,476)	(6,318)
Decrease in profit for the period		**(1,151,454)**	**(21,867)**	**(27,334)**	**(32,801)**	**(16,398)**	**(10,934)**
Impact in profit, net of taxes			**(14,432)**	**(18,040)**	**(21,649)**	**(10,823)**	**(7,216)**

27.1.3 Credit risk

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

27.1.3.1 Cash equivalents

According to the Company's financial policy, cash equivalents (marketable securities with ready liquidity) shall be invested in financial institutions with low risk rating (long-term rating in domestic scale) and that are renowned in the market for their soundness. The ratings of cash equivalents are according to the main risk rating agencies. We show below the credit quality of the cash equivalents as of September 30, 2016:

	Consolidated	
Rating - National Scale	**9/30/2016**	**12/31/2015**
brAAA	-	96,254
brAA+	-	245,196
brAA	2,142	202,423
brAA-	348,853	-
brA-	91,547	
brA+	103,422	-
(*) N/a - Brazil Plural Crédito Privado Retail FIRF Fund	110,037	100,160
Total - National Scale	**656,001**	**644,033**

(*) Not applicable, as not in risk rating for the Brazil Plural Private Credit Retail FIRF Fund the main credit rating agencies. Assets that make up the fund portfolio have brAAA risk rating in at least one of the ratings of rating agencies

27.1.4 Accounts receivable

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

The broken down of credit quality according to the risk assessment of the portfolio as of September 30, 2016:

				9/30/2016
Classification of credit quality risk	**Private label Renner + Third-party credit card administrators**	**Co-branded card "Meu Cartão"**	**Personal loan**	**Total**
Low	747,435	187,384	5,357	940,176
Medium low	146,305	88,268	49,587	284,160
Medium	78,340	79,076	583	157,999
Medium high	176,315	66,198	67,999	310,512
High	96,106	71,158	43,614	210,878
Total	**1,244,501**	**492,084**	**167,140**	**1,903,725**

				12/31/2015
Classification of credit quality risk	**Private label Renner + Third-party credit card administrators**	**Co-branded card "Meu Cartão"**	**Personal loan**	**Total**
Low	1,085,735	168,186	16,755	1,270,676
Medium low	182,569	90,332	42,975	315,876
Medium	167,337	73,059	711	241,107
Medium high	207,161	72,135	77,815	357,111
High	85,080	51,513	41,127	177,720
Total	**1,727,882**	**455,225**	**179,383**	**2,362,490**

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

Low – clients with likelihood lower or equal to 9.3% of being over 60 days past due, and also receivables of credit card administrator.

Medium low – clients with likelihood higher than 9.4 % and lower or equal to 16.8% of being over 60 past due.

Medium – clients with up to four months of Renner Credit Card (CCR) and who do not show history of movement for purposes of measuring the likelihood of default.

Medium high – clients with likelihood higher than 16.8% and lower or equal to 31.3% of being over 60 days past due.

High – clients with likelihood higher than 31.3% of being over 60 days past due.

The Company's receivables are originated in its retail operations to individuals in a massified way, with individual credit analysis, with low average ticket, having as characteristic the absolute spread of credit risk and the lack of guarantee instrument, so that the amounts recorded in accounts receivable represent the appropriate size of the Company's exposure to credit risk. In the credit recovery management process, the Company does not perform the debt renewal and, therefore, the aging recorded in accounts receivable reflects the original conditions of contracts.

27.1.5 Derivative financial instruments

The ratings of derivatives are in accordance with the main risk rating agencies. We show below the credit quality of derivatives as of September 30, 2016:

	Consolidated	
Rating - National Scale	**9/30/2016**	**12/31/2015**
brAA+	-	73,145
brAA	-	1,667
brAA-	122	-
(*) N/a	316	24,972
Total - National Scale	**438**	**99,784**

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

27.2 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. The main objectives of Management in the management of a strategic minimum cash are: i) precaution against moments of uncertainty in economy; ii) guarantee the performance of the Company's investments and expansion strategy; iii) guarantee the maintenance/expansion of financial product operations in moments of credit restriction; iv) guarantee the debt amortization and services, v) and guarantee the maintenance of the dividend distribution policy.

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

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

4th issuance of debentures, July 15, 2011:

Consolidated Net debt/ EBTIDA less than or equal to 2.5;

EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero).

5th issuance of debentures as of June 15, 2012:

Consolidated Net debt/ EBTIDA less than or equal to 3.0;

EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero), considering that in the latter case the EBITDA shall be higher than 0 (zero).

6th issuance of debentures, August 1, 2013:

Consolidated Net debt/ EBTIDA less than or equal to 3.0;

EBITDA/ Consolidated Net Financial Income higher or equal to 2.0, or lower than 0 (zero), considering that in the latter case the EBITDA shall be higher than 0 (zero).

The Company periodically monitors these covenants and has confirmed the compliance of the established contractual assumptions.

The contractual cash flows of financial liabilities in the Consolidated are as follows:

On September 30,2016	**Book Value**	**Contractual cash flow**	**Less than 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**
Borrowings, financing and debentures	989,221	1,098,708	39,108	161,594	483,526	354,666	50,050	9,764
Financing - financial services operations	818,234	970,430	171,388	240,597	53,009	49,135	456,301	-
Finance lease payable	82,685	242,535	1,144	13,173	5,989	15,578	41,877	164,774
Suppliers	541,420	541,420	541,420	-	-	-	-	-
Obrigations with credit card administrators	243,811	243,811	205,375	29,600	8,836	-	-	-
Derivatives financial instruments	75,603	78,754	29,899	38,887	9,968	-	-	-
		3,175,658						
Total	**2,750,974**		**988,334**	**483,851**	**561,328**	**419,379**	**548,228**	**174,538**
On December 31,2015								
Borrowings, financing and debentures	1,057,115	1,340,547	46,388	133,321	214,316	502,064	433,877	10,581
Financing - financial services operations	796,465	1,053,189	190,377	213,288	62,881	65,943	520,700	-
Finance lease payable	49,432	190,862	10,029	1,131	2,878	11,393	7,836	157,595
Suppliers	553,453	553,453	553,453	-	-	-	-	-
Obrigations with credit card administrators	241,086	241,086	190,043	39,484	11,559	-	-	-
Derivatives financial instruments	2,601	2,903	256	138	2,509	-	-	-
Total	**2,700,152**	**3,382,040**	**990,546**	**387,362**	**294,143**	**579,400**	**962,413**	**168,176**

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

27.3 CAPITAL MANAGEMENT

The Company uses 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 (EBITDA) and its capital structure as of September 30, 2016 is as follows:

	Consolidated	
Borrowings and financing	**9/30/2016**	**12/31/2015**
Current	(594,136)	(317,346)
Non-current	(395,085)	(739,769)
Cash and cash equivalents	717,775	737,527
Net indebtedness structural	**(271,446)**	**(319,588)**
Borrowings and financing		
Current	(401,356)	(380,914)
Non-current	(416,878)	(415,551)
Net indebtedness total	**(1,089,680)**	**(1,116,053)**

Seasonality in the generation of income and in the equity positions originating from the operation is inherent to the Company's business. In the nine-month period ended September 30, 2016, the Company showed an increase in the cash and cash equivalents balance when compared with same period last year, in order to decrease net indebtedness, nevertheless cash and cash equivalents slightly decreased R$ 19,752.

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

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

27.3.1 Social and environmental risks

27.3.1.1 Environmental risks

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

27.3.1.2 Impact on communities

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

27.3.1.3 Hiring suppliers

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

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

28 FINANCIAL INSTRUMENTS

28.1 FINANCIAL INSTRUMENT BY CATEGORY AND FAIR VALUE

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

28.1.1 Parent Company

On 9/30/2015	Book Value					Fair Value
Financial assets (liabilities)	Held to trade	Loans and receivables	Financial liability fair value	Financial liabilities measured at amortised cost	Total	Level 2
Cash and cash equivalents	-	554,259	-	-	554,259	-
Accounts receivable	-	569,795	-	-	569,795	-
FIDC Lojas Renner	-	182,000	-	-	182,000	-
Derivative financial instruments	438	-	(69,223)	-	(68,785)	(68,785)
Borrowings, financing and debentures	-	-	(147,461)	(800,204)	(947,665)	(926,504)
Financing - financial services operations	-	-	-	(63,962)	(63,962)	(69,581)
Finance lease payable	-	-	-	(82,685)	(82,685)	(81,531)
Suppliers	-	-	-	(484,501)	(484,501)	-
Obrigations with credit card administrators	-	-	-	(12,022)	(12,022)	-
Total	**438**	**1,306,054**	**(216,684)**	**(1,443,374)**	**(353,566)**	

On 12/31/2015	Book Value					Fair Value
Financial assets (liabilities)	Held to trade	Loans and receivables	Financial liability fair value	Financial liabilities measured at amortised cost	Total	Level 2
Cash and cash equivalents	-	593,524	-	-	593,524	-
Accounts receivable	-	989,990	-	-	989,990	-
FIDC Lojas Renner	-	182,000	-	-	182,000	-
Derivative financial instruments	98,533	-	(1,950)	-	96,583	96,583
Borrowings, financing and debentures	-	-	(1,501)	(1,032,369)	(1,033,870)	(993,262)
Financing - financial services operations	-	-	-	(72,921)	(72,921)	(74,991)
Finance lease payable	-	-	-	(49,432)	(49,432)	(49,364)
Suppliers	-	-	-	(483,082)	(483,082)	-
Obrigations with credit card administrators	-	-	-	(25,419)	(25,419)	-
Total	**98,533**	**1,765,514**	**(3,451)**	**(1,663,223)**	**197,373**	

28.1.2 Consolidated

On 12/31/2015	Book Value					Fair Value
Financial assets (liabilities)	Held to trade	Loans and receivables	Financial liability fair value	Financial liabilities measured at amortised cost	Total	Level 2
Cash and cash equivalents	-	717,775	-	-	717,775	-
Accounts receivable	-	1,702,339	-	-	1,702,339	-
Derivative financial instruments	438	-	(75,603)	-	(75,165)	(75,165)
Borrowings, financing and debentures	-	-	(189,017)	(800,204)	(989,221)	(968,060)
Financing - financial services operations	-	-	-	(818,234)	(818,234)	(811,118)
Finance lease payable	-	-	-	(82,685)	(82,685)	(81,531)
Suppliers	-	-	-	(541,420)	(541,420)	-
Obrigations with credit card administrators	-	-	-	(243,811)	(243,811)	-
Total	**438**	**2,420,114**	**(264,620)**	**(2,486,354)**	**(330,422)**	

On 12/31/2015	Book Value					Fair Value
Financial assets (liabilities)	Held to trade	Loans and receivables	Financial liability fair value	Financial liabilities measured at amortised cost	Total	Level 2
Cash and cash equivalents	-	737,527	-	-	737,527	-
Accounts receivable	-	2,119,836	-	-	2,119,836	-
Derivative financial instruments	99,520	-	(2,601)	-	96,919	96,919
Borrowings, financing and debentures	264	-	(1,501)	(1,055,878)	(1,057,115)	(1,016,507)
Financing - financial services operations	-	-	-	(796,465)	(796,465)	(788,472)
Finance lease payable	-	-	-	(49,432)	(49,432)	(49,364)
Suppliers	-	-	-	(553,453)	(553,453)	-
Obrigations with credit card administrators	-	-	-	(241,086)	(241,086)	-
Total	**99,784**	**2,857,363**	**(4,102)**	**(2,696,314)**	**256,731**	

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

During the period ended September 30, 2016, there was no reclassification between the categories shown in the above chart.

28.2 MEASUREMENT OF FAIR VALUES

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

28.3 IMPAIRMENT LOSSES

We show in Note 8 (accounts receivable) the composition of allowance for doubtful accounts, according to the Management's evaluation of recoverability.

28.4 GUARANTEES

The Company shows in Note 18 – Encumbrances, guarantees and responsibilities.

28.5 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

The information on transactions with derivatives as of September 30, 2016 is segregated between designated to hedge accounting (cash flow hedge) and not designated to hedge accounting.

In the table below, we present the broken down of derivatives as of September 30, 2016 in the Parent Company and Consolidated financial statements:

		Parent Company		Consolidated	
Description Derivatives	**Category**	**9/30/16**	**12/31/15**	**9/30/16**	**12/31/15**
NDF (Import orders)	Designated for hedge accounting	(68,785)	96,583	(75,165)	96,919
Swap - debentures - 4th and 5th Issue - 2nd series	Not designed for hedge accounting	(1,597)	(1,501)	(1,597)	(1,501)
Swap - financing imports	Not designed for hedge accounting	(14,401)	-	(14,521)	-
Swap - working capital - (Law 4.131 *Central Bank of Brazil*)	Not designed for hedge accounting	(2,080)	-	(4,194)	264
	Total	**(86,863)**	**95,082**	**(95,477)**	**95,682**
	Current assets	438	98,533	438	99,469
	Non current assets	-	-	-	51
	Current Liabilities	(87,301)	(3,451)	(95,915)	(3,838)
	Non current Liabilities	-	-	-	-
	Total	**(86,863)**	**95,082**	**(95,477)**	**95,682**

The balance of swap are contemplated in the line of current liabilities, once they are classified in the line of loans, financing and debentures, as provided in CPC 40/IFRS 7.

28.5.1 Derivatives designated to hedge accounting

NDF - Non-Deliverable Forward

Hedge instrument			Hedge transaction	
Maturity	**Notional (US$)**	**(*) Fair value**	**Transaction**	**Estimated maturity**
From 9/1/2016 to 9/30/2017	145,551	(68,785)	Import orders	From 9/1/2016 to 9/30/2017
Total Parent Company	**145,551**	**(68,785)**		
From 9/1/2016 to 9/30/2017	6,908	(6,380)	Import orders	From 9/1/2016 to 9/30/2017
Total Consolidated	**152,459**	**(75,165)**		

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

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

Cash flow

The table below shows the expected cash flow the from import orders of future operations exposed to foreign currency hedged by derivatives, using as reference the US dollar exchange rate expected for the next reporting date (December 31, 2016) of R$ 3.3325:

	4Q16	**1Q17**	**2Q17**	**3Q17**	**Total**
Resale goods import orders (a)	134,293	229,253	116,598	27,926	**508,070**
Notional amount - R$ thousand	134,293	229,253	116,598	27,926	**508,070**
Notional amount - US$ thousand	40,298	68,793	34,988	8,380	**152,459**

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

28.5.2 Derivatives not designated to hedge accounting

Swap

We disclose below further details of the swap characteristics and the respective change as of September 30, 2016:

Instrument	Date Contracting	Date Sale off	Asset leg (protected object)	Liability leg (hired risk)	Reference currency (Notional)	Reference value (Notional)	On 12/31/2015	Fair value (result)	Fair value (settlement)	On 9/30/2016
Debentures - 4th issue - 2nd series	February/2014	note 16,2	IPCA + 7,8% p.a.	116.25% CDI p.a.	BRL	97,581	(205)	(627)	414	(418)
Debentures - 5th issue - 2nd series	March/2015	see note 16,2	IPCA + 5,7% p.a.	98.7% CDI p.a.	BRL	95,513	(1,296)	(1,206)	1,323	(1,179)
Import Financing (1st contract)	February/2016	Feb/2017	Dolar + 2.74% p.a	98% CDI p.a.	USD	5,634	-	(5,263)	-	(5,263)
Import Financing (2nd contract)	March/2016	note 16,1-c	Dolar + 2.51% p.a	98.6% CDI p.a.	USD	14,240	-	(4,321)	(2,932)	(7,253)
Import Financing (3rd contract)	March/2016	note 16,1-c	Dolar + 2.57% p.a	98.6% CDI p.a.	USD	5,010	-	(850)	(1,035)	(1,885)
Working Capital	June/2016	note 16,1-e	Dolar + 1.79% p.a	98.5% CDI p.a.	USD	14,749	-	(640)	(1,440)	(2,080)
Total Parent Company							**(1,501)**	**(12,907)**	**(3,670)**	**(18,078)**
Working Capital	December/2015	Jun/2016	Dolar + 3.91% a.a	109% CDI p.a.	USD	5,138	264	2,907	(3,171)	-
Working Capital	June/2016	Jun/2017	Dolar + 4.08% a.a	110.15% CDI p.a.	USD	5,763	-	(1,639)	-	(1,639)
Working Capital	August/2016	Jan/2017	Dolar + 2.89% a.a	109.40% CDI p.a.	USD	5,089	-	(475)	-	(475)
Financing imports	July/2016	Jan/2017	Dolar + 3.01% a.a	112% CDI p.a.	USD	1,015	-	(120)	-	(120)
Total Consolidated							**(1,237)**	**(12,234)**	**(6,841)**	**(20,312)**

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

29 RELATED PARTIES

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

29.1 CONSOLIDATED CONTEXT

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

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

The Extraordinary Stockholders' held on April 20, 2016, approved the director's global compensation limit up to R$ 37,400 for fiscal year 2016. This amount consists of funds that include fixed remuneration, variable remuneration, which sum, besides participation in meetings, the statutory participation (Art. 34 of the Bylaws and paragraph 1 of art. 152 of Law 6.4047/76), and the cost of the stock plan and the restricted stock plan (notes 32 and 33).

In the quarter ended September 30, 2016, the expense with Director's fees amounted to R$ 2,598 (R$ 2,285 as of September 30, 2015) and was presented as other operating income (Note 36). Regarding the nine-month period ended September 30, 2016, the expense with Director's fee amounted R$ 7,189 (R$ 7,253 as of September 30, 2015).

29.1.2 Stock option plan

The Company has a stock option plan whereby the members of the management can acquire the Company shares in the form and under the conditions set forth in the plan (note 32). In the quarter ended September 30, 2016, the expense incurred with the stock option plan for the management totaled R$ 3,075 (R$ 3,556 as of September 30, 2015). Regarding the nine-month period ended September 30, 2016, the expense incurred with stock option plan for the management amounted R$ 9,985 (R$ 12,235 as of September 30, 2015).

29.1.3 Restricted stock plan

The Company has a restricted stock plan to administrators (note 33). In the quarter ended September 30, 2016, the expense incurred with restricted stock plan for the management totaled R$ 186, while the nine-month period then ended amounted R$ 489.

29.2 PARENT COMPANY'S CONTEXT

29.2.1 Lease agreements

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

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

29.2.2 Personal loan extension service agreement

The Company offers personal loan financial services through its subsidiary Renner Administradora de Cartões de Crédito Ltda. (RACC) by means of agreements for loan extension by financial institutions, providing conditions for Renner clients to obtain personal loans. RACC also operates with cards under the brand Meu Cartão. Lojas Renner is a party in the transaction through its operating infrastructure and serves as guarantor.

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

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

29.2.4 Agreement to apportion corporate costs and expenses

As a means of optimizing the corporate structure made available to the Management, Lojas Renner and its subsidiaries entered into agreements among themselves to share their structures, mainly focused on sharing back-office and corporate structure (see note 29.3 for further details).

29.2.5 Income from sale of goods and rendering of services

Lojas Renner Shanghai Trading Co. Ltd. performed business operations of revenue from commission of imported goods intermediation for the Parent Company. Such operation is in line with the Company's strategy of increasing the approximation to and development of its international suppliers base. The revenue from intermediation commission was produced at a price compatible with the market conditions (see Note 29.3 for more details).

29.2.6 Agreement for transfer of administrative expenses

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

29.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main asset and liability balances as of September 30, 2016, as well as the transaction amounts recorded in profit or loss for the year from related party transactions arise from transactions performed at arm's length in the respective transaction types and are summarized below:

29.3.1 Balances with related companies

Descriptions of operations - Assets (liabilities)	Renner Administradora de Cartões de Crédito Ltda. - (RACC)	Dromegon Participações Ltda.	Fashion Business Comércio de Roupas Ltda. (Youcom)	Maxmix Comercial Ltda. (Camicado)	Lojas Renner Shanghai Trading Co. Ltd	TOTAL
Rents payable	-	(776)	-	(23)	-	(799)
Meu cartão	37,628	-	-	-	-	37,628
Personal loan	4,069	-	-	-	-	4,069
CCR	-	-	-	(10,577)	-	(10,577)
Current account asset	4,516	-	158	368	1,039	6,081
Balance receivable (payable) on September 30, 2016	**46,213**	**(776)**	**158**	**(10,232)**	**1,039**	**36,402**
Balance receivable (payable) on December 31, 2015	**6,316**	**(5,362)**	**102**	**(11,699)**	**1,352**	**(9,291)**

29.3.2 Transactions with related companies

	Renner Administradora de Cartões de Crédito Ltda. - (RACC)		Dromegon Participações Ltda.		Fashion Business Comércio de Roupas Ltda. ("Youcom")		Maxmix Comercial (Camicado)		Lojas Renner Shanghai Trading Co.		TOTAL	
	3Q16	9M16	3Q16	9M16	3Q16	9M16	3Q16	9M16	3Q16	9M16	3Q16	9M16
Rents payable	-	-	(1,550)	(4,663)	-	-	-	-	-	-	(1,550)	(4,663)
Shared expenses	11,633	33,734	13	40	472	1,331	463	1,381	-	-	12,581	36,486
Commission expense	-	-	-	-	-	-	-	-	(351)	(3,423)	(351)	(3,423)
TOTAL	**11,633**	**33,734**	**(1,537)**	**(4,623)**	**472**	**1,331**	**463**	**1,381**	**(351)**	**(3,423)**	**10,680**	**28,400**

	Renner Administradora de Cartões de Crédito Ltda. - (RACC)		Dromegon Participações Ltda.		Fashion Business Comércio de Roupas Ltda. ("Youcom")		Maxmix Comercial (Camicado)		Lojas Renner Shanghai Trading Co.		TOTAL	
	3Q15	9M15	3Q15	9M15	3Q15	9M15	3Q15	9M15	3Q15	9M15	3Q15	9M15
Rents payable	-	-	(1,508)	(4,709)	-	-	-	-	-	-	(1,508)	(4,709)
Shared expenses	10,826	31,954	13	40	292	794	464	1,359	-	-	11,595	34,147
Commission expense	-	-	-	-	-	-	-	-	(245)	(245)	(245)	(245)
TOTAL	**10,826**	**31,954**	**(1,495)**	**(4,669)**	**292**	**794**	**464**	**1,359**	**(245)**	**(245)**	**9,842**	**29,193**

30 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 September 30, 2016, 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	
	9/30/2016	12/31/2015
Civil liability and Directors & Officers (D&O)	88,200	87,200
Property and inventories	3,255,246	3,042,507
Vehicles	37,485	31,528
	3,380,931	**3,161,235**

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

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

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

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

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

32 STOCK OPTION PLAN

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

32.1 MAIN CHARACTERISTICS OF THE STOCK OPTION PLAN

The programs regulated by the Stock Option Plan of the grants provided through 2015 establish that 50% of options shall be vested after the lapse of three years from their respective grant, and the remaining portion after the lapse of four years (considering only the options comprising the same grant). In relation to the Stock Option Plan programs approved in 2015, they establish that 25% are vested after the lapse of one year of their respective grant, and then successively 25% are vested at each subsequent period of one year. The programs also provide for exercise rights in case of the death, retirement or permanent disability of the participant. After the third grant, in case of obligation of carrying out a public offering, under the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the event of success of the tender offer of the Company, if any of these cases result in the termination without cause of a Plan participant by initiative of the Company, all options granted to the respective participant and that are not yet vested shall automatically become vested, which condition is restricted to the termination that occurs up to 12 months in case of the Plan approved in 2015. After an option is granted, the beneficiary (Selected Directors and Executives) may exercise it at any time, at your own discretion, within the term of six (6) years from the date of the granting of such option. On March 5, 2014, it was approved the contractual grant of options of the CEO, which establishes that the option exercise is subject to a total grace period of six years, counted as of the grant date, and from the second and third anniversary of the grant date, it shall be granted the advance exercise of a portion of 30% of the options in each anniversary, taking into account that the balance of 40% may be exercised from the last quarter of the fourth year counted as of the contract signature date, and provided that a target of Company's valuation is met through the Total Shareholder Return (TSR), set by the Board of Directors.

32.2 POSITION OF STOCK OPTION PLAN

Option plans (Approval date)	Grants	Grant date	Exercise amount	Grace period 1st tranche	Grace period 2nd tranche	Grace period 3rd tranche	Grace period 4th tranche	Position of grants (Quantity) On 9/30/16	Position of grants (Quantity) On 12/31/15
1st plan - may/05	7th grant	2/16/11	10.28	2/15/14	2/15/15	-	-	55	298
1st plan - may/05	8th grant	2/6/12	11.03	2/5/15	2/5/16	-	-	418	1,374
1st plan - may/05	9th grant	2/22/13	15.61	2/22/16	2/21/17	-	-	1,338	2,089
1st plan - may/05	10th grant	2/19/14	11.24	2/18/17	2/18/18	-	-	3,105	3,335
1st plan - may/05	Contractual grant	3/5/14	11.18	3/4/16	3/4/17	11/29/17	-	5,313	6,250
1st plan - may/05	11th grant	2/12/15	14.58	2/11/18	2/11/19	-	-	2,992	3,169
1st plan - may/05	11th grant compl	4/16/15	17.41	4/15/18	4/15/19	-	-	25	25
								13,246	**16,540**
2nd plan - setember/15	1st grant	2/4/16	16.94	2/3/17	2/3/18	2/3/19	03/02/20	1,938	-
							Total	**15,184**	**16,540**

The closing stock price of the Company as of September 30, 2016 is R$ 24.47 (R$ 17.10 as of December 31, 2015).

Each option corresponds to the right to subscribe one share of the Company. As of September 30, 2016 there were 15.184 thousand options in the Money (7th, 8th, 9th, 10th and 11th grants, contractual grant and 1st grant of new stock option plan), we show below the effects in the net equity per share and the respective percentage of reduction in the ownership interests of the current shareholders as of September 30, 2016 (December 31, 2015):

	9/30/16	12/31/15
Equity	2,366,123	2,310,896
Number of shares - thousand	642,853	640,041
Book value per share - R$	3.68	3.61
Equity, considering the in the Money options exercised	2,563,330	2,515,243
Number of shares, considering the in the Money options exercised	658,037	656,556
Book value of the share, considering the in the Money options exercised	3.90	3.83
% of decrease in the ownership interest of current stockholders, considering the in the Money options exercised	2.31%	2.52%

32.3 ASSUMPTIONS FOR MEASURING THE FAIR VALUE OF STOCK OPTIONS

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

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

The summary chart with information used for determining the fair values of grants is as follows:

Option plans (Approval date)	Grants	Exercise value	Grant date	Vesting period	Expected dividend (%)	Stock price volatility	Risk-free interest-free	Fair value on grant date per share (R$)
1st plan - may/05	7th grant	10.28	2/16/2011	-	3.65%	42.84%	11.80%	5.97
1st plan - may/05	8th grant	11.03	2/6/2012	-	3.37%	29.38%	10.54%	6.42
1st plan - may/05	9th grant	15.61	2/22/2013	0.39	2.77%	22.40%	9.05%	6.04
1st plan - may/05	10th grant	11.24	2/19/2014	1.39	3.97%	24.11%	12.20%	5.27
1st plan - may/05	Contractual grant	11.18	3/5/2014	2.16	3.72%	26.77%	11.89%	5.98
1st plan - may/05	11th grant	14.58	2/12/2015	2.37	1.80%	27.82%	11.77%	7.48
1st plan - may/05	11th grant compl	17.41	4/16/2015	2.54	1.39%	21.30%	11.79%	10.04
2nd plan - setember/15	1st grant	16.94	2/4/2016	3.35	1.67%	40.69%	14.38%	11.37

32.4 CHANGES IN SHARE PURCHASE OPTION PLAN

	Amount (in thousands)
Balance on January 1, 2015	**16,980**
Options granted	3,631
Options exercised	(3,066)
Options canceled	(1,005)
Balance on December 31, 2015	**16,540**
Options granted	2,047
Options exercised	(2,813)
Options canceled	(590)
Balance on September 30, 2016	**15,184**

The expense is recorded on pro rata basis, which starts on the grant date and ends on the date the beneficiary is vested with the option. In the quarter ended September 30, 2016, the stock option plan expense totaled R$ 5,786 (R$ 5,498 as of September 30, 2015) in both Parent Company and Consolidated. Regarding the nine-month period ended September 30, 2016, such expense amounted R$ 18,260 (R$ 19,508 as of September 30, 2015) in both Parent Company and Consolidated.

33 RESTRICTED STOCK PLAN

On September 23, 2015, at the Extraordinary Shareholders' Meeting a Restricted Stock Plan was approved. The plan shall be administered by the Committee of Personnel of the Company ("Committee"), created in compliance with the Bylaws, which is composed of independent members of the Board of Directors ("Board"). Such plan establishes that the Committee and Board members shall not be eligible to the Restricted Stocks of the plan.

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

33.2 POSITION OF RESTRICTED STOCK PLAN

Grant	Share price	Grant date	Grace period 1st tranche	Position of grants (Quantity) On 9/30/16
1st grant	17.80	2/4/2016	2/3/2019	453
				453

33.3 CHANGES IN RESTRICTED STOCK PLAN

	Amount (in thousands)
Balance on January 1, 2016	**-**
Options granted	472
Options canceled	(19)
Balance on September 30, 2016	**453**

The expense is recorded on pro rata basis, which starts on the grant date and ends on the date the beneficiary is vested with the option. In the quarter ended September 30, 2016, the restricted stock plan expense totaled R$ 937. Regarding the nine-month period ended September 30, 2016, the restricted stock plan expense, including principal and social security contribution totaled R$ 2,445.

34 INFORMATION PER BUSINESS SEGMENT

The Management defined Company's operating segments based on reports reviewed by the Board of Directors to make strategic decisions (Note 5.3).

The Company's segment information is segregated into:

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

Financial products: financial services, with intermediation of financial services with charges, personal loans, and insurances brokerage.

We show below the profit or loss per business segment:

	Retail		Financial Products		Total	
	3Q16	9M16	3Q16	9M16	3Q16	9M16
Net operating revenue	1,260,418	3,801,254	185,411	539,523	1,445,829	4,340,777
Cost of sales	(583,810)	(1,688,169)	(10,406)	(31,546)	(594,216)	(1,719,715)
Gross profit	**676,608**	**2,113,085**	**175,005**	**507,977**	**851,613**	**2,621,062**
Selling	(375,259)	(1,122,726)	-	-	(375,259)	(1,122,726)
General and administrative	(134,271)	(385,567)	-	-	(134,271)	(385,567)
Losses on receivables, net	-	-	(68,811)	(196,511)	(68,811)	(196,511)
Other operating results	(2,904)	(21,824)	(40,858)	(123,054)	(43,762)	(144,878)
Results from segments	**164,174**	**582,968**	**65,336**	**188,412**	**229,510**	**771,380**
Supplementary information						
Depreciation and amortization	(78,481)	(228,499)	(120)	(379)	(78,601)	(228,878)
Stock option plan	-	-	-	-	(5,786)	(18,260)
Disposal of property, plant and equipment	-	-	-	-	(12,228)	(13,345)
Finance result, net	-	-	-	-	(26,239)	(77,427)
Income tax and social contribution in profit	-	-	-	-	(21,752)	(108,243)
Net income for the period	-	-	-	-	**84,904**	**325,227**

	Retail		Financial Products		Total	
	3Q16	9M16	3Q16	9M16	3Q16	9M16
Net operating revenue	1,248,365	3,613,486	172,240	517,467	1,420,605	4,130,953
Cost of sales	(586,005)	(1,651,570)	(10,692)	(35,919)	(596,697)	(1,687,489)
Gross profit	**662,360**	**1,961,916**	**161,548**	**481,548**	**823,908**	**2,443,464**
Selling	(339,070)	(990,361)	-	-	(339,070)	(990,361)
General and administrative	(122,131)	(339,135)	-	-	(122,131)	(339,135)
Losses on receivables, net	-	-	(76,307)	(196,180)	(76,307)	(196,180)
Other operating results	(18,501)	(46,872)	(37,366)	(115,419)	(55,867)	(162,291)
Results from segments	**182,658**	**585,548**	**47,875**	**169,949**	**230,533**	**755,497**
Supplementary information						
Depreciation and amortization	(68,101)	(193,130)	(134)	(175)	(68,235)	(193,305)
Stock option plan	-	-	-	-	(5,498)	(19,508)
Disposal of property, plant and equipment	-	-	-	-	(144)	(1,579)
Finance result, net	-	-	-	-	(26,923)	(80,693)
Income tax and social contribution in profit	-	-	-	-	(33,767)	(133,087)
Net income for the period	-	-	-	-	**95,966**	**327,325**

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

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

35 INCOME

Net operational income comprised the following:

	Parent Company			
	3Q16	9M16	3Q16	9M16
Gross operating revenue	**1,668,089**	**5,064,241**	**1,700,650**	**4,955,768**
Sales of products	1,547,655	4,710,708	1,581,206	4,594,860
Financial products and services	120,434	353,533	119,444	360,908
Deductions	**(393,729)**	**(1,208,104)**	**(419,748)**	**(1,209,338)**
Taxes on sales	(386,556)	(1,187,220)	(412,692)	(1,197,347)
Taxes on financial products and services	(7,173)	(20,884)	(7,056)	(11,991)
Net operating revenue	**1,274,360**	**3,856,137**	**1,280,902**	**3,746,430**

	Consolidated			
	3Q16	9M16	3Q16	9M16
Gross operating revenue	**1,878,922**	**5,658,159**	**1,867,391**	**5,412,518**
Sales of products	1,673,726	5,063,284	1,678,224	4,856,931
Financial products and services	205,196	594,875	189,167	555,587
Deductions	**(433,093)**	**(1,317,382)**	**(446,786)**	**(1,281,565)**
Taxes on sales	(413,308)	(1,262,030)	(429,859)	(1,243,445)
Taxes on financial products and services	(19,785)	(55,352)	(16,927)	(38,120)
Net operating revenue	**1,445,829**	**4,340,777**	**1,420,605**	**4,130,953**

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

36 OTHER OPERATING INCOME

We show below the composition of operating income:

	Parent Company			
	3Q16	9M16	3Q16	9M16
Management remuneration	(2,598)	(7,189)	(2,285)	(7,253)
Tax expenses	(10,337)	(29,780)	(9,694)	(27,339)
Financial product/service expenses	(16,952)	(54,733)	(16,930)	(51,924)
Disposal of property, plant and equipment	(12,204)	(13,320)	(193)	(1,403)
Depreciation and amortization	(73,394)	(214,501)	(64,315)	(182,056)
Stock option plan	(5,786)	(18,260)	(5,498)	(19,508)
Other operating income (expenses)	3,078	12,493	(16,456)	(17,709)
Recovery of tax credits	11,449	23,441	14,982	34,058
Employee profit sharing	(3,094)	(18,056)	(8,931)	(31,943)
Other operating results	**(109,838)**	**(319,905)**	**(109,320)**	**(305,077)**

	Consolidated			
	3Q16	9M16	3Q16	9M16
Management remuneration	(2,598)	(7,189)	(2,285)	(7,253)
Tax expenses	(11,953)	(34,218)	(11,128)	(30,739)
Financial product/service expenses	(40,858)	(123,054)	(37,366)	(115,419)
Disposal of property, plant and equipment	(12,228)	(13,345)	(144)	(1,579)
Depreciation and amortization	(78,601)	(228,878)	(68,235)	(193,305)
Stock option plan	(5,786)	(18,260)	(5,498)	(19,508)
Other operating income (expenses)	3,133	11,319	(16,729)	(18,150)
Recovery of tax credits	11,614	25,588	20,572	41,516
Employee profit sharing	(3,100)	(17,324)	(8,931)	(32,246)
Other operating results	**(140,377)**	**(405,361)**	**(129,744)**	**(376,683)**

37 FINANCIAL RESULT

Investment income recognized in financial income are mainly derived from the interest earned from marketable securities classified as "cash equivalents" and gains with hedge operations settled, which are subject to usual market rates, and, accordingly, have amounts similar to the fair or market values of the respective assets. Investment expenses are mainly resulting from loans, debentures, swap and losses with hedge operations.

We show below the composition of financial income:

	Parent Company			
	3Q16	9M16	3Q16	9M16
Financial income	**16,594**	**62,713**	**16,108**	**65,217**
Gains on cash equivalents	15,268	45,126	12,142	40,661
Interest received	265	1,775	191	357
Foreign exchange gains	15	80	1,927	21,311
Monetary variation gains	425	664	10	4
Gain on hedge transactions settled	-	14,408	1,375	2,256
Gain on hedge transactions - accrual	621	660	463	628
Other finance income	-	-	-	-
Finance costs	**(44,885)**	**(142,452)**	**(43,591)**	**(145,641)**
Interest on debentures, borrowings and swaps	(33,144)	(106,275)	(37,282)	(113,408)
Interest - finance lease	(2,769)	(5,887)	(1,399)	(4,245)
Interest payable	(161)	(1,584)	37	(538)
Foreign exchange losses	(14)	(630)	(1,969)	(18,980)
Monetary variation losses	(622)	(2,271)	(477)	(1,337)
Loss on hedge transactions - settled	(5,991)	(5,991)	-	-
Loss on hedge transactions - accrual	-	(13,484)	(194)	(527)
Other financial costs	(2,184)	(6,330)	(2,307)	(6,606)
Finance result, net	**(28,291)**	**(79,739)**	**(27,483)**	**(80,424)**

	Consolidated			
	3Q16	9M16	3Q16	9M16
Financial income	**19,708**	**70,312**	**19,068**	**69,899**
Gains on cash equivalents	17,938	51,624	13,310	42,659
Interest received	268	1,784	192	363
Foreign exchange gains	453	1,168	3,700	23,970
Monetary variation gains	428	667	28	23
Gain on hedge transactions settled	-	14,409	1,375	2,256
Gain on hedge transactions - accrual	621	660	463	628
Other financial income	-	2	-	1,649
Finance costs	**(45,947)**	**(147,741)**	**(45,991)**	**(152,241)**
Interest on debentures, borrowings and swaps	(34,356)	(109,136)	(37,910)	(116,773)
Interest - finance lease	(2,769)	(5,887)	(1,399)	(4,245)
Interest payable	(270)	(1,674)	(29)	(623)
Foreign exchange losses	(222)	(1,492)	(2,877)	(20,464)
Monetary variation losses	(552)	(2,225)	(566)	(1,767)
Loss on hedge transactions - settled	(6,333)	(6,333)	-	-
Loss on hedge transactions - accrual	-	(13,484)	(194)	(527)
Other financial costs	(1,445)	(7,510)	(3,016)	(7,842)
Finance result, net	**(26,239)**	**(77,429)**	**(26,923)**	**(82,342)**

38 EXPENSES PER TYPE

The Company's income statements is shown by duty. We show below the composition of expenditures by nature as of September 30, 2016:

	Controladora			
	3Q16	9M16	3Q15	9M15
Personnel	(198,023)	(576,903)	(169,749)	(502,960)
Occupancy	(96,338)	(285,332)	(86,437)	(254,292)
Depreciation and amortization	(73,394)	(214,501)	(64,315)	(182,056)
Third-party services	(62,799)	(177,911)	(64,887)	(182,749)
Utilities and services	(30,542)	(98,810)	(32,159)	(92,974)
Promotions	(33,129)	(105,352)	(33,835)	(106,962)
Financial products and services	(16,952)	(54,733)	(16,930)	(51,924)
Other expenses	(55,970)	(167,071)	(65,135)	(157,206)
Total	**(567,147)**	**(1,680,613)**	**(533,447)**	**(1,531,123)**
Classified as:				
Selling expenses	(334,042)	(1,007,054)	(310,795)	(910,152)
General and administrative expenses	(123,267)	(353,654)	(113,332)	(315,894)
Other operating results	(109,838)	(319,905)	(109,320)	(305,077)
Total	**(567,147)**	**(1,680,613)**	**(533,447)**	**(1,531,123)**

	Consolidated			
	3Q16	**9M16**	**3T15**	**9M15**
Personnel	(218,405)	(635,184)	(183,391)	(540,420)
Occupancy	(109,913)	(322,828)	(96,663)	(282,876)
Depreciation and amortization	(78,601)	(228,878)	(68,235)	(193,305)
Third-party services	(68,906)	(195,036)	(69,336)	(195,350)
Utilities and services	(33,069)	(106,195)	(34,121)	(98,459)
Promotions	(37,047)	(115,744)	(36,236)	(114,565)
Financial products and services	(40,858)	(123,054)	(37,366)	(115,419)
Other expenses	(63,108)	(186,735)	(65,597)	(165,785)
Total	**(649,907)**	**(1,913,654)**	**(590,945)**	**(1,706,179)**
Classified as:				
Selling expenses	(375,259)	(1,122,726)	(339,070)	(990,361)
General and administrative expenses	(134,271)	(385,567)	(122,131)	(339,135)
Other operating results	(140,377)	(405,361)	(129,744)	(376,683)
Total	**(649,907)**	**(1,913,654)**	**(590,945)**	**(1,706,179)**

***

REPORT ON THE REVIEW OF QUARTERLY INFORMATION

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 September 30, 2016, which comprises the balance sheet as of September 30, 2016, and related statements of income, comprehensive income for the three and nine months period then ended, and changes in shareholders' equity and cash flows for the nine months period then ended, including the explanatory notes.

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

Scope of the review

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

Conclusion on the interim accounting information

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

Other issues
Statements of added value

We also reviewed the individual and consolidated statements of added value for the nine-month period ended September 30, 2016, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Brazilian Securities Commission, applicable to the preparation of Quarterly Information – ITR and considered supplementary information by the IFRS, which do not require the presentation of the statement of added value. These statements were subjected to the review procedures previously described and, 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 financial interim information taken as a whole.

Porto Alegre, October 24, 2016

KPMG Auditores Independentes
CRC SP-014428/F-7

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