RESULTS 1Q17

guararapes
GUARARAPES CONFECÇÕES S/A

RIACHUELO

RESULTS OF THE FIRST QUARTER OF 2017 (1Q17)

São Paulo, May 15, 2017 – Guararapes Confecções S.A. (BM&FBOVESPA: GUAR3 - ON and GUAR4 - PN), Brazil largest apparel manufacturer and the parent company of Lojas Riachuelo, announces its results for the first quarter of 2017 (1Q17).

Except where stated otherwise, the financial and operating data are presented on a consolidated basis and in Brazilian Reais, pursuant to Brazilian Corporation Law.

Operating and Financial Highlights

- Net income grew by 900.6%, totaling to R$110.6 million in 1Q17;
- Consolidated net revenue grew by 4.6%, totaling to R$1,269.2 million in 1Q17;
- Riachuelo's same-store sales increased by 4.0% in 1Q17;
- The consolidated gross product margin grew by 1.9 p.p., reaching 53.2% in 1Q17;
- Operating expenses per store increased by 2.5% in 1Q17;
- Adjusted EBITDA totaled to R$271.7 million in 1Q17, 214.8% up on 1Q16;
- The adjusted EBITDA margin on net revenue from products came to 31.1%, 20.6 p.p. up on 1Q16;
- The net debt / EBITDA ratio closed the quarter at 1.1x, versus 1.6x in 1Q16.

Share Price (5/15/2017)
GUAR3: R$98.00
GUAR4: R$90.20

Market Capitalization
R$5.9 billion

Conference Call
Tuesday (5/16)
Portuguese: 11:00 a.m. (SP)
Phone: (0xx11) 3193-1001
Code: Guararapes

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Financial Highlights *(R$ Million)*	1Q17	1Q16	Chg.(%)
Gross Revenue	1,579.6	1,518.8	4.0%
Net Revenue	1,269.2	1,213.8	4.6%
Gross Profit	837.4	757.9	10.5%
Gross Margin	*66.0%*	*62.4%*	*3.5 p.p.*
Gross Margin - Products	*53.2%*	*51.3%*	*1.9 p.p.*
EBITDA Adjusted	271.7	86.3	214.8%
Adjusted EBITDA margin on Consolidated Net revenue	*21.4%*	*7.1%*	*14.3 p.p.*
Adjusted EBITDA margin on Consolidated Net revenue from products	*31.1%*	*10.5%*	*20.6 p.p.*
Net Income (Loss)	110.6	11.1	900.6%
EPS (R$)	1.77	0.18	900.6%

Guararapes Confecções

The parent company is responsible for the industrial division of the Group, whose entire output is destined to Riachuelo, reflecting the full integration between the retail and production areas.

In 1Q17, Guararapes produced 8.6 million pieces versus 9.0 million pieces in 1Q16. In order to express the value generated by the plants, Guararapes billed R$216.2 million for Riachuelo in 1Q17.

Guararapes' products accounted for 32.6% of Riachuelo's total sales in 1Q17 up on 25.6% in 1Q16. It is noteworthy that the current share of Guararapes' products is envisaged in the Company's plans, given that Guararapes's production capacity has been focused on the production of higher added-value fashion items.

Lojas Riachuelo

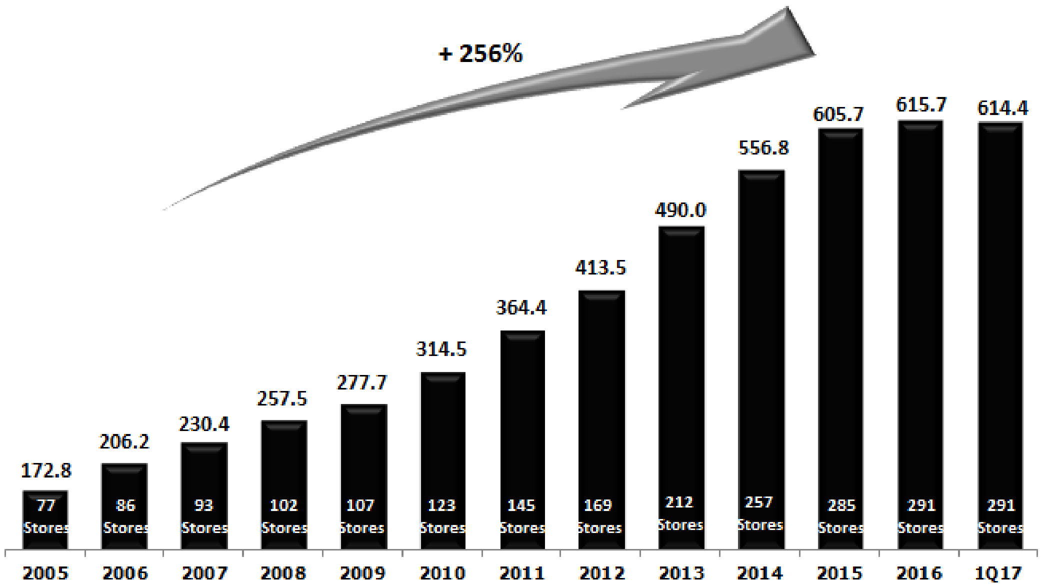
Net revenue from products totaled to R$872.2 million in 1Q17, 6.3% higher than the R$820.6 million recorded in the same period in 2016. In same-store terms, it grew by 4.0%. It is worth noting that the consolidated gross product margin reached 53.2%, increasing by 1.9 p.p in comparison to 1Q16.

The upturn in same-store sales and the expansion of the consolidated gross product margin in 1Q17 reflects the healthy performance of new collections, improved inventory levels, the stabilization of the new logistics center's operation, the full replacement of pieces by SKU and also a lower volume of the demarcations in this first quarter in comparison to 1Q16.

In 1Q17, the Company's financial cycle closed in 146 days, aligned with 1Q16. The highlight of this financial cycle was the reduction in the Company's inventory levels, which closed the quarter in 132 days, versus 159 days in the same period last year. Suppliers and Credits were influenced by the increase in the mobile operation.

Operating Data	1Q17	1Q16	Var.(%)
Consolidated Net Revenue (R$ MM)	1,269.2	1,213.8	4.6%
Consolidated Net Revenue from Products (R$ MM)	872.2	820.6	6.3%
All-store nominal growth over the previous year	6.3%	4.0%	
Same-store nominal growth over the previous year	4.0%	-3.1%	
Number of stores under remodeling in the Period	3	0	
Total number of stores at the end of the period	291	285	2.1%
Sales area in thousand m² at end of the period	614.4	605.7	1.4%
Net revenue per m² (R$ per m²)			
Net revenue per average sales area in the period	1,418.1	1,354.8	4.7%
Average Ticket of the Riachuelo Card (R$)	174.8	156.0	12.0%
Total number of Riachuelo Cards (MM)	28.5	27.1	4.9%
% of total sales using the Riachuelo Card	45.1%	43.5%	1.6 p.p.
% of sales through interest-bearing plans (0+8)	8.4%	8.4%	0.0 p.p.
Total Net Personal Loan Portfolio (R$ MM)	306.6	260.4	17.8%
Number of employees			
Guararapes + Riachuelo + TCV + Midway Mall	36,203	38,267	-5.4%

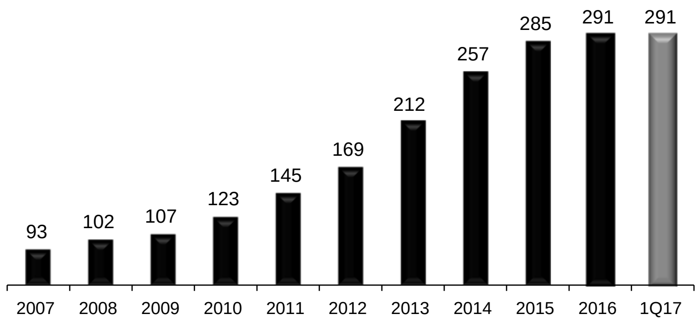
Sales Area (1,000 sq.m.) at the end of the period



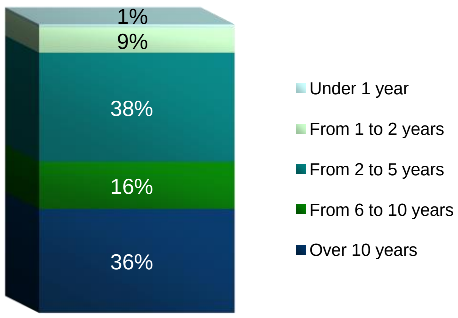
There was no inauguration of stores in 1Q17; consequently, the Company kept the same numbers of 291 stores and 614,400 sq.m. of sales area.

It is worth to note that the maturation period of a new store is approximately five years, which makes these areas an important factor in defining the growth pace of the Company's sales. At the end of 1Q17, 47% of Riachuelo's sales area was between one and five years old

Number of Stores



Sales Area Period - 1Q17



Midway Financeira

Revenue from Financial Operations totaled to R$403.1 million in 1Q17, 0.7% higher than the R$400.2 million reported in 1Q16. The reduction in Sales Financial Revenue with Interest, Fines and Interest paid on time is a reflection of the new form of appropriation of the revenues arising from the renegotiation of overdue credit, and, as a counterpart to this effect, it is also possible to observe a reduction in Discounts on Credit Operations.

As for revenue from commissions from branded cards, its decline reflects the deferral of annuity revenues that started in 3Q16. The performance of the Personal Loan Revenue and *Saque Fácil* shows the resumption of this operation, which was stimulated by the improvement in the performance of the new harvests of the portfolio and by the significant reduction of default rates.

R$ thousand

Midway Financeira - Income Statement	1Q17	1Q16	Chg.(%)
Financial Service Revenues	403,083	400,152	0.7%
Financial Revenue from interest-bearing sales, late fines and in	260,671	288,694	-9.7%
Revenue from Personal Loans and Saque Fácil	85,604	57,529	48.8%
Revenue from Financial Product Commissions	33,767	30,071	12.3%
Revenue from Commissions from Branded Cards	23,041	23,857	-3.4%
Allowance for Doubtful Accounts	(122,440)	(159,074)	-23.0%
Personal Loans and Saque Fácil Provision For Doubtful Account	(13,015)	(32,543)	-60.0%
Interest-bearing and Non-interest Bearing Sales Provision For D	(109,425)	(126,531)	-13.5%
Expenditure Securities	(19,675)	(52,221)	-62.3%
Expenses with Card Brand Fees	(4,002)	(3,852)	3.9%
Gross Revenue from Financial Operations	256,966	185,005	38.9%
Revenue From Services Rendered to Riachuelo	7,651	6,950	10.1%
Taxes Expenses	(21,358)	(21,403)	-0.2%
Operating Expenses	(88,046)	(88,701)	-0.7%
Operating Result	155,213	81,851	89.6%
Revenue From Securities	(16,019)	(7,203)	122.4%
Earnings Before Income Tax	139,194	74,648	86.5%
Income and Social Contribution Taxes	(62,638)	(33,581)	86.5%
Net Income (Loss)	76,556	41,067	86.4%

Throughout the quarter, the Company continued to manage its balance of provisions for doubtful accounts (PDA) in order to maintain the PDA/Portfolio Volume ratio at appropriate levels for the level of risk of its operations. In order to better illustrate the process of constituting the provision for doubtful accounts, the table below gives a breakdown of the portfolio by overdue period and the respective amounts provisioned, as well as a comparison of the PDA/portfolio volume ratio with the minimum levels required by Central Bank Resolution 2682.

R$ thousand

March-17					PDA (%) Minimum Required by Central Bank	
Period of Overdue (days)	Risk	Portfolio	PDA Balance	PDA Balance (%)	Risk	PDA Balance (%)
performing	A	1,753,626	9,730	0.6%	A	0.5%
15-30	B	147,626	1,909	1.3%	B	1.0%
31-60	C	147,213	5,903	4.0%	C	3.0%
61-90	D	107,149	13,495	12.6%	D	10.0%
91-120	E	74,405	24,431	32.8%	E	30.0%
121-150	F	66,910	35,386	52.9%	F	50.0%
151-180	G	65,991	49,029	74.3%	G	70.0%
181-360	H	414,545	414,545	100.0%	H	100.0%
March 2017 Total		2,777,464	554,429	20.0%		
Up to 180 days		2,362,920	139,885	5.9%		
Coverage ratio (overdue more than 90 days) *						89.2%
PDA X Minimum Required by Central Bank						102.3%

** Total PDA for credits overdue more than 90 days (E-H)*

As illustrated, Midway Financeira maintains provisions above the minimum required by the Central Bank for all the brackets (A-H) of its portfolio. As a result, the Company closed the period with a PDA balance 2.3% above the Central Bank minimum, with total provisions sufficient to cover 89.2% of credits overdue by more than 90 days. The provision ended the period at 5.9% of the portfolio overdue by up to 180 days.

R$ thousand

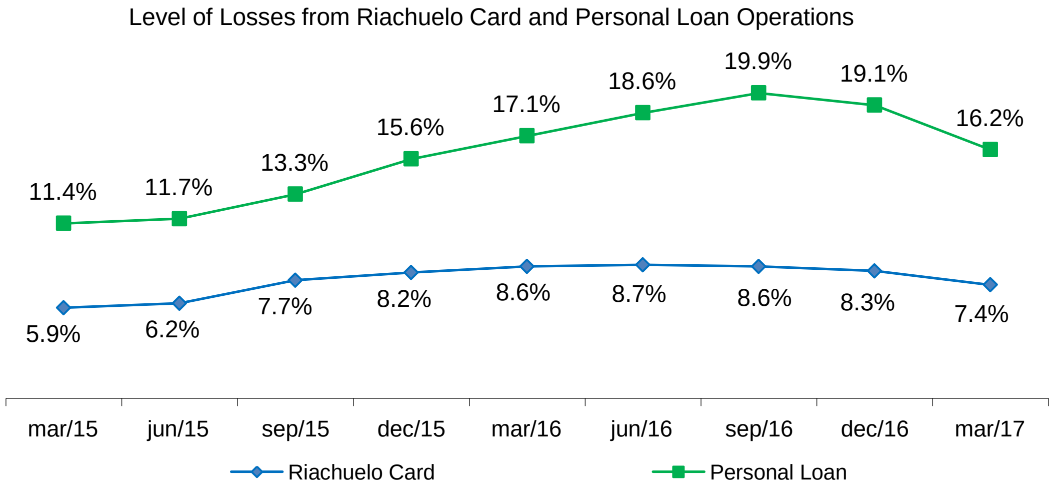
EBITDA from Financial Operations	1Q17	1Q16	Chg. (%)
Gross Revenue	403,083	400,152	0.7%
Financial Revenue from Interest-Bearing Sales, Fines &	*260,671*	*288,694*	*-9.7%*
Revenue from Personal Loans and Saque Fácil	*85,604*	*57,529*	*48.8%*
Revenue from Commissions on Financial Products	*33,767*	*30,071*	*12.3%*
Revenue from Commissions from Branded Cards	*23,041*	*23,857*	*-3.4%*
Tax Expenses	(21,358)	(21,403)	-0.2%
Net Revenue	381,725	378,749	0.8%
Costs	(23,677)	(56,073)	-57.8%
Discounts on Loan Operations	*(19,675)*	*(52,221)*	*-62.3%*
Expenses with Card Brand Fees	*(4,002)*	*(3,852)*	*3.9%*
Gross Profit	358,047	322,676	11.0%
PDA Expenses	(122,440)	(159,074)	-23.0%
Financial Transaction Contribution Margin	235,607	163,602	44.0%
Operating Expenses	(88,046)	(88,701)	-0.7%
EBITDA from Financial Operations	147,561	74,901	97.0%
% of Consolidated EBITDA	*54.3%*	*86.8%*	*-32.5 p.p.*

Expenses with losses and PDA came to R$122.4 million in 1Q17, 23.0% down from the R$159.1 million recorded in 1Q16, reflecting the better portfolio quality and the consequent improvement in expected future real losses. The current provisioning level (5.9%) is consistent with the Company's loss projection for the coming months. It is worth noting that these expenses include losses from branded card and personal loan operations.

Operating expenses totaled to R$88.0 million in 1Q17, a fall of 0.7% in comparison to the R$88.7 million recorded in 1Q16. In order to achieve a better understanding, administrative and other operating expenses are consolidated under "Operating Expenses".

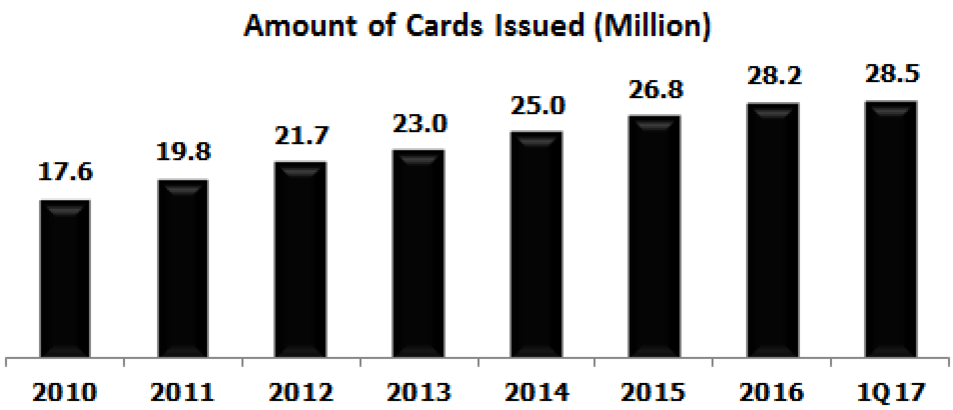
As indicated, EBITDA from financial operations totaled to R$147.6 million in 1Q17, 97.0% more than the R$74.9 million recorded in the same period last year, equivalent to 54.3% of consolidated adjusted EBITDA. The performance presented in the period reflects the growth in the gross profit of financial operations, the reduction of operating expenses and also the reduction of expenses with losses and provisioning.

The following chart shows loss level trends in Riachuelo Card (private label + branded) and personal loan operations. The figures indicate the percentage overdue by more than 180 days in relation to total expected receivables in each period.



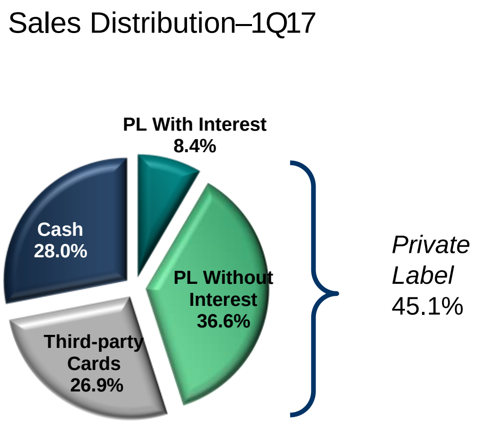
The level of losses from the Riachuelo Card, including branded cards, reached 7.4% at the end of 1Q17, lower than the 8.3% reported in December and in line with the Company's expectations, while the loss ratio from personal loan operations reached 16.2% at the end of 1Q17. The portfolio of this operation, excluding interest charges, totaled to R$306.6 millon at the end of March 2017, with a 17.8% upturn.

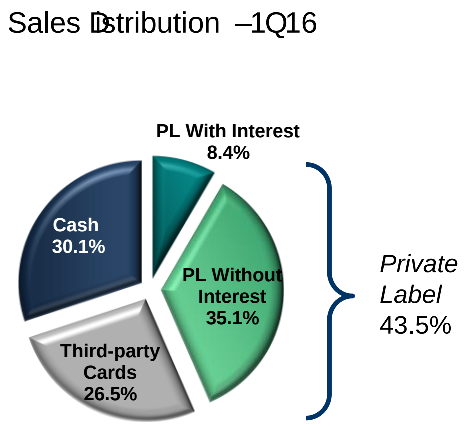
The Basel Index ended 1Q17 at 24.7%. This index is an international indicator created by the Basel Committee on Banking Supervision, which recommends a minimum total capital/risk-weighted asset ratio of 8%. In Brazil, the minimum required ratio is 11%, in accordance with the prevailing legislation (CMN Resolution 4,193/13 and Central Bank Circular Letters 3,644/13 and 3,477/09).



The Company reached 28.5 million private label cards, of which 267,000 were issued in 1Q17 alone. The average ticket of the Riachuelo card was R$174.8 in the quarter, 12.0% higher than the R$156.0 recorded in the same period last year.

In 2010, Midway Financeira began to offer branded cards to its customers in association with Visa and MasterCard. At the end of March 2017, the Company had a total of 5.2 million co-branded cards





The Riachuelo Card accounted for 45.1% of sales in 1Q17, higher than the 43.5% recorded in 1Q16. The share of interest-bearing installment sales in total sales reached 8.4% in 1Q17, in line with 1Q16.

Midway Mall and Own Stores

The Midway Mall is located at the most important junction in Natal (Rio Grande do Norte), formed by Avenida Senador Salgado Filho and Avenida Bernardo Vieira, two of the city's main thoroughfares. It is also highly accessible, located only 15 minutes from the city's main districts, ensuring that the entire city perimeter is within its catchment area.

Inaugurated on April 27, 2005, and currently with nearly all of its gross area leased, the mall comprises 231,000 sq.m. spread over three floors, with 13 anchor stores, satellite stores, a food court and several service outlets. The third floor, expanded in 2010, includes a seven-screen movie theater (Cinemark), five new anchor stores, various satellite stores and a complete gourmet area with renowned city restaurants.

Also on the third floor, the Midway Mall houses the Teatro Riachuelo, the most modern and comprehensive performing arts venue in Brazil's Northeast. Inaugurated in December 2010, it can hold up to 3,500 spectators, depending on its configuration. The project exemplifies the mall's consolidation of leisure, entertainment and the arts, providing the public with a wide range of shows and performances, through a specialized management team in partnership with highly experienced segment operators.

The table below shows the evolution of the mall's revenue and EBITDA. Note that revenue and expenses related to shopping mall operations are booked under 'Gross Revenue' and 'General and Administrative Expenses', respectively.

Midway Mall (R$ thousand)	1Q17	1Q16	Chg. (%)
Rental and Key Money Net Revenue (R$ '000)	15,882	14,985	6.0%
EBITDA (R$ '000)	13,849	13,816	0.2%
EBITDA Margin	87.2%	92.2%	-5.0 p.p.
GLA (thousand m2)	65.7	65.7	0.0%
EBITDA/GLA (R$/m2)	210.8	210.4	0.2%
NOI (R$ '000)	14,631	14,555	0.5%
NOI Margin	88.2%	92.9%	-4.7 p.p.

Midway Mall (R$ mil)	1Q17	1Q16	Chg. (%)
Gross Revenue - Midway Mall	16,584	15,662	5.9%
Rents	16,145	15,204	6.2%
Assignment of Rights	440	457	-3.9%

Net revenue from Midway Mall totaled R$15.9 million in 1Q17, 6.0% higher than the R$15.0 million recorded in the same period in 2016.

In 1Q17, Midway Mall's EBITDA totaled to R$13.8 million, in line with 1Q16. The EBITDA margin came to 87.0%, 5.2 p.p. lower than the 92.2% recorded in 1Q16. The period's performance was the result of the increase in expenses from contractual fines and provisions for losses with rents overdue for more than 90 days.

In addition to the mall operations, the Group also owns a large number of the properties where its stores are located ç of the 291 active Riachuelo stores at the end of March 2017, 46 were installed on properties owned by the Group. In other words, 119,400 sq.m (19%) out of the total of 614,400 sq.m. refers to stores located in the Company's own properties. If we add the two distribution centers and six factories, the Company currently owns around 800,000 sq.m of gross built-up area.

	Quantity	(%)
Own Stores	46	16%
Mall Stores	8	3%
Street Stores	38	13%
Rented Stores	245	84%
Mall Stores	234	80%
Street Stores	11	4%
Total Stores	291	100%

Street stores located on own properties

State	No. of Own Stores	Sales Area (m²)	Total Area
Alagoas	1	1,968	3,135
Amazonas	1	3,101	5,282
Ceará	1	2,562	4,129
Distrito Federal	2	3,901	6,746
Goiás	2	3,888	5,972
Maranhão	1	3,886	4,319
Minas Gerais	1	2,895	7,849
Mato Grosso do Sul	2	4,109	6,423
Mato Grosso	1	2,310	4,766
Pernambuco	1	7,176	13,316
Piauí	2	2,765	5,619
Pará	1	3,830	5,905
Paraná	5	10,761	21,307
Rio Grande do Norte	2	7,902	12,089
Rio Grande do Sul	1	1,996	3,055
Sergipe	1	3,202	5,481
São Paulo	13	25,534	58,160
Total Street Stores	38	91,786	173,553

Own Stores Located on Malls

State	No. of Own Stores	Sales Area (m²)	Total Area
Amazonas	1	2,941	4,172
Distrito Federal	1	2,660	3,926
Espírito Santo	1	3,409	4,560
Pernambuco	1	3,276	4,446
Rio de Janeiro	1	4,128	5,384
Rio Grande do Norte	1	6,556	10,230
São Paulo	2	4,649	7,639
Total Mall Stores	8	27,619	40,357
Total Own Stores	46	119,405	213,910

Guarulhos Distribution Center

Guarulhos DC land area	187,223
Total Built-up Area	85,171

Natal Distribution Center

Total Built-up Area	57,552

Riachuelo São Paulo Head Office

Headquarters land area	45,030
Total Built-up Area	42,312

Guararapes Group - Consolidated

The Company's consolidated results include the results of the parent company and its subsidiaries.

Net Revenue

Consolidated net revenue totaled to R$1,269.2 million in 1Q17, a 4.6% increase over the R$1,213.8 million reported in 1Q16. Consolidated net revenue comprises net revenue from Midway Financeira (R$381.7 million in 1Q17), Midway Mall net revenue (R$15.2 million in 1Q17) and net revenue from products (R$872.2 million in 1Q17).

Gross Profit and Gross Margin

During the first quarter, consolidated gross profit increased by 10.5%, going from R$757.9 million in 1Q16 to R$837.4 million in 1Q17. The consolidated gross margin in this first quarter reached 66.0%, 3.5 p.p. up on the 62.4% reported in 1Q16.

Apart from the effects from Midway Financeira and Midway Mall, the consolidated gross product margin was 53.2% in 1Q17, 1.9 p.p. more than the 51.3% recorded in the same period last year.

(R$ thousand)	1Q17	1Q16	Chg.(%)
Consolidated Net Revenue	1,269,177	1,213,775	4.6%
(-) Net Revenue - Midway Financeira	(381,725)	(378,749)	0.8%
(-) Net Revenue - Midway Mall	(15,212)	(14,423)	5.5%
(=) Consolidated Net Revenue of Products	872,240	820,603	6.3%
Consolidated Gross Profit	837,361	757,903	10.5%
(-) Gross Profit - Midway Financeira	(358,047)	(322,676)	11.0%
(-) Gross Profit - Midway Mall	(15,212)	(14,423)	5.5%
(=) Consolidated Gross Profit of Products	464,101	420,804	10.3%
Consolidated Gross Margin of Products	53.2%	51.3%	*1.9 p.p.*

Operating Expense

Operating expenses totaled to R$555.5 million in the quarter, 4.7% up on the R$530.5 million reported in 1Q16, representing 43.8% of consolidated net revenue.

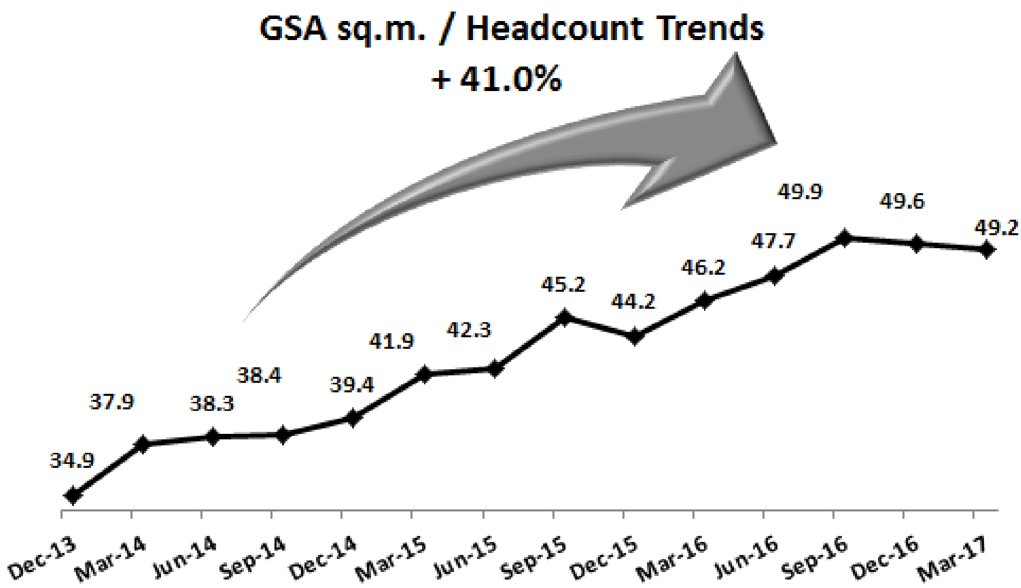
R$ thousand

Operating Expenses	1Q17	1Q16	Chg.(%)
Selling Expenses	(409,795)	(374,801)	9.3%
General and Administrative Expenses	(145,673)	(155,701)	-6.4%
Total Operating Expenses	(555,468)	(530,502)	4.7%
Total Operating Expenses / Consolidated Net Revenue	43.8%	43.7%	*0.1 p.p.*
Total Operating Expenses per Store (R$ Thousand)	(1,909)	(1,861)	2.5%
Total Operating Expenses per m² (R$)	(904)	(876)	3.2%

In this quarter, operating expenses per sq.m. and per store increased by 3.2% and 2.5%, respectively, over the same period in the previous year.

The performance of operating expenses was due to strict expense control, the productivity gain project carried out in the Company's stores since the beginning of 2014, the increase in the mobile operation, higher marketing expenses and lower collection expenses and statement printing and mailing costs.

The graph below shows the productivity gain in the period through the indicator "sq.m. of sales area per employee".



Operating Income

In addition to its retail apparel operations, the Company also includes the results from Midway Mall and Midway Financeira as part of its core operations.

EBITDA Reconciliation (R$ thousand)	1Q17	1Q16	Chg. (%)
Net Income	110,572	11,051	900.6%
(+) Income and Social Contribution Taxes	45,998	(17,959)	n.m.
(+) Financial Revenue (Expense)	40,524	22,126	83.2%
(+) Depreciation and Amortization (Expenses + Costs)	74,576	68,114	9.5%
EBITDA	271,670	83,332	226.0%
(+) IR Tax Benefits	-	2,964	n.m.
EBITDA Adjusted	271,670	86,296	214.8%
Adjusted EBITDA Margin on Net Revenue	*21.4%*	*7.1%*	14.3 p.p.
Adjusted EBITDA Margin on Net Revenue from products	*31.1%*	*10.5%*	20.6 p.p.

**The Company now reconciles EBITDA in line with CVM Instruction 527, EBITDA = net income plus income taxes, the net financial result, amortization, depreciation and depletion. Also, in accordance with paragraph 4 of the same Instruction, we opted to use ADJUSTED EBITDA because we understand that the [illegible] gross cash generation, since it does not represent any cash outflow.*

In 1Q17, adjusted EBITDA came to R$271.7 million, 214.8% up on the R$86.3 million recorded in 1Q16. The adjusted EBITDA margin on consolidated net product revenue reached 31.1% in 1Q17 (21.4%, if calculated over the Company's consolidated net revenue).

This performance was due to the combination of the increase in same-store sales; the upturn in the gross product margin; the efficient control over operating expenses in recent years; the improved performance of the financial operation in the quarter; and the reversal of the provision for PIS/COFINS on ICMS by the Parent Company.

Given the favorable opinion of its legal counsel and the recommendation of its independent auditors, due to the ruling of the Federal Supreme Court (RE No. 574.706), the Parent Company reversed the provision that had been constituted since 2007, when it obtained an injunction suspending the enforceability of the amounts disputed. However, it is worth noting that the Parent Company may again constitute such provision depending on the progress of the leading case in the Federal Supreme Court.

Adjusted EBITDA excluding non-recurring effect (R$ th	1Q17	1Q16	Chg. (%)
EBITDA	271,670	86,296	214.8%
(-) reversal of the provision for PIS/COFINS on ICMS	(108,405)	-	n.m.
Adjusted EBITDA excluding non-recurring effect	163,265	86,296	89.2%
Adjusted EBITDA Margin on Net Revenue	*12.9%*	*7.1%*	5.8 p.p.
Adjusted EBITDA Margin on Net Revenue from products	*18.7%*	*10.5%*	8.2 p.p.

Adjusted EBITDA excluding the non-recurring effect totaled R$163.3 million, 89.2% above the R$86.3 million recorded in 1Q16. Adjusted EBITDA margin excluding non-recurring effect over the consolidated net revenue of goods reached 18.7% in 1Q17 (12.9% if calculated over the consolidated net revenue of the Company).

Net Income

Consolidated net income increased 900.6% in 1Q17, going from R$11.1 million to R$110.6 million. The net margin on net product revenue was 12.7% in 1Q17 (8.7%, if calculated over the Company's total net revenue), versus 1.3% in 1Q16 (0.9%, if calculated over the Company's total net revenue). Excluding the non-recurring effect of the reversal of the provisions for PIS/COFINS on ICMS, Net Income would total R$39.6 million.

Net Debt

At the close of March 2017, cash and cash equivalents totaled to R$780.9 million. Loans and financing totaled to R$1,809.7 million, R$521.4 million of which corresponded to loans from the Brazilian Development Bank (BNDES). Thus, the Company closed 1Q17 with net debt of R$1,022.8 million, versus R$1,076.6 million in 1Q16. The Company's net financial leverage significantly dropped from 1.6x LTM Consolidated EBITDA at the end of 1Q16 to 1.1x in 1Q17.

R$ thousand

Indebtedness (R$ Thousand)	03/31/2017	12/31/2016	03/31/2016
Cash and Cash Equivalents	780,921	953,313	648,683
Loans and Financing	(1,803,732)	(1,959,901)	(1,725,248)
Short Term	(636,280)	(1,083,692)	(1,194,909)
Long Term	(1,167,452)	(876,208)	(530,339)
Net Debt	(1,022,810)	(1,006,587)	(1,076,565)
Net Debt/EBITDA (LTM)	1.1	1.4	1.6

Investments (CAPEX)

In 1Q17, the Group's investments in fixed assets totaled R$28.6 million, versus R$44.3 million in 1Q16. Of the total investments made in this period, R$26.9 million (94%) were destined to Riachuelo, being R$13.3 million allocated to the E-commerce project.

Investments (R$ Million)	1Q17	(%)	1Q16	(%)
New Stores	0.4	1%	16.7	38%
Remodelings	1.9	7%	0.2	0%
IT	3.0	11%	0.9	2%
General Rebuilding	5.1	18%	0.7	2%
Mobile Project	0.0	0%	3.9	9%
E-commerce Project	13.3	46%	0.1	0%
Distribution Center	1.3	5%	15.4	35%
Other	1.9	7%	1.9	4%
Total Riachuelo	26.9	94%	39.8	90%
Guararapes	1.7	6%	4.5	10%
Total	28.6	100%	44.3	100%

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About Guararapes-Riachuelo

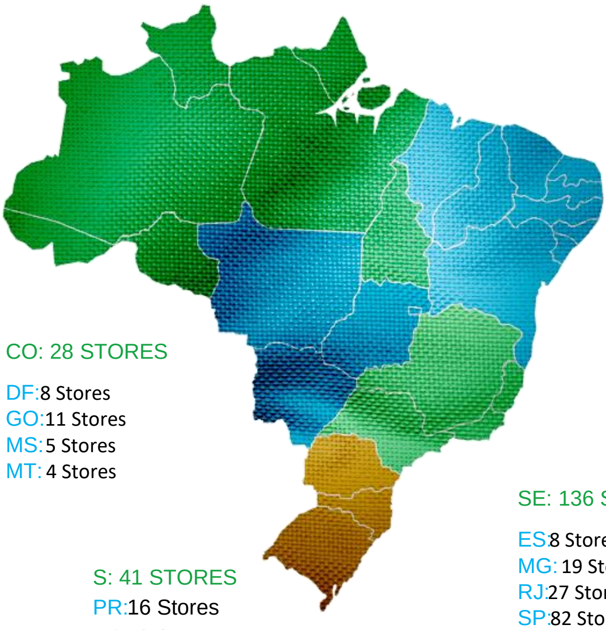
Guararapes is the largest fashion group in Brazil and the parent company of the Lojas Riachuelo retail chain, with 291 stores nationwide.

In developed countries, large companies account for 30% to 40% of the retail textile market, whereas in Brazil the sum of the biggest firms accounts for around 10%. The main competitive advantage of small companies is the informality of their operations.

However, the market of big chains has expanded due to scale gains, investments in product quality, fast inventory turnover and their position as sellers of fashion, allowing them to adapt rapidly to the season's trends.

In recent years, Guararapes has invested heavily in its support operations by modernizing its facilities, opening distribution centers in Natal and São Paulo and implementing IT in the financial and operational management of its operations.

291 stores 26 states and Federal District



N: 22 STORES

AM: 7 Stores
PA: 8 Stores
TO: 1 Store
AC: 1 Store
AP: 2 Stores
RO: 1 Store
RR: 2 Stores

NE: 64 STORES

AL: 5 Stores
BA: 13 Stores
CE: 12 Stores
MA: 6 Stores
PB: 4 Stores
PE: 12 Stores
PI: 5 Stores
RN: 4 Stores
SE: 3 Stores

CO: 28 STORES

DF: 8 Stores
GO: 11 Stores
MS: 5 Stores
MT: 4 Stores

SE: 136 STORES

ES: 8 Stores
MG: 19 Stores
RJ: 27 Stores
SP: 82 Stores

S: 41 STORES

PR: 16 Stores
RS: 13 Stores
SC: 12 Stores

One of the Group's most important advantages is this integration between its retail and manufacturing operations, a model that has proved highly successful since it permits a rapid response to changes in the market.

Riachuelo's private label card base is another major asset that establishes long-term relationships with a growing customer base, currently over 28.5 million, of which 5.2 million are branded cards (March 2017). Another of the Group's main operations is financial services, which offer customers interest-bearing installment sales, personal loans and insurance, among other financial products.

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Guararapes Confecções S.A. and its subsidiaries. These are merely projections and, as such, are based exclusively on the expectations of Guararapes' management concerning the future of the business and its continuous access to capital to finance the Company's business plan. Such forward-looking statements depend substantially on changes in market conditions, government regulations, competitive pressures and the performance of the Brazilian economy and the industry, among other factors, and therefore are subject to change without prior notice

Consolidated Income Statement

R$ thousand

Income Statement	1Q17	1Q16	Chg. (%)
Gross Revenue	1,579,578	1,518,822	4.0%
Gross Revenue - Products	*1,160,581*	*1,103,628*	*5.2%*
Gross Revenue - Midway Financeira	*403,083*	*400,152*	*0.7%*
Gross Revenue - Midway Mall	*15,914*	*15,042*	*5.8%*
Deductions	(323,625)	(320,988)	0.8%
ICMS tax benefits	*13,223*	*15,941*	*-17.0%*
Net Revenue	1,269,177	1,213,775	4.6%
Net Revenue - Products	872,240	*820,603*	*6.3%*
Net Revenue - Midway Financeira	*381,725*	*378,749*	*0.8%*
Net Revenue - Midway Mall	*15,212*	*14,423*	*5.5%*
Cost of Goods and Services Sold	(431,816)	(455,872)	-5.3%
COGS - Products	(408,138)	(399,799)	*2.1%*
Costs - Midway Financeira	(23,677)	(56,073)	*-57.8%*
Gross Profit	837,361	757,903	10.5%
Gross Profit - Products	464,101	*420,804*	*10.3%*
Gross Profit - Midway Financeira	*358,047*	*322,676*	*11.0%*
Gross Profit - Midway Mall	*15,212*	*14,423*	*5.5%*
Gross Margin	*66.0%*	*62.4%*	*3.5 p.p.*
Gross Margin - Products	*53.2%*	*51.3%*	*1.9 p.p.*
Gross Margin - Midway Financeira	*93.8%*	*85.2%*	*8.6 p.p.*
Selling Expenses	(409,795)	(374,801)	9.3%
General and Administrative Expenses	(145,673)	(155,701)	-6.4%
Provision for Doubtful Accounts	(122,505)	(159,252)	-23.1%
Depreciation and Amortization Expenses	(70,505)	(63,041)	11.8%
Other Operating Expenses/Income	108,209	10,110	970.3%
EBIT	197,094	15,218	1195.2%
Financial Revenue (Expense)	(40,524)	(22,126)	83.2%
Earnings Before Income Tax and Social Contribution	156,570	(6,908)	n.m.
Income and Social Contribution Taxes	(45,998)	17,959	n.m.
Net Income (Loss)	110,572	11,051	900.6%
Net Margin on Net Revenue	*8.7%*	*0.9%*	*7.8 p.p.*
Net Margin on Net Revenue from products	*12.7%*	*1.3%*	*11.3 p.p.*
Depreciation and Amortization (Expenses + Costs)	74,576	68,114	9.5%
EBITDA	271,670	83,332	226.0%
IR Tax Benefits	-	2,964	n.m.
Adjusted EBITDA *	271,670	86,296	214.8%
Adjusted EBITDA margin on Consolidated Net revenue	*21.4%*	*7.1%*	*14.3 p.p.*
Adjusted EBITDA margin on Consolidated Net revenue from products	*31.1%*	*10.5%*	*20.6 p.p.*
Total Common Shares (ON)	31,200	31,200	
Total Preferred Shares (PN)	31,200	31,200	
EPS (R$)	1.77	0.18	900.6%

**The Company now reconciles EBITDA in line with CVM Instruction 527, the EBITDA = net income plus income taxes, the net financial result, amortization, depreciation and depletion. Also, in accordance with paragraph 4 of the same Instruction, we* [illegible]

Consolidated Balance Sheet

R$ thousand

	03/31/2017	12/31/2016*	03/31/2016
Current Assets	4,285,564	4,736,523	3,960,169
Cash Equivalents	780,921	953,313	648,683
Credits	1,403,831	1,649,276	1,261,684
Credits-Branded	1,006,531	1,060,976	948,383
Inventories	766,746	662,271	899,052
Deferred or Recoverable Taxes	250,047	347,493	134,442
Other Credits	77,488	63,194	67,925
Long Term Assets	766,921	646,260	523,219
Deferred or Recoverable Taxes	637,893	627,924	506,751
Judicial Deposits and Others	129,028	18,336	16,468
Permanent Assets	2,251,878	2,298,065	2,366,618
Investments	190,366	192,131	197,463
Property, plan and equipment	1,946,164	1,993,129	2,065,056
Intangible	115,349	112,805	104,100
Total Assets	7,304,364	7,680,849	6,850,006

	03/31/2017	12/31/2016*	03/31/2016
Current Liabilities	2,281,990	3,045,311	2,848,807
Suppliers	468,368	453,885	557,818
Loans and financing	344,557	828,547	1,149,817
Debentures	248,955	67,993	-
CRI Loans	20,786	34,978	-
Derivatives Financial Instruments	21,982	152,174	45,093
Dividends and Interest on Equity Payable	101,226	79,505	170,082
Wages, Benefits and Provisions	213,444	253,696	164,220
Taxes, Charges and Contributions	127,836	340,305	114,868
Liabilities from assigned credits	624,444	565,952	575,467
Other accounts payable	110,393	268,275	71,442
Long Term Liabilities	1,360,691	1,059,102	660,806
Loans and financing	374,571	405,791	357,398
Debentures	450,318	133,333	-
CRI Loans	120,000	120,000	-
Provision for eventual liabilities	188,105	176,185	123,029
Loans with related parties	222,563	217,084	172,941
Other	5,134	6,708	7,438
Shareholders' Equity	3,661,683	3,576,436	3,340,393
Paid-in Share Capital	3,100,000	3,100,000	2,900,000
Profit Reserve	419,064	329,683	290,067
Asset Valuation Adjustment	142,619	146,753	150,326
Total Liabilities	7,304,364	7,680,849	6,850,006

Consolidated Cash Flow Statement

R$ thousand

Cash Flow Statement - Indirect Method	1Q17	1Q16
Cash flows from operating activities		
Net income for the period	110,572	11,051
Recording of provision for doubtful accounts	(157,927)	(159,952)
Depreciation and amortization	74,576	68,114
Proceeds (loss) from sale of property, plant and equipment	(62)	(1,415)
Deferred income tax and social contribution	(17,108)	(56,413)
Provision for inventory losses	3,588	1,490
Provision for labor, tax and civil risks	(100,416)	18,760
Interest and monetary and exchange variation expenses	(43,706)	352
Interest on securities	(10,126)	101,418
Other	(409)	(1,140)
Changes in assets and liabilities		
Trade accounts receivable	457,818	448,438
Inventories	(108,064)	(155,654)
Recoverable taxes	104,585	8,624
Other assets	(14,294)	12,882
Escrow deposits and others	(571)	(920)
Trade accounts payable	14,484	55,371
Payroll, provisions and social contributions	(40,252)	(47,922)
Income tax and social contribution	59,341	40,377
Value-added tax on sales and services – ICMS	(91,261)	(53,169)
Payables to card managers	(61,122)	(58,563)
Other liabilities	(39,433)	(8,092)
Cash provided by operating activities	140,211	223,637
Payment of interests	(13,017)	(307)
Payment of income tax and social contribution	(180,549)	(206,052)
Income tax of interest on equity paid	(3,648)	(8,753)
Net cash provided by operating activities	(57,002)	8,525
Cash flows from investing activities		
Securities available for sale	(86,790)	-
Redemption of securities	86,277	-
Addition to property and equipment	(21,969)	(44,270)
Addition to intangible assets	(6,622)	(7,178)
Receipt from the sale of property and equipment	264	2,232
Net cash used in investing activities	(28,840)	(49,217)
Fluxos de caixa das atividades de financiamento		
Interest on equity paid	-	(1)
New loans and financing	24,306	339,078
Ammortization of loans and financing	(580,488)	(244,961)
Issue of Debentures	(15,000)	-
CRI - Real Estate Receivable Certificates	475,000	-
New loans from related parties	-	-
Ammortization of loans from related parties	(1,049)	(878)
Others	-	(500)
Net cash used in financing activities	(97,232)	92,738
Increase (decrease) in cash and cash equivalents, net	(183,074)	52,046
Cash and cash equivalents at the beginning of the period	616,363	367,355
Cash and cash equivalents at the end of the period	433,288	419,401