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Company Information / Capital Breakdown

Number of Shares (in thousands)	Current Quarter 3/31/2019
Paid-in Capital	
Common	1,294,050
Preferred	0
Total	1,294,050
Treasury Shares	
Common	300
Preferred	0
Total	300

Individual Interim Financial Information / Statement of Financial Position – Assets

R$ (in thousands)

Code	Description	3/31/2019	12/31/2018
1	Total Assets	20,252,000	21,970,000
1.01	Current Assets	10,262,000	11,935,000
1.01.01	Cash and Cash Equivalents	850,000	2,989,000
1.01.03	Trade Accounts Receivable	3,024,000	3,019,000
1.01.04	Inventories	3,892,000	3,909,000
1.01.06	Taxes Recoverable	559,000	639,000
1.01.07	Prepaid Expenses	94,000	19,000
1.01.08	Other Current Assets	1,843,000	1,360,000
1.01.08.03	Other	1,843,000	1,360,000
1.01.08.03.01	Related Parties	1,803,000	1,333,000
1.01.08.03.20	Other Assets	40,000	27,000
1.02	Noncurrent Assets	9,990,000	10,035,000
1.02.01	Long-Term Assets	4,079,000	4,141,000
1.02.01.03	Trade Accounts Receivable	218,000	210,000
1.02.01.06	Deferred Taxes	729,000	762,000
1.02.01.08	Receivables from Related Parties	150,000	156,000
1.02.01.09	Other Noncurrent Assets	2,982,000	3,013,000
1.02.01.09.04	Financial instruments	9,000	0
1.02.01.09.05	Taxes Recoverable	2,021,000	2,056,000
1.02.01. 09.06	Judicial Deposits	932,000	937,000
1.02.01. 09.20	Other Accounts Receivable	20,000	20,000
1.02.02	Capital Expenditure	943,000	938,000
1.02.03	Property, Plant and Equipment	4,322,000	4,331,000
1.02.03.01	Property, plant and equipment in use	1,301,000	1,293,000
1.02.03.02	Property, plant and equipment leased	3,021,000	3,038,000
1.02.03.02.01	Right-of-Use assets	3,021,000	3,038,000
1.02.04	Intangible Assets	646,000	625,000

Individual Interim Financial Information / Statement of Financial Position – Liabilities

R$ (in thousands)

Code	Description	3/31/2019	12/31/2018
2	Total Liabilities	20,252,000	21,970,000
2.01	Current Liabilities	12,641,000	13,480,000
2.01.01	Payroll and Related Charges	425,000	496,000
2.01.02	Trade accounts payable	5,501,000	6,956,000
2.01.03	Tax Obligations	120,000	126,000
2.01.04	Loans and Financing	3,975,000	3,356,000
2.01.04.01	Loans and Financing	3,975,000	3,356,000
2.01.05	Other Liabilities	2,620,000	2,546,000
2.01.05.01	Related-Party Liabilities	344,000	315,000
2.01.05.02	Other	2,276,000	2,231,000
2.01.05.02.04	Deferred Revenues	381,000	380,000
2.01.05.02.07	Supplier Agreement	334,000	291,000
2.01.05.02.08	Transfer to third parties	522,000	535,000
2.01.05.02.09	Lease liabilities	809,000	813,000
2.01.05.02.20	Other Accounts Payable	230,000	212,000
2.02	Noncurrent Liabilities	5,617,000	6,458,000
2.02.01	Loans and Financing	340,000	965,000
2.02.01.01	Loans and Financing	340,000	965,000
2.02.02	Other Liabilities	4,431,000	4,533,000
2.02.02.01	Lease liabilities	11,000	5,000
2.02.02.02	Other	4,420,000	4,528,000
2.02.02.02.03	Deferred Revenue	1,431,000	1,514,000
2.02.02.02.05	Tax Obligations	30,000	30,000
2.02.02.02.06	Lease liabilities	2,951,000	2,975,000
2.02.02.02.20	Other liabilities	8,000	9,000
2.02.04	Provisions	846,000	960,000
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Contingencies	778,000	903,000
2.02.04.02	Other Provisions	68,000	57,000
2.02.04.02.04	Provision for Investment Losses	68,000	57,000
2.03	Equity	1,994,000	2,032,000
2.03.01	Paid-in Capital	2,899,000	2,899,000
2.03.02	Capital Reserves	-867,000	-871,000
2.03.04	Income Reserves	537,000	537,000
2.03.05	Retained earnings / Accumulated losses	-533,000	-491,000
2.03.08	Other Comprehensive Income (Loss)	-42,000	-42,000

Individual Interim Financial Information / Statement of Profit or Loss

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
3.01	Revenue from Sales and/or Services	5,632,000	5,483,000
3.02	Cost of Sales and/or Services	-4,023,000	-3,556,000
3.03	Gross Profit	1,609,000	1,927,000
3.04	Operating Expense/Income	-1,383,000	-1,580,000
3.04.01	Selling Expenses	-933,000	-1,116,000
3.04.02	General and Administrative Expenses	-134,000	-223,000
3.04.05	Other Operating Expenses	-218,000	-156,000
3.04.05.01	Depreciation and Amortization	-145,000	-124,000
3.04.05.05	Other Operating Income (Expenses), Net	-73,000	-32,000
3.04.06	Equity Income (Loss)	-98,000	-85,000
3.05	Income Before Finance Income (Costs) and Taxes	226,000	347,000
3.06	Finance Income (Costs)	-236,000	-209,000
3.07	Income Before Income Tax	-10,000	138,000
3.08	Income Tax and Social Contribution Tax on Net Profit	-32,000	-74,000
3.09	Net Income/(Loss) from Continuing Operations	-42,000	64,000
3.11	Net Income/Loss in the Period	-42,000	64,000
3.99	Earnings (Loss) per Share - (Reais/Share)		
3.99.01	Basic Earnings (Loss) per Share		
3.99.01.01	Common	-0.03202	0.04964
3.99.02	Diluted Earnings (Loss) per Share		
3.99.02.01	Common	-0.03196	0.04948

Individual Interim Financial Information / Statement of Comprehensive Income (Loss)

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
4.01	Net Income for the Period	-42,000	64,000
4.02	Other Comprehensive Income (Loss)	0	-7,000
4.02.02	Fair value of financial assets	3,000	-8,000
4.02.03	Deferred income and social contribution taxes on fair value of financial assets	-1,000	2,000
4.02.08	Share of other Comprehensive Income (Loss) in equity-accounted investments	-2,000	-1,000
4.03	Comprehensive Income (Loss) for the period	-42,000	57,000

Individual Interim Financial Information / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
6.01	Net Cash from Operating Activities	-1,587,000	-1,956,000
6.01.01	Cash From Operations	499,000	698,000
6.01.01.01	Net Income (Loss) in the Period	-42,000	64,000
6.01.01.03	Depreciation and Amortization	179,000	156,000
6.01.01.04	Equity Income (Loss)	98,000	85,000
6.01.01.05	Deferred Income and Social Contribution Taxes	32,000	-22,000
6.01.01.07	Unrealized Interest and Monetary Restatement	173,000	165,000
6.01.01.08	Provision for Lawsuits, Net of Reversals	17,000	152,000
6.01.01.09	Share-Based Compensation	3,000	12,000
6.01.01.10	Estimated Loss on Doubtful Accounts	95,000	146,000
6.01.01.11	Loss on Divestment of PP&E and Intangible Assets	9,000	0
6.01.01.12	Estimated Impairment Loss of Inventories	21,000	12,000
6.01.01.16	Deferred Revenue Recognized in Profit or Loss	-82,000	-70,000
6.01.01.17	Write-off of Right-of-Use and Lease Liabilities	-2,000	0
6.01.01.20	Other	-2,000	-2,000
6.01.02	Changes in Assets and Liabilities	-2,088,000	-2,566,000
6.01.02.01	Trade Accounts Receivable	-104,000	-1,055,000
6.01.02.02	Inventories	-4,000	-748,000
6.01.02.03	Taxes Receivable	115,000	-121,000
6.01.02.04	Related Parties	-433,000	-204,000
6.01.02.06	Judicial Deposits	13,000	-56,000
6.01.02.07	Prepaid Expenses	-75,000	-51,000
6.01.02.10	Other Assets	-13,000	32,000
6.01.02.11	Trade Accounts Payable	-1,360,000	-275,000
6.01.02.12	Tax Obligations	-6,000	-29,000
6.01.02.13	Labor and Social Security Obligations	-73,000	91,000
6.01.02.15	Contingencies	-155,000	-125,000
6.01.02.16	Transfer to Third Parties	-13,000	-25,000
6.01.02.20	Other Liabilities	20,000	0
6.01.03	Other	2,000	-88,000
6.01.03.01	Income and social contribution taxes paid	0	-88,000
6.01.03.02	Dividends received from Investees	2,000	0
6.02	Net Cash from/used in Investing Activities	-255,000	-116,000
6.02.01	Acquisition of PP&E and Intangible Assets	-150,000	-117,000
6.02.02	Disposal of PP&E and Intangible Assets	0	1,000
6.02.03	Financial Instruments	-9,000	0
6.02.07	Capital Increase in Subsidiary	-96,000	0
6.03	Net Cash From / (Used in) Financing Activities	-297,000	-260,000
6.03.01	Funding	1,238,000	1,268,000
6.03.02	Principal Payments	-1,246,000	-1,250,000
6.03.03	Interest Payments	-71,000	-87,000
6.03.05	Principal Payment - Lease	-125,000	-96,000
6.03.06	Interest Payment – Lease	-93,000	-95,000
6.05	Increase (Decrease) in Cash and Cash Equivalents	-2,139,000	-2,332,000
6.05.01	Opening Balance of Cash and Cash Equivalents	2,989,000	2,802,000
6.05.02	Closing Balance of Cash and Cash Equivalents	850,000	470,000

Individual Interim Financial Information / Statement of Changes in Equity – 1/1/2019 to 3/31/2019

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings / Accumulated Losses	Other Comprehensive Income (Loss)	Equity
5.01	Opening Balances	2,899,000	-871,000	537,000	-491,000	-42,000	2,032,000
5.03	Adjusted Opening Balances	2,899,000	-871,000	537,000	-491,000	-42,000	2,032,000
5.04	Equity Transactions with Partners	0	4,000	0	0	0	4,000
5.04.03	Options Granted Recognized	0	4,000	0	0	0	4,000
5.05	Total Comprehensive Income/(Loss)	0	0	0	-42,000	0	-42,000
5.05.01	Net Income for the Period	0	0	0	-42,000	0	-42,000
5.05.02.01	Adjustments to financial instruments	0	0	0	0	3,000	3,000
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	-1,000	-1,000
5.05.02.03	Share of Comprehensive Income (Loss) in equity-accounted investments	0	0	0	0	-2,000	-2,000
5.07	Closing Balances	2,899,000	-867,000	537,000	-533,000	-42,000	1,994,000

Individual Interim Financial Information / Statement of Changes in Equity – 1/1/2018 to 3/31/2018

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings / Accumulated Losses	Other Comprehensive Income (Loss)	Equity
5.01	Opening Balances	2,896,000	-881,000	944,000	-139,000	-47,000	2,773,000
5.02	Prior-year adjustments	0	0	0	-474,000	0	-474,000
5.03	Adjusted Opening Balances	2,896,000	-881,000	944,000	-613,000	-47,000	2,299,000
5.04	Equity Transactions with Partners	0	10,000	0	0	0	10,000
5.04.03	Options Granted Recognized	0	10,000	0	0	0	10,000
5.05	Total Comprehensive Income/(Loss)	0	0	0	64,000	-7,000	57,000
5.05.01	Net Income for the Period	0	0	0	64,000	0	64,000
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-7,000	-7,000
5.05.02.01	Adjustments to financial instruments	0	0	0	0	-8,000	-8,000
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	2,000	2,000
5.05.02.03	Share of Comprehensive Income (Loss) in equity-accounted investments	0	0	0	0	-1,000	-1,000
5.07	Closing Balances	2,896,000	-871,000	944,000	-549,000	-54,000	2,366,000

Individual Interim Financial Information / Statement of Value Added

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
7.01	Revenue	6,373,000	5,948,000
7.01.01	Sales of Goods, Products and Services	6,468,000	6,094,000
7.01.04	Allowance for/Reversal of Doubtful Accounts	-95,000	-146,000
7.02	Inputs Acquired from Third Parties	-4,999,000	-4,432,000
7.02.01	Cost of Sales and Services	-4,319,000	-3,781,000
7.02.02	Materials, Energy, Third-party Services and Other	-673,000	-648,000
7.02.03	Loss/Recovery of Assets	-7,000	-3,000
7.03	Gross Value Added	1,374,000	1,516,000
7.04	Retentions	-179,000	-156,000
7.04.01	Depreciation, Amortization and Depletion	-179,000	-156,000
7.05	Net Value Added Produced	1,195,000	1,360,000
7.06	Value Added Received in Transfer	-71,000	-47,000
7.06.01	Equity Income (Loss)	-98,000	-85,000
7.06.02	Finance Income	27,000	38,000
7.07	Total Added Value to Distribute	1,124,000	1,313,000
7.08	Distribution of Value Added	1,124,000	1,313,000
7.08.01	Personnel	594,000	682,000
7.08.01.01	Direct Compensation	391,000	448,000
7.08.01.02	Benefits	59,000	57,000
7.08.01.03	Unemployment Compensation Fund (FGTS)	50,000	47,000
7.08.01.04	Other	94,000	130,000
7.08.01.04.01	Labor claims	88,000	129,000
7.08.01.04.02	Other personnel expenses	6,000	1,000
7.08.02	Taxes, Charges and Contributions	275,000	289,000
7.08.02.01	Federal	193,000	192,000
7.08.02.02	State	64,000	78,000
7.08.02.03	Municipal	18,000	19,000
7.08.03	Remuneration on Third-Party Capital Debt remuneration	297,000	278,000
7.08.03.01	Interest	263,000	247,000
7.08.03.02	Rent	31,000	25,000
7.08.03.03	Other	3,000	6,000
7.08.04	Equity remuneration	-42,000	64,000
7.08.04.03	Retained Earnings/Accumulated Losses in the Period	-42,000	64,000

Consolidated Interim Financial Information / Statement of Financial Position – Assets

R$ (in thousands)

Code	Description	3/31/2019	12/31/2018
1	Total Assets	22,012,000	24,353,000
1.01	Current Assets	11,166,000	13,544,000
1.01.01	Cash and Cash Equivalents	1,296,000	3,711,000
1.01.03	Trade Accounts Receivable	3,913,000	3,768,000
1.01.04	Inventories	4,695,000	4,773,000
1.01.06	Taxes Recoverable	934,000	1,060,000
1.01.07	Prepaid Expenses	105,000	33,000
1.01.08	Other Current Assets	223,000	199,000
1.01.08.03	Other	223,000	199,000
1.01.08.03.01	Related Parties	147,000	132,000
1.01.08.03.20	Other Assets	76,000	67,000
1.02	Noncurrent Assets	10,846,000	10,809,000
1.02.01	Long-Term Assets	4,816,000	4,782,000
1.02.01.03	Trade Accounts Receivable	224,000	217,000
1.02.01.06	Deferred Taxes	848,000	872,000
1.02.01.08	Receivables from Related Parties	183,000	190,000
1.02.01.09	Other Noncurrent Assets	3,561,000	3,503,000
1.02.01.09.04	Financial instruments	9,000	0
1.02.01.09.05	Taxes Recoverable	2,570,000	2,519,000
1.02.01. 09.06	Judicial Deposits	962,000	964,000
1.02.01. 09.20	Other Accounts Receivable	20,000	20,000
1.02.02	Capital Expenditure	114,000	108,000
1.02.03	Property, Plant and Equipment	4,528,000	4,546,000
1.02.03.01	Property, plant and equipment in use	1,445,000	1,444,000
1.02.03.02	Property, plant and equipment leased	3,083,000	3,102,000
1.02.03.02.01	Right-of-Use assets	3,083,000	3,102,000
1.02.04	Intangible Assets	1,388,000	1,373,000

Consolidated Interim Financial Information / Statement of Financial Position – Liabilities

R$ (in thousands)

Code	Description	3/31/2019	12/31/2018
2	Total Liabilities	22,012,000	24,353,000
2.01	Current Liabilities	14,172,000	15,619,000
2.01.01	Payroll and Related Charges	443,000	535,000
2.01.02	Trade accounts payable	6,608,000	8,652,000
2.01.03	Tax Obligations	148,000	163,000
2.01.04	Loans and Financing	3,976,000	3,357,000
2.01.04.01	Loans and Financing	3,976,000	3,357,000
2.01.05	Other Liabilities	2,997,000	2,912,000
2.01.05.01	Related Party Liabilities	146,000	154,000
2.01.05.02	Other	2,851,000	2,758,000
2.01.05.02.04	Deferred Revenues	403,000	401,000
2.01.05.02.07	Supplier Agreement	506,000	421,000
2.01.05.02.08	Transfer to third parties	510,000	540,000
2.01.05.02.09	Lease liabilities	841,000	844,000
2.01.05.02.20	Other Accounts Payable	591,000	552,000
2.02	Noncurrent Liabilities	5,846,000	6,702,000
2.02.01	Loans and Financing	342,000	968,000
2.02.01.01	Loans and Financing	342,000	968,000
2.02.02	Other Liabilities	4,642,000	4,751,000
2.02.02.01	Lease liabilities	11,000	5,000
2.02.02.02	Other	4,631,000	4,746,000
2.02.02.02.03	Deferred Revenue	1,520,000	1,605,000
2.02.02.02.05	Tax Obligations	30,000	30,000
2.02.02.02.06	Lease liabilities	3,073,000	3,102,000
2.02.02.02.20	Other liabilities	8,000	9,000
2.02.03	Deferred taxes	6,000	6,000
2.02.04	Provisions	856,000	977,000
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Contingencies	856,000	977,000
2.03	Consolidated Equity	1,994,000	2,032,000
2.03.01	Paid-in Capital	2,899,000	2,899,000
2.03.02	Capital Reserves	-867,000	-871,000
2.03.04	Income Reserves	537,000	537,000
2.03.05	Retained earnings / Accumulated losses	-533,000	-491,000
2.03.08	Other Comprehensive Income (Loss)	-42,000	-42,000

Consolidated Interim Financial Information / Statement of Profit or Loss

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
3.01	Revenue from Sales and/or Services	6,330,000	6,596,000
3.02	Cost of Sales and/or Services	-4,582,000	-4,409,000
3.03	Gross Profit	1,748,000	2,187,000
3.04	Operating Expense/Income	-1,509,000	-1,799,000
3.04.01	Selling Expenses	-1,146,000	-1,362,000
3.04.02	General and Administrative Expenses	-142,000	-259,000
3.04.05	Other Operating Expenses	-231,000	-184,000
3.04.05.01	Depreciation and Amortization	-155,000	-144,000
3.04.05.05	Other Operating Income (Expenses), Net	-76,000	-40,000
3.04.06	Equity Income (Loss)	10,000	6,000
3.05	Income Before Finance Income (Costs) and Taxes	239,000	388,000
3.06	Finance Income (Costs)	-258,000	-253,000
3.07	Income Before Income Tax	-19,000	135,000
3.08	Income Tax and Social Contribution Tax on Net Profit	-23,000	-71,000
3.09	Net Income/(Loss) from Continuing Operations	-42,000	64,000
3.11	Consolidated Net Income/Loss in the Period	-42,000	64,000
3.11.01	Attributable to the Partners of the Parent Company	-42,000	64,000
3.99	Earnings (Loss) per Share - (Reais/Share)		

Consolidated Interim Financial Information / Statement of Comprehensive Income (Loss)

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
4.01	Net Income for the Period	-42,000	64,000
4.02	Other Comprehensive Income (Loss)	0	-7,000
4.02.02	Fair value of financial assets	0	-9,000
4.02.03	Deferred income and social contribution taxes on fair value of financial assets	0	2,000
4.03	Comprehensive Income (Loss) for the Year	-42,000	57,000
4.03.01	Attributable to the Partners of the Parent Company	-42,000	57,000

Consolidated Interim Financial Information / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
6.01	Net Cash from Operating Activities	-1,942,000	-2,564,000
6.01.01	Cash From Operations	462,000	696,000
6.01.01.01	Net Income (Loss) in the Period	-42,000	64,000
6.01.01.03	Depreciation and Amortization	198,000	187,000
6.01.01.04	Equity Income (Loss)	-10,000	-6,000
6.01.01.05	Deferred Income and Social Contribution Taxes	24,000	-26,000
6.01.01.07	Unrealized Interest and Monetary Restatement	180,000	171,000
6.01.01.08	Provision for Lawsuits, Net of Reversals	38,000	162,000
6.01.01.09	Share-Based Compensation	3,000	12,000
6.01.01.10	Estimated Loss on Doubtful Accounts	122,000	168,000
6.01.01.11	Loss on Divestment of PP&E and Intangible Assets	10,000	9,000
6.01.01.12	Estimated Impairment Loss of Inventories	25,000	25,000
6.01.01.16	Deferred Revenue Recognized in Profit or Loss	-83,000	-71,000
6.01.01.17	Write-off of Right-of-Use and Lease Liabilities	-2,000	0
6.01.01.20	Other	-1,000	1,000
6.01.02	Changes in Assets and Liabilities	-2,405,000	-3,169,000
6.01.02.01	Trade Accounts Receivable	-273,000	-1,174,000
6.01.02.02	Inventories	53,000	-1,022,000
6.01.02.03	Taxes Receivable	75,000	-190,000
6.01.02.04	Related Parties	-17,000	-8,000
6.01.02.06	Judicial Deposits	10,000	-58,000
6.01.02.07	Prepaid Expenses	-72,000	-50,000
6.01.02.10	Other Assets	-9,000	44,000
6.01.02.11	Trade Accounts Payable	-1,905,000	-680,000
6.01.02.12	Tax Obligations	-11,000	-34,000
6.01.02.13	Labor and Social Security Obligations	-95,000	91,000
6.01.02.15	Contingencies	-172,000	-133,000
6.01.02.16	Transfer to Third Parties	-30,000	5,000
6.01.02.20	Other Liabilities	41,000	40,000
6.01.03	Other	1,000	-91,000
6.01.03.01	Income and social contribution taxes paid	-3,000	-91,000
6.01.03.02	Dividends received from Investees	4,000	0
6.02	Net Cash from/used in Investing Activities	-167,000	-117,000
6.02.01	Acquisition of PP&E and Intangible Assets	-158,000	-125,000
6.02.02	Disposal of PP&E and Intangible Assets	0	8,000
6.02.03	Financial Instruments	-9,000	0
6.03	Net Cash From / (Used in) Financing Activities	-306,000	-274,000
6.03.01	Funding	1,238,000	1,268,000
6.03.02	Principal Payments	-1,247,000	-1,251,000
6.03.03	Interest Payments	-71,000	-89,000
6.03.05	Principal Payment - Lease	-130,000	-103,000
6.03.06	Interest Payment – Lease	-96,000	-99,000
6.05	Increase (Decrease) in Cash and Cash Equivalents	-2,415,000	-2,955,000
6.05.01	Opening Balance of Cash and Cash Equivalents	3,711,000	3,559,000
6.05.02	Closing Balance of Cash and Cash Equivalents	1,296,000	604,000

Consolidated Interim Financial Information / Statement of Changes in Equity – 1/1/2019 to 3/31/2019

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings / Accumulated Losses	Other Comprehensive Income (Loss)	Equity	Noncontrolling Interest	Consolidated Equity
5.01	Opening Balances	2,899,000	-871,000	537,000	-491,000	-42,000	2,032,000	0	2,032,000
5.03	Adjusted Opening Balances	2,899,000	-871,000	537,000	-491,000	-42,000	2,032,000	0	2,032,000
5.04	Equity Transactions with Partners	0	4,000	0	0	0	4,000	0	4,000
5.04.03	Options Granted Recognized	0	4,000	0	0	0	4,000	0	4,000
5.05	Total Comprehensive Income/(Loss)	0	0	0	-42,000	0	-42,000	0	-42,000
5.05.01	Net Income for the Period	0	0	0	-42,000	0	-42,000	0	-42,000
5.07	Closing Balances	2,899,000	-867,000	537,000	-533,000	-42,000	1,994,000	0	1,994,000

Consolidated Interim Financial Information / Statement of Changes in Equity – 1/1/2018 to 3/31/2018

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings / Accumulated Losses	Other Comprehensive Income (Loss)	Equity	Noncontrolling Interest	Consolidated Equity
5.01	Opening Balances	2,896,000	-881,000	944,000	-139,000	-47,000	2,773,000	0	2,773,000
5.02	Prior-year adjustments	0	0	0	-474,000	0	-474,000	0	-474,000
5.03	Adjusted Opening Balances	2,896,000	-881,000	944,000	-613,000	-47,000	2,299,000	0	2,299,000
5.04	Equity Transactions with Partners	0	10,000	0	0	0	10,000	0	10,000
5.04.03	Options Granted Recognized	0	10,000	0	0	0	10,000	0	10,000
5.05	Total Comprehensive Income/(Loss)	0	0	0	64,000	-7,000	57,000	0	57,000
5.05.01	Net Income for the Period	0	0	0	64,000	0	64,000	0	64,000
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-7,000	-7,000	0	-7,000
5.05.02.01	Adjustments to financial instruments	0	0	0	0	-9,000	-9,000	0	-9,000
5.05.02.02	Taxes on adjustments to Financial Instruments	0	0	0	0	2,000	2,000	0	2,000
5.07	Closing Balances	2,896,000	-871,000	944,000	-549,000	-54,000	2,366,000	0	2,366,000

Consolidated Interim Financial Information / Statement of Value Added

R$ (in thousands)

Code	Description	1/1/2019 to 3/31/2019	1/1/2018 to 3/31/2018
7.01	Turnover	7,237,000	7,312,000
7.01.01	Sales of Goods, Products and Services	7,359,000	7,478,000
7.01.02	Other Revenue	0	2,000
7.01.04	Allowance for/Reversal of Doubtful Accounts	-122,000	-168,000
7.02	Bought-in inputs	-5,192,000	-5,582,000
7.02.01	Cost of Sales and Services	-4,254,000	-4,683,000
7.02.02	Bought-in materials, energy and services and others	-931,000	-876,000
7.02.03	Loss/Recovery of Assets	-7,000	-23,000
7.03	Gross Value Added	2,045,000	1,730,000
7.04	Retentions	-198,000	-187,000
7.04.01	Depreciation, Amortization and Depletion	-198,000	-187,000
7.05	Net Value Added Produced	1,847,000	1,543,000
7.06	Value Added Received in Transfer	40,000	46,000
7.06.01	Equity Income (Loss)	10,000	6,000
7.06.02	Finance Income	30,000	40,000
7.07	Total Value Added Payable	1,887,000	1,589,000
7.08	Payment of Value Added	1,887,000	1,589,000
7.08.01	Personnel	605,000	748,000
7.08.01.01	Direct Compensation	399,000	496,000
7.08.01.02	Benefits	65,000	67,000
7.08.01.03	Unemployment Compensation Fund (FGTS)	43,000	50,000
7.08.01.04	Other	98,000	135,000
7.08.01.04.01	Labor claims	89,000	132,000
7.08.01.04.02	Other personnel expenses	9,000	3,000
7.08.02	Taxes, Charges and Contributions	1,016,000	447,000
7.08.02.01	Federal	579,000	205,000
7.08.02.02	State	417,000	221,000
7.08.02.03	Local	20,000	21,000
7.08.03	Debt remuneration	308,000	330,000
7.08.03.01	Interest	288,000	293,000
7.08.03.02	Rent	17,000	29,000
7.08.03.03	Other	3,000	8,000
7.08.04	Equity remuneration	-42,000	64,000
7.08.04.03	Retained Earnings/Accumulated Losses in the Period	-42,000	64,000

Notes to the Interim Financial Information

Individual and Consolidated Interim Financial Information

Via Varejo S.A.

Quarter ended March 31, 2019
with Independent Auditor's Report

Via Varejo S.A.

Notes to the interim financial information
for the period ended March 31, 2019
(In millions of Brazilian reais – R$, unless otherwise stated)

1. Operations

Via Varejo S.A., directly or through its subsidiaries (the "Company" or "Via Varejo"), operates in the consumer electronics, home appliance, mobile phone and furniture retail segments through "Casas Bahia" and "Ponto Frio" flagship, as well as the e-commerce platforms "pontofrio.com", "casasbahia.com" and "extra.com.br". Its registered headquarter is located in, São Caetano do Sul, State of São Paulo, Brazil. The Company is listed in Novo Mercado, the special listing segment of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), with the highest corporate governance standards, under the ticker "VVAR3." As of March 31, 2019, the Company was a subsidiary of Companhia Brasileira de Distribuição ("CBD"), which in turn has Casino Guichard Perrachon ("Casino") as the ultimate parent company through its holding companies. On June 14, 2019, CBD (previously named as "parent company") sold its interest in the Company. See further details in note 26.

2. Significant accounting policies

The individual and consolidated interim financial information was prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and also with accounting policies adopted in Brazil issued by the Brazilian standards ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM"), and discloses all, and only, the significant information related to the Interim Financial Information ("ITR"), which is consistent with the information used by management in the performance of its duties.

The individual and consolidated interim financial information adopts the Brazilian real (R$) as the functional and reporting currency, it is stated in millions of Brazilian reais (R$), and it was prepared based on the historical cost of each transaction, except for certain financial instruments measured at their fair values and share-based compensation.

The individual interim financial information for the quarter ended March 31, 2019 was approved by the Board of Directors on August 13, 2019.

For situations when there was no significant change in the nature of accounting balances or the Company's accounting policies, the details disclosed in the annual financial statements for the fiscal year ended December 31, 2018 were not fully reproduced in these interim financial statements (ITR). As a result, this ITR must be read in conjunction with the annual financial statements for 2018 published on February 19, 2019 and with the interim financial statements for the period ended March 31, 2019 published on April 23, 2019.

a) New accounting policies adopted

In the preparation of this interim financial information, the Company's management considered, when applicable, the new interpretations to the International Financial Reporting Standards ("IFRS") and the standards issued by the IASB and the CPC, respectively, which are effective since January 1, 2019.

(i) CPC 06(R2) (IFRS 16) - Leases

The Company adopted the IFRS 16's full retrospective approach as the transition method on January 1, 2019, which effects is set from the start of the first period applicable, and consequently the comparative periods are being restated. The use of this approach had a relevant impact on the lease agreements of stores, distribution centers, commercial warehouses and administrative properties held until the adoption of the standard as operating lease.

Via Varejo S.A.

Notes to the interim financial information
for the period ended March 31, 2019
(In millions of Brazilian reais – R$, unless otherwise stated)

The relevant effects due to the first-time adoption of CPC 06(R2) (IFRS 16) in the Company interim financial information are:

- Commencement lease date – the Company defines the start of the lease period, as the date of signing of the agreements since, as of that date which, it owns the operational control of the property, when allows it, for example, to make the necessary overhauls to open a store, for example;

- The Company follows the Federal law nº 8.245/91 ("lease law"), which allows the Company to review any current lease contract automatically, once that aforementioned law is considered an enforceable right to the lessee. The Company has successfully obtained contractual renewals when this law was applied against lessor.

- Agreements with indefinite lease term – The Company is lessee in certain agreements with indefinite lease term. Considering that both, lessor and lessee are entitled to cancel the agreement at any time, the Company believes that these agreements should be considered as operating lease, with the expenses therefore recorded in the profit or loss in the year over the period of the lease.

- Fixed payments in essence – these are payments during the term of a lease that the Company is or may be required to fulfill. The Company determined as fixed payments in essence the amounts recognized as fixed by the lessor (minimum contractual rentals net of PIS and COFINS paid by the lessor, when applicable). The Company has not taken into account for the purpose of measuring the right-of-use assets and liabilities of leases, the payments of variable rentals arising from sales, services and taxes, which are recorded as expenses the entire statement of profit and loss for the year over the term of the lease.

- Incremental financing interest rate of the lessee – The Company considered, for all agreements with related parties and third parties, the interest rates required to acquire assets in similar conditions as those rentals contracted on the date of signing. The rates adopted consider Company's funding cost based on the Overnight rate (CDI) plus a risk spread, excluding any collateral offered in financing operations. These interest rates were calculated using the lease period, which considers the intention for renewal.

- Depreciation of the right-of-use asset – The Company's lease agreements do not have clauses which enables the Company to acquire the asset (store or distribution center) at the end of the lease period. Therefore, the useful life of these assets, in the absence of impairment, will be the respective contractual period. The Company records depreciation of the right-of-use asset systematically and uses the straight-line method. Note that the Company will periodically reassess the useful life of rights-of-use whenever there are any changes in the strategic and commercial plans, as well as, the intention of lessors in keeping the agreements.

- Finance charges arising from lease agreements – Finance charges are recognized as finance costs and allocated to each period over the term of the lease. Contingent payments are recorded as expenses in profit or loss for the year as incurred.

- Recoverable amount of right-of-use assets – The Company will continue to apply Technical Pronouncement CPC 01 – Impairment of Assets, periodically estimating impairment based on managerial parameters of stores and distribution center's profitability.

Via Varejo S.A.

Notes to the interim financial information
for the period ended March 31, 2019
(In millions of Brazilian reais – R$, unless otherwise stated)

The following tables show the effects of the standard in prior periods on the individual and consolidated interim financial statements:

	Individual		Consolidated	
Statement of financial position – debit (credit)	**1.1.2018 restated (*)**	**12.31.2018 restated (*)**	**1.1.2018 restated (*)**	**12.31.2018 restated (*)**
Current assets				
Deferred taxes	211	222	244	254
Right-of-use asset	2,943	3,038	3,013	3,102
Investments	(64)	(62)	-	-
Property and equipment (**)	(9)	(5)	(9)	(5)
Intangible assets (**)	(69)	(54)	(71)	(54)
Current liabilities				
Borrowings (**)	19	21	23	21
Related parties (***)	26	28	26	28
Lease liabilities	(773)	(813)	(808)	(844)
Other liabilities (***)	54	56	55	56
Noncurrent liabilities				
Borrowings (**)	72	53	72	53
Lease liabilities	(2,884)	(2,975)	(3,019)	(3,102)
Equity	474	491	474	491

(*) Balances were restated due to the change in the accounting policy related to the measurement of the right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

(**) Refers to the balance of financial leases that were recorded under Property and Equipment, Intangible Assets and Loans and Financing, which, due to the first-time adoption of CPC 06(R2), were reclassified to Right-of-use assets and liabilities of Lease.

(***)Refers to the balance of rent payable to related parties and third parties, which was previously recorded in Related Parties and Other liabilities and which, due to the first-time adoption of CPC 06(R2), was reclassified to Lease liabilities.

	Individual	Consolidated
Statement of profit or loss – revenue / (expenses)	**3.31.2018 restated (*)**	**3.31.2018 restated (*)**
Costs of sales and services	24	27
Selling expenses	123	124
General and administrative expenses	3	3
Depreciation of right-of-use asset	(78)	(78)
Other operating income (expenses), net	4	4
Equity income (loss)	2	-
Finance income (costs), net	(92)	(96)
Income and social contribution taxes	4	3

	Individual	Consolidated
Statement of cash flows – provided by / (used in)	**3.31.2018 restated (*)**	**3.31.2018 restated (*)**
Cash flow from operating activities	183	193
Cash flow from financing activities	(183)	(193)

Via Varejo S.A.

Notes to the interim financial information
for the period ended March 31, 2019
(In millions of Brazilian reais – R$, unless otherwise stated)

Statement of value added	Individual 3.31.2018 restated (*)	Consolidated 3.31.2018 restated (*)
Total value added to distribute		
Retentions	(101)	(103)
Value added received in transfer	2	-
Distribution of value added		
Taxes, charges and contributions	(4)	(3)
Debt remuneration	(88)	(93)
Equity remuneration	(7)	(7)

(*) Balances were restated due to the change in the accounting policy related to the measurement of the right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

Disclosure of the changes in Right-of-use assets and Lease liabilities are presented in Note 16.

b) Change in accounting policy

Recognition of PIS and COFINS on leases

To measure the right-of-use Asset and lease Liability, the Company used to consider the gross amount of PIS and COFINS effects to the lease fixed payments of the rental installments. After the interpretation of IFRS 16 – Leases CPC 06(R2), the Company changed its accounting policy recognizing the fixed installments at the net amount, excluding PIS and COFINS.

The lease change in the accounting policy is due to the interpretation of paragraph B33 (Appendix B – Guidance on adoption) and paragraph 27 of CPC 06(R2), which address costs that do not transfer assets or services to the lessee, as well as subjacent payments included in the measurement of the lease liability. In the case of paragraph 27, the Company used to judge that the PIS and COFINS amounts paid to the lessor should be considered as costs associated with the lease and hence, they would be part of the lease installment paid.

After analyzing the circumstances associated with its operation, the Company judged that the lessor acts as a tax agent on behalf of the Government for taxes payments proposals. For this reason, PIS and COFINS should not be part of the measurement of the right-of-use (Asset) and the lease Liability and, therefore, they should be excluded from the payment flow used to measure these assets and liabilities.

In compliance with CPC 23 (IAS 8) – Accounting policies, Changes in Estimates and Errors, the Company restated the tables in the quarterly information and the comparative figures of the previous period presented, as disclosed below:

Balance sheet debit (credit)	Individual 12.31.2018 restated (*)	Individual Change in accounting policy	Individual 12.31.2018 restated	Consolidated 12.31.2018 restated (*)	Consolidated Change in accounting policy	Consolidated 12.31.2018 restated
Non-current assets						
Deferred taxes	772	(10)	762	886	(14)	872
Right-of-use asset	3,673	(635)	3,038	3,746	(644)	3,102
Investments	938	-	938	108	-	108
Current liabilities						
Lease liability	(917)	104	(813)	(952)	108	(844)
Non-current liabilities						
Lease liability	(3,536)	561	(2,975)	(3,681)	579	(3,102)
Provision for investment losses	(66)	9	(57)	-	-	-
Equity	(2,003)	(29)	(2,032)	(2,003)	(29)	(2,032)

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

Via Varejo S.A.

Notes to the interim financial information for the period ended March 31, 2019

(In millions of Brazilian reais – R$, unless otherwise stated)

	Individual			Consolidated		
Non-current assets	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**
Deferred taxes						
Right-of-use asset	744	(15)	729	867	(19)	848
Investments	3,569	(548)	3,021	3,640	(557)	3,083
Current liabilities						
Lease liability	(897)	88	(809)	(933)	92	(841)
Non-current liabilities						
Lease liability	(3,454)	503	(2,951)	(3,593)	520	(3,073)
Provision for investment losses	(76)	8	(68)	-	-	-
Equity	(1,958)	(36)	(1,994)	(1,958)	(36)	(1,994)

	Individual					
Statement of profit or loss	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2018 restated (*)**	**Change in accounting policy**	**3.31.2018 restated**
Cost of sales and services	(4,024)	1	(4,023)	(3,557)	1	(3,556)
Selling expenses	(931)	(2)	(933)	(1,099)	(17)	(1,116)
General and administrative expenses	(134)	-	(134)	(222)	(1)	(223)
Depreciation and amortization	(158)	13	(145)	(136)	12	(124)
Other operating income (expenses), net	(72)	(1)	(73)	(36)	4	(32)
Equity income (loss)	(97)	(1)	(98)	(85)	-	(85)
Net financial income	(238)	2	(236)	(211)	2	(209)
Income and social contribution tax	(27)	(5)	(32)	(73)	(1)	(74)
Basic earnings per share (R$ per share)	(0.03782)	0.00580	(0.03202)	0.04890	0.00070	0.04960
Diluted earnings per share (R$ per share)	(0.03775)	0.00579	(0.03196)	0.04880	0.00070	0.04950

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

	Consolidated					
Statement of profit or loss	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2018 restated (*)**	**Change in accounting policy**	**3.31.2018 restated**
Cost of sales and services	(4,583)	1	(4,582)	(4,409)	-	(4,409)
Selling expenses	(1,144)	(2)	(1,146)	(1,346)	(16)	(1,362)
General and administrative expenses	(142)	-	(142)	(258)	(1)	(259)
Depreciation and amortization	(168)	13	(155)	(156)	12	(144)
Other operating income (expenses), net	(75)	(1)	(76)	(44)	4	(40)
Net financial income	(259)	1	(258)	(255)	2	(253)
Income and social contribution tax	(18)	(5)	(23)	(70)	(1)	(71)

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

Via Varejo S.A.

Notes to the interim financial information for the period ended March 31, 2019

(In millions of Brazilian reais – R$, unless otherwise stated)

	Individual					
Statement of cash flows – provided by / (used in)	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2018 restated (*)**	**Change in accounting policy**	**3.31.2018 restated**
Operating activities	(1,580)	(7)	(1,587)	(1,934)	(22)	(1,956)
Financing activities	(304)	7	(297)	(282)	22	(260)

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

	Consolidated					
Statement of cash flows – provided by / (used in)	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2018 restated (*)**	**Change in accounting policy**	**3.31.2018 restated**
Operating activities	(1,935)	(7)	(1,942)	(2,543)	(21)	(2,564)
Financing activities	(313)	7	(306)	(295)	21	(274)

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

	Individual					
Statement of value added	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2018 restated (*)**	**Change in accounting policy**	**3.31.2018 restated**
Total value added to distribute						
Inputs acquired from third parties	(4,850)	(149)	(4,999)	(4,265)	(167)	(4,432)
Retentions	(60)	(119)	(179)	(55)	(101)	(156)
Distribution of value added						
Taxes, charges and contributions	256	19	275	288	1	289
Debt remuneration	591	(294)	297	547	(269)	278
Equity remuneration	(49)	(7)	(42)	64	-	64

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

	Consolidated					
Statement of value added	**3.31.2019 originally presented**	**Change in accounting policy**	**3.31.2019 restated**	**3.31.2018 restated (*)**	**Change in accounting policy**	**3.31.2018 restated**
Total value added to distribute						
Inputs acquired from third parties	(5,041)	(151)	(5,192)	(5,411)	(171)	(5,582)
Retentions	(78)	(120)	(198)	(84)	(103)	(187)
Distribution of value added						
Taxes, charges and contributions	997	(19)	1, 016	446	(1)	447
Debt remuneration	605	297	308	605	(275)	330
Equity remuneration	(49)	(7)	(42)	64	-	64

(*) Refers to the balance restated in the individual and consolidated interim financial statements for the three-month period ended March 31, 2019, published on April 23, 2019.

Via Varejo S.A.

Notes to the interim financial information
for the period ended March 31, 2019
(In millions of Brazilian reais – R$, unless otherwise stated)

3. Financial risk management

a) Breakdown of financial instruments

The main financial instruments and their amounts recognized in the interim financial information by category are as follows:

	Individual		Consolidated	
	3.31.2019 restated (*)	**12.31.2018**	**3.31.2019 restated (*)**	**12.31.2018**
Financial assets				
Amortized cost				
Cash and cash equivalents	**850**	2,989	**1,296**	3,711
Trade accounts receivable (except credit card companies)	**2,164**	2,115	**2,313**	2,329
Related parties	**1,953**	1,489	**330**	322
Fair value through other comprehensive income (loss)				
Credit card companies	**1,078**	1,114	**1,824**	1,656
Financial liabilities				
Amortized cost				
Trade accounts payable	**(5,501)**	(6,956)	**(6,608)**	(8,652)
Supplier agreement	**(334)**	(291)	**(506)**	(421)
Loans and financing (except foreign currency and fair value hedge)	**(3,911)**	(3,920)	**(3,914)**	(3,924)
Lease liabilities	**(3,760)**	(3,788)	**(3,914)**	(3,946)
Related parties	**(355)**	(320)	**(157)**	(159)
Transfer to third parties	**(522)**	(535)	**(510)**	(540)
Fair value through profit or loss				
Loans and financing in foreign currency	**(398)**	(395)	**(398)**	(395)
Financial instruments – fair value hedge	**(6)**	(6)	**(6)**	(6)

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Note 2(b).

The Company's treasury operations are regularly reported to the Financial Committee, advisory body of the Board of Directors, and, if necessary, directly to the Board of Directors, which approves the policies to be followed by the Company's Treasury Department. The most significant risks which the Company is exposed are (i) market risks due to fluctuations in basic interest rates, (ii) exchange differences, (iii) liquidity risks and (iv) credit risks. The Company monitors these risks and the related impacts on the financial forecasts.

b) Market risk

The Company applies a reduction in the CDI rate for sensitivity analysis over the interest rates. This assumption is due to the fact that the total investments exceeded the balance of borrowings indexed to the CDI plus a spread.

(i) Basic interest rate

The Company takes out loans and financing in local currency from the main financial institutions, at fixed and floating rates, among which is the Interbank Deposit Certificate ("CDI"), in order to meet cash requirements for investments and sales on term for customers. Concurrently, the Company makes financial investments indexed to the CDI as part of its cash management strategy.

To measure the estimated net effect on profit or loss for the next 12 months, a sensitivity analysis was prepared considering three scenarios. In the scenario I, the annual interest rate was defined based on the CDI yield obtained at B3 website for the maturity date of the transactions, limited to 12 months, when the rate was 6.47% p.a. In the scenarios II and III, we considered an increase in interest rate of 25% and 50%, respectively.

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A table of the sensitivity analysis considering the Brazilian risk free rate, demonstrates a possible net impact on profit or loss for each scenario is presented below:

Transaction	Risk	Consolidated Balance at 3.31.2019	Sensitivity analysis Scenario I	Scenario II	Scenario III
Financial investments	CDI increase	1,170	66	83	99
Bank borrowings (*)	CDI increase	(510)	(45)	(57)	(69)
Impact on profit or loss – income			**21**	**26**	**30**

(*) They do not include CDCI contracts due to fixed rates. The sensitivity analysis of the derivative financial instrument is presented in the item below.

(ii) Currency and interest rate risk on borrowings in foreign currency

In July 2018, the Company entered into a new loan agreement in foreign currency (US dollar) with pre-established interest rates. Therefore, the Company is only exposed to the currency risk as a result of the debt contracted. The Company applies swap for 100% of its borrowings in US dollars and fixed interest rates, hedging these obligations for Real pegged to the fixed interest rates, plus the CDI variation.

The Company currently has borrowings in foreign currency, hedged by swap contract, as described below:

	Counterparty	At the contracting date Notional value USD million	Notional value R$ million	Contracting date	Maturity	Consolidated Fair value R$ 3.31.2019	Fair value R$ 12.31.2018
Borrowing in foreign currency (hedged item)	Santander	(72)	(281)	07/06/2018	07/05/2019	**(280)**	(279)
	Itaú	(30)	(117)	07/06/2018	01/15/2020	**(118)**	(116)
		(102)	(398)			**(398)**	(395)
Financial instrument – fair value hedge							
Long position		102	398			**398**	395
Short position		(102)	(398)			**(404)**	(401)
Net swap position		-	-			**(6)**	(6)

The derivative financial instruments and the financial instruments designated as hedged items are carried at fair value.

The Company calculates the effectiveness of hedging transactions when they are engaged, based on a continuing basis. The hedging transactions taken out are effective in relation to the hedged debts as of March 31, 2019.

Realized and unrealized gains and losses on swap contracts are recognized in “net finance income/costs” and the balance payable or receivable at fair value is recognized in “Financial instruments – fair value hedge,” depending on the net value of the related instrument. In the quarter ended March 31, 2019, the recognized loss on swap contracts in foreign currency was R$3 (loss of R$5 in the quarter ended March 31, 2018).

In order to measure the estimated net impact on Company’s profit or loss for the next 12 months due to currency risks, the Company carried out a sensitivity analysis of its exposure to the currency risk of the foreign currency borrowing and the CDI of the swap contract, considering three scenarios.

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In the scenario I, the following assumptions were adopted: (i) the annual interest rate was based on the CDI curve obtained in B3 for the borrowing maturity dates, limited to 12 months, at 6.44% p.a. and (ii) the exchange rate was defined at R$4.00 based on the quotation of the future dollar traded on B3 for the maturity date of the contract, limited to 12 months. For scenarios II and III, the CDI decreased and dollar appreciation is projected at 25% and 50%, respectively.

A table of the sensitivity analysis of the currency risk showing the possible net impact on profit or loss for each scenario is presented below:

		Consolidated			
		Balance at	Sensitivity analysis		
Transaction	Risk	3.31.2019	Scenario I	Scenario II	Scenario III
Debt in USD	Dollar appreciation (USD)	(398)	(13)	(116)	(220)
Swap (long position in USD)	Dollar appreciation (USD)	398	14	117	220
Swap (short position in USD)	Increase in CDI	(404)	(11)	(14)	(17)
Impact on profit or loss – expense			**(10)**	**(13)**	**(17)**

c) Liquidity risk

It is the Company's policy to maintain financial investments, borrowings and lines of credit sufficient to meet short and long-term cash requirements. The Company monitors regularly cash forecasts that include, on the respective maturities, the settlement of financial assets and liabilities contracted. The Company's Treasury Department maintains lines of credit sufficient to comply with working capital requirements. Sensitivity analyses are regularly prepared to assess the impact on the Company's liquidity position, if the current lines of credit are not renewed.

The table below shows the undiscounted cash flows of the financial liabilities held by the Company. The table includes principal and interest calculated through the maturity of the financial liabilities. Accordingly, the balances presented therein may not be in line with the balances presented in the statements of financial position.

	3.31.2019							
	Individual – restated (*)				Consolidated – restated (*)			
	Less than one year	From 1 to 5 years	Over 5 years	Total	Less than one year	From 1 to 5 years	Over 5 years	Total
Trade accounts payable	**5,501**	**-**	**-**	**5,501**	**6,608**	**-**	**-**	**6,608**
Reverse factoring	**334**	**-**	**-**	**334**	**506**	**-**	**-**	**506**
Loans and financing	**4,001**	**468**	**-**	**4,469**	**4,002**	**190**	**-**	**4,192**
Derivative instruments – fair value hedge	**7**	**4**	**-**	**11**	**7**	**4**	**-**	**11**
Lease liability	**764**	**3,196**	**1,513**	**5,473**	**793**	**3,339**	**1,547**	**5,683**
Related parties	**344**	**11**	**-**	**355**	**146**	**11**	**-**	**157**
Transfer to third parties	**522**	**-**	**-**	**522**	**510**	**-**	**-**	**510**
	11,473	**3,679**	**1,513**	**16,665**	**12,572**	**3,544**	**1,547**	**17,667**

(*) Balances were restated due to the change in the accounting policy related to the measurement of right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

d) Credit risk

The Company is exposed to credit risk for cash and cash equivalents held with financial institutions and for the position of receivables generated in trading transactions, as well as, in nonrecurring transactions, such as sale of nonfinancial assets.

For the balances of cash and cash equivalents, in order to minimize credit risk, the Company adopts policies that restrict bank relationship with financial institutions approved by the Financial Committee of the Board of Directors. Authorized banks are top-tier banks. This policy also establishes monetary limits and risk concentration, which are regularly adjusted.

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For the balances of Trade accounts receivable, the credit risk is mitigated by the fact that most of the Company's sales are done using credit cards, which are substantially securitized with the credit card companies. Sales financed through the consumer financing plan ("CDCI") are sales made through operating agreements with banks Bradesco, Safra and Banco do Brasil for granting of CDCI financing to customers through intermediation with the related financial institutions. For this transaction, the Company has held credit risk of the transaction and has adopted strict credit granting procedures. The balance receivable from customers is diffused, and there are no material individual amounts.

Impairment losses on financial assets are measured according to the accounting policy of the Company described in the 2018 annual Financial Statements in Note 5(a) and the balances of such measurements as of March 31, 2019 and December 31, 2018 are considered by management sufficient to cover estimated losses on receivables which include different amounts in terms of risk and value.

e) Capital management

The purpose of the Company's management is assessing the maintenance of a high credit rating and a well-established third-party capital ratio, in order to support the business and maximize shareholder value. The Company manages the capital structure and monitors the financial position considering the changes in economic conditions. The Company is not subject to any external capital requirement.

	Consolidated			
	3.31.2019 restated (*)		**12.31.2018 restated (*)**	
	With CDCI	**Without CDCI**	**With CDCI**	**Without CDCI**
Assets (liabilities)				
Cash and cash equivalents	**1,296**	**1,296**	3,711	3,711
Loans and financing	**(4,312)**	**(911)**	(4,319)	(919)
Financial instruments – fair value hedge - assets	**(6)**	**(6)**	(6)	(6)
Reverse factoring (i)	**(506)**	**(506)**	(421)	(421)
Net cash (net debt)	**(3,528)**	**(127)**	(1,035)	2,365
Equity	**1,994**	**1,994**	2,031	2,031
Net debt ratio	**(1,77)**	**(0,06)**	(0,51)	1,16

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See details in Note 2(b).

(i) Reverse factoring: financial liabilities with suppliers, through financial institutions, whose maturities were postponed in the quarter ended March 31, 2019 and the fiscal year ended December 31, 2018. Due to the features of commercial negotiation of terms between suppliers and the Company, these financial liabilities were included in programs for prepayment purposes using the Company's lines of credit from financial institutions with the implicit financial cost of 7.06% p.a. as of March 31, 2019 (7.37% p.a. as of December 31, 2018). The Company believes that this transaction has a specific nature and classifies it separately from "Trade accounts payable".

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f) Fair value measurements

At March 31, 2019, the Company had certain financial assets and liabilities; their measurement at fair value must be disclosed under CPC 40 (IFRS 7), and they are presented below:

	3.31.2019			
	Individual		Consolidated	
	Book value	Fair value	Book value	Fair value
Amortized cost				
Trade accounts receivable - CDCI (i)	**2,304**	**2,455**	**2,304**	**2,455**
Loans and financing - CDCI (ii)	**(3,401)**	**(3,409)**	**(3,401)**	**(3,409)**
Fair value through profit or loss				
Loans and financing in foreign currency (ii)	**(398)**	**(398)**	**(398)**	**(398)**
Financial instruments – fair value hedge (ii)	**(6)**	**(6)**	**(6)**	**(6)**
Fair value through other comprehensive income (loss)				
Credit card companies (ii)	**1,078**	**1,078**	**1,824**	**1,824**

(i) The consumer financing contracts (CDCI) are classified in level 3 because non-observable inputs are used to measure the fair value. For this calculation, the Company considered the portfolio of CDCI receivables and the expected loss of these instruments, as well as, the average rate of discounts on trade notes.

(ii) Borrowings – CDCI, Borrowings in foreign currency, Financial instruments – fair value hedge and credit card companies are classified in level 2 since readily observable market inputs are used, such as the expected interest rates, currency parity spot rate and future rate and transactions with independent parties.

The Company concluded that, except for the assets indicated in the previous table, most of its financial assets and liabilities are equivalent to their book values, mainly due to the short-term maturity of these instruments.

The Company's financial instruments are not traded on organized exchange markets and are held to maturity by the Company, except for financial assets of credit card companies.

4. Cash and cash equivalents

a) Accounting balances

	Weighted average rate	Individual		Consolidated	
		3.31.2019	12.31.2018	3.31.2019	12.31.2018
Cash and banks		**113**	112	**126**	120
Financial investments - repurchase agreements	88.90% of the CDI p.a.	**721**	2,854	**1,146**	3,562
Automatic financial Investments	5.05% of the CDI p.a. (i)	**16**	23	**24**	29
		850	2,989	**1,296**	3,711

(i) It refers to amounts available in bank accounts with a daily yield indexed to the CDI rate, redeemable on the first business day after the investment date (D+1), without significant discount in redemption amount.

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5. Trade accounts receivable

a) Accounting balances

	Individual		Consolidated	
	3.31.2019	**12.31.2018**	**3.31.2019**	**12.31.2018**
Credit card companies (i)	**1,078**	1,114	**1,824**	1,656
Consumer financing – CDCI (ii)	**2,304**	2,297	**2,304**	2,297
Receivables "B2B" (iii)	**2**	-	**179**	223
Allowance for doubtful accounts	**(385)**	(427)	**(472)**	(498)
Other receivables	**243**	245	**302**	307
	3,242	3,229	**4,137**	3,985
Current	**3,024**	3,019	**3,913**	3,768
Noncurrent	**218**	210	**224**	217

(i) In the quarter ended March 31, 2019 and fiscal year ended December 31, 2018, as part of the Company's cash management strategy, it has sold part of its account receivables from credit card to banks.

(ii) Refers to consumer financing – CDCI, which can be paid within 24 months; however, the most common term 14 months on average. The Company intermediates these transactions (Note 12(a)(i)).

(iii) Refers to sale done directly to companies, for resale or own use in wholesale.

b) Changes in the allowance for doubtful accounts

	Individual		Consolidated	
	3.31.2019	**3.31.2018**	**3.31.2019**	**3.31.2018**
Balance at the beginning of the period	**(427)**	(510)	**(498)**	(637)
Estimated loss recognized during the period	**(95)**	(146)	**(122)**	(168)
Amounts written off as uncollectible	**137**	138	**148**	144
Balance at the end of the period	**(385)**	(518)	**(472)**	(661)
Current	**(350)**	(491)	**(437)**	(634)
Noncurrent	**(35)**	(27)	**(35)**	(27)

c) Aging of Trade accounts receivable, gross of allowance for doubtful accounts

	Individual		Consolidated	
	3.31.2019	**12.31.2018**	**3.31.2019**	**12.31.2018**
Falling due	**3,404**	3,439	**4,310**	4,183
Overdue within 30 days	**105**	98	**120**	125
Overdue between 30-60 days	**46**	43	**55**	52
Overdue between 61-90 days	**31**	32	**40**	36
Overdue above 90 days	**41**	44	**84**	87
	3,627	3,656	**4,609**	4,483

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6. Inventories

a) Accounting balances

	Individual		Consolidated	
	3.31.2019	**12.31.2018**	**3.31.2019**	**12.31.2018**
Stores	**2,118**	2,133	**2,118**	2,133
Distribution centers	**1,817**	1,812	**2,670**	2,728
Storeroom supplies	**14**	14	**15**	14
Estimated loss for write-down of cost to net realizable value	**(57)**	(50)	**(108)**	(102)
	3,892	3,909	**4,695**	4,773

b) Changes in the estimated loss for write-down of cost to net realizable value

	Individual		Consolidated	
	3.31.2019	**3.31.2018**	**3.31.2019**	**3.31.2018**
Balance at the beginning of the period	**(50)**	(59)	**(102)**	(100)
Additions	**(21)**	(12)	**(25)**	(25)
Realized losses	**14**	16	**19**	21
Balance at the end of the period	**(57)**	(55)	**(108)**	(104)

7. Taxes recoverable

a) Accounting balances

	Individual		Consolidated	
	3.31.2019	**12.31.2018**	**3.31.2019**	**12.31.2018**
ICMS recoverable (i)	**2,074**	2,090	**2,569**	2,547
PIS and COFINS recoverable (ii)	**252**	360	**635**	745
Income and social contribution taxes	**157**	149	**194**	183
INSS recoverable	**89**	88	**96**	94
ICMS on property and equipment (i)	**1**	1	**2**	3
Other	**7**	7	**8**	7
	2,580	2,695	**3,504**	3,579
Current	**559**	639	**934**	1,060
Noncurrent	**2,021**	2,056	**2,570**	2,519

(i) ICMS recoverable is expected to be fully realized, as follows:

At March 31, 2019	Individual	Consolidated
9 months of 2019	-	-
2020	198	282
2021	266	334
2022	273	331
2023	265	304
2024 to 2028	1,073	1,320
	2,075	**2,571**

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(ii) PIS and COFINS recoverable are expected to be fully realized as follows:

At March 31, 2019	Individual	Consolidated
9 months of 2019	252	560
2020	-	75
	252	**635**

Decision of the Supreme Federal Court (STF) on ICMS in the PIS and COFINS tax base

Since the adoption of the noncumulative PIS and COFINS regime, the Company has claimed at court the right to deduct ICMS and ICMS-ST from the PIS and COFIS tax base. With the STF's judgment of the case on March 15, 2017 characterized by general repercussion, as well as the publication of the Appellate Decision on October 2, 2017, the Company began performing PIS/COFINS calculation according to the STF's decision.

The Company is awaiting the outcome of the motions for clarification filed by the General Counsel for the Federal Treasury regarding the STF's decision and its possible adaptation, but its legal counsel expects that the decision on the application of the effects will not limit the right of the lawsuit filed by the Company. In management's best estimate, the effects of such credits from 2010 to February 2017. On March 31, 2019, approximately R$662 (R$656 at December 31, 2018), including inflation adjustment and excluding attorney's fees and the portion of the transaction described below. At this interim financial information date, the recognition of such credits is probable, but not virtually certain, thus they are being disclosed in the financial statements but were not recorded.

On December 7, 2018, the Board of Directors approved the sale of PIS and COFINS credits to third-party investment funds not related to the Company. On December 28, 2018, the Company sold credits in the amount of R$248, for R$50, recorded under "Revenue from sales and services" in accordance with the Company's accounting policy. The sale is documented by a Public Deed of Credit Assignment, which definitively transfers to the assignee all the rights and risks over such credits. Such deed also addresses certain conditions precedent, which were fully met at December 31, 2018, and also establishes that, when the courts render a final decision, the Company will undertake to use the tax benefit and transfer all the amounts offset to the acquirer, acting as an agent. Note that the acquirer assumed all risks resulting from future administrative and court decisions, which cannot be controlled by the Company. In the quarter ended March 31, 2019, the Company did not sell the aforementioned receivables.

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8. Related parties

	Assets (Liabilities), net				Revenues (Expenses), net			
	Individual		Consolidated		Individual		Consolidated	
	3.31.2019 restated (*)	12.31.2018 restated (*)	3.31.2019 restated (*)	12.31.2018 restated (*)	3.31.2019 restated (*)	12.31.2018 restated (*)	3.31.2019 restated (*)	12.31.2018 restated (*)
Individual								
Companhia Brasileira de Distribuição (“CDB”) (c), (d), (e), (f) (**)	**97**	89	**98**	92	**(6)**	(2)	**(7)**	(4)
Subsidiaries								
Indústria de Móveis Bartira Ltda.(“Bartira”) (b), (e) (d)	**(13)**	(1)	**-**	-	**(125)**	(136)	**-**	-
Globex Administração e Serviços Ltda. (“GAS”) (d)	**-**	-	**-**	-	**-**	(1)	**-**	-
VVLog Logística Ltda. (“VVLog”) (b), (e)	**(5)**	4	**-**	-	**(44)**	(52)	**-**	-
Cnova Comércio Eletrônico S.A. (“Cnova Brasil”) (b), (d), (e)	**1,478**	1,040	**-**	-	**(57)**	6	**-**	-
Lake Niassa Empreendimentos e Participações Ltda. (“Lake”) (b)	**-**	1	**-**	-	**-**	-	**-**	-
Associates								
Financeira Itaú CBD S.A. (“FIC”) (a)	**(4)**	(2)	**(4)**	(2)	**(1)**	2	**(1)**	-
Sendas Distribuidora S.A. (“Sendas”) (d)	**-**	-	**1**	1	**-**	-	**2**	-
Greenyellow do Brasil Energia e Serviços Ltda. (“Greenyellow”) (d)	**(15)**	(6)	**(15)**	(6)	**(1)**	-	**(1)**	-
Other								
Casa Bahia Comercial Ltda. (“CB”) (d), (f)	**(267)**	(279)	**(243)**	(255)	**-**	-	**-**	-
	1,271	846	**(163)**	(170)	**(234)**	(183)	**(7)**	(4)
Leases								
Right-of-use asset	**979**	1,008	1,005	1,034	**28**	25	**29**	26
Lease liabilities	**(1,306)**	(1,331)	(1,341)	(1,367)	**37**	41	**38**	42
	(327)	(323)	**(336)**	(333)	**65**	66	**67**	68
Assets – Related parties	**1,953**	1,489	**330**	322				
Current	**1,803**	1,333	**147**	132				
Noncurrent	**150**	156	**183**	190				
Liabilities – Related parties	**(355)**	(320)	**(157)**	(159)				
Current	**(344)**	(315)	**(146)**	(154)				
Noncurrent	**(11)**	(5)	**(11)**	(5)				

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in note 2(b).

(**) On June 14, 2019, CBD sold 100% of its interest in the Company. Thus, Sendas and Greenyellow also ceased to be related parties of the Company since they are part of the CBD group. See more details in note 1.

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Transactions with related parties presented in the table above are due to transactions between the Company, its main shareholders, and its subsidiaries, and between shareholders and other related parties. These transactions were substantially recorded considering prices, terms and conditions agreed between the parties. The main transactions with related parties are as follows:

a) Credit and financing transactions with “Financeira Itaú CBD S.A”. (“FIC”)

The Company operates as a banking correspondent (“agent”) for services operated by FIC.As consequence as banking correspondent, the Company records payables with related parties and accounts receivables for services. Profit or loss from these operations is represented in the column "Revenues (expenses), net" in the table previously presented and classified in “Revenue from sales and services” in the Company’s statement of profit or loss.

FIC also operates as a credit card company, issuing cards and financing customers’ purchases. In the period ended March 31, 2019, the balance of credit card receivables from FIC was R$128 (R$132 as of December 31, 2018). These balances are recognized under “Accounts receivable,” in “Credit card companies,” explained in Note 5.

FIC also purchases credit card receivables. In the quarter ended March 31, 2019, the Company recognized R$4 (R$3 in the period ended March 31, 2018) in finance costs from sale of credit card receivables.

b) Loan agreements with subsidiaries

In the quarter ended March 31, 2019, the Company had loan agreements with subsidiaries VVLog, Bartira and Cnova Brasil, adjusted for inflation by the average rate of 105% of the CDI (105% of the CDI at December 31, 2018).

c) Transactions with parent company Companhia Brasileira de Distribuição (“CBD”)

Parent company CBD is the Company’s guarantor in a service agreement and in certain financing and rental agreements, and also reimburses personnel and rental expenses between the parties.

The Company also acquires benefit vouchers for its employees from CBD at prices similar to competitors’ prices as part of their remuneration. This referred acquisition represented expenses of R$13 in the quarter ended March 31, 2019 (R$12 in the quarter ended March 31, 2018).

d) Rental transactions and provision of services

Via Varejo carried out rental transactions as lessor, sharing its distribution centers and provision of services with CBD, GAS and Cnova Brasil. Cnova Brasil carried out rental transactions with Sendas.

Furthermore, the Company and its subsidiary Bartira have rental agreements that sums up to 302 properties – including distribution centers, commercial and administrative buildings – established under specific conditions with Casa Bahia Comercial (“CB”) management, under the Association Agreement between Via Varejo, CBD and CB.

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The following table shows the amounts arising from lease agreements:

	Consolidated – restated (*)			
	3.31.2019	12.31.2018	3.31.2019	12.31.2018
Statement of Financial Position	**Right-of-use**	**Right-of-use**	**Lease liabilities**	**Lease liabilities**
Companhia Brasileira de Distribuição	**9**	10	**(10)**	(11)
Casa Bahia Comercial Ltda.	**996**	1,024	**(1,331)**	(1,356)

	Consolidated – restated (*)			
	3.31.2019	12.31.2018	3.31.2019	12.31.2018
Statement of Profit or Loss	**Depreciation**	**Depreciation**	**Lease interest**	**Lease interest**
Companhia Brasileira de Distribuição	**-**	-	**-**	-
Casa Bahia Comercial Ltda.	**(29)**	(26)	**(38)**	(42)

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in note 2(b).

Via Varejo offers its products in the subsidiary Cnova Brazil's electronic address. For its turn, Cnova Brazil pays as a commission for using parent's Company warehouse. The Company recognized in the quarter ended March 31, 2019 expenses of R$20 (R$18 at December 31, 2018).

In 2018, the Company signed a service agreement with Greenyellow to implement energy efficiency solutions in some branches in order to monitor and ensure energy reduction in consumption therein. The Company bought an equipment from Greenyellow, which carries out maintenance on it, and is compensated on a percentage basis, according to the reduction in energy consumption due to the equipment acquired. The equipment acquired is recognized, when applicable, as Property and Equipment, under "Leasehold improvements."

e) Purchases and sales of goods and services

In the quarters ended March 31, 2019 and March 31, 2018, the Company has realized the following transactions with related parties:

		Income (expenses), net	
Counterparty	**Transaction**	**3.31.2019**	**3.31.2018**
Cnova Brasil	Sales of goods	**13**	27
CBD	Commission on intermediation of purchase	**9**	11
Bartira	Purchase of goods	**(125)**	(136)
VVLog	Freight services	**(45)**	(53)
Cnova Brasil	Purchase of goods	**(51)**	(4)

f) Association agreement between Via Varejo, CBD and CB and related instruments

In 2010, the First Amendment to the Association Agreement ("Association Agreement") between Via Varejo, CBD and CB was signed and, among other rights, it guaranteed to Via Varejo the right to be indemnified by CBD and CB for certain lawsuits and reimbursement of expenses as from June 30, 2010, which were the responsibility of the former controlling shareholders of the companies of such Association Agreement.

On November 8, 2016, six years after the transaction closing date, under the "Association Agreement," the Company completed the procedures regarding to indemnity (cash refunds) related to new legal claims. The parties began negotiations for collection and payment of the existing balance related to such losses.

On July 4, 2017, the Company entered into an "Agreement" with CB, together with CBD, for (i) settlement contingent of losses and damage already incurred until November 8, 2016; (ii) definition of new criteria to determine liability for losses and damage related to contingencies; (iii) holding of periodical meetings at which one of the parties has to present any losses and damage incurred as of November 9, 2016, to be

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reimbursed by the other party; and (iv) provision of guarantees for CB's obligation to indemnify contingencies. The Agreement was approved by the Boards of Directors of the Company and CBD on July 24, 2017.Under such Agreement, personal guarantees from CB's shareholders and mortgages on properties were provided, in an amount sufficient to support the total potential contingencies identified on November 8, 2016.

On October 24, 2018, the Company signed an amendment to the Agreement, with CB and CBD, to improve the criteria of the Agreement and clarify certain clauses and conditions, for settling the outstanding balances presented from one party to the other at the periodical meetings.

g) Management compensation

The expenses related to the Senior Management (officers appointed pursuant to the bylaws and the Board of Directors) compensation, recognized in the statement of profit or loss for the quarter ended March 31, 2019 and the year ended December 31, 2018, were as follows:

	3.31.2019		
	Short-term benefits	**Share-based payment**	**Total**
Executive Board	**3**	**1**	**4**
Board of Directors	**1**	**-**	**1**
	4	**1**	**5**

	12.31.2018		
	Short-term benefits	**Share-based payment**	**Total**
Executive Board	24	11	35
Board of Directors	3	-	3
	27	11	38

9. Investments

a) Ownership interests

	3.31.2019	
Investments	**Direct interest**	**Indirect interest**
Subsidiaries		
Indústria de Móveis Bartira Ltda. (“Bartira”)	**99.99%**	**0.01%**
Globex Administração e Serviços Ltda. (“GAS”)	**99.99%**	**0.01%**
Lake Niassa Empreendimentos e Participações Ltda. (“LAKE”)	**99.99%**	**0.01%**
VVLog Logística Ltda. (“VVLog”)	**99.99%**	**0.01%**
Globex Administração de Consórcio Ltda. (GAC”)	**99.99%**	**0.01%**
Cnova Comércio Eletrônico S.A. (“Cnova Brasil”)	**100.00%**	**-**
Associates		
Financeira Itaú CBD S.A. (“FIC”)	**-**	**14.24%**
Banco Investcred Unibanco S.A. (“BINV”)	**-**	**50.00%**
FIC Promotora de Vendas Ltda.	**-**	**14.24%**

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b) Changes in investments

	Individual – restated (*)				
	Lake	**Bartira**	**Cnova Brasil (ii)**	**Other**	**Total**
Balance at December 31, 2017	81	770	(484)	86	453
Equity income through profit or loss	6	(7)	(81)	(3)	(85)
Equity income through other comprehensive income (loss)	-	-	(1)	-	(1)
Balance at March 31, 2018	87	763	(566)	83	367

	Individual – restated				
Balance at December 31, 2018	107	760	(57)	71	881
Capital increase (i)	**-**	**-**	**96**	**-**	**96**
Equity income through profit or loss	**9**	**(4)**	**(105)**	**2**	**(98)**
Payment of dividends	**(2)**	**-**	**-**	**-**	**(2)**
Equity income through other comprehensive income (loss)	**-**	**-**	**(2)**	**-**	**(2)**
Balance at March 31, 2019	**114**	**756**	**(68)**	**73**	**875**

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Note 2 (b).

(i) In 2019, the Company increased the capital of its subsidiary Cnova Brasil by R$96 through conversion of debts contracted from Via Varejo.

(ii) On March 31, 2019, parent company Via Varejo had a provision for negative net worth of R$69 for subsidiary Cnova Brasil (R$601 at March 31, 2018).

	Consolidated		
	FIC (i)	**BINV (i)**	**Total**
Balance at December 31, 2017	60	21	81
Equity income through profit or loss	6	-	6
Balance at March 31, 2018	66	21	87

	Consolidated		
	FIC (i)	**BINV (i)**	**Total**
Balance at December 31, 2018	79	29	108
Equity income	**8**	**2**	**10**
Payment of dividends	**(4)**	**-**	**(4)**
Balance at March 31, 2019	**83**	**31**	**114**

(i) FIC and BINV

They are credit banks, that are financing the Company sales directly for Company's and CDB's customer and resulted from the association of CBD and the Company with Banco Itaú Unibanco S.A. The Company has significant influence, but not control, through its representation on the Board of Directors of the affiliates. Interest in the total voting capital of FIC and BINV corresponds to 14.24% and 50.00%, respectively, arising from investments in subsidiary Lake.

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c) Summary of financial information on associates

We present below information on associates that the Company considers relevant for the calculation of share of profit (loss) of associates.

	FIC
Statement of financial position	**3.31.2019**
Current assets	**5,998**
Noncurrent assets	**58**
Total assets	**6,056**
Current liabilities	**5,293**
Noncurrent liabilities	**10**
Equity (i)	**753**
Total liabilities and equity	**6,056**
Statement of profit or loss	
Income	**172**
Operating income (expenses)	**52**
Profit for the year	**52**

(i) The investment calculation considers investee's equity, less the special goodwill reserve, which is the exclusive right of Itaú Unibanco S.A.

There are no significant restrictions related to the investments held by the Company.

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10. Property and equipment

a) Changes in property and equipment

	Individual						Consolidated					
	Balance at 3.31.2019 restated (*)			Balance at 12.31.2018			Balance at 3.31.2019 restated (*)			Balance at 12.31.2018		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	**12**	**-**	**12**	12	-	12	**15**	**-**	**15**	15	-	15
Buildings	**14**	**(8)**	**6**	14	(8)	6	**19**	**(12)**	**7**	19	(12)	7
Leasehold improvements	**1,011**	**(348)**	**663**	992	(334)	658	**1,015**	**(349)**	**666**	995	(334)	661
Machinery and equipment	**167**	**(93)**	**74**	161	(90)	71	**410**	**(242)**	**168**	403	(233)	170
IT equipment	**453**	**(281)**	**172**	440	(271)	169	**500**	**(320)**	**180**	486	(307)	179
Facilities	**154**	**(77)**	**77**	153	(75)	78	**172**	**(85)**	**87**	170	(83)	87
Furniture and fixtures	**293**	**(123)**	**170**	284	(117)	167	**309**	**(132)**	**177**	300	(126)	174
Vehicles	**4**	**(4)**	**-**	4	(4)	-	**27**	**(9)**	**18**	27	(9)	18
Properties under construction	**109**	**-**	**109**	115	-	115	**109**	**-**	**109**	116	-	116
Other	**50**	**(32)**	**18**	47	(30)	17	**50**	**(32)**	**18**	47	(30)	17
	2,267	**(966)**	**1,301**	2,222	(929)	1,293	**2,626**	**(1,181)**	**1,445**	2,578	(1,134)	1,444

	Balance at 12.31.2017	Additions	Write-offs	Depreciation	Transfers	Balance at 3.31.2018	Balance at 12.31.2017	Additions	Write-offs	Depreciation	Transfers	Balance at 3.31.2018
Changes in 2018	**1,191**	**53**	**(1)**	(35)	(6)	1,202	1,414	55	(17)	(42)	(6)	1,404

	Balance at 12.31.2018	Additions	Write-offs	Depreciation	Transfers	Balance at 3.31.2019	Balance at 12.31.2018	Additions	Write-offs	Depreciation	Transfers	Balance at 3.31.2019
Changes in 2019	**1,293**	**53**	**(7)**	(41)	3	1,301	1,444	55	(8)	(48)	2	1,445

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Note 2 (b).

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b) Classification of depreciation and amortization in the statement of profit or loss

In the quarter ended March 31, 2019, the Company recognized in cost of sales and services R$9 related to the depreciation of its property and equipment and intangible assets in the individual interim financial information (R$9 in the quarter ended March 31, 2018) and R$16 in the consolidated interim financial information (R$18 in the quarter ended March 31, 2018).

c) Impairment test of property and equipment

The Company assessed and concluded that there are no changes in both internal and external indicators in the quarter ended March 31, 2019 and, therefore, any additional impairment test is necessary.

The Company will conduct a new assessment for the financial statements for the fiscal year ending December 31, 2019 or if any indication of impairment is identified.

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11. Intangible assets

a) Changes in Intangible assets

	Individual						Consolidated					
	Balance at 3.31.2019			Balance at 12.31.2018			Balance at 3.31.2019			Balance at 12.31.2018		
	Cost	Accumulated Amortization	Net	Cost	Accumulated amortization	Net	Cost	Accumulated Amortization	Net	Cost	Accumulated amortization	Net
Goodwill	**-**	**-**	**-**	-	-	-	**627**	**-**	**627**	627	-	627
Software under development (*)	**308**	**-**	**308**	280	-	280	**323**	**-**	**323**	295	-	295
Software and licenses	**330**	**(94)**	**236**	386	(152)	234	**526**	**(261)**	**265**	577	(308)	269
Contractual rights	**251**	**(151)**	**100**	251	(142)	109	**251**	**(151)**	**100**	251	(142)	109
Trademarks and patents	**-**	**-**	**-**	-	-	-	**46**	**-**	**46**	46	-	46
Advantageous rental agreements	**-**	**-**	**-**	-	-	-	**36**	**(11)**	**25**	36	(11)	25
Commercial rights	**68**	**(66)**	**2**	68	(66)	2	**68**	**(66)**	**2**	68	(66)	2
	957	**(311)**	**646**	985	(360)	625	**1,877**	**(489)**	**1,388**	1,900	(527)	1,373

	Balance at 12.31.2017	Additions	Write-offs	Amortization	Transfers	Balance at 3.31.2018	Balance at 12.31.2017	Additions	Write-offs	Amortization	Transfers	Balance at 3.31.2018
Changes in 2018	376	45	-	(16)	6	411	1,162	51	-	(37)	6	1,182

	Balance at 12.31.2018	Additions	Write-offs	Amortization	Transfers	Balance at 3.31.2019	Balance at 12.31.2018	Additions	Write-offs	Amortization	Transfers	Balance at 3.31.2019
Changes in 2019	625	45	(2)	(19)	(3)	646	1,373	49	(2)	(30)	(2)	1,388

(*) The Company and its subsidiaries have been investing in the acquisition and development of software and digital applications to improve the operating performance of e-commerce sales, in line with the Company's strategy.

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b) Impairment test of intangible assets

The Company assessed and concluded that there are no changes in both internal and external indicators in the quarter ended March 31, 2019 and, therefore, there isn't further impairment test.

The Company will conduct new tests for the financial statements for the fiscal year ending December 31, 2019 or if any indication of impairment is identified.

In relation to intangible assets with indefinite useful life, the Company, according to its accounting policy, will test them for impairment during the second half of 2019.

12. Loans and financing

a) Book balances

		Individual		Consolidated	
	Rate	**3.31.2019**	**12.31.2018**	**3.31.2019**	**12.31.2018**
Consumer financing ("CDCI") (i)	7.59% p.a.	**3,401**	3,400	**3,401**	3,400
Promissory notes (ii)	7.10% p.a.	**510**	502	**510**	502
Borrowings in foreign currency (iii)	3.92% p.a.	**398**	395	**398**	395
Financial instruments – fair value hedge liabilities	6.29% p.a.	**6**	6	**6**	6
Other		**-**	18	**3**	22
		4,315	4,321	**4,318**	4,325
Current		**3,975**	3,356	**3,976**	3,357
Noncurrent		**340**	965	**342**	968
Total borrowings, net		**4,315**	4,321	**4,318**	4,325

(i) Consumer financing ("CDCI")

CDCI consumer financing plan refers to credit sale financing through a financial institution (see Note 5(a)(ii)). The rates are fixed at each transaction date. For the quarter ended March 31, 2019, the weighted average rate charged by financial institutions for CDCI transactions was 7.59% p.a. (7.78% p.a. as of December 31, 2018).

(ii) Promissory notes

On December 12, 2018, the Company carried out the 1st issue of promissory notes in a single series. Five unsecured promissory notes were issued, all with a par value of R$100, amounting to R$500. The due date for amortization of the promissory notes is February 2020.

(iii) Borrowings in foreign currency

The Company uses swap transactions for 100% of its borrowings in US dollars and fixed interest rates and, when applicable, variable interest, as well as transactions in local currency at fixed rates, swapping these obligations for Real pegged to CDI interest rates (floating). The Company enters into swap transactions with the same financial conglomerate and currency of the corresponding borrowings, and recorded them under "Financial instruments – fair value hedge," as per the net value measured for each instrument. These contracts have the same terms and dates for interest and principal payment.

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In the period ended March 31, 2019, the Company fully complied with all the covenants related to borrowings, as well as existing financial guarantees.

b) Changes in borrowings

The table below shows changes in cash flow related to financing activities.

	Individual	Consolidated
Balance at December 31, 2017	3,516	4,104
Cash flow from borrowings		
Additions (i)	1,268	1,268
Amortization (i)	(1,250)	(1,252)
Interest payment (i)	(87)	(89)
Noncash changes		
Accrued interest (i)	71	78
Exchange differences	-	1
Mark to market	-	(6)
Balance at March 31, 2018	3,518	4,104
Balance at December 31, 2018	4,321	4,325
Cash flow from borrowings		
Additions (ii)	**1,238**	**1,238**
Amortization (ii)	**(1,246)**	**(1,247)**
Interest payment (ii)	**(71)**	**(71)**
Noncash changes		
Accrued interest (ii)	**72**	**72**
Exchange differences	**2**	**2**
Mark to market	**(1)**	**(1)**
Balance at March 31, 2019	**4,315**	**4,318**

(i) At March 31, 2018, the amounts of the CDCI transactions were R$1,268 related to additions, R$1,239 to amortization, R$81 to interest payment and R$69 to accrued interest.

(ii) At March 31, 2019, the amounts of the CDCI transactions were R$1,238 related to additions, R$1,236 to amortization, R$60 to interest payment and R$59 to accrued interest.

c) Aging list of loans recognized in noncurrent liabilities

Year	Individual	Consolidated
9 months of 2020	294	294
2021	29	30
2022	17	18
Total	**340**	**342**

13. Taxes payable

a) Accounting balances

	Individual		Consolidated	
	3.31.2019	**12.31.2018**	**3.31.2019**	**12.31.2018**
ICMS	**104**	103	**127**	125
Special Tax Regularization Program	**29**	29	**29**	29
Withholding income tax	**11**	17	**12**	19
Income and social contribution taxes	**-**	-	**-**	2
Other	**6**	7	**10**	18
	150	156	**178**	193
Current	**120**	126	**148**	163
Noncurrent	**30**	30	**30**	30

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14. Current and deferred income and social contribution taxes

a) Reconciliation of profit or loss and social contribution tax expenses

	Individual		Consolidated	
	3.31.2019 restated (*)	**3.31.2018 restated (*)**	**3.31.2019 restated (*)**	**3.31.2018 restated (*)**
Profit (loss) before tax	**(10)**	138	**(19)**	135
Income and social contribution taxes at the statutory rate of 34%	**3**	(47)	**6**	(46)
Share of profit (loss) of subsidiaries and associates	**(33)**	(29)	**3**	2
Unrecognized tax loss (i)	**-**	-	**(33)**	(22)
Other nondeductible permanent differences	**(2)**	2	**1**	(5)
Financial instrument fair value adjustment	**(1)**	2	**-**	2
Effective income and social contribution taxes	**(33)**	(72)	**(23)**	(69)
Current recognized in profit or loss	**-**	(96)	**1**	(97)
Deferred recognized in profit or loss	**(32)**	22	**(24)**	26
	(32)	(74)	**(23)**	(71)
Deferred recognized in other comprehensive income (loss)	**(1)**	2	**-**	2
	(33)	(72)	**(23)**	(69)

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Note 2(b).

(i) Cnova Brasil did not recognize deferred tax assets resulting from tax losses and temporary differences because there is no expectation of realization due to the losses determined in prior years. At September 30, 2018, the Company started recognizing temporary differences of subsidiary Cnova Brasil considering that the monetization studies would indicate the possibility of recovery due to the partial spin-off and merger of the subsidiary's operations into Via Varejo, approved by management. In the quarter ended March 31, 2019, unrecognized deferred income and social contribution taxes in the statement of financial position related to tax loss and tax loss carryforwards amounted to R$518 (R$485 on December 31, 2018).

b) Breakdown of deferred income and social contribution taxes:

	Individual		Consolidated	
	3.31.2019 restated (*)	**12.31.2018 restated (*)**	**3.31.2019 restated (*)**	**12.31.2018 restated (*)**
Provision for contingencies	**230**	268	**247**	284
Allowance for doubtful accounts	**131**	143	**161**	168
Tax loss carryforward	**152**	74	**210**	128
Provision for current expenses	**41**	92	**47**	99
Provision for impairment of property and equipment and inventories	**45**	40	**65**	61
Leases	**226**	226	**256**	258
Other	**29**	39	**40**	48
Total deferred tax asset	**854**	882	**1,026**	1,046
Depreciation and amortization of property and equipment and intangible assets	**(125)**	(120)	**(148)**	(143)
PPA Bartira	**-**	-	**(30)**	(31)
Other	**-**	-	**(6)**	(6)
Total deferred tax liability	**(125)**	(120)	**(184)**	(180)
	729	762	**842**	866

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Note 2(b).

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Deferred income and social contribution taxes are recorded in the statement of financial position at the net amount per paying entity, with deferred assets amounting to R$729 and R$848 in individual and consolidated, respectively, at March 31, 2019 (R$762 and R$872 in individual and consolidated, respectively, at December 31, 2018) and deferred liabilities of R$6 in the consolidated statement of financial position for the period ended March 31, 2019 (R$6 in the consolidated statement of financial position at December 31, 2018).

c) Expected realization of deferred income and social contribution tax assets

Deferred income and social contribution tax assets were recognized as a result of studies prepared by management on the generation of taxable profits that would allow the full realization of these amounts in the next years, as well as the expected realization of deductible temporary differences, as follows:

At March 31, 2019	Individual	Consolidated
9 months of 2019	469	544
2020	135	155
2021	79	99
2022	29	47
2023	10	28
Above 5 years	132	153
	854	**1,026**

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Note 2(b).

15. Provision for contingencies

a) Changes in the provision for contingencies:

	Individual			
	Tax	Social security and labor	Civil and others	Total
Balance at December 31, 2017	112	935	127	1,174
Additions	3	173	36	212
Payments	(1)	(109)	(15)	(125)
Reversals	-	(48)	(20)	(68)
Interests	1	18	6	25
Balance at March 31, 2018	115	969	134	1,218
Balance at December 31, 2018	**114**	**686**	**103**	**903**
Additions	**-**	**156**	**29**	**185**
Payments	**-**	**(139)**	**(16)**	**(155)**
Reversals	**(114)**	**(47)**	**(17)**	**(178)**
Interests	**1**	**19**	**3**	**23**
Balance at March 31, 2019	**1**	**675**	**102**	**778**

	Consolidated			
	Tax (i)	Social security and labor (ii)	Civil and Others (iii)	Total
Balance at December 31, 2017	112	952	175	1,239
Additions	3	180	54	237
Payments	(1)	(112)	(20)	(133)
Reversals	-	(49)	(34)	(83)
Interests	1	18	6	25
Balance at March 31, 2018	115	989	181	1,285
Balance at December 31, 2018	149	700	128	977
Additions	**-**	**160**	**50**	**210**
Payments	**-**	**(142)**	**(30)**	**(172)**
Reversals	**(114)**	**(48)**	**(21)**	**(183)**
Interests	**1**	**19**	**4**	**24**
Balance at March 31, 2019	**36**	**689**	**131**	**856**

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(i) Tax

Tax claims are subject, by law, to monthly adjustment for inflation, is an adjustment to the provision for contingencies according to indexation rates used by each tax jurisdiction. In all cases, both interest charges and fines, when applicable, were computed and fully provisioned with respect to unpaid amounts.

At March 31, 2019, the Company reversed the provision for tax contingencies related to PIS and COFINS credits on advertising expenses in the amount of R$108. In the Company's opinion, it is a contingent liability, based on recent decisions of the Superior Court of Justice ("STJ"). The opinion of external lawyers is corroborated by Company's judgment; the likelihood of loss is possible.

(ii) Social security and labor

The Company is a party to various labor claims, mainly from employees lay off in the ordinary course of business. As of March 31, 2019, the Company maintains provision of R$689 (R$700 as of December 31, 2018).

The Company has 30,454 labor claims as of March 31, 2019 (31,472 as of December 31, 2018). The provision for labor contingencies is calculated based on the history of losses on all claims and historical amount of losses by position of the plaintiff, considering the nature similarity of the amounts involved in the claims.

(iii) Civil and others

The Company is a defendant in civil and other claims at several levels of court spheres. The main claims are the following:

- Claims in which the Company requests the renewal of rental agreements where the Company is required to pay provisional rental amounts until the final and unappealable decision on the litigation. The Company recognizes provision based on the amount between that paid by way of provisional rent and the amount determined by court decision. As of March 31, 2019, the balance of this provision was R$41 (R$45 as of December 31, 2018).

- Claims involving consumer relationships rights. The Company has 45,038 civil claims as of March 31, 2019 (40,687 at December 31, 2018). The provision is calculated based on the history of losses on all claims, segregated by object (nature of the claim), and historical amount of losses by type of claim. As of March 31, 2019, the balance of this provision was R$90 (R$83 as of December 31, 2018).

b) Contingent liabilities

The Company is a party to other claims that were analyzed by legal advisors and whose unfavorable outcome is possible and, therefore, those claims are not recorded in the financial statements, totaling R$1,836 as of March 31, 2019 (R$1,699 as of December 31, 2018), mainly related to:

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Tax

- COFINS, PIS, IRPJ, IRRF, CSLL and INSS: (i) administrative and legal proceedings related to offset requests not recognized by tax authorities, generated due to credits from favorable court decisions, and to payment differences, overtime and fine for noncompliance with accessory obligations; (ii) tax delinquency notice as a result of exclusion of amounts deemed by the Brazilian IRS as taxable revenues, and use of noncumulative PIS and COFINS credits relating to bonuses paid to suppliers, card administration fees and PIS and COFINS on advertising. The amount involved in these claims is approximately R$757 as of March 31, 2019 (R$637 at December 31, 2018.ICMS, ISS and IPTU – tax delinquency notices arising from service tax, diverging information filed with the state and local finance departments, and review of the use of Company's credits through: (a) purchase of goods from suppliers with irregular state registration with tax authorities; (b) noncompliance with ancillary obligations; (c) sale of extended warranty; and (d) others of lower materiality. The amount involved in these claims is approximately R$931 as of March 31, 2019 (R$915 as of December 31, 2018).

- Mandala goodwill: tax delinquency notice due to the deduction of amortization charges in 2012 and 2013 from goodwill arising from the acquisition of Ponto Frio in calendar year 2009. The adjusted amount of the tax delinquency notice corresponds to IRPJ and CSLL amounting to R$90 (R$89 as of December 31, 2018).

c) Escrow deposits

The Company is questioning the payment of certain taxes, contributions and labor obligations. As consequence, the Company made deposits (restricted deposits) in corresponding amounts, in order to cover additional disbursements in contingent liability process. This amount is recorded in the Company's assets, as shown below:

	Individual		Consolidated	
	3.31.2019	**12.31.2018**	**3.31.2019**	**12.31.2018**
Social security and labor	**852**	861	**871**	877
Tax	**48**	45	**53**	50
Civil and others	**32**	31	**38**	37
	932	937	**962**	964

d) Guarantees

In the quarter ended March 31, 2019, the Company offered commercial collateral in some civil, labor and tax claims, as follows:

Claims	Real estate	Letter of guarantee	Total
Tax	**9**	**1,607**	**1,616**
Civil and others	**-**	**520**	**520**
Social security and labor	**-**	**417**	**417**
	9	**2,544**	**2,553**

The annual cost of the letters of guarantee is approximately 0.62% and it is recognized in "Finance cost", throughout the period.

16. Lease transactions

a) Accounting policy

The accounting standard requires that all leases, their corresponding contractual rights and obligations to be recognized in the statement of financial position, except for leases with lease term of less than 12 months, indefinite lease term or low-value agreements. For those leases, for

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exempt from recognition, the Company recorded the expenses in profit or loss for the year over the period of the lease, as incurred.

For each lease agreement, the Company recognizes a right-of-use asset and a lease liability comprising the present value of the installments and costs associated with the lease agreement. The right-of-use asset is depreciated throughout the estimated useful life of the agreement in force and terminated at the time of adjustment for impairment, or even when the contractual terms are terminated in accordance with the commercial conditions and business strategy of the Company.

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b) Breakdown of balances and changes

Right-of-use assets

	Individual restated (*)	Consolidated restated (*)
Balance at December 31, 2017	2,943	3,013
Addition and remeasurement	(43)	(43)
Depreciation	(105)	(108)
Balance at March 31, 2018	2,795	2,862

	Individual restated (*)	Consolidated restated (*)
Balance at December 31, 2018	3,038	3,102
Addition and remeasurement	**107**	**107**
Write-offs	**(6)**	**(6)**
Depreciation	**(118)**	**(120)**
Balance at March 31, 2019	**3,021**	**3,083**

(*) Balances were restated due to the change in the accounting policy related to the measurement of the right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

Classification of depreciation of right-of-use assets in the Statement of Profit or Loss

In the quarter ended March 31, 2019, the Company recognized as cost of sales and services the amount of R$25 related to the depreciation of right-of-use asset in the individual interim financial statements (R$22 in the quarter ended March 31, 2018) and R$27 in the consolidated interim financial statements (R$24 in the quarter ended March 31, 2018).

Lease liabilities

	Individual restated (*)	Consolidated restated (*)
Balance at December 31, 2017	3,657	3,827
Addition and remeasurement	(47)	(47)
Principal payment	(96)	(103)
Interest payment	(95)	(99)
Interest incurred	96	98
Balance at March 31, 2018	3,515	3,676

	Individual restated (*)	Consolidated restated (*)
Balance at December 31, 2018	3,788	3,946
Addition and remeasurement	**107**	**107**
Write-offs	**(8)**	**(8)**
Principal payment	**(125)**	**(130)**
Interest payment	**(93)**	**(96)**
Interest incurred	**91**	**95**
Balance at March 31, 2019	**3,760**	**3,914**
Current	**809**	**841**
Noncurrent	**2,951**	**3,073**

(*) Balances were restated due to the change in the accounting policy related to the measurement of the right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

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c) Aging list of the lease liabilities recognized as noncurrent liabilities

Year	Individual restated (*)	Consolidated restated (*)
9 months of 2020	328	343
2021	466	487
2022	454	477
2023	362	387
2024	281	293
More than 5 years	1,060	1,086
Total	**2,951**	**3,073**

(*) Balances were restated due to the change in the accounting policy related to the measurement of the right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

d) Payment of variable rentals, low-value and short-term assets

In the quarter ended March 31, 2019, the Company recognized R$17 related to expenses for the payment of variable rentals, low-value and short-term assets in the individual and consolidated interim financial statements.

17. Deferred revenue

a) Accounting balances

	Individual		Consolidated	
	3.31.2019	12.31.2018	3.31.2019	12.31.2018
Additional or extended warranties	**1,349**	1,396	**1,405**	1,453
Card operation and bank correspondent	**301**	332	**348**	378
Insurance and services	**131**	135	**139**	143
Granted rights	**28**	29	**28**	29
Other	**3**	2	**3**	3
	1,812	1,894	**1,923**	2,006
Current	**381**	380	**403**	401
Noncurrent	**1,431**	1,514	**1,520**	1,605

b) Management's estimate for realization of the amounts classified as "Noncurrent"

Year	Individual	Consolidated
9 months of 2020	250	265
2021	309	328
2022	295	315
2023	285	304
2024	273	289
Above 5 years	19	19
Total	**1,431**	**1,520**

18. Equity

a) Issued capital

The Company's subscribed and paid-up capital as of March 31, 2019 was R$2,899 (R$2,899 at December 31, 2018) and comprised 1,294,350 thousand common shares, all of them registered book-entry shares with voting rights and without par value.

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For the period ended March 31, 2019, the Company had a capital increase due to the exercise of stock option plans, as follows:

Date of capital increase	Balance in R$	Number of common shares
2/19/2019	R$155.85	46,755

b) Share-based compensation plan

The Company maintains share-based compensation plans that aim to: (i) allowing interest of Company management and employees in its capital and in equity increases derived from profit to which management and employees have contributed; (ii) fostering the achievement of the Company's corporate purposes; and (iii) aligning the interests of Company management and employees to those of the Company's shareholders. The current plans can be settled in cash or in stock exchange membership.

i) Stock option program (payment in stock exchange membership)

In March 2019, 336,971 stock options were granted with a vesting period of up to two years and five months. According to the terms of the program, the beneficiary will have the right to receive a certain number of shares conditioned on maintaining their position as manager or employee of the Company or any of its subsidiaries ("service condition"). Each share is subject to appreciation and price variation over time, based on fair value method fair value method through Black and Scholes' model .

The total expense of plans payable in stock exchange membership, including taxes and social charges withheld, recognized in the quarter ended March 31, 2019 was R$5 (R$6 in the quarter ended March 31, 2018).

ii) Phantom Stock Option Plan

At March 31, 2019, the amount of liabilities, including social charges, was recorded as noncurrent liabilities and stood at R$10 (R$12 at December 31, 2018). The total reversal of expense recognized in the quarter ended March 31, 2019 was R$2 (expense of R$8 in the quarter ended March31, 2018).

19. Net revenue from sales and services

a) Accounting balances

	Individual		Consolidated	
	3.31.2019	**3.31.2018**	**3.31.2019**	**3.31.2018**
Goods	**5,711**	5,284	**6,524**	6,583
Financial transactions	**421**	445	**421**	445
Intermediation fees	**254**	297	**313**	349
Freight and assembly services	**82**	68	**101**	101
Gross revenue from sales net of returns and cancellations	**6,468**	6,094	**7,359**	7,478
Taxes on goods	**(769)**	(543)	**(952)**	(803)
Taxes on financial services	**(19)**	(20)	**(19)**	(20)
Taxes on intermediation fees	**(31)**	(34)	**(41)**	(42)
Taxes on freight and assembly services	**(17)**	(14)	**(17)**	(17)
Taxes on revenue	**(836)**	(611)	**(1,029)**	(882)
Net sales	**5,632**	5,483	**6,330**	6,596

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20. Expenses by nature

	Individual – restated (*)		Consolidated – restated (*)	
	3.31.2019	**3.31.2018**	**3.31.2019**	**3.31.2018**
Cost of sales and services	**3,853**	3,385	**4,363**	4,173
Personnel expenses	**579**	666	**624**	736
Cost of third-party services	**369**	361	**510**	520
Freight expenses	**156**	132	**203**	205
Allowance for doubtful accounts	**95**	146	**122**	168
Labor claim expenses	**65**	100	**65**	103
Reversal of tax contingencies	**(108)**	-	**(108)**	-
Other	**81**	105	**91**	125
	5,090	**4,895**	**5,870**	6,030
Cost of sales and services	**4,023**	3,556	**4,582**	4,409
Selling expenses (**)	**933**	1,116	**1,146**	1,362
General and administrative expenses (**)	**134**	223	**142**	259
	5,090	4,895	**5,870**	6,030

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Notes 2 (b).

21. Other operating income (expenses), net

	Individual restated (*)		Consolidated restated (*)	
	3.31.2019	**3.31.2018**	**3.31.2019**	**3.31.2018**
Restructuring expenses (i)	**(70)**	(32)	**(72)**	(30)
Gain (loss) on disposal of property and equipment and intangible assets	**(9)**	-	**(10)**	(9)
Other	**6**	-	**6**	(1)
	(73)	(32)	**(76)**	(40)

(*) Balances were restated due to the change in the accounting policy related to the measurement of the right-of-use Asset and the lease Liability net of PIS and COFINS, when applicable. See more details in note 2(b).

(i) These account records, logistics adjustment, termination of employment contracts and labor claims, arising from the implementation of measures to adapt the Company's expense structure, encompassing all the operational and administrative areas.

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22. Finance income (costs), net

	Individual		Consolidated	
	3.31.2019 restated (*)	**3.31.2018 restated (*)**	**3.31.2019 restated (*)**	**3.31.2018 restated (*)**
Finance costs				
Cost of debt	**(71)**	(73)	**(72)**	(83)
Cost of sales and discount of receivables	**(69)**	(41)	**(86)**	(69)
Monetary and exchange losses	**(18)**	(24)	**(20)**	(28)
Interest on liability lease	**(91)**	(96)	**(95)**	(98)
Other finance costs	**(14)**	(13)	**(15)**	(15)
Total finance costs	**(263)**	(247)	**(288)**	(293)
Finance income				
Yield from cash and cash equivalents	**7**	6	**8**	8
Monetary and exchange gains	**13**	25	**12**	22
Advances to suppliers	**7**	6	**9**	8
Other finance income	**-**	1	**1**	2
Total finance income	**27**	38	**30**	40
Finance income (costs), net	**(236)**	(209)	**(258)**	(253)

(*) Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Notes 2(b).

23. Earnings (loss) per share

The table below presents the calculation of profit (loss) available to shareholders and the weighted average number of outstanding shares used to calculate basic and diluted earnings (loss) per share, excluding shares acquired by the Company and held in treasury in each reporting period.

	3.31.2019 restated (*)	**3.31.2018 restated (*)**
Basic numerator		
Basic earnings (loss) allocated and not distributed	**(42)**	64
Total basic earnings (loss) allocated and not distributed	**(42)**	64
Basic denominator (in thousands of shares)		
Weighted average number of shares	**1,294,024**	1,291,968
Basic earnings (loss) per share (in R$)	**(0.03203)**	0.04960
Diluted denominator (in thousands of shares)		
Stock options	**2,412**	4,092
Weighted average number of shares	**1,294,024**	1,291,968
Diluted weighted average number of shares	**1,296,436**	1,296,060
Diluted earnings (loss) per share (in R$)	**(0.03197)**	0.04948

(*)Balances were restated due to the change in the accounting policy related to CPC 06(R2) (IFRS 16) – Leases. See more details in Notes 2(b).

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Notes to the interim financial information for the period ended March 31, 2019

(In millions of Brazilian reais – R$, unless otherwise stated)

24. Insurance

The insurance coverage as of March 31, 2019 is considered sufficient by management to cover any claims and is summarized as follows:

Insured assets	Insured risks	Insured amount
Property and equipment and inventories	Assigning profits	**10,333**
Profit	Loss of profits	**5,176**
Cars and others (*)	Damage	**245**

(*) The amount above does not include coverage of hooves, which are insured by an amount equivalent to 100% of the Institute of Economic Research Foundation (FIPE) table.

The Company has specific policies covering civil and administrative liability risks in the amount of R$312.

25. Segment information

Until 2015, the Company operated and reported its information through a single segment defined as brick and mortar stores by Via Varejo. The corporate reorganization in 2016 resulted in e-commerce ("online") integration, carried out by Cnova Brasil, and brick and mortar store business aimed to implement a unified operational management for both businesses, and provide greater competitiveness and a better strategic positioning to the Company.

The chief operating decision maker is the CEO of Via Varejo, who analyzes revenues earned by the business per sales channel; however, all the cost and expense structure went through an integration process, operating on a unified basis since the beginning of the corporate reorganization.

Due to similar characteristics, where revenues and business are very similar, management considered only a single reportable operating segment. Below are the total net revenues per business:

	Consolidated	
	3.31.2019	**3.31.2018**
Net revenue – Brick and mortar stores	**5,612**	5,451
Net revenue - Online	**718**	1,145
	6,330	6,596

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26. Events after the reporting period

Partial spin-off of the subsidiary Cnova Brasil followed by merger with the Company

On April 23, 2019, Via Varejo disclosed a Material Fact notice to its shareholders and the market informing that its Board of Directors approved a proposal for the partial spin-off of its wholly-owned subsidiary Cnova Brasil and subsequent merger of its net assets with the Company, based on the accounting balances as of February 28, 2019. On July 1, 2019, the asset and liability balances of the spun-off portion of Cnova Brasil were merged with the Company. The portion of Cnova Brasil merged is R$1,222.95 (amounts in Brazilian real), composed of the spun-off portion of assets and liabilities, respectively, in the amounts of R$3,133,415,296.19 and R$3,133,414,073.24 (amounts in Brazilian real).

The proposal is aligned with the strategy of changing the ownership structure of the Company to increase its productivity and operational efficiency, and to reduce its operating costs.

Sale of significant ownership interest in the Company

On June 14, 2019, the Company announced to its shareholders that, through an auction held in B3, the Companhia Brasileira de Distribuição (then its parent company) divested its 36.27% ownership interest in the Company for R$2,301.

As a result, starting from that date, shareholders considered to be holding material interest in the Company are: Michael Klein and Twisnf Fundo de Investimento Multimercado (fund linked to Michael Klein) with 11.19%; Goldentree Fundo de Investimento em Ações with 10.01%; XP Gestão de Recursos with 6.45%; and EK-VV Limited with 6.33% of common shares. The remaining capital of the Company corresponds to 0.02% of treasury stock and 65.99% of shareholders who, individually, do not hold at least 5% of the Company's capital.

Phantom Stock Option Program

On May 28, 2019, the Company granted to the Program beneficiaries of 1,312,385 phantom shares, equivalent to 3,937,155 common shares issued by the Company. Once the employment condition is met, which is keeping their employment relationship with the Company or its subsidiary during the three-month period from the grant date, the premium will be paid in the month subsequent to the calculation date.

A free translation from Portuguese into English of independent auditor's review report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with accounting policies adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB) and consistently with the standards issued by the Brazilian Securities Commissions (CVM).

Independent auditor's review report on individual and consolidated interim financial information

To the Shareholders, Board of Directors and Officers
Via Varejo S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Via Varejo S.A. and its subsidiaries ("the Company"), included in the Quarterly Information Form (ITR), for the quarter ended March 31, 2019, which comprise the statement of financial position as at March 31, 2019, and the related statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the three-month period then ended, and notes to the individual and consolidated interim financial information, including a summary of significant accounting policies.

Management is responsible for the preparation and fair presentation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) -– Interim Financial Reporting ("CPC 21 (R1)") and IAS 34 - Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). 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 Brazilian and International 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 individual 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 information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the Quarterly Information Form (ITR), consistently with the rules issued by the CVM.

Emphasis of matter

On April 23, 2019, we issued an unqualified review report on individual and consolidated interim financial information of Via Varejo S.A, which are being restated. In accordance with the information disclosed in the explanatory note number 2, these individual and consolidated interim information were changed and are being restated to reflect an accounting policy change related to the adoption of CPC06 – R2 – Lease, described in the referred explanatory note. Our opinion has not been modified, since interim financial information and the previous corresponding amounts are being retrospectively restated.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the three-month period ended March 31, 2019, prepared under the responsibility of Company management, whose presentation in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Financial Information (ITR), and considered supplementary information for purposes of IFRS, which does not require the presentation of the statement of value added. These statements were subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Audit and review of prior year financial information

The individual and consolidated financial information, comprising the statement of financial position as at December 31, 2018, and the statements of profit or loss, of comprehensive income (loss), of changes in equity, of cash flows and of value added for the three-month period ended March 31, 2018, presented for comparative purposes, were audited and reviewed, respectively, by other auditor who issued an unqualified audit report and an unqualified review report on the interim financial information dated August 13, 2019.

Sao Paulo, August 13, 2019.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Julio Braga Pinto
Accountant CRC-1SP209957/O-2

MANAGEMENT'S DECLARATION ON THE QUARTERLY FINANCIAL INFORMATION

The Executive Officers of Via Varejo S.A. (the "Company"), pursuant to item VI, article 25, of CVM Rule No. 480 of December 7, 2009, declare that they have reviewed, discussed and agreed with the Company's quarterly financial statements for the quarter ended March 31, 2019, authorizing their completion on the date hereof.

São Caetano do Sul (SP), August 13, 2019.

Roberto Fulcherberguer – Chief Executive Officer

Sérgio Augusto França Leme – Administrative Officer

Abel Ornelas Vieira – Commercial and Operations Officer

Orivaldo Padilha – Financial and Investor Relations Officer

Helisson Brigido Andrade Lemos – Digital Innovation and Human Resources Officer

MANAGEMENT'S DECLARATION ON THE INDEPENDENT AUDITOR'S REPORT ON THE QUARTERLY FINANCIAL INFORMATION

The Executive Officers of Via Varejo S.A. (the "Company"), pursuant to item V, article 25, of CVM Rule No. 480 of December 7, 2009, declare that they have reviewed, discussed and agreed with the opinions contained in the independent auditor's report on the Company's quarterly financial statements for the quarter ended March 31, 2019, authorizing their completion on the date hereof.

São Caetano do Sul (SP), August 13, 2019.

Roberto Fulcherberguer – Chief Executive Officer

Sérgio Augusto França Leme – Administrative Officer

Abel Ornelas Vieira – Commercial and Operations Officer

Orivaldo Padilha – Financial and Investor Relations Officer

Helisson Brigido Andrade Lemos – Digital Innovation and Human Resources Officer

Reasons for the Representation

Version	Description
2	Change in accounting policy of IFRS 16 – Leases, CPC 06(R2)