Magazine Luiza S.A.
4th Quarter 2011 Earnings Release

São Paulo, March 22, 2012 – Magazine Luiza S.A. (BM&FBOVESPA: MHLU3), one of the largest retailer chains focused on durable goods, actively engaged in Brazil's low income classes, hereby releases its results for the fourth quarter of 2011 (4Q11) and the twelve-month period ended December 31, 2011 (12M11). The Company's accounting information is based on consolidated numbers, in millions of reais (except when indicated otherwise), according to the International Financial Reporting Standards (IFRS).

MESSAGE FROM THE PRESIDENT

The year 2011 was one of achievements and learning for Magazine Luiza. We underwent new experiences while also contributing to business innovation in Brazil's retail sector.

The first achievement of the year was the consolidation of the business office in São Paulo. Through a well planned and structured process, we mobilized a large part of our staff and their families to move to São Paulo and help build the Company's future. Thanks to the collaboration of everyone, Magazine Luiza preserved its culture and values, while strengthening its corporate mission and vision. Continuing our journey, after a decade of preparations, we held the Company's IPO, raising R$564 million through the primary offering. With immense pride, we set a precedent by offering a sizeable chunk of shares to individuals, thus helping to create a culture of investing in capital markets for the small investor. Believing in the Company, our employees acquired 1% of the shares offered to the market.

The IPO allowed us to invest in expansion as well as in infrastructure, logistics, and technology, thus ensuring the Company's sustainable development. These investments enabled us to acquire Lojas do Baú in August 2011 and completely integrate it in less than seven months after acquisition. The entire process was carried out according to our values, with respect to people and cultures, in an operation that involved hiring of people, training, renovation work, alignment and integration of systems, processes and infrastructure. We entered February 2012 with over 100 stores fully integrated in terms of systems, logistics, processes and staff. In line with the successful integration of Baú, and with an eye on the growth opportunities in northeast Brazil, the Company decided to launch the brand transition process in the metropolitan regions of Recife, Maceió and Fortaleza, where over 39 stores were completely renovated and remodeled and all the teams were trained according to the processes and values of Magazine Luiza. And the results are already evident: in the northeast region, we closed 2011 with sales of R$1 billion - double the sales registered by Lojas Maia before its acquisition.

In a clear demonstration of our verve and creativity, in November we launched "Magazine Você", a revolutionary approach to selling using social networks. In less than a month, this new channel brought the Company almost 20 thousand new disseminators with their "virtual stores". Our e-commerce operation, characterized by interactive customer service, also grew 44%.

We believe we used the funds in the right manner and that the investments were necessary to strengthen ourselves on the path to perpetuity and sustainability. Unfortunately, our decisions brought a short-term impact on the Company's results. Nevertheless, Magazine Luiza's trajectory of constant growth since it was founded 55 years ago is the best proof that our strategy of growth and consolidation, followed by growth once again is the right strategy. And 2012 will be the year of consolidation of the solid growth that we have been building for quite some time now. From 100 stores in 2000, we jumped to 728 in 2011 and will continue expanding in a structured and healthy manner.

Our focus in 2012 is on fully consolidating and integrating the recently acquired chains, rationalizing costs and expenses, and increasing the Company's productivity. The maturation of the expansion process we undertook in 2011 is our commitment to our investors. We already stepped into the year with a favorable macroeconomic scenario, marked by a real increase in the minimum wage, falling interest rates and the significant and healthy growth of the economy. Magazine Luiza is today a mature and solid Company that is prepared to reap the fruits in the future.

Luiza Helena Trajano
President of Magazine Luiza

2011 HIGHLIGHTS

The year 2011 was one of major initiatives and achievements for the Company, notably the significant growth in sales, the IPO, the consolidation of the business office in São Paulo, and the significant investments in store expansion and renovation, as well as in logistics and technology. The Company would like to highlight the following:

Significant Sales Growth

Magazine Luiza's consolidated gross revenue in 2011 was R$7.6 billion, a 33.5% increase over 2010. Same store sales growth was 16.5%, representing an important gain in the market share. Internet sales grew 44.4% to reach R$821.1 million in 2011. Furthermore, revenue from Lojas Maia practically doubled from before its acquisition, reaching R$1.0 billion.

Sustainable Growth

The Company posted sustainable growth in all quarters, despite the economic slowdown, especially in the second half of 2011, and a more conservative credit approval policy adopted by Luizacred. Consolidated gross margin remained at the levels projected for 2011, underlining the efforts at expanding its market share without affecting profitability. The Company also maintained strict financial discipline, limiting interest-free sales.

Consolidation of São Paulo Office

In October 2010 and January 2011, the Company transferred 350 employees and their families from Franca to São Paulo. The year 2011 marked the consolidation and full-fledged operations of the new business office, which impacted administrative expenses in the short term. Nevertheless, this shift was extremely important for the Company's sustainability and future, given that these costs will be diluted in the medium term through increased sales and merger of the acquired chains.

IPO

In June 2011, the Company held its IPO, an important step in its trajectory of growth, allowing for an alternate source of investment financing, employment generation and creation of value for shareholders. With the IPO, over one thousand employees could become the Company's shareholders, reinforcing its strong corporate culture.

Capex and Expansion

In 2011, Magazine Luiza inaugurated 124 stores (24 new stores and 100 from the Lojas da Báu acquisition), taking the store count from 604 in 2010 to 728 in December 2011, in the process anticipating its investment plan by nearly two years. It also renovated and remodeled 124 stores, including 39 stores in northeast Brazil, where it started the brand transition from Lojas Maia to Magazine Luiza.

As a result of the investments made, the Company's operating expenses increased in 2011, impacting its profitability due to the following factors:

Acquisition of Lojas do Baú

The acquisition of Lojas do Baú was guided by two strategic objectives: (i) to expand the Company's presence in the states of São Paulo and Paraná; and (ii) to expand its virtual channel by inaugurating more than 30 virtual stores. The Company ended 2011 with 103 virtual stores, underlining its commitment to investing in a multi-channel approach to sales. The 2011 results were affected by the:

- Initial disbursement of R$80.3 million for the acquisition;
- Extraordinary expenses of R$30.8 million, related to personnel, rents of stores and distribution centers, marketing and training, especially during the period when the stores remained closed;
- Investments of R$10.5 million related to store renovation and inauguration;

Integration of Lojas Maia

The Company continued the process of integrating Lojas Maia and concluded the brand transition in the metropolitan areas of Recife in October and of Maceió and Fortaleza in December. The advancement of brand conversion was aimed at strengthening Magazine Luiza's presence in the main metropolitan regions of northeast Brazil, which has registered growth above the national average. The main impacts on the 2011 results were:

- Drop in sales at stores that remained partially closed during the renovation period;
- Extraordinary expenses of R$18.0 million related to stock clearance, marketing, travel and employee training, among others;
- Investments of R$49.5 million related to store renovation and inauguration;

Investments in Infrastructure

Magazine Luiza made important investments of R$71.0 million in infrastructure, notably in logistics and technology, which included work on expanding the Louveira distribution center from 60,000 m^2 to 95,000 m^2, scheduled to be completed in 2Q12. In addition to the fixed investments, the Company incurred extraordinary expenses of R$29.6 million, related to consulting services and integration of the acquired chains. This spending helped drive the successful integration of Lojas Maia and Lojas do Baú, and the sharp growth in sales at the year-end and during the *Liquidação Fantástica (*Fantastic Sale) held in the first week of 2012 simultaneously at 728 stores.

Results of Luizacred

With the migration of the credit card platform to Itaú Unibanco, new practices were adopted at Luizacred, by which a more conservative revenue recognition methodology was adopted, provisions for loan losses were substantially higher than estimated, and the credit approval rate was cut by more than 100 bps, despite the improvement in credit overdue indicators.

EXPECTATIONS FOR 2012

In the next two years, especially in 2012, the Company's main focus will be on integrating the chains, reducing expenses and increasing profitability. Within this strategic focus, the key expectations for 2012 are:

Maturation of Lojas do Baú

The corporate merger of Baú was carried out in November 2011, while the systems integration was completed between January and February 2012, which means that as of March, all the stores are already integrated with Magazine Luiza's systems. Consequently, synergies began to be captured through reductions in administrative personnel and logistics expenses, with the end of leasing agreements of the distribution centers belonging to the Grupo Sílvio Santos. Sales are expected to continue growing consistently, thanks to improved supplies to the stores, the benefits of the Company's business policy and the training provided to sales teams. Despite the integration costs in 1Q12, the Baú stores should not adversely affect profitability in the year as a whole and should reach complete maturation in about three years.

Continuation of the Lojas Maia Integration Process

Lojas Maia is expected to register higher sales growth in the south and southeast regions, due to the economic development of the northeast region and the maturation of the stores, especially the renovated ones. The integration process launched in 2011 envisages conclusion of the corporate merger in 2Q12 and of the systems integration by the end of 3Q12. Beginning in 4Q12, the Company should begin to reap the benefits of completely integrated management, with the dilution of administrative, advertising and marketing expenses. The Company expects to carry out brand transition in the metropolitan regions of Salvador and João Pessoa in 2Q12 and 3Q12, concentrating renovations and investments on stores with the highest potential. Renovation of other stores will start in 2013.

Priority on Rationalization of Costs and Expenses to Increase Profitability

The Company included in its strategic plan for 2012, the "***Mais com Menos***" ("More with less") Project, which involves all areas in the effort to reduce expenses. Several initiatives have already been implemented, such as the reduction of administrative and store staff, which should bring substantial productivity gains. Moreover, the Company should also significantly reduce expenses with consulting services and integration, while diluting the marketing expenses, given that it should not enter new markets.

Continued Investments in Infrastructure

The Company should continue investing in infrastructure projects, particularly in logistics and technology, and does not plan to acquire any other store chains. It is completing the expansion of its distribution center in Louveira, has strengthened its technology systems to absorb the acquired chains and recently doubled the hosting capacity of its databases in Franca and São Paulo in order to increase information security. Total planned investments for 2012 are budgeted at R$140 million, considering the opening of new stores (20 to 30) and the renovation in between 50 and 60 stores, including those in the northeast.

Luizacred

The conservative credit policies should continue in 2012, with high provisions for loan losses and maintenance of the credit approval rates. Nevertheless, the Company expects to see an increase in Luizacred's profitability from the second half of the year, resulting from the maturation of the credit card portfolio and the stores inaugurated in 2011, the dilution of operating expenses and the proportional reduction in provisions as a result of the improved quality of the overdue loan portfolio.

2012 Results

In addition to rationalizing costs and expenses, the Company is confident that it will continue to see substantial growth in sales, driven by the maturation of new stores, the Internet, the constant efforts to consolidate the markets of operation, the positive outlook for the Brazilian market in the form of higher economic growth, inflation under control, employee income gains and falling interest rates. Sales in 1Q12 already reflect the improved economic scenario compared to 4Q11, bolstering expectations of two-digit growth in same-store sales in 2012.

The Company's management is confident of achieving better productivity indicators and significantly positive results in 2012.

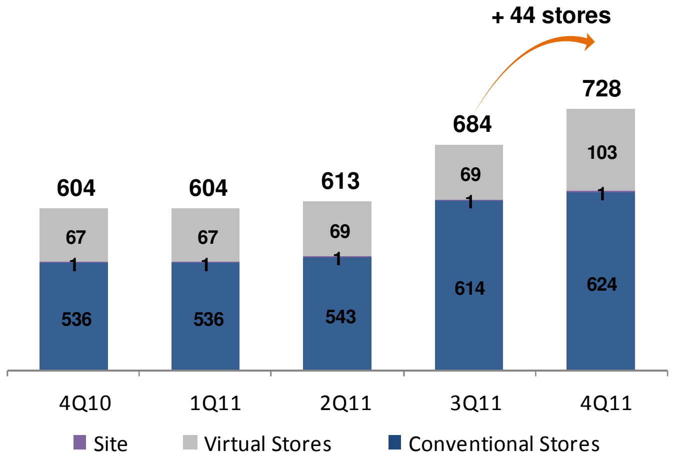
KEY INDICATORS - 2011

R$ million (except when otherwise indicated)	4Q11	4Q10	% Chg	12M11	12M10	% Chg
Total Gross Revenue	2,269.2	1,896.7	19.6%	7,601.3	5,692.0	33.5%
Total Net Revenue	1,927.9	1,596.6	20.8%	6,419.4	4,808.0	33.5%
EBITDA	52.5	94.9	-44.7%	300.6	319.9	-6.0%
EBITDA Margin	2.7%	5.9%	-3.2 pp	4.7%	6.7%	-2.0 pp
Adjusted EBITDA	107.0	94.9	12.7%	346.3	319.9	8.3%
Adjusted EBITDA Margin	5.5%	5.9%	-0.4 pp	5.4%	6.7%	-1.3 pp
Net Income	(16.9)	20.5	-182.4%	11.7	68.8	-83.1%
Net Margin	-0.9%	1.3%	-2.2 pp	0.2%	1.4%	-1.2 pp
Adjusted Net Income	26.7	20.5	30.0%	55.5	68.8	-19.4%
Adjusted Net Income Margin	1.4%	1.3%	0.1 pp	0.9%	1.4%	-0.6 pp
Same Store Sales Growth	10.1%	24.3%	-	16.5%	29.0%	-
Same Physical Store Sales Growth	7.0%	20.4%	-	13.1%	24.7%	-
Internet Sales Growth	36.8%	64.1%	-	44.4%	75.0%	-
Number of Stores - End of Period	728	604	20.5%	728	604	20.5%
Sales Area - End of Period (M2)	454,045	400,112	13.5%	454,045	400,112	13.5%
Average Area per Store - End of Period (M2)	624	662	-5.8%	624	662	-5.8%
Credit Card Base - Luizacred (thousand)	4,426	3,287	34.6%	4,426	3,287	34.6%

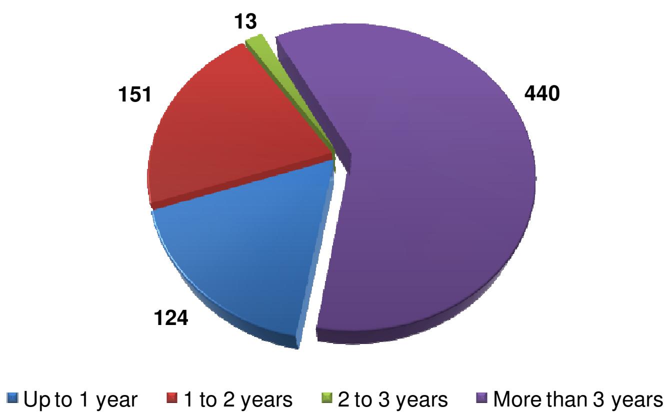
OPERATING PERFORMANCE

Magazine Luiza ended the year 2011 with 728 stores, of which 624 were conventional stores, 103 virtual stores and the website, for a total increase of 124 stores over the same period last year. In 4Q11, the Company inaugurated 44 stores, including 31 virtual Baú stores, 4 in the northeast and 9 in other regions where Magazine Luiza is present. Note that of the 728 stores, 288 (40%) are less than 3 years old and have yet to reach complete maturation.

Number of Stores

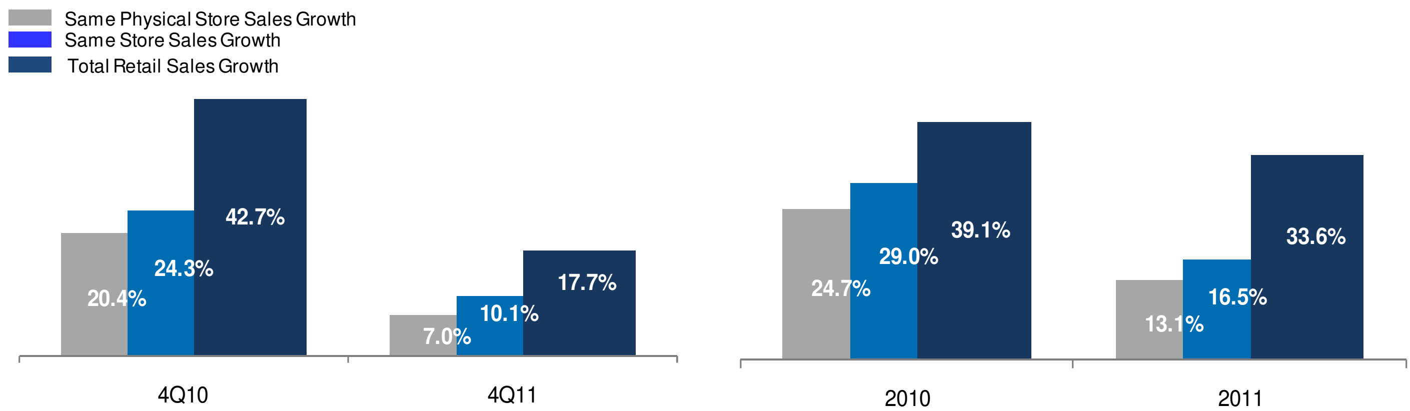


Average Age of Stores (number of stores)



In the same store basis, Magazine Luiza grew 10.1% in 4Q11 and 16.5% in 2011. Despite the decrease compared to the corresponding periods in the previous year, the Company continues to grow at above the market average. This decrease was mainly due to the economic slowdown, the conservative credit approval policy and the store integration process.

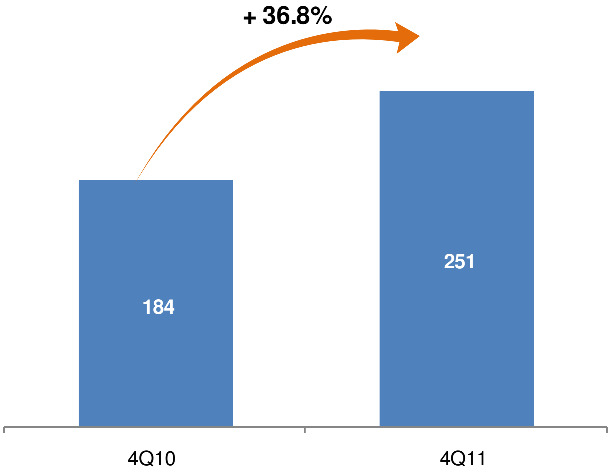
Same Store Sales Growth (%)

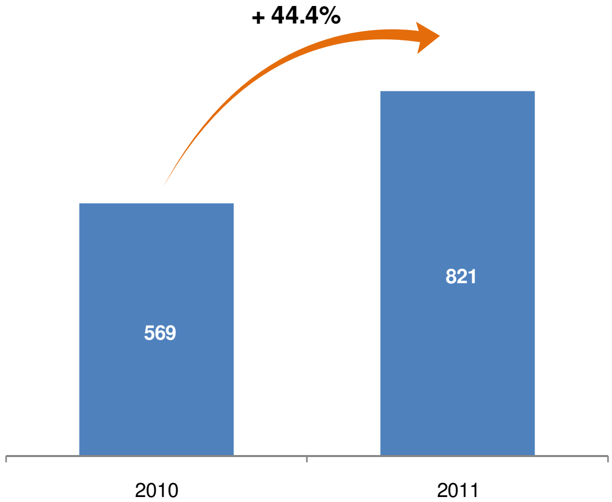


Note 1: Magazine Luiza recorded same-store sales growth, excluding Lojas Maia, of 9.7% in 4Q11 and 16.1% in 2011 (including only physical stores, same-store sales growth was 6.1% and 12.5%, respectively).
Note 2: Lojas Maia recorded same store sales growth of 13.9% in 4Q11 (excluding the effects from renovations) and 24.3% in 2011.

The Internet segment continues to grow, with the increased product mix and site content (www.magazineluiza.com.br) deserving special mention. In 4Q11, Internet sales grew 36.8%, reaching R$251 million, equivalent to 11.1% of retail sales. In 2011, Internet sales came to R$821 million, up 44.4% on 2010.

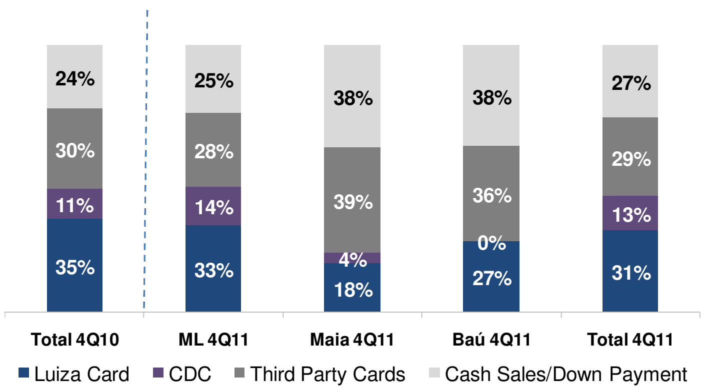
Internet Gross Revenues (R$ million)



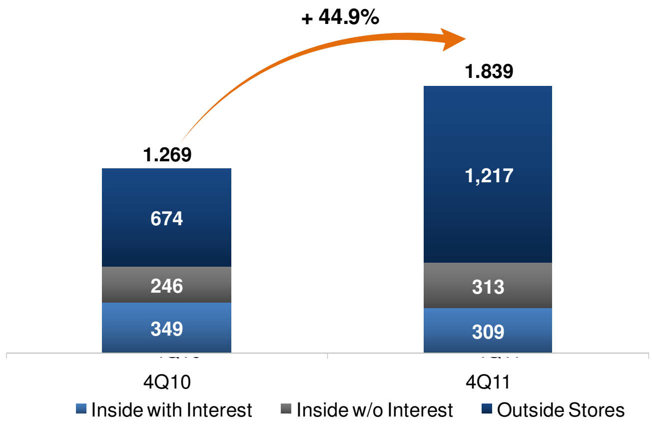


In the past 12 months, credit cards issued by Luizacred grew significantly, from 3.3 million in 4Q10 to 4.4 million in 4Q11, for growth of 34.6%. In 4Q11, sales on Cartão Luiza cards accounted for 33% of all sales at Magazine Luiza stores, 18% at Lojas Maia and 27% at Lojas do Baú.

Financed Sales Mix (% of total sales)



Luiza Card Revenues (R$ million)



Luizacred has entered into a number of partnerships to promote the use of Cartão Luiza outside the Company's store network, increasing its activation and revenue generation potential. In 4Q11, total spending on Cartão Luiza cards increased 44.9% to reach R$1.8 billion. In the same period, the use of the card outside the Company's stores increased 80.5%, corresponding to 66.2% of all spending (compared to 53.1% in 4Q10). Note that the Company maintains a policy of encouraging interest sales, limiting interest-free sales to 15% of total sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

The following table provides a breakdown of gross revenue by business segment:

(in R$ million)	4Q11	4Q10	% Chg	12M11	12M10	% Chg
Gross Revenue - Retail - Merchandise Sales	2,038.9	1,740.8	17.1%	6,848.1	5,138.3	33.3%
Gross Revenue - Retail - Services	81.5	60.3	35.3%	264.7	186.1	42.2%
Subtotal Retail	**2,120.5**	**1,801.1**	**17.7%**	**7,112.8**	**5,324.4**	**33.6%**
Gross Revenue - Consumer Finance	160.7	107.6	49.3%	528.9	395.4	33.8%
Gross Revenue - Insurance Operations	18.5	16.0	15.7%	68.8	58.3	17.9%
Gross Revenue - Consortium Management	7.8	6.4	23.3%	27.7	21.1	31.6%
Inter-Company Eliminations	(38.2)	(34.4)	11.1%	(136.8)	(107.2)	27.6%
Total Gross Revenue	**2,269.2**	**1,896.7**	**19.6%**	**7,601.3**	**5,692.0**	**33.5%**

Magazine Luiza's consolidated gross revenue increased 19.6% in 4Q11, from R$1,896.7 million to a total of R$2,269.2 million. The substantial gain in the quarter was mainly driven by the following factors:

- 17.7% growth in the retail segment, totaling R$2,120.5 million in 4Q11, influenced by the 10.1% growth in same store sales, organic expansion (24 new stores in the past 12 months) and the acquisition of Lojas Maia and Baú.

- 49.3% growth in revenue from the consumer financing segment, from R$107.6 million in 4Q10 to R$160.7 million in 4Q11, driven by increased revenues from Cartão Luiza and personal loans, which, as of 3Q11, were recorded under Luizacred (excluding this effect, growth would have been 29.4%).

In 12M11, consolidated gross revenue increased 33.5% to reach R$7,601.3 million.

Consolidated Net Revenue

(in R$ million)	4Q11	4Q10	% Chg	12M11	12M10	% Chg
Net Revenue - Retail - Merchandise Sales	1,708.6	1,449.4	17.9%	5,703.0	4,280.6	33.2%
Net Revenue - Retail - Services	71.1	52.0	36.6%	229.7	161.4	42.3%
Subtotal Retail	**1,779.7**	**1,501.4**	**18.5%**	**5,932.7**	**4,442.0**	**33.6%**
Net Revenue - Consumer Finance	160.7	107.6	49.3%	528.9	395.4	33.8%
Net Revenue - Insurance Operations	18.5	16.0	15.7%	68.8	58.3	17.9%
Net Revenue - Consortium Management	7.2	5.9	22.7%	25.8	19.6	31.9%
Inter-Company Eliminations	(38.2)	(34.4)	11.1%	(136.8)	(107.2)	27.6%
Total Net Revenue	**1,927.9**	**1,596.6**	**20.8%**	**6,419.4**	**4,808.0**	**33.5%**

Consolidated net revenue increased from R$1,596.6 million in 4Q10 to R$1,927.9 million in 4Q11, up 20.8%. In 12M11, net revenue growth was 33.5%, amounting to R$6,419.4 million. This strong growth was the result of gross revenue growth, especially in the retail and consumer finance segments.

Consolidated Gross profit

(in R$ million)	4Q11	4Q10	% Chg	12M11	12M10	% Chg
Gross Income - Retail - Merchandise Sales	477.8	399.4	19.7%	1,539.6	1,187.8	29.6%
Gross Income - Retail - Services	71.1	52.0	36.6%	229.7	161.4	42.3%
Subtotal Retail	**548.9**	**451.4**	**21.6%**	**1,769.3**	**1,349.1**	**31.1%**
Gross Income - Consumer Finance	135.2	88.5	52.8%	431.3	334.4	29.0%
Gross Income - Insurance Operations	17.2	15.3	12.2%	63.8	55.4	15.3%
Gross Income - Consortium Management	3.8	3.0	27.4%	11.7	10.0	16.9%
Inter-Company Eliminations	(36.9)	(36.9)	0.0%	(131.8)	(107.2)	23.0%
Total Gross Income	**668.2**	**521.2**	**28.2%**	**2,144.3**	**1,641.8**	**30.6%**

(as % of Net Revenue)	4Q11	4Q10	% Chg	12M11	12M10	% Chg
Gross Margin - Retail - Merchandise Sales	28.0%	27.6%	0.4 pp	27.0%	27.7%	-0.8 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp	100.0%	100.0%	0.0 pp
Subtotal Retail	**30.8%**	**30.1%**	**0.8 pp**	**29.8%**	**30.4%**	**-0.6 pp**
Gross Margin - Consumer Finance	84.1%	82.2%	1.9 pp	81.5%	84.6%	-3.0 pp
Gross Margin - Insurance Operations	92.9%	95.8%	-2.9 pp	92.8%	95.0%	-2.1 pp
Gross Margin - Consortium Management	52.1%	50.2%	1.9 pp	45.3%	51.2%	-5.8 pp
Inter-Company Eliminations	96.5%	107.2%	-10.8 pp	96.4%	100.0%	-3.6 pp
Total Gross Margin	**34.7%**	**32.6%**	**2.0 pp**	**33.4%**	**34.1%**	**-0.7 pp**

Consolidated gross profit came to R$668.2 million in 4Q11, up 28.2% over the same period in 2010, driven by lower costs in the retail and consumer finance segments. The factors that most influenced gross profit growth were:

- Gross margin from the retail segment was 30.8% in 4Q11, up from the 4Q10 margin of 30.1%. Gross margin growth was mainly driven by an improved product mix, which compensated for the lower margin internet sales;

- Margin from the consumer finance segment was 84.1% in 4Q11, up from 4Q10, mainly as a result of personal loans (excluding this effect, gross margin from the segment would be 82.1%, up from 3Q11 due to the decrease in the CDI rate).

  In the year, the decrease in the gross margin from the consumer finance segment was related to the increase in the average CDI rate in the period and the change in the profile of Luizacred's portfolio, due to quicker growth in the use of Cartão Luiza outside the Company's stores. This transition returns lower financial margin initially, but generates higher results in the medium term.

In 12M11, consolidated gross profit reached R$2,144.3 million, up 30.6% in the period, for a margin of 33.4%.

Operating Expenses

(R$ million)	4Q11	%NR	4Q10	%NR	% Chg	12M11	%NR	12M10	%NR	% Chg
Selling expenses	(378.2)	-19.6%	(290.5)	-18.2%	30.2%	(1,271.0)	-19.8%	(960.2)	-20.0%	32.4%
General and administrative expenses	(119.8)	-6.2%	(100.0)	-6.3%	19.8%	(354.6)	-5.5%	(248.9)	-5.2%	42.5%
Provisions for loan losses	(73.2)	-3.8%	(58.2)	-3.6%	25.6%	(244.9)	-3.8%	(175.3)	-3.6%	39.7%
Other operating revenues, net	(44.5)	-2.3%	22.4	1.4%	-298.9%	26.8	0.4%	62.5	1.3%	-57.1%
Total Operating Expenses	(615.7)	-31.9%	(426.4)	-26.7%	44.4%	(1,843.7)	-28.7%	(1,321.8)	-27.5%	39.5%

Selling Expenses

Consolidated selling expenses totaled R$378.2 million in 4Q11, corresponding to 19.6% of net revenue, up from 18.2% in 4Q10. This increase is related to retail expenses on account of the new stores, the acquisition of Baú stores and the Lojas Maia brand transition.

In the year, selling expenses were diluted from 20.0% to 19.8% of net revenue.

General and Administrative Expenses

General and administrative expenses increased from R$100.0 million in 4Q10 to R$119.8 million in 4Q11, equivalent to 6.2% of net revenue. The increase was due to the shifting of the business office to São Paulo, as well as maintenance of the offices and distribution centers of Lojas Maia and Lojas do Baú, and all the extraordinary expenses related to the integration of the acquired networks.

In the year, general and administrative expenses totaled R$354.6 million, from 5.2% to 5.5% of net revenue.

Provisions for Loan Losses

Provisions for loan losses increased from R$58.2 million in 4Q10 to R$73.2 million in 4Q11. Note that in line with its conservative approach, Luizacred has reduced its approval rate for financing proposals, despite an improvement in the overdue indicators of its portfolio in recent months. The total overdue portfolio decreased by 90 bps between September 2011 and December 2011.

In 12M11, provisions for loan losses increased from R$175.3 million to R$244.9 million, equivalent to 3.8% of net revenue.

Other Operating Expenses (Revenue)

Other net operating expenses (revenue) declined from revenue of R$22.4 million in 4Q10 to expenses of R$44.5 million in 4Q11, mainly due to the following factors:

- Extraordinary expenses from the process of integration of the chains in the amount of R$28.4 million, including expenses with new stores, brand transition in northeast and integration of the acquired chains;
- Reduction of R$21.8 million in the appropriation of deferred revenue (a change, mainly, in revenue appropriation methodology to the straight-line method, resulted in revenues decreasing from R$12.5 million in 4Q10 to a reversal of R$9.3 million in 4Q11);
- Increase in spending on the Luizacred credit card with the opening of new stores and the increase in the new credit card base;

- Change in the recognition of personal loans, which are now recognized under financial intermediation, reducing profit sharing revenue.

EBITDA

In 4Q11, earnings before interest, taxes, depreciation and amortization (Consolidated EBITDA) reached R$52.5 million, with a margin of 2.7%. The consolidated result was impacted by the increase in administrative expenses and by other extraordinary expenses, including pre-operating expenses of new stores, expenses with the brand transition in the northeast and integration of the chains. Excluding these effects, EBITDA adjusted for extraordinary expenses was R$107.0 million, with a margin of 5.5%.

In 12M11, consolidated EBITDA was R$300.6 million, with a margin of 4.7%, down 6.0% from 2010, mainly due to the extraordinary results in 3Q11 and 4Q11. Excluding these effects, EBITDA adjusted for extraordinary expenses was R$346.3 million, with a margin of 5.4%.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (R$ million)	4Q11	% NR	4Q10	% NR	12M11	% NR	12M10	% NR
Financial Expenses	(51.9)	-2.7%	(56.7)	-3.6%	(217.4)	-3.4%	(178.0)	-3.7%
Interest on loans and financing	(28.4)	-1.5%	(41.7)	-2.6%	(136.8)	-2.1%	(113.6)	-2.4%
Interest on prepayment of receivables – third party cards	(6.7)	-0.3%	(3.1)	-0.2%	(28.3)	-0.4%	(11.6)	-0.2%
Interest on prepayment of receivables – Luiza Card	(6.7)	-0.3%	(6.8)	-0.4%	(24.6)	-0.4%	(22.0)	-0.5%
Other expenses	(10.2)	-0.5%	(5.1)	-0.3%	(27.7)	-0.4%	(30.8)	-0.6%
Financial Revenues	11.6	0.6%	9.7	0.6%	51.7	0.8%	36.6	0.8%
Gains on marketable securities	5.4	0.3%	2.2	0.1%	32.2	0.5%	7.9	0.2%
Other financial revenues	6.2	0.3%	7.5	0.5%	19.5	0.3%	28.6	0.6%
Total Financial Results	(40.2)	-2.1%	(47.0)	-2.9%	(165.7)	-2.6%	(141.5)	-2.9%

Net financial expenses decreased from 2.9% in 4Q10 to 2.1% of net revenue in 4Q11, for a total of R$40.2 million. This decline was mainly the result of a reduction in the Company's net debt after the IPO. Merely for comparison, net financial expenses as a percentage of net revenue were 3.2% in 1Q11, 2.9% in 2Q11 and 2.3% in 3Q11.

Interest on prepayment of receivables from Cartão Luiza remained practically stable, at R$6.8 million in 4Q10 and R$6.7 million in 4Q11, corresponding to merely 0.3% of consolidated net revenue. The Company's policy is to minimize sales without interest on the Cartão Luiza and also limit the share of third-party credit cards in total sales, always promoting sales through Luizacred.

In the year, net financial expenses increased from R$141.5 million in 12M10 to R$165.7 million in 12M11.

Income Tax and Social Contribution

Income tax and social contribution decreased from R$9.2 million in 4Q10 to R$7.9 million in 4Q11. The Company did not record deferred tax assets from losses at Lojas do Baú and Lojas Maia in the amount of R$7.6 million in 4Q11, which affected the effective consolidated tax rate.

Deferred tax assets not recorded in the year came to R$13.6 million. Note that this loss should be offset with the tax benefit of goodwill from acquisitions, which is possible after the mergers.

Consolidated Net Income

The net result in 4Q11 was a loss of R$16.9 million, due to extraordinary expenses and unused tax credits. Excluding these effects, adjusted Net Income was R$26.7 million, with a margin of 1.4%.

In 12M11, consolidated net income was R$11.7 million, with a margin of 0.2% of net revenue. Adjusted Net Income was R$55.5 million, with a margin of 0.9%.

Working Capital

CONSOLIDATED (R$ million)	Dec-11	Sep-11	Jun-11	Mar-11	Dec-10
Accounts receivables	1,927.8	1,758.3	1,630.6	1,522.2	1,524.7
Inventories	1,264.7	1,001.0	876.6	741.1	849.8
Related parties	42.6	42.0	24.2	49.2	36.0
Recoverable taxes	24.6	26.1	16.8	31.2	46.5
Other assets	59.4	70.4	68.7	59.1	63.0
Current operating assets	3,319.1	2,897.9	2,616.9	2,402.9	2,520.0
Suppliers	1,267.8	988.1	923.7	756.7	1,132.3
Interbank deposits	981.5	928.1	911.4	842.4	852.7
Operations with credit cards	436.1	349.1	298.8	235.8	220.2
Payroll, vacation and related charges	121.6	133.1	113.9	96.4	116.5
Taxes payable	49.3	36.2	32.5	26.2	39.4
Related parties	25.5	21.0	12.3	15.3	21.7
Taxes in installments	2.9	3.9	8.2	41.9	43.0
Technical insurance provisions	32.5	29.9	17.7	16.5	22.9
Other accounts payable	94.6	62.5	57.3	73.4	68.8
Current operating liabilities	3,011.7	2,551.9	2,375.8	2,104.6	2,517.6
Working Capital	307.3	346.0	241.1	298.3	2.4

Note: The balance of accounts payable is reported net of prepaid credit card receivables in the amount of R$441.7 million in December 2011, R$344.9 million in September 2011, R$318.6 million in June 2011, R$298.7 million in March 2011 and R$235.0 million in December 2010.

In December 2011, net working capital stood at R$307.3 million, equivalent to a mere 4.0% of gross revenue in the past twelve months. On the same date, balance of prepaid receivables from third-parties credit cards was R$441.7 million. Considering the balance of discounted receivables, net working capital requirement would correspond to 9.9% of gross revenue.

Capex

CAPEX (in R$ million)	4Q11	4Q10	12M11	12M10
New Stores	25.1	19.4	46.1	28.7
Remodeling	37.8	15.2	82.2	27.1
Technology	5.8	5.1	35.3	33.4
Others	28.9	13.3	46.5	34.4
Total	97.6	53.0	210.2	123.7

Investments in fixed and intangible assets increased from R$53.0 million in 4Q10 to R$97.6 million 4Q11. These investments include renovation of existing stores, as well as investments in technology, logistics and new stores. In 4Q11, 13 new stores were inaugurated organically, while investments were made in the opening of another 3 virtual Baú stores and 4 traditional conventional stores in the northeast in 1Q12. Other investments include the expansion of the Louveira distribution center and other investments in logistics (R$23.6 million in 4Q11 and R$28.2 million in 2011).

Net Debt

In December 2011, Magazine Luiza had loans and financing in the amount of R$711.3 million, and cash and financial investments of R$291.3 million, for total net debt of R$420.0 million, equivalent to 1.2 times the adjusted EBITDA in 2011.

CONSOLIDATED (R$ million)	dez-11	set-11	jun-11	mar-11	dez-10
(+) Current loans and financing	129.7	140.8	332.7	350.1	108.8
(+) Non-current loans and financing	581.7	617.1	516.2	595.4	666.1
(+) Financing of Acquisition	-	-	8.4	25.4	33.6
(=) Gross Debt	711.3	757.9	857.3	970.9	808.5
(-) Cash and cash equivalents	173.1	78.0	48.3	125.6	328.9
(-) Current securities	75.0	259.5	655.5	145.3	46.7
(-) Non-current securities	43.3	35.4	24.4	21.7	32.0
(-) Total Cash	291.3	372.8	728.2	292.6	407.5
(=) Net Debt	420.0	385.1	129.1	678.3	401.0
Short term debt/total	18%	19%	40%	39%	18%
Long term debt/total	82%	81%	60%	61%	82%
EBITDA[1]	346.3	343.0	344.9	343.4	319.9
Net Debt/ EBITDA[1]	1.2 x	1.1 x	0.4 x	2.0 x	1.3 x

[1]EBITDA of last 12 months and Adjusted EBITDA in Dec/2011.

ANNEX I

FINANCIAL STATEMENTS – CONSOLIDATED RESULT

CONSOLIDATED INCOME STATEMENT (R$ million)	4Q11	V.A.	4Q10	V.A.	% Chg	12M11	V.A.	12M10	V.A.	% Chg
Gross Revenue	2,269.2	117.7%	1,896.7	118.8%	19.6%	7,601.3	118.4%	5,692.0	118.4%	33.5%
Taxes and Deductions	(341.4)	-17.7%	(300.1)	-18.8%	13.7%	(1,182.0)	-18.4%	(884.0)	-18.4%	33.7%
Net Revenue	1,927.9	100.0%	1,596.6	100.0%	20.8%	6,419.4	100.0%	4,808.0	100.0%	33.5%
Total Costs	(1,259.7)	-65.3%	(1,075.3)	-67.4%	17.1%	(4,275.1)	-66.6%	(3,166.3)	-65.9%	35.0%
Gross Income	668.2	34.7%	521.2	32.6%	28.2%	2,144.3	33.4%	1,641.8	34.1%	30.6%
Selling expenses	(378.2)	-19.6%	(290.5)	-18.2%	30.2%	(1,271.0)	-19.8%	(960.2)	-20.0%	32.4%
General and administrative expenses	(119.8)	-6.2%	(100.0)	-6.3%	19.8%	(354.6)	-5.5%	(248.9)	-5.2%	42.5%
Provisions for loan losses	(73.2)	-3.8%	(58.2)	-3.6%	25.6%	(244.9)	-3.8%	(175.3)	-3.6%	39.7%
Other operating revenues, net	(44.5)	-2.3%	22.4	1.4%	-298.9%	26.8	0.4%	62.5	1.3%	-57.1%
Total Operating Expenses	(615.7)	-31.9%	(426.4)	-26.7%	44.4%	(1,843.7)	-28.7%	(1,321.8)	-27.5%	39.5%
EBITDA	52.5	2.7%	94.9	5.9%	-44.7%	300.6	4.7%	319.9	6.7%	-6.0%
Depreciation and Amortization	(21.3)	-1.1%	(18.2)	-1.1%	17.0%	(86.9)	-1.4%	(68.5)	-1.4%	26.9%
EBIT	31.2	1.6%	76.7	4.8%	-59.3%	213.7	3.3%	251.4	5.2%	-15.0%
Financial Results	(40.2)	-2.1%	(47.0)	-2.9%	-14.4%	(165.7)	-2.6%	(141.5)	-2.9%	17.1%
Operating Income	(9.0)	-0.5%	29.7	1.9%	-130.3%	47.9	0.7%	110.0	2.3%	-56.4%
Income Tax and Social Contribution	(7.9)	-0.4%	(9.2)	-0.6%	-14.1%	(36.3)	-0.6%	(41.1)	-0.9%	-11.8%
Net Income	(16.9)	-0.9%	20.5	1.3%	-182.4%	11.7	0.2%	68.8	1.4%	-83.1%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	52.5	2.7%	94.9	5.9%	-	300.6	4.7%	319.9	6.7%	-
Extraordinary revenues	-	0.0%	-	0.0%	-	(32.6)	-0.5%	-	0.0%	-
Extraordinary expenses	[1] 38.3	2.0%	-	0.0%	-	78.3	1.2%	-	0.0%	-
Adjusted deferred revenues	[2] 16.1	0.8%	-	0.0%	-	-	0.0%	-	0.0%	-
Adjusted EBITDA	107.0	5.5%	94.9	5.9%	-	346.3	5.4%	319.9	6.7%	-

Net Income	(16.9)	-0.9%	20.5	1.3%	-	11.7	0.2%	68.8	1.4%	-
Extraordinary results	54.5	2.8%	-	0.0%	-	45.7	0.7%	-	0.0%	-
Tax over extraordinary results	(18.5)	-1.0%	-	0.0%	-	(15.6)	-0.2%	-	0.0%	-
Tax credits not recorded	7.6	0.4%	-	0.0%	-	13.6	0.2%	-	0.0%	-
Adjusted Net Income	26.7	1.4%	20.5	1.3%	-	55.5	0.9%	68.8	1.4%	-

Note 1: Extraordinary expenses from the process of integration of the chains and new stores totaled R$38.3 million in 4Q11, R$9.9 million of which from Magazine Luiza, R$11.8 million from Maia and R$16.7 million from Baú. In the case of Baú, the negative EBITDA effect was considered extraordinary, since the stores were being integrated in 4Q11. These expenses were booked in the results as follows: R$28.4 million as other operating expenses; R$5.2 million as selling expenses; and R$4.8 million as administrative expenses.
Note 2: change in the deferred revenue booking criteria to the straight-line accounting method.

ANNEX II

QUARTERLY FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	1Q11	V.A.	2Q11	V.A.	3Q11	V.A.	4Q11	V.A.	12M11	V.A.
Gross Revenue	1,696.1	119.8%	1,744.3	118.4%	1,891.8	118.0%	2,269.2	117.7%	7,601.3	118.4%
Taxes and Deductions	(280.0)	-19.8%	(271.5)	-18.4%	(289.1)	-18.0%	(341.4)	-17.7%	(1,182.0)	-18.4%
Net Revenue	1,416.1	100.0%	1,472.8	100.0%	1,602.7	100.0%	1,927.9	100.0%	6,419.4	100.0%
Total Costs	(946.2)	-66.8%	(990.1)	-67.2%	(1,079.0)	-67.3%	(1,259.7)	-65.3%	(4,275.1)	-66.6%
Gross Income	469.9	33.2%	482.7	32.8%	523.6	32.7%	668.2	34.7%	2,144.3	33.4%
Selling expenses	(282.3)	-19.9%	(289.2)	-19.6%	(321.3)	-20.0%	(378.2)	-19.6%	(1,271.0)	-19.8%
General and administrative expenses	(71.5)	-5.0%	(74.9)	-5.1%	(88.5)	-5.5%	(119.8)	-6.2%	(354.6)	-5.5%
Provisions for loan losses	(51.0)	-3.6%	(52.7)	-3.6%	(68.1)	-4.2%	(73.2)	-3.8%	(244.9)	-3.8%
Other operating revenues, net	18.9	1.3%	6.0	0.4%	46.4	2.9%	(44.5)	-2.3%	26.8	0.4%
Total Operating Expenses	(385.8)	-27.2%	(410.7)	-27.9%	(431.5)	-26.9%	(615.7)	-31.9%	(1,843.7)	-28.7%
EBITDA	84.0	5.9%	71.9	4.9%	92.2	5.8%	52.5	2.7%	300.6	4.7%
Depreciation and Amortization	(21.1)	-1.5%	(21.8)	-1.5%	(22.8)	-1.4%	(21.3)	-1.1%	(86.9)	-1.4%
EBIT	62.9	4.4%	50.1	3.4%	69.4	4.3%	31.2	1.6%	213.7	3.3%
Financial Results	(45.7)	-3.2%	(42.4)	-2.9%	(37.4)	-2.3%	(40.2)	-2.1%	(165.7)	-2.6%
Operating Income	17.2	1.2%	7.8	0.5%	32.0	2.0%	(9.0)	-0.5%	47.9	0.7%
Income Tax and Social Contribution	(4.9)	-0.3%	(3.2)	-0.2%	(20.3)	-1.3%	(7.9)	-0.4%	(36.3)	-0.6%
Net Income	12.3	0.9%	4.6	0.3%	11.7	0.7%	(16.9)	-0.9%	11.7	0.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	84.0	5.9%	71.9	4.9%	92.2	5.8%	52.5	2.7%	300.6	4.7%
Extraordinary revenues	-	0.0%	-	0.0%	(32.6)	-2.0%	-	0.0%	(32.6)	-0.5%
Extraordinary expenses	-	0.0%	-	0.0%	40.0	2.5%	38.3	2.0%	78.3	1.2%
Adjusted deferred revenues	(5.4)	-0.4%	(5.4)	-0.4%	(5.4)	-0.3%	16.1	0.8%	-	0.0%
Adjusted EBITDA	78.7	5.6%	66.5	4.5%	94.2	5.9%	107.0	5.5%	346.3	5.4%

Net Income	12.3	0.9%	4.6	0.3%	11.7	0.7%	(16.9)	-0.9%	11.7	0.2%
Extraordinary results	(5.4)	-0.4%	(5.4)	-0.4%	2.0	0.1%	54.5	2.8%	45.7	0.7%
Tax over extraordinary results	1.8	0.1%	1.8	0.1%	(0.7)	0.0%	(18.5)	-1.0%	(15.6)	-0.2%
Tax credits not recorded	-	0.0%	-	0.0%	6.0	0.4%	7.6	0.4%	13.6	0.2%
Adjusted Net Income	8.7	0.6%	1.0	0.1%	19.0	1.2%	26.7	1.4%	55.5	0.9%

ANNEX III

FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Dec-11	Sep-11	Jun-11	Mar-11	Dec-10
CURRENT ASSETS					
Cash and cash equivalents	173.1	78.0	48.3	125.6	328.9
Securities	75.0	259.5	655.5	145.3	46.7
Accounts receivable	1,927.8	1,758.3	1,630.6	1,522.2	1,524.7
Inventories	1,264.7	1,001.0	876.6	741.1	849.8
Related parties	42.6	42.0	24.2	49.2	36.0
Taxes recoverable	24.6	26.1	16.8	31.2	46.5
Other assets	59.4	70.4	68.7	59.1	63.0
Total current assets	3,567.1	3,235.4	3,320.7	2,673.8	2,895.6
NON-CURRENT ASSETS					
Securities	43.3	35.4	24.4	21.7	32.0
Accounts receivable	9.4	6.3	9.3	14.1	18.7
Deferred income tax and social contribution	178.9	183.7	189.7	170.8	168.2
Recoverable taxes	31.0	29.5	32.2	11.3	10.2
Deposit judicial	89.0	75.3	61.3	50.4	47.2
Other assets	19.8	18.8	17.0	9.9	22.4
Fixed assets	489.9	406.6	372.6	359.9	358.8
Intangible assets	448.9	448.6	374.9	370.0	374.6
Total non-current assets	1,310.2	1,204.1	1,081.3	1,008.1	1,032.2
TOTAL ASSETS	4,877.4	4,439.4	4,402.0	3,682.0	3,927.8

LIABILITIES (R$ million)	Dec-11	Sep-11	Jun-11	Mar-11	Dec-10
CURRENT LIABILITIES					
Suppliers	1,267.8	988.1	923.7	756.7	1,132.3
Loans and financing	129.7	140.8	332.7	350.1	108.8
Interbank deposits	981.5	928.1	911.4	842.4	852.7
Operations with credit cards	436.1	349.1	298.8	235.8	220.2
Payroll, vacation and related charges	121.6	133.1	113.9	96.4	116.5
Taxes payable	49.3	36.2	32.5	26.2	39.4
Related parties	25.5	21.0	12.3	15.3	21.7
Taxes in installments	2.9	3.9	8.2	41.9	43.0
Deferred revenue	24.1	25.6	26.0	55.1	26.0
Dividends payable	1.7	-	-	-	-
Technical insurance provisions	32.5	29.9	17.7	16.5	22.9
Other accounts payable	94.6	62.5	65.7	98.9	102.4
Total current liabilities	3,167.1	2,718.3	2,742.9	2,535.2	2,685.9
NON-CURRENT LIABILITIES					
Loans and financing	581.7	617.1	516.2	595.4	666.1
Interbank deposits	-	-	0.3	1.2	4.0
Taxes in installments	4.4	4.0	6.1	6.2	6.3
Provision for tax, civil and labor risks	173.4	165.8	189.6	182.5	182.0
Technical insurance provisions	17.9	18.2	29.6	28.6	20.8
Deferred revenue	294.3	259.4	271.4	254.6	296.1
Deferred income tax and social contribution	10.8	11.5	12.3	13.0	13.7
Other accounts payable	6.9	5.5	5.8	5.5	5.4
Total non-current liabilities	1,089.3	1,081.7	1,031.3	1,087.0	1,194.4
SHAREHOLDERS' EQUITY					
Capital stock	606.5	606.5	606.5	43.0	43.0
Legal reserve	4.0	3.4	3.4	3.4	3.4
Profit retention reserve	10.4	1.0	1.0	1.0	1.0
Accumulated losses	-	28.6	16.9	12.3	-
Total shareholders' equity	620.9	639.5	627.8	59.7	47.4
TOTAL	4,877.4	4,439.4	4,402.0	3,682.0	3,927.8

ANNEX IV

FINANCIAL STATEMENTS - RETAIL

RETAIL INCOME STATEMENT (R$ million)	4Q11	V.A.	4Q10	V.A.	% Chg	12M11	V.A.	12M10	V.A.	% Chg
Gross Revenue	2,120.5	119.1%	1,801.1	120.0%	17.7%	7,112.8	119.9%	5,324.4	119.9%	33.6%
Taxes and Deductions	(340.8)	-19.1%	(299.7)	-20.0%	13.7%	(1,180.0)	-19.9%	(882.4)	-19.9%	33.7%
Net Revenue	1,779.7	100.0%	1,501.4	100.0%	18.5%	5,932.7	100.0%	4,442.0	100.0%	33.6%
Total Costs	(1,230.8)	-69.2%	(1,050.0)	-69.9%	17.2%	(4,163.4)	-70.2%	(3,092.8)	-69.6%	34.6%
Gross Income	548.9	30.8%	451.4	30.1%	21.6%	1,769.3	29.8%	1,349.1	30.4%	31.1%
Selling expenses	(357.7)	-20.1%	(280.5)	-18.7%	27.5%	(1,201.7)	-20.3%	(885.8)	-19.9%	35.7%
General and administrative expenses	(113.1)	-6.4%	(94.1)	-6.3%	20.2%	(327.2)	-5.5%	(226.8)	-5.1%	44.3%
Provisions for loan losses	(6.0)	-0.3%	(6.4)	-0.4%	-6.7%	(13.3)	-0.2%	(14.5)	-0.3%	-8.4%
Other operating revenues, net	(15.5)	-0.9%	21.1	1.4%	-173.4%	54.5	0.9%	55.8	1.3%	-2.4%
Total Operating Expenses	(492.3)	-27.7%	(359.9)	-24.0%	36.8%	(1,487.7)	-25.1%	(1,071.2)	-24.1%	38.9%
EBITDA	56.6	3.2%	91.5	6.1%	-38.1%	281.6	4.7%	277.9	6.3%	1.3%
Depreciation and Amortization	(20.9)	-1.2%	(17.8)	-1.2%	17.3%	(85.5)	-1.4%	(67.1)	-1.5%	27.4%
EBIT	35.7	2.0%	73.7	4.9%	-51.5%	196.1	3.3%	210.8	4.7%	-7.0%
Equity in Subsidiaries	1.0	0.1%	7.4	0.5%	-86.7%	29.9	0.5%	42.4	1.0%	-29.6%
Financial Results	(49.4)	-2.8%	(55.8)	-3.7%	-11.5%	(200.2)	-3.4%	(170.6)	-3.8%	17.4%
Operating Income	(12.7)	-0.7%	25.3	1.7%	-150.2%	25.8	0.4%	82.6	1.9%	-68.8%
Income Tax and Social Contribution	(4.2)	-0.2%	(4.7)	-0.3%	-11.1%	(14.1)	-0.2%	(13.8)	-0.3%	2.7%
Net Income	(16.9)	-0.9%	20.5	1.4%	-182.4%	11.7	0.2%	68.8	1.5%	-83.1%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	56.6	3.2%	91.5	6.1%	-	281.6	4.7%	277.9	6.3%	-
Extraordinary revenues	-	0.0%	-	0.0%	-	(32.6)	-0.5%	-	0.0%	-
Extraordinary expenses	38.3	2.2%	-	0.0%	-	78.3	1.3%	-	0.0%	-
Adjusted deferred revenues	16.1	0.9%	-	0.0%	-	-	0.0%	-	0.0%	-
Adjusted EBITDA	111.1	6.2%	91.5	6.1%	-	327.4	5.5%	277.9	6.3%	-

Net Income	(16.9)	-0.9%	20.5	1.4%	-	11.7	0.2%	68.8	1.5%	-
Extraordinary results	54.5	3.1%	-	0.0%	-	45.7	0.8%	-	0.0%	-
Tax over extraordinary results	(18.5)	-1.0%	-	0.0%	-	(15.6)	-0.3%	-	0.0%	-
Tax credits not recorded	7.6	0.4%	-	0.0%	-	13.6	0.2%	-	0.0%	-
Adjusted Net Income	26.7	1.5%	20.5	1.4%	-	55.5	0.9%	68.8	1.5%	-

ANNEX V

FINANCIAL STATEMENTS BY BUSINESS LINE – 4Q11

4Q11 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Baú 100%	Retail Pro-Forma	Cons.Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,809.5	257.8	53.1	2,120.5	160.7	18.5	7.8	(38.2)	2,269.2
Taxes and Deductions	(281.4)	(52.9)	(6.5)	(340.8)	-	-	(0.6)	-	(341.4)
Net Revenue	1,528.1	205.0	46.6	1,779.7	160.7	18.5	7.2	(38.2)	1,927.9
Total Costs	(1,047.0)	(146.7)	(37.1)	(1,230.8)	(25.5)	(1.3)	(3.5)	1.3	(1,259.7)
Gross Income	481.1	58.3	9.6	548.9	135.2	17.2	3.8	(36.9)	668.2
Selling expenses	(293.3)	(51.7)	(12.7)	(357.7)	(39.1)	(11.7)	-	30.2	(378.2)
General and administrative expense	(84.7)	(21.6)	(6.8)	(113.1)	(0.5)	(3.1)	(3.2)	-	(119.8)
Provisions for loan losses	(6.0)	-	-	(6.0)	(67.2)	-	-	-	(73.2)
Other operating revenues, net	(18.2)	9.5	(6.7)	(15.5)	(26.6)	(0.1)	0.1	(2.4)	(44.5)
Total Operating Expenses	(402.3)	(63.8)	(26.3)	(492.3)	(133.3)	(14.8)	(3.1)	27.8	(615.7)
EBITDA	78.8	(5.5)	(16.7)	56.6	1.8	2.4	0.7	(9.0)	52.5
Depreciation and Amortization	(16.5)	(3.6)	(0.8)	(20.9)	(1.4)	(1.3)	(0.1)	2.4	(21.3)
EBIT	62.3	(9.1)	(17.5)	35.7	0.5	1.1	0.6	(6.7)	31.2
Equity in Subsidiaries	(29.5)	(0.3)	-	1.0	-	-	-	29.8	-
Financial Results	(44.9)	(4.3)	(0.2)	(49.4)	-	2.2	0.2	6.7	(40.2)
Operating Income	(12.1)	(13.7)	(17.7)	(12.7)	0.5	3.3	0.9	29.8	(9.0)
Income Tax and Social Contribution	(4.8)	0.6	-	(4.2)	(2.1)	(1.3)	(0.3)	-	(7.9)
Net Income	(16.9)	(13.1)	(17.7)	(16.9)	(1.6)	2.0	0.6	29.8	(16.9)
Gross Margin	31.5%	28.4%	20.5%	30.8%	84.1%	92.9%	52.1%	96.5%	34.7%
EBITDA Margin	5.2%	-2.7%	-35.8%	3.2%	1.1%	12.8%	9.8%	23.7%	2.7%
Net Margin	-1.1%	-6.4%	-38.0%	-0.9%	-1.0%	10.9%	7.9%	-78.0%	-0.9%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	78.8	(5.5)	(16.7)	56.6	1.8	2.4	0.7	(9.0)	52.5
Extraordinary revenues	-	-	-	-	-	-	-	-	-
Extraordinary expenses	9.9	11.8	16.7	38.3	-	-	-	-	38.3
Adjusted deferred revenues	16.1	-	-	16.1	-	-	-	-	16.1
Adjusted EBITDA	104.8	6.3	-	111.1	1.8	2.4	0.7	(9.0)	107.0
Adjusted EBITDA Margin	6.9%	3.1%	0.0%	6.2%	1.1%	12.8%	9.8%	23.7%	5.5%

Net Income	(16.9)	(13.1)	(17.7)	(16.9)	(1.6)	2.0	0.6	29.8	(16.9)
Extraordinary results	26.0	11.8	16.7	54.5	-	-	-	-	54.5
Tax over extraordinary results	(8.8)	(4.0)	(5.7)	(18.5)	-	-	-	-	(18.5)
Tax credits not recorded	-	2.9	4.7	7.6	-	-	-	-	7.6
Equity in subsidiaries	26.4	-	-	-	-	-	-	-	-
Adjusted Net Income	26.7	(2.4)	(2.0)	26.7	(1.6)	2.0	0.6	29.8	26.7
Adjusted Net Income Margin	1.7%	-1.2%	-4.3%	1.5%	-1.0%	10.9%	7.9%	-78.0%	1.4%

ANNEX VI

FINANCIAL STATEMENTS BY BUSINESS LINE – 4Q10

4Q10 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons.Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,574.9	226.2	1,801.1	107.6	16.0	6.4	(34.4)	1,896.7
Taxes and Deductions	(245.3)	(54.4)	(299.7)	-	-	(0.5)	-	(300.1)
Net Revenue	1,329.6	171.9	1,501.4	107.6	16.0	5.9	(34.4)	1,596.6
Total Costs	(927.2)	(122.9)	(1,050.0)	(19.2)	(0.7)	(2.9)	(2.5)	(1,075.3)
Gross Income	402.4	49.0	451.4	88.5	15.3	3.0	(36.9)	521.2
Selling expenses	(258.9)	(21.6)	(280.5)	(29.6)	(10.6)	-	30.1	(290.5)
General and administrative expense	(74.9)	(19.2)	(94.1)	(0.8)	(2.5)	(2.6)	-	(100.0)
Provisions for loan losses	(6.4)	(0.0)	(6.4)	(51.8)	-	-	-	(58.2)
Other operating revenues, net	20.4	0.7	21.1	2.4	-	0.1	(1.3)	22.4
Total Operating Expenses	(319.8)	(40.1)	(359.9)	(79.7)	(13.1)	(2.5)	28.8	(426.4)
EBITDA	82.6	8.9	91.5	8.7	2.2	0.5	(8.1)	94.9
Depreciation and Amortization	(17.0)	(0.8)	(17.8)	(0.3)	(1.3)	(0.1)	1.3	(18.2)
EBIT	65.6	8.1	73.7	8.5	0.9	0.4	(6.8)	76.7
Equity in Subsidiaries	6.4	-	7.4	-	-	-	(6.4)	-
Financial Results	(46.7)	(9.1)	(55.8)	-	1.8	0.2	6.8	(47)
Operating Income	25.3	(1.0)	25.3	8.5	2.7	0.6	(6.4)	29.7
Income Tax and Social Contribution	(4.7)	-	(4.7)	(3.3)	(1.0)	(0.2)	-	(9.2)
Net Income	20.5	(1.0)	20.5	5.2	1.7	0.4	(6.4)	20.5
Gross Margin	30.3%	28.5%	30.1%	82.2%	95.8%	50.2%	107.2%	32.6%
EBITDA Margin	6.2%	5.2%	6.1%	8.1%	13.8%	8.3%	23.5%	5.9%
Net Margin	1.5%	-0.6%	1.4%	4.8%	10.7%	7.3%	18.6%	1.3%

ANNEX VII

FINANCIAL STATEMENTS BY BUSINESS LINE – 2011

12M11 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Baú 100%	Retail Pro-Forma	Cons.Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	6,058.5	992.1	62.2	7,112.8	528.9	68.8	27.7	(136.8)	7,601.3
Taxes and Deductions	(958.4)	(214.1)	(7.5)	(1,180.0)	-	-	(1.9)	-	(1,182.0)
Net Revenue	5,100.1	778.0	54.7	5,932.7	528.9	68.8	25.8	(136.8)	6,419.4
Total Costs	(3,562.5)	(557.7)	(43.2)	(4,163.4)	(97.6)	(4.9)	(14.1)	5.0	(4,275.1)
Gross Income	1,537.6	220.3	11.4	1,769.3	431.3	63.8	11.7	(131.8)	2,144.3
Selling expenses	(1,029.9)	(156.5)	(15.2)	(1,201.7)	(132.7)	(43.8)	-	107.3	(1,271.0)
General and administrative expenses	(259.8)	(58.5)	(8.9)	(327.2)	(3.2)	(11.3)	(13.0)	-	(354.6)
Provisions for loan losses	(13.3)	-	-	(13.3)	(231.7)	-	-	-	(244.9)
Other operating revenues, net	21.7	50.9	(18.1)	54.5	(18.1)	(0.2)	0.0	(9.4)	26.8
Total Operating Expenses	(1,281.3)	(164.1)	(42.2)	(1,487.7)	(385.6)	(55.3)	(13.0)	97.9	(1,843.7)
EBITDA	256.3	56.2	(30.8)	281.6	45.7	8.5	(1.3)	(34.0)	300.6
Depreciation and Amortization	(70.5)	(13.7)	(1.3)	(85.5)	(5.4)	(5.1)	(0.3)	9.4	(86.9)
EBIT	185.8	42.5	(32.2)	196.1	40.3	3.4	(1.6)	(24.6)	213.7
Equity in Subsidiaries	3.5	4.4	-	29.9	-	-	-	(7.9)	-
Financial Results	(174.6)	(25.5)	(0.1)	(200.2)	-	9.0	0.9	24.6	(165.7)
Operating Income	14.7	21.4	(32.3)	25.8	40.3	12.4	(0.7)	(7.9)	47.9
Income Tax and Social Contribution	(3.0)	(11.1)	-	(14.1)	(17.5)	(4.9)	0.3	-	(36.3)
Net Income	11.7	10.2	(32.3)	11.7	22.7	7.5	(0.4)	(7.9)	11.7
Gross Margin	30.1%	28.3%	20.9%	29.8%	81.5%	92.8%	45.3%	96.4%	33.4%
EBITDA Margin	5.0%	7.2%	-56.4%	4.7%	8.6%	12.4%	-5.0%	24.8%	4.7%
Net Margin	0.2%	1.3%	-59.0%	0.2%	4.3%	10.9%	-1.4%	5.7%	0.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	256.3	56.2	(30.8)	281.6	45.7	8.5	(1.3)	(34.0)	300.6
Extraordinary revenues	-	(32.6)	-	(32.6)	-	-	-	-	(32.6)
Extraordinary expenses	29.6	18.0	30.8	78.3	-	-	-	-	78.3
Adjusted deferred revenues	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	285.8	41.6	(0.0)	327.4	45.7	8.5	(1.3)	(34.0)	346.3
Adjusted EBITDA Margin	5.6%	5.3%	0.0%	5.5%	8.6%	12.4%	-5.0%	24.8%	5.4%

Net Income	11.7	10.2	(32.3)	11.7	22.7	7.5	(0.4)	(7.9)	11.7
Extraordinary results	29.6	(14.6)	30.8	45.7	-	-	-	-	45.7
Tax over extraordinary results	(10.1)	5.0	(10.5)	(15.6)	-	-	-	-	(15.6)
Tax credits not recorded	-	4.0	9.6	13.6	-	-	-	-	13.6
Equity in subsidiaries	24.3	-	-	-	-	-	-	-	-
Adjusted Net Income	55.5	4.6	(2.3)	55.5	22.7	7.5	(0.4)	(7.9)	55.5
Adjusted Net Income Margin	1.1%	0.6%	-4.3%	0.9%	4.3%	10.9%	-1.4%	5.7%	0.9%

ANNEX VIII

FINANCIAL STATEMENTS BY BUSINESS LINE – 2010

12M10 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons.Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	4,996.4	328.0	5,324.4	395.4	58.3	21.1	(107.2)	5,692.0
Taxes and Deductions	(802.8)	(79.7)	(882.4)	-	-	(1.5)	-	(884.0)
Net Revenue	4,193.6	248.3	4,442.0	395.4	58.3	19.6	(107.2)	4,808.0
Total Costs	(2,916.7)	(176.1)	(3,092.8)	(61.0)	(2.9)	(9.5)	-	(3,166.3)
Gross Income	1,276.9	72.2	1,349.1	334.4	55.4	10.0	(107.2)	1,641.8
Selling expenses	(855.9)	(29.9)	(885.8)	(122.5)	(37.1)	-	85.1	(960.2)
General and administrative expense	(198.2)	(28.6)	(226.8)	(2.9)	(9.4)	(9.8)	-	(248.9)
Provisions for loan losses	(14.5)	(0.0)	(14.5)	(160.8)	-	-	-	(175.3)
Other operating revenues, net	54.8	1.0	55.8	11.0	-	0.8	(5.1)	62.5
Total Operating Expenses	(1,013.7)	(57.6)	(1,071.2)	(275.1)	(46.5)	(9.0)	80.0	(1,321.8)
EBITDA	263.3	14.7	277.9	59.3	8.9	1.0	(27.2)	319.9
Depreciation and Amortization	(65.7)	(1.4)	(67.1)	(1.1)	(5.1)	(0.3)	5.1	(68.5)
EBIT	197.5	13.2	210.8	58.2	3.8	0.8	(22.0)	251.4
Equity in Subsidiaries	40.1	-	42.4	-	-	-	(40.1)	-
Financial Results	(155.1)	(15.5)	(170.6)	-	6.4	0.7	22.0	(141)
Operating Income	82.6	(2.3)	82.6	58.2	10.2	1.4	(40.1)	110.0
Income Tax and Social Contribution	(13.8)	-	(13.8)	(22.9)	(4.0)	(0.5)	-	(41.1)
Net Income	68.8	(2.3)	68.8	35.3	6.2	0.9	(40.1)	68.8
Gross Margin	30.4%	29.1%	30.4%	84.6%	95.0%	51.2%	100.0%	34.1%
EBITDA Margin	6.3%	5.9%	6.3%	15.0%	15.3%	5.1%	25.4%	6.7%
Net Margin	1.6%	-0.9%	1.5%	8.9%	10.6%	4.8%	37.4%	1.4%

ANNEX IX

SALES MIX AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	12M11	V.A.	12M10	V.A.	Growth Total
Virtual Stores	295.1	4.1%	238.6	4.5%	23.6%
Website	821.1	11.5%	568.7	10.7%	44.4%
Subtotal – Virtual Channel	**1,116.1**	15.7%	**807.3**	15.2%	38.2%
Conventional Stores	5,996.6	84.3%	4,517.1	84.8%	32.8%
Magazine Luiza	4,942.4	69.5%	4,189.1	78.7%	18.0%
Lojas Maia	992.1	13.9%	328.0	6.2%	202.4%
New Co.	62.2	0.9%	-	-	-
Total	**7,112.8**	100.0%	**5,324.4**	100.0%	33.6%

Gross Revenue by Channel (R$ million)	4Q11	V.A.	4Q10	V.A.	Growth Total
Virtual Stores	96.7	4.6%	77.6	4.3%	24.6%
Website	250.9	11.8%	183.5	10.2%	36.8%
Subtotal – Virtual Channel	**347.7**	16.4%	**261.1**	14.5%	33.1%
Conventional Stores	1,772.8	83.6%	1,540.0	85.5%	15.1%
Magazine Luiza	1,461.9	68.9%	1,313.7	72.9%	11.3%
Lojas Maia	257.8	12.2%	226.2	12.6%	14.0%
New Co.	53.1	2.5%	-	-	-
Total	**2,120.5**	100.0%	**1,801.1**	100.0%	17.7%

Number of stores per channel – End of the period	2011	Part(%)	2010	Part(%)	Growth Total
Virtual Stores	103	14.1%	67	11.1%	36
Website	1	0.1%	1	0.2%	-
Subtotal – Virtual Channel	**104**	14.3%	**68**	11.3%	36
Conventional Stores	624	85.7%	536	88.7%	88
Magazine Luiza	413	56.7%	400	66.2%	13
Lojas Maia	142	19.5%	136	22.5%	6
New Co.	69	9.5%	-	0.0%	69
Total	**728**	100.0%	**604**	100.0%	124
Total Sales Area (m²)	**454,045**	100.0%	**400,112**	100.0%	13.5%

ANNEX X

LUIZACRED

Operational Indicators

Luizacred is a joint-venture between Magazine Luiza and Itaú Unibanco, responsible for financing the majority of the Company's sales. Magazine Luiza's main role is the management of its employees and client service, while Itaú Unibanco is responsible for the financing of Luizacred, for the development of credit and collection policies and for back office activities such as accounting and treasury.

In December 2011, Luizacred had a total base of 4.4 million cards issued. In the last 12 months, the total base of active cards grew 34.6%, contributing to the increase of Luiza card revenue, inside and outside the Company's stores (in 4Q11, purchases outside stores represented 66.2% of total sales, with a growth of 80.5% over 4Q10). Luizacred's credit portfolio, including credit card and CDC (Direct Consumer Credit), added up to R$3.3 billion at the end of 4Q11.

LUIZACRED – Key Indicators (R$ million)	4Q11	4Q10	% Chg	12M11	12M10	% Chg
Total Card Base (thousand)	4,426	3,287	34.6%	4,426	3,287	34.6%
Luiza Card Sales – In chain	622	595	4.5%	2,258	1,857	21.6%
Luiza Card Sales – Outside Brand	1,217	674	80.5%	3,882	2,118	83.3%
CDC Sales	223	174	28.2%	670	563	19.1%
Personal Loans Sales	51	48	6.0%	243	237	2.6%
Total Luizacred Sales	2,112	1,491	41.7%	7,175	4,877	47.1%
Card Portfolio	2,737	1,969	39.0%	2,737	1,969	39.0%
CDC Portfolio	459	391	17.5%	459	391	17.5%
Personal Loans Portfolio	139	-	-	139	-	-
Total Portfolio	3,334	2,360	41.3%	3,334	2,360	41.3%

Loan and Collection Policy

Luizacred's credit approval is done by following the policies and criteria established by the Itaú Unibanco Modeling and Credit Policy area. The policies are defined based on proprietary statistic models, using as decision criteria the Risk Adjusted Return on Capital (RAROC) model. For conservative reasons, Luizacred reduced the credit approval rate by 500 bps in 4Q11 compared to 3Q11.

Results from Financial Intermediation

Results from financial intermediation in the quarter increased by 52.5% over 4Q10, driven by personal loans, which are now recorded as result from financial intermediation (previously, the results of this product were recognized under other operating revenue, via profit sharing). Excluding this effect, revenue from financial intermediation grew 29.4% due to the growth of credit cards.

Provision for Loan Losses

The aging indicators of Luizacred's portfolio improved in the quarter compared to 3Q11. The overdue portfolio represented 16.8% of the total portfolio in December 2011, down 90 bps, from 17.7% in September 2011. The provision for loan losses in Luizacred's portfolio was 4.0% in 4Q11, which is in line with the losses recorded in 3Q11 (4.3%) and 4Q10 (4.1%).

Finally, balance for loan losses provision increased from R$455.7 million (15.1% of total portfolio) in September 2011 to R$469.5 million (14.1% of total portfolio) in December 2011, remaining R$14.8 million higher the Brazilian Central Bank' requirements in accordance with Law 2682. The provision balance was equivalent to 114% of the portfolio overdue more than 90 days.

Portfolio Overdue	Dec-11		Sep-11		Jun-11		Mar-11		Dec-10	
Total Portfolio (R$ million)	3,334.2	100.0%	3,011.7	100.0%	2,668.3	100.0%	2,424.2	100.0%	2,359.7	100.0%
000 to 014 days	2,773.8	83.2%	2,478.2	82.3%	2,155.4	80.8%	1,890.1	78.0%	1,901.7	80.6%
015 to 030 days	43.2	1.3%	34.2	1.1%	78.8	3.0%	96.6	4.0%	91.0	3.9%
031 to 060 days	39.5	1.2%	36.2	1.2%	51.9	1.9%	59.7	2.5%	64.8	2.7%
061 to 090 days	64.4	1.9%	52.7	1.8%	48.4	1.8%	63.7	2.6%	43.3	1.8%
091 to 120 days	53.2	1.6%	54.0	1.8%	45.3	1.7%	66.2	2.7%	36.2	1.5%
121 to 150 days	46.4	1.4%	48.8	1.6%	47.3	1.8%	51.6	2.1%	31.4	1.3%
151 to 180 days	41.9	1.3%	51.8	1.7%	51.2	1.9%	33.5	1.4%	29.1	1.2%
180 to 360 days	271.8	8.2%	255.7	8.5%	190.0	7.1%	162.8	6.7%	162.2	6.9%
Overdue from 15-90 days	147.0	4.4%	123.2	4.1%	179.1	6.7%	219.9	9.1%	199.0	8.4%
Overdue above 90 days	413.3	12.4%	410.3	13.6%	333.8	12.5%	314.2	13.0%	259.0	11.0%
Total Overdue	560.4	16.8%	533.5	17.7%	512.9	19.2%	534.1	22.0%	458.0	19.4%
Allowance for doubtful accounts in IFRS	469.5	14.1%	455.7	15.1%	372.9	14.0%	333.4	13.8%	309.4	13.1%
Coverage (%)	114%		111%		112%		106%		119%	

Note: for better comparability and analysis of the performance of loans (NPL), the Company started providing the breakdown of the portfolio by the overdue criterion, whereas the Central Bank and the Company continue to provide the portfolio breakdown by risk bracket.

Other Operating Revenue (Expenses)

Revenue from services rendered increased 33.8% in 4Q11 over 4Q10, driven by the increase in revenue from tariffs and commissions from the use of Cartão Luiza outside the stores. It is also worth highlighting that: (i) the reduction in other operating expenses is associated with the change in the booking of personal loans; (ii) the increase in other operating expenses is related to the accelerated growth of the credit card base and the new store openings, which should be diluted over the course of time with the maturation of the base, growth of the portfolio and the company's cost cutting efforts.

Income Statement

LUIZACRED – Income (R$ million)	4Q11	V.A.	4Q10	V.A.	% Chg	12M11	V.A.	12M10	V.A.	% Chg
Financial Intermediation Revenue	271.5	100.0%	178.1	100.0%	52.5%	882.6	100.0%	666.1	100.0%	32.5%
Cards	181.4	66.8%	124.1	69.7%	46.2%	610.6	69.2%	463.2	69.5%	31.8%
CDC	47.2	17.4%	54.0	30.3%	-12.5%	202.2	22.9%	202.9	30.5%	-0.3%
Personal Loans	42.9	15.8%	-	0.0%	0.0%	69.80	7.9%	-	0.0%	0.0%
Financial Intermediation Expenses	(185.3)	-68.3%	(142.0)	-79.7%	30.6%	(658.5)	-74.6%	(443.6)	-66.6%	48.4%
Market Funding Operations	(51.0)	-18.8%	(38.3)	-21.5%	33.0%	(195.2)	-22.1%	(121.9)	-18.3%	60.1%
Provision for Loan Losses	(134.4)	-49.5%	(103.6)	-58.2%	29.7%	(463.3)	-52.5%	(321.7)	-48.3%	44.0%
Gross Financial Intermediation Income	86.2	31.7%	36.1	20.3%	138.7%	224.1	25.4%	222.5	33.4%	0.7%
Other Operating Revenues (Expenses)	(85.3)	-31.4%	(19.2)	-10.8%	344.1%	(143.6)	-16.3%	(106.2)	-15.9%	35.2%
Service Revenue	49.8	18.3%	37.2	20.9%	33.8%	175.1	19.8%	124.7	18.7%	40.5%
Personnel Expenses	(1.0)	-0.4%	(1.5)	-0.8%	-35.3%	(6.3)	-0.7%	(5.7)	-0.9%	11.0%
Other Administrative Expenses	(60.6)	-22.3%	(47.5)	-26.7%	27.5%	(210.3)	-23.8%	(201.8)	-30.3%	4.2%
Depreciation and Amortization	(2.8)	-1.0%	(0.6)	-0.3%	398.5%	(10.8)	-1.2%	(2.2)	-0.3%	386.5%
Tax Expenses	(17.5)	-6.5%	(11.6)	-6.5%	50.9%	(55.1)	-6.2%	(43.2)	-6.5%	27.7%
Other Operating Revenues (Expenses)	(53.2)	-19.6%	4.8	2.7%	-1213.9%	(36.2)	-4.1%	22.0	3.3%	-264.1%
Other Operating Revenues	8.3	3.1%	33.4	18.8%	-75.2%	150.3	17.0%	88.7	13.3%	69.3%
Other Operating Expenses	(61.5)	-22.6%	(28.6)	-16.1%	114.8%	(186.4)	-21.1%	(66.7)	-10.0%	179.5%
Income Before Tax	0.9	0.3%	16.9	9.5%	-94.5%	80.6	9.1%	116.3	17.5%	-30.7%
Income Tax and Social Contribution	(4.2)	-1.5%	(6.5)	-3.7%	-36.0%	(35.1)	-4.0%	(45.8)	-6.9%	-23.4%
Net Income	(3.2)	-1.2%	10.4	5.8%	-131.0%	45.5	5.2%	70.5	10.6%	-35.5%

Shareholders' Equity

According to the accounting practices established by the Brazilian Central Bank, Luizacred's shareholders' equity in December 2011 stood at R$311.8 million. As a result of additional provisions and other adjustments required under IFRS, the shareholders' equity of Luizacred for use in the financial statements of Magazine Luiza was R$303.0 million.

CONFERENCE CALL DETAILS

Conference Call in Portuguese with simultaneous translation to English

March 23, 2012 (Friday)
10:00 AM – US EST
11:00 AM – Brasília Time

Calling from US or other Countries:
Phone: + 1 516-3001066
Access Code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3535

Calling from Brazil:
Phone: + 55 11 3127-4971
Access Code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3534

Replay (available for 7 days):
Phone: +55 11 3127-4999
Access Codes: *Portuguese version*:39672588 / *English version*: 99691945

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About Magazine Luiza

Founded in 1957, Magazine Luiza is one of Brazil's chief durable goods retail chains with major penetration among middle class consumers. To build better relationships with its customers, Magazine Luiza innovated with the creation of Luizacred in partnership with Itaú Unibanco in 2001. In 2005, Magazine Luiza once again led the market when it became the first retailer with an insurance company, Luizaseg, a joint venture with the BNP Paribas group's Cardif. Finally, in 2010, Magazine Luiza acquired Lojas Maia, one of the largest retail chains in Brazil's fastest growing region, with stores throughout the Northeast. Also, in June 2011, Magazine Luiza acquired Baú da Felicidade stores.

EBITDA, Adjusted EBITDA and Adjusted Net Income

EBITDA (earnings before income taxes and social contribution, financial income and expenses, depreciation and amortization) is not a financial performance measure under the accounting practices adopted in Brazil. Because it does not consider expenses inherent to the business, EBITDA has limitations that affect its use as a profitability or liquidity indicator. EBITDA should not be considered an alternative to net income of operating cash flow. In addition, EBITDA does not have a standard meaning, and our definition may not be comparable with the definitions adopted by other companies. The non-recurring results considered for the purpose of calculating Adjusted EBITDA and Adjusted Net Income should also not be considered as an alternative to the EBITDA and net income, according to accounting practices adopted in Brazil.

Disclaimer

All statements herein related to business prospects, future estimates of operating and financial results, and Magazine Luiza's growth prospects are merely estimates and, as such, are based solely on the expectations of the executive Board regarding the company's business future. These expectations largely depend on approvals and licenses for the projects, market conditions, performance of the Brazilian economy, the sector and the international markets and are, therefore, subject to changes without prior notice. This performance report includes accounting data and non-accounting data such as pro forma operating and financial results and projections based on the expectations of the Board of Directors. The non-accounting data was not reviewed by the Company's independent auditors.