

UNICASA

**Earnings Release
3Q18**





Bento Gonçalves, Rio Grande do Sul, November 13, 2018. Unicasa Indústria de Móveis S.A. (BM&FBovespa: UCAS3, Bloomberg: UCAS3:BZ, Reuters: UCAS3), one of the leading companies in Brazil's custom-made furniture industry and the only Brazilian publicly held company in the sector, announces today its results for the third quarter of 2018. Except where stated otherwise, all variations and comparisons are in relation to the same period of the previous year. The following financial and operating information, except where stated otherwise, is presented with consolidated data (including Unicasa Comércio de Móveis Ltda.), in thousands of Brazilian reais and in accordance with the International Financial Reporting Standards (IFRS).

Investor relations

Frank Zietolie
CEO and CCO

Gustavo Dall'Onder
CFO and IRO

Guilherme Possebon de Oliveira
Maikon Luis Moro

Phone: (54) 3455-4425

dri@unicasamoveis.com.br

www.unicasamoveis.com.br/ri

Period highlights

- Growth of 1.7% in net revenue;
- Selling and Administrative expenses down 22.8%;
- Net margin up 4.1 p.p.;
- EBITDA margin up 6.0 p.p.;
- Net income in the quarter, reversing the loss in the last nine months.

Executive Summary	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue ex-IPI	53,938	52,587	-2.5%	152,971	135,553	-11.4%
Net Revenue	41,162	41,866	1.7%	115,888	107,510	-7.2%
Cost of Goods Sold	(23,484)	(25,240)	+7.5%	(66,443)	(65,826)	-0.9%
Gross Income	17,678	16,626	-6.0%	49,445	41,684	-15.7%
Gross Margin	42.9%	39.7%	-3.2 p.p.	42.7%	38.8%	-3.9 p.p.
Selling and Administrative Expenses	(19,021)	(14,679)	-22.8%	(59,806)	(43,687)	-27.0%
Other Revenues and Operating Expenses	814	602	-26.0%	2,210	2,007	-9.2%
Operating Income	(529)	2,549	-581.9%	(8,151)	4	-100.0%
Operating Margin	-1.3%	6.1%	+7.4 p.p.	-7.0%	0.0%	+7.0 p.p.
Financial Income (Expenses) Net	875	1,388	+58.6%	3,417	3,780	+10.6%
Operating Income before Income Tax and Social Contribution	346	3,937	+1037.9%	(4,734)	3,784	-179.9%
Income Tax and Social Contribution	(116)	(1,997)	+1621.6%	2,977	(2,198)	-173.8%
Net Profit	230	1,940	+743.5%	(1,757)	1,586	-190.3%
Net Margin	0.6%	4.6%	+4.1 p.p.	-1.5%	1.5%	+3.0 p.p.
EBITDA	2,079	4,649	+123.6%	(304)	6,912	-2373.7%
EBITDA Margin	5.1%	11.1%	+6.0 p.p.	-0.3%	6.4%	+6.7 p.p.

Disclaimer: The forward-looking statements in this document related to the business prospects, projections of operating and financial results and growth prospects of Unicasa are merely estimates and as such are based exclusively on Management's expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, industry and international markets, and are subject to known and unknown risks and uncertainties, which can cause such expectations to not materialize or cause actual results to differ materially from those expected and, therefore, are subject to change without prior notice.

SALES PERFORMANCE

Gross revenue in 3Q18 decreased 2.5% from 3Q17, due to: (i) the reduction in the distribution network, responsible for 5.1% decline; (ii) the shutdown of the own store operation, which accounted for about 5.1% of the decline, partially offset by the decrease in operating expenses arising from this business unit; and (iii) growth of 7.7% in other sales channels, mainly driven by export and Corporate Channels.

The Unicasa Corporate and Export Markets segments are affected by significant oscillations due to the specific aspects of the projects sold in the period. In case of the Export Market, include the oscillation of the exchange rate.

Dell Anno and Favorita – Exclusive and Own Stores	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue, ex-IPI	28,297	25,998	-8.1%	83,117	68,188	-18.0%
Number of Modules Sold (thousand units)	88.1	64.2	-27.1%	240.2	177.1	-26.3%
New and Casa Brasileira Exclusive Dealers	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue, ex-IPI	13,616	12,930	-5.0%	38,794	32,622	-15.9%
Number of Modules Sold (thousand units)	70.1	58.6	-16.4%	203.4	148.0	-27.2%
Multibrands	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue, ex-IPI	6,337	6,912	+9.1%	17,641	17,126	-2.9%
Number of Modules Sold (thousand units)	37.8	34.2	-9.5%	106.8	86.4	-19.1%
Unicasa Corporate	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue, ex-IPI	2,966	4,059	+36.9%	7,693	9,987	+29.8%
Number of Modules Sold (thousand units)	9.9	8.4	-15.2%	24.6	23.0	-6.5%
Export Market	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue, ex-IPI	2,152	1,911	-11.2%	3,773	5,677	+50.5%
Number of Modules Sold (thousand units)	10.7	5.3	-50.5%	17.1	19.8	+15.8%

Consolidated Indicators – Unicasa

Unicasa Indústria de Móveis	3Q17	3Q18	Δ	9M17	9M18	Δ
Gross Revenue, ex-IPI	53,938	52,587	-2.5%	152,971	135,553	-11.4%
Number of Modules Sold (thousand units)	217.1	170.8	-21.3%	594.9	454.5	-23.6%

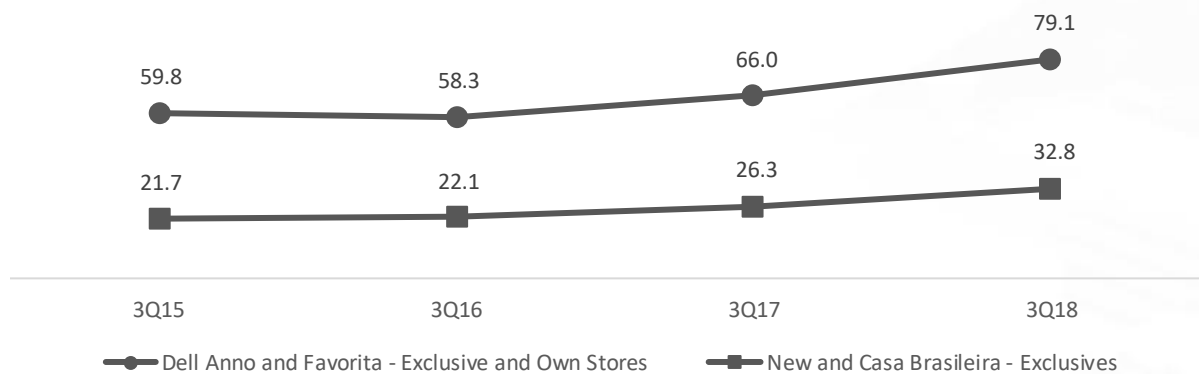
SALES AND DISTRIBUTION CHANNELS

Period	4Q17	1Q18	2Q18	3Q18	Δ
Exclusive and Own Stores	278	265	249	233	(16)
Dell Anno and Favorita	129	122	115	104	(11)
New and Casa Brasileira	149	143	134	129	(5)
Multibrand	597	595	587	566	(21)
New and Casa Brasileira Multibrand	597	595	587	566	(21)

(1) Variation compared to 2Q18.

Average productivity per Dell Anno and Favorita store in 3Q18 was R\$79.1/month, 20.0% higher than the R\$66.0 in 3Q17. Average productivity in the quarter per New and Casa Brasileira store in 3Q18 was

R\$32.8/month, 24.6% higher than the R\$26.3 in 3Q17, due to the closure of less productive operations. The graph below shows historical productivity in the second quarter.



FINANCIAL PERFORMANCE

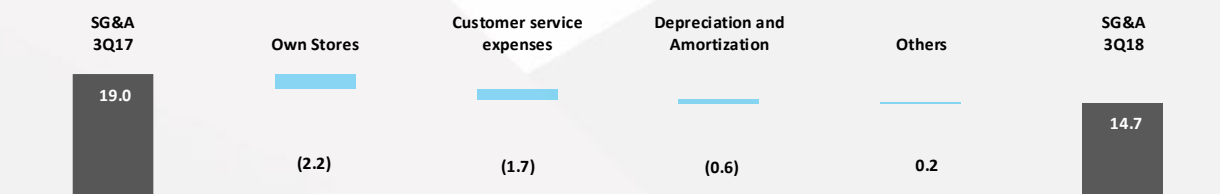
Gross Profit and Gross Margin

Gross profit in the quarter was R\$16.6 million. Gross margin fell 3.2 p.p., from 42.9% in 3Q17 to 39.7% this quarter. The main variations in margin are: (i) sales mix, increasing gross margin by 1.4 p.p.; (ii) closure of own stores, reduction of 4.6 p.p.; (iii) in January 2018, the Company started paying social security contribution on payroll, as permitted by Federal Law 12,546/2011. This change increased margin by 0.3 p.p. this quarter, an inverse effect to that seen last quarter, due to higher revenue this quarter; (iv) reduction in personnel expenses helped improve margin by 0.7 p.p., which was offset by the increase in other general manufacturing expenses, which reduced margin by 1.0 p.p.

Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	3Q17	3Q18	Δ	9M17	9M18	Δ
Total	(19,021)	(14,679)	-22.8%	(59,806)	(43,687)	-27.0%
Selling Expenses	(11,907)	(8,764)	-26.4%	(42,438)	(25,497)	-39.9%
% of Net Revenue	28.9%	20.9%	-8.0 p.p.	36.6%	23.7%	-12.9 p.p.
Administrative Expenses	(7,114)	(5,915)	-16.9%	(17,368)	(18,190)	+4.7%
% of Net Revenue	17.3%	14.1%	-3.2 p.p.	15.0%	16.9%	+1.9 p.p.
SG&A % of Net Revenue	46.2%	35.0%	-11.2 p.p.	51.6%	40.6%	-11.0 p.p.

The following chart presents the evolution of Selling, General and Administrative ⁽¹⁾:



⁽¹⁾In million.

Expenses with own stores declined by R\$2.2 million, mainly due to the closure of the own store operation, as disclosed in the 4Q16 earnings release.

Consumer expenses were down by R\$1.7 million, mainly due to the overall decline in such type of expenses. These expenses mainly comprise costs with merchandise, freight and assembly at end consumers who were not served by the closed stores and are being directly served by the plant.

The amortization of points of sale declined R\$0.6 million due to the end of the amortization period for one of our points of sale.

Other expenses increased R\$0.2 million, mainly due to legal advisory expenses, which were partially offset by the reduction in personnel expenses resulting from the structural adjustments we carried out in recent years.

Other Operating Income and Expenses

The main variation in this group refers to court-ordered indemnification received in 3Q17

Other Operating Income and Expenses	3Q17	3Q18	Δ	9M17	9M18	Δ
Total	814	602	-26.0%	2,210	2,007	-9.2%
Operating Expenses	(18)	(233)	1194.4%	(1,635)	(391)	-76.1%
Operating Income	832	835	0.4%	3,845	2,398	-37.6%
Bank Premium	474	436	-8.0%	1,343	1,086	-19.1%
Trademark Rights	-	200	n/a	570	200	-64.9%
Other Operating Income	358	199	-44.4%	1,932	1,112	-42.4%
% of Net Revenue	2.0%	1.4%	-0.6 p.p.	1.9%	1.9%	0.0 p.p.

Financial Result

Financial result increased 58.6%, mainly due to the reduction in discounts granted to clients, related to the settlement of contractual negotiations

Financial Result	3Q17	3Q18	Δ	9M17	9M18	Δ
Net Financial Result	875	1,388	58.6%	3,417	3,780	10.6%
Financial Expenses	(773)	(446)	-42.3%	(2,162)	(983)	-54.5%
IOF charge and bank fees	(52)	(51)	-1.9%	(232)	(184)	-20.7%
Exchange variation expenses	(144)	(276)	-87.5%	(283)	(477)	68.6%
Present value adjustment - AVP	(56)	(7)	n/a	(406)	(136)	-66.5%
Other financial expenses	(521)	(112)	-79%	(1,241)	(186)	-85.0%
Financial Income	1,648	1,834	11.3%	5,579	4,763	-14.6%
Interest income	418	428	2.4%	1,329	1,240	-6.7%
Discounts	18	153	750.0%	69	176	155.1%
Yield from short-term investments	493	478	-3.0%	1,924	1,292	-32.8%
Exchange variation income	137	252	83.9%	298	601	101.7%
Present value adjustment - AVP	359	374	4.2%	1,438	953	-33.7%
Other financial income	223	149	-33.2%	521	501	-3.8%

EBITDA and EBITDA Margin

EBITDA	3Q17	3Q18	Δ	9M17	9M18	Δ
Net Income for the Period	230	1,940	+743.5%	(1,757)	1,586	-190.3%
Income Tax and Social Contribution	116	1,997	+1621.6%	(2,977)	2,198	-173.8%
Financial Result	(875)	(1,388)	+58.6%	(3,417)	(3,780)	+10.6%
EBIT	(529)	2,549	-581.9%	(8,151)	4	-100.0%
Depreciation and Amortization	2,608	2,100	-19.5%	7,847	6,908	-12.0%
EBITDA	2,079	4,649	+123.6%	(304)	6,912	-2373.7%
EBITDA Margin	5.1%	11.1%	+6.0 p.p.	-0.3%	6.4%	+6.7 p.p.

Cash Flow

This quarter, the Company Management decided to carry out a strategic acquisition of inventories, which resulted in lower cash generation than in the same quarter last year. This one-time increase in inventory acquisition should be evened out over the next two quarters.

Cash Flow	3Q17	3Q18	Δ	9M17	9M18	Δ
Cash Flows from Operating Activities	5,521	5,932	+7.4%	6,175	12,902	+108.9%
Changes in Assets and Liabilities	6,951	(2,213)	-131.8%	2,552	1,081	-57.6%
Financial Investments	(3,616)	(12,315)	+240.6%	1,163	(13,315)	-1244.9%
Cash generated by investment activities	(1,553)	(1,531)	-1.4%	(4,757)	(4,264)	-10.4%
Cash flow (burn)	7,303	(10,127)	-238.7%	5,133	(3,596)	-170.1%
Financial Investments	3,616	12,315	+240.6%	(1,163)	13,315	-1244.9%
Cash flow and Financial Investments	10,919	2,188	-80.0%	3,970	9,719	+144.8%
At the Beginning of the Period	25,662	37,004	+44.2%	32,611	29,473	-9.6%
At the End of the Period	36,581	39,192	+7.1%	36,581	39,192	+7.1%
Cash flow and Financial Investments	10,919	2,188	-80.0%	3,970	9,719	+144.8%

Net Cash

Net Cash	9/30/2017	9/30/2018	Δ
Short Term Debt	-	-	n/a
Long Term Debt	-	-	n/a
Gross Debt	-	-	n/a
Cash and Cash Equivalents	32,965	25,877	-21.5%
Financial Investments	3,616	13,315	+268.2%
Net Debt/(Cash Surplus)	(36,581)	(39,192)	+7.1%

Return on Invested Capital (ROIC) and Return on Equity (ROE) in the last twelve months (LTM)

NOPLAT (Net Operating Profit Less Adjusted Taxes)	3Q18	2Q18	1Q18	4Q17	3Q17
(=) EBITDA	4.649	820	1.443	(3.803)	2.079
Depreciation	2.100	2.111	2.697	2.642	2.608
(=) EBIT	2.549	(1.291)	(1.254)	(6.445)	(529)
Income Tax and Social Contribution	(1.997)	(37)	(164)	658	(116)
Financial Result Income Tax Reversal	472	456	357	404	298
(=) Operating Net Income (NOPLAT)	1.024	(872)	(1.061)	(5.383)	(348)
(=) Operating Net Income (NOPLAT) - Last Twelve Months	(6.292)	(7.664)	(10.678)	(9.396)	(29.185)

ROIC (Return on Invested Capital)	3Q18	2Q18	1Q18	4Q17	3Q17
Invested Capital - LTM	133.275	134.682	138.698	140.322	148.290
ROIC - LTM	-4,7%	-5,7%	-7,7%	-6,7%	-19,7%
Net Profit	1.940	14	(368)	(4.600)	230

ROE (Return on Equity)	3Q18	2Q18	1Q18	4Q17	3Q17
Net Profit - Last Twelve Months	(754)	(1.181)	(1.970)	(1.589)	(6.470)
Shareholders' equity	169.458	167.518	167.504	167.872	172.472
Shareholders' equity - Last Twelve Months	168.088	168.842	170.023	171.992	173.581
ROE - LTM	-0,4%	-0,7%	-1,2%	-0,9%	-3,7%

ANNEX I – WORKING CAPITAL AND INVESTED CAPITAL

Invested Capital	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Operational Assets	73,713	70,270	69,763	69,272	72,317
(+) Trade Accounts Receivable	28,161	24,348	21,606	23,641	23,528
(+) Long Term Trade Accounts Receivable	8,746	9,708	10,704	11,633	11,654
(+) Long Term Loans Granted	1,706	1,945	2,241	2,606	2,823
(+) Inventories	24,818	21,227	21,835	19,770	20,672
(+) Advances to Suppliers	169	141	124	837	142
(+) Loans Granted	1,798	1,756	1,655	1,456	2,510
(+) Prepaid Expenses	1,372	2,293	2,184	1,089	1,624
(+) Recoverable Taxes	3,365	5,022	5,383	5,096	6,303
(+) Other Assets	3,578	3,830	4,031	3,144	3,061
Operational Liabilities	40,678	40,950	41,744	38,445	46,504
(-) Suppliers	5,602	5,370	7,077	3,266	5,520
(-) Tax Liabilities	2,740	2,505	2,212	2,718	3,312
(-) Payroll and Related Charges	5,101	4,223	3,461	2,973	5,176
(-) Advances from Customers	19,131	18,992	17,877	17,568	22,667
(-) Provisions	5,953	6,215	7,506	8,703	6,655
(-) Other Liabilities	2,151	3,645	3,611	3,217	3,174
(=) Working Capital	33,035	29,320	28,019	30,827	25,813
Non-current Operating Assets	107,849	111,912	115,454	117,618	119,754
(+) Assets Held for Sale	749	1,057	2,410	2,878	4,139
(+) Deferred Income and Social Contribution Taxes	14,040	16,037	16,074	16,238	15,680
(+) Judicial Deposits	2,930	2,730	2,636	2,946	2,894
(+) Other Assets	1,950	2,559	2,826	2,454	2,898
(+) Investments	20	20	20	31	31
(+) Property, Plant and Equipment	79,502	80,287	81,873	82,398	82,364
(+) Intangible Assets	8,658	9,222	9,615	10,673	11,748
Non-current Operating Liabilities	10,618	10,718	9,551	10,046	9,676
(-) Tax Liabilities	241	405	438	471	504
(-) Provisions	10,377	10,313	9,113	9,575	9,172
(=) Fixed Capital	97,231	101,194	105,903	107,572	110,078
Total Financing					
(+) Cash and Cash Equivalents	25,877	36,004	33,582	29,473	32,965
(+) Short Term Financial Investments	13,315	1,000	-	-	3,616
(-) Shareholders' equity	169,458	167,518	167,504	167,872	172,472
(=) Total Financing	130,266	130,514	133,922	138,399	135,891

ANNEX II – FINANCIAL STATEMENTS – INCOME STATEMENT – CONSOLIDATED

Income Statement	3Q17	AV	3Q18	AV	Δ	AH	9M17	AV	9M18	AV	AH
Gross Revenue from Sales	56,234	136.6%	54,940	131.2%	(1,294)	-2.3%	159,518	137.6%	141,475	131.6%	-11.3%
Domestic Market	54,082	131.4%	53,029	126.7%	(1,053)	-1.9%	155,745	134.4%	135,798	126.3%	-12.8%
Dell Anno and Favorita	29,436	71.5%	27,134	64.8%	(2,302)	-7.8%	86,408	74.6%	71,068	66.1%	-17.8%
New and Casa Brasileira Exclusive Dealers	14,288	34.7%	13,569	32.4%	(719)	-5.0%	40,711	35.1%	34,237	31.8%	-15.9%
New and Casa Brasileira Multibrand	6,653	16.2%	7,259	17.3%	606	+9.1%	18,522	16.0%	17,986	16.7%	-2.9%
Unicasa Corporate	3,115	7.6%	4,261	10.2%	1,146	+36.8%	8,079	7.0%	10,486	9.8%	+29.8%
Other Revenues	590	1.4%	806	1.9%	216	+36.6%	2,025	1.7%	2,021	1.9%	-0.2%
Exports	2,152	5.2%	1,911	4.6%	(241)	-11.2%	3,773	3.3%	5,677	5.3%	+50.5%
Sales Deductions	(15,072)	36.6%	(13,074)	-31.2%	1,998	-13.3%	(43,630)	-37.6%	(33,965)	-31.6%	-22.2%
Net Revenue from Sales	41,162	100.0%	41,866	100.0%	704	+1.7%	115,888	100.0%	107,510	100.0%	-7.2%
Cost of Goods Sold	(23,484)	57.1%	(25,240)	-60.3%	(1,756)	+7.5%	(66,443)	-57.3%	(65,826)	-61.2%	-0.9%
Gross Profit	17,678	42.9%	16,626	39.7%	(1,052)	-6.0%	49,445	42.7%	41,684	38.8%	-15.7%
Selling Expenses	(11,907)	28.9%	(8,764)	-20.9%	3,143	-26.4%	(42,438)	-36.6%	(25,497)	-23.7%	-39.9%
General and Administrative Expenses	(7,114)	17.3%	(5,915)	-14.1%	1,199	-16.9%	(17,368)	-15.0%	(18,190)	-16.9%	+4.7%
Other Operating Income, Net	814	2.0%	602	1.4%	(212)	-26.0%	2,210	1.9%	2,007	1.9%	-9.2%
Operating Income	(529)	1.3%	2,549	6.1%	3,078	-581.9%	(8,151)	-7.0%	4	0.0%	-100.0%
Financial Expenses	(773)	1.9%	(446)	-1.1%	327	-42.3%	(2,162)	-1.9%	(983)	-0.9%	-54.5%
Financial Income	1,648	4.0%	1,834	4.4%	186	+11.3%	5,579	4.8%	4,763	4.4%	-14.6%
Operating Income before Income Tax and Social Contribution	346	0.8%	3,937	9.4%	3,591	+1037.9%	(4,734)	-4.1%	3,784	3.5%	-179.9%
Income Tax and Social Contribution	(116)	0.3%	(1,997)	-4.8%	(1,881)	+1621.6%	2,977	2.6%	(2,198)	-2.0%	-173.8%
Current	(63)	0.2%	-	0.0%	63	-100.0%	(100)	-0.1%	-	0.0%	-100.0%
Deferred	(53)	0.1%	(1,997)	-4.8%	(1,944)	+3667.9%	3,077	2.7%	(2,198)	-2.0%	-171.4%
Net Income for the Period	230	0.6%	1,940	4.6%	1,710	+743.5%	(1,757)	-1.5%	1,586	1.5%	-190.3%
Earnings per Share (R\$)	0.00		0.03	0.0%	0.03	+740.0%	(0.03)	+0.0%	0.02	+0.0%	-190.2%

ANNEX III - FINANCIAL STATEMENTS – BALANCE SHEET – CONSOLIDATED

Assets	12/31/2017	AV	9/30/2018	AV	Δ
Current Assets	84,506	39.1%	102,453	46.4%	+21.2%
Cash and Cash Equivalents	29,473	13.6%	25,877	11.7%	-12.2%
Restricted Marketable Securities	-	0.0%	13,315	6.0%	n/a
Trade Accounts Receivable	23,641	10.9%	28,161	12.8%	+19.1%
Inventories	19,770	9.1%	24,818	11.2%	+25.5%
Advances to Suppliers	837	0.4%	169	0.1%	-79.8%
Loans Granted	1,456	0.7%	1,798	0.8%	+23.5%
Prepaid Expenses	1,089	0.5%	1,372	0.6%	+26.0%
Recoverable Taxes	5,096	2.4%	3,365	1.5%	-34.0%
Other Assets	3,144	1.5%	3,578	1.6%	+13.8%
Non-Current Assets	131,857	60.9%	118,301	53.6%	-10.3%
Trade Accounts Receivable	11,633	5.4%	8,746	4.0%	-24.8%
Loans Granted	2,606	1.2%	1,706	0.8%	-34.5%
Assets Held for Sale	2,878	1.3%	749	0.3%	-74.0%
Deferred Income and Social Contribution Taxes	16,238	7.5%	14,040	6.4%	-13.5%
Judicial Deposits	2,946	1.4%	2,930	1.3%	-0.5%
Other Assets	2,454	1.1%	1,950	0.9%	-20.5%
Investments	31	0.0%	20	0.0%	-35.5%
Property, Plant and Equipment	82,398	38.1%	79,502	36.0%	-3.5%
Intangible Assets	10,673	4.9%	8,658	3.9%	-18.9%
Total Assets	216,363	100%	220,754	100%	+2.0%
Liabilities	12/31/2017	AV	9/30/2018	AV	Δ
Current Liabilities	38,445	17.8%	40,678	18.4%	+5.8%
Suppliers	3,266	1.5%	5,602	2.5%	+71.5%
Tax Liabilities	2,718	1.3%	2,740	1.2%	+0.8%
Payroll and Related Charges	2,973	1.4%	5,101	2.3%	+71.6%
Advances from Customers	17,568	8.1%	19,131	8.7%	+8.9%
Provisions	8,703	4.0%	5,953	2.7%	-31.6%
Other Liabilities	3,217	1.5%	2,151	1.0%	-33.1%
Non-Current Liabilities	10,046	4.6%	10,618	4.8%	+5.7%
Tax Liabilities	471	0.2%	241	0.1%	-48.8%
Provisions	9,575	4.4%	10,377	4.7%	+8.4%
Shareholders' equity	167,872	77.6%	169,458	76.8%	+0.9%
Capital Stock	187,709	86.8%	187,709	85.0%	+0.0%
Capital Reserve	(2,658)	-1.2%	(2,658)	-1.2%	+0.0%
Accumulated Loss	(17,179)	-7.9%	(15,593)	-7.1%	-9.2%
Total Liabilities and Shareholders' Equity	216,363	100%	220,754	100%	+2.0%

ANNEX IV – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED

Cash Flow Statement	3Q17	3Q18	Δ	9M17	9M18	Δ
Operating Income Before Income And Social Contribution Taxes	346	3,937	+1037.9%	(4,734)	3,784	-179.9%
Adjustment to Reconcile the Net Income to Cash from Operating Activities:						
Depreciation and Amortization	2,608	2,100	-19.5%	7,847	6,908	-12.0%
Foreign Exchange Variation	18	1	-94.4%	(22)	(137)	+522.7%
Provision for Litigation	1,435	679	-52.7%	47	1,417	+2914.9%
Provision for Obsolescence	(124)	5	-104.0%	(131)	258	-296.9%
Allowance for Doubtful Accounts	137	49	-64.2%	964	713	-26.0%
Provison for PPR	363	(1,619)	-546.0%	(1,058)	(2,319)	+119.2%
Disposal of Property, Plant and Equipment	738	780	+5.7%	3,262	2,278	-30.2%
Cash Flows from Operating Activities	5,521	5,932	+7.4%	6,175	12,902	+108.9%
Changes in Assets and Liabilities						
Trade Accounts Receivable	971	(2,826)	-391.0%	(2,277)	(2,134)	-6.3%
Inventories	5,051	(3,596)	-171.2%	1,277	(5,306)	-515.5%
Recoverable Taxes	1,224	1,657	+35.4%	228	1,731	+659.2%
Loans Granted	631	122	-80.7%	423	483	+14.2%
Other Current ou Non-Current Assets	556	2,995	+438.7%	(3,082)	1,912	-162.0%
Non-Current Assets Available for Sale	750	308	-58.9%	6,867	2,129	-69.0%
Suppliers	1,608	232	-85.6%	2,177	2,336	+7.3%
Advance from Customers	(2,021)	139	-106.9%	(2,829)	1,563	-155.2%
Other Current ou Non-Current Liabilities	(1,819)	(1,244)	-31.6%	(232)	(1,633)	+603.9%
Net Cash from Operating Activities	12,472	3,719	-70.2%	8,727	13,983	+60.2%
Cash Flows from Investing Activities						
Financial Investments	(3,616)	(12,315)	+240.6%	1,163	(13,315)	-1244.9%
Investments	-	-	n/a	51	11	-78.4%
Property, Plant and Equipment	(1,446)	(1,497)	+3.5%	(4,635)	(3,852)	-16.9%
Intangible Assets	(107)	(34)	-68.2%	(173)	(423)	+144.5%
Net Cash used in Investing Activities	(5,169)	(13,846)	+167.9%	(3,594)	(17,579)	+389.1%
Cash Flows from Financing Activities						
Cash Flows (used in) from Financing Activities	-	-	n/a	-	-	n/a
Increase (Decrease) in Cash and Cash Equivalents	7,303	(10,127)	-238.7%	5,133	(3,596)	-170.1%
Changes in Cash and Cash Equivalents						
At the Beginning of the Period	25,662	36,004	+40.3%	27,832	29,473	+5.9%
At the End of the Period	32,965	25,877	-21.5%	32,965	25,877	-21.5%
Increase (Decrease) in Cash and Cash Equivalents	7,303	(10,127)	-238.7%	5,133	(3,596)	-170.1%

⁽¹⁾ The Statement of Cash Flow was prepared by the indirect method and is shown in accordance with CPC 3 - Statement of Cash Flows, issued by Brazil's Accounting Pronouncements Committee (CPC). Transactions that do not affect cash are described in Note 26 to the Quarterly Information (ITR).

ANNEX V – GROSS REVENUE, GROSS REVENUE EX-IPI AND MODULES SOLD – CONSOLIDATED

Gross Revenue	1Q17	1Q18	2Q17	2Q18	3Q17	3Q18	4Q17	1H17	1H18	2H17	9M17	9M18	2017
Total Gross Revenue	52,235	39,988	51,049	46,547	56,234	54,940	57,223	103,284	86,535	113,457	159,518	141,475	216,741
Domestic Market	51,614	38,441	50,049	44,328	54,082	53,029	54,938	101,663	82,769	109,020	155,745	135,798	210,683
Dell Anno and Favorita - Exclusive Dealers and Own Stores	28,905	21,155	28,067	22,779	29,436	27,134	30,809	56,972	43,934	60,245	86,408	71,068	117,217
New and Casa Brasileira Exclusive Dealers	13,423	10,051	13,000	10,617	14,288	13,569	14,082	26,423	20,668	28,370	40,711	34,237	54,793
New and Casa Brasileira Multibrand	5,793	4,891	6,076	5,836	6,653	7,259	6,551	11,869	10,727	13,204	18,522	17,986	25,073
Unicasa Corporate	2,833	1,892	2,131	4,333	3,115	4,261	2,952	4,964	6,225	6,067	8,079	10,486	11,031
Other Revenues	660	452	775	763	590	806	544	1,435	1,215	1,134	2,025	2,021	2,569
Export Market	621	1,547	1,000	2,219	2,152	1,911	2,285	1,621	3,766	4,437	3,773	5,677	6,058

Gross Revenue from Sales Ex-IPI	1Q17	1Q18	2Q17	2Q18	3Q17	3Q18	4Q17	1H17	1H18	2H17	9M17	9M18	2017
Total Gross Revenue	50,119	38,353	48,914	44,613	53,938	52,587	54,828	99,033	82,966	108,766	152,971	135,553	207,799
Domestic Market	49,498	36,806	47,914	42,394	51,786	50,676	52,543	97,412	79,200	104,329	149,198	129,876	201,741
Dell Anno and Favorita - Exclusive Dealers and Own Stores	27,856	20,331	26,964	21,859	28,297	25,998	29,545	54,820	42,190	57,842	83,117	68,188	112,662
New and Casa Brasileira Exclusive Dealers	12,792	9,577	12,386	10,115	13,616	12,930	13,418	25,178	19,692	27,034	38,794	32,622	52,212
New and Casa Brasileira Multibrand	5,516	4,657	5,788	5,557	6,337	6,912	6,239	11,304	10,214	12,576	17,641	17,126	23,880
Unicasa Corporate	2,699	1,802	2,028	4,126	2,966	4,059	2,812	4,727	5,928	5,778	7,693	9,987	10,505
Other Revenues	635	439	748	737	570	777	529	1,383	1,176	1,099	1,953	1,953	2,482
Export Market	621	1,547	1,000	2,219	2,152	1,911	2,285	1,621	3,766	4,437	3,773	5,677	6,058

Modules Sold (Units)	1Q17	1Q18	2Q17	2Q18	3Q17	3Q18	4Q17	1H17	1H18	2H17	9M17	9M18	2017
Total Gross Revenue	190,073	136,225	187,843	147,261	217,017	170,849	192,385	377,916	283,486	397,647	594,933	454,335	787,318
Domestic Market	187,637	129,402	183,905	139,650	206,341	165,528	183,078	371,542	269,052	377,664	577,883	434,580	760,961
Dell Anno and Favorita - Exclusive Dealers and Own Stores	74,640	55,179	77,485	57,707	88,100	64,179	78,009	152,125	112,886	154,354	240,225	177,065	318,234
New and Casa Brasileira Exclusive Dealers	68,287	43,882	65,045	45,479	70,071	58,589	61,733	133,332	89,361	131,804	203,403	147,950	265,136
New and Casa Brasileira Multibrand	34,121	24,920	34,923	27,212	37,787	34,246	34,306	69,044	52,132	72,093	106,831	86,378	141,137
Unicasa Corporate	8,673	5,396	6,023	9,231	9,921	8,388	8,864	14,696	14,627	18,785	24,617	23,015	33,481
Other Revenues	1,916	25	429	21	462	126	166	2,345	46	628	2,807	172	2,973
Export Market	2,436	6,823	3,938	7,611	10,676	5,321	9,307	6,374	14,434	19,983	17,050	19,755	26,357