Magazine Luiza S.A.
1st Quarter 2012 Earnings Release

MGLU3 NOVO MERCADO BM&FBOVESPA

São Paulo, May 14, 2012 – Magazine Luiza S.A. (BM&FBOVESPA: MHLU3), one of the largest retail chains focused on durable goods, actively engaged in serving Brazil's low income segment, hereby announces its results for the first quarter of 2012 (1Q12). 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).

1Q12 HIGHLIGHTS

The first quarter of 2012 was marked by substantial sales growth of 25.7%, conclusion of the Lojas do Baú merger, the further progress in the Lojas Maia integration, and the reduction and rationalization of costs and expenses.

Significant Sales Growth

Magazine Luiza's consolidated gross revenue in 1Q12 totaled R$2.1 billion, a 25.7% increase over 1Q11. Same-store sales grew 15.9%, resulting in significant market share gains. Internet sales climbed 42.8%, totaling R$248.5 million in 1Q12. Same-store sales at physical stores were influenced by store maturation and the successful *Liquidação Fantástica* (Fantastic Clearance Sale) held simultaneously in all store chains in the first week of 2012.

Sustainable Growth

The Company posted sustainable growth in 1Q12, maintaining the conservative credit approval policy adopted by Luizacred. Consolidated gross margin remained at the levels projected for the quarter, which considered an improvement in Luizacred's margins and a reduction in retail margins, impacted by the integration of Lojas Maia and Lojas do Baú, as well as the significant contribution from *Liquidação Fantástica*. The Company also maintained its strict financial discipline, limiting interest-free sales.

Conclusion of the Lojas do Baú Integration

The systems integration of Lojas do Baú – the last phase of the integration process – was completed at the end of February 2012. All the stores were integrated with Magazine Luiza's systems in March, enabling the capture of synergies through reductions in administrative and logistics expenses, with the end of leasing agreements of the distribution centers belonging to Grupo Sílvio Santos. As the integration is completed, the stores have just started the maturation process, which should be completed in 3 years. Sales should grow consistently, thanks to improved supplies to the stores, the benefits of the Company's business policy and the training provided to sales teams.

Continuation of the Lojas Maia Integration Process

Continuing with the integration of the stores in the northeast region, the Company concluded the corporate merger of Lojas Maia on April 30, 2012, which will be followed by the integration of systems of all stores, scheduled for 2Q12. It is worth mentioning that the Company has already completed several phases of the process, including sales, marketing and training, which made the solid revenues growth possible. The next phase will enable Magazine Luiza to improve its commercial management and reduce expenses.

Rationalization of Costs and Expenses
The rationalization of costs and expenses is the Company's main focus from January 2012, including the review in the administrative and store staff and the other operational expenses.

Investments in Infrastructure and Expansion
Magazine Luiza inaugurated 7 stores in 1Q12 and closed 5 Baú stores, with the number of stores increasing from 728 in 2011 to 730 in March 2012. The Company thus kept its planning with regard to organically new store openings. It is important to mention that the Company incorporated 126 new stores in the past 12 months. In addition, in 1Q12, the Company made important investments in infrastructure, mostly in logistics, chiefly related to the expansion of the distribution center in Louveira.

Luizacred
Luizacred maintained its conservative approach in the first quarter, with substantial provisions for loan losses and lower credit approval rates than in 1Q11. The portfolio's overdue indicators continue to improve from last year, thus enabling proportional reduction in provisions in the second semester of 2012. Luizacred is also participating in the rationalization of costs and expenses project, implementing a series of actions to dilute its operational expenses in the next quarters.

Results
Magazine Luiza's results were in line with the projections for 1Q12, thanks to sales growth, the successful integration of Lojas do Baú and the rationalization of expenses. The majority of non-recurring expenses planned for 2012 were incurred in 1Q12, mainly in January and February, totaling R$33.5 million (R$20.3 million of which in Magazine Luiza and Baú, and R$13.2 million in Lojas Maia). In March 2012, operational expenses were significantly lower and below the projections, generating positive results for the retail business (including Lojas Maia) as well as for the consolidated business.

EXPECTATIONS FOR UPCOMING QUARTERS IN 2012

For the upcoming quarters in 2012, the Company will sharpen its focus on the maturation process of new stores, the Lojas Maia integration, as well as on reducing and diluting expenses and increasing profitability.

Significant Sales Growth
The Company is confident of continuing to grow sales substantially, fueled by the maturation of new stores, internet sales and the positive outlook of the Brazilian market, with the noteworthy reduction in the basic interest rate to its lowest level ever.

Continuation of the Lojas Maia Integration Process
Lojas Maia's systems are expected to be integrated by the close of 3Q12. As of 4Q12, the Company should benefit from a fully integrated management, with the dilution of administrative and logistics expenses. In addition, the systems unification should bring benefits to working capital and price management, contributing to increasing Lojas Maia's gross margin.

Improved Profitability in Luizacred
The Company expects Luizacred's profitability to increase from the second half of 2012, with the maturation of both the credit card portfolio and the stores inaugurated in 2011, the dilution of operating expenses and proportional reduction of provisions, thanks to the improved quality of the overdue loan portfolio.

Results

Continuing with the rationalization of costs and expenses project, the Company plans to implement new opportunities in 2012, ensuring improved profitability every quarter. The Management remains confident of obtaining better productivity indicators and significantly positive results in 2012.

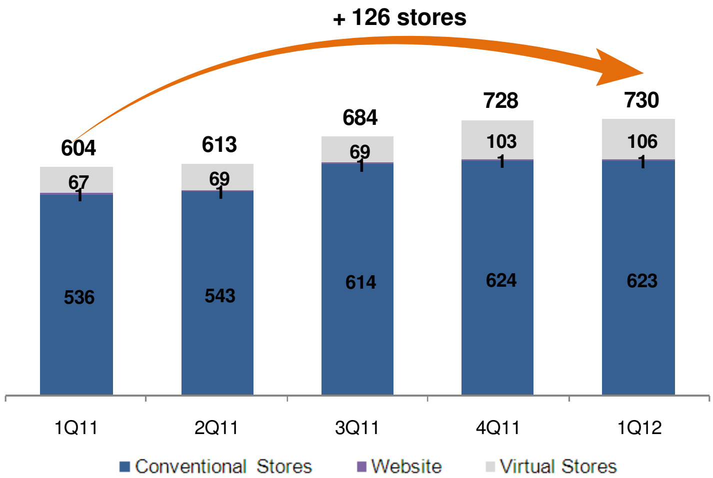
KEY INDICATORS

R$ million (except when otherwise indicated)	1Q12	1Q11	% Chg
Total Gross Revenue	2,131.4	1,696.1	25.7%
Total Net Revenue	1,805.1	1,416.1	27.5%
EBITDA	9.3	84.0	-88.9%
EBITDA Margin	0.5%	5.9%	-5.4 pp
Ajusted EBITDA	42.8	78.7	-45.6%
Ajusted EBITDA Margin	2.4%	5.6%	-3.2 pp
Net Income	(40.7)	12.3	-431.2%
Net Margin	-2.3%	0.9%	-3.1 pp
Ajusted Net Income	(10.3)	8.7	-218.0%
Ajusted Net Margin	-0.6%	0.6%	-1.2 pp
Same Store Sales Growth	15.9%	25.6%	-
Same Physical Store Sales Growth	12.6%	21.7%	-
Internet Sales Growth	42.8%	58.2%	-
Number of Stores - End of Period	730	604	20.9%
Sales Area - End of Period (M2)	456,292	400,112	14.0%
Credit Card Base - Luizacred (thousand)	4,251	3,463	22.8%

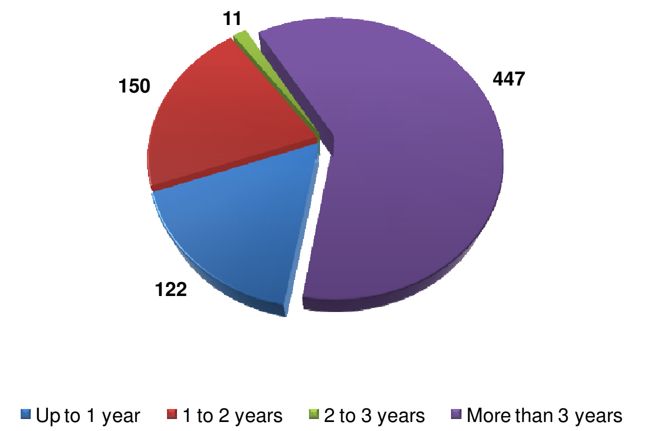
OPERATING PERFORMANCE

Magazine Luiza ended March 2012 with 730 stores, of which 623 were conventional stores, 106 virtual stores and the website, for a total increase of 126 stores over the same period last year. In 1Q12, the Company inaugurated 7 stores, of which 4 were conventional stores in the northeast and 3 virtual stores in Paraná, and closed 5 of the recently acquired Baú, 3 of which in Paraná and 2 in São Paulo. Note that of Magazine Luiza's 730 stores, 283 (approximately 40%) are less than three years old and have yet not reached complete maturation.

Number of Stores

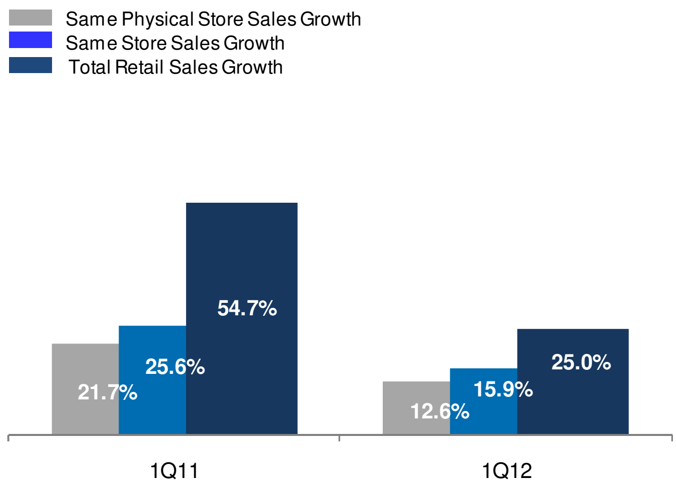


Average Age of Stores (number of stores)

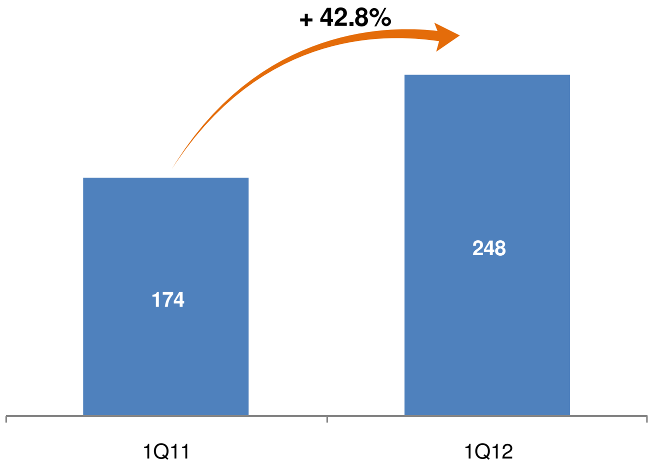


In same-store terms, Magazine Luiza grew 15.9% in 1Q12 over 1Q11, when growth was 25.6% over 1Q10.

Same Store Sales Growth (%)



Internet Gross Revenues (R$ million)



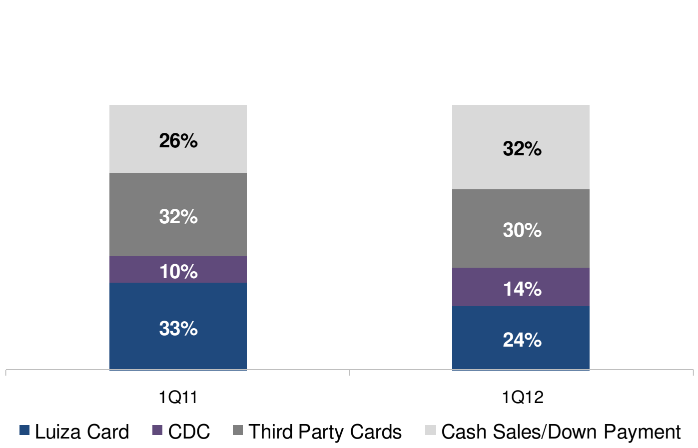
Note 1: Same-store sales growth of Magazine Luiza, excluding Lojas Maia, was 17.2% in 1Q12 (considering only physical stores, same-store sales grew 13.4%).

Note 2: Lojas Maia recorded same-store sales growth of 9.0% in 1Q12.

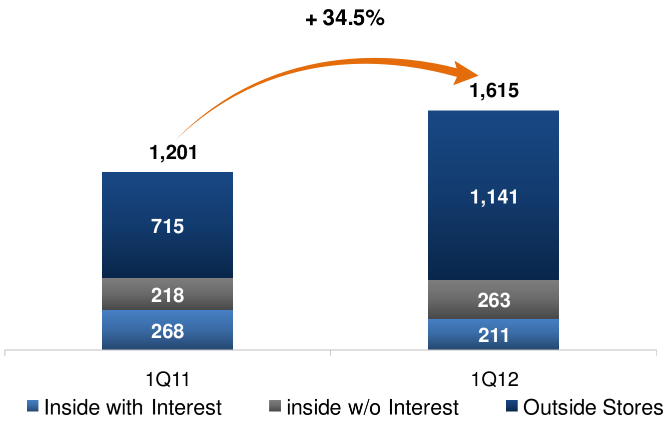
The Internet segment maintains its strong growth pace, increasing its product mix and site content (www.magazineluiza.com.br). In 1Q12, Internet sales climbed 42.8% to R$248.5 million, accounting for 12.5% of retail sales.

In the past 12 months, Luizacred's credit card base grew significantly, from 3.5 million in 1Q11 to 4.3 million in 1Q12, for growth of 22.8%. In 1Q12, sales on Luiza Cards accounted for 24% of total sales, less than in the same period last year, due to the conservative approach to credit approvals, which was partially offset by the increase in CDC (Direct Consumer Credit).

Financed Sales Mix (% of total sales)



Faturamento Cartão Luiza (em R$ milhões)



Luizacred has entered into a number of partnerships to promote the use of Luiza Card outside the Company's store network, increasing activation and revenue generation potential. In 1Q12, total spending on Luiza Cards increased 34.5%, to R$1.6 billion. In the same period, the use of the card outside the Company's stores increased by 59.7%, corresponding to 70.6% of total spending (compared to 59.5% in 1Q11).

Note that the Company maintains its policy of encouraging interest-bearing sales and 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)	1Q12	1Q11	% Chg
Gross Revenue - Retail - Merchandise Sales	1,913.9	1,532.8	24.9%
Gross Revenue - Retail - Services	70.6	55.3	27.7%
Subtotal Retail	**1,984.5**	**1,588.1**	**25.0%**
Gross Revenue - Consumer Finance	157.5	117.0	34.7%
Gross Revenue - Insurance Operations	18.4	15.8	16.4%
Gross Revenue - Consortium Management	7.7	6.0	29.8%
Inter-Company Eliminations	(36.9)	(30.9)	19.5%
Total Gross Revenue	**2,131.4**	**1,696.1**	**25.7%**

Magazine Luiza's consolidated gross revenue increased by 25.7% in 1Q12, from R$1,696.1 million to R$2,131.4 million. The substantial growth in 1Q12 was mainly driven by the following factors:

- 25.0% growth in the retail segment, totaling R$1,984.5 million in 1Q12, influenced by the 15.9% growth in same-store sales and the higher number of stores;

- 34.7% growth in revenue from the consumer financing segment, from R$117.0 million in 1Q11 to R$157.5 million in 1Q12. Revenue growth at Luizacred was chiefly influenced by the increase in service revenue and personal loans, which, as of 3Q11, were recorded under Luizacred (excluding the effect from personal loans, revenue growth would be 21.8%).

Consolidated Net Revenue

(in R$ million)	1Q12	1Q11	% Chg
Net Revenue - Retail - Merchandise Sales	1,597.5	1,260.6	26.7%
Net Revenue - Retail - Services	61.4	48.0	28.0%
Subtotal Retail	**1,658.9**	**1,308.6**	**26.8%**
Net Revenue - Consumer Finance	157.5	117.0	34.7%
Net Revenue - Insurance Operations	18.4	15.8	16.4%
Net Revenue - Consortium Management	7.1	5.5	27.7%
Inter-Company Eliminations	(36.9)	(30.9)	19.5%
Total Net Revenue	**1,805.1**	**1,416.1**	**27.5%**

Magazine Luiza's consolidated net revenue increased 27.5% in 1Q12, from R$1,416.1 million to R$1,805.1 million, thanks to the increase in gross revenue, particularly in the retail and consumer financing segments. Net revenue growth outpaced gross revenue growth, basically due to the higher volume of products subject to tax substitution, which is booked under COGS.

Consolidated Gross Profit

(in R$ million)	1Q12	1Q11	% Chg
Gross Income - Retail - Merchandise Sales	395.8	339.9	16.4%
Gross Income - Retail - Services	61.4	48.0	28.0%
Subtotal Retail	**457.2**	**387.9**	**17.9%**
Gross Income - Consumer Finance	132.3	94.1	40.6%
Gross Income - Insurance Operations	16.7	14.7	13.7%
Gross Income - Consortium Management	4.3	2.9	44.8%
Inter-Company Eliminations	(35.6)	(29.8)	19.5%
Total Gross Income	**574.9**	**469.9**	**22.4%**

(as % of Net Revenue)	1Q12	1Q11	% Chg
Gross Margin - Retail - Merchandise Sales	24.8%	27.0%	-2.2 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp
Subtotal Retail	**27.6%**	**29.6%**	**-2.1 pp**
Gross Margin - Consumer Finance	84.0%	80.4%	3.5 pp
Gross Margin - Insurance Operations	90.8%	92.9%	-2.1 pp
Gross Margin - Consortium Management	60.1%	53.1%	7.1 pp
Inter-Company Eliminations	96.4%	96.4%	0.0 pp
Total Gross Margin	**31.8%**	**33.2%**	**-1.3 pp**

In 1Q12, consolidated gross profit came to R$574.9 million, up 22.4%, accompanied by a gross margin of 31.8%, down 1.3 p.p. from 1Q11. The table below shows the main factors influencing gross profit:

- Gross margin from the retail segment was 27.6% in 1Q12, lower than the 1Q11 margin of 29.6%, impacted by the following factors: (i) strong growth of *Liquidação Fantástica* held in January; (ii) higher share of internet sales; (iii) the integration of the Baú stores; and (iv) chiefly due to the low gross margin at Lojas Maia, due to the outflow of products sold in *Liquidação Fantástica*, preparing stores in the northeast region for the same product mix as that in Magazine Luiza.

In the following quarters, margin should improve, in comparison to 1Q12, as that should not be impacted by seasonal and extraordinary events.

- The gross margin from the consumer finance segment stood at 84.0% in 1Q12, 3.5 p.p. more than in 1Q11, thanks to the reduction of the CDI rate and revenue from personal loans which began to be booked in Luizacred (excluding the effect from personal loans, gross margin in this segment would be 82.8%, higher than in 1Q11).

Operating Expenses

(in R$ million)	1Q12	% NR	1Q11	% NR	% Chg
Selling expenses	(381.6)	-21.1%	(297.8)	-21.0%	28.2%
General and administrative expenses	(93.4)	-5.2%	(73.6)	-5.2%	27.0%
Provisions for loan losses	(80.2)	-4.4%	(51.0)	-3.6%	57.3%
Other operating revenues, net	(10.4)	-0.6%	36.5	2.6%	-128.4%
Total Operating Expenses	**(565.6)**	**-31.3%**	**(385.8)**	**-27.2%**	**46.6%**

Selling Expenses

Consolidated selling expenses totaled R$381.6 million in 1Q12, corresponding to 21.1% of net revenue, remaining flat over 1Q11 despite the booking of part of the 1Q12 non-recurring expenses (chiefly due to adjustments in store expenses to increase productivity in the coming quarters).

General and Administrative (G&A) Expenses

G&A expenses increased from R$73.6 million in 1Q11 to R$93.4 million in 1Q12, corresponding to 5.2% of net revenue, 1 p.p. down from R$119.8 million in 4Q11 (equivalent to 6.2% of net revenue). This reduction is the result of the integration of the offices of Baú stores and the focus on the rationalization of expenses proposed in the year's strategic plan.

Provisions for Loan Losses

Provisions for loan losses increased from R$51.0 million in 1Q11 (equivalent to 3.6% of consolidated net revenue) to R$80.2 million in 1Q12 (4.4% of consolidated net revenue). This increase reflects the conservative approach adopted by Luizacred towards maintaining substantial provisions for loan losses.

Other Operating Expenses (Revenue)

Other net operating expenses (revenue) fell from revenues of R$36.5 million in 1Q11 to an expense of R$10.4 million in 1Q12, mainly due to the following factors:

- Extraordinary expenses with the integration of the chains and stores to be inaugurated (R$13.1 million);
- Reduction in the booking of deferred revenues due to the change in the accounting methodology of deferred revenue to the straight-line method (from R$12.3 million to R$5.8 million);
- Change in the booking of personal loans, which are now recognized under financial intermediation, thereby reducing revenue from profit sharing;
- In 1Q111, the Company registered gains in the selling of fixed assets of R$10.7 million.

Notes on Extraordinary Expenses

The majority of extraordinary expenses planned for 2012 were incurred in the first quarter, mainly in January and February. In 1Q12, extraordinary expenses totaled R$33.5 million:

- Magazine Luiza and Lojas do Baú: R$20.3 million, mainly related to:
  - Rentals and logistics expenses of the distribution centers of Grupo Silvio Santos;
  - Personnel expenses (administrative and stores staff review);
  - Expenses related to the closing of 5 stores at the end of March;
  - Training, travel and consulting expenses;
  - Pre-operating expenses with new stores.

- Lojas Maia: R$13.2 million, mainly allocated to:
  - Products cost sold in *Liquidação Fantástica*;
  - Personnel expenses (administrative and stores staff review);
  - Training and travel expenses;
  - Pre-operating expenses with new stores.

EBITDA

In 1Q12, earnings before interest, taxes, depreciation and amortization (Consolidated EBITDA) reached R$9.3 million, accompanied by a margin of 0.5%. The consolidated result was chiefly impacted by extraordinary costs and expenses, as well as the higher provisions for loan losses. Excluding only the effects from extraordinary expenses, adjusted EBITDA was R$42.8 million, with a margin of 2.4%.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (R$ million)	1Q12	% NR	1Q11	% NR
Financial Expenses	(57.0)	-3.2%	(54.8)	-3.9%
Interest on loans and financing	(30.8)	-1.7%	(36.4)	-2.6%
Interest on prepayment of receivables – third party cards	(10.9)	-0.6%	(8.0)	-0.6%
Interest on prepayment of receivables – Luiza Card	(6.2)	-0.3%	(6.2)	-0.4%
Other expenses	(9.1)	-0.5%	(4.2)	-0.3%
Financial Revenues	17.9	1.0%	9.1	0.6%
Gains on marketable securities	4.7	0.3%	5.5	0.4%
Other financial revenues	13.2	0.7%	3.6	0.3%
Total Financial Results	(39.2)	-2.2%	(45.7)	-3.2%

Net financial expenses declined from 3.2% of net revenue in 1Q11 to 2.2% in 1Q12, totaling R$39.2 million. This decline was basically due to the reduction in net debt and the lower CDI rate in the period.

Interest on prepayment of receivables on Luiza Cards remained practically stable, at R$6.2 million both in 1Q11 and 1Q12, corresponding to merely 0.3% of consolidated net revenue. The Company's policy is to minimize interest-free sales on Luiza Cards and limit the share of third-party credit cards in total sales, always encouraging sales through Luizacred.

Income and Social Contribution Taxes

Income and social contribution taxes were positive by R$9.8 million in 1Q12, due to the operating loss during the period. In addition, the Company did not record deferred tax assets on losses at Lojas Maia in the amount of R$8.3 million in 1Q12, which affected the effective consolidated tax rate. It is worth mentioning that this loss will be offset by the tax benefits on goodwill from the acquisition, which became possible after the merger approved on April 30, 2012.

Consolidated Net Income

First-quarter net result was a loss of R$40.7 million, influenced by extraordinary costs and expenses and unused tax credits. Excluding these effects, adjusted net loss stood at R$10.3 million, with a margin of -0.6%.

Working Capital

CONSOLIDATED (R$ million)	Mar-12	Dec-11	Mar-11
Accounts receivables	1,884.4	1,927.8	1,522.2
Inventories	1,134.2	1,264.7	741.1
Related parties	31.5	42.6	49.2
Recoverable taxes	27.8	24.6	31.2
Other assets	87.8	59.4	59.1
Current operating assets	3,165.8	3,319.1	2,402.9
Suppliers	1,041.0	1,267.8	756.7
Interbank deposits	1,021.5	981.5	842.4
Operations with credit cards	415.6	436.1	235.8
Payroll, vacation and related charges	112.6	121.6	96.4
Taxes payable	34.1	49.3	26.2
Related parties	13.6	25.5	15.3
Taxes in installments	2.9	2.9	41.9
Technical insurance provisions	32.0	32.5	16.5
Other accounts payable	70.5	94.6	73.4
Current operating liabilities	2,743.6	3,011.7	2,104.6
Working Capital	422.2	307.3	298.3

Note: The balance of accounts receivable is disclosed net of prepaid credit card receivables, totaling R$467.7 million in March 2012, R$441.0 million in December 2011 and R$298.7 million in March 2011.

In March 2012, net working capital stood at R$422.2 million, representing only 5.3% of gross revenue in the past 12 months. On the same date, the balance of prepaid receivables from third-party credit cards was R$467.7 million. Considering the balance of discounted receivables, working capital requirements would correspond to 11.1% of gross revenue.

Due to the seasonality of the retail sector, working capital requirements are higher in the first quarter, particularly because of payment of the purchases made during the end of the previous year.

Capex

CAPEX (R$ million)	1Q12	1Q11
New Stores	6.5	6.0
Remodeling	11.0	10.0
Technology	7.3	2.3
Others	18.4	4.2
Total	43.2	22.5

Investments in fixed and intangible assets increased from R$22.5 million in 1Q11 to R$43.2 million in 1Q12, and include renovations to existing stores as well as investments in technology, logistics and new stores. In 1Q12, 7 new stores were inaugurated organically (4 conventional stores in the northeast and 3 virtual stores in Paraná). Other investments include the conclusion of the expansion of the Louveira distribution center and other investments in logistics, which totaled R$12.5 million in 1Q12.

Net Debt

In March 2012, Magazine Luiza had loans and financing in the amount of R$985.6 million, and cash and financial investments of R$376.3 million, for net debt of R$609.4 million, equivalent to 2x adjusted EBITDA of the past 12 months.

The higher debt balance at the close of March 2012 over December 2011 reflects the higher working capital requirements explained above.

CONSOLIDATED (R$ million)	Mar-12	Dec-11	Mar-11
(+) Current loans and financing	122.4	129.7	350.1
(+) Non-current loans and financing	863.2	581.7	595.4
(+) Financing of Acquisition	-	-	25.4
(=) Gross Debt	985.6	711.3	970.9
(-) Cash and cash equivalents	176.1	173.1	125.6
(-) Current securities	162.7	75.0	145.3
(-) Non-current securities	37.4	43.3	21.7
(-) Total Cash	376.3	291.3	292.6
(=) Net Debt	609.4	420.0	678.3
Short term debt/total	12%	18%	39%
Long term debt/total	88%	82%	61%
Ajusted EBITDA (LTM)	310.5	346.3	343.4
Net Debt/ Ajusted EBITDA	2.0 x	1.2 x	2.0 x

ANNEX I

FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	1Q12	V.A.	1Q11	V.A.	% Chg
Gross Revenue	2,131.4	118.1%	1,696.1	119.8%	25.7%
Taxes and Deductions	(326.3)	-18.1%	(280.0)	-19.8%	16.5%
Net Revenue	1,805.1	100.0%	1,416.1	100.0%	27.5%
Total Costs	(1,230.2)	-68.2%	(946.2)	-66.8%	30.0%
Gross Income	574.9	31.8%	469.9	33.2%	22.4%
Selling expenses	(381.6)	-21.1%	(297.8)	-21.0%	28.2%
General and administrative expenses	(93.4)	-5.2%	(73.6)	-5.2%	27.0%
Provisions for loan losses	(80.2)	-4.4%	(51.0)	-3.6%	57.3%
Other operating revenues, net	(10.4)	-0.6%	36.5	2.6%	-128.4%
Total Operating Expenses	(565.6)	-31.3%	(385.8)	-27.2%	46.6%
EBITDA	9.3	0.5%	84.0	5.9%	-88.9%
Depreciation and Amortization	(20.7)	-1.1%	(21.1)	-1.5%	-2.0%
EBIT	(11.4)	-0.6%	62.9	4.4%	-118.1%
Financial Results	(39.2)	-2.2%	(45.7)	-3.2%	-14.3%
Operating Income	(50.5)	-2.8%	17.2	1.2%	-393.7%
Income Tax and Social Contribution	9.8	0.5%	(4.9)	-0.3%	-299.9%
Net Income	(40.7)	-2.3%	12.3	0.9%	-431.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	9.3	0.5%	84.0	5.9%	-
Extraordinary costs (1)	7.5	0.4%	-	0.0%	
Extraordinary revenues	-	0.0%	-	0.0%	-
Extraordinary expenses (1)	26.0	1.4%	-	0.0%	-
Adjusted deferred revenues (2)	-	0.0%	(5.4)	-0.4%	-
Adjusted EBITDA	42.8	2.4%	78.7	5.6%	-

Net Income	(40.7)	-2.3%	12.3	0.9%	-
Extraordinary results	33.5	1.9%	(5.4)	-0.4%	-
Tax over extraordinary results	(11.4)	-0.6%	1.8	0.1%	-
Tax credits not recorded	8.3	0.5%	-	0.0%	-
Adjusted Net Income	(10.3)	-0.6%	8.7	0.6%	-

Note (1): Extraordinary costs and expenses totaled R$33.5 million in 1Q12, R$20.3 million of which at Magazine Luiza and Baú and R$13.2 million at Lojas Maia. The extraordinary result was booked as follows: R$7.5 million as COGS, R$12.9 million as selling and administrative expenses and R$13.1 million as other operating expenses.

Note (2): change in the deferred revenue booking criteria to the straight-line accounting method.

ANNEX II

FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Mar-12	Dec-11	Mar-11
CURRENT ASSETS			
Cash and cash equivalents	176.1	173.1	125.6
Securities	162.7	75.0	145.3
Accounts receivable	1,884.4	1,927.8	1,522.2
Inventories	1,134.2	1,264.7	741.1
Related parties	31.5	42.6	49.2
Taxes recoverable	27.8	24.6	31.2
Other assets	87.8	59.4	59.1
Total current assets	3,504.6	3,567.1	2,673.8
NON-CURRENT ASSETS			
Securities	37.4	43.3	21.7
Accounts receivable	3.6	9.4	14.1
Deferred income tax and social contribution	191.6	178.9	170.8
Recoverable taxes	24.3	31.0	11.3
	103.2	89.0	50.4
Other assets	29.2	19.8	9.9
Fixed assets	513.7	489.9	359.9
Intangible assets	447.1	448.9	370.0
Total non-current assets	1,350.2	1,310.2	1,008.1
TOTAL ASSETS	4,854.8	4,877.4	3,682.0

LIABILITIES (R$ million)	Mar-12	Dec-11	Mar-11
CURRENT LIABILITIES			
Suppliers	1,041.0	1,267.8	756.7
Loans and financing	122.4	129.7	350.1
Interbank deposits	1,021.5	981.5	842.4
Operations with credit cards	415.6	436.1	235.8
Payroll, vacation and related charges	112.6	121.6	96.4
Taxes payable	34.1	49.3	26.2
Related parties	13.6	25.5	15.3
Taxes in installments	2.9	2.9	41.9
Deferred revenue	24.1	24.1	55.1
Dividends payable	1.7	1.7	-
Technical insurance provisions	32.0	32.5	16.5
Other accounts payable	70.5	94.6	98.9
Total current liabilities	2,891.7	3,167.1	2,535.2
NON-CURRENT LIABILITIES			
Loans and financing	863.2	581.7	595.4
Interbank deposits	-	-	1.2
Taxes in installments	3.7	4.4	6.2
Provision for tax, civil and labor risks	188.1	173.4	182.5
Technical insurance provisions	20.5	17.9	28.6
Deferred revenue	288.2	294.3	254.6
Deferred income tax and social contribution	11.9	10.8	13.0
Other accounts payable	6.5	6.9	5.5
Total non-current liabilities	1,382.1	1,089.3	1,087.0
SHAREHOLDERS' EQUITY			
Capital stock	606.5	606.5	43.0
Legal reserve	4.0	4.0	3.4
Profit retention reserve	10.4	10.4	1.0
Accumulated losses	(40.7)	-	12.3
Total shareholders' equity	581.0	620.9	59.7
TOTAL	4,854.8	4,877.4	3,682.0

ANNEX III

FINANCIAL STATEMENTS - RETAIL

RETAIL INCOME STATEMENT (R$ million)	1Q12	V.A.	1Q11	V.A.	% Chg.
Gross Revenue	1,984.5	119.6%	1,588.1	121.4%	25.0%
Taxes and Deductions	(325.6)	-19.6%	(279.6)	-21.4%	16.5%
Net Revenue	1,658.9	100.0%	1,308.6	100.0%	26.8%
Total Costs	(1,201.7)	-72.4%	(920.7)	-70.4%	30.5%
Gross Income	457.2	27.6%	387.9	29.6%	17.9%
Selling expenses	(333.3)	-20.1%	(261.9)	-20.0%	27.3%
General and administrative expenses	(86.2)	-5.2%	(67.9)	-5.2%	26.9%
Provisions for loan losses	(4.1)	-0.2%	(1.9)	-0.1%	113.7%
Other operating revenues, net	(6.9)	-0.4%	25.7	2.0%	-127.0%
Total Operating Expenses	(430.6)	-26.0%	(306.0)	-23.4%	40.7%
EBITDA	26.6	1.6%	81.8	6.3%	-67.5%
Depreciation and Amortization	(20.7)	-1.2%	(20.8)	-1.6%	-0.5%
EBIT	5.9	0.4%	61.1	4.7%	-90.3%
Equity in Subsidiaries	(5.1)	-0.3%	6.2	0.5%	-183.1%
Financial Results	(47.8)	-2.9%	(54.1)	-4.1%	-11.6%
Operating Income	(47.0)	-2.8%	13.1	1.0%	-458.6%
Income Tax and Social Contribution	6.3	0.4%	(0.8)	-0.1%	-867.5%
Net Income	(40.7)	-2.5%	12.3	0.9%	-431.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	26.6	1.6%	81.8	6.3%	-
Extraordinary costs	7.5	0.5%	-	0.0%	-
Extraordinary revenues	-	0.0%	-	0.0%	-
Extraordinary expenses	26.0	1.6%	-	0.0%	-
Adjusted deferred revenues	-	0.0%	(5.4)	-0.4%	-
Adjusted EBITDA	60.1	3.6%	76.5	5.8%	-

Net Income	(40.7)	-2.5%	12.3	0.9%	-
Extraordinary results	33.5	2.0%	(5.4)	-0.4%	-
Tax over extraordinary results	(11.4)	-0.7%	1.8	0.1%	-
Tax credits not recorded	8.3	0.5%	-	0.0%	-
Adjusted Net Income	(10.3)	-0.6%	8.7	0.7%	-

ANNEX IV

FINANCIAL STATEMENTS BY BUSINESS LINE – 1Q12

1Q12 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons. Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,688.8	295.7	1,984.5	157.5	18.4	7.7	(36.9)	2,131.4
Taxes and Deductions	(265.9)	(59.7)	(325.6)	-	-	(0.7)	-	(326.3)
Net Revenue	1,422.8	236.1	1,658.9	157.5	18.4	7.1	(36.9)	1,805.1
Total Costs	(1,015.8)	(185.9)	(1,201.7)	(25.3)	(1.7)	(2.8)	1.3	(1,230.2)
Gross Income	407.1	50.1	457.2	132.3	16.7	4.3	(35.6)	574.9
Selling expenses	(287.4)	(45.9)	(333.3)	(65.8)	(11.9)	-	29.3	(381.6)
General and administrative expenses	(67.2)	(19.1)	(86.2)	(0.9)	(2.6)	(3.7)	-	(93.4)
Provisions for loan losses	(2.4)	(1.7)	(4.1)	(76.1)	-	-	-	(80.2)
Other operating revenues, net	(7.0)	0.1	(6.9)	(1.7)	(0.1)	0.1	(1.7)	(10.4)
Total Operating Expenses	(364.0)	(66.6)	(430.6)	(144.5)	(14.6)	(3.6)	27.6	(565.6)
EBITDA	43.1	(16.5)	26.6	(12.2)	2.1	0.7	(7.9)	9.3
Depreciation and Amortization	(16.5)	(4.2)	(20.7)	(1.7)	(0.0)	(0.1)	1.7	(20.7)
EBIT	26.6	(20.6)	5.9	(13.9)	2.1	0.6	(6.2)	(11.4)
Equity in Subsidiaries	(31.1)	(1.6)	(5.1)	-	-	-	32.7	-
Financial Results	(40.9)	(7.0)	(47.8)	-	2.2	0.2	6.2	(39.2)
Operating Income	(45.4)	(29.2)	(47.0)	(13.9)	4.4	0.9	32.7	(50.5)
Income Tax and Social Contribution	4.7	1.6	6.3	5.5	(1.7)	(0.3)	-	9.8
Net Income	(40.7)	(27.5)	(40.7)	(8.3)	2.6	0.6	32.7	(40.7)
Gross Margin	28.6%	21.2%	27.6%	84.0%	90.8%	60.1%	96.4%	31.8%
EBITDA Margin	3.0%	-7.0%	1.6%	-7.7%	11.6%	10.0%	21.5%	0.5%
Net Margin	-2.9%	-11.7%	-2.5%	-5.3%	14.2%	8.2%	-88.6%	-2.3%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	43.1	(16.5)	26.6	(12.2)	2.1	0.7	(7.9)	9.3
Extraordinary costs	-	7.5	7.5	-	-	-	-	7.5
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	20.3	5.7	26.0	-	-	-	-	26.0
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	63.4	(3.3)	60.1	(12.2)	2.1	0.7	(7.9)	42.8
Ajusted EBITDA Margin	4.5%	-1.4%	3.6%	-7.7%	11.6%	10.0%	21.5%	2.4%

Net Income	(40.7)	(27.5)	(40.7)	(8.3)	2.6	0.6	32.7	(40.7)
Extraordinary results	20.3	13.2	33.5	-	-	-	-	33.5
Tax over extraordinary results	(6.9)	(4.5)	(11.4)	-	-	-	-	(11.4)
Tax credits not recorded	-	8.3	8.3	-	-	-	-	8.3
Equity in Subsidiaries	17.0	-	-	-	-	-	-	-
Adjusted Net Income	(10.3)	(10.5)	(10.3)	(8.3)	2.6	0.6	32.7	(10.3)
Adjusted Net Income Margin	-0.7%	-4.5%	-0.6%	-5.3%	14.2%	8.2%	-88.6%	-0.6%

ANNEX V

FINANCIAL STATEMENTS BY BUSINESS LINE – 1Q11

1Q11 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons. Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,334.9	253.2	1,588.1	117.0	15.8	6.0	(30.9)	1,696.1
Taxes and Deductions	(221.8)	(57.8)	(279.6)	-	-	(0.4)	-	(280.0)
Net Revenue	1,113.1	195.4	1,308.6	117.0	15.8	5.5	(30.9)	1,416.1
Total Costs	(781.9)	(138.8)	(920.7)	(22.9)	(1.1)	(2.6)	1.1	(946.2)
Gross Income	331.2	56.6	387.9	94.1	14.7	2.9	(29.8)	469.9
Selling expenses	(230.4)	(31.5)	(261.9)	(47.8)	(11.6)	-	23.5	(297.8)
General and administrative expenses	(54.3)	(13.7)	(67.9)	(1.2)	(1.3)	(3.1)	-	(73.6)
Provisions for loan losses	(1.9)	-	(1.9)	(49.1)	-	-	-	(51.0)
Other operating revenues, net	22.7	3.0	25.7	13.0	(0.0)	0.1	(2.3)	36.5
Total Operating Expenses	(263.8)	(42.2)	(306.0)	(85.0)	(12.9)	(3.0)	21.2	(385.8)
EBITDA	67.4	14.4	81.8	9.0	1.8	(0.0)	(8.6)	84.0
Depreciation and Amortization	(17.5)	(3.3)	(20.8)	(1.3)	(1.3)	(0.1)	2.3	(21.1)
EBIT	50.0	11.1	61.1	7.7	0.5	(0.1)	(6.2)	62.9
Equity in Subsidiaries	11.0	0.9	6.2	-	-	-	(11.9)	-
Financial Results	(47.7)	(6.4)	(54.1)	-	2.0	0.2	6.2	(45.7)
Operating Income	13.2	5.6	13.1	7.7	2.5	0.1	(11.9)	17.2
Income Tax and Social Contribution	(0.9)	0.1	(0.8)	(3.1)	(1.0)	(0.0)	-	(4.9)
Net Income	12.3	5.7	12.3	4.6	1.5	0.1	(11.9)	12.3
Gross Margin	29.8%	29.0%	29.6%	80.4%	92.9%	53.1%	96.4%	33.2%
EBITDA Margin	6.1%	7.4%	6.3%	7.7%	11.2%	-0.8%	27.8%	5.9%
Net Margin	1.1%	2.9%	0.9%	4.0%	9.5%	1.0%	38.5%	0.9%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	67.4	14.4	81.8	9.0	1.8	(0.0)	(8.6)	84.0
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	-	-	-	-	-	-	-	-
Adjusted deferred revenues	(5.4)	-	(5.4)	-	-	-	-	(5.4)
Adjusted EBITDA	62.0	14.4	76.5	9.0	1.8	(0.0)	(8.6)	78.7
Ajusted EBITDA Margin	5.6%	7.4%	5.8%	7.7%	11.2%	-0.8%	27.8%	5.6%

Net Income	12.3	5.7	12.3	4.6	1.5	0.1	(11.9)	12.3
Extraordinary results	(5.4)	-	(5.4)	-	-	-	-	(5.4)
Tax over extraordinary results	1.8	-	1.8	-	-	-	-	1.8
Tax credits not recorded	-	-	-	-	-	-	-	-
Equity in Subsidiaries	-	-	-	-	-	-	-	-
Adjusted Net Income	8.7	5.7	8.7	4.6	1.5	0.1	(11.9)	8.7
Adjusted Net Income Margin	0.8%	2.9%	0.7%	4.0%	9.5%	1.0%	38.5%	0.6%

ANNEX VI

SALES MIX AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)					Growth
	1Q12	V.A.	1Q11	V.A.	Total
Virtual Stores	85,2	4,3%	60,6	3,8%	40,6%
Website	248,5	12,5%	174,0	11,0%	42,8%
Subtotal – Virtual Channel	**333,7**	16,8%	**234,6**	14,8%	42,2%
Conventional Stores	1.650,9	83,2%	1.353,6	85,2%	22,0%
Magazine Luiza	1.355,1	68,3%	1.100,3	69,3%	23,2%
Lojas Maia	295,7	14,9%	253,2	15,9%	16,8%
Total	**1.984,5**	100,0%	**1.588,1**	100,0%	25,0%

Number of stores per channel – End of the period					Growth
	Mar-12	Part(%)	Mar-11	Part(%)	Total
Virtual Stores	106	14,5%	67	11,1%	39
Website	1	0,1%	1	0,2%	-
Subtotal – Virtual Channel	**107**	14,7%	**68**	11,3%	39
Conventional Stores	623	85,3%	536	88,7%	87
Magazine Luiza	477	65,3%	400	66,2%	77
Lojas Maia	146	20,0%	136	22,5%	10
Total	**730**	100,0%	**604**	100,0%	126
Total Sales Area (m²)	**456.292**		**400.112**		14,0%

ANNEX VII

LUIZACRED

Operating 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 employee management and customer service, while Itaú Unibanco is responsible for financing at Luizacred, drafting the credit and collections policies and such back office activities as accounting and treasury.

In March 2012, Luizacred had a total base of 4.3 million cards issued. In the past 12 months, the total card base grew 22.8%, contributing to the increase in revenue from Luiza Card both inside and outside the Company's stores (in 1Q12, purchases outside stores represented 70.6% of total Card billings, up 59.7% on 1Q11).
Luizacred's credit portfolio, including credit card, CDC (Direct Consumer Credit) and personal loans, totaled R$3.3 billion at the close of 1Q12.

LUIZACRED – Key Indicators (R$ million)	1Q12	1Q11	% Chg
Total Card Base (thousand)	4,251	3,463	22.8%
Luiza Card Sales – In chain	475	486	-2.4%
Luiza Card Sales – Outside Brand	1,141	715	59.7%
CDC Sales	237	127	86.5%
Personal Loans Sales	59	68	-13.1%
Total Luizacred Sales	1,911	1,395	37.0%
Card Portfolio	2,656	2,053	29.3%
CDC Portfolio	537	371	44.8%
Personal Loans Portfolio	141	-	-
Total Portfolio	3,334	2,424	37.5%

Loan and Collection Policy

Credit is granted at Luizacred according to the policies and criteria established by the Credit Modeling and Policy area of Itaú Unibanco. The policies are defined based on proprietary statistics models using the Risk Adjusted Return on Capital (RAROC) model as the criterion. Continuing its conservative approach, in 1Q12 Luizacred reduced the credit approval rate compared to 1Q11.

Results from Operating Revenue

In 1Q12, gross operating revenue (revenues from financial intermediation and services) increased by 34.7% [(1)] over 1Q11. The highlights were:

- The 32.8% growth in financial intermediation over 1Q11, notably revenue from personal loans which, in 3Q11, began to be booked as result from financial intermediation (previously, results from personal loans were recognized under other operating revenue via profit sharing);
- Revenue from services grew 44.9% over 1Q11, led by the higher revenue from insurance, tariffs and commissions for the use of Luiza Cards outside the Company's stores.

(1) Excluding the effects from personal loans, gross revenue climbed 21.8%.

Provisions for Loan Losses

In March 2012, the aging indicators of Luizacred's portfolio were virtually stable over December 2011 and improved over March 2011. Provisions for loan losses on Luizacred's portfolio came to 4.6% in 1Q12, higher than the 4.0% recorded in 1Q11.

Luizacred's balance of provision for loan losses also remained virtually stable, dropping from R$469.5 million (14.1% of total portfolio) in December 2011 to R$467.5 million (14.0% of total portfolio) in March 2012, remaining R$2.4 million above the requirements of the Brazilian Central Bank in accordance with Law 2682. The balance of provisions was equivalent to 111% of the portfolio overdue more than 90 days.

PORTFOLIO OVERDUE	Mar-12		Dec-11		Sep-11		Jun-11		Mar-11	
Total Portfolio (R$ million)	3,334.1	100.0%	3,334.2	100.0%	3,011.7	100.0%	2,668.3	100.0%	2,424.2	100.0%
000 to 014 days	2,754.4	82.6%	2,773.8	83.2%	2,478.2	82.3%	2,155.4	80.8%	1,890.1	78.0%
015 to 030 days	52.9	1.6%	43.2	1.3%	34.2	1.1%	78.8	3.0%	96.6	4.0%
031 to 060 days	47.8	1.4%	39.5	1.2%	36.2	1.2%	51.9	1.9%	59.7	2.5%
061 to 090 days	56.8	1.7%	64.4	1.9%	52.7	1.8%	48.4	1.8%	63.7	2.6%
091 to 120 days	46.5	1.4%	53.2	1.6%	54.0	1.8%	45.3	1.7%	66.2	2.7%
121 to 150 days	44.3	1.3%	46.4	1.4%	48.8	1.6%	47.3	1.8%	51.6	2.1%
151 to 180 days	54.4	1.6%	41.9	1.3%	51.8	1.7%	51.2	1.9%	33.5	1.4%
180 to 360 days	277.1	8.3%	271.8	8.2%	255.7	8.5%	190.0	7.1%	162.8	6.7%
Overdue from 15-90 days	157.5	4.7%	147.0	4.4%	123.2	4.1%	179.1	6.7%	219.9	9.1%
Overdue above 90 days	422.2	12.7%	413.3	12.4%	410.3	13.6%	333.8	12.5%	314.2	13.0%
Total Overdue	579.7	17.4%	560.4	16.8%	533.5	17.7%	512.9	19.2%	534.1	22.0%
Allowance for doubtful accounts in I FRS	467.5	14.0%	469.5	14.1%	455.7	15.1%	372.9	14.0%	333.4	13.8%
Coverage (%)	111%		114%		111%		112%		106%	

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

Operating Expenses

The increase in other administrative expenses is related to the rapid growth of the credit card base and the opening of new stores, which should be diluted over time with the maturation of the base, growth of the portfolio and the Company's efforts to reduce expenses. The variation in other operating revenues (expenses) is associated also with the change in the accounting method used for personal loans.

Income Statement

LUIZACRED – Income (R$ million)	1Q12	V.A.	1Q11	V.A.	% Chg
Financial Intermediation Revenue	262.0	100.0%	197.3	100.0%	32.8%
Cards	170.3	65.0%	146.9	74.4%	15.9%
CDC	61.7	23.5%	50.4	25.6%	22.3%
Personal Loans	30.0	11.5%	-	0.0%	-
Financial Intermediation Expenses	(202.8)	-77.4%	(144.0)	-73.0%	40.8%
Market Funding Operations	(50.6)	-19.3%	(45.8)	-23.2%	10.3%
Provision for Loan Losses	(152.2)	-58.1%	(98.1)	-49.7%	55.1%
Gross Financial Intermediation Income	59.2	22.6%	53.4	27.0%	11.0%
Other Operating Revenues (Expenses)	(86.9)	-33.2%	(38.0)	-19.2%	128.9%
Service Revenue	53.1	20.3%	36.7	18.6%	44.9%
Personnel Expenses	(1.8)	-0.7%	(2.4)	-1.2%	-24.1%
Other Administrative Expenses	(114.8)	-43.8%	(84.1)	-42.6%	36.5%
Depreciation and Amortization	(3.3)	-1.3%	(2.7)	-1.3%	24.7%
Tax Expenses	(16.7)	-6.4%	(11.5)	-5.8%	44.5%
Other Operating Revenues (Expenses)	(3.4)	-1.3%	26.1	13.2%	-113.0%
Other Operating Revenues	11.7	4.4%	36.0	18.3%	-67.7%
Other Operating Expenses	(15.0)	-5.7%	(9.9)	-5.0%	51.2%
Income Before Tax	(27.7)	-10.6%	15.4	7.8%	-280.3%
Income Tax and Social Contribution	11.1	4.2%	(6.1)	-3.1%	-280.4%
Net Income	(16.7)	-6.4%	9.2	4.7%	-280.2%

Shareholders' Equity

According to the accounting practices established by the Brazilian Central Bank, Luizacred shareholders' equity in March 2012 stood at R$333.7 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$334.3 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

May 15, 2012 (Tuesday)
11:00 AM – Brasilia Time
10:00 AM – US EST

Callers from Brazil:
Dial-in: +55 11 4688-6361
Access code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3846

Callers from other countries:
Dial-in: +1 786 924-6977
Toll-free within the United States: +1 888 700-0802
Access code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3847

Replay (available for 7 days):
Dial-in: +55 11 4688-6312
Portuguese version: 5033648# / English version: 2077187#

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About Magazine Luiza

Founded in 1957, Magazine Luiza is one of Brazil's largest retail chains focused on durable goods, actively engaged in Brazil's low income classes. To strengthen its relationship with its customers, Magazine Luiza innovated in 2001 by entering into an alliance with Itaú Unibanco to create Luizacred. In 2005, Magazine Luiza once again innovated when it became the first retailer to control an insurance company, Luizaseg, in partnership with Cardif of the BNP Paribas group. And in 2010, Magazine Luiza acquired Lojas Maia, one of the largest retail chains with a presence in all the states across northeast Brazil – the fastest growing region in the country. In June 2011, it acquired Baú da Felicidade stores.

EBITDA, Adjusted EBITDA and Adjusted Net Income

EBITDA (earnings before income and social contribution taxes, 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 intrinsic 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 or 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.

Disclaimer

The statements herein related to business prospects, future estimates of operating and financial results, and those related to Magazine Luiza's growth prospects are merely estimates and, as such, are based solely on the expectations of the Executive Board regarding the future of the company's business. 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 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