

UNICASA

**Earnings Release
4Q18**





Bento Gonçalves, Rio Grande do Sul, March 14, 2019. 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 fourth 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).

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Period highlights

- Selling and Administrative expenses down 31.2%;
- Net margin up 15.3 p.p.;
- EBITDA margin up 17.5 p.p.;
- Net income in the quarter, reversing the loss in the 4Q17.

Executive Summary	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue ex-IPI	54,828	52,415	-4.4%	207,799	187,968	-9.5%
Net Revenue	42,053	41,796	-0.6%	157,941	149,306	-5.5%
Cost of Goods Sold	(24,488)	(25,335)	+3.5%	(90,931)	(91,161)	+0.3%
Gross Income	17,565	16,461	-6.3%	67,010	58,145	-13.2%
Gross Margin	41.8%	39.4%	-2.4 p.p.	42.4%	38.9%	-3.5 p.p.
Selling and Administrative Expenses	(23,475)	(16,160)	-31.2%	(83,281)	(59,847)	-28.1%
Other Revenues and Operating Expenses	(535)	1,092	-304.1%	1,675	3,099	+85.0%
Operating Income	(6,445)	1,393	-121.6%	(14,596)	1,397	-109.6%
Operating Margin	-15.3%	3.3%	+18.6 p.p.	-9.2%	0.9%	+10.1 p.p.
Financial Income (Expenses) Net	1,187	1,392	+17.3%	4,604	5,172	+12.3%
Operating Income before Income Tax and Social Contribution	(5,258)	2,785	-153.0%	(9,992)	6,569	-165.7%
Income Tax and Social Contribution	658	(977)	-248.5%	3,635	(3,175)	-187.3%
Net Profit	(4,600)	1,808	-139.3%	(6,357)	3,394	-153.4%
Net Margin	-10.9%	4.3%	+15.3 p.p.	-4.0%	2.3%	+6.3 p.p.
EBITDA	(3,803)	3,570	-193.9%	(4,107)	10,482	-355.2%
EBITDA Margin	-9.0%	8.5%	+17.5 p.p.	-2.6%	7.0%	+9.6 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.

MESSAGE FROM MANAGEMENT

Dear shareholders.

Due to the prevailing economic scenario in Brazil, 2018 was a challenging year. However, we have begun to reap some fruits that we planted in recent years: (i) our stricter criteria for approving storeowners (profile, guarantees, financial capacity, etc.) have already resulted in lower operational risks; and (ii) our network vetting process made us focus our efforts on more important operations that are better aligned with our brand proposition, which translates into a more homogeneous network. These initiatives can already be perceived in our numbers for customer service expenses. In addition, average productivity per store increased across all brands, demonstrating that our storeowners are also reaping the fruits of a more promising market, which registered tepid improvements during 2018.

We have been successfully implementing the NPS® tool. Numerous network improvement actions have already been deployed based on consumer feedback. This metric is being applied in our Excellence Program, which rewards the best stores across the network and establishes guidelines for standardizing the points of sale.

Throughout this year, we increased our investments in the export market. In August, we disclosed a material fact notice about the signing of an agreement with the distributor of a product created specifically for the United States. The Management will work to make this relationship helps open the U.S. market for our products. We closed 2018 with seven Dell Anno dealers (compared to one in 2017) in North America.

Excluding the effects of selling to end consumers (an operation discontinued by the Company) and the change in the social security contribution (INSS) regime, our gross margin improved slightly, demonstrating our resilience during this economically difficult period that involved pressure from suppliers to increase the cost of raw material, as well as our precaution in easing the sales policies.

Regarding operating expenses, we can see the results of our more austere policy in approving dealers. Expenses with consumer service and the allowance for doubtful accounts declined significantly from 2017. Recent one-off closures did not significantly impact the Company's results. Moreover, expenses in general are noticeably lower than in prior periods, thanks to management's efforts to adapt the Company to the more restrictive scenario.

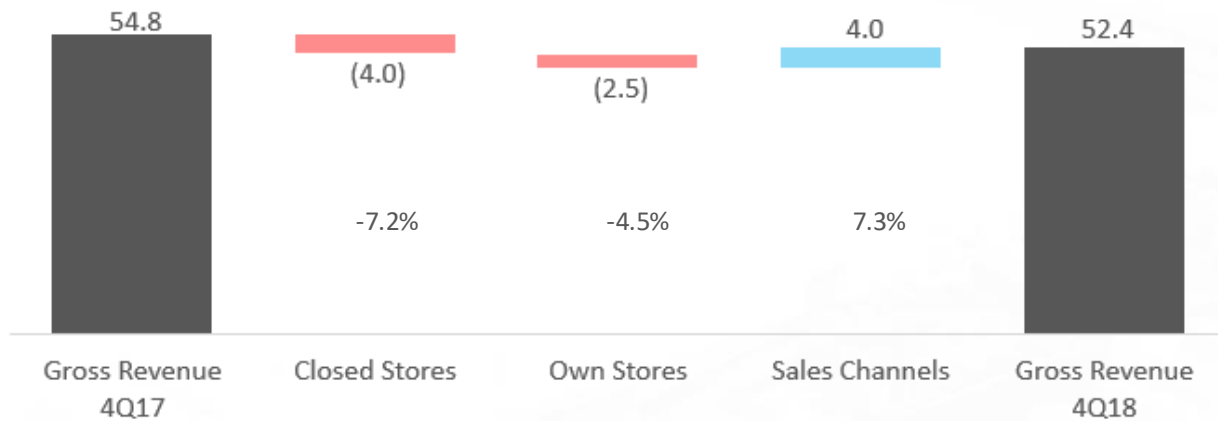
At the end of 2018, the Company's cash balance is 41.1% higher than in the same period the previous year. Cash generation stood at R\$12.1 million. The Company has no bank debts.

Lastly, Management believes that the results are still below what is expected from the Company, but is certain that our actions will deliver returns that are adequate for the business risk.

Our big thank you to all our clients, employees, dealers, suppliers and shareholders for the trust placed in our work.

SALES PERFORMANCE

Gross revenue in 4Q18 decreased 4.4% from 4Q17, due to: (i) the reduction in the distribution network, responsible for 7.2% decline; (ii) the shutdown of the own store operation, which accounted for about 4.5% of the decline, partially offset by the decrease in operating expenses arising from this business unit; and (iii) Growth of 7.3% in other sales channels, mainly driven by the performance of the Exports channel, the performance of same-store sales and the maturation of new stores opened in 2017 and 2018.



⁽¹⁾in millions.

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	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue, ex-IPI	29,545	27,003	-8.6%	112,662	95,191	-15.5%
Number of Modules Sold (thousand units)	78.0	67.3	-13.7%	318.2	244.4	-23.2%
New and Casa Brasileira Exclusive Dealers	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue, ex-IPI	13,418	13,083	-2.5%	52,212	45,705	-12.5%
Number of Modules Sold (thousand units)	61.7	58.4	-5.3%	265.1	206.4	-22.1%
Multibrands	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue, ex-IPI	6,239	6,212	-0.4%	23,880	23,338	-2.3%
Number of Modules Sold (thousand units)	34.3	32.5	-5.2%	141.1	118.8	-15.8%
Unicasa Corporate	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue, ex-IPI	2,812	2,226	-20.8%	10,505	12,213	+16.3%
Number of Modules Sold (thousand units)	8.9	6.0	-32.6%	33.5	29.0	-13.4%
Export Market	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue, ex-IPI	2,285	2,655	+16.2%	6,058	8,332	+37.5%
Number of Modules Sold (thousand units)	9.3	12.7	+36.6%	26.4	32.5	+23.1%

Consolidated Indicators – Unicasa

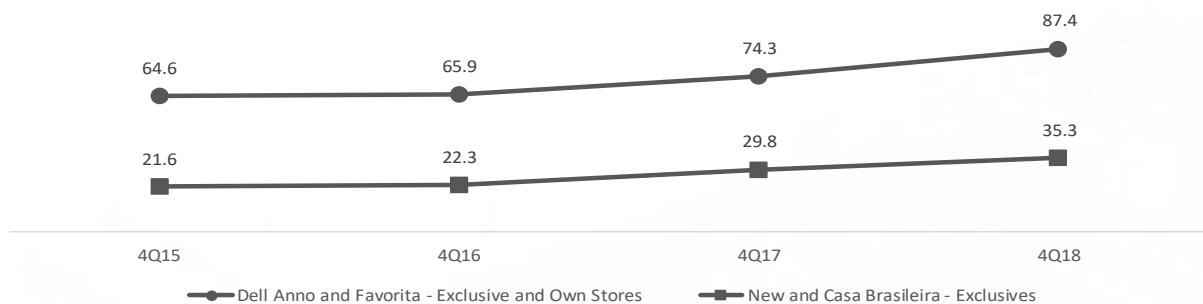
Unicasa Indústria de Móveis	4Q17	4Q18	Δ	2017	2018	Δ
Gross Revenue, ex-IPI	54,828	52,415	-4.4%	207,799	187,968	-9.5%
Number of Modules Sold (thousand units)	192.4	177.0	-8.0%	787.3	631.4	-19.8%

SALES AND DISTRIBUTION CHANNELS

Period	1Q18	2Q18	3Q18	4Q18	Δ ⁽¹⁾
Exclusive and Own Stores	265	249	233	220	(13)
Dell Anno and Favorita	122	115	104	102	(2)
New and Casa Brasileira	143	134	129	118	(11)
Multibrand	595	587	566	498	(68)
New and Casa Brasileira Multibrand	595	587	566	498	(68)

⁽¹⁾ Variation compared to 3Q18.

Average productivity per Dell Anno and Favorita store in 4Q18 was R\$87.4/month, 17.6% higher than the R\$74.3.0 in 4Q17. Average productivity in the quarter per New and Casa Brasileira store in 4Q18 was R\$35.3/month, 18.4% higher than the R\$29.8 in 4Q17, due to the closure of less productive operations. The graph below shows historical productivity in the second quarter.

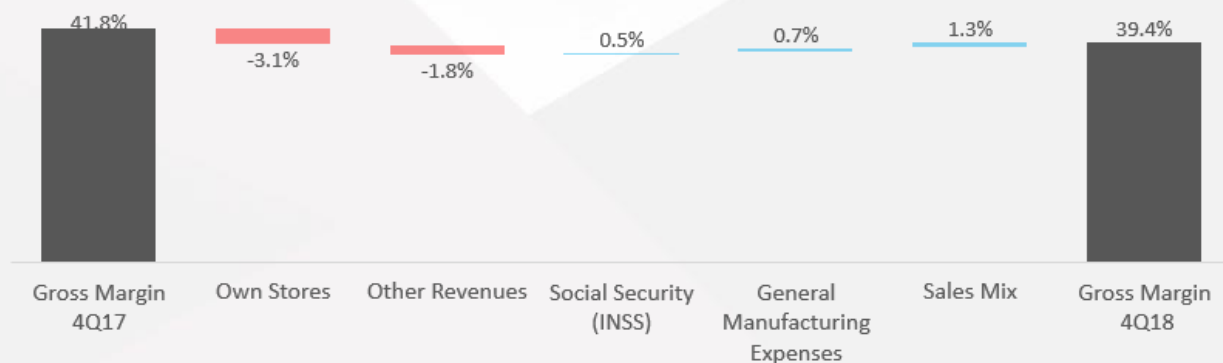


FINANCIAL PERFORMANCE

Gross Profit and Gross Margin

Gross profit in the quarter was R\$16.5 million. Gross margin fell 2.4 p.p., from 41.8% in 4Q17 to 39.4% this quarter. The decline in margin is a result of two key factors: (i) closure of own stores, for reduction of 3.1 p.p.; and, the sale of raw materials of items discontinued during 2018 due to product improvements, for reduction of 1.8 p.p. Many products were altered during the year and the balance of their inventories was sold. This sale does not bring losses to the Company, but the margin is significantly lower than in other sales channels. These margin reductions were partially offset by: (i) the change in the social security (INSS) payment method, for increase of 0.5 p.p., the Company started paying Social Security Contribution on payroll, as allowed by Federal Law 12,546/2011; (ii) the increase of 0.6 p.p. due to the reduction in personnel expenses and of 0.1 p.p. due to the reduction in other general manufacturing costs; and the improved sales mix, for increase of 1.3 p.p.

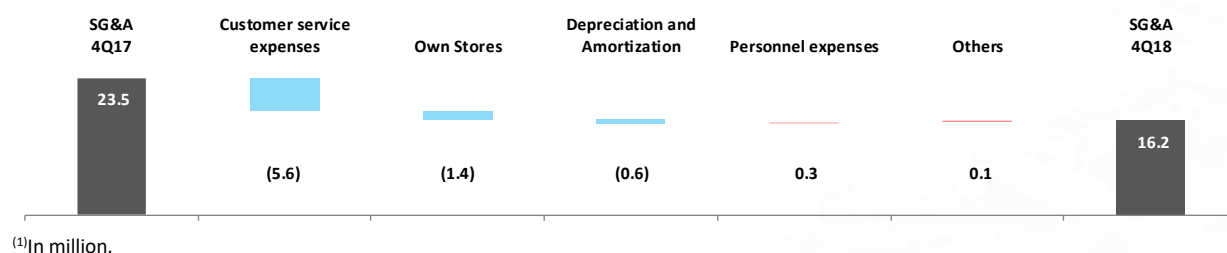
The following chart presents the evolution of Gross Margin:



Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	4Q17	4Q18	Δ	2017	2018	Δ
Total	(23,475)	(16,160)	-31.2%	(83,281)	(59,847)	-28.1%
Selling Expenses	(15,933)	(10,182)	-36.1%	(58,371)	(35,679)	-38.9%
% of Net Revenue	37.9%	24.4%	-13.5 p.p.	37.0%	23.9%	-13.1 p.p.
Administrative Expenses	(7,542)	(5,978)	-20.7%	(24,910)	(24,168)	-3.0%
% of Net Revenue	17.9%	14.3%	-3.6 p.p.	15.8%	16.2%	+0.4 p.p.
SG&A % of Net Revenue	55.8%	38.7%	-17.1 p.p.	52.8%	40.1%	-12.7 p.p.

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



⁽¹⁾In million.

Expenses with consumers were R\$5.6 million lower, due mainly to the overall reduction in this type of expenses. These expenses mainly include expenses with goods, freight and assembly for final consumers who were not served by the closed stores and are being served directly by the factory.

Expenses with own stores declined by R\$1.4 million, mainly due to the closure of the own store operation, as disclosed in the 4Q16 earnings release.

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, which ended in May/18.

Personnel expenses were R\$0.3 million higher this quarter due to the change in the INSS taxation method, which is now based on payroll.

Other expenses were R\$0.1 million higher, mainly due to variable export channel and corporate expenses related to customs clearance and assembling for corporate clients.

Other Operating Income and Expenses

The main variations in this group are nonrecurring effects registered in 4Q17: (i) one-off recognition of provision for the depreciation of properties held for sale, R\$1.6 million; (ii) one-off revenue from sale of banner, R\$506,000. Nonrecurring effects registered in 4Q18: (i) reversal of written-off judicial deposits, R\$165,000; (ii) recovery of credits written off as uncollectible, R\$125,000; REINTEGRA tax credits on exports, R\$122,000; and extemporaneous PIS and COFINS credits, R\$105,000.

Other Operating Income and Expenses	4Q17	4Q18	Δ	2017	2018	Δ
Total	(535)	1,092	-304.1%	1,675	3,099	85.0%
Resultado na venda de ativos mantidos para venda e ativo imobilizado	(1,593)	-	-100.0%	(2,097)	(102)	-95.1%
Bank Premium	380	368	-3.2%	1,632	1,454	-10.9%
Trademark Rights	506	-	-100.0%	1,076	200	
Other Operating Income	172	724	320.9%	1,064	1,547	45.4%
% of Net Revenue	1.3%	2.6%	1.3 p.p.	1.1%	2.1%	1.0 p.p.

Financial Result

Financial result increased 17.3%, mainly due to the reduction in discounts granted to clients, related to the settlement of contractual negotiations.

Financial Result	4Q17	4Q18	Δ	2017	2018	Δ
Net Financial Result	1,187	1,392	17.3%	4,604	5,172	12.3%
Financial Expenses	(452)	(312)	-31.0%	(2,614)	(1,295)	-50.5%
IOF charge and bank fees	(106)	(41)	-61.3%	(338)	(225)	-33.4%
Exchange variation expenses	(63)	(228)	-56.8%	(346)	(705)	103.8%
Present value adjustment - AVP	(37)	(16)	n/a	(443)	(152)	-65.7%
Other financial expenses	(246)	(27)	-89%	(1,487)	(213)	-85.7%
Financial Income	1,639	1,704	4.0%	7,218	6,467	-10.4%
Interest income	368	309	-16.0%	1,697	1,549	-8.7%
Discounts	15	28	86.7%	84	204	142.9%
Yield from short-term investments	508	581	14.4%	2,432	1,873	-23.0%
Exchange variation income	164	267	62.8%	462	868	87.9%
Present value adjustment - AVP	382	384	0.5%	1,820	1,337	-26.5%
Other financial income	202	135	-33.2%	723	636	-12.0%

EBITDA and EBITDA Margin

EBITDA	4Q17	4Q18	Δ	2017	2018	Δ
Net Income for the Period	(4,600)	1,808	-139.3%	(6,357)	3,394	-153.4%
Income Tax and Social Contribution	(658)	977	-248.5%	(3,635)	3,175	-187.3%
Financial Result	(1,187)	(1,392)	+17.3%	(4,604)	(5,172)	+12.3%
EBIT	(6,445)	1,393	-121.6%	(14,596)	1,397	-109.6%
Depreciation and Amortization	2,642	2,177	-17.6%	10,489	9,085	-13.4%
EBITDA	(3,803)	3,570	-193.9%	(4,107)	10,482	-355.2%
EBITDA Margin	-9.0%	8.5%	+17.5 p.p.	-2.6%	7.0%	+9.6 p.p.

Cash Flow

This quarter, the increase in cash generation mainly came from the Company's operational cash flow.

Cash Flow	4Q17	4Q18	Δ	2017	2018	Δ
Cash Flows from Operating Activities	2,699	7,503	+178.0%	8,874	20,405	+129.9%
Changes in Assets and Liabilities	(7,944)	(3,944)	-50.4%	(5,392)	(2,863)	-46.9%
Financial Investments	3,616	505	-86.0%	4,779	(12,810)	-368.0%
Cash generated by investment activities	(1,863)	(1,153)	-38.1%	(6,620)	(5,417)	-18.2%
Cash flow (burn)	(3,492)	2,911	-183.4%	1,641	(685)	-141.7%
Financial Investments	(3,616)	(505)	-86.0%	(4,779)	12,810	-368.0%
Cash flow and Financial Investments	(7,108)	2,406	-133.8%	(3,138)	12,125	-486.4%
At the Beginning of the Period	36,581	39,192	+7.1%	32,611	29,473	-9.6%
At the End of the Period	29,473	41,598	+41.1%	29,473	41,598	+41.1%
Cash flow and Financial Investments	(7,108)	2,406	-133.8%	(3,138)	12,125	-486.4%

Net Cash

Net Cash	12/31/2017	12/31/2018	Δ
Short Term Debt	-	-	n/a
Long Term Debt	-	-	n/a
Gross Debt	-	-	n/a
Cash and Cash Equivalents	29,473	28,788	-2.3%
Financial Investments	-	12,810	n/a
Net Debt/(Cash Surplus)	(29,473)	(41,598)	+41.1%

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

NOPLAT (Net Operating Profit Less Adjusted Taxes)	4Q18	3Q18	2Q18	1Q18	4Q17
(=) EBITDA	3,570	4,649	820	1,443	(3,803)
Depreciation	2,177	2,100	2,111	2,697	2,642
(=) EBIT	1,393	2,549	(1,291)	(1,254)	(6,445)
Income Tax and Social Contribution	(977)	(1,997)	(37)	(164)	658
Financial Result Income Tax Reversal	473	472	456	357	404
(=) Operating Net Income (NOPLAT)	889	1,024	(872)	(1,061)	(5,383)
(=) Operating Net Income (NOPLAT) - Last Twelve Months	(20)	(6,292)	(7,664)	(10,678)	(9,396)

ROIC (Return on Invested Capital)	4Q18	3Q18	2Q18	1Q18	4Q17
Invested Capital - LTM	131,093	133,275	134,682	138,698	146,075
ROIC - LTM	0.0%	-4.7%	-5.7%	-7.7%	-6.4%
Net Profit	1,808	1,940	14	(368)	(4,600)

ROE (Return on Equity)	4Q18	3Q18	2Q18	1Q18	4Q17
Net Profit - Last Twelve Months	849	(754)	(1,181)	(1,970)	(1,589)
Shareholders' equity	171,266	169,458	167,518	167,504	167,872
Shareholders' equity - Last Twelve Months	168,937	168,088	168,842	170,023	171,992
ROE - LTM	0.5%	-0.4%	-0.7%	-1.2%	-0.9%

ANNEX I – WORKING CAPITAL AND INVESTED CAPITAL

Invested Capital	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Operational Assets	70,047	73,713	70,270	69,763	69,272
(+) Trade Accounts Receivable	28,485	28,161	24,348	21,606	23,641
(+) Long Term Trade Accounts Receivable	8,326	8,746	9,708	10,704	11,633
(+) Long Term Loans Granted	1,439	1,706	1,945	2,241	2,606
(+) Inventories	21,563	24,818	21,227	21,835	19,770
(+) Advances to Suppliers	399	169	141	124	837
(+) Loans Granted	1,803	1,798	1,756	1,655	1,456
(+) Prepaid Expenses	1,992	1,372	2,293	2,184	1,089
(+) Recoverable Taxes	892	3,365	5,022	5,383	5,096
(+) Other Assets	5,148	3,578	3,830	4,031	3,144
Operational Liabilities	34,247	40,678	40,950	41,744	38,445
(-) Suppliers	2,299	5,602	5,370	7,077	3,266
(-) Tax Liabilities	1,179	2,740	2,505	2,212	2,718
(-) Payroll and Related Charges	2,876	5,101	4,223	3,461	2,973
(-) Advances from Customers	16,717	19,131	18,992	17,877	17,568
(-) Provisions	5,485	5,953	6,215	7,506	8,703
(-) Other Liabilities	5,691	2,151	3,645	3,611	3,217
(=) Working Capital	35,800	33,035	29,320	28,019	30,827
Non-current Operating Assets	105,337	107,849	111,912	115,454	117,618
(+) Assets Held for Sale	750	749	1,057	2,410	2,878
(+) Deferred Income and Social Contribution Taxes	13,063	14,040	16,037	16,074	16,238
(+) Judicial Deposits	2,830	2,930	2,730	2,636	2,946
(+) Other Assets	1,539	1,950	2,559	2,826	2,454
(+) Investments	20	20	20	20	31
(+) Property, Plant and Equipment	78,663	79,502	80,287	81,873	82,398
(+) Intangible Assets	8,472	8,658	9,222	9,615	10,673
Non-current Operating Liabilities	11,469	10,618	10,718	9,551	10,046
(-) Tax Liabilities	208	241	405	438	471
(-) Provisions	11,261	10,377	10,313	9,113	9,575
(=) Fixed Capital	93,868	97,231	101,194	105,903	107,572
Total Financing					
(+) Cash and Cash Equivalents	28,788	25,877	36,004	33,582	29,473
(+) Short Term Financial Investments	9,774	13,315	1,000	-	-
(+) Long Term Financial Investments	3,036	-	-	-	-
(-) Shareholders' equity	171,266	169,458	167,518	167,504	167,872
(=) Total Financing	129,668	130,266	130,514	133,922	138,399

ANNEX II – FINANCIAL STATEMENTS – INCOME STATEMENT – CONSOLIDATED

Income Statement	4Q17	AV	4Q18	AV	Δ	AH	2017	AV	2018	AV	AH
Gross Revenue from Sales	57,223	136.1%	54,780	131.1%	(2,443)	-4.3%	216,741	137.2%	196,255	131.4%	-9.5%
Domestic Market	54,938	130.6%	52,125	124.7%	(2,813)	-5.1%	210,683	133.4%	187,923	125.9%	-10.8%
Dell Anno and Favorita	30,809	73.3%	28,250	67.6%	(2,559)	-8.3%	117,217	74.2%	99,318	66.5%	-15.3%
New and Casa Brasileira	14,082	33.5%	13,727	32.8%	(355)	-2.5%	54,793	34.7%	47,964	32.1%	-12.5%
Exclusive Dealers											
New and Casa Brasileira	6,551	15.6%	6,524	15.6%	(27)	-0.4%	25,073	15.9%	24,510	16.4%	-2.2%
Multibrand											
Unicasa Corporate	2,952	7.0%	2,337	5.6%	(615)	-20.8%	11,031	7.0%	12,823	8.6%	+16.2%
Other Revenues	544	1.3%	1,287	3.1%	743	+136.6%	2,569	1.6%	3,308	2.2%	+28.8%
Exports	2,285	5.4%	2,655	6.4%	370	+16.2%	6,058	3.8%	8,332	5.6%	+37.5%
Sales Deductions	(15,170)	36.1%	(12,984)	-31.1%	2,186	-14.4%	(58,800)	-37.2%	(46,949)	-31.4%	-20.2%
Net Revenue from Sales	42,053	100.0%	41,796	100.0%	(257)	-0.6%	157,941	100.0%	149,306	100.0%	-5.5%
Cost of Goods Sold	(24,488)	58.2%	(25,335)	-60.6%	(847)	+3.5%	(90,931)	-57.6%	(91,161)	-61.1%	+0.3%
Gross Profit	17,565	41.8%	16,461	39.4%	(1,104)	-6.3%	67,010	42.4%	58,145	38.9%	-13.2%
Selling Expenses	(15,933)	37.9%	(10,182)	-24.4%	5,751	-36.1%	(58,371)	-37.0%	(35,679)	-23.9%	-38.9%
General and Administrative Expenses	(7,542)	17.9%	(5,978)	-14.3%	1,564	-20.7%	(24,910)	-15.8%	(24,168)	-16.2%	-3.0%
Other Operating Income, Net	(535)	1.3%	1,092	2.6%	1,627	-304.1%	1,675	1.1%	3,099	2.1%	+85.0%
Operating Income	(6,445)	15.3%	1,393	3.3%	7,838	-121.6%	(14,596)	-9.2%	1,397	0.9%	-109.6%
Financial Expenses	(452)	1.1%	(312)	-0.7%	140	-31.0%	(2,614)	-1.7%	(1,295)	-0.9%	-50.5%
Financial Income	1,639	3.9%	1,704	4.1%	65	+4.0%	7,218	4.6%	6,467	4.3%	-10.4%
Operating Income before Income Tax and Social Contribution	(5,258)	12.5%	2,785	6.7%	8,043	-153.0%	(9,992)	-6.3%	6,569	4.4%	-165.7%
Income Tax and Social Contribution	658	1.6%	(977)	-2.3%	(1,635)	-248.5%	3,635	2.3%	(3,175)	-2.1%	-187.3%
Current	100	0.2%	-	0.0%	(100)	-100.0%	-	0.0%	-	0.0%	n/a
Deferred	558	1.3%	(977)	-2.3%	(1,535)	-275.1%	3,635	2.3%	(3,175)	-2.1%	-187.3%
Net Income for the Period	(4,600)	10.9%	1,808	4.3%	6,408	-139.3%	(6,357)	-4.0%	3,394	2.3%	-153.4%
Earnings per Share (R\$)	(0.07)		0.03	0.0%	0.10	-139.4%	(0.10)	+0.0%	0.05	+0.0%	-153.4%

ANNEX III - FINANCIAL STATEMENTS – BALANCE SHEET – CONSOLIDATED

Assets	12/31/2017	AV	12/31/2018	AV	Δ
Current Assets	84,506	39.1%	98,844	45.6%	+17.0%
Cash and Cash Equivalents	29,473	13.6%	28,788	13.3%	-2.3%
Restricted Marketable Securities	-	0.0%	9,774	4.5%	n/a
Trade Accounts Receivable	23,641	10.9%	28,485	13.1%	+20.5%
Inventories	19,770	9.1%	21,563	9.9%	+9.1%
Advances to Suppliers	837	0.4%	399	0.2%	-52.3%
Loans Granted	1,456	0.7%	1,803	0.8%	+23.8%
Prepaid Expenses	1,089	0.5%	1,992	0.9%	+82.9%
Recoverable Taxes	5,096	2.4%	892	0.4%	-82.5%
Other Assets	3,144	1.5%	5,148	2.4%	+63.7%
Non-Current Assets	131,857	60.9%	118,138	54.4%	-10.4%
Financial Investments	-	0.0%	3,036	1.4%	n/a
Trade Accounts Receivable	11,633	5.4%	8,326	3.8%	-28.4%
Loans Granted	2,606	1.2%	1,439	0.7%	-44.8%
Assets Held for Sale	2,878	1.3%	750	0.3%	-73.9%
Deferred Income and Social Contribution Taxes	16,238	7.5%	13,063	6.0%	-19.6%
Judicial Deposits	2,946	1.4%	2,830	1.3%	-3.9%
Other Assets	2,454	1.1%	1,539	0.7%	-37.3%
Investments	31	0.0%	20	0.0%	-35.5%
Property, Plant and Equipment	82,398	38.1%	78,663	36.3%	-4.5%
Intangible Assets	10,673	4.9%	8,472	3.9%	-20.6%
Total Assets	216,363	100%	216,982	100%	+0.3%
Liabilities	12/31/2017	AV	12/31/2018	AV	Δ
Current Liabilities	38,445	17.8%	34,247	15.8%	-10.9%
Suppliers	3,266	1.5%	2,299	1.1%	-29.6%
Tax Liabilities	2,718	1.3%	1,179	0.5%	-56.6%
Payroll and Related Charges	2,973	1.4%	2,876	1.3%	-3.3%
Advances from Customers	17,568	8.1%	16,717	7.7%	-4.8%
Provisions	8,703	4.0%	5,485	2.5%	-37.0%
Other Liabilities	3,217	1.5%	5,691	2.6%	+76.9%
Non-Current Liabilities	10,046	4.6%	11,469	5.3%	+14.2%
Tax Liabilities	471	0.2%	208	0.1%	-55.8%
Provisions	9,575	4.4%	11,261	5.2%	+17.6%
Shareholders' equity	167,872	77.6%	171,266	78.9%	+2.0%
Capital Stock	187,709	86.8%	187,709	86.5%	+0.0%
Capital Reserve	(2,658)	-1.2%	(2,658)	-1.2%	+0.0%
Accumulated Loss	(17,179)	-7.9%	(13,785)	-6.4%	-19.8%
Total Liabilities and Shareholders' Equity	216,363	100%	216,982	100%	+0.3%

ANNEX IV – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED

Cash Flow Statement	4Q17	4Q18	Δ	2017	2018	Δ
Operating Income Before Income And Social Contribution Taxes	(5,258)	2,785	-153.0%	(9,992)	6,569	-165.7%
Adjustment to Reconcile the Net Income to Cash from Operating Activities:						
Depreciation and Amortization	2,642	2,177	-17.6%	10,489	9,085	-13.4%
Foreign Exchange Variation	(71)	46	-164.8%	(93)	(91)	-2.2%
Provision for Litigation	3,364	834	-75.2%	3,411	2,251	-34.0%
Provision for Obsolescence	184	95	-48.4%	53	353	+566.0%
Allowance for Doubtful Accounts	586	249	-57.5%	1,550	963	-37.9%
Provison for PPR	990	1,315	+32.8%	(68)	(1,004)	+1376.5%
Disposal of Property, Plant and Equipment	262	1	-99.6%	3,524	2,279	-35.3%
Cash Flows from Operating Activities	2,699	7,503	+178.0%	8,874	20,405	+129.9%
Changes in Assets and Liabilities						
Trade Accounts Receivable	374	(181)	-148.1%	(1,903)	(2,315)	+21.6%
Inventories	718	3,160	+340.1%	1,995	(2,146)	-207.6%
Recoverable Taxes	1,307	2,473	+89.2%	1,535	4,204	+173.9%
Loans Granted	290	243	-16.2%	713	726	+1.8%
Other Current ou Non-Current Assets	84	(1,909)	-2372.6%	(2,998)	3	-100.1%
Non-Current Assets Available for Sale	1,261	(1)	-100.1%	8,128	2,128	-73.8%
Suppliers	(2,254)	(3,303)	+46.5%	(77)	(967)	+1155.8%
Advance from Customers	(5,099)	(2,414)	-52.7%	(7,928)	(851)	-89.3%
Other Current ou Non-Current Liabilities	(4,625)	(2,012)	-56.5%	(4,857)	(3,645)	-25.0%
Net Cash from Operating Activities	(5,245)	3,559	-167.9%	3,482	17,542	+403.8%
Cash Flows from Investing Activities						
Financial Investments	3,616	505	-86.0%	4,779	(12,810)	-368.0%
Investments	-	-	n/a	51	11	-78.4%
Property, Plant and Equipment	(1,758)	(748)	-57.5%	(6,393)	(4,600)	-28.0%
Intangible Assets	(105)	(405)	+285.7%	(278)	(828)	+197.8%
Net Cash used in Investing Activities	1,753	(648)	-137.0%	(1,841)	(18,227)	+890.1%
Cash Flows from Financing Activities						
Cash Flows (used in) from Financing Activities	-	-	n/a	-	-	n/a
Increase (Decrease) in Cash and Cash Equivalents	(3,492)	2,911	-183.4%	1,641	(685)	-141.7%
Changes in Cash and Cash Equivalents						
At the Beginning of the Period	32,965	25,877	-21.5%	27,832	29,473	+5.9%
At the End of the Period	29,473	28,788	-2.3%	29,473	28,788	-2.3%
Increase (Decrease) in Cash and Cash Equivalents	(3,492)	2,911	-183.4%	1,641	(685)	-141.7%

⁽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	3Q17	4Q17	4Q18	1H17	1H18	2H17	2H17	9M17	9M17	2017	2018
Total Gross Revenue	52,235	39,988	51,049	46,547	56,234	54,940	57,223	54,780	103,284	86,535	113,457	113,457	159,518	141,475	216,741	196,255
Domestic Market	51,614	38,441	50,049	44,328	54,082	53,029	54,938	52,125	101,663	82,769	109,020	109,020	155,745	135,798	210,683	187,923
Dell Anno and Favorita - Exclusive Dealers and Own Stores	28,905	21,155	28,067	22,779	29,436	27,134	30,809	28,250	56,972	43,934	60,245	60,245	86,408	71,068	117,217	99,318
New and Casa Brasileira Exclusive Dealers	13,423	10,051	13,000	10,617	14,288	13,569	14,082	13,727	26,423	20,668	28,370	28,370	40,711	34,237	54,793	47,964
New and Casa Brasileira Multibrand	5,793	4,891	6,076	5,836	6,653	7,259	6,551	6,524	11,869	10,727	13,204	13,204	18,522	17,986	25,073	24,510
Unicasa Corporate	2,833	1,892	2,131	4,333	3,115	4,261	2,952	2,337	4,964	6,225	6,067	6,067	8,079	10,486	11,031	12,823
Other Revenues	660	452	775	763	590	806	544	1,287	1,435	1,215	1,134	1,134	2,025	2,021	2,569	3,308
Export Market	621	1,547	1,000	2,219	2,152	1,911	2,285	2,655	1,621	3,766	4,437	4,437	3,773	5,677	6,058	8,332
Gross Revenue from Sales Ex-IPI	50,119	38,353	48,914	44,613	53,938	52,587	54,828	52,415	99,033	82,966	108,766	108,766	152,971	135,553	207,799	187,968
Domestic Market	49,498	36,806	47,914	42,394	51,786	50,676	52,543	49,760	97,412	79,200	104,329	104,329	149,198	129,876	201,741	179,636
Dell Anno and Favorita - Exclusive Dealers and Own Stores	27,856	20,331	26,964	21,859	28,297	25,998	29,545	27,003	54,820	42,190	57,842	57,842	83,117	68,188	112,662	95,191
New and Casa Brasileira Exclusive Dealers	12,792	9,577	12,386	10,115	13,616	12,930	13,418	13,083	25,178	19,692	27,034	27,034	38,794	32,622	52,212	45,705
New and Casa Brasileira Multibrand	5,516	4,657	5,788	5,557	6,337	6,912	6,239	6,212	11,304	10,214	12,576	12,576	17,641	17,126	23,880	23,338
Unicasa Corporate	2,699	1,802	2,028	4,126	2,966	4,059	2,812	2,226	4,727	5,928	5,778	5,778	7,693	9,987	10,505	12,213
Other Revenues	635	439	748	737	570	777	529	1,236	1,383	1,176	1,099	1,099	1,953	1,953	2,482	3,189
Export Market	621	1,547	1,000	2,219	2,152	1,911	2,285	2,655	1,621	3,766	4,437	4,437	3,773	5,677	6,058	8,332
Modules Sold (Units)	190,073	136,225	187,843	147,261	217,017	170,849	192,385	177,000	377,916	283,486	397,647	397,647	594,933	454,335	787,318	631,335
Domestic Market	187,637	129,402	183,905	139,650	206,341	165,528	183,078	164,272	371,542	269,052	377,664	377,664	577,883	434,580	760,961	598,852
Dell Anno and Favorita - Exclusive Dealers and Own Stores	74,640	55,179	77,485	57,707	88,100	64,179	78,009	67,298	152,125	112,886	154,354	154,354	240,225	177,065	318,234	244,363
New and Casa Brasileira Exclusive Dealers	68,287	43,882	65,045	45,479	70,071	58,589	61,733	58,404	133,332	89,361	131,804	131,804	203,403	147,950	265,136	206,354
New and Casa Brasileira Multibrand	34,121	24,920	34,923	27,212	37,787	34,246	34,306	32,454	69,044	52,132	72,093	72,093	106,831	86,378	141,137	118,832
Unicasa Corporate	8,673	5,396	6,023	9,231	9,921	8,388	8,864	5,983	14,696	14,627	18,785	18,785	24,617	23,015	33,481	28,998
Other Revenues	1,916	25	429	21	462	126	166	133	2,345	46	628	628	2,807	172	2,973	305
Export Market	2,436	6,823	3,938	7,611	10,676	5,321	9,307	12,728	6,374	14,434	19,983	19,983	17,050	19,755	26,357	32,483