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Company Information / Capital Breakdown

Number of Shares (in thousands)	Current Quarter 6/30/2018
Paid-in Capital	
Common	66,086,346
Preferred	0
Total	66,086,346
Treasury Shares	
Common	0
Preferred	0
Total	0

Parent Company Financial Statements / Balance Sheet – Assets**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2018	Previous year 12/31/2017
1	Total Assets	215,269	211,401
1.01	Current Assets	93,215	81,607
1.01.01	Cash and Cash Equivalents	35,928	29,227
1.01.02	Financial Investments	1,000	0
1.01.02.01	Financial Investments Stated at Fair Value through Profit or Loss	1,000	0
1.01.03	Accounts Receivable	24,225	23,543
1.01.03.01	Accounts Receivable from Clients	24,225	23,543
1.01.04	Inventories	20,720	18,725
1.01.06	Recoverable Taxes	4,878	4,928
1.01.08	Other Current Assets	6,464	5,184
1.01.08.03	Other	6,464	5,184
1.01.08.03.01	Advances and Prepayments	132	729
1.01.08.03.02	Loans Granted	1,756	1,456
1.01.08.03.03	Prepaid Expenses	2,291	1,089
1.01.08.03.04	Other Assets	2,285	1,910
1.02	Non-Current Assets	122,054	129,794
1.02.01	Long-Term Assets	32,577	37,040
1.02.01.04	Accounts Receivable	9,708	11,633
1.02.01.04.01	Trade Receivables	9,708	11,633
1.02.01.07	Deferred Taxes	16,037	16,238
1.02.01.10	Other Non-Current Assets	6,832	9,169
1.02.01.10.01	Non-current Assets for Sale	1,057	2,878
1.02.01.10.04	Judicial Deposits	2,697	2,858
1.02.01.10.05	Loans Granted	1,945	2,606
1.02.01.10.06	Other Assets	1,133	827
1.02.02	Investments	20	31
1.02.02.01	Equity Interest	20	31
1.02.02.01.04	Other Investments	20	31
1.02.03	Property, Plant and Equipment	80,236	82,051
1.02.03.01	Property, Plant and Equipment in Use	80,236	82,051
1.02.04	Intangible assets	9,221	10,672
1.02.04.01	Intangible Assets	9,221	10,672

Parent Company Financial Statements / Balance Sheet – Liabilities**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2018	Previous year 12/31/2017
2	Total Liabilities	215,269	211,401
2.01	Current Liabilities	37,033	33,483
2.01.01	Payroll and Related Charges	3,877	2,338
2.01.01.01	Social Charges	556	394
2.01.01.02	Labor Liabilities	3,321	1,944
2.01.02	Trade Payables	5,280	3,188
2.01.03	Tax Liabilities	2,308	2,408
2.01.03.01	Federal Tax Liabilities	1,260	1,580
2.01.03.01.02	Other Federal Tax Liabilities	1,260	0
2.01.03.02	State Tax Liabilities	1,042	822
2.01.03.03	Municipal Tax Liabilities	6	6
2.01.05	Other Liabilities	19,353	16,846
2.01.05.02	Other	19,353	16,846
2.01.05.02.04	Advances from Clients	15,383	11,709
2.01.05.02.05	Other Current Liabilities	3,645	3,217
2.01.05.02.06	Provision for Unsecured Liability of Subsidiaries	325	1,920
2.01.06	Provisions	6,215	8,703
2.01.06.02	Other Provisions	6,215	8,703
2.01.06.02.04	Provision for Termination of Commercial Relationship with Reseller	6,215	8,703
2.02	Non-Current Liabilities	10,718	10,046
2.02.02	Other Liabilities	405	471
2.02.02.02	Other	405	471
2.02.02.02.03	Tax Liabilities	405	471
2.02.04	Provisions	10,313	9,575
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Liabilities	10,313	9,575
2.03	Equity	167,518	167,872
2.03.01	Paid-in Capital	187,709	187,709
2.03.02	Capital Reserves	-2,658	-2,658
2.03.02.07	Expenses with Share Issue	-2,658	-2,658
2.03.05	Retained Earnings/Accumulated Losses	-17,533	-17,179

Parent Company Financial Statements / Statement of Income**(In thousands of R\$)**

Code	Description	Current quarter 4/1/2018 to 6/30/2018	Year-to-date 1/1/2018 to 6/30/2018	Same quarter of previous year 4/1/2017 to 6/30/2017	Previous year 1/1/2017 to 6/30/2017
3.01	Income from Sale of Goods and/or Services	33,703	62,305	34,039	67,286
3.02	Cost of Goods Sold and/or Services	-21,980	-40,302	-21,753	-42,181
3.03	Gross Profit	11,723	22,003	12,286	25,105
3.04	Operating Expenses/Income	-12,997	-24,501	-18,426	-31,565
3.04.01	Selling Expenses	-6,637	-12,821	-14,377	-24,054
3.04.02	General and Administrative Expenses	-7,143	-12,275	-4,495	-10,254
3.04.04	Other Operating Income	616	1,258	757	2,209
3.04.05	Other Operating Expenses	135	-158	-1,147	-1,608
3.04.06	Equity Income (Loss)	32	-505	836	2,142
3.05	Earnings Before Financial Result and Taxes	-1,274	-2,498	-6,140	-6,460
3.06	Financial Result	1,325	2,345	1,136	2,536
3.06.01	Financial Income	1,496	2,866	1,849	3,872
3.06.02	Financial Expenses	-171	-521	-713	-1,336
3.07	Earnings Before Income Taxes	51	-153	-5,004	-3,924
3.08	Income and Social Contribution Taxes on Income	-37	-201	1,864	1,937
3.08.02	Deferred	-37	-201	1,864	1,937
3.09	Net Income (Loss) from Continuing Operations	14	-354	-3,140	-1,987
3.11	Net Income (Loss) for the Period	14	-354	-3,140	-1,987
3.99	Earnings per Share - (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.00021	-0.00536	-0.04751	-0.03007

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2018 to 6/30/2018	Year-to-date 1/1/2018 to 6/30/2018	Same quarter of previous year 4/1/2017 to 6/30/2017	Previous year 1/1/2017 to 6/30/2017
4.01	Net Income for the Period	14	-354	-3,140	-1,987
4.03	Comprehensive Income (Loss) for the Period	14	-354	-3,140	-1,987

Parent Company Financial Statements / Statement of Cash Flows – Indirect Method**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2018 to 6/30/2018	Previous year 1/1/2017 to 6/30/2017
6.01	Net Cash from Operating Activities	12,520	-2,775
6.01.01	Cash Provided by Operations	7,241	-1,997
6.01.01.01	Net Income before Income and Social Contribution Taxes	-153	-3,924
6.01.01.02	Depreciation and Amortization	4,795	5,174
6.01.01.03	Exchange Variation – Trade Receivables	-138	-40
6.01.01.06	Provision for Labor, Tax, Civil and Termination of Commercial Relationship Risks	738	-1,388
6.01.01.07	Provision for Obsolescence	253	-7
6.01.01.08	Allowance for Doubtful Accounts	740	702
6.01.01.10	Other Provisions	-700	-1,337
6.01.01.14	Disposal of Property, Plant and Equipment	1,201	965
6.01.01.15	Equity Income (Loss)	505	-2,142
6.01.02	Changes in Assets and Liabilities	5,279	-778
6.01.02.01	Trade Receivables	641	-1,411
6.01.02.02	Inventories	-2,248	-4,885
6.01.02.03	Taxes Recoverable	50	-901
6.01.02.05	Loans Granted	361	-208
6.01.02.08	Other Current and Non-Current Assets	-1,125	-794
6.01.02.09	Non-Current Assets Held for Sale	1,821	6,117
6.01.02.14	Trade Payables	2,092	618
6.01.02.15	Advances from Clients	3,674	272
6.01.02.17	Other Current and Non-Current Liabilities	13	414
6.02	Net Cash Provided By (Used In) Investment Activities	-5,819	1,138
6.02.01	Financial Investments	-1,000	4,779
6.02.02	Investments in Subsidiary	-2,100	-500
6.02.03	Investments	11	51
6.02.04	Acquisition of Property, Plant and Equipment	-2,341	-3,126
6.02.05	Acquisition of Intangible Assets	-389	-66
6.05	Increase (Decrease) in Cash and Cash Equivalents	6,701	-1,637
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	29,227	26,052
6.05.02	Cash and Cash Equivalents at the End of the Period	35,928	24,415

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Changes in Equity – 1/1/2018 to 6/30/2018

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings	Other Comprehensive Income	Equity
5.01	Opening Balances	187,709	-2,658	0	-17,179	0	167,872
5.03	Adjusted Opening Balances	187,709	-2,658	0	-17,179	0	167,872
5.05	Total Comprehensive Income (Loss)	0	0	0	-354	0	-354
5.05.01	Net Income for the Period	0	0	0	-354	0	-354
5.07	Closing Balances	187,709	-2,658	0	-17,533	0	167,518

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Changes in Equity– 1/1/2017 to 6/30/2017

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings	Other Comprehensive Income	Equity
5.01	Opening Balances	187,709	-2,658	0	-10,822	0	174,229
5.03	Adjusted Opening Balances	187,709	-2,658	0	-10,822	0	174,229
5.05	Total Comprehensive Income (Loss)	0	0	0	-1,987	0	-1,987
5.05.01	Net Income for the Period	0	0	0	-1,987	0	-1,987
5.07	Closing Balances	187,709	-2,658	0	-12,809	0	172,242

Parent Company Financial Statements / Statement of Value Added**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2018 to 6/30/2018	Previous year 1/1/2017 to 6/30/2017
7.01	Income	79,398	92,239
7.01.01	Sales of Goods, Products and Services	81,047	91,682
7.01.02	Other Income	-909	1,259
7.01.04	Reversal of/Allowance for Doubtful Accounts	-740	-702
7.02	Inputs Acquired from Third Parties	-54,176	-66,616
7.02.01	Cost of Products Sold and Services Rendered	-36,502	-40,249
7.02.02	Supplies, Electricity, Outsourced Services and Others	-13,713	-18,495
7.02.04	Other	-3,961	-7,872
7.03	Gross Value Added	25,222	25,623
7.04	Retentions	-4,795	-5,174
7.04.01	Depreciation, Amortization and Depletion	-4,795	-5,174
7.05	Net Added Value Produced	20,427	20,449
7.06	Added Value from Transfers	2,456	6,144
7.06.01	Equity Income (Loss)	-505	2,142
7.06.02	Financial Income	2,961	4,002
7.07	Total Value Added to Distribute	22,883	26,593
7.08	Distribution of Added Value	22,883	26,593
7.08.01	Personnel	10,578	14,714
7.08.01.01	Direct Compensation	8,331	11,222
7.08.01.02	Benefits	1,390	1,568
7.08.01.03	F.G.T.S. (Government Severance Fund)	857	1,924
7.08.02	Taxes, Fees and Contributions	11,863	11,856
7.08.02.01	Federal	7,360	6,277
7.08.02.02	State	4,458	5,528
7.08.02.03	Municipal	45	51
7.08.03	Remuneration of Loan Capital	796	2,010
7.08.03.02	Rentals	399	750
7.08.03.03	Other	397	1,260
7.08.04	Remuneration of Own Capital	-354	-1,987
7.08.04.03	Accumulated Losses/Retained Earnings in the Period	-354	-1,987

Consolidated Financial Statements / Balance Sheet – Assets**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2018	Previous year 12/31/2017
1	Total Assets	219,186	216,363
1.01	Current Assets	95,621	84,506
1.01.01	Cash and cash equivalents	36,004	29,473
1.01.02	Financial Investments	1,000	0
1.01.03	Accounts Receivable	24,348	23,641
1.01.03.01	Trade Receivables	24,348	23,641
1.01.04	Inventories	21,227	19,770
1.01.06	Recoverable Taxes	5,022	5,096
1.01.08	Other Current Assets	8,020	6,526
1.01.08.03	Other	8,020	6,526
1.01.08.03.01	Advances and Prepayments	141	837
1.01.08.03.02	Loans Granted	1,756	1,456
1.01.08.03.03	Prepaid Expenses	2,293	1,089
1.01.08.03.04	Other Assets	3,830	3,144
1.02	Non-Current Assets	123,565	131,857
1.02.01	Long-Term Assets	34,036	38,755
1.02.01.04	Accounts Receivable	9,708	11,633
1.02.01.04.01	Trade Receivables	9,708	11,633
1.02.01.07	Deferred Taxes	16,037	16,238
1.02.01.07.01	Deferred Income and Social Contribution Taxes	16,037	16,238
1.02.01.10	Other Non-Current Assets	8,291	10,884
1.02.01.10.01	Non-current Assets for Sale	1,057	2,878
1.02.01.10.04	Judicial Deposits	2,730	2,946
1.02.01.10.05	Loans Granted	1,945	2,606
1.02.01.10.06	Other Assets	2,559	2,454
1.02.02	Investments	20	31
1.02.03	Property, Plant and Equipment	80,287	82,398
1.02.03.01	Property, Plant and Equipment in Use	80,287	82,398
1.02.04	Intangible assets	9,222	10,673
1.02.04.01	Intangible Assets	9,222	10,673

Consolidated Financial Statements / Balance Sheet – Liabilities**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2018	Previous year 12/31/2017
2	Total Liabilities	219,186	216,363
2.01	Current Liabilities	40,950	38,445
2.01.01	Payroll and Related Charges	4,223	2,973
2.01.01.01	Social Charges	587	482
2.01.01.02	Labor Liabilities	3,636	2,491
2.01.02	Trade Payables	5,370	3,266
2.01.03	Tax Liabilities	2,505	2,718
2.01.03.01	Federal Tax Liabilities	1,370	1,792
2.01.03.02	State Tax Liabilities	1,126	919
2.01.03.03	Municipal Tax Liabilities	9	7
2.01.05	Other Liabilities	22,637	20,785
2.01.05.02	Other	22,637	20,785
2.01.05.02.04	Advances from Clients	18,992	17,568
2.01.05.02.05	Other Current Liabilities	3,645	3,217
2.01.06	Provisions	6,215	8,703
2.01.06.02	Other Provisions	6,215	8,703
2.01.06.02.04	Provision for Termination of Commercial Relationship	6,215	8,703
2.02	Non-Current Liabilities	10,718	10,046
2.02.02	Other Liabilities	405	471
2.02.04	Provisions	10,313	9,575
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Liabilities	10,313	9,575
2.03	Consolidated Equity	167,518	167,872
2.03.01	Paid-in Capital	187,709	187,709
2.03.02	Capital Reserves	-2,658	-2,658
2.03.02.07	Expenses with Share Issue	-2,658	-2,658
2.03.05	Retained Earnings/Accumulated Losses	-17,533	-17,179

Consolidated Financial Statements / Statement of Income**(In thousands of R\$)**

Code	Description	Current quarter 4/1/2018 to 6/30/2018	Year-to-date 1/1/2018 to 6/30/2018	Same quarter of previous year 4/1/2017 to 6/30/2017	Previous year 1/1/2017 to 6/30/2017
3.01	Income from Sale of Goods and/or Services	35,352	65,644	37,006	74,726
3.02	Cost of Goods Sold and/or Services	-22,240	-40,586	-21,889	-42,959
3.03	Gross Profit	13,112	25,058	15,117	31,767
3.04	Operating Expenses/Income	-14,403	-27,603	-22,533	-39,389
3.04.01	Selling Expenses	-8,220	-16,733	-17,786	-30,531
3.04.02	General and administrative expenses	-7,143	-12,275	-4,495	-10,254
3.04.04	Other Operating Income	825	1,563	896	3,013
3.04.05	Other Operating Expenses	135	-158	-1,148	-1,617
3.05	Earnings Before Financial Result and Taxes	-1,291	-2,545	-7,416	-7,622
3.06	Financial Result	1,342	2,392	1,130	2,542
3.06.01	Financial Income	1,521	2,929	1,875	3,931
3.06.02	Financial Expenses	-179	-537	-745	-1,389
3.07	Earnings Before Income Taxes	51	-153	-6,286	-5,080
3.08	Income and Social Contribution Taxes on Income	-37	-201	3,146	3,093
3.08.01	Current	0	0	89	-37
3.08.02	Deferred	-37	-201	3,057	3,130
3.09	Net Income (Loss) from Continuing Operations	14	-354	-3,140	-1,987
3.11	Consolidated Losses/Earnings in the Period	14	-354	-3,140	-1,987
3.11.01	Attributable to Controlling Shareholders	14	-354	-3,140	-1,987
3.99	Earnings per Share - (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.00021	-0.00536	-0.04751	-0.03007

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2018 to 6/30/2018	Year-to-date 1/1/2018 to 6/30/2018	Same quarter of previous year 4/1/2017 to 6/30/2017	Previous year 1/1/2017 to 6/30/2017
4.01	Consolidated Net Income in the Period	14	-354	-3,140	-1,987
4.03	Consolidated Comprehensive Income (Loss) in the Period	14	-354	-3,140	-1,987
4.03.01	Attributable to Controlling Shareholders	14	-354	-3,140	-1,987

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method

(In thousands of R\$)

Code	Description	Year-to-date 1/1/2018 to 6/30/2018	Previous year 1/1/2017 to 6/30/2017
6.01	Net Cash from Operating Activities	10,264	-3,745
6.01.01	Cash Provided by Operations	6,970	654
6.01.01.01	Net Income before Income and Social Contribution Taxes	-153	-5,080
6.01.01.02	Depreciation and Amortization	4,808	5,239
6.01.01.03	Exchange Variation – Trade Receivables	-138	-40
6.01.01.06	Provision for Labor, Tax, Civil and Termination of Commercial Relationship Risks	738	-1,388
6.01.01.07	Provision for Obsolescence	253	-7
6.01.01.08	Allowance for Doubtful Accounts	664	827
6.01.01.10	Other Provisions	-700	-1,421
6.01.01.14	Disposal of Property, Plant and Equipment and Intangible Assets	1,498	2,524
6.01.02	Changes in Assets and Liabilities	3,294	-4,399
6.01.02.01	Accounts Receivable from Clients	692	-3,248
6.01.02.02	Inventories	-1,710	-3,774
6.01.02.03	Taxes Recoverable	74	-959
6.01.02.05	Loans Granted	361	-208
6.01.02.08	Other Current and Non-Current Assets	-1,083	-3,638
6.01.02.09	Non-Current Assets Held for Sale	1,821	6,117
6.01.02.14	Trade Payables	2,104	569
6.01.02.15	Advances from Clients	1,424	-808
6.01.02.17	Other Current and Non-Current Liabilities	-389	1,587
6.01.02.18	Payment of Income and Social Contribution Taxes	0	-37
6.02	Net Cash Provided By (Used In) Investment Activities	-3,733	1,575
6.02.01	Financial Investments	-1,000	4,779
6.02.03	Investments	11	51
6.02.04	Acquisition of Property, Plant and Equipment	-2,355	-3,189
6.02.05	Acquisition of Intangible Assets	-389	-66
6.05	Increase (Decrease) in Cash and Cash Equivalents	6,531	-2,170
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	29,473	27,832
6.05.02	Cash and Cash Equivalents at the End of the Period	36,004	25,662

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2018 to 6/30/2018

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	187,709	-2,658	0	-17,179	0	167,872	0	167,872
5.03	Adjusted Opening Balances	187,709	-2,658	0	-17,179	0	167,872	0	167,872
5.05	Total Comprehensive Income (Loss)	0	0	0	-354	0	-354	0	-354
5.05.01	Net Income for the Period	0	0	0	-354	0	-354	0	-354
5.07	Closing Balances	187,709	-2,658	0	-17,533	0	167,518	0	167,518

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ITR – Quarterly Information – June 30, 2018 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2017 to 6/30/2017

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	187,709	-2,658	0	-10,822	0	174,229	0	174,229
5.03	Adjusted Opening Balances	187,709	-2,658	0	-10,822	0	174,229	0	174,229
5.05	Total Comprehensive Income (Loss)	0	0	0	-1,987	0	-1,987	0	-1,987
5.05.01	Net Income for the Period	0	0	0	-1,987	0	-1,987	0	-1,987
5.07	Closing Balances	187,709	-2,658	0	-12,809	0	172,242	0	172,242

Notes to the Financial Statements**Consolidated Financial Statements / Statement of Value Added****(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2018 to 6/30/2018	Previous year 1/1/2017 to 6/30/2017
7.01	Income	84,756	103,709
7.01.01	Sales of Goods, Products and Services	86,024	102,482
7.01.02	Other Income	-604	2,054
7.01.04	Provision/Reversal of Allowance for Doubtful Accounts	-664	-827
7.02	Inputs acquired from third parties	-56,615	-71,210
7.02.01	Cost of Products Sold and Services Rendered	-37,259	-41,967
7.02.02	Supplies, Electricity, Outsourced Services and Others	-15,229	-21,313
7.02.04	Other	-4,127	-7,930
7.03	Gross Value Added	28,141	32,499
7.04	Retentions	-4,808	-5,239
7.04.01	Depreciation, Amortization and Depletion	-4,808	-5,239
7.05	Net Added Value Produced	23,333	27,260
7.06	Added Value from Transfers	3,027	4,063
7.06.02	Financial Income	3,027	4,063
7.07	Total Value Added to Distribute	26,360	31,323
7.08	Distribution of Added Value	26,360	31,323
7.08.01	Personnel	12,364	17,143
7.08.01.01	Direct Compensation	9,676	13,253
7.08.01.02	Benefits	1,472	1,727
7.08.01.03	F.G.T.S. (Government Severance Fund)	1,216	2,163
7.08.02	Taxes, Fees and Contributions	13,156	13,288
7.08.02.01	Federal	8,046	6,519
7.08.02.02	State	5,028	6,670
7.08.02.03	Municipal	82	99
7.08.03	Remuneration of Loan Capital	1,194	2,879
7.08.03.02	Rentals	781	1,566
7.08.03.03	Other	413	1,313
7.08.04	Remuneration of Own Capital	-354	-1,987
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	-354	-1,987

UNICASA

**Earnings Release
2Q18**



Comments on Performance



Bento Gonçalves, Rio Grande do Sul, August 9, 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 second 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

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Period highlights

- Reversal of the loss in 2Q17;
- Selling and Administrative expenses down 31.0%;
- Positive cash flow in the quarter, as against cash burn in 2Q17
- Net margin up 8.5 p.p.
- EBITDA margin up 15.3 p.p.

Executive Summary	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue ex-IPI	48,914	44,613	-8.8%	99,033	82,966	-16.2%
Net Revenue	37,006	35,352	-4.5%	74,726	65,644	-12.2%
Cost of Goods Sold	(21,889)	(22,240)	+1.6%	(42,959)	(40,586)	-5.5%
Gross Income	15,117	13,112	-13.3%	31,767	25,058	-21.1%
Gross Margin	40.9%	37.1%	-3.8 p.p.	42.5%	38.2%	-4.3 p.p.
Selling and Administrative Expenses	(22,281)	(15,363)	-31.0%	(40,785)	(29,008)	-28.9%
Other Revenues and Operating Expenses	(252)	960	-481.0%	1,396	1,405	+0.6%
Operating Income	(7,416)	(1,291)	-82.6%	(7,622)	(2,545)	-66.6%
Operating Margin	-20.0%	-3.7%	+16.3 p.p.	-10.2%	-3.9%	+6.3 p.p.
Financial Income (Expenses) Net	1,130	1,342	+18.8%	2,542	2,392	-5.9%
Operating Income before Income Tax and Social Contribution	(6,286)	51	-100.8%	(5,080)	(153)	-97.0%
Income Tax and Social Contribution	3,146	(37)	-101.2%	3,093	(201)	-106.5%
Net Profit	(3,140)	14	-100.4%	(1,987)	(354)	-82.2%
Net Margin	-8.5%	0.0%	+8.5 p.p.	-2.7%	-0.5%	+2.2 p.p.
EBITDA	(4,827)	820	-117.0%	(2,383)	2,263	-195.0%
EBITDA Margin	-13.0%	2.3%	+15.3 p.p.	-3.2%	3.4%	+6.6 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.

Comments on Performance

SALES PERFORMANCE

Gross revenue in 2Q18 decreased 8.8% from 2Q17, due to: (i) the reduction in the distribution network, responsible for 5.8% decline; (ii) the shutdown of the own store operation, which accounted for about 4.1% of the decline, partially offset by the decrease in operating expenses arising from this business unit; and (iii) the economic performance of other sales channels, which grew 1.2%, driven by the performance of the 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	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue, ex-IPI	26,964	21,859	-18.9%	54,820	42,190	-23.0%
Number of Modules Sold (thousand units)	77.5	57.7	-25.5%	152.1	112.9	-25.8%
New and Casa Brasileira Exclusive Dealers	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue, ex-IPI	12,386	10,115	-18.3%	25,178	19,692	-21.8%
Number of Modules Sold (thousand units)	65.0	45.5	-30.0%	133.3	89.4	-32.9%
Multibrands	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue, ex-IPI	5,788	5,557	-4.0%	11,304	10,214	-9.6%
Number of Modules Sold (thousand units)	34.9	27.2	-22.1%	69.0	52.1	-24.5%
Unicasa Corporate	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue, ex-IPI	2,028	4,126	+103.5%	4,727	5,928	+25.4%
Number of Modules Sold (thousand units)	6.0	9.2	+53.3%	14.7	14.6	-0.7%
Export Market	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue, ex-IPI	1,000	2,219	+121.9%	1,621	3,766	+132.3%
Number of Modules Sold (thousand units)	3.9	7.6	+94.9%	6.4	14.4	+125.0%

Consolidated Indicators – Unicasa

Unicasa Indústria de Móveis	2Q17	2Q18	Δ	1H17	1H18	Δ
Gross Revenue, ex-IPI	48,914	44,613	-8.8%	99,033	82,966	-16.2%
Number of Modules Sold (thousand units)	187.7	147.2	-21.6%	377.8	283.4	-25.0%

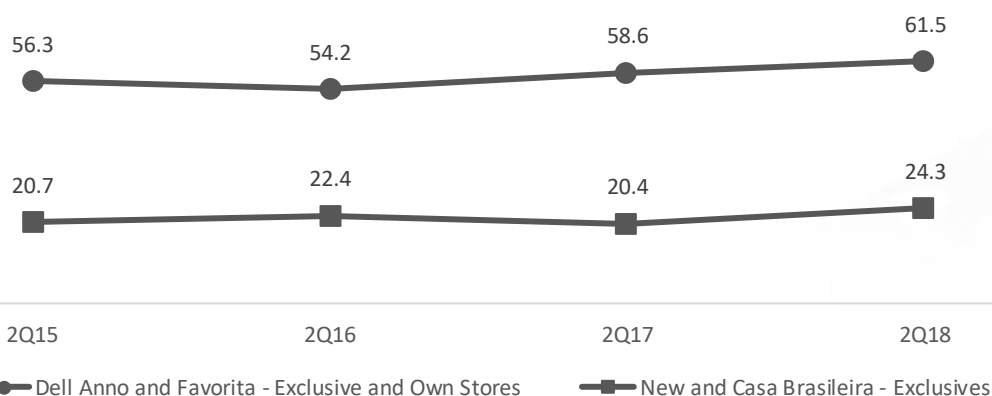
SALES AND DISTRIBUTION CHANNELS

Period	2Q17	3Q17	4Q17	1Q18	2Q18	Δ
Exclusive and Own Stores	344	287	278	265	249	(16)
Dell Anno and Favorita	150	136	129	122	115	(7)
New and Casa Brasileira	194	151	149	143	134	(9)
Multibrand	598	598	597	595	587	(8)
New and Casa Brasileira Multibrand	598	598	597	595	587	(8)

(1) Variation compared to 1Q18.

Average productivity per Dell Anno and Favorita store in 2Q18 was R\$61.5/month, 5.0% higher than the R\$58.6 in 2Q17. Average productivity in the quarter per New and Casa Brasileira store in 2Q18 was R\$24.3/month, 19.1% higher than the R\$20.4 in 2Q17, due to the closure of less productive operations. The graph below shows historical productivity in the second quarter.

Comments on Performance



FINANCIAL PERFORMANCE

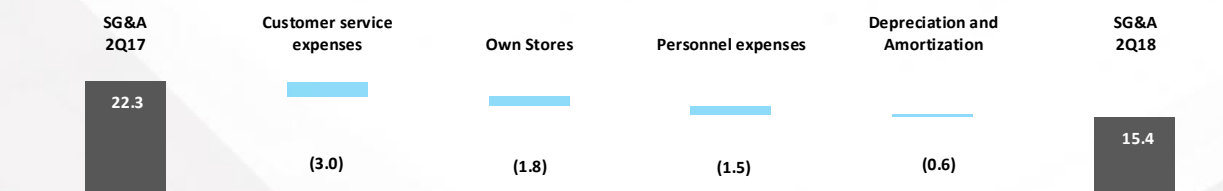
Gross Profit and Gross Margin

Gross profit in the quarter was R\$13.1 million. Gross margin fell 3.8 p.p., from 40.9% in 2Q17 to 37.1% this quarter. The main variations in margin are: (i) sales mix for channels with more competitive pricing, which reduced gross margin by 2.4 p.p.; (ii) closure of own stores, a 1.7 p.p. reduction; (iii) in January 2018, the Company started deducting Social Contribution in the payroll instead of in the Revenue, as option allowed by Law 12,546/2011. This change reduced margin by 0.2 p.p., despite the overall reduction in the Contribution expense; (iv) reduction in personnel expenses contributed to a margin increase of 0.5 p.p.

Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	2Q17	2Q18	Δ	1H17	1H18	Δ
Total	(22,281)	(15,363)	-31.0%	(40,785)	(29,008)	-28.9%
SG&A % of Net Revenue	60.2%	43.5%	-16.7 p.p.	54.6%	44.2%	-10.4 p.p.

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



⁽¹⁾In million.

Expenses with consumers were R\$3.0 million lower, mainly due to the provision accrued in 2Q17. These expenses mainly include expenses with goods, freight and assembly.

Expenses with own stores declined by R\$1.8 million, mainly due to the closure of the own store operation, as disclosed in the 4Q16 earnings release.

Personnel expenses declined R\$1.5 million, mainly due to the restructuring carried out at the Company during 2017.

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.

Comments on Performance**Other Operating Income and Expenses**

In 2Q18, the result of this line was net revenue, compared to net expense in 2Q17. The main variation corresponds to the result from the sale of assets.

Other Operating Income and Expenses	2Q17	2Q18	Δ	1H17	1H18	Δ
Total	(252)	960	-481.0%	1,396	1,405	+0.6%
Bank Premium	441	350	-20.6%	869	650	-25.2%
Result From Sale of Assets	(977)	81	-108.3%	(577)	129	-122.4%
Trademark Rights	-	-	n/a	570	-	-100.0%
Other Operating Income	284	529	+86.3%	534	626	+17.2%
% of Net Revenue	0.7%	2.7%	+2.0 p.p.	1.9%	2.1%	+0.2 p.p.

Financial Result

Financial result increased 18.8%, mainly due to the R\$0.6 million decline in expenses with interest which, in 2Q17, was affected by the decision to join the Tax Regularization Program, by which tax debts were settled with interest expense, as disclosed in the 2Q17 earnings release. Revenue from short-term investments also declined, mainly due to the reduction in the SELIC interest rate in the period.

Financial Result	2Q17	2Q18	Δ	1H17	1H18	Δ
Net Financial Result	1,130	1,342	18.8%	2,542	2,392	-5.9%
Financial Expenses	(745)	(179)	-76.0%	(1,389)	(537)	-61.3%
IOF charge and bank fees	(91)	(50)	-45.1%	(180)	(133)	-26.1%
Exchange variation expenses	(34)	(89)	-60.6%	(139)	(201)	44.6%
Present value adjustment - AVP	(33)	(13)	n/a	(350)	(129)	-63.1%
Other financial expenses	(587)	(27)	-95%	(720)	(74)	-89.7%
Financial Income	1,875	1,521	-18.9%	3,931	2,929	-25.5%
Interest income	425	391	-8.0%	911	812	-10.9%
Discounts	20	9	-55.0%	51	23	-54.9%
Yield from short-term investments	604	403	-33.3%	1,431	814	-43.1%
Exchange variation income	103	244	136.9%	161	349	116.8%
Present value adjustment - AVP	551	307	-44.3%	1,079	579	-46.3%
Other financial income	172	167	-2.9%	298	352	18.1%

Comments on Performance

EBITDA and EBITDA Margin

EBITDA	2Q17	2Q18	Δ	1H17	1H18	Δ
Net Income for the Period	(3,140)	14	-100.4%	(1,987)	(354)	-82.2%
Income Tax and Social Contribution	(3,146)	37	-101.2%	(3,093)	201	-106.5%
Financial Result	(1,130)	(1,342)	+18.8%	(2,542)	(2,392)	-5.9%
EBIT	(7,416)	(1,291)	-82.6%	(7,622)	(2,545)	-66.6%
Depreciation and Amortization	2,589	2,111	-18.5%	5,239	4,808	-8.2%
EBITDA	(4,827)	820	-117.0%	(2,383)	2,263	-195.0%
EBITDA Margin	-13.0%	2.3%	+15.3 p.p.	-3.2%	3.4%	+6.6 p.p.

Cash Flow

The main variations in cash that contributed to the generation of R\$3.4 million in 2Q18, compared to a cash burn of R\$9.3 million in 2Q17, were: (i) reversal of the loss in 2Q17; (ii) reduction in expenses with suppliers as a result of strategic purchases made in 2Q17; and, (iii) reduction in expenses with the acquisition of property, plant and equipment.

Cash Flow	2Q17	2Q18	Δ	1H17	1H18	Δ
Cash Flows from Operating Activities	(4,816)	5,212	-208.2%	654	6,970	+965.7%
Changes in Assets and Liabilities	(1,939)	(682)	-64.8%	(4,399)	3,294	-174.9%
Financial Investments	12,867	(1,000)	-107.8%	4,779	(1,000)	-120.9%
Cash generated by investment activities	(2,547)	(1,108)	-56.5%	(3,204)	(2,733)	-14.7%
Cash flow (burn)	3,565	2,422	-32.1%	(2,170)	6,531	-401.0%
Financial Investments	(12,867)	1,000	-107.8%	(4,779)	1,000	-120.9%
Cash flow and Financial Investments	(9,302)	3,422	-136.8%	(6,949)	7,531	-208.4%
At the Beginning of the Period	34,964	33,582	-4.0%	32,611	29,473	-9.6%
At the End of the Period	25,662	37,004	+44.2%	25,662	37,004	+44.2%
Cash flow and Financial Investments	(9,302)	3,422	-136.8%	(6,949)	7,531	-208.4%

Net Cash

Net Cash	6/30/2017	6/30/2018	Δ
Short Term Debt	-	-	n/a
Long Term Debt	-	-	n/a
Gross Debt	-	-	n/a
Cash and Cash Equivalents	25,662	36,004	+40.3%
Financial Investments	-	1,000	n/a
Net Debt/(Cash Surplus)	(25,662)	(37,004)	+44.2%

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

NOPLAT (Net Operating Profit Less Adjusted Taxes)	2Q18	1Q18	4Q17	3Q17	2Q17
(=) EBITDA	820	1,443	(3,803)	2,079	(4,827)
Depreciation	2,111	2,697	2,642	2,608	2,589
(=) EBIT	(1,291)	(1,254)	(6,445)	(529)	(7,416)
Income Tax and Social Contribution	(37)	(164)	658	(116)	3,146
Financial Result Income Tax Reversal	456	357	404	298	384
(=) Operating Net Income (NOPLAT)	(872)	(1,061)	(5,383)	(348)	(3,886)
(=) Operating Net Income (NOPLAT) - Last Twelve Months	(7,664)	(10,678)	(9,396)	(29,185)	(34,667)

ROIC (Return on Invested Capital)	2Q18	1Q18	4Q17	3Q17	2Q17
Invested Capital - LTM	134,682	138,698	140,322	141,127	151,701
ROIC - LTM	-5.7%	-7.7%	-6.7%	-20.7%	-22.9%
ROE (Return on Equity)	2Q18	1Q18	4Q17	3Q17	2Q17
Net Profit – Last Twelve Months	(1,181)	(1,970)	(1,589)	(6,470)	(7,600)
Shareholders' equity	167,518	167,504	167,872	172,472	172,242
ROE - LTM	-0.7%	-1.2%	-0.9%	-3.7%	-4.2%

Comments on Performance

ANNEX I – WORKING CAPITAL AND INVESTED CAPITAL

Invested Capital	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017
Operational Asset	70,270	69,763	69,272	72,317	80,792
(+) Trade Accounts Receivable	24,348	21,606	23,641	23,528	23,734
(+) Long Term Trade Accounts Receivable	9,708	10,704	11,633	11,654	12,574
(+) Long Term Loans Granted	1,945	2,241	2,606	2,823	3,497
(+) Inventories	21,227	21,835	19,770	20,672	25,599
(+) Advances to Suppliers	141	124	837	142	566
(+) Loans Granted	1,756	1,655	1,456	2,510	2,467
(+) Prepaid Expenses	2,293	2,184	1,089	1,624	1,461
(+) Recoverable Taxes	5,022	5,383	5,096	6,303	7,590
(+) Other Assets	3,830	4,031	3,144	3,061	3,304
Operational Liabilities	40,950	41,744	38,445	46,504	48,005
(-) Suppliers	5,370	7,077	3,266	5,520	3,912
(-) Tax Liabilities	2,505	2,212	2,718	3,312	3,590
(-) Payroll and Related Charges	4,223	3,461	2,973	5,176	4,663
(-) Advances from Customers	18,992	17,877	17,568	22,667	24,688
(-) Provisions	6,215	7,506	8,703	6,655	8,209
(-) Other Liabilities	3,645	3,611	3,217	3,174	2,943
(=) Working Capital	29,320	28,019	30,827	25,813	32,787
Non-current operating assets	111,912	115,454	117,618	119,754	122,402
(+) Assets Held for Sale	1,057	2,410	2,878	4,139	4,889
(+) Deferred Income and Social Contribution Taxes	16,037	16,074	16,238	15,680	15,733
(+) Recoverable Taxes	-	-	-	-	-
(+) Prepaid Expenses	-	-	-	-	-
(+) Judicial Deposits	2,730	2,636	2,946	2,894	3,138
(+) Other Assets	2,559	2,826	2,454	2,898	2,706
(+) Investments	20	20	31	31	31
(+) Property, Plant and Equipment	80,287	81,873	82,398	82,364	83,096
(+) Intangible Assets	9,222	9,615	10,673	11,748	12,809
Non-current operating liabilities	10,718	9,551	10,046	9,676	8,609
(-) Tax Liabilities	405	438	471	504	537
(-) Provisions	10,313	9,113	9,575	9,172	8,072
(=) Fixed Capital	101,194	105,903	107,572	110,078	113,793
(+) Cash and Cash Equivalents	36,004	33,582	29,473	32,965	25,662
(+) Short Term Financial Investments	1,000	-	-	3,616	-
(+) Long Term Financial Investments	-	-	-	-	-
(-) Short Term Loans Granted	-	-	-	-	-
(-) Long Term Loans Granted	-	-	-	-	-
(-) Dividends and interest on Equity Payable	-	-	-	-	-
(-) Shareholders' equity	167,518	167,504	167,872	172,472	172,242
(=) Total Financing	130,514	133,922	138,399	135,891	146,580

Comments on Performance

ANNEX II – FINANCIAL STATEMENTS – INCOME STATEMENT – CONSOLIDATED

Income Statement	2Q17	AV	2Q18	AV	Δ	AH	1H17	AV	1H18	AV	AH
Gross Revenue from Sales	51,049	137.9%	46,547	131.7%	(4,502)	-8.8%	103,284	138.2%	86,535	131.8%	-16.2%
Domestic Market	50,049	135.2%	44,328	125.4%	(5,721)	-11.4%	101,663	136.0%	82,769	126.1%	-18.6%
Dell Anno and Favorita	28,067	75.8%	22,779	64.4%	(5,288)	-18.8%	56,972	76.2%	43,934	66.9%	-22.9%
New and Casa Brasileira Exclusive Dealers	13,000	35.1%	10,617	30.0%	(2,383)	-18.3%	26,423	35.4%	20,668	31.5%	-21.8%
New and Casa Brasileira Multibrand	6,076	16.4%	5,836	16.5%	(240)	-3.9%	11,869	15.9%	10,727	16.3%	-9.6%
Unicasa Corporate	2,131	5.8%	4,333	12.3%	2,202	+103.3%	4,964	6.6%	6,225	9.5%	+25.4%
Other Revenues	775	2.1%	763	2.2%	(12)	-1.5%	1,435	1.9%	1,215	1.9%	-15.3%
Exports	1,000	2.7%	2,219	6.3%	1,219	+121.9%	1,621	2.2%	3,766	5.7%	+132.3%
Sales Deductions	(14,043)	37.9%	(11,195)	-31.7%	2,848	-20.3%	(28,558)	-38.2%	(20,891)	-31.8%	-26.8%
Net Revenue from Sales	37,006	100.0%	35,352	100.0%	(1,654)	-4.5%	74,726	100.0%	65,644	100.0%	-12.2%
Cost of Goods Sold	(21,889)	59.1%	(22,240)	-62.9%	(351)	+1.6%	(42,959)	-57.5%	(40,586)	-61.8%	-5.5%
Gross Profit	15,117	40.9%	13,112	37.1%	(2,005)	-13.3%	31,767	42.5%	25,058	38.2%	-21.1%
Selling Expenses	(17,786)	48.1%	(8,220)	-23.3%	9,566	-53.8%	(30,531)	-40.9%	(16,733)	-25.5%	-45.2%
General and Administrative Expenses	(4,495)	12.1%	(7,143)	-20.2%	(2,648)	+58.9%	(10,254)	-13.7%	(12,275)	-18.7%	+19.7%
Other Operating Income, Net	(252)	0.7%	960	2.7%	1,212	-481.0%	1,396	1.9%	1,405	2.1%	+0.6%
Operating Income	(7,416)	20.0%	(1,291)	-3.7%	6,125	-82.6%	(7,622)	-10.2%	(2,545)	-3.9%	-66.6%
Financial Expenses	(745)	2.0%	(179)	-0.5%	566	-76.0%	(1,389)	-1.9%	(537)	-0.8%	-61.3%
Financial Income	1,875	5.1%	1,521	4.3%	(354)	-18.9%	3,931	5.3%	2,929	4.5%	-25.5%
Operating Income before Income Tax and Social Contribution	(6,286)	17.0%	51	0.1%	6,337	-100.8%	(5,080)	-6.8%	(153)	-0.2%	-97.0%
Income Tax and Social Contribution	3,146	8.5%	(37)	-0.1%	(3,183)	-101.2%	3,093	4.1%	(201)	-0.3%	106.5%
Current	89	0.2%	-	0.0%	(89)	-100.0%	(37)	0.0%	-	0.0%	100.0%
Deferred	3,057	8.3%	(37)	-0.1%	(3,094)	-101.2%	3,130	4.2%	(201)	-0.3%	106.4%
Net Income for the Period	(3,140)	8.5%	14	0.0%	3,154	-100.4%	(1,987)	-2.7%	(354)	-0.5%	-82.2%
Earnings per Share (R\$)	0.05		0.00	0.0%	0.05	-100.4%	0.03	+0.0%	0.01	+0.0%	-82.1%

Comments on Performance

ANNEX III - FINANCIAL STATEMENTS – BALANCE SHEET – CONSOLIDATED

Assets	12/31/2017	AV	6/30/2018	AV	Δ
Current Assets	84,506	39.1%	95,621	43.6%	+13.2%
Cash and Cash Equivalents	29,473	13.6%	36,004	16.4%	+22.2%
Restricted Marketable Securities	-	0.0%	1,000	0.5%	n/a
Trade Accounts Receivable	23,641	10.9%	24,348	11.1%	+3.0%
Inventories	19,770	9.1%	21,227	9.7%	+7.4%
Advances to Suppliers	837	0.4%	141	0.1%	-83.2%
Loans Granted	1,456	0.7%	1,756	0.8%	+20.6%
Prepaid Expenses	1,089	0.5%	2,293	1.0%	+110.6%
Recoverable Taxes	5,096	2.4%	5,022	2.3%	-1.5%
Other Assets	3,144	1.5%	3,830	1.7%	+21.8%
Non-Current Assets	131,857	60.9%	123,565	56.4%	-6.3%
Trade Accounts Receivable	11,633	5.4%	9,708	4.4%	-16.5%
Loans Granted	2,606	1.2%	1,945	0.9%	-25.4%
Assets Held for Sale	2,878	1.3%	1,057	0.5%	-63.3%
Deferred Income and Social Contribution Taxes	16,238	7.5%	16,037	7.3%	-1.2%
Judicial Deposits	2,946	1.4%	2,730	1.2%	-7.3%
Other Assets	2,454	1.1%	2,559	1.2%	+4.3%
Investments	31	0.0%	20	0.0%	-35.5%
Property, Plant and Equipment	82,398	38.1%	80,287	36.6%	-2.6%
Intangible Assets	10,673	4.9%	9,222	4.2%	-13.6%
Total Assets	216,363	100%	219,186	100%	+1.3%
Liabilities	12/31/2017	AV	6/30/2018	AV	Δ
Current Liabilities	38,445	17.8%	40,950	18.7%	+6.5%
Suppliers	3,266	1.5%	5,370	2.4%	+64.4%
Tax Liabilities	2,718	1.3%	2,505	1.1%	-7.8%
Payroll and Related Charges	2,973	1.4%	4,223	1.9%	+42.0%
Advances from Customers	17,568	8.1%	18,992	8.7%	+8.1%
Provisions	8,703	4.0%	6,215	2.8%	-28.6%
Other Liabilities	3,217	1.5%	3,645	1.7%	+13.3%
Non-Current Liabilities	10,046	4.6%	10,718	4.9%	+6.7%
Tax Liabilities	471	0.2%	405	0.2%	-14.0%
Provisions	9,575	4.4%	10,313	4.7%	+7.7%
Shareholders' equity	167,872	77.6%	167,518	76.4%	-0.2%
Capital Stock	187,709	86.8%	187,709	85.6%	+0.0%
Capital Reserve	(2,658)	-1.2%	(2,658)	-1.2%	+0.0%
Accumulated Loss	(17,179)	-7.9%	(17,533)	-8.0%	+2.1%
Total Liabilities and Shareholders' Equity	216,363	100%	219,186	100%	+1.3%

Comments on Performance

ANNEX IV – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED

Cash Flow Statement	2Q17	2Q18	Δ	1H17	1H18	Δ
Operating Income Before Income And Social Contribution Taxes	(6,286)	51	-100.8%	(5,080)	(153)	-97.0%
Adjustment to Reconcile the Net Income to Cash from Operating Activities:						
Depreciation and Amortization	2,589	2,111	-18.5%	5,239	4,808	-8.2%
Foreign Exchange Variation	(45)	(138)	+206.7%	(40)	(138)	+245.0%
Provision for Litigation	(1,771)	1,200	-167.8%	(1,388)	738	-153.2%
Provision for Obsolescence	(111)	123	-210.8%	(7)	253	-3714.3%
Allowance for Doubtful Accounts	1,001	1,015	+1.4%	827	664	-19.7%
Provision for PPR	(439)	(126)	-71.3%	(1,421)	(700)	-50.7%
Disposal of Property, Plant and Equipment	246	976	+296.7%	2,524	1,498	-40.6%
Cash Flows from Operating Activities	(4,816)	5,212	-208.2%	654	6,970	+965.7%
Changes in Assets and Liabilities						
Trade Accounts Receivable	1,842	(2,624)	-242.5%	(3,248)	692	-121.3%
Inventories	(554)	485	-187.5%	(3,774)	(1,710)	-54.7%
Recoverable Taxes	(366)	361	-198.6%	(996)	74	-107.4%
Loans Granted	(468)	195	-141.7%	(208)	361	-273.6%
Other Current or Non-Current Assets	967	248	-74.4%	(3,638)	(1,083)	-70.2%
Non-Current Assets Available for Sale	2,338	1,353	-42.1%	6,117	1,821	-70.2%
Suppliers	(6,381)	(1,707)	-73.2%	569	2,104	+269.8%
Advance from Customers	(1,185)	1,115	-194.1%	(808)	1,424	-276.2%
Other Current or Non-Current Liabilities	1,868	(108)	-105.8%	1,587	(389)	-124.5%
Net Cash from Operating Activities	(6,755)	4,530	-167.1%	(3,745)	10,264	-374.1%
Cash Flows from Investing Activities						
Financial Investments	12,867	(1,000)	-107.8%	4,779	(1,000)	-120.9%
Investments	51	-	-100.0%	51	11	-78.4%
Property, Plant and Equipment	(2,551)	(843)	-67.0%	(3,189)	(2,355)	-26.2%
Intangible Assets	(47)	(265)	+463.8%	(66)	(389)	+489.4%
Net Cash used in Investing Activities	10,320	(2,108)	-120.4%	1,575	(3,733)	-337.0%
Cash Flows from Financing Activities						
Cash Flows (used in) from Financing Activities	-	-	n/a	-	-	n/a
Increase (Decrease) in Cash and Cash Equivalents	3,565	2,422	-32.1%	(2,170)	6,531	-401.0%
Changes in Cash and Cash Equivalents						
At the Beginning of the Period	22,097	33,582	+52.0%	27,832	29,473	+5.9%
At the End of the Period	25,662	36,004	+40.3%	25,662	36,004	+40.3%
Increase (Decrease) in Cash and Cash Equivalents	3,565	2,422	-32.1%	(2,170)	6,531	-401.0%

⁽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).

Comments on Performance

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

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

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

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

Notes to the Financial Statements

1. Operations

The corporate purpose of Unicasa Indústria de Móveis S.A. (“Company”), established in 1985, is to manufacture, sell, import and export products related to the wood, iron and aluminum furniture segment, kitchens, and other articles related to household and commercial furniture. The Company is a corporation, with registered office in the city of Bento Gonçalves, state of Rio Grande do Sul, and its shares are traded on the Novo Mercado segment of BM&FBovespa – Securities, Commodities and Futures Exchange, under ticker UCAS3, since April 27, 2012.

The Company has a vast chain of exclusive dealers and multibrand stores in Brazil and abroad, which sell products under the brands “Dell Anno”, “Favorita”, “New” and “Casa Brasileira.”

The corporate purpose of Unicasa Comércio de Móveis Ltda. (subsidiary), included in the consolidated financial statements, is the retail sale of customized furniture, with management of stores in São Paulo and Manaus.

The Management of the Company decided to reduce the number of own stores by transferring them to the direct management of authorized independent resellers. In the first quarter of 2018, its last operating reseller was transferred. Two stores were transferred in 2017 and four were transferred in 2016, out of an earlier total of seven own stores.

Approval of interim parent company and consolidated financial statements

The presentation of these interim parent company and consolidated financial statements was approved and authorized at the Board of Directors’ Meeting held on August 9, 2018.

2. Summary of significant accounting practices

The interim parent company and consolidated accounting information for the quarter ended June 30, 2018 was prepared and is being presented in accordance with CPC 21 (R1) – Interim Reporting, issued by the Brazilian Accounting Pronouncements Committee (“CPC”), and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), in consonance with the standards issued by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of Quarterly Information (ITR). The interim accounting information was prepared by the Company to provide users with material information presented in the reporting period and must be analyzed together with the complete financial statements for the fiscal year ended December 31, 2017 and the interim accounting information for the six-month period ended June 30, 2017.

The accounting policies, the use of certain accounting estimates, Management judgments and calculation methods adopted in this interim accounting information are the same as those adopted in the preparation of annual financial statements for the fiscal year ended December 31, 2017 and interim accounting information for the six-month period ended June 30, 2017.

2. Summary of significant accounting practices

2.1 IFRS pronouncements that came into effect in the period ended June 30, 2018

- a) *IFRS 9 Financial Instruments (effective as of Jan, 1, 2018)*: The main purpose is to replace IAS 39. Main changes are: (i) the standard classifies all financial assets as: amortized cost, fair value recorded through other comprehensive income and fair value through profit or loss; (ii) the concept of embedded derivatives was

Notes to the Financial Statements

extinguished; and (iii) with regard to impairment of financial assets, the estimated loss model replaces the incurred loss model.

- b) IFRS 15 Revenue from contracts with customers (effective from January 1, 2018): The main purpose is to recognize income taking into account the five criteria, which need to be cumulatively met: (i) identify the contract; (ii) identify the performance obligations; (iii) determine the transaction price; (iv) allocate the transaction price for each performance obligation; and (v) recognize revenue only when the performance of each obligation is satisfied.

In the opinion of Management, no pronouncement, interpretation or guideline issued by CPC or IASB that has come into effect in the three-month period ended on June 30, 2018, had a significant impact on the parent company and consolidated interim financial statements.

2.2 New standards, changes and interpretations effective from January 1, 2019

- c) IFRS 16 Leases (Effective from January 1, 2019): The IASB issued IFRS 16, which establishes principles for the recognition, measurement, presentation and disclosure of leases, replacing IAS 17 – Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Accounting requirements for lessors remain substantially the same compared to the standards currently in effect. However, there are significant changes for lessees in that IFRS 16 specifies a single model only for lessees by eliminating the distinction between financial and operational leases, which leads to a balance sheet that reflects right-to-use assets and a corresponding financial liability.

In the Management's opinion, no pronouncement, interpretation or guideline was issued by CPC or IASB in the period that had a significant impact on interim parent company and consolidated financial statements of the Company.

3. Cash and cash equivalents

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Cash and banks	1,672	1,211	1,722	1,326
Short-term investments – CDBs	34,256	28,016	34,282	28,147
	35,928	29,227	36,004	29,473

Cash and cash equivalents do not have restrictions for use, have short-term original maturity, are highly liquid and easily convertible into a known cash amount and are subject to an insignificant risk of change in value.

Financial investments are made in prime banks (among the ten largest institutions in Brazil), whose yield is linked to the Interbank Deposit Certificate (CDI), at an average rate of 100.75% of the CDI on June 30, 2018 (101.10% on December 31, 2017).

Notes to the Financial Statements

4. Trade accounts receivable

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Domestic market				
Third parties	51,960	52,978	52,451	53,872
Related parties (Note 19)	505	805	128	203
Foreign market				
Third parties	2,699	2,154	2,699	2,154
Check receivables	6,812	6,812	6,895	6,895
	61,976	62,749	62,173	63,124
(-) Allowance for doubtful accounts	(27,669)	(27,187)	(27,743)	(27,464)
(-) Present Value Adjustment (PVA)	(374)	(386)	(374)	(386)
	33,933	35,176	34,056	35,274
Current assets	24,225	23,543	24,348	23,641
Non-current assets	9,708	11,633	9,708	11,633
	33,933	35,176	34,056	35,274

The amounts classified under non-current assets refer to novation of credits to clients of the chain. In general, such novation has a term of more than one year and the balances are adjusted for inflation, plus interest compatible with market practices.

Days sales outstanding, weighted by the average maturity of invoices, at June 30, 2018 and December 31, 2017, were 28 and 23 days, respectively.

The changes in allowance for loan losses are as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/31/2018	12/31/2017
Balance at beginning of period / year	(27,187)	(27,935)	(27,464)	(28,836)
Additions	(1,254)	(2,782)	(1,280)	(3,066)
Recovery / realizations	514	2,315	616	2,497
Write off due to losses	258	1,215	385	1,941
Balance at end of period / year	(27,669)	(27,187)	(27,743)	(27,464)

At June 30, 2018 and December 31, 2017, the breakdown of trade accounts receivable by maturity is as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Falling due	31,974	32,294	31,860	32,525
Overdue:				
From 1 to 30 days	1,333	2,894	1,623	2,893
From 31 to 60 days	658	1,036	658	1,036
From 61 to 90 days	677	1,173	677	1,173
From 91 to 180 days	2,049	3,368	2,049	3,384
Over 181 days	25,285	21,984	25,306	22,113
	61,976	62,749	62,173	63,124

The allowance for loan losses is based on the individual analysis of total trade accounts receivable overdue for more than 90 days, considering the clients' payment capacity, the current and prospective economic scenario, the evaluation of delinquency levels and guarantees received, as well as evaluation of renegotiations made. Specific cases not yet overdue, but with risk of loss in the Management's opinion, is also included in the allowance.

Notes to the Financial Statements

5. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Costs incurred to take each product to its current location and condition are recorded as follows:

- (i) Raw materials – cost of acquisition according to average cost.
- (ii) Finished products and products under production – cost of materials and direct labor and proportional portion of indirect general expenses based on the normal operating capacity.

The net realizable value corresponds to the sale price in the normal course of business, less estimated costs for conclusion and sale.

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Finished products	180	129	716	1,303
Products under production	2,775	1,827	2,775	1,827
Goods for resale	341	316	312	187
Raw material	16,322	15,420	16,322	15,420
Advances to suppliers	267	100	267	100
Sundry materials	1,515	1,360	1,515	1,360
Provision for obsolescence	(680)	(427)	(680)	(427)
	20,720	18,725	21,227	19,770

Provisions for low inventory turnover or obsolete inventories are constituted when deemed necessary by the Management. The changes in provision for obsolescence are as follows:

	Parent Company and Consolidated	
	6/30/2018	12/31/2017
Balance at beginning of period / year	(427)	(374)
Additions	(313)	(827)
Recoveries / realizations	60	774
Balance at end of period / year	(680)	(427)

6. Assets held for sale

At June 30, 2018, assets held for sale totaling R\$1,057 (R\$2,878 at December 31, 2017) are largely composed of land, apartments and other real estate received from debt renegotiations with clients and are available for immediate sale. The Company engaged specialized brokers to sell these properties and believes these will materialize over the coming 12 months. Assets are held at their book value, which are lower than their fair values, less selling expenses.

Notes to the Financial Statements

7. Loans granted

	Parent Company and Consolidated	
	6/30/2018	12/31/2017
Loans granted	4,682	5,043
(-) Allowance for loan losses	(981)	(981)
	3,701	4,062
Current assets	1,756	1,456
Non-current assets	1,945	2,606
	3,701	4,062

These refer to loans granted by the Company to clients to finance the expansion of the network of authorized resellers and exclusive stores. Loans bear average interest of 19.77% p.a. (18.35% in 2017). As guarantee for most operations, the Company has letters of guarantee of partners of stores and first-degree mortgage guarantees.

8. Other assets

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Other current assets:				
Advances and prepayments	132	729	141	837
Prepaid expenses	2,291	1,089	2,293	1,089
Sundry debtors (*)	1,935	1,530	1,935	1,530
Other accounts receivable – sale of own stores (**)				
	350	380	1,895	1,614
	4,708	3,728	6,264	5,070
Other non-current assets:				
Other accounts receivable – sale of own stores (**)	978	814	2,404	2,442
Other	155	13	155	12
	1,133	827	2,559	2,454

(*) Refer mainly to the expenses with cooperative advertising receivable from resellers for marketing campaigns.

(**) Refer to receivables from third parties for the sale of part of its own stores held by the subsidiary Unicasa Comércio Ltda., as mentioned in Note 1. This transaction is covered by collateral as set forth in the agreements. Receivables are expected as follows:

Period	Parent Company	Consolidated
	R\$	R\$
2018	200	955
2019	393	1,864
2020	388	1,118
2021	314	329
2022	33	33
Total receivables	1,328	4,299

Notes to the Financial Statements**9. Investments**

The investment in subsidiary is valued based on the equity income method, according to CPC 18 (R2). The main balances of the subsidiary are:

	Unicasa Comércio de Móveis Ltda.	
	6/30/2018	12/31/2017
Current assets	2,822	3,675
Non-current assets	1,511	2,063
Liabilities	4,593	7,487
Shareholders' equity	(260)	(1,749)
Capital stock	18,200	16,100

	Unicasa Comércio de Móveis Ltda.	
	6/30/2018	6/30/2017
Net revenue	5,359	11,498
Profit (Loss) for the period – subsidiary	(611)	2,034
% Ownership interest	99.99%	99.99%
Equity income (loss) before eliminations	(611)	2,034
Effect of unrealized income	106	108
Equity income (loss)	(505)	2,142

The changes in investments in subsidiary are as follows:

	Parent Company	
	6/30/2018	12/31/2017
Investment balance (unsecured liability) at beginning of period / year	(1,920)	(4,353)
Capital payment – subsidiary	2,100	500
Equity income (loss)	(505)	1,933
Unsecured liability at end of period / year	(325)	(1,920)

10. Property, plant and equipment

These are registered at acquisition or construction cost. Depreciation of assets is calculated using the straight-line method at depreciation rates and take into consideration the estimated useful lives of these assets. The depreciation methods, useful lives and residual values are reviewed at the end of the fiscal year and any adjustments are recognized as changes in accounting estimates. Property, plant and equipment are net of PIS/COFINS and ICMS credits and the contra entry is recorded as recoverable taxes. A property, plant and equipment item is written off when sold or when no future economic benefit is expected from its use or sale. Gain or loss from the write-off of an asset, calculated as the difference between net sale value and book value of the asset, is included in the statement of operations for the period in which the asset was written off.

Useful life of assets and the depreciation methods are annually reviewed and prospectively adjusted, as applicable.

Property, plant and equipment is broken down as follows:

Notes to the Financial Statements

10. Property, plant and equipment--Continued

Parent Company

Cost of property, plant and equipment	Furniture and fixtures							Construction in progress	Total
	Land	Buildings	Improvements and facilities	Machinery and equipment	IT equipment				
Balances at 12/31/2016	2,285	21,575	13,100	97,307	2,507	3,683	5,043	145,500	
Acquisitions	-	-	174	366	80	102	5,201	5,923	
Write-offs	-	-	(103)	(2,798)	(261)	(798)	-	(3,960)	
Transfers	-	-	331	6,704	5	762	(7,802)	-	
Balances at 12/31/2017	2,285	21,575	13,502	101,579	2,331	3,749	2,442	147,463	
Acquisitions	-	-	10	28	35	15	2,253	2,341	
Write-offs	-	-	(1,248)	(164)	(10)	(169)	-	(1,591)	
Transfers	-	-	152	1,827	11	3	(1,993)	-	
PPE Fair Value Adjustment	(504)	(252)	(202)	-	-	-	-	(958)	
Balances at 06/30/2018	1,781	21,323	12,214	103,270	2,367	3,598	2,702	147,255	

Accumulated depreciation	Furniture and fixtures							Construction in progress	Total
	Land	Buildings	Improvements and facilities	Machinery and equipment	IT equipment				
Balances at 12/31/2016	-	(6,172)	(4,464)	(48,819)	(1,429)	(2,256)	-	(63,140)	
Depreciation	-	(270)	(994)	(3,961)	(153)	(341)	-	(5,719)	
Write-off	-	-	105	2,316	245	781	-	3,447	
Balances at 12/31/2017	-	(6,442)	(5,353)	(50,464)	(1,337)	(1,816)	-	(65,412)	
Depreciation	-	(172)	(393)	(2,135)	(75)	(180)	-	(2,955)	
Write-off	-	-	1,060	117	10	161	-	1,348	
Balances at 06/30/2018	-	(6,614)	(4,686)	(52,482)	(1,402)	(1,835)	-	(67,019)	

Property, plant and equipment, net

Balances at 12/31/2016	2,285	15,403	8,636	48,488	1,078	1,427	5,043	82,360
Balances at 12/31/2017	2,285	15,133	8,149	51,115	994	1,933	2,442	82,051
Balances at 06/30/2018	1,781	14,709	7,528	50,788	965	1,763	2,702	80,236

Consolidated

Cost of property, plant and equipment	Furniture and fixtures							Construction in progress	Total
	Land	Buildings	Improvements and facilities	Machinery and equipment	IT equipment				
Balances at 12/31/2016	2,285	21,575	13,430	97,351	3,003	3,977	5,043	146,664	
Acquisitions	-	-	174	366	187	116	5,218	6,061	
Write-offs	-	-	(415)	(2,802)	(610)	(960)	-	(4,787)	
Transfers	-	-	331	6,704	22	762	(7,819)	-	
Balances at 12/31/2017	2,285	21,575	13,520	101,619	2,602	3,895	2,442	147,938	
Acquisitions	-	-	10	28	38	26	2,253	2,355	
Write-offs	-	-	(1,265)	(164)	(275)	(269)	-	(1,973)	
Transfers	-	-	152	1,827	11	3	(1,993)	-	
PPE Fair Value Adjustment	(504)	(252)	(202)	-	-	-	-	(958)	
Balances at 06/30/2018	1,781	21,323	12,215	103,310	2,376	3,655	2,702	147,362	

Accumulated depreciation	Furniture and fixtures							Construction in progress	Total
	Land	Buildings	Improvements and facilities	Machinery and equipment	IT equipment				
Balances at 12/31/2016	-	(6,172)	(4,666)	(48,856)	(1,588)	(2,368)	-	(63,650)	
Depreciation	-	(270)	(1,009)	(3,962)	(194)	(373)	-	(5,808)	
Write-off	-	-	320	2,320	401	877	-	3,918	
Balances at 12/31/2017	-	(6,442)	(5,355)	(50,498)	(1,381)	(1,864)	-	(65,540)	
Depreciation	-	(172)	(393)	(2,135)	(80)	(188)	-	(2,968)	
Write-off	-	-	1,062	117	56	198	-	1,433	
Balances at 06/30/2018	-	(6,614)	(4,686)	(52,516)	(1,405)	(1,854)	-	(67,075)	

Property, plant and equipment, net

Balances at 12/31/2016	2,285	15,403	8,764	48,495	1,415	1,609	5,043	83,014
Balances at 12/31/2017	2,285	15,133	8,165	51,121	1,221	2,031	2,442	82,398
Balances at 06/30/2018	1,781	14,709	7,529	50,794	971	1,801	2,702	80,287

Average useful life – in years

- 67.69 19.09 17.60 14.24 9.32 -

Notes to the Financial Statements

11. Intangible assets

Intangible assets with a defined life are measured at cost, less amortization accrued over the economic useful life and evaluated for impairment whenever there is indication of loss of economic value of the asset. The amortization period and method for an intangible asset with defined life are reviewed at least at the end of each fiscal year. The amortization of these intangible assets is recognized in the statement of operations.

Parent Company

	Software	Trademarks and patents	Commercial goodwill	Total
Balances at 12/31/2016	1,617	56	13,601	15,274
Acquisitions	278	-	-	278
Write-offs (*)	-	-	(200)	(200)
Amortization	(459)	(13)	(4,208)	(4,680)
Balances at 12/31/2017	1,436	43	9,193	10,672
Acquisitions	348	41	-	389
Amortization	(277)	(8)	(1,555)	(1,840)
Balances at 06/30/2018	1,507	76	7,638	9,221

Consolidated

	Software	Trademarks and patents	Commercial goodwill	Total
Balances at 12/31/2016	1,634	56	13,601	15,291
Acquisitions	278	-	-	278
Write-offs (*)	(15)	-	(200)	(215)
Amortization	(460)	(13)	(4,208)	(4,681)
Balances at 12/31/2017	1,437	43	9,193	10,673
Acquisitions	348	41	-	389
Amortization	(277)	(8)	(1,555)	(1,840)
Balances at 06/30/2018	1,508	76	7,638	9,222

Average useful life in years	5.00	10.00	8.30
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(*) Represents the write-off of commercial goodwill due to closure and sale of own stores, as mentioned in Note 1.

Research and development

Since research and development costs of the Company's new products do not meet the capitalization criteria, they were recognized in Parent Company and Consolidated profit or loss for the period, at June 30, 2018, in the amount of R\$806 (R\$657 at June 30, 2017).

12. Income and social contribution taxes

Income and social contribution taxes are calculated based on the tax rate in effect. Current and deferred taxes are recognized in profit or loss for the period.

The recognition of deferred taxes is based on the temporary differences between the book value and the tax value of assets and liabilities, on tax losses calculated and the negative calculation basis for social contribution on income, as their realization is deemed probable as an entry to future taxable income. Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities, and are related to taxes levied by the same tax authority on the same entity subject to taxation.

Notes to the Financial Statements

12. Income and Social Contribution Taxes--Continued

Deferred income tax and social contribution

The breakdown of deferred income and social contribution taxes is as follows:

	Parent Company				Consolidated			
	Balance sheet		P&L		Balance sheet		P&L	
	06/30/18	12/31/17	06/30/18	06/30/17	06/30/18	12/31/17	06/30/18	06/30/17
<u>On temporary differences:</u>								
Assets								
Allowance for loan losses	9,741	9,577	164	37	9,741	9,577	164	37
Provision for obsolete inventories	231	145	86	(2)	231	145	86	(2)
Provisions for losses with sureties	1,374	1,374	-	-	1,374	1,374	-	-
Provision for labor, tax, civil and termination of commercial relationship risks	5,620	6,215	(595)	(935)	5,620	6,215	(595)	(935)
Present value adjustment (AVP)	193	201	(8)	(15)	193	201	(8)	(15)
Other provisions and temporary differences	345	867	(522)	(237)	345	867	(522)	(237)
Compensation of negative base of Income Tax/Social Contribution of Subsidiary – PRT – MP no. 766/2017	-	-	-	-	-	-	-	1,193
	17,504	18,379	(875)	(1,152)	17,504	18,379	(875)	41
On tax loss carryforwards	7,264	6,006	1,258	3,639	7,264	6,006	1,258	3,639
	24,768	24,385	383	2,487	24,768	24,385	383	3,680
Liabilities								
Tax and corporate depreciation difference	(8,731)	(8,147)	(584)	(550)	(8,731)	(8,147)	(584)	(550)
Total	16,037	16,238	(201)	1,937	16,037	16,238	(201)	3,130

Management estimates that deferred tax assets arising from temporary differences will be realized as projected contingencies, losses and obligations are realized.

At June 30, 2018, the subsidiary Unicasa Comércio de Móveis Ltda. has balance of R\$15,961 related to accumulated balance of income tax and social contribution and R\$75 arising from temporary differences for which the corresponding deferred taxes were not recognized.

Projections indicate that tax assets recorded on June 30, 2018 will be absorbed by estimated taxable income, as shown below:

Period	Parent Company and Consolidated
2018	6,053
2019	4,075
2020	2,935
2021	3,158
2022	3,399
2023 to 2025	5,148
Total – Deferred assets	24,768

Notes to the Financial Statements

12. Income and Social Contribution Taxes--Continued

Reconciliation of tax expense with official tax rates

The reconciliation of tax expense with the result of the multiplication of taxable income with the local tax rate is as follows:

	Parent Company			
	2Q18	6M18	2Q17	6M17
Income (Loss) before taxes	51	(153)	(5,004)	(3,924)
Income tax (25%) and social contribution (9%) at nominal rate	(17)	52	1,701	1,334
Adjustments for presentation of effective rate:				
Equity income (loss)	11	(171)	283	728
Non-deductible expenses	(14)	(45)	(10)	(10)
Prior-period deferred taxes	-	-	-	130
Other permanent exclusions/additions	(17)	(37)	(110)	(245)
Total income and social contribution taxes:	(37)	(201)	1,864	1,937
Current income and social contribution tax expense	-	-	-	-
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	(157)	(1,459)	(780)	(1,702)
Recording and reversal in tax loss	120	1,258	2,644	3,639
	(37)	(201)	1,864	1,937
Effective rate	73%	-131%	37%	49%

	Consolidated			
	2Q18	6M18	2Q17	6M17
Income (Loss) before taxes	51	(153)	(6,286)	(5,080)
Income tax (25%) and social contribution (9%) at nominal rate	(17)	52	2,138	1,727
Adjustments for presentation of effective rate:				
Reversal of tax credits – subsidiary	-	-	-	335
Non-deductible expenses	(14)	(45)	(10)	(10)
Prior-period deferred taxes	-	-	(154)	130
Compensation of negative base of Income				
Tax/Social Contribution of Subsidiary – PRT – MP no. 766/2017	-	-	1,193	1,193
Other permanent exclusions/additions	(6)	(208)	(21)	(282)
Total income and social contribution taxes:	(37)	(201)	3,146	3,093
Current income and social contribution tax expense	-	-	89	(37)
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	(157)	(1,459)	(780)	(1,702)
Recording and reversal in tax loss	120	1,258	3,837	4,832
	(37)	(201)	3,146	3,093
Effective rate	73%	-131%	50%	61%

Notes to the Financial Statements

13. Provisions

a) Provision for labor, tax and civil risks

A provision is recognized, in view of a past event, if the Company has a legal or constructive obligation that may be reliably estimated, and it is probable that an economic resource be required to settle the obligation.

The Company is a defendant in certain labor, tax and civil lawsuits. The estimated loss was provisioned based on the opinion of its legal counsel, in an amount considered sufficient by the Management to cover probable losses that may arise from unfavorable court decisions. The provision is broken down as follows:

	Parent Company and Consolidated	
	06/30/2018	12/31/2017
Provision for labor risks	930	1,212
Provision for tax risks	780	937
Provision for civil risks	8,603	7,426
	10,313	9,575

Labor – the Company is party to labor lawsuits basically related to overtime and hazard pay, among others.

Tax – the Company is party to tax lawsuits basically related to import tax and INSS.

Civil – the Company is party to civil lawsuits involving store owners and end consumers, in which the Company may be considered jointly and severally liable.

On June 30, 2018, civil, labor and tax lawsuits classified as possible loss totaled R\$9,979, R\$3,078 and R\$2,791, respectively.

The changes in provision for labor, tax and civil risks are as follows:

	Parent Company and Consolidated	
	06/30/2018	12/31/2017
Balance at beginning of period / year	9,575	12,931
Additions	6,477	13,665
Recoveries / realizations	(5,739)	(17,021)
Balance at end of period / year	10,313	9,575

b) Judicial deposits

The Company maintains judicial deposits linked to several tax, labor and civil lawsuits, as follows:

	Parent Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Labor judicial deposits	495	505	495	505
Tax judicial deposits	536	536	536	536
Civil judicial deposits	1,666	1,817	1,699	1,905
	2,697	2,858	2,730	2,946

Notes to the Financial Statements

13. Provisions--Continued

c) Provision for termination of commercial relation with resellers

The Company recorded provision to cover obligations assumed on orders taken from consumers that were pending delivery and assembling by resellers. The changes in the provision are as follows:

	Parent and Consolidated	
	06/30/2018	12/31/2017
Balance at beginning of period / year	8,703	6,103
Additions	-	6,767
Realizations	(2,488)	(4,167)
Balance at end of period / year	6,215	8,703

14. Shareholder' equity

a) Capital stock

The capital stock of the Company is R\$187,709 at June 30, 2018 and 2017, divided into 66,086,364 registered common shares without par value.

b) Reserves and retained earnings

Capital reserve

Capital reserve is derived from distribution costs, attributed to the Company, of the primary share offering, in the amount of R\$4,027 (R\$2,658 net of tax effects).

Legal reserve

It is recorded in compliance with the Brazilian Corporation Law and the Bylaws at a ratio of 5% of net income calculated at each period / fiscal year up to the limit of 20% of capital stock. The six-month period ended June 30, 2018, generated a loss, so a legal reserve was not recorded.

c) Earnings per share

At June 30, 2018 and 2017, Company's basic and diluted earnings per share were equal, given that there are no potential dilutive shares.

	Parent Company and Consolidated			
	2Q18	6M18	2Q17	6M17
Net income / (loss) for the period	14	(354)	(3,140)	(1,987)
Weighted average of shares issued (in thousands)	66,086	66,086	66,086	66,086
Earnings / (loss) per share – basic and diluted (R\$)	0.00021	(0.00536)	(0.04751)	(0.03007)

Notes to the Financial Statements**15. Net revenue from sales**

Net revenue from sales are broken down as follows:

	Parent Company			
	2Q18	6M18	2Q17	6M17
Gross revenue from sales	44,181	81,558	46,655	92,465
IPI on sales	(1,933)	(3,568)	(2,135)	(4,251)
Gross revenue from sales (-) IPI	42,248	77,990	44,520	88,214
ICMS on sales	(4,662)	(8,511)	(5,013)	(10,032)
Other taxes on sales (PIS/COFINS/CPRB)	(3,605)	(6,663)	(5,083)	(10,113)
Sales returns	(32)	(85)	(60)	(100)
Present value adjustment (AVP)	(246)	(426)	(325)	(683)
	33,703	62,305	34,039	67,286

	Consolidated			
	2Q18	6M18	2Q17	6M17
Gross revenue from sales	46,547	86,535	51,049	103,284
IPI on sales	(1,933)	(3,568)	(2,135)	(4,251)
Gross revenue from sales (-) IPI	44,614	82,967	48,914	99,033
ICMS on sales	(5,011)	(9,322)	(5,720)	(11,640)
Other taxes on sales (PIS/COFINS/CPRB)	(3,973)	(7,490)	(5,802)	(11,865)
Sales returns	(32)	(85)	(61)	(119)
Present value adjustment (AVP)	(246)	(426)	(325)	(683)
	35,352	65,644	37,006	74,726

Notes to the Financial Statements

16. Expenses by function and nature

	Parent Company			
	2Q18	6M18	2Q17	6M17
Expenses by function				
Cost of goods sold and/or services	(21,980)	(40,302)	(21,753)	(42,181)
Selling expenses	(6,637)	(12,821)	(14,377)	(24,054)
Administrative expenses	(7,143)	(12,275)	(4,495)	(10,254)
	(35,760)	(65,398)	(40,625)	(76,489)
Expenses by nature				
Input expenses	(14,984)	(27,104)	(15,025)	(29,642)
Personnel expenses	(7,809)	(14,467)	(9,385)	(16,868)
Third-party service expenses	(3,493)	(7,175)	(3,527)	(7,350)
Depreciation and amortization expenses	(2,108)	(4,795)	(2,571)	(5,174)
Expenses with civil lawsuits	(2,177)	(4,896)	(4,973)	(7,332)
Provision Reversal/(Expense)	(2,245)	(1,031)	1,431	1,937
Advertising expenses	(1,008)	(1,581)	(1,185)	(2,264)
Travel expenses	(597)	(1,060)	(787)	(1,531)
Electric power expenses	(555)	(1,024)	(610)	(1,139)
Expenses with commissions	(188)	(393)	(233)	(473)
Other expenses	(596)	(1,872)	(3,760)	(6,653)
	(35,760)	(65,398)	(40,625)	(76,489)
	Consolidated			
	2Q18	6M18	2Q17	6M17
Expenses by function				
Cost of goods sold and/or services	(22,240)	(40,586)	(21,889)	(42,959)
Selling expenses	(8,220)	(16,733)	(17,786)	(30,531)
Administrative expenses	(7,143)	(12,275)	(4,495)	(10,254)
	(37,603)	(69,594)	(44,170)	(83,744)
Expenses by nature				
Input expenses	(15,248)	(27,403)	(15,175)	(30,472)
Personnel expenses	(8,530)	(16,460)	(10,792)	(19,516)
Third-party service expenses	(4,043)	(8,264)	(4,461)	(9,316)
Depreciation and amortization expenses	(2,111)	(4,808)	(2,589)	(5,239)
Expenses with civil lawsuits	(2,188)	(4,972)	(4,974)	(7,344)
Provision Reversal/(Expense)	(2,212)	(955)	1,320	1,896
Advertising expenses	(1,008)	(1,618)	(1,375)	(2,461)
Travel expenses	(632)	(1,126)	(842)	(1,633)
Electric power expenses	(562)	(1,043)	(627)	(1,181)
Expenses with commissions	(188)	(393)	(233)	(473)
Other expenses	(881)	(2,552)	(4,422)	(8,005)
	(37,603)	(69,594)	(44,170)	(83,744)

Notes to the Financial Statements

17. Other operating revenues

	Parent Company			
	2Q18	6M18	2Q17	6M17
Bank premium (*)	350	650	441	869
Exploration right of brands	-	-	-	570
Gain from sale of property, plant and equipment	(54)	270	160	481
Other operating revenues	320	338	156	289
Other operating revenues	616	1,258	757	2,209

	Consolidated			
	2Q18	6M18	2Q17	6M17
Bank premium (*)	350	650	441	869
Exploration right of brands	-	-	-	570
Gain from sale of property, plant and equipment	(54)	287	171	1,040
Other operating revenues	529	626	284	534
Other operating revenues	825	1,563	896	3,013

(*) Refers to amounts received from financial institution by volume of financing conducted made the network of stores served by the Company, with the other assets account being the contra entry.

18. Financial income (expense)

	Parent Company			
	2Q18	6M18	2Q17	6M17
Financial expenses				
IOF charge and bank fees	(42)	(118)	(76)	(146)
Exchange variation expenses	(89)	(201)	(34)	(139)
Present value adjustment (AVP)	(13)	(129)	(33)	(350)
Discounts granted	(14)	(51)	(5)	(108)
Other financial expenses	(13)	(22)	(565)	(593)
	(171)	(521)	(713)	(1,336)
Financial income				
Interest income	365	747	402	870
Yield from short-term investments	404	816	601	1,413
Exchange variation income	244	349	103	161
Present value adjustment (AVP)	307	579	551	1,079
Other financial income	176	375	192	349
	1,496	2,866	1,849	3,872
Net financial result	1,325	2,345	1,136	2,536

	Consolidated			
	2Q18	6M18	2Q17	6M17
Financial expenses				
IOF charge and bank fees	(50)	(133)	(91)	(180)
Exchange variation expenses	(89)	(201)	(34)	(139)
Present value adjustment (AVP)	(13)	(129)	(33)	(350)
Discounts granted	(14)	(51)	(10)	(113)
Other financial expenses	(13)	(23)	(577)	(607)
	(179)	(537)	(745)	(1,389)
Financial income				
Interest income	391	812	425	911
Yield from short-term investments	403	814	604	1,431
Exchange variation income	244	349	103	161
Present value adjustment (AVP)	307	579	551	1,079
Other financial income	176	375	192	349
	1,521	2,929	1,875	3,931
Net financial result	1,342	2,392	1,130	2,542

Notes to the Financial Statements**19. Transactions and balances with related parties**

During the period ended June 30, 2018 and the fiscal year ended December 31, 2017, the Company conducted the following transactions with related parties:

	Parent Company				Consolidated			
	Current Assets		Sales revenue		Current Assets		Sales revenue	
Accounts receivable from sales:	06/30/18	12/31/17	06/30/18	06/30/17	06/30/18	12/31/17	06/30/18	06/30/17
Unicasa Comércio de Móveis Ltda.	377	605	2,019	4,058	-	-	-	-
Even Construtora e Incorporadora S.A.	128	200	788	310	128	203	834	546
	505	805	2,807	4,368	128	203	834	546

The transactions involving the Company and its subsidiary Unicasa Comércio de Móveis Ltda. refer to sale of finished products (corporate furniture, modular furniture, among others) for the purpose of resale to end consumers. The transactions are conducted as agreed by the parties under normal market conditions and with average payment term of approximately 60 days.

The Company's majority shareholder has significant influence in the management of Even Construtora e Incorporadora S.A. Operations involving the Company and Even Construtora e Incorporadora S.A. refer to sales of finished products and are conducted as per the terms agreed to by the parties, which do not differ from normal market conditions, with average payment term of approximately 30 days,

There were no guarantees granted or received in relation to any accounts receivable or payable involving related parties. All balances will be settled in domestic currency.

Management Compensation

The Company paid its managers (Statutory Board of Executive Officers, Board of Directors and Audit Board) compensation in the amount of R\$478 in the period ended June 30, 2018 (R\$631 at June 30, 2017). The Company does not offer to its key personnel compensation benefits in the following categories: (i) post-employment benefits; (ii) long-term benefit; (iii) employment termination benefit; and (iv) share-based compensation.

Notes to the Financial Statements

20. Purposes and policies for financial risk management

The Company maintains transactions with financial instruments, whose risks are managed by of financial position strategies and exposure limit systems, all registered in equity accounts, which aim to cover its operational requirements.

a) Financial instruments – fair value

The Company's main financial instruments, as well as the methods and assumptions to determine fair value are described below:

- **Cash and cash equivalents** – directly result from operations and are presented at market value, which is equivalent to their book value on the balance sheet date.
- **Short-term investments** – directly result from operations and their book values informed in the balance sheet are the same as their fair value because their yield rates are based on the Interbank deposit Certificate (CDI).
- **Trade accounts receivable and payable and other assets and liabilities** – directly result from operations and are measured at amortized cost and recorded at their original value less allowance for losses and present value adjustment when applicable. The book value approximates the fair value in view of the recognition method and the settlement term for these operations.
- **Loans granted** – These are classified as financial assets measured at amortized cost method in accordance with contractual terms (fixed rates, payment and risk conditions), net of present value adjustment and the allowance for losses. Because it corresponds to amounts not held for negotiation, the fair value of these loans granted is best reflected by the contract rate. The recognition of the balances receivable at the current market rate would not be in accordance with the nature of the transaction.
- **Advances from customers** – Cash deposits from customers for the clearance of sales orders. The Company encourages this operation due to its discount policy model. These amounts are recognized at their original value which equals the fair value.

The book value of the financial instruments does not differ from their fair values. Outstanding balances at June 30, 2018 and December 31, 2017, are shown in the table below:

Notes to the Financial Statements

20. Purposes and policies for financial risk management--Continued

a) Financial instruments – fair value—Continued

	Book and Fair value			
	Parent Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Financial assets				
Cash and cash equivalents (Note 3)	35,928	29,227	36,004	29,473
Financial investments	1,000	-	1,000	-
Trade accounts receivable (Note 4)	33,933	35,176	34,056	35,274
Loans granted (Note 7)	3,701	4,062	3,701	4,062
Other assets (Note 8)	5,841	4,555	8,823	7,524
Financial liabilities				
Trade accounts payable	(5,280)	(3,188)	(5,370)	(3,266)
Advances from clients	(15,383)	(11,709)	(18,992)	(17,568)
Other current liabilities	(3,645)	(3,217)	(3,645)	(3,217)
Net financial instruments	56,095	54,906	55,577	52,282

b) Risk management

The Company is exposed to market risk (including interest rate, exchange rates and commodity prices), credit and liquidity. The financial instruments affected by these risks include short-term investments classified as cash equivalents, accounts receivable, loans granted to clients and accounts payable to suppliers.

The Company does not have a formal risk policy. The Board of Executive Officers is responsible for monitoring risks, and the Board of Directors follows up in order to mitigate the main risks.

The Company does not conduct operations with derivative instruments or any other type of operation for speculative purposes.

- **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market prices. Market prices encompass three types of risk: interest rate, exchange, and price, which could be of a commodity, among others. Financial instruments affected by market risks include loans receivable and trade accounts payable.

- I. **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market interest rates. The Company's exposure to risk of changes in market interest rates is mainly due to long-term obligations subject to variable interest rates.

The Company's main exposure is loans receivable. The Company has neither conducted loan operations or their payments, nor registered previous balances in the reporting periods. The Company uses shareholder's equity to finance its operating and investing activities and dividend payment. Thus, this risk is mitigated in the Company's transactions.

Notes to the Financial Statements**20. Purposes and policies for financial risk management--Continued****b) Risk management--Continued**

- **Market risk**--Continued

II. Exchange risks

The Company's results are susceptible to variations arising from the effects of exchange rate volatility on foreign currency transactions, mainly in export operations. The Company adjusts its structure of costs and selling prices in order to assimilate exchange oscillations. At June 30, 2018, the Company records accounts receivable from exports equivalent to US\$699 (equivalent to US\$651 at December 31, 2017).

Sensitivity to exchange rates

In order to verify the sensitivity of indexes of assets and liabilities in foreign currency, with representativeness, two different scenarios were defined to analyze the sensitivity on exchange rate oscillations. This analysis considers depreciation of exchange rate by 25% and 50% over the exchange rate of R\$3.86, on June 30, 2018. These scenarios envisage a reduction in accounts receivable (R\$2,699) to R\$2,024 and R\$1,350, respectively, with negative effects on profit before taxation of R\$675 and R\$1,349. These assumptions were defined based on the Management's expectations for variations in the exchange rate on the maturity dates of respective agreements subject to these risks.

III. Commodity price risk

This risk is related to the possibility of oscillation in prices of raw materials and other inputs used in the production process. Since the Company uses commodities as raw material (MDF and MDP boards), its cost of goods sold may be affected by changes in the prices of these materials. To minimize this risk, the Company permanently monitors price oscillations and, as applicable, builds strategic inventories to maintain its business activities.

- **Credit risk**

This risk arises from the possibility of the Company incurring losses due to delinquency of other parties or financial institutions depositing resources or of financial investments. To mitigate these risks, the Company adopts the practice of analyzing financial and equity conditions of its counterparties, as well as defining credit limits and monitoring permanently their outstanding positions. With regard to financial institutions, the Company only carries out operations with low-risk institutions, as evaluated by its Management. For trade accounts receivable, the Company has not recorded allowance for loan losses yet, as mentioned in Note 4.

Notes to the Financial Statements

20. Purposes and policies for financial risk management--Continued

b) Risk management--Continued

- **Credit risk--Continued**

Accounts receivable

Risk of credit to client is managed by the financial department and is subject to specific procedures, controls and policies established by the Company. Credit limits are established for all clients based on internal rating criteria. At June 30, 2018, the Company had 30 clients (29 clients at December 31, 2017), representing 50.38% (50.10% at December 31, 2017) of all receivables due. These clients operate with several stores in Brazil. No client individually represents more than 10% of the sales. The Company has security interest and monitors its exposure.

The need for a provision for impairment is analyzed every reporting period on an individual basis by clients. Allowance for loan losses is constituted at an amount considered sufficient by Management to cover losses in recovering credits and is based on criteria such as balances of clients with delinquency risk.

Financial instruments and bank deposits

Credit risk on balances with banks and financial institutions is managed by the Company's financial department and monitored by executive officers. Surplus funds are invested only in prime financial institutions authorized by the Board of Executive Officers. The amounts invested are monitored in order to minimize risk concentration and thus mitigate financial loss in case of potential bankruptcy of the other party.

- **Liquidity risk**

Liquidity risk consists of the possibility of the Company not having sufficient funds to fulfill its commitments due to the diversity of currencies and liquidity terms of its rights and obligations.

The Company's liquidity and cash flow control is daily monitored by the financial department to ensure that the operating cash generation and previous funding, whenever necessary, will be sufficient to maintain its commitments on schedule, not generating liquidity risks to the Company. The consolidated financial liability at June 30, 2018 consisted of trade payables, amounting to R\$5,370, falling due in up to 90 days. Accordingly, the Company does not have future interest.

Notes to the Financial Statements

20. Purposes and policies for financial risk management--Continued**c) Capital stock management**

The Company manages its capital structure and adjusts it considering the changes in economic conditions. The capital structure or financial risk arises from choosing between shareholders' equity (capital injections and retained earnings) and loan capital to finance its operations. To mitigate liquidity risks and optimize the weighted average cost of capital, the Company permanently monitors the levels of debt in accordance with market standards. There were no changes in purposes, policies or processes during the period ended June 30, 2018 and the fiscal year ended December 31, 2017.

The Company's net debt is shown below

	Parent Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Trade accounts payable	5,280	3,188	5,370	3,266
(-) Cash and cash equivalents	(35,928)	(29,227)	(36,004)	(29,473)
(-) Financial investments	(1,000)	-	(1,000)	-
Net debt / (Surplus cash)	(31,648)	(26,039)	(31,634)	(26,207)
Shareholder' equity	167,518	167,872	167,518	167,872
Shareholders' equity and net debt	135,870	141,833	135,884	141,665

21. Insurance

The Company has insurance policies that were taken based on guidance from specialists and which take into consideration the type and value of risk involved. The main insurance categories are shown below:

Coverage	Coverage period		Amount insured
	From	To	
Fire, Lightning Strike, Explosion and Implosion	2018	2019	132,300
Loss of profits	2018	2019	9,388
General civil liability	2018	2019	9,500
Civil liability for management	2018	2019	11,500

Notes to the Financial Statements**22. Information by segment**

The Company's operations involve the manufacturing and sale of customized furniture. Despite targeting several client segments, the Company's products are not controlled and managed by the Management as independent segments, and the Company's results are managed, monitored and evaluated in an integrated manner as one sole operating segment.

Gross revenue is shown below, broken down by brand and sales channel:

	Consolidated			
	2Q18	6M18	2Q17	6M17
Domestic market				
Dell Anno and Favorita - exclusive and own stores	22,779	43,934	28,067	56,972
New and Casa Brasileira – exclusive stores	10,617	20,668	13,000	26,423
New and Casa Brasileira – multibrand	5,836	10,727	6,076	11,869
Unicasa Corporate	4,333	6,225	2,131	4,964
Other revenues	763	1,215	775	1,435
	44,328	82,769	50,049	101,663
Export market	2,219	3,766	1,000	1,621
Total gross revenue from sales	46,547	86,535	51,049	103,284

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion

INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of
Unicasa Indústria de Móveis S.A.
Bento Gonçalves – RS

Introduction

We have reviewed the separate and consolidated interim financial information of Unicasa Indústria de Móveis S.A. ("Company"), identified as Parent Company and Consolidated, respectively, included in the Quarterly Financial Information Form (ITR) referring to the quarter ended June 30, 2018, comprising the balance sheet as of June 30, 2018, and the respective statements of income and of comprehensive income for the three- and six-month periods then ended, and the statements of changes in equity and of cash flows for the six-month period then ended, including a summary of critical accounting policies and other notes.

The Management is responsible for the preparation and fair presentation of these separate and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim financial statements, and with International standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and presented in a manner consistent with the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Brazilian and International Standards on interim financial 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the separate and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Financial Information Form – ITR - described above are not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Financial Information – ITR and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim separate and consolidated statements of value added

We also reviewed the interim separate and consolidated statements of value added (DVA), for the six-month period ended on June 30, 2018, prepared under management's responsibility, for which the disclosure in the interim information is required in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information – ITR - and considered additional information for IFRS which does not require this disclosure. These interim statements were submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that would lead us to believe that they have not been fairly stated, in all its material respects, in accordance with the individual and consolidated Quarterly Financial Information taken as whole.

Porto Alegre, August 9, 2018.
BDO RCS Auditores Independentes SS
CRC RS 005519-F-0

Paulo Sérgio Tufani
Accountant CRC 1 SP 124504/O-9 – S – RS

Reports and Declarations / Management Declaration on Financial Statements

In compliance with item VI, Article 25 of CVM Instruction 480 of December 7, 2009, the Management declares that it reviewed, discussed and agreed with the Quarterly Information (Parent Company and Consolidated) of the Company for the first six months of 2018.

Bento Gonçalves, August 9, 2018.

Frank Zietolie
Chief Executive Officer

Kelly Zietolie
Executive Vice President

Gustavo Dall Onder
Chief Financial and Investor Relations Officer

Reports and Declarations / Management Declaration on Independent Auditors Report

In compliance with item VI, Article 25 of CVM Instruction 480 of December 7, 2009, the Management declares that it reviewed, discussed and agreed with the content and opinion contained in the report of Independent Auditors on the Quarterly Information (Parent Company and Consolidated) of the Company for the first six months of 2018, issued on this date.

Bento Gonçalves, August 9, 2018.

Frank Zietolie
Chief Executive Officer

Kelly Zietolie
Executive Vice President

Gustavo Dall Onder
Chief Financial and Investor Relations Officer