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## Company Information / Capital Breakdown

<b>Number of Shares (in thousands)</b>	<b>Current Quarter 9/30/2017</b>
<b>Paid-in Capital</b>	
Common	66,086,346
Preferred	0
<b>Total</b>	<b>66,086,346</b>
<b>Treasury Shares</b>	
Common	0
Preferred	0
<b>Total</b>	<b>0</b>

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

<b>Code</b>	<b>Description</b>	<b>Current quarter 9/30/2017</b>	<b>Previous year 12/31/2016</b>
1	Total Assets	223,067	226,854
1.01	Current Assets	91,170	84,558
1.01.01	Cash and Cash Equivalents	31,748	26,052
1.01.01.01	Cash and Banks	809	1,281
1.01.01.02	Short-term financial Investments	30,939	24,771
1.01.02	Financial Investments	3,616	4,779
1.01.02.01	Financial Investments at Fair Value	3,616	4,779
1.01.03	Accounts Receivable	24,145	22,189
1.01.03.01	Trade Receivables	24,145	22,189
1.01.04	Inventories	19,282	18,958
1.01.06	Recoverable Taxes	6,236	6,542
1.01.08	Other Current Assets	6,143	6,038
1.01.08.03	Other	6,143	6,038
1.01.08.03.01	Advances and Prepayments	114	856
1.01.08.03.02	Loans Granted	2,510	2,521
1.01.08.03.03	Prepaid Expenses	1,608	876
1.01.08.03.04	Other Assets	1,911	1,785
1.02	Non-Current Assets	131,897	142,296
1.02.01	Long-Term Assets	38,107	44,580
1.02.01.03	Accounts Receivable	11,654	11,944
1.02.01.03.01	Trade Receivables	11,654	11,944
1.02.01.06	Deferred Taxes	15,680	13,796
1.02.01.06.01	Deferred Income and Social Contribution Taxes	15,680	13,796
1.02.01.09	Other Non-Current Assets	10,773	18,840
1.02.01.09.01	Non-current Assets for Sale	4,139	11,006
1.02.01.09.04	Judicial Deposits	2,842	3,212
1.02.01.09.05	Loans Granted	2,823	3,235
1.02.01.09.06	Other Assets	969	1,387
1.02.02	Investments	31	82
1.02.02.01	Equity Interest	31	82
1.02.02.01.04	Other Equity Interest	31	82
1.02.03	Property, Plant and Equipment	82,012	82,360
1.02.03.01	Property, Plant and Equipment in Use	82,012	82,360
1.02.04	Intangible assets	11,747	15,274
1.02.04.01	Intangible Assets	11,747	15,274

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

<b>Code</b>	<b>Description</b>	<b>Current quarter 9/30/2017</b>	<b>Previous year 12/31/2016</b>
2	Total Liabilities	223,067	226,854
2.01	Current Liabilities	40,919	39,092
2.01.01	Payroll and Related Charges	4,205	3,126
2.01.01.01	Social Charges	311	511
2.01.01.02	Labor Liabilities	3,894	2,615
2.01.02	Trade Payables	5,401	3,093
2.01.03	Tax Liabilities	2,928	2,917
2.01.03.01	Federal Tax Liabilities	1,730	1,899
2.01.03.02	State Tax Liabilities	1,192	1,010
2.01.03.03	Municipal Tax Liabilities	6	8
2.01.05	Other Liabilities	21,730	23,853
2.01.05.02	Other	21,730	23,853
2.01.05.02.04	Advances from Clients	17,048	16,016
2.01.05.02.05	Other Current Liabilities	3,100	3,484
2.01.05.02.06	Provision for Unsecured Liability of Subsidiaries	1,582	4,353
2.01.06	Provisions	6,655	6,103
2.01.06.02	Other Provisions	6,655	6,103
2.01.06.02.04	Provision for Termination of Commercial Relationship with Reseller	6,655	6,103
2.02	Non-Current Liabilities	9,676	13,533
2.02.02	Other Liabilities	504	602
2.02.02.02	Other	504	602
2.02.02.02.03	Tax Liabilities	504	602
2.02.04	Provisions	9,172	12,931
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Liabilities	9,172	12,931
2.03	Equity	172,472	174,229
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	-12,579	-10,822

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ITR – Quarterly Information – September 30, 2017 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

**Parent Company Financial Statements / Statement of Income**

(In thousands of R\$)

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Year-to-date 1/1/2017 to 9/30/2017	Same quarter of previous year 7/1/2016 to 9/30/2016	Previous year 1/1/2016 to 9/30/2016
3.01	Income from Sale of Goods and/or Services	38,267	105,553	42,601	126,649
3.02	Cost of Goods Sold and/or Services	-23,431	-65,612	-27,376	-79,296
3.03	Gross Profit	14,836	39,941	15,225	47,353
3.04	Operating Expenses/Income	-15,419	-46,984	-21,062	-51,736
3.04.01	Selling Expenses	-9,129	-33,183	-14,579	-35,668
3.04.02	General and Administrative Expenses	-7,114	-17,368	-6,505	-17,029
3.04.04	Other Operating Income	707	2,916	657	2,394
3.04.05	Other Operating Expenses	-12	-1,620	-300	-629
3.04.06	Equity Income (Loss)	129	2,271	-335	-804
3.05	Earnings Before Financial Result and Taxes	-583	-7,043	-5,837	-4,383
3.06	Financial Result	866	3,402	2,306	6,170
3.06.01	Financial Income	1,626	5,498	2,954	9,040
3.06.02	Financial Expenses	-760	-2,096	-648	-2,870
3.07	Earnings Before Income Taxes	283	-3,641	-3,531	1,787
3.08	Income and Social Contribution Taxes on Income	-53	1,884	-762	-1,930
3.08.02	Deferred	-53	1,884	-762	-1,930
3.09	Net Income (Loss) from Continuing Operations	230	-1,757	-4,293	-143
3.11	Net Income (Loss) for the Period	230	-1,757	-4,293	-143
3.99	Earnings per Share - (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.00348	-0.04751	-0.06496	-0.00216
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	0.00348	-0.04751	-0.06496	-0.00216

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ITR – Quarterly Information – September 30, 2017 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

## Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter	Year-to-date	Same quarter of	Previous year
		7/1/2017 to 9/30/2017	1/1/2017 to 9/30/2017	7/1/2016 to 9/30/2016	1/1/2016 to 9/30/2016
4.01	Net Income for the Period	230	-1,757	-4,293	-143
4.03	Comprehensive Income (Loss) for the Period	230	-1,757	-4,293	-143

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

<b>Code</b>	<b>Description</b>	<b>Year-to-date 1/1/2017 to 9/30/2017</b>	<b>Previous year 1/1/2016 to 9/30/2016</b>
6.01	Net Cash from Operating Activities	9,657	17,677
6.01.01	Cash Provided by Operations	3,026	13,752
6.01.01.01	Net Income before Income and Social Contribution Taxes	-3,641	1,787
6.01.01.02	Depreciation and Amortization	7,767	8,156
6.01.01.03	Exchange Variation – Trade Receivables	-22	324
6.01.01.06	Provision for Labor, Tax, Civil and Termination of Commercial Relationship Risks	47	455
6.01.01.07	Provision for Obsolescence	-131	-245
6.01.01.08	Allowance for Doubtful Accounts	853	743
6.01.01.10	Other Provisions	-1,048	292
6.01.01.14	Disposal of Property, Plant and Equipment and Intangible Assets	1,472	1,436
6.01.01.15	Equity Income (Loss)	-2,271	804
6.01.02	Changes in Assets and Liabilities	6,631	3,925
6.01.02.01	Accounts Receivable from Clients	-2,497	4,112
6.01.02.02	Inventories	-193	990
6.01.02.03	Taxes Recoverable	306	-900
6.01.02.05	Loans Granted	423	41
6.01.02.08	Other Current and Non-Current Assets	-66	-1,036
6.01.02.09	Non-Current Assets Held for Sale	6,867	-2,859
6.01.02.14	Trade Payables	2,308	5,409
6.01.02.15	Advances from Clients	1,032	-3,922
6.01.02.17	Other Current and Non-Current Liabilities	-1,549	2,090
6.02	Net Cash Provided By (Used In) Investment Activities	-3,961	-7,214
6.02.01	Financial Investments	1,163	-491
6.02.02	Investments in Subsidiaries	-500	0
6.02.03	Investments	51	0
6.02.04	Acquisition of Property, Plant and Equipment	-4,502	-5,774
6.02.05	Acquisition of Intangible Assets	-173	-949
6.03	Net Cash From Financing Activities	0	-6,774
6.03.05	Payment of Interest on Equity	0	-6,774
6.05	Increase (Decrease) in Cash and Cash Equivalents	5,696	3,689
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	26,052	32,354
6.05.02	Cash and Cash Equivalents at the End of the Period	31,748	36,043

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**Parent Company Financial Statements / Statement of Changes in Equity – 1/1/2017 to 9/30/2017**

**(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	-1,757	0	-1,757
5.05.01	Net Income for the Period	0	0	0	-1,757	0	-1,757
5.07	Closing Balances	187,709	-2,658	0	-12,579	0	172,472



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Version: 1

**Parent Company Financial Statements / Statement of Changes in Equity– 1/1/2016 to 9/30/2016**

**(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	13,442	0	0	198,493
5.03	Adjusted Opening Balances	187,709	-2,658	13,442	0	0	198,493
5.05	Total Comprehensive Income (Loss)	0	0	0	-143	0	-143
5.05.01	Net Income for the Period	0	0	0	-143	0	-143
5.07	Closing Balances	187,709	-2,658	13,442	-143	0	198,350

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

<b>Code</b>	<b>Description</b>	<b>Year-to-date 1/1/2017 to 9/30/2017</b>	<b>Previous year 1/1/2016 to 9/30/2016</b>
7.01	Income	144,176	172,124
7.01.01	Sales of Goods, Products and Services	143,083	172,205
7.01.02	Other Income	1,946	662
7.01.04	Reversal of/Allowance for Doubtful Accounts	-853	-743
7.02	Inputs Acquired from Third Parties	-100,973	-109,540
7.02.01	Cost of Products Sold and Services Rendered	-61,375	-75,173
7.02.02	Supplies, Electricity, Outsourced Services and Others	-28,192	-26,604
7.02.04	Other	-11,406	-7,763
7.03	Gross Value Added	43,203	62,584
7.04	Retentions	-7,767	-8,156
7.04.01	Depreciation, Amortization and Depletion	-7,767	-8,156
7.05	Net Added Value Produced	35,436	54,428
7.06	Added Value from Transfers	7,956	8,542
7.06.01	Equity Income (Loss)	2,271	-804
7.06.02	Financial Income	5,685	9,346
7.07	Total Value Added to Distribute	43,392	62,970
7.08	Distribution of Added Value	43,392	62,970
7.08.01	Personnel	20,582	27,230
7.08.01.01	Direct Compensation	15,887	21,924
7.08.01.02	Benefits	2,336	2,840
7.08.01.03	F.G.T.S. (Government Severance Fund)	2,359	2,466
7.08.02	Taxes, Fees and Contributions	21,420	32,068
7.08.02.01	Federal	11,974	20,669
7.08.02.02	State	9,372	11,307
7.08.02.03	Municipal	74	92
7.08.03	Remuneration of Loan Capital	3,147	3,815
7.08.03.02	Rentals	1,210	1,558
7.08.03.03	Other	1,937	2,257
7.08.04	Remuneration of Own Capital	-1,757	-143
7.08.04.03	Accumulated Losses/Retained Earnings in the Period	-1,757	-143

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

Code	Description	Current quarter 9/30/2017	Previous year 12/31/2016
1	Total Assets	228,652	233,720
1.01	Current Assets	94,421	89,072
1.01.01	Cash and cash equivalents	32,965	27,832
1.01.01.01	Cash and Banks	1,030	2,822
1.01.01.02	Short-term Financial Investments	31,935	25,010
1.01.02	Financial Investments	3,616	4,779
1.01.02.01	Financial Investments at Fair Value	3,616	4,779
1.01.03	Accounts Receivable	23,528	21,903
1.01.03.01	Trade Receivables	23,528	21,903
1.01.04	Inventories	20,672	21,000
1.01.06	Recoverable Taxes	6,303	6,631
1.01.08	Other Current Assets	7,337	6,927
1.01.08.03	Other	7,337	6,927
1.01.08.03.01	Advances and Prepayments	142	982
1.01.08.03.02	Loans Granted	2,510	2,521
1.01.08.03.03	Prepaid Expenses	1,624	876
1.01.08.03.04	Other Assets	3,061	2,548
1.02	Non-Current Assets	134,231	144,648
1.02.01	Long-Term Assets	40,088	46,261
1.02.01.03	Accounts Receivable	11,654	11,944
1.02.01.03.01	Trade Receivables	11,654	11,944
1.02.01.06	Deferred Taxes	15,680	13,796
1.02.01.06.01	Deferred Income and Social Contribution Taxes	15,680	13,796
1.02.01.09	Other Non-Current Assets	12,754	20,521
1.02.01.09.01	Non-current Assets for Sale	4,139	11,006
1.02.01.09.04	Judicial Deposits	2,894	3,245
1.02.01.09.05	Loans Granted	2,823	3,235
1.02.01.09.06	Other Assets	2,898	3,035
1.02.02	Investments	31	82
1.02.03	Property, Plant and Equipment	82,364	83,014
1.02.03.01	Property, Plant and Equipment in Use	82,364	83,014
1.02.04	Intangible assets	11,748	15,291
1.02.04.01	Intangible Assets	11,748	15,291

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

<b>Code</b>	<b>Description</b>	<b>Current quarter 9/30/2017</b>	<b>Previous year 12/31/2016</b>
2	Total Liabilities	228,652	233,720
2.01	Current Liabilities	46,504	45,958
2.01.01	Payroll and Related Charges	5,176	3,827
2.01.01.01	Social Charges	386	652
2.01.01.02	Labor Liabilities	4,790	3,175
2.01.02	Trade Payables	5,520	3,343
2.01.03	Tax Liabilities	3,312	3,447
2.01.03.01	Federal Tax Liabilities	1,972	2,254
2.01.03.02	State Tax Liabilities	1,333	1,182
2.01.03.03	Municipal Tax Liabilities	7	11
2.01.05	Other Liabilities	25,841	29,238
2.01.05.02	Other	25,841	29,238
2.01.05.02.04	Advances from Clients	22,667	25,496
2.01.05.02.05	Other Current Liabilities	3,174	3,742
2.01.06	Provisions	6,655	6,103
2.01.06.02	Other Provisions	6,655	6,103
2.01.06.02.04	Provision for Termination of Commercial Relationship with Reseller	6,655	6,103
2.02	Non-Current Liabilities	9,676	13,533
2.02.02	Other Liabilities	504	602
2.02.04	Provisions	9,172	12,931
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Liabilities	9,172	12,931
2.03	Consolidated Equity	172,472	174,229
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	-12,579	-10,822

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ITR – Quarterly Information – September 30, 2017 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

**Consolidated Financial Statements / Statement of Income**

(In thousands of R\$)

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Year-to-date 1/1/2017 to 9/30/2017	Same quarter of previous year 7/1/2016 to 9/30/2016	Previous year 1/1/2016 to 9/30/2016
3.01	Income from Sale of Goods and/or Services	41,162	115,888	46,790	138,793
3.02	Cost of Goods Sold and/or Services	-23,484	-66,443	-27,061	-78,411
3.03	Gross Profit	17,678	49,445	19,729	60,382
3.04	Operating Expenses/Income	-18,207	-57,596	-25,744	-65,222
3.04.01	Selling Expenses	-11,907	-42,438	-19,603	-50,055
3.04.02	General and administrative expenses	-7,114	-17,368	-6,505	-17,029
3.04.04	Other Operating Income	832	3,845	664	2,494
3.04.05	Other Operating Expenses	-18	-1,635	-300	-632
3.05	Earnings Before Financial Result and Taxes	-529	-8,151	-6,015	-4,840
3.06	Financial Result	875	3,417	2,328	6,228
3.06.01	Financial Income	1,648	5,579	3,012	9,204
3.06.02	Financial Expenses	-773	-2,162	-684	-2,976
3.07	Earnings Before Income Taxes	346	-4,734	-3,687	1,388
3.08	Income and Social Contribution Taxes on Income	-116	2,977	-606	-1,531
3.08.01	Current	-63	-100	0	0
3.08.02	Deferred	-53	3,077	-606	-1,531
3.09	Net Income (Loss) from Continuing Operations	230	-1,757	-4,293	-143
3.11	Consolidated Losses/Earnings in the Period	230	-1,757	-4,293	-143
3.11.01	Attributable to Controlling Shareholders	230	-1,757	-4,293	-143
3.99	Earnings per Share - (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.00348	-0.02659	-0.06496	-0.00216
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	0.00348	-0.02659	-0.06496	-0.00216

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2017 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

## Consolidated Financial Statements/ Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Year-to-date 1/1/2017 to 9/30/2017	Same quarter of previous year 7/1/2016 to 9/30/2016	Previous year 1/1/2016 to 9/30/2016
4.01	Consolidated Net Income in the Period	230	-1,757	-4,293	-143
4.03	Consolidated Comprehensive Income (Loss) in the Period	230	-1,757	-4,293	-143
4.03.01	Attributable to Controlling Shareholders	230	-1,757	-4,293	-143

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

<b>Code</b>	<b>Description</b>	<b>Year-to-date 1/1/2017 to 9/30/2017</b>	<b>Previous year 1/1/2016 to 9/30/2016</b>
6.01	Net Cash from Operating Activities	8,727	18,838
6.01.01	Cash Provided by Operations	6,175	12,988
6.01.01.01	Net Income before Income and Social Contribution Taxes	-4,734	1,388
6.01.01.02	Depreciation and Amortization	7,847	8,287
6.01.01.03	Exchange Variation – Trade Receivables	-22	324
6.01.01.06	Provision for Labor, Tax, Civil and Termination of Commercial Relationship Risks	47	455
6.01.01.07	Provision for Obsolescence	-131	-245
6.01.01.08	Allowance for Doubtful Accounts	964	1,045
6.01.01.10	Other Provisions	-1,058	292
6.01.01.14	Disposal of Property, Plant and Equipment and Intangible Assets	3,262	1,442
6.01.02	Changes in Assets and Liabilities	2,552	5,850
6.01.02.01	Accounts Receivable from Clients	-2,277	6,455
6.01.02.02	Inventories	1,277	817
6.01.02.03	Taxes Recoverable	328	-963
6.01.02.05	Loans Granted	423	41
6.01.02.08	Other Current and Non-Current Assets	-3,082	-963
6.01.02.09	Non-Current Assets Held for Sale	6,867	-2,859
6.01.02.14	Trade Payables	2,177	5,618
6.01.02.15	Advances from Clients	-2,829	-4,788
6.01.02.17	Other Current and Non-Current Liabilities	-232	2,492
6.01.02.18	Payment of Income and Social Contribution Taxes	-100	0
6.02	Net Cash Provided By (Used In) Investment Activities	-3,594	-7,538
6.02.01	Financial Investments	1,163	-491
6.02.03	Investments	51	0
6.02.04	Acquisition of Property, Plant and Equipment	-4,635	-6,083
6.02.05	Acquisition of Intangible Assets	-173	-964
6.03	Net Cash from Financing Activities	0	-6,774
6.03.02	Payment of Interest on Equity	0	-6,774
6.05	Increase (Decrease) in Cash and Cash Equivalents	5,133	4,526
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	27,832	33,204
6.05.02	Cash and Cash Equivalents at the End of the Period	32,965	37,730

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2017 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

### Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2017 to 9/30/2017

(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	-1,757	0	-1,757	0	-1,757
5.05.01	Net Income for the Period	0	0	0	-1,757	0	-1,757	0	-1,757
5.07	Closing Balances	187,709	-2,658	0	-12,579	0	172,472	0	172,472



(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2017 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

## Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 9/30/2016

(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	13,442	0	0	198,493	0	198,493
5.03	Adjusted Opening Balances	187,709	-2,658	13,442	0	0	198,493	0	198,493
5.05	Total Comprehensive Income (Loss)	0	0	0	-143	0	-143	0	-143
5.05.01	Net Income for the Period	0	0	0	-143	0	-143	0	-143
5.07	Closing Balances	187,709	-2,658	13,442	-143	0	198,350	0	198,350

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

<b>Code</b>	<b>Description</b>	<b>Year-to-date 1/1/2017 to 9/30/2017</b>	<b>Previous year 1/1/2016 to 9/30/2016</b>
7.01	Income	160,199	189,553
7.01.01	Sales of Goods, Products and Services	158,303	189,839
7.01.02	Other Income	2,860	759
7.01.04	Reversal of Allowance for Doubtful Accounts	-964	-1,045
7.02	Inputs acquired from third parties	-107,334	-115,797
7.02.01	Cost of Products Sold and Services Rendered	-63,619	-75,714
7.02.02	Supplies, Electricity, Outsourced Services and Others	-32,141	-32,025
7.02.04	Other	-11,574	-8,058
7.03	Gross Value Added	52,865	73,756
7.04	Retentions	-7,847	-8,287
7.04.01	Depreciation, Amortization and Depletion	-7,847	-8,287
7.05	Net Added Value Produced	45,018	65,469
7.06	Added Value from Transfers	5,770	9,518
7.06.02	Financial Income	5,770	9,518
7.07	Total Value Added to Distribute	50,788	74,987
7.08	Distribution of Added Value	50,788	74,987
7.08.01	Personnel	24,196	33,227
7.08.01.01	Direct Compensation	18,959	27,028
7.08.01.02	Benefits	2,556	3,248
7.08.01.03	F.G.T.S. (Government Severance Fund)	2,681	2,951
7.08.02	Taxes, Fees and Contributions	24,054	36,138
7.08.02.01	Federal	12,890	22,823
7.08.02.02	State	11,023	13,127
7.08.02.03	Municipal	141	188
7.08.03	Remuneration of Loan Capital	4,295	5,765
7.08.03.02	Rentals	2,292	3,402
7.08.03.03	Other	2,003	2,363
7.08.04	Remuneration of Own Capital	-1,757	-143
7.08.04.03	Accumulated Losses/Retained Earnings in the Period	-1,757	-143

UNICASA



**Earnings Release  
3Q17**

## Comments on Performance



### Investor relations

Frank Zietolie  
CEO and CCO

Gustavo Dall'Onder  
CFO and IRO

Guilherme Possebon de Oliveira  
Maikon Luis Moro

Phone: (54) 3455-4425

[dri@unicasamoveis.com.br](mailto:dri@unicasamoveis.com.br)  
[www.unicasamoveis.com.br/ri](http://www.unicasamoveis.com.br/ri)

Bento Gonçalves, Rio Grande do Sul, November 09, 2017. Unicasa Indústria de Móveis S.A. (BM&FBovespa: UCAS3, Bloomberg: UCAS3:BZ, Reuters: UCAS3), one of the leading companies in Brazil's custom-made furniture industry and the only Brazilian publicly held company in the sector, announces today its results for the third quarter of 2017. 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).

### **Period highlights**

- Reversal of the 3Q16 net loss;
- Cash generation increases R\$ 10.9 million;
- Selling and Administrative expenses decrease 27.1%;
- Gross margin up 0.7 p.p.
- Increase of 12.0 p.p. in EBITDA Margin and 9,7 p.p. in Net Margin

Executive Summary	3Q16	3Q17	Δ	9M16	9M17	Δ
Gross Revenue ex-IPI	62,278	53,938	-13.4%	183,897	152,971	-16.8%
<b>Net Revenue</b>	<b>46,790</b>	<b>41,162</b>	<b>-12.0%</b>	<b>138,793</b>	<b>115,888</b>	<b>-16.5%</b>
Cost of Goods Sold	(27,061)	(23,484)	-13.2%	(78,411)	(66,443)	-15.3%
<b>Gross Income</b>	<b>19,729</b>	<b>17,678</b>	<b>-10.4%</b>	<b>60,382</b>	<b>49,445</b>	<b>-18.1%</b>
<b>Gross Margin</b>	<b>42.2%</b>	<b>42.9%</b>	<b>+0.7 p.p.</b>	<b>43.5%</b>	<b>42.7%</b>	<b>-0.8 p.p.</b>
Selling and Administrative Expenses	(26,108)	(19,021)	-27.1%	(67,084)	(59,806)	-10.8%
Other Revenues and Operating Expenses	364	814	+123.6%	1,862	2,210	+18.7%
<b>Operating Income</b>	<b>(6,015)</b>	<b>(529)</b>	<b>-91.2%</b>	<b>(4,840)</b>	<b>(8,151)</b>	<b>68.4%</b>
<b>Operating Margin</b>	<b>-12.9%</b>	<b>-1.3%</b>	<b>+11.6 p.p.</b>	<b>-3.5%</b>	<b>-7.0%</b>	<b>-3.5 p.p.</b>
Financial Income (Expenses) Net	2,328	875	-62.4%	6,228	3,417	-45.1%
<b>Operating Income before Income Tax and Social Contribution</b>	<b>(3,687)</b>	<b>346</b>	<b>-109.4%</b>	<b>1,388</b>	<b>(4,734)</b>	<b>-441.1%</b>
Income Tax and Social Contribution	(606)	(116)	-80.9%	(1,531)	2,977	-294.4%
<b>Net Profit</b>	<b>(4,293)</b>	<b>230</b>	<b>-105.4%</b>	<b>(143)</b>	<b>(1,757)</b>	<b>+1128.7%</b>
<b>Net Margin</b>	<b>-9.2%</b>	<b>0.6%</b>	<b>+9.7 p.p.</b>	<b>-0.1%</b>	<b>-1.5%</b>	<b>-1.4 p.p.</b>
EBITDA	(3,236)	2,079	-164.2%	3,447	(304)	-108.8%
<b>EBITDA Margin</b>	<b>-6.9%</b>	<b>5.1%</b>	<b>+12.0 p.p.</b>	<b>2.5%</b>	<b>-0.3%</b>	<b>-2.8 p.p.</b>

**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**

The Unicasa Corporate and Export Markets segments are affected by significant oscillations due to the specific aspects of the projects sold in the period.

<b>Dell Anno and Favorita – Exclusive and Own Stores</b>	<b>3Q16</b>	<b>3Q17</b>	<b>Δ</b>	<b>9M16</b>	<b>9M17</b>	<b>Δ</b>
Gross Revenue, ex-IPI	32,025	28,297	-11.6%	94,293	83,117	-11.9%
Number of Modules Sold (thousand units)	93.3	88.1	-5.6%	259.2	240.2	-7.3%
<b>New and Casa Brasileira Exclusive Dealers</b>	<b>3Q16</b>	<b>3Q17</b>	<b>Δ</b>	<b>9M16</b>	<b>9M17</b>	<b>Δ</b>
Gross Revenue, ex-IPI	17,071	13,616	-20.2%	51,099	38,794	-24.1%
Number of Modules Sold (thousand units)	92.1	70.1	-23.9%	292.7	203.4	-30.5%
<b>Multibrands</b>	<b>3Q16</b>	<b>3Q17</b>	<b>Δ</b>	<b>9M16</b>	<b>9M17</b>	<b>Δ</b>
Gross Revenue, ex-IPI	7,884	6,337	-19.6%	23,839	17,641	-26.0%
Number of Modules Sold (thousand units)	42.4	37.8	-10.8%	140.9	106.8	-24.2%
<b>Unicasa Corporate</b>	<b>3Q16</b>	<b>3Q17</b>	<b>Δ</b>	<b>9M16</b>	<b>9M17</b>	<b>Δ</b>
Gross Revenue, ex-IPI	3,040	2,966	-2.4%	8,601	7,693	-10.6%
Number of Modules Sold (thousand units)	8.5	9.9	+16.5%	29.0	24.6	-15.2%
<b>Export Market</b>	<b>3Q16</b>	<b>3Q17</b>	<b>Δ</b>	<b>9M16</b>	<b>9M17</b>	<b>Δ</b>
Gross Revenue, ex-IPI	1,346	2,152	+59.9%	4,007	3,773	-5.8%
Number of Modules Sold (thousand units)	7.2	10.7	+48.6%	20.0	17.1	-14.5%

**Consolidated Indicators – Unicasa**

<b>Unicasa Indústria de Móveis</b>	<b>3Q16</b>	<b>3Q17</b>	<b>Δ</b>	<b>9M16</b>	<b>9M17</b>	<b>Δ</b>
Gross Revenue, ex-IPI	62,278	53,938	-13.4%	183,897	152,971	-16.8%
Number of Modules Sold (thousand units)	249.9	217.1	-13.1%	761.8	594.9	-21.9%

**SALES AND DISTRIBUTION CHANNELS**

<b>Period</b>	<b>3Q16</b>	<b>4Q16</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>Δ</b>
<b>Exclusive and Own Stores</b>	<b>433</b>	<b>410</b>	<b>367</b>	<b>344</b>	<b>287</b>	<b>(57)</b>
Dell Anno and Favorita	182	172	157	150	136	(14)
New and Casa Brasileira	251	238	210	194	151	(43)
<b>Multibrand</b>	<b>622</b>	<b>629</b>	<b>642</b>	<b>598</b>	<b>598</b>	<b>-</b>
New and Casa Brasileira Multibrand	622	629	642	598	598	-

<sup>(1)</sup> Variation compared to 2Q17.

Average productivity per Dell Anno and Favorita store in 3Q17 was R\$66.0, 13.1% higher than the R\$58.3 in 3Q16. Average productivity in the quarter per New and Casa Brasileira store in 3Q17 was R\$26.3, 19.1% higher than the R\$22.1 in 3Q16. In both segments, increased productivity is due to the closure of less productive operations

**Comments on Performance****FINANCIAL PERFORMANCE****Gross Profit and Gross Margin**

Gross profit in the quarter was R\$17.7 million. Gross margin rises 0.7 p.p., from 42.2% to 42.9%.

**Selling, General and Administrative Expenses (SG&A)**

Selling General and Administrative Expenses	3Q16	3Q17	Δ	9M16	9M17	Δ
<b>Total</b>	<b>(26,108)</b>	<b>(19,021)</b>	<b>-27.1%</b>	<b>(67,084)</b>	<b>(59,806)</b>	<b>-10.8%</b>
<b>Selling Expenses</b>	<b>(19,603)</b>	<b>(11,907)</b>	<b>-39.3%</b>	<b>(50,055)</b>	<b>(42,438)</b>	<b>-15.2%</b>
% of Net Revenue	41.9%	28.9%	-13.0 p.p.	36.1%	36.6%	+0.5 p.p.
<b>Administrative Expenses</b>	<b>(6,505)</b>	<b>(7,114)</b>	<b>+9.4%</b>	<b>(17,029)</b>	<b>(17,368)</b>	<b>+2.0%</b>
% of Net Revenue	13.9%	17.3%	+3.4 p.p.	12.3%	15.0%	+2.7 p.p.
SG&A % of Net Revenue	55.8%	46.2%	-9.6 p.p.	48.4%	51.6%	+3.2 p.p.

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



<sup>(1)</sup>In million.

Expenses with own stores were R\$2.2 million lower due to the reduction in the scope of the operation, as per the decision to close down a few stores, reported in the 4Q16 earnings release.

The reduction in personnel expenses is due to the restructuring carried out during the course of 2016 and 2017.

Commercial goodwill refers to non-recurring expense recorded in 3Q16.

As a result of the company's cost-cutting efforts, advertising expenses decreased by R\$ 0.8 million, advisory expenses by R\$ 0.5 million and other expenses, especially those related to marketing (contractual bonuses, freight, etc.) and travel, declined by R\$0.4 million.

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

Other operating income and expenses increased 123.60%, mainly due to the sum of R\$0.2 million received from the execution of the guarantee provided by a store owner, and the absence of expenses related to the sale of properties booked in 3Q16.

Other Operating Income and Expenses	3Q16	3Q17	Δ	9M16	9M17	Δ
<b>Total</b>	<b>364</b>	<b>814</b>	<b>123.6%</b>	<b>1,862</b>	<b>2,210</b>	<b>18.7%</b>
Operating Expenses	(300)	(18)	-94.0%	(632)	(1,635)	158.7%
Operating Income	664	832	25.3%	2,494	3,845	54.2%
Bank Premium	621	474	-23.7%	1,999	2,383	19.2%
Trademark Rights	-	-	n/a			
Other Operating Income	43	358	732.6%	495	892	80.2%
<b>% of Net Revenue</b>	<b>0.8%</b>	<b>2.0%</b>	<b>1.2 p.p.</b>	<b>1.3%</b>	<b>1.9%</b>	<b>0.6 p.p.</b>

**Financial Result**

Financial result decreased 62.40%, mainly due to: (i) lower returns from short-term investments on account of lower investments and the reduction in the SELIC interest rate during the period; and (ii) the reduction in the reversal of adjustment to present value due to lower volume of credit granted to storeowners.

Financial Result	3Q16	3Q17	Δ	9M16	9M17	Δ
<b>Net Financial Result</b>	<b>2,328</b>	<b>875</b>	<b>-62.4%</b>	<b>6,228</b>	<b>3,417</b>	<b>-45.1%</b>
Financial Expenses	(684)	(773)	13.0%	(2,976)	(2,162)	-27.4%
Financial Income	3,012	1,648	-45.3%	9,204	5,579	-39.4%

**EBITDA and EBITDA Margin**

EBITDA	3Q16	3Q17	Δ	9M16	9M17	Δ
<b>Net Income for the Period</b>	<b>(4,293)</b>	<b>230</b>	<b>-105.4%</b>	<b>(143)</b>	<b>(1,757)</b>	<b>+1128.7%</b>
Income Tax and Social Contribution	606	116	-80.9%	1,531	(2,977)	-294.4%
Financial Result	(2,328)	(875)	-62.4%	(6,228)	(3,417)	-45.1%
<b>EBIT</b>	<b>(6,015)</b>	<b>(529)</b>	<b>-91.2%</b>	<b>(4,840)</b>	<b>(8,151)</b>	<b>+68.4%</b>
Depreciation and Amortization	2,779	2,608	-6.2%	8,287	7,847	-5.3%
<b>EBITDA</b>	<b>(3,236)</b>	<b>2,079</b>	<b>-164.2%</b>	<b>3,447</b>	<b>(304)</b>	<b>-108.8%</b>
<b>EBITDA Margin</b>	<b>-6.9%</b>	<b>5.1%</b>	<b>+12.0 p.p.</b>	<b>2.5%</b>	<b>-0.3%</b>	<b>-2.8 p.p.</b>

**Cash Flow**

Cash Flow	3Q16	3Q17	Δ	9M16	9M17	Δ
Cash generated by operational activities	530	12,472	+2253.2%	18,838	8,727	-53.7%
Financial Investments	(174)	(3,616)	+1978.2%	(491)	1,163	-336.9%
Cash generated by investment activities	(5,067)	(1,553)	-69.4%	(7,047)	(4,757)	-32.5%
Cash generated by financing activities	-	-	+0.0%	(6,774)	-	-100.0%
<b>Cash flow (burn)</b>	<b>(4,711)</b>	<b>7,303</b>	<b>-255.0%</b>	<b>4,526</b>	<b>5,133</b>	<b>+13.4%</b>
Financial Investments	174	3,616	+1978.2%	491	(1,163)	-336.9%
<b>Cash flow and Financial Investments</b>	<b>(4,537)</b>	<b>10,919</b>	<b>-340.7%</b>	<b>5,017</b>	<b>3,970</b>	<b>-20.9%</b>

The increase in cash generation is mainly due to the Company's operating activities, impacted by the decline in selling and administrative expenses and by the consumption of strategic inventory acquired in the previous quarter.

## Comments on Performance

### Working capital

Working Capital	3Q16	3Q17	Δ
Average trade accounts receivable	49,757	36,111	(13,647)
<i>Average term for receipt of sales (days)</i>	70	61	(9)
Average inventory	24,324	23,002	(1,322)
<i>Average term for inventory replenishment (days)</i>	80	89	9
Average trade accounts payable	5,809	5,767	(42)
<i>Average term for payment of suppliers (days)</i>	20	23	3
Average advances from customers	30,513	24,681	(5,832)
<i>Average term for advances from customers (days)</i>	43	41	(1)
<b>Working capital</b>	<b>37,759</b>	<b>28,665</b>	<b>(9,095)</b>

The company's working capital needs declined by R\$9.1 million in the period, mainly due to the drop in revenue, which affects the lower volume of accounts receivable and the restriction of credit to retailers.

### Net Cash

Net Cash	9/30/2016	9/30/2017	Δ
Short Term Debt	-	-	n/a
Long Term Debt	-	-	n/a
<b>Gross Debt</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
Cash and Cash Equivalents	37,730	32,965	-12.6%
Financial Investments	4,937	3,616	-26.8%
<b>Net Debt/(Cash Surplus)</b>	<b>(42,667)</b>	<b>(36,581)</b>	<b>-14.3%</b>

The Company ended the quarter with 14.3% less cash than in the same period last year. This is mainly due to the decrease in revenue in the period.

### Return on Invested Capital (ROIC)

The Company's net ROIC in the last twelve months (LTM) ending 3Q17 was -20.8%, down 18.7 p.p. from the same period last year.

Return on Invested Capital (ROIC)	3Q16	3Q17	Δ
EBIT (LTM)	(6,564)	(34,079)	+419.2%
Average of Operating Assets	161,386	145,787	-9.7%
<b>ROIC</b>	<b>-4.1%</b>	<b>-23.4%</b>	<b>-19.3 p.p.</b>
Effective IR + CSLL rate (LTM)	48.8%	11.0%	-37.8 p.p.
<b>ROIC, Net</b>	<b>-2.1%</b>	<b>-20.8%</b>	<b>-18.7 p.p.</b>



## Comments on Performance

## ANNEX I – FINANCIAL STATEMENTS – INCOME STATEMENT – CONSOLIDATED

Income Statement	3Q16	3Q17	AV	AH	9M16	AV	9M17	AV	AH
<b>Gross Revenue from Sales</b>	<b>64,979</b>	<b>56,234</b>	<b>136.6%</b>	<b>-13.5%</b>	<b>191,862</b>	<b>138.2%</b>	<b>159,518</b>	<b>137.6%</b>	<b>-16.9%</b>
Domestic Market	63,633	54,082	131.4%	-15.0%	187,855	135.3%	155,745	134.4%	-17.1%
Dell Anno and Favorita	33,295	29,436	71.5%	-11.6%	98,029	70.6%	86,408	74.6%	-11.9%
New and Casa Brasileira Exclusive Dealers	17,922	14,288	34.7%	-20.3%	53,640	38.6%	40,711	35.1%	-24.1%
New and Casa Brasileira Multibrand	8,279	6,653	16.2%	-19.6%	25,028	18.0%	18,522	16.0%	-26.0%
Unicasa Corporate	3,192	3,115	7.6%	-2.4%	9,025	6.5%	8,079	7.0%	-10.5%
Other Revenues	945	590	1.4%	-37.6%	2,133	1.5%	2,025	1.7%	-5.1%
Exports	1,346	2,152	5.2%	+59.9%	4,007	2.9%	3,773	3.3%	-5.8%
Sales Deductions	(18,189)	(15,072)	-36.6%	-17.1%	(53,069)	-38.2%	(43,630)	-37.6%	-17.8%
<b>Net Revenue from Sales</b>	<b>46,790</b>	<b>41,162</b>	<b>100.0%</b>	<b>-12.0%</b>	<b>138,793</b>	<b>100.0%</b>	<b>115,888</b>	<b>100.0%</b>	<b>-16.5%</b>
Cost of Goods Sold	(27,061)	(23,484)	-57.1%	-13.2%	(78,411)	-56.5%	(66,443)	-57.3%	-15.3%
<b>Gross Profit</b>	<b>19,729</b>	<b>17,678</b>	<b>42.9%</b>	<b>-10.4%</b>	<b>60,382</b>	<b>43.5%</b>	<b>49,445</b>	<b>42.7%</b>	<b>-18.1%</b>
Selling Expenses	(19,603)	(11,907)	-28.9%	-39.3%	(50,055)	-36.1%	(42,438)	-36.6%	-15.2%
General and Administrative Expenses	(6,505)	(7,114)	-17.3%	+9.4%	(17,029)	-12.3%	(17,368)	-15.0%	+2.0%
Other Operating Income, Net	364	814	2.0%	+123.6%	1,862	1.3%	2,210	1.9%	+18.7%
<b>Operating Income</b>	<b>(6,015)</b>	<b>(529)</b>	<b>-1.3%</b>	<b>-91.2%</b>	<b>(4,840)</b>	<b>-3.5%</b>	<b>(8,151)</b>	<b>-7.0%</b>	<b>+68.4%</b>
Financial Expenses	(684)	(773)	-1.9%	+13.0%	(2,976)	-2.1%	(2,162)	-1.9%	-27.4%
Financial Income	3,012	1,648	4.0%	-45.3%	9,204	6.6%	5,579	4.8%	-39.4%
<b>Operating Income before Income Tax and Social Contribution</b>	<b>(3,687)</b>	<b>346</b>	<b>0.8%</b>	<b>-109.4%</b>	<b>1,388</b>	<b>1.0%</b>	<b>(4,734)</b>	<b>-4.1%</b>	<b>-441.1%</b>
Income Tax and Social Contribution	(606)	(116)	-0.3%	-80.9%	(1,531)	-1.1%	2,977	2.6%	-294.4%
Current	-	(63)	-0.2%	n/a	-	0.0%	(100)	-0.1%	n/a
Deferred	(606)	(53)	-0.1%	-91.3%	(1,531)	-1.1%	3,077	2.7%	-301.0%
<b>Net Income for the Period</b>	<b>(4,293)</b>	<b>230</b>	<b>0.6%</b>	<b>-105.4%</b>	<b>(143)</b>	<b>-0.1%</b>	<b>(1,757)</b>	<b>-1.5%</b>	<b>+1128.7%</b>
Earnings per Share (R\$)	(0.07)	0.00			(0.00)		(0.03)		

## Comments on Performance

## ANNEX II - FINANCIAL STATEMENTS – BALANCE SHEET – CONSOLIDATED

Assets	12/31/2016	AV	9/30/2017	AV	Δ
<b>Current Assets</b>	<b>89,072</b>	<b>38.1%</b>	<b>94,421</b>	<b>41.3%</b>	<b>+6.0%</b>
Cash and Cash Equivalents	27,832	11.9%	32,965	14.4%	+18.4%
Restricted Marketable Securities	4,779	2.0%	3,616	1.6%	-24.3%
Trade Accounts Receivable	21,903	9.4%	23,528	10.3%	+7.4%
Inventories	21,000	9.0%	20,672	9.0%	-1.6%
Advances to Suppliers	982	0.4%	142	0.1%	-85.5%
Loans Granted	2,521	1.1%	2,510	1.1%	-0.4%
Prepaid Expenses	876	0.4%	1,624	0.7%	+85.4%
Recoverable Taxes	6,631	2.8%	6,303	2.8%	-4.9%
Other Assets	2,548	1.1%	3,061	1.3%	+20.1%
<b>Non-Current Assets</b>	<b>144,648</b>	<b>61.9%</b>	<b>134,231</b>	<b>58.7%</b>	<b>-7.2%</b>
Trade Accounts Receivable	11,944	5.1%	11,654	5.1%	-2.4%
Loans Granted	3,235	1.4%	2,823	1.2%	-12.7%
Assets Held for Sale	11,006	4.7%	4,139	1.8%	-62.4%
Deferred Income and Social Contribution Taxes	13,796	5.9%	15,680	6.9%	+13.7%
Judicial Deposits	3,245	1.4%	2,894	1.3%	-10.8%
Other Assets	3,035	1.3%	2,898	1.3%	-4.5%
Investments	82	0.0%	31	0.0%	-62.2%
Property, Plant and Equipment	83,014	35.5%	82,364	36.0%	-0.8%
Intangible Assets	15,291	6.5%	11,748	5.1%	-23.2%
<b>Total Assets</b>	<b>233,720</b>	<b>100%</b>	<b>228,652</b>	<b>100%</b>	<b>-0.0</b>
<b>Liabilities</b>	<b>12/31/2016</b>	<b>AV</b>	<b>9/30/2017</b>	<b>AV</b>	<b>Δ</b>
<b>Current Liabilities</b>	<b>45,958</b>	<b>19.7%</b>	<b>46,504</b>	<b>20.3%</b>	<b>+1.2%</b>
Suppliers	3,343	1.4%	5,520	2.4%	+65.1%
Tax Liabilities	3,447	1.5%	3,312	1.4%	-3.9%
Payroll and Related Charges	3,827	1.6%	5,176	2.3%	+35.2%
Advances from Customers	25,496	10.9%	22,667	9.9%	-11.1%
Provisions	6,103	2.6%	6,655	2.9%	+9.0%
Other Liabilities	3,742	1.6%	3,174	1.4%	-15.2%
<b>Non-Current Liabilities</b>	<b>13,533</b>	<b>5.8%</b>	<b>9,676</b>	<b>4.2%</b>	<b>-28.5%</b>
Tax Liabilities	602	0.3%	504	0.2%	-16.3%
Provisions	12,931	5.5%	9,172	4.0%	-29.1%
<b>Shareholders' equity</b>	<b>174,229</b>	<b>74.5%</b>	<b>172,472</b>	<b>75.4%</b>	<b>-1.0%</b>
Capital Stock	187,709	80.3%	187,709	82.1%	+0.0%
Capital Reserve	(2,658)	-1.1%	(2,658)	-1.2%	+0.0%
Accumulated Loss	(10,822)	-4.6%	(12,579)	-5.5%	+16.2%
<b>Total Liabilities and Shareholders' Equity</b>	<b>233,720</b>	<b>100%</b>	<b>228,652</b>	<b>100%</b>	<b>-2.2%</b>

## Comments on Performance

ANNEX III – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED <sup>(1)</sup>

Cash Flow Statement	3Q16	3Q17	Δ	9M16	9M17	Δ
<b>Operating Income Before Income And Social Contribution Taxes</b>	<b>(3,687)</b>	<b>346</b>	<b>-109.4%</b>	<b>1,388</b>	<b>(4,734)</b>	<b>-441.1%</b>
<b>Adjustment to Reconcile the Net Income to Cash from Operating Activities:</b>						
Depreciation and Amortization	2,779	2,608	-6.2%	8,287	7,847	-5.3%
Foreign Exchange Variation	(183)	18	-109.8%	324	(22)	-106.8%
Provision for Litigation	279	1,435	+414.3%	455	47	-89.7%
Provision for Obsolescence	(236)	(124)	-47.5%	(245)	(131)	-46.5%
Allowance for Doubtful Accounts	180	137	-23.9%	1,045	964	-7.8%
Provison for PPR	257	363	+41.2%	292	(1,058)	-462.3%
Disposal of Property, Plant and Equipment	1,425	738	-48.2%	1,442	3,262	+126.2%
<b>Cash Flows from Operating Activities</b>	<b>814</b>	<b>5,521</b>	<b>+578.3%</b>	<b>12,988</b>	<b>6,175</b>	<b>-52.5%</b>
<b>Changes in Assets and Liabilities</b>						
Trade Accounts Receivable	1,690	971	-42.5%	6,455	(2,277)	-135.3%
Inventories	(1,903)	5,051	-365.4%	817	1,277	+56.3%
Recoverable Taxes	(108)	1,378	-1375.9%	(467)	1,091	-333.6%
Loans Granted	(806)	631	-178.3%	41	423	+931.7%
Other Current ou Non-Current Assets	2,162	556	-74.3%	(963)	(3,082)	+220.0%
Non-Current Assets Available for Sale	(2,157)	750	-134.8%	(2,859)	6,867	-340.2%
Suppliers	484	1,608	+232.2%	5,618	2,177	-61.2%
Advance from Customers	1,399	(2,021)	-244.5%	(4,788)	(2,829)	-40.9%
Other Current ou Non-Current Liabilities	(747)	(1,819)	+143.5%	2,492	(232)	-109.3%
Payment of Income and Social Contribution Taxes	(298)	(154)	-48.3%	(496)	(863)	+74.0%
<b>Net Cash from Operating Activities</b>	<b>530</b>	<b>12,472</b>	<b>+2253.2%</b>	<b>18,838</b>	<b>8,727</b>	<b>-53.7%</b>
<b>Cash Flows from Investing Activities</b>						
Financial Investments	(174)	(3,616)	+1978.2%	(491)	1,163	-336.9%
Investments	-	-	n/a	-	51	n/a
Property, Plant and Equipment	(4,937)	(1,446)	-70.7%	(6,083)	(4,635)	-23.8%
Intangible Assets	(130)	(107)	-17.7%	(964)	(173)	-82.1%
<b>Net Cash used in Investing Activities</b>	<b>(5,241)</b>	<b>(5,169)</b>	<b>-1.4%</b>	<b>(7,538)</b>	<b>(3,594)</b>	<b>-52.3%</b>
<b>Cash Flows from Financing Activities</b>						
Payment of Interest on Shareholders' Equity	-	-	n/a	(6,774)	-	-100.0%
<b>Cash Flows (used in) from Financing Activities</b>	<b>-</b>	<b>-</b>	<b>n/a</b>	<b>(6,774)</b>	<b>-</b>	<b>-100.0%</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,711)</b>	<b>7,303</b>	<b>-255.0%</b>	<b>4,526</b>	<b>5,133</b>	<b>+13.4%</b>
<b>Changes in Cash and Cash Equivalents</b>						
At the Beginning of the Period	42,441	25,662	-39.5%	33,204	27,832	-16.2%
At the End of the Period	37,730	32,965	-12.6%	37,730	32,965	-12.6%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,711)</b>	<b>7,303</b>	<b>-255.0%</b>	<b>4,526</b>	<b>5,133</b>	<b>+13.4%</b>

<sup>(1)</sup> 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 IV – GROSS REVENUE, GROSS REVENUE EX-IPI AND MODULES SOLD – CONSOLIDATED

Gross Revenue	1Q16	1Q17	2Q16	2Q17	3Q16	3Q17	4Q16	9M16	9M17	2h16	2016
Total Gross Revenue	61,723	52,235	65,160	51,049	64,979	56,234	64,116	191,862	159,518	129,095	255,978
Domestic Market	60,447	51,614	63,775	50,049	63,633	54,082	62,836	187,855	155,745	126,469	250,691
Dell Anno and Favorita - Exclusive Dealers and Own Stores	33,108	28,905	31,626	28,067	33,295	29,436	36,383	98,029	86,408	69,678	134,412
New and Casa Brasileira Exclusive Dealers	16,803	13,423	18,915	13,000	17,922	14,288	17,160	53,640	40,711	35,082	70,800
New and Casa Brasileira Multibrand	7,521	5,793	9,228	6,076	8,279	6,653	7,019	25,028	18,522	15,298	32,047
Unicasa Corporate	2,511	2,833	3,322	2,131	3,192	3,115	1,488	9,025	8,079	4,680	10,513
Other Revenues	504	660	684	775	945	590	786	2,133	2,025	1,731	2,919
Export Market	1,276	621	1,385	1,000	1,346	2,152	1,280	4,007	3,773	2,626	5,287

Gross Revenue from Sales Ex-IPI	1Q16	1Q17	2Q16	2Q17	3Q16	3Q17	4Q16	9M16	9M17	2h16	2016
Total Gross Revenue	59,168	50,119	62,451	48,914	62,278	53,938	61,462	183,897	152,971	123,740	245,359
Domestic Market	57,892	49,498	61,066	47,914	60,932	51,786	60,182	179,890	149,198	121,114	240,072
Dell Anno and Favorita - Exclusive Dealers and Own Stores	31,839	27,856	30,429	26,964	32,025	28,297	34,973	94,293	83,117	66,998	129,266
New and Casa Brasileira Exclusive Dealers	16,008	12,792	18,020	12,386	17,071	13,616	16,351	51,099	38,794	33,422	67,450
New and Casa Brasileira Multibrand	7,165	5,516	8,790	5,788	7,884	6,337	6,684	23,839	17,641	14,568	30,523
Unicasa Corporate	2,396	2,699	3,165	2,028	3,040	2,966	1,418	8,601	7,693	4,458	10,019
Other Revenues	484	635	662	748	912	570	756	2,058	1,953	1,668	2,814
Export Market	1,276	621	1,385	1,000	1,346	2,152	1,280	4,007	3,773	2,626	5,287

Modules Sold (Units)	1Q16	1Q17	2Q16	2Q17	3Q16	3Q17	4Q16	9M16	9M17	2h16	2016
Total Gross Revenue	239,072	190,073	272,787	187,843	249,949	217,017	239,330	761,808	594,933	489,279	1,001,138
Domestic Market	232,888	187,637	266,184	183,905	242,777	206,341	233,841	741,849	577,883	476,618	975,690
Dell Anno and Favorita - Exclusive Dealers and Own Stores	83,947	74,640	82,038	77,485	93,264	88,100	97,035	259,249	240,225	190,299	356,284
New and Casa Brasileira Exclusive Dealers	91,389	68,287	109,186	65,045	92,124	70,071	84,831	292,699	203,403	176,955	377,530
New and Casa Brasileira Multibrand	43,906	34,121	54,621	34,923	42,410	37,787	39,797	140,937	106,831	82,207	180,734
Unicasa Corporate	7,780	8,673	12,682	6,023	8,537	9,921	6,222	28,999	24,617	14,759	35,221
Other Revenues	5,866	1,916	7,657	429	6,442	462	5,956	19,965	2,807	12,398	25,921
Export Market	6,184	2,436	6,603	3,938	7,172	10,676	5,489	19,959	17,050	12,661	25,448

## 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 interim financial information, 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. Two stores were transferred in 2017 and four were transferred in the last quarter of 2016 for a total of seven stores.

#### **Approval of quarterly accounting information**

The presentation of this quarterly accounting information was approved and authorized at the Board of Directors’ Meeting held on November 9, 2017.

### 2. Summary of accounting policies

The interim parent company and consolidated accounting information for the three- and nine-month periods ended September 30, 2017 were 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 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 significant information presented in the reporting period and must be analyzed together with the complete financial statements for the fiscal year ended December 31, 2016 and the interim accounting information for the three- and nine-month period ended September 30, 2017.

The accounting policies, the use of certain accounting estimates, Management judgments and calculation methods adopted in this quarterly accounting information are the same as those adopted in the preparation of annual financial statements for the fiscal year ended December 31, 2016 and interim accounting information for the three- and nine-month period ended September 30, 2017.

#### **2.1 IFRS pronouncements that have not yet come into effect at September 30, 2017**

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

## Notes to the Financial Statements

## 3. Cash and cash equivalents

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Cash and banks	809	1,281	1,030	2,822
Short-term investments – CDBs	30,939	24,771	31,935	25,010
	<b>31,748</b>	<b>26,052</b>	<b>32,965</b>	<b>27,832</b>

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 100.87% of the CDI on September 30, 2017 (101.16% on December 31, 2016).

## 4. Trade accounts receivable

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
<b>Domestic market</b>				
Third parties	53,878	51,991	54,970	53,949
Related parties (Note 19)	1,539	1,904	-	-
<b>Foreign market</b>				
Third parties	1,808	1,730	1,808	1,730
<b>Check receivables</b>	6,874	7,090	6,990	7,651
	<b>64,099</b>	<b>62,715</b>	<b>63,768</b>	<b>63,330</b>
(-) Allowance for doubtful accounts	(27,880)	(27,935)	(28,166)	(28,836)
(-) Present Value Adjustment (PVA)	(420)	(647)	(420)	(647)
	<b>35,799</b>	<b>34,133</b>	<b>35,182</b>	<b>33,847</b>
Current assets	24,145	22,189	23,528	21,903
Non-current assets	11,654	11,944	11,654	11,944
	<b>35,799</b>	<b>34,133</b>	<b>35,182</b>	<b>33,847</b>

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 September 30, 2017 and December 31, 2016, were 23 and 24 days, respectively.

The changes in allowance for loan losses are as follows:

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Balance at beginning of period	(27,935)	(19,277)	(28,836)	(19,836)
Additions	(2,630)	(13,679)	(2,866)	(14,164)
Recovery / realizations	1,777	2,708	1,902	2,841
Write off due to losses	907	2,313	1,634	2,323
Balance at end of period	<b>(27,881)</b>	<b>(27,935)</b>	<b>(28,166)</b>	<b>(28,836)</b>

## Notes to the Financial Statements

### 4. Trade accounts receivable --Continued

At September 30, 2017 and December 31, 2016, the breakdown of trade accounts receivable by maturity is as follows:

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Falling due	<b>35,768</b>	35,983	<b>34,925</b>	35,610
Overdue:				
From 1 to 30 days	<b>1,943</b>	2,844	<b>2,281</b>	2,864
From 31 to 60 days	<b>1,420</b>	1,525	<b>1,426</b>	1,557
From 61 to 90 days	<b>1,124</b>	1,106	<b>1,129</b>	1,142
From 91 to 180 days	<b>2,416</b>	2,336	<b>2,432</b>	2,428
Over 181 days	<b>21,428</b>	18,921	<b>21,575</b>	19,729
	<b>64,099</b>	62,715	<b>63,768</b>	63,330

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.

### 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	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Finished products	<b>336</b>	4	<b>852</b>	1,628
Products under production	<b>2,592</b>	2,106	<b>2,592</b>	2,106
Goods for resale	<b>341</b>	385	<b>1,215</b>	803
Raw material	<b>14,397</b>	15,302	<b>14,397</b>	15,302
Advances to suppliers	<b>488</b>	21	<b>488</b>	21
Sundry materials	<b>1,371</b>	1,514	<b>1,371</b>	1,514
Provision for obsolescence	<b>(243)</b>	(374)	<b>(243)</b>	(374)
	<b>19,282</b>	18,958	<b>20,672</b>	21,000

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	
	9/30/2017	12/31/2016
Balance at beginning of period	<b>(374)</b>	(600)
Additions	<b>(535)</b>	(636)
Recoveries / realizations	<b>666</b>	862
Balance at end of period	<b>(243)</b>	(374)

## Notes to the Financial Statements

### 6. Assets held for sale

At September 30, 2017, assets held for sale totaling R\$4,139 (R\$11,006 at December 31, 2016) 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.

### 7. Loans granted

	Parent Company and Consolidated	
	9/30/2017	12/31/2016
Loans granted	5,333	5,780
(-) Present value adjustment (AVP)	-	(24)
	<b>5,333</b>	<b>5,756</b>
Current assets	2,510	2,521
Non-current assets	2,823	3,235
	<b>5,333</b>	<b>5,756</b>

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 16.42% p.a. (17.85% in 2016). As guarantee for these operations, the Company has letters of guarantee of partners of stores and first-degree mortgage guarantees.

### 8. Other assets

	Parent Company		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Other current assets:				
Advances and prepayments	114	856	142	982
Prepaid expenses	1,608	876	1,624	876
Sundry debtors (*)	1,551	1,785	1,551	1,785
Other accounts receivable – sale of own stores (**)	360	-	1,510	763
	<b>3,633</b>	<b>3,517</b>	<b>4,827</b>	<b>4,406</b>
Other non-current assets:				
Other accounts receivable – sale of own stores (**)	892	1,070	2,821	2,718
Other	77	317	77	317
	<b>969</b>	<b>1,387</b>	<b>2,898</b>	<b>3,035</b>

(\*) 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 its subsidiary Unicasa Comércio Ltda., as mentioned in Note 1. Total sale amount was R\$4,995 and the balance was received in consecutive monthly installments. This transaction is covered by collateral according to the term established in agreements. Other accounts receivable from sale of own operations are expected as follows:

Period	Parent Company R\$	Consolidated R\$
4Q17	90	366
9M18	270	1,144
4Q18	87	388
2019	363	1,498
2020	294	771
2020 onwards	148	164
Total receivables	<b>1,252</b>	<b>4,331</b>



**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:

	<b>Unicasa Comércio de Móveis Ltda.</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>
Current assets	<b>5,066</b>	6,728
Non-current assets	<b>2,334</b>	2,352
Liabilities	<b>8,696</b>	13,069
Shareholders' equity	<b>(1,296)</b>	(3,989)
Capital stock	<b>16,100</b>	15,600

	<b>Unicasa Comércio de Móveis Ltda.</b>	
	<b>9/30/2017</b>	<b>9/30/2016</b>
Net revenue	<b>16,521</b>	20,052
Profit/(Loss) for the period – subsidiary	<b>2,194</b>	(850)
% Ownership interest	<b>99.99%</b>	99.99%
Equity income (loss) before eliminations	<b>2,194</b>	(850)
Effect of unrealized income	<b>77</b>	46
Equity income (loss)	<b>2,271</b>	(804)

The changes in investments in subsidiary are as follows:

	<b>Parent Company</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>
Investment balance (unsecured liability) at beginning of period	<b>(4,353)</b>	1,615
Capital payment – subsidiary	<b>500</b>	2,000
Equity income (loss)	<b>2,271</b>	(7,968)
Investment balance (unsecured liability) at end of period	<b>(1,582)</b>	(4,353)

## Notes to the Financial Statements

## 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 fiscal year in which the asset was written off.

Residual value and useful life of assets and the depreciation methods are periodically reviewed and prospectively adjusted, as applicable. Property, plant and equipment is broken down as follows:

**Parent Company**

Cost of property, plant and equipment								Total
	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	
Balances at 12/31/2015	2,285	21,557	12,544	96,150	2,600	4,796	1,039	140,971
Acquisitions	-	10	124	247	97	76	6,309	6,863
Write-offs	-	-	(515)	(166)	(193)	(1,460)	-	(2,334)
Transfers	-	8	947	1,076	3	271	(2,305)	-
Balances at 12/31/2016	2,285	21,575	13,100	97,307	2,507	3,683	5,043	145,500
Acquisitions	-	-	164	656	80	102	3,168	4,170
Write-offs	-	-	(103)	(2,413)	(202)	(691)	-	(3,409)
Transfers	-	-	326	5,583	5	672	(6,586)	-
Balances at 9/30/2017	2,285	21,575	13,487	101,133	2,390	3,766	1,625	146,261

  

Accumulated depreciation								Total
	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	
Balances at 12/31/2015	-	(5,939)	(3,539)	(45,158)	(1,440)	(3,344)	-	(59,420)
Depreciation	-	(233)	(925)	(3,821)	(130)	(336)	-	(5,445)
Write-off	-	-	-	160	141	1,424	-	1,725
Balances at 12/31/2016	-	(6,172)	(4,464)	(48,819)	(1,429)	(2,256)	-	(63,140)
Depreciation	-	(185)	(763)	(2,955)	(115)	(249)	-	(4,267)
Write-off	-	-	105	2,190	188	675	-	3,158
Balances at 9/30/2017	-	(6,357)	(5,122)	(49,584)	(1,356)	(1,830)	-	(64,249)

  

Property, plant and equipment, net								Total
Balances at 12/31/2015	2,285	15,618	9,005	50,992	1,160	1,452	1,039	81,551
Balances at 12/31/2016	2,285	15,403	8,636	48,488	1,078	1,427	5,043	82,360
Balances at 9/30/2017	2,285	15,218	8,365	51,549	1,034	1,936	1,625	82,012

## Notes to the Financial Statements

## 10. Property, plant and equipment--Continued

**Consolidated**

<b>Cost of property, plant and equipment</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements and facilities</b>	<b>Machinery and equipment</b>	<b>Furniture and fixtures</b>	<b>IT equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Balances at 12/31/2015	2,285	21,557	13,477	96,211	3,335	5,154	1,039	143,058
Acquisitions	-	10	180	247	432	223	6,309	7,401
Write-offs	-	-	(1,174)	(183)	(767)	(1,671)	-	(3,795)
Transfers	-	8	947	1,076	3	271	(2,305)	-
Balances at 12/31/2016	2,285	21,575	13,430	97,351	3,003	3,977	5,043	146,664
<b>Acquisitions</b>	-	-	<b>164</b>	<b>656</b>	<b>187</b>	<b>111</b>	<b>3,185</b>	<b>4,303</b>
<b>Write-offs</b>	-	-	<b>(415)</b>	<b>(2,417)</b>	<b>(551)</b>	<b>(854)</b>	-	<b>(4,237)</b>
<b>Transfers</b>	-	-	<b>326</b>	<b>5,583</b>	<b>22</b>	<b>672</b>	<b>(6,603)</b>	-
<b>Balances at 9/30/2017</b>	<b>2,285</b>	<b>21,575</b>	<b>13,505</b>	<b>101,173</b>	<b>2,661</b>	<b>3,906</b>	<b>1,625</b>	<b>146,730</b>

<b>Accumulated depreciation</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements and facilities</b>	<b>Machinery and equipment</b>	<b>Furniture and fixtures</b>	<b>IT equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Balances at 12/31/2015	-	(5,939)	(3,675)	(45,193)	(1,549)	(3,425)	-	(59,781)
Depreciation	-	(233)	(991)	(3,823)	(190)	(388)	-	(5,625)
Write-off	-	-	-	160	151	1,445	-	1,756
Balances at 12/31/2016	-	(6,172)	(4,666)	(48,856)	(1,588)	(2,368)	-	(63,650)
<b>Depreciation</b>	-	<b>(185)</b>	<b>(778)</b>	<b>(2,956)</b>	<b>(151)</b>	<b>(276)</b>	-	<b>(4,346)</b>
<b>Write-off</b>	-	-	<b>320</b>	<b>2,194</b>	<b>344</b>	<b>772</b>	-	<b>3,630</b>
<b>Balances at 9/30/2017</b>	-	<b>(6,357)</b>	<b>(5,124)</b>	<b>(49,618)</b>	<b>(1,395)</b>	<b>(1,872)</b>	-	<b>(64,366)</b>

**Property, plant and equipment, net**

Balances at 12/31/2015	2,285	15,618	9,802	51,018	1,786	1,729	1,039	83,277
Balances at 12/31/2016	2,285	15,403	8,764	48,495	1,415	1,609	5,043	83,014
<b>Balances at 9/30/2017</b>	<b>2,285</b>	<b>15,218</b>	<b>8,381</b>	<b>51,555</b>	<b>1,266</b>	<b>2,034</b>	<b>1,625</b>	<b>82,364</b>

**Average useful life – in years**

-	70.00	18.91	19.49	14.34	9.71	-
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**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 as an expense consistent with the use of the asset.

**Parent Company**

	<b>Software</b>	<b>Trademarks and patents</b>	<b>Commercial goodwill</b>	<b>Total</b>
Balances at 12/31/2015	1,345	67	21,755	23,167
Acquisitions	665	-	330	995
Write-offs (*)	-	-	(3,570)	(3,570)
Amortization	(393)	(11)	(4,914)	(5,318)
Balances at 12/31/2016	1,617	56	13,601	15,274
Acquisitions	173	-	-	173
Write-offs (*)	-	-	(200)	(200)
Amortization	(325)	(9)	(3,166)	(3,500)
Balances at 9/30/2017	1,465	47	10,235	11,747

**Consolidated**

	<b>Software</b>	<b>Trademarks and patents</b>	<b>Commercial goodwill</b>	<b>Total</b>
Balances at 12/31/2015	1,348	67	21,755	23,170
Acquisitions	680	-	330	1,010
Write-offs (*)	-	-	(3,570)	(3,570)
Amortization	(394)	(11)	(4,914)	(5,319)
Balances at 12/31/2016	1,634	56	13,601	15,291
Acquisitions	173	-	-	173
Write-offs (*)	(15)	-	(200)	(215)
Amortization	(326)	(9)	(3,166)	(3,501)
Balances at 9/30/2017	1,466	47	10,235	11,748

Average useful life in years	<b>5.00</b>	<b>10.00</b>	<b>7.87</b>
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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 year, at September 30, 2017, in the amount of R\$984 (R\$1,181 at September 30, 2016).

## Notes to the Financial Statements

### 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 year, except for transactions recognized directly in comprehensive income, for which taxes are also recognized in comprehensive income.

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 a corresponding 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.

#### Provisional presidential decree 766/2017 of January 4, 2017

The provisional presidential decree (MP) 766/17 established the Tax Regularization Program (PRT) which, in short, allowed companies to settle 20% of their tax debts in cash and 80% using credits from tax losses and negative CSLL calculation base.

The Management of Unicasa considered the program advantageous and joined it on May 31, 2017 to settle tax debts totaling R\$1,491 (adjusted for interest and fine), paying R\$298 in cash and using tax losses amounting to R\$1,193. The use of tax losses of its subsidiary, which were fully written off, as mentioned in the notes to the 2016 Financial Statements, generated deferred income tax and social contribution revenue. The same proceedings (in the adjusted amount of R\$1,491) were covered by a provision of R\$1,306 due to their probability of loss. Thus, the net effect on profit or loss was a revenue of R\$1,008.

## 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	
	9/30/17	12/31/16	9/30/17	9/30/16	9/30/17	12/31/16	9/30/17	9/30/16
<b><u>On temporary differences:</u></b>								
<b>Assets</b>								
Allowance for loan losses	9,479	9,498	(19)	(427)	9,479	9,498	(19)	(325)
Provision for obsolete inventories	83	127	(44)	(83)	83	127	(44)	(83)
Provisions for losses with sureties	1,351	1,351	-	-	1,351	1,351	-	-
Provision for labor, tax, civil and termination of commercial relationship risks	5,381	6,471	(1,090)	(500)	5,381	6,471	(1,090)	(500)
Present value adjustment (AVP)	224	228	(4)	(170)	224	228	(4)	(170)
Other provisions and temporary differences	1,061	1,182	(121)	(145)	1,061	1,182	(121)	(145)
	17,579	18,857	(1,278)	(1,325)	17,579	18,857	(1,278)	(1,223)
Offset of income tax/social contribution loss carryforwards – Subsidiary – PRT – MP no. 766/2017	-	-	-	-	-	-	1,193	-
<b>On tax loss carryforwards</b>	<b>5,972</b>	<b>1,979</b>	<b>3,993</b>	<b>-</b>	<b>5,972</b>	<b>1,979</b>	<b>3,993</b>	<b>297</b>
	23,551	20,836	2,715	(1,325)	23,551	20,836	3,908	(926)
<b>Liabilities</b>								
Tax and corporate depreciation difference	(7,871)	(7,040)	(831)	(605)	(7,871)	(7,040)	(831)	(605)
<b>Total</b>	<b>15,680</b>	<b>13,796</b>	<b>1,884</b>	<b>(1,930)</b>	<b>15,680</b>	<b>13,796</b>	<b>3,077</b>	<b>(1,531)</b>

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

At September 30, 2017, the subsidiary Unicasa Comércio de Móveis Ltda. has balance of R\$14,982 related to accumulated balance of negative base for calculation of social contribution and R\$360 arising from temporary differences for which the corresponding deferred taxes were not recognized.

Projections indicate that tax assets recorded on September 30, 2017 will be absorbed by taxable income estimated for the 10 next years, as shown below:

Period	Parent Company and Consolidated
2017	3,002
2018	7,215
2019	7,148
2020	1,020
2020 onwards	5,166
Total – Deferred assets	23,551

## 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:

	<b>Parent Company</b>			
	<b>3Q17</b>	<b>9M17</b>	<b>3Q16</b>	<b>9M16</b>
Profit / (loss) before taxes	283	(3,641)	(3,531)	1,787
Income tax (25%) and social contribution (9%) at nominal rate	(96)	1,238	1,201	(608)
Adjustments for presentation of effective rate:				
Adjustment for straight-line recognition of estimated income tax and social contribution expense	-	-	(1,143)	-
Equity income (loss)	43	771	(114)	(273)
Non-deductible expenses	(10)	(20)	(493)	(511)
Prior-year deferred taxes	-	130	(100)	(400)
Other permanent exclusions/additions	10	(235)	(113)	(138)
Total income and social contribution taxes:	<b>(53)</b>	<b>1,884</b>	<b>(762)</b>	<b>(1,930)</b>
Current income and social contribution tax expense	-	-	-	-
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	(407)	(2,109)	(736)	(1,930)
Recording and reversal in tax loss	354	3,993	(26)	-
	<b>(53)</b>	<b>1,884</b>	<b>(762)</b>	<b>(1,930)</b>
Effective rate	19%	52%	-22%	108%
	<b>Consolidated</b>			
	<b>3Q17</b>	<b>9M17</b>	<b>3Q16</b>	<b>9M16</b>
Profit / (loss) before taxes	346	(4,734)	(3,687)	1,388
Income tax (25%) and social contribution (9%) at nominal rate	(117)	1,610	1,254	(472)
Adjustments for presentation of effective rate:				
Adjustment for straight-line recognition of estimated income tax and social contribution expense	-	-	(1,143)	-
Reversal of tax credits – subsidiary	-	-	-	-
Non-deductible expenses	(10)	(20)	(503)	(531)
Prior-year deferred taxes	(335)	130	(100)	(400)
Offset of income tax/social contribution loss carryforwards – Subsidiary – PRT – Provisional Decree no. 766/2017	-	1,193	-	-
Other permanent exclusions/additions	346	64	(114)	(128)
Total income and social contribution taxes:	<b>(116)</b>	<b>2,977</b>	<b>(606)</b>	<b>(1,531)</b>
Current income and social contribution tax expense	(63)	(100)	-	-
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	(407)	(2,109)	(704)	(1,828)
Recording and reversal in tax loss	354	5,186	98	297
	<b>(116)</b>	<b>2,977</b>	<b>(606)</b>	<b>(1,531)</b>
Effective rate	34%	63%	-16%	110%

**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:

	<b>Parent Company and Consolidated</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>
Provision for labor risks	<b>1,390</b>	1,667
Provision for tax risks	<b>931</b>	2,247
Provision for civil risks	<b>6,851</b>	9,017
	<b>9,172</b>	12,931

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 September 30, 2017, civil and labor lawsuits classified as possible loss totaled R\$11,973 and R\$3,395, respectively. There are no tax lawsuits with the risk of possible loss.

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

	<b>Parent Company and Consolidated</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>
Balance at beginning of period	<b>12,931</b>	6,643
Additions	<b>10,342</b>	15,196
Recoveries / realizations	<b>(14,101)</b>	(8,908)
Balance at end of period	<b>9,172</b>	12,931



**Notes to the Financial Statements****13. Provisions--Continued****b) Judicial deposits**

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>	<b>9/30/2017</b>	<b>12/31/2016</b>
Labor judicial deposits	<b>504</b>	896	<b>504</b>	896
Tax judicial deposits	<b>536</b>	538	<b>536</b>	538
Civil judicial deposits	<b>1,802</b>	1,778	<b>1,854</b>	1,811
	<b>2,842</b>	3,212	<b>2,894</b>	3,245

**c) Provision for termination of commercial relation with reseller**

According to material fact disclosed to the market on November 28, 2014, the Company decided to terminate its commercial relation with one of its largest chain store owners operating in the São Paulo region. Based on a technical study prepared by the Management, the Company recorded provision to cover obligations assumed on orders taken from consumers that were pending delivery and assembling on the date of said termination. The changes in the provision are as follows:

	<b>Parent Company and Consolidated</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>
Balance at beginning of period	<b>6,103</b>	9,474
Additions	<b>3,806</b>	-
Realizations	<b>(3,254)</b>	(3,371)
Balance at end of period	<b>6,655</b>	6,103

**Notes to the Financial Statements****14. Shareholder' equity****a) Capital stock**

The capital stock of the Company is R\$187,709 at September 30, 2017 and December 31, 2016, 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 fiscal year up to the limit of 20% of capital stock. At September 30, 2017, the entire net income from the period was absorbed by prior-year losses, so a legal reserve was not recorded.

**c) Earnings per share**

At September 30, 2017 and 2016, Company's basic and diluted earnings per share were equal, given that there are no potential dilutive shares.

	<b>Parent Company and Consolidated</b>			
	<b>3Q17</b>	<b>9M17</b>	<b>3Q16</b>	<b>9M16</b>
Net Income / (loss) for the period	<b>230</b>	<b>(1.757)</b>	(4.293)	(143)
Weighted average of shares issued (in thousands)	<b>66,086</b>	<b>66,086</b>	66,086	66,086
Earnings / (loss) per share – basic and diluted (R\$)	<b>0.00348</b>	<b>(0.02659)</b>	(0.06496)	(0.00216)

## Notes to the Financial Statements

## 15. Net revenue from sales

Net revenue from sales are broken down as follows:

	Parent Company			
	3Q17	9M17	3Q16	9M16
Gross revenue from sales	51,815	144,280	58,854	174,189
IPI on sales	(2,297)	(6,548)	(2,698)	(7,963)
ICMS tax replacement (ST) on sales	(1)	(1)	(1)	(2)
Gross revenue from sales ( - ) IPI and ICMS ST on sales	49,517	137,731	56,155	166,224
ICMS on sales	(5,348)	(15,380)	(6,333)	(18,614)
Other taxes on sales (PIS/COFINS/CPRB)	(5,488)	(15,601)	(6,418)	(18,977)
Sales returns	(78)	(178)	(223)	(404)
Present value adjustment (AVP)	(336)	(1,019)	(580)	(1,580)
	<b>38,267</b>	<b>105,553</b>	<b>42,601</b>	<b>126,649</b>

  

	Consolidated			
	3Q17	9M17	3Q16	9M16
Gross revenue from sales	56,234	159,518	64,979	191,862
IPI on sales	(2,297)	(6,548)	(2,698)	(7,963)
ICMS tax replacement (ST) on sales	(1)	(1)	(1)	(2)
Gross revenue from sales ( - ) IPI and ICMS ST on sales	53,936	152,969	62,280	183,897
ICMS on sales	(6,099)	(17,739)	(7,220)	(21,084)
Other taxes on sales (PIS/COFINS/CPRB)	(6,262)	(18,127)	(7,467)	(21,997)
Sales returns	(77)	(196)	(223)	(443)
Present value adjustment (AVP)	(336)	(1,019)	(580)	(1,580)
	<b>41,162</b>	<b>115,888</b>	<b>46,790</b>	<b>138,793</b>

## 16. Expenses by nature

	Parent Company			
	3Q17	9M17	3Q16	9M16
<b>Expenses by function</b>				
Cost of goods sold and/or services	(23,431)	(65,612)	(27,376)	(79,296)
Selling expenses	(9,129)	(33,183)	(14,579)	(35,668)
Administrative expenses	(7,114)	(17,368)	(6,505)	(17,029)
	<b>(39,674)</b>	<b>(116,163)</b>	<b>(48,460)</b>	<b>(131,993)</b>
<b>Expenses by nature</b>				
Personnel expenses	(6,768)	(23,754)	(10,821)	(30,755)
Input expenses	(17,464)	(47,106)	(20,219)	(58,305)
Depreciation and amortization expenses	(2,593)	(7,767)	(2,733)	(8,156)
Third-party service expenses	(3,871)	(11,221)	(3,797)	(10,304)
Advertising expenses	(1,357)	(3,621)	(2,148)	(4,512)
Expenses with commissions	(206)	(679)	(227)	(764)
Reversal/(Expense) with provisions	(1,751)	279	(384)	(1,245)
Expenses with civil lawsuits	(2,535)	(9,867)	(2,709)	(5,910)
Travel expenses	(807)	(2,338)	(958)	(2,805)
Electric power expenses	(633)	(1,772)	(690)	(1,906)
Other expenses	(1,689)	(8,317)	(3,774)	(7,331)
	<b>(39,674)</b>	<b>(116,163)</b>	<b>(48,460)</b>	<b>(131,993)</b>

## Notes to the Financial Statements

## 16. Expenses by nature--Continued

	Consolidated			
	3Q17	9M17	3Q16	9M16
<b>Expenses by function</b>				
Cost of goods sold and/or services	(23,484)	(66,443)	(27,061)	(78,411)
Selling expenses	(11,907)	(42,438)	(19,603)	(50,055)
Administrative expenses	(7,114)	(17,368)	(6,505)	(17,029)
	<u>(42,505)</u>	<u>(126,249)</u>	<u>(53,169)</u>	<u>(145,495)</u>
<b>Expenses by nature</b>				
Personnel expenses	(8,034)	(27,668)	(13,055)	(37,146)
Input expenses	(17,526)	(47,998)	(20,001)	(57,599)
Depreciation and amortization expenses	(2,608)	(7,847)	(2,779)	(8,287)
Third-party service expenses	(4,633)	(13,949)	(5,244)	(14,303)
Advertising expenses	(1,426)	(3,887)	(2,292)	(4,937)
Expenses with commissions	(206)	(679)	(227)	(764)
Reversal/(Expense) with provisions	(1,811)	178	(480)	(1,547)
Expenses with civil lawsuits	(2,546)	(9,890)	(2,709)	(5,910)
Travel expenses	(840)	(2,473)	(1,022)	(3,007)
Electric power expenses	(642)	(1,823)	(727)	(2,054)
Other expenses	(2,233)	(10,213)	(4,633)	(9,941)
	<u>(42,505)</u>	<u>(126,249)</u>	<u>(53,169)</u>	<u>(145,495)</u>

## 17. Other operating revenues

	Parent Company			
	3Q17	9M17	3Q16	9M16
Bank premium (*)	383	1,252	610	1,864
Exploration right of brands	-	570	-	-
Gain from sale of property, plant and equipment	83	564	11	135
Other operating revenues	241	530	36	395
<b>Other operating revenues</b>	<u>707</u>	<u>2,916</u>	<u>657</u>	<u>2,394</u>

  

	Consolidated			
	3Q17	9M17	3Q16	9M16
Bank premium (*)	383	1,252	610	1,864
Exploration right of brands	-	570	-	-
Gain from sale of property, plant and equipment	91	1,131	11	135
Other operating revenues	358	892	43	495
<b>Other operating revenues</b>	<u>832</u>	<u>3,845</u>	<u>664</u>	<u>2,494</u>

(\*) 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.

## Notes to the Financial Statements

## 18. Financial income (expense)

	Parent Company			
	3Q17	9M17	3Q16	9M16
<b>Financial expenses</b>				
IOF charge and bank fees	(42)	(188)	(91)	(299)
Exchange variation expenses	(144)	(283)	(160)	(881)
Present value adjustment (AVP)	(56)	(406)	(107)	(172)
Discounts granted	(511)	(619)	(274)	(1,496)
Other financial expenses	(7)	(600)	(16)	(22)
	<b>(760)</b>	<b>(2,096)</b>	<b>(648)</b>	<b>(2,870)</b>
<b>Financial income</b>				
Interest income	397	1,267	446	1,796
Yield from short-term investments	492	1,905	1,183	3,838
Exchange variation income	137	298	195	482
Present value adjustment (AVP)	359	1,438	759	2,251
Other financial income	241	590	371	673
	<b>1,626</b>	<b>5,498</b>	<b>2,954</b>	<b>9,040</b>
<b>Net financial result</b>	<b>866</b>	<b>3,402</b>	<b>2,306</b>	<b>6,170</b>

	Consolidated			
	3Q17	9M17	3Q16	9M16
<b>Financial expenses</b>				
IOF charge and bank fees	(52)	(232)	(121)	(393)
Exchange variation expenses	(144)	(283)	(160)	(881)
Present value adjustment (AVP)	(56)	(406)	(107)	(172)
Discounts granted	(513)	(626)	(274)	(1,500)
Other financial expenses	(8)	(615)	(22)	(30)
	<b>(773)</b>	<b>(2,162)</b>	<b>(684)</b>	<b>(2,976)</b>
<b>Financial income</b>				
Interest income	418	1,329	457	1,831
Yield from short-term investments	493	1,924	1,228	3,965
Exchange variation income	137	298	195	482
Present value adjustment (AVP)	359	1,438	759	2,251
Other financial income	241	590	373	675
	<b>1,648</b>	<b>5,579</b>	<b>3,012</b>	<b>9,204</b>
<b>Net financial result</b>	<b>875</b>	<b>3,417</b>	<b>2,328</b>	<b>6,228</b>

## 19. Transactions and balances with related parties

During the period ended September 30, 2017 and fiscal year ended December 31, 2016, the Company conducted the following transactions with related parties:

	Parent Company		Parent Company		Consolidated	
	Current Assets		Sales revenue		Sales revenue	
	9/30/17	12/31/16	9/30/17	9/30/16	9/30/17	9/30/16
Accounts receivable from sales:						
Unicasa Comércio de Móveis Ltda.	1,539	1,904	6,186	7,908	-	-
Telasul S.A.	-	-	-	69	-	69
	<b>1,539</b>	<b>1,904</b>	<b>6,186</b>	<b>7,977</b>	<b>-</b>	<b>69</b>

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 60 days.

## Notes to the Financial Statements

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\$886 in the period ended September 30, 2017 (R\$1,513 at September 30, 2016). 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.

## 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** – 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 short settlement term for these operations.
- **Loans granted** – These are classified as financial assets not measured at fair value and are recorded at amortized cost method in accordance with contractual terms, net of present value adjustment. This definition was adopted because the amounts are not held for negotiation and, in the Management's opinion, reflect the more relevant accounting information. The fair values of these loans granted differ from their book values because these are financial instruments with fixed rates that differ from current market rates.
- **Other financial liabilities** – These are classified as financial liabilities not measured at fair value and are recorded at amortized cost method in accordance with contractual terms. This definition was adopted because the amounts are not held for trading and, in the Management's opinion, reflect the more relevant accounting information.

## Notes to the Financial Statements

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

## a) Financial instruments – fair value--Continued

All transactions with financial instruments are recognized in the Company's interim accounting information. The outstanding balances at September 30, 2017 and December 31, 2016, as well as their fair value, are shown in the table below:

	Book value				Fair value			
	Parent Company		Consolidated		Parent Company		Consolidated	
	9/30/17	12/31/16	9/30/17	12/31/16	9/30/17	12/31/16	9/30/17	12/31/16
<b>Assets</b>								
<b>Loans and receivables</b>								
Cash and cash equivalents	31,748	26,052	32,965	27,832	31,748	26,052	32,965	27,832
Short-term investments	3,616	4,779	3,616	4,779	3,616	4,779	3,616	4,779
Trade accounts receivable	35,799	34,133	35,182	33,847	35,799	34,133	35,182	33,847
Loans granted	5,333	5,756	5,333	5,756	5,870	5,897	5,870	5,897
<b>Liabilities</b>								
<b>Other financial liabilities</b>								
Trade accounts payable	(5,401)	(3,093)	(5,520)	(3,343)	(5,401)	(3,093)	(5,520)	(3,343)
<b>Net financial instruments</b>	<b>71,095</b>	<b>67,627</b>	<b>71,576</b>	<b>68,871</b>	<b>71,632</b>	<b>67,768</b>	<b>72,113</b>	<b>69,012</b>

To determine the fair value of its financial instruments, the Company adopted the technique of evaluating observable prices ("Level 2").

## 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, and loans granted to clients.

Risk management activities follow the Company's risk management policy, under the management of its executive officers. The management of these risks is based on the control policy, which establishes techniques for continuous follow-up, measurement and monitoring of exposure.

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 borrowings payable 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, basically in export operations. The Company adjusts its structure of costs and selling prices in order to assimilate exchange oscillations. At September 30, 2017, the Company records accounts receivable from exports equivalent to USD 570 and does not record balances payable in foreign currency.

##### **Sensitivity to exchange rates**

In order to verify the sensitivity of indexes of assets and liabilities in foreign currency, 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\$3.17, on September 30, 2017. This analysis identifies possible impacts on total accounts receivable – export market at that date, which totaled R\$1,808. These scenarios envisage a reduction in accounts receivable to R\$1,356 and R\$904, respectively, with negative effects on profit before taxation of R\$452 and R\$904. 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. The Company has been successful in adopting this policy.

- **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. The evaluation of quality of the client's credit is based on an extensive internal credit rating system. Outstanding receivables from clients are frequently monitored. At September 30, 2017, the Company had 29 clients (28 clients at December 31, 2016), representing 50.74% (50.60% at December 31, 2016) of all receivables due. The Company has security interest and monitors its exposure. These clients operate with several stores in Brazil. No client individually represents more than 10% of the sales.

The need for a provision for impairment is analyzed every reporting period for the main clients. In addition, a huge number of accounts receivable with smaller balances is grouped into homogeneous groups and, in these cases, the need for recording a provision for losses is evaluated collectively. 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 September 30, 2017 consisted of trade payables, amounting to R\$5,502, falling due in up to three months, and R\$18, falling due from three months to one year. 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 September 30, 2017 and the fiscal year ended December 31, 2016.

The main purpose of the Company's capital management is to ensure that it maintains a strong credit rating and a capital ratio free of problems in order to support business and maximize value to shareholders.

The Company includes in net debt loans and financing and trade accounts payable, less cash and cash equivalents and short-term investments, as shown below:

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>9/30/2017</b>	<b>12/31/2016</b>	<b>9/30/2017</b>	<b>12/31/2016</b>
Trade accounts payable	5,401	3,093	5,520	3,343
(-) Cash and cash equivalents	(31,748)	(26,052)	(32,965)	(27,832)
(-) Short-term financial investments	(3,616)	(4,779)	(3,616)	(4,779)
Net debt	(29,963)	(27,738)	(31,061)	(29,268)
Shareholder' equity	172,472	174,229	172,472	174,229
Shareholders' equity and net debt	142,509	146,491	141,411	144,961

**21. Insurance**

The Company has the policy of contracting insurance at amounts considered sufficient by the Management to cover possible losses on its assets and/or liabilities. The main insurance categories are shown below:

<b>Coverage</b>	<b>Coverage period</b>		<b>Amount insured</b>
	<b>From</b>	<b>To</b>	
<b>Fire, gale and electric damages</b>			
Machinery, equipment and buildings	2017	2018	149,000
Inventories	2017	2018	21,000
<b>Loss of profits</b>	2017	2018	20,400
<b>General civil liability</b>	2017	2018	8,500
<b>Civil liability for management</b>	2017	2018	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			
	3Q17	9M17	3Q16	9M16
Domestic market				
Dell Anno and Favorita - exclusive and own stores	29,436	86,408	33,295	98,029
New and Casa Brasileira – exclusive stores	14,288	40,711	17,922	53,640
New and Casa Brasileira – multibrand	6,653	18,522	8,279	25,028
Unicasa Corporate	3,115	8,079	3,192	9,025
Other revenues	590	2,025	945	2,133
	<b>54,082</b>	<b>155,745</b>	63,633	187,855
Export market	2,152	3,773	1,346	4,007
Total gross revenue from sales	<b>56,234</b>	<b>159,518</b>	64,979	191,862

Revenue from export market is not shown separately by geographical area given that it represents, at September 30, 2017, 2% of gross revenue (2% at September 30, 2016).

### 23. Commitments with operating lease – lease of stores

At September 30, 2017, the Company had lease agreements with third parties, which the Management analyzed and concluded that they fit the classification of operating lease. Payments of operating lease are recognized as expense in the statement of income on a straight-line basis during the term of the lease agreement.

The consolidated minimum future payments of operating leases that cannot be canceled, up to one year, totaled R\$720, and over one to five years, R\$360.

Average monthly rental expense paid totaled R\$56 at September 30, 2017 and R\$173 at December 31, 2016. These lease agreements are valid for four to five years, subject to financial charges linked to the variation of IGPM per year, as specified in each agreement.

Rentals are settled within the current month, with no balance payable at the end of the period and the fiscal year.

A significant portion of some rentals is linked to revenue from stores, with a minimum estimated amount. In addition, the contractual grace period is not significant for meeting the straight-line estimate of expenses.

## **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 Managers 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 September 30, 2017, comprising the balance sheet as of September 30, 2017 and the respective statements of income and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-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. 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 (CVM).

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

### **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 nine-month period ended on September 30, 2017, 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 applicable to the preparation of Quarterly Financial Information 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.

#### **Review of amounts corresponding to current and previous years**

The amounts corresponding to the individual and consolidated interim financial information of UNICASA Indústria de Móveis S.A. for the three- and nine-month period ended on September 30, 2016, presented for comparison purposes, were reviewed by other independent auditors, who issued a report on November 1, 2016, without any change.

The amounts corresponding to the individual and consolidated interim financial statements of UNICASA Indústria de Móveis S.A. for the fiscal year ended on December 31, 2016, presented for comparison purposes, were reviewed by other independent auditors, who issued a report on March 9, 2017, without any change.

Porto Alegre, November 9, 2017.  
BDO RCS Auditores Independentes SS  
CRC RS 005519-F

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 three- and nine-month periods ended September 30, 2017.

Bento Gonçalves, November 9, 2017.

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 three- and nine-month periods ended September 30, 2017, issued on this date.

Bento Gonçalves, November 9, 2017.

Frank Zietolie  
Chief Executive Officer

Kelly Zietolie  
Executive Vice President

Gustavo Dall Onder  
Chief Financial and Investor Relations Officer