(Convenience Translation into English from the Original Previously Issued in Portuguese)

Magazine Luiza S.A.

Interim Individual and Consolidated Financial Statements for the six-month Period Ended June 30, 2011 and Independent Auditor's Report

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of
Magazine Luiza S.A.
Franca - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Magazine Luiza S.A. and its subsidiaries and jointly-owned subsidiaries (the "Company"), included in the Interim Financial Information Form (ITR), which comprises the balance sheet as of June 30, 2011 and the related income statements for the three and six month periods then ended, and statements of changes in equity and statements of cash flows for the six-month period then ended, including selected explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA"), for the six-month period ended June 30, 2011, prepared under the Company´s management responsibility, the presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for IFRS that does not require a presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil

Campinas, August 10, 2011

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Edgar Jabbour
Engagement Partner

Reproduced from the original signed and delivered on August 10, 2011.

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MAGAZINE LUIZA S.A.

BALANCE SHEETS AS OF JUNE 30, 2011 AND DECEMBER 31, 2010
(In thousands of Brazilian reais - R$)

		Company - BR GAAP		Consolidated - IFRS e BR GAAP	
ASSETS	Note	06/30/2011	12/31/2010	06/30/2011	12/31/2010
CURRENT ASSETS					
Cash and cash equivalents	4.1	27,783	181,263	48,311	328,865
Securities	4.2	509,760	-	655,520	46,732
Accounts receivable	5	398,907	422,702	1,630,621	1,524,671
Inventories	6	745,052	728,147	876,603	849,799
Related parties	7	58,176	40,139	24,156	36,018
Recoverable taxes		12,861	43,986	16,755	46,524
Other assets		34,007	27,842	68,733	62,976
Total current assets		1,786,546	1,444,079	3,320,699	2,895,585
NONCURRENT ASSETS					
Securities	4.2	-	-	24,402	31,951
Trade accounts receivable	5	1,429	1,661	9,301	18,714
Deferred income tax and social contribution	8	124,737	114,458	189,654	168,225
Recoverable taxes		15,182	-	32,176	10,245
Other assets		46,715	29,845	78,300	69,600
Investments in subsidiaries	9	56,130	106,142	-	-
Investments in jointly-owned subsidiaries	10	156,070	90,467	-	-
Property, plant and equipment	11	339,221	331,306	372,570	358,841
Intangible assets	12	99,800	95,149	374,921	374,619
Total noncurrent assets		839,284	769,028	1,081,324	1,032,195
TOTAL ASSETS		2,625,830	2,213,107	4,402,023	3,927,780

		Company - BR GAAP		Consolidated - IFRS e BR GAAP	
LIABILITIES	Note	06/30/2011	12/31/2010	06/30/2011	12/31/2010
CURRENT LIABILITIES					
Suppliers	13	796,936	977,173	923,706	1,132,289
Loans and financing	14	313,842	88,876	332,705	108,758
Interbank deposits	15	-	-	911,415	852,680
Operations with credit cards		-	-	298,823	220,230
Payroll, vacation and related charges		101,468	109,218	113,891	116,525
Taxes payable		16,303	35,823	32,494	39,438
Related parties	7	20,361	33,775	12,273	21,666
Taxes in installments		8,247	8,239	8,247	43,019
Deferred revenue	16	20,686	20,686	25,956	25,956
Technical insurance provisions		-	-	17,692	22,937
Other accounts payable		44,358	71,515	65,678	102,410
Total current liabilities		1,322,201	1,345,305	2,742,880	2,685,908
NONCURRENT LIABILITIES					
Loans and financing	14	413,716	544,868	516,179	666,115
Interbank deposits	15	-	-	346	4,045
Taxes in installments		6,078	6,300	6,078	6,300
Provision for tax, civil and labor risks	17	69,181	58,285	189,569	182,020
Technical insurance provision		-	-	29,629	20,758
Deferred revenue	16	183,494	207,468	271,433	296,062
Deferred income tax and social contribution	8	-	-	12,303	13,746
Other accounts payable		3,342	3,445	5,788	5,390
Total noncurrent liabilities		675,811	820,366	1,031,325	1,194,436
TOTAL LIABILITIES		1,998,012	2,165,671	3,774,205	3,880,344
SHAREHOLDERS' EQUITY					
Capital	18	606,505	43,000	606,505	43,000
Legal reserve		3,442	3,442	3,442	3,442
Profit retention reserve		994	994	994	994
Profit for the period		16,877	-	16,877	-
Total shareholders' equity		627,818	47,436	627,818	47,436
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,625,830	2,213,107	4,402,023	3,927,780

The accompanying selected notes are an integral part of these interim financial information.

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MAGAZINE LUIZA S.A.

INCOME STATEMENTS FOR THE SIX AND THREE MONTHS PERIODS ENDED JUNE 30, 2011 AND 2010
(In thousands of Brazilian reais - R$ - except earnings per share expressed in Reais)

		Six-month period ended				Quater ended			
		Company - BR GAAP		Consolidated - IFRS e BR GAAP		Company - BR GAAP		Consolidated - IFRS e BR GAAP	
	Note	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
NET REVENUE	19	2,294,462	1,835,699	2,888,855	2,014,074	1,181,324	986,659	1,472,802	1,073,012
COST OF GOODS RESOLD, SERVICES PROVIDED AND FUNDING FOR FINANCIAL TRANSACTIONS	20	(1,614,214)	(1,277,389)	(1,936,340)	(1,306,605)	(832,312)	(689,319)	(990,145)	(704,456)
GROSS PROFIT		680,248	558,310	952,515	707,469	349,012	297,340	482,657	368,556
OPERATING INCOME (EXPENSES)									
Selling expenses		(472,929)	(387,179)	(571,468)	(431,374)	(242,568)	(200,978)	(289,172)	(219,973)
General and administrative expenses		(107,780)	(76,280)	(146,348)	(86,614)	(55,610)	(41,771)	(74,874)	(46,708)
Provisions for loan losses		(4,620)	(5,458)	(103,650)	(88,041)	(2,706)	(2,750)	(52,676)	(44,559)
Depreciation and amortization		(35,442)	(31,786)	(42,893)	(32,463)	(17,990)	(16,501)	(21,762)	(16,840)
Equity in subsidiaries	9 and 10	17,177	17,102	-	-	6,227	9,929	-	-
Other operating revenue, net	21	31,605	26,108	24,889	29,559	10,990	10,114	5,977	13,207
		(571,989)	(457,493)	(839,470)	(608,933)	(301,657)	(241,957)	(432,507)	(314,873)
OPERATING INCOME BEFORE FINANCIAL RESULTS		108,259	100,817	113,045	98,536	47,355	55,383	50,150	53,683
FINANCIAL RESULTS	22	(91,149)	(69,143)	(88,055)	(55,645)	(43,445)	(35,619)	(42,371)	(27,567)
OPERATING INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		17,110	31,674	24,990	42,891	3,910	19,764	7,779	26,116
Current and deferred income tax and social contribution	8	(233)	(6,449)	(8,113)	(17,666)	672	(3,872)	(3,197)	(10,224)
NET INCOME		16,877	25,225	16,877	25,225	4,582	15,892	4,582	15,892
Income attributable to:									
Company's shareholders		16,877	25,225	16,877	25,225	4,582	15,892	4,582	15,892
EARNING PER SHARE									
Basic and diluted (Brazilian reais per share)	24	0.10	0.17	0.10	0.17	0.03	0.11	0.03	0.11

There is no other comprehensive income (loss) in the reporting period.

The accompanying selected notes are an integral part of these interim financial information.

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MAGAZINE LUIZA S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE
SIX-MONTH PERIOD ENDED JUNE 30, 2011 AND 2010
(In thousands of Brazilian reais - R$)

	Note	Capital	Legal reserve	Profit retention reserve	Accumulated profit (losses)	Total
BALANCES AS OF DECEMBER 31, 2009 - ADJUSTED		220,000	34	651	(226,748)	(6,063)
Net income for the period		-	-	-	25,225	25,225
BALANCES AS OF JUNE 30, 2010		220,000	34	651	(201,523)	19,162
BALANCES AS OF DECEMBER 31, 2010		43,000	3,442	994	-	47,436
Capital increase, net of expenses related to the inicial public offering and tax effects	18	563,505	-	-	-	563,505
Net income for the period		-	-	-	16,877	16,877
BALANCES AS OF JUNE 30, 2011		606,505	3,442	994	16,877	627,818

The accompanying selected notes are an integral part of these interim financial information.

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MAGAZINE LUIZA S.A.

STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011 AND 2010
(In thousands of Brazilian reais - R$)

		Company		Consolidated	
	Note	06/30/2011	06/30/2010	06/30/2011	06/30/2010
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period		16,877	25,225	16,877	25,225
Adjustments to reconcile loss cash provided by (used in) operating activities:					
Income tax and social contribution expense recognized in the statement of income	8	233	6,449	8,113	17,666
Depreciation and amortization	11 and 12	35,442	31,786	42,893	32,463
Interest on loans and financing accrued		47,496	33,313	56,155	33,313
Equity in subsidiaries	9 and 10	(17,177)	(17,102)	-	-
Provision for losses on assets		9,324	8,235	108,503	90,818
Provision for tax, civil and labor risks		12,725	21,775	20,862	23,011
Write-off of property, plant and equipment and intangible assets	21	(10,652)	(46)	(9,963)	(46)
Realization of deferred revenue	21	(23,974)	(27,473)	(24,629)	(24,905)
Reimbursement of taxes	21	(4,285)	(9,611)	(4,285)	(9,611)
(Increase) decrease in operating assets:					
Accounts receivable		15,155	18,748	(204,439)	(151,113)
Securities		-	-	(91,479)	(8,291)
Inventories		(17,357)	(7,414)	(27,405)	(7,414)
Related parties		(16,451)	(8,078)	(4,558)	2,027
Recoverable taxes		20,229	5,108	12,123	7,187
Other assets		(23,035)	(1,406)	(14,457)	(10,661)
Increase(decrease) in operating liabilities:					
Suppliers		(180,237)	(43,361)	(208,583)	(43,077)
Interbank deposits		-	-	55,036	44,645
Operations with credit cards		-	-	78,593	34,283
Payroll, vacation and related charges		(7,750)	6,406	(2,634)	6,761
Taxes payable		(15,925)	6,050	(23,821)	(3,593)
Related parties		(13,414)	(4,388)	(9,393)	(10,028)
Taxes in installments		(214)	(1,821)	(34,994)	(3,148)
Other accounts payable		(4,089)	3,113	(21,021)	1,610
Cash (used in) provided by operating activities		(177,079)	45,508	(282,506)	47,122
Income tax and social contribution on net income paid		(3,596)	(9,556)	(3,596)	(9,556)
Cash (used in) provided by operating activities		(180,675)	35,952	(286,102)	37,566
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	(39,282)	(15,753)	(48,210)	(15,753)
Purchase of intangible assets	12	(13,594)	(17,197)	(14,271)	(17,417)
Invests in exclusive investments fund		(788,674)	-	(788,674)	-
Exclusive investment fund redemption		286,362	-	286,362	-
Exclusive investment fund return		(7,448)	-	(7,448)	-
Investment in subsidiary		(25,000)	-	(25,000)	-
Receipt of property, plant and equipment sales		15,520	2,430	31,940	2,609
Cash (used in) provided by investing activities		(572,116)	(30,520)	(565,301)	(30,561)
CASH FLOW FROM FINANCING ACTIVITIES					
Capital increase, net of expenses related to the inicial public offering		552,993	-	552,993	-
Loans and financing		178,850	4,741	178,913	4,741
Payment of loans and financing		(87,377)	(101,641)	(111,283)	(101,641)
Payment of interest on loans and financing		(45,155)	(28,413)	(49,774)	(28,413)
Payment of dividends		-	(13,700)	-	(13,700)
Cash provided by (used in) financing activities		599,311	(139,013)	570,849	(139,013)
DECREASE IN CASH AND CASH EQUIVALENTS		(153,480)	(133,581)	(280,554)	(132,008)
Cash and cash equivalents at the beginning of the period		181,263	183,124	328,865	192,409
Cash and cash equivalents at the end of the period		27,783	49,543	48,311	60,401
DECREASE IN CASH AND CASH EQUIVALENTS		(153,480)	(133,581)	(280,554)	(132,008)

The accompanying selected notes are an integral part of these interim financial information.

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MAGAZINE LUIZA S.A.

STATEMENTS OF VALUE ADDED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011 AND 2010
(In thousands of Brazilian reais - R$)

	Company - BR GAAP		Consolidated - IFRS e BR GAAP	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
REVENUES				
Sale of goods, products and services	2,596,404	2,099,345	3,285,889	2,283,694
Allowance for doubtful accounts, net of reversals	(4,620)	(5,458)	(103,650)	(88,041)
Other operating income	39,985	42,695	85,199	51,668
	2,631,769	2,136,582	3,267,438	2,247,321
INPUTS PURCHASED FROM THIRD PARTIES				
Cost of products, goods and services sold	(1,675,526)	(1,245,428)	(1,999,090)	(1,271,231)
Materials, electric power, outside services and other	(204,215)	(189,929)	(312,084)	(242,588)
Loss and recovery of asset amounts	(3,860)	(4,987)	(3,860)	(4,987)
	(1,883,601)	(1,440,344)	(2,315,034)	(1,518,806)
GROSS VALUE ADDED	748,168	696,238	952,404	728,515
DEPRECIATION AND AMORTIZATION	(35,442)	(31,786)	(42,893)	(32,463)
NET VALUE ADDED GENERATED BY THE ENTITY	712,726	664,452	909,511	696,052
VALUE ADDED RECEIVED IN TRANSFER				
Equity in subsidiaries	17,177	17,102	-	-
Financial income	17,580	9,808	24,481	12,922
WEALTH FOR DISTRIBUTION	747,483	691,362	933,992	708,974
WEALTH DISTRIBUTED				
Employees:				
Salaries and wages	212,211	151,715	241,650	154,637
Benefits	40,774	28,884	48,587	29,357
FGTS	18,565	13,521	21,784	13,719
	271,550	194,120	312,021	197,713
Taxes and contributions:				
Federal	112,362	85,613	182,279	107,687
State	173,838	255,667	230,581	255,667
Municipal	9,209	6,313	11,462	7,936
	295,409	347,593	424,322	371,290
Interest on debt:				
Interest	104,231	73,631	107,735	63,247
Rentals	54,917	45,782	67,610	46,054
Other	4,499	5,011	5,427	5,445
	163,647	124,424	180,772	114,746
Interest on capital:				
Net income for the period	16,877	25,225	16,877	25,225
	747,483	691,362	933,992	708,974

The accompanying selected notes are an integral part of these interim financial

1. OPERATIONS

Magazine Luiza S.A. (the “Company”) is primarily engaged in the retail sale of consumer goods (mainly home appliances, electronics and furniture), through its, in physical and virtual stores or through e-commerce. Its parent and holding company is LTD. Administração e Participação S.A.

As at June 30, the Company had 613 stores and 8 distribution centers located in Brazil’s southern, southeastern, mid-western and northern regions.

The Company holds ownership interest in other companies, as described below:

a) Luizacred S.A. - Sociedade de Crédito, Financiamento e Investimento (“Luizacred”) - Subsidiary jointly controlled with Banco Itaúcard S.A., engaged in the offer, distribution and sale of financial products and services to the customers of Magazine Luiza’s store chain;

b) Luizaseg Seguros S.A. (“Luizaseg”) - Subsidiary jointly controlled with NCVP Participações Societárias S.A., a subsidiary of Cardif do Brasil Seguros e Previdência S.A., engaged in the development, sale and management of extended warranties for any kind of product sold in Brazil, to the customers of Magazine Luiza’s store chain;

c) Luiza Administradora de Consórcios Ltda. (“LAC”) - Wholly-owned subsidiary engaged in the management of consortium groups created to purchase vehicles, motorcycles, home appliances and furniture;

d) F.S. Vasconcelos & Cia Ltda. (“Lojas Maia”) - Wholly-owned subsidiary, represented by a store chain, operating in the same business segment as Magazine Luiza in the Northeast region, acquired in July 2010;

Magazine Luiza S.A. and its subsidiaries and jointly-owned subsidiaries are hereinafter referred to as “Group” for purposes of this report, unless otherwise indicated through specific information.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company´s and its subsidiaries’ information for the six-month period ended June 30, 2011 has been prepared in accordance with CVM Resolution 581, of July 31, 2009, which approved technical pronouncement CPC 21 (“CPC 21”) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

The accounting policies adopted in preparing the individual and consolidated interim information are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2010 and, therefore, should be read together.

The individual financial statements present the valuation of investments in subsidiaries and jointly-owned subsidiaries under the equity method. Therefore, these individual financial statements are not considered fully compliant with IFRS, which require these investments to be stated at fair value or cost in the Company's individual financial statements.

There is no difference between the consolidated shareholders' equity and the consolidated net income attributable to the Company's shareholders, disclosed in the consolidated financial statements prepared in accordance with IFRS and with the accounting practices adopted in Brazil, and the Company's shareholders' equity and net income, disclosed in the individual financial statements prepared in accordance with accounting practices adopted in Brazil. Accordingly, the Company opted for presenting these individual and consolidated financial statements in a single set.

The income statement, statement of changes in equity and statement of cash flows disclosed as an integral part of the interim financial statements for the six-month period ended June 30, 2010, prepared and presented by the Company for the first time for comparative purposes only, have been prepared in accordance with the Brazilian and IFRS practices, based on the same accounting policies adopted for the year ended December 31, 2010 and are consistent with the accounting practices used for the period ended June 30, 2011.

The purpose of the statement of value added (DVA) is to disclose the wealth created by the Company and its distribution during a certain reporting period, and is presented as required by the Brazilian Corporate Law, as an integral part of its individual financial statements, and as supplemental information to the consolidated financial statements, since this statement is not required by IFRS.

2.1. Standards, interpretations and alterations of existing policies taking effect on June 30, 2011 and which did not have relevant impact on the financial statements of the Company.

The interpretations and alterations of the existing standards below were edited until June 30, 2011. However, they did not have relevant impact on the financial statements of the Company:

Standard	Main requirements	Enter into force date
Improvements in IFRS - 2010	Several accounting declaration changes	Applicable to annual periods beginning on or after January 1st, 2011
Alterations on IFRS 1	Limited exemption of comparative disclosures of IFRS 7 for early users	Applicable to annual periods beginning on or after July 1st, 2010
Alterations on IAS 24	Related parts disclosure	Applicable to annual periods beginning on or after January 1st, 2011
Alterations on IFRIC 14	Prepayment of minimum loan requirements	Applicable to annual periods beginning on or after January 1st, 2011
Alterations on IAS 32	Issuing rights rating	Applicable to annual periods beginning on or after February 1st, 2010
IFRIC 19	Extinction of financial liabilities through equity instruments	Applicable to annual periods beginning on or after July 1st, 2010

2.2. Standards, interpretations and changes of existing policies which are not in force yet and were not adopted previously by the Company.

The following standards and changes to policies were published and are compulsory for the accounting periods of the Company as of April 1st, 2011 or after this date or for subsequent periods. However, the Company has not previously adopted these standards and changes of policies.

Standard	Main requirements	Enter into force date
IFRS 9 (as altered in 2010)	Financial instruments	Applicable to annual periods beginning on or after January 1st, 2013
Changes to IFRS 1	Elimination of fixed dates for IFRS first time users	Applicable to annual periods beginning on or after July 1st, 2011
Changes to IFRS 7	Disclosures – transfers of financial assets	Applicable to annual periods beginning on or after July 1st, 2011
Changes to IAS 12	Deferred taxes - recovery of underlying assets when the asset is measured by the fair value model according to IAS 40	Applicable to fiscal years beginning on or after January 1st, 2012
IAS 28 (Revised in 2011) "Investments in Related Companies and Entities with Shared Control "	Revision of IAS 28 to include he changes introduced by IFRS 10, 11 and 12	Applicable to fiscal years beginning on or after January 1st, 2013
IAS 27 (Revised in 2011), "Separate Financial Statements"	Requirements of IAS 27 related to consolidated financial statements are substituted by IFRS 10. Requirements for separate financial statements are maintained.	Applicable to fiscal years beginning on or after January 1st, 2013
IFRS 10 "Consolidated Financial Statements"	Substitutes IAS 27 in relation to the requirements applicable to consolidated financial statements and to SIC 12. The IFRS 10 determined one single consolidation model based on control, independently of the nature of the investment.	Applicable to fiscal years beginning on or after January 1st, 2013
IFRS 11 "Shared Contracts"	Eliminated the proportional consolidation model for the entities with shared control, maintaining the model only by the equity equivalence method. Also eliminated the concept of "assets with shared control", maintaining only "operations with shared control" and "entities with shared control".	Applicable to fiscal years beginning on or after January 1st, 2013
IFRS 12 "Disclosure of Participations in Other Entities"	Broaden the disclosure requirements of the entities which are or not consolidated in which the entities have influence.	Applicable to fiscal years beginning on or after January 1st, 2013
IFRS 13 "Measurements of Fair Value"	Substitutes and consolidates all the guidelines and requirements related to measurement of fair value contained in other IFRS declarations into one single declaration. IFRS 13 defines fair value, advises how to determine fair value and the disclosure requirements related to measurement of the fair value. However. it does not introduce any new requirement or change in relation to items which must be measured to fair value, which remain in the original declarations.	Applicable to fiscal years beginning on or after January 1st, 2013
Changes to IAS 19 "Employee Benefits"	Elimination of the "corridor approach", being the actuarial gains or losses recognized as other results extensive to pension plans and to result for other long term benefits, when incurred, among other changes.	Applicable to fiscal years beginning on or after January 1st, 2013

The Corporation's Management will evaluate the impact of the adoption of these declarations and interpretations on the financial statements and will adopt them in accordance with the beginning of their respective coming into force.

The Accounting Declarations Committee (“CPC’) has not yet edited the respective declarations and modifications related to the new and reviewed IFRS which were presented previously. Due to the commitment of the CPC and of the Brazilian Securities and Exchange Commission (CVM in Portuguese) to maintain updated the collection of standards issued based on the updates made by the International Accounting Standards Board (“IASB”), it is expected that these declarations and modifications will be edited by the CPC and approved by the CVM by the date of their compulsory application.

3. UNDISCLOSED NOTES INCLUDED IN THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010 NOT PRESENTED IN THIS INTERIM FINANCIAL INFORMATION

The interim statements are presented in accordance with technical pronouncement CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). The preparation of these interim statements requires management to make judgment on the relevance and changes to be disclosed in the explanatory information. Accordingly, these interim statements include selected explanatory information and do not comprise all the explanatory information for the year ended December 31, 2010. As permitted by Circular Letter 03/2011 issued by the CVM, the following explanatory information is no longer presented:

- Recoverable taxes (Note 8);
- Taxes payable (Note 17);
- Taxes in installments (Note 18);
- Information on the nature of the expenses recognized in the income statement (Note 24);
- Employee benefits (Note 27);
- Profit sharing (Note 28);
- Commitments (Note 33);
- Statement of cash flows (Note 34); and
- Insurance (Note 35).

4. CASH AND CASH EQUIVALENTS AND SECURITIES

4.1. CASH AND CASH EQUIVALENTS

	Average rates	Company		Consolidated	
		06/30/2011	12/31/2010	06/30/2011	12/31/2010
Cash		11,338	8,806	12,909	10,292
Banks		9,549	147,629	13,995	255,702
Financial assets recorded at equity fair value:					
Held for Trading					
Certificate of Bank Deposit	100.34% CDI	6,333	4,155	16,699	11,148
Non-exclusive Investment Funds	90.5% CDI	563	20,673	4,708	51,723
Total Cash and cash equivalents		27,783	181,263	48,311	328,865

4.2. SECURITIES

Financial assets recorded at equity fair value:	Average rates	Company 06/30/2011	Company 12/31/2010	Consolidated 06/30/2011	Consolidated 12/31/2010
Held for Trading					
Non-exclusive investment funds	105% CDI	-	-	117,361	30,458
Exclusive investment funds:					
Investment fund quotas	(a)	154,887	-	154,887	-
Public securities	(a)	132,285	-	132,285	-
Repo operations	(a)	122,927	-	122,927	-
Time deposits and other securities	(a)	99,661	-	99,661	-
Available for Sale					
Public fixed income securities - LFT	100% Selic	-	-	52,801	48,225
Total Securities		509,760	-	679,922	78,683
Current assets		509,760	-	655,520	46,732
Noncurrent assets		-	-	24,402	31,951
Total		509,760	-	679,922	78,683

(a) Considers the exclusive fixed income investment fund. On June 30, 2011 the portfolio was distributed into the four categories listed above, which are linked to financial operations securities, indexed to the Interbank Deposit (DI), to return the average profitability of 103% of the CDI to the Company.

5. ACCOUNTS RECEIVABLE

	Company 06/30/2011	Company 12/31/2010	Consolidated 06/30/2011	Consolidated 12/31/2010
Trade accounts receivable:				
Debit and credit cards (a)	271,106	273,503	346,612	306,200
Own financed accounts receivable	55,042	60,076	62,325	121,406
Complementary warrant agreements	26,610	27,494	26,610	27,494
Loan operation	-	-	1,334,163	1,179,822
Others	-	-	288	844
Total trade accounts receivable	352,758	361,073	1,769,998	1,635,766
Arising from sales agreements (b)	86,953	103,651	98,739	105,765
Provision for loan losses	(24,934)	(28,172)	(211,369)	(182,924)
Adjustment to present value	(14,441)	(12,189)	(17,446)	(15,222)
Total trade accounts receivable	400,336	424,363	1,639,922	1,543,385
Current assets	398,907	422,702	1,630,621	1,524,671
Noncurrent assets	1,429	1,661	9,301	18,714

Trade accounts receivable described above are classified as receivables and, consequently, measured at amortized cost.

It was assigned trade accounts receivable to secure borrowings in the amount of R$ 215,896 as of June 30, 2011 (R$ 231,284 as of December 31, 2010), represented by credit card receivables.

(a) As to the balance receivable from credit card sales, the Company and its controlled Company Lojas Maia, receives amounts from credit card companies in two ways: i) on the same dates and in the number of installments selected when the product is sold, and ii) in cash, as advances from credit cards, which amounted to R$ 318,563 as of June 30, 2011 (R$ 235,007 as of December 31, 2010), over which a discount between 105.5% and 110% of CDI is applied, which is recognized in income (loss) under "financial expenses". The Company, through advances from credit cards, transfers to the credit card companies and financial institutions all risks of default by customer.

(b) Refers to bonuses on products to be received from suppliers, arising from the fulfillment of the volume of purchase and a portion of agreements defining the suppliers' interest in the disbursements related to advertising and marketing (joint advertising).

The aging list of provision for loan losses is as follows:

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Balance in the beginning of the period	(28,172)	(29,698)	(182,924)	(186,636)
(+) Additions	(8,872)	(11,105)	(107,902)	(93,689)
(-) Write-offs	12,110	13,743	79,457	100,748
Balance in the end of the period	(24,934)	(27,060)	(211,369)	(179,577)

The aging list of trade accounts receivable is as follows:

	Company		Consolidated	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Current:				
Up to 30 days	59,101	44,927	390,973	288,252
Between 31 and 60 days	35,188	57,521	245,388	293,166
Between 61 and 90 days	40,146	50,286	189,984	185,258
Between 91 and 180 days	104,932	101,698	397,280	376,952
Between 181 and 360 days	94,242	91,398	279,946	275,649
Over 361 days	2,895	3,442	11,387	20,939
	336,494	349,272	1,514,958	1,440,216
Past due:				
Up to 30 days	4,227	3,067	47,133	30,050
Between 31 and 60 days	3,750	2,086	24,654	29,068
Between 61 and 90 days	2,438	1,624	23,855	18,068
Between 91 and 180 days	5,849	4,752	69,720	44,186
Between 181 and 360 days	-	240	89,657	74,141
Over 361 days	-	32	21	37
	16,264	11,801	255,040	195,550
Total	352,758	361,073	1,769,998	1,635,766

6. INVENTORIES

	Company		Consolidated	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Goods for resale (a)	729,069	721,936	856,745	843,376
Material for consumption	3,668	3,310	7,543	3,522
Advances to suppliers	12,315	2,901	12,315	2,901
Total	745,052	728,147	876,603	849,799

(a) The balance of goods for resale includes reverse charge State VAT (ICMS) in the amount of R$ 175,989 on June 30, 2011 (R$ 148,990 on December 31, 2010), Company and Consolidated, which are basis to calculate the acquisition cost of goods. The balance still includes the adjustments to present value on the balance of trade accounts payable, in the amount of R$ 10,103 on June 30, 2011 (R$ 11,402 on December 31, 2010) for the Company and R$ 11,883 on June 30, 2011 (R$ 13,670 on December 31, 2010) for the Consolidated.

Changes in the provision for losses and adjustment to net realizable value, which reduced the balance of inventories, are as follows:

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Balance as of December 31, 2010	(18,597)	(31,519)	(32,629)	(31,519)
Inventories, written-off or sold	2,827	10,942	10,727	10,942
Recognition of provision	(452)	(2,777)	(601)	(2,777)
Balance as of June 30, 2011	(16,222)	(23,354)	(22,503)	(23,354)

7. RELATED-PARTY TRANSACTIONS

a) Related-party balance:

	Company		Consolidated	
Current Assets	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Commissions for services provided				
Joint-ventures:				
Luizacred (i)	30,377	24,105	15,872	13,069
Luizaseg (ii)	9,179	11,867	3,815	5,934
	39,556	35,972	19,687	19,003
Wholly-owned subsidiary:				
LAC (iii)	436	405	-	-
Reimbursement of Expenses and expenditures on consortium winning:				
Wholly-owned subsidiaries:				
Grupo de Consórcios (“LAC”) (iii)	97	98	172	98
Lojas Maia (iv)	13,790	3,664	-	-
	13,887	3,762	172	98
Reimbursement of expenses related to the IPO:				
Selling shareholders	4,297	-	4,297	-
Sales to other related parties				
Joint controlling shareholder of Luizacred:				
Itaúcard S.A. (v)	-	-	-	497
Controlled by the Company’s controlling shareholders:				
MTG Administração, Assessoria e Participações S.A. (vi)	-	-	-	16,420
	-	-	-	16,917
Total current assets	58,176	40,139	24,156	36,018

Current Liabilities	Company 06/30/2011	Company 12/31/2010	Consolidated 06/30/2011	Consolidated 12/31/2010
Service receipt tranfers				
Joint-ventures:				
Luizacred (i)	1,679	4,676	839	2,338
Luizaseg (ii)	14,495	19,567	7,247	9,783
	16,174	24,243	8,086	12,121
Wholly-owned subsidiary:				
Grupo de Consórcios (“LAC”) (iii)	282	493	282	493
Rentals payable and other transfers				
Controlled by the Company’s controlling shareholders:				
MTG Administração, Assessoria e Participações S.A. (vi)	599	607	599	608
PJD Agropastoril Ltda. (viii)	29	-	29	-
Other related-parties	-	-	-	13
	628	607	628	620
Advertising and marketing service contracts payable				
Controlled by the Company’s controlling shareholders:				
ETCO - Empresa Técnica de Comunicação Ltda. (vii)	3,277	8,432	3,277	8,432
Total current liabilities	20,361	33,775	12,273	21,666

b) Related-party transactions

	Six-month period ended on				Quarter ended on			
	Company		Consolidated		Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Income from service intermediation commissions								
Joint ventures:								
Luizacred (i)	59,821	33,471	29,911	16,736	31,298	22,136	15,649	11,068
Luizaseg (ii)	39,670	33,981	19,835	16,991	21,148	17,041	10,574	8,521
	99,491	67,452	49,746	33,727	52,446	39,177	26,223	19,589
Wholly-owned subsidiary:								
LAC - Consortium Group (iii)	2,395	1,491	-	-	1,277	792	-	-
Reimbursement of shared expenses								
Joint-venture								
Luizacred (i)	23,829	14,396	11,915	7,198	10,278	7,737	5,139	3,868
Profit on sale of fixed assets								
Controlled by the Company's controlling shareholders:								
MTG Administração, Assessoria e Participações S.A. (vi)	10,661	-	10,661	-	-	-	-	-
Total revenues	136,376	83,339	72,322	40,925	64,001	47,706	31,362	23,457
Rental of commercial buildings expenses								
Controlled by the Company's controlling shareholders:								
MTG Administração, Assessoria e Participações S.A. (vi)	(3,561)	(2,428)	(3,561)	(2,428)	(1,316)	(1,253)	(1,316)	(1,253)
PJD Agropastoril Ltda. (viii)	(398)	(434)	(398)	(434)	(117)	(153)	(117)	(153)
	(3,959)	(2,862)	(3,959)	(2,862)	(1,433)	(1,406)	(1,433)	(1,406)
Advertising expenses								
Controlled by the Company's controlling shareholders:								
ETCO - Empresa Técnica de Comunicação Ltda. (vii)	(43,551)	(73,646)	(43,551)	(73,646)	(16,788)	(35,670)	(16,788)	(35,670)
Total expenses	(47,510)	(76,508)	(47,510)	(76,508)	(18,221)	(37,076)	(18,221)	(37,076)

i. Transactions with Luizacred, subsidiary jointly controlled with Banco Itaúcard S.A., refer to the following activities:

   a) Commissions on the issuance and activation of own branded credit cards ("Cartão Luiza") and financial expenses on the advance of receivables from such cards;

   b) Balance receivable from sales of products financed to customers by Luizacred, received by the Company on the following day ("D+1");

   c) Commissions on services provided by the Company on a monthly basis that include the attraction of customers, management and operation of consumer credit transactions, control over and collection of financing granted, access to telecommunication systems and network, in addition to storage and availability of physical space in the points of sale.

   The amounts payable (current liabilities) refer to the receipt of customers' installments in the Company's store cashiers, which are transferred to Luizacred on D+1.

ii. The amounts receivable (current assets) and revenues of Luizaseg, subsidiary jointly controlled with NCVP Participações Societárias S.A., a subsidiary of Cardif do Brasil Seguros e Previdência S.A., arise from commissions on services monthly provided by the Company, relating to the sale of additional warranties (extended warranties). The amounts payable (current liabilities) refer to the transfers of extended warranties sold to Luizaseg, in full, in the month following the sale.

iii. The amounts receivable (current assets) of LAC, wholly-owned subsidiary, refers to commissions and sales made by the Company as the agent of consortium transactions. The amounts payable (current liabilities) refer to the transfers to be made to LAC relating to the installments of consortiums received by the Company in the cashiers of its points of sale.

iv. The balance receivable of Lojas Maia, wholly-owned subsidiary refers to the agreement for reimbursement of advertising expenses assumed by the Company, based on a formal agreement among the parties. Additionally, the Company is the guarantor of this subsidiary in two loan transactions, whose contracts amount to R$ 119,982 as of June 30, 2011 (R$ 125,540 on December 31, 2010), through co-obligation under assignment of receivables from credit cards and sureties.

v. Balances and transactions with Itaúcard S.A., joint controlling shareholder of Luizacred, refers to amounts receivable by Luizacred arising from its interest in the income from the sale of financial products of Itaúcard portfolio, offered by Luizacred to customers in the Company's points of sale.

vi. Transactions with MTG Administração, Assessoria e Participações S.A. ("MTG"), controlled by Luiza Participações S.A. and Wagner Garcia Participações S.A., as well as indirect controlling of the Company, refer to expenses on rental of office buildings for the installation of stores, distribution centers and head office, as shown in Note 11.

vii. Transactions with ETCO - Empresa Técnica de Comunicação Ltda., an entity indirectly controlled by the Chairman of the Company's Board of Directors, refer to advertising and marketing service contracts, also including transfers relating to placement, media production and graphic design services.

viii. Transactions with PJD Agropastoril Ltda., an entity controlled by the Company's indirect controlling shareholders, refer to expenses on rent of commercial buildings for installation of stores.

Additionally, the Company has balances relating to deferred revenue with related parties, which were maintained in a specific line item for purposes of reporting, as described in note 16.

c) Management compensation:

	06/30/2011	06/30/2010
Board of Directors	108	81
Board of Executive Officers	2,824	2,200
	2,932	2,281

As of June 30, 2011, the Company does not offer post-employment benefits, severance benefits or other long-term benefits to its management or employees. On April 1, 2011, the Board of Directors approved the share-based compensation, but no plan has been signed as per June 30, 2011.

8. INCOME TAX AND SOCIAL CONTRIBUTION

a) The table below shows the reconciliation of the tax effect on income before income tax and social contribution by applying the rates in effect for the Company and the consolidated effects in force on the respective years.

	Six-month period ended on				Quarter ended on			
	Company		Consolidated		Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Income (loss) before income tax and social contribution	17,110	31,674	24,990	42,891	3,910	19,764	7,779	26,116
Statutory interest rate	34%	34%	34%	34%	34%	34%	34%	34%
Expected credit (debit) of income tax and social contribution at statutory rates	(5,817)	(10,769)	(8,497)	(14,583)	(1,329)	(6,720)	(2,645)	(8,879)
Effect of deferred tax balances due to change in tax rate of CSSL of financial institutions from 9% to 15%	-	-	640	(1,401)	-	-	166	(498)
Reconciliation with effective rate (effects of adoption of tax rates):								
Exclusion - equity in subsidiaries	5,840	5,815	-	-	2,117	3,376	-	-
Other permanent (additions) exclusions, net	(256)	(1,495)	(256)	(1,682)	(116)	(528)	(718)	(847)
Debit of income tax and social contribution	(233)	(6,449)	(8,113)	(17,666)	672	(3,872)	(3,197)	(10,224)
Current	-	(3,635)	(20,473)	(15,845)	-	(3,635)	(12,176)	(7,937)
Deferred	(233)	(2,814)	12,360	(1,821)	672	(237)	8,979	(2,287)
Total	(233)	(6,449)	(8,113)	(17,666)	672	(3,872)	(3,197)	(10,224)

b) Breakdown of the deferred income tax and social contribution, asset and liabilities balances:

	Company		Consolidated	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Deferred income tax and social contribution - asset:				
Fiscal loss and negative social contribution basis	66,911	64,053	67,868	65,010
Temporary differences by adoption of RTT[1]	19,844	14,213	19,844	14,213
Provision for loan losses	8,478	9,578	46,887	39,622
Provision for inventory losses	5,516	6,323	5,516	6,323
Provision for contingencies	23,522	19,817	23,522	19,817
Provision for contingencies in equity combination	-	-	16,111	18,543
Other provisions	466	474	9,906	4,697
	124,737	114,458	189,654	168,225
Deferred income tax and social contribution - liability:				
Intangible amortization in equity combination	-	-	12,220	13,746
Others	-	-	83	-
	-	-	12,303	13,746

(1) The Company adopted the Transitory Fiscal Regime (RTT), permitted by Law 11,941/09 which, from the adoption of new accounting practices, enables temporary differences for fiscal purposes.

9. INVESTMENTS IN SUBSIDIARIES

Below is the description of the Company's subsidiaries at year-end:

		Equity interest - %	
Subsidiary	Main activity	06/30/2011	12/31/2010
Lojas Maia	Retail sales - consumer goods	100%	100%
LAC - Consortium Group	Consortium manager	100%	100%

Changes in ownership interest in subsidiaries, stated in the individual financial statements, are as follows:

	Luiza Administradora de Consórcios		Lojas Maia
	06/30/2011	12/31/2010	06/30/2011
Shares held	6,500	6,500	5,000
Capital	6,500	6,500	5,000
Shareholders' equity (shareholders' deficit)	9,985	10,125	(189,719)
Net income (loss) for the year/period	(140)	935	5,285
Changes in investments (provision for loss)	06/30/2011	06/30/2010	06/30/2011
Balance at beginning of the year	10,125	9,190	96,017
Goodwill on acquisition of investments	-	-	-
Shareholders' deficit on acquisition date of subsidiary	-	-	-
Share subscription loss (a)	-	-	(55,157)
Equity in subsidiaries	(140)	431	5,285
Balance at the end of the year	9,985	9,621	46,145

(a) See Note 10.

Total investment in subsidiaries	06/30/2011	12/31/2010
LAC - Consortium Group	9,985	10,125
Lojas Maia	46,145	96,017
	56,130	106,142

10. INVESTMENTS IN JOINTLY-OWNED SUBSIDIARIES (JOINT VENTURES)

	Luizacred		Luizaseg	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Shares held	847	688	13,883	13,883
Interest percentage	40.55%	50%	50%	50%
Current assets	2,603,594	2,087,261	132,598	106,486
Noncurrent assets	286,016	310,074	57,924	74,179
Current liabilities	2,595,260	2,280,594	50,270	61,669
Noncurrent liabilities	9,170	13,137	59,390	41,668
Capital	226,624	66,623	13,884	13,883
Shareholders' equity	285,180	103,604	80,862	77,328
Net income for the year	21,648	70,526	6,630	12,391

Changes in investments	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Balance at beginning of the year	51,802	23,597	38,665	34,586
Gain from relative ownership interest	55,157	-	-	-
Dividends paid	(37)	-	(1,549)	-
Equity in subsidiaries	8,717	13,773	3,315	2,898
Balances at end of period	115,639	37,370	40,431	37,484

Total investments in joint-ventures	06/30/2011	12/31/2010
Luizacred	115,639	51,802
Luizaseg	40,431	38,665
	156,070	90,467

As approved at the Annual Shareholders' Meeting of the jointly-owned subsidiary Luizacred held on March 11, 2001, capital was increased by R$ 160,000, in cash, through the issuance of 160,000 new shares, of which 80,000 preferred shares and 80,000 common shares. The funds were equally contributed by Banco Itaúcard S.A. and the wholly-owned subsidiary Lojas Maia, so that the latter became a shareholder of Luizacred, as follows:

Shareholder	Preferred shares	Common shares	% of capital
Itaúcard	211,691	211,691	50.00%
Magazine Luiza	171,691	171,691	40.55%
Lojas Maia	40,000	40,000	9.45%
Total	423,382	423,382	100.00%

On the same date, the shareholders' agreement entered into between the Company and Banco Itaúcard to include Lojas Maia in Luizacred's capital structure was changed. However, the shared control between the Company and Banco Itaúcard was maintained so that the Company held direct and indirect interest of 50% in Luizacred.

Capital was increased to meet cash requirements for the payment of the exclusivity right to Lojas Maia, as described in Note 16. As a result, Luizacred continues meeting the minimum capital requirements required by the Brazilian Central Bank.

The effects of the capital increase in the balance sheets of the Company and its subsidiary Lojas Maia are shown below. No effects were recorded in the consolidated as there were no changes in Magazine Luiza's ownership interest in Luizacred:

	Before the capital increase	After the capital increase	Effect of the capital increase
Luizacred's financial position			
Shareholders' equity	102,940	262,940	160,000
Total shares	686,764	846,764	160,000
Gain on equity of Magazine Luiza			
Number of shares held by Magazine Luiza	343,382	343,382	-
Change in interest	50.00%	40.55%	-9.45%
Direct investment -Magazine Luiza	51,470	106,627	55,157
Gain on equity (change in investment - capital invested)			55,157
Share subscription loss of Lojas Maia			
Shares held by Lojas Maia	-	80,000	80,000
Change in interest	0.00%	9.45%	9.45%
Direct investment - Lojas Maia	-	24,843	(24,843)
Investment loss (change in investment - capital invested)			(55,157)

11. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment for the six-month period ended June 30, 2011 are as follows:

	Company	Consolidated
Property, plant and equipment, net as of December 31, 2010	331,306	358,841
Additions	39,282	48,210
Write-offs	(4,868)	(5,557)
Depreciation	(26,499)	(28,924)
Property, plant and equipment, net as of June 30, 2011	339,221	372,570
Balance of property, plant and equipment as of June 30, 2011:		
Cost of property, plant and equipment	600,661	651,373
Accumulated depreciation	(261,440)	(278,803)
Property, plant and equipment, net as of June 30, 2011	339,221	372,570

In February 2011, the Company sold its buildings to MTG Administração Acessória e Participações S.A. The net balance of these assets totaled R$ 4,868 on the transaction date, which were sold for R$ 15,520, generating gain of R$ 10,652, recorded in other operating income, according to Note 21.

12. INTANGIBLE ASSETS

Changes in intangible assets for the six-month period ended June 30, 2011 are as follows:

	Company	Consolidated
Intangible assets, net as of December 31, 2010	95,149	374,619
Additions	13,594	14,271
Amortization	(8,943)	(13,969)
Intangible assets, net as of June 30, 2011	99,800	374,921
Balance of intangible assets as of June 30, 2011:		
Cost of property, plant and equipment	186,232	487,721
Accumulated depreciation	(86,432)	(112,800)
Intangible assets, net as of June 30, 2011	99,800	374,921

13. SUPPLIERS

	Company		Consolidated	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Goods for resale - domestic market	787,950	977,146	916,563	1,134,515
Goods for resale - international market	8,508	633	8,508	633
Other suppliers	10,584	10,980	10,584	10,977
Present value adjustment	(10,106)	(11,586)	(11,949)	(13,836)
	796,936	977,173	923,706	1,132,289

14. LOANS AND FINANCING

				Company		Consolidated	
Type	Charge	Collaterals	Final Maturity	06/30/2011	12/31/2010	06/30/2011	12/31/2010
BNDES (a)	TJLP + 2,38% a.a. (i) IPCA + 8,91% a.a. (ii)	Bank pledge	Dec/13	44,778	50,338	44,778	50,338
Working capital (b)	108,3% a 118,8% of CDI a.a.	Credit card receivables /Lien/Bank pledge/Mortgage	Jun/15	664,368	569,189	785,415	709,876
Finance leases (c)	CDI/TJLP/LIBOR	Fiduciary sale / Escrow deposits	Jan/16	18,412	14,217	18,691	14,659
				727,558	633,744	848,884	774,873
Current liabilities				313,842	88,876	332,705	108,758
Noncurrent liabilities				413,716	544,868	516,179	666,115

(a) Loans contracted with BNDES comprise: i) financing for the opening of new stores and ii) purchase of facilities and equipment. Principal and interest on these contracts are paid on a monthly basis.

(b) This financing is collateralized by lien, bank pledge, mortgages on properties owned by controlling shareholders and a portion of receivables from credit cards, as described in note 5.

A portion of the funds was contracted in foreign currency, over which fixed interest and exchange rate change are levied. In order to hedge its transactions against exchange rate change risks, the Company entered into swap transactions to substitute the charges contracted for DI-indexed fixed interest. This is a perfectly matched transaction that does not expose the Company to currency or foreign interest rate risks. The effect of such transaction is stated in note 25.

(c) The Company has finance lease contracts relating to: (i) aircraft, whose contract was entered into in 2005 and expires in 2016. For this contract, R$ 1,037 (equivalent to US$ 664,000) was deposited in escrow, recorded in line item “Other noncurrent assets”, which will be redeemed on the final maturity of the contract. This deposit, equivalent to 15% of the total asset amount, is adjusted by exchange rate variation, whose contra entry is recorded in income (loss) for the year; (ii) IT equipment and software, whose contracts expire in 2011.

The Company’s restrictive covenants have not been amended in relation to December 31, 2010 and, June 30, 2011 the Company is compliant with its contractual obligations.

15. INTERBANK DEPOSITS

Type	Charges	Consolidated (IFRS e BR GAAP) 06/30/2011	12/31/2010
Interbank deposits	100% - 103% of CDI	911,761	856,725
Current liabilities		911,415	852,680
Noncurrent liabilities		346	4,045

Interbank Deposits are securities issued by financial institutions and their trading is restricted to the interbank market. Refer to interbank deposits made by Luizacred with Itaú Unibanco Holding S.A., whose maturities are as follows:

	Consolidated
Up to 90 days	901,465
From 91 to 365 days	9,950
Over 365 days	346
	911,761

16. DEFERRED REVENUE

	Company		Consolidated	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Deferred revenue from third parties:				
Exclusivity agreement with Banco Itaucard (a)	192,000	209,000	192,000	209,000
Exploration right agreement - payroll (b)	7,044	8,882	7,044	8,882
Sales agreement - Cardif (c)	-	-	17,881	19,000
	199,044	217,882	216,925	236,882
Deferred revenue from related parties:				
Exclusivity agreement with Luizacred (d)	-	-	77,896	80,000
Exclusivity agreement with Luizaseg (e)	5,136	10,272	2,568	5,136
	5,136	10,272	80,464	85,136
Total deferred revenue	204,180	228,154	297,389	322,018
Current liabilities	20,686	20,686	25,956	25,956
Noncurrent liabilities	183,494	207,468	271,433	296,062

a) On November 27, 2009, the Company entered into an "Alliance Agreement" entered into with financial institutions Itaú Unibanco Holding S.A. ("Itaú") and Banco Itaucard S.A., under which the Company grants to Luizacred the exclusive right to offer, distribute, and sell financial products and services in its store chain for a period of 20 years.

In consideration for the aforementioned joint venture, Itaú group companies paid in cash the amount of R$ 250,000, of which: i) R$ 230,000 relating to the consummation of the negotiation, without right of reimbursement, to be allocated to net income (loss) over the term of the contract, i.e., 20 years, and; ii) R$ 20,000 subject to the attainment of profitability goals in Luizacred, which should be cumulatively complied with over the first five years of validity of the assignment agreement, and evaluated on the 5th year, subject to refund of a portion or all the amount, if goals are not attained.

b) On June 30, 2008, the Company entered into a payroll use exclusive assignment contract for a period of 5 years for the provision of banking services to employees, with a financial institution. This partnership allowed the inflow of R$ 20,250 to the Company's cash. The recognition of the revenue arising from the funds received is allocated to income (loss) over the term of the contract.

c) Subsidiary Lojas Maia entered into a 6-year sales agreement with Cardif do Brasil Seguros e Garantias S.A. in order to sell insurance products such as extended warranty, financial protection and other. Under this agreement, the subsidiary Lojas Maia received R$ 23,000, which is recognized in income (loss) over the term of the agreement.

d) On December 29, 2010, subsidiary Lojas Maia entered into a sales agreement with Luizacred, a jointly-owned subsidiary, through which it has granted exclusivity in the right of offer, distribution and sale of financial products and services in its store chain, for a period of 19 years, to the financial institution. As a result of such partnership, Luizacred paid in cash R$ 160,000 to Lojas Maia (R$ 80,000 in the consolidated refer to the 50% interest of Magazine Luíza in the subsidiary), which will be recognized in income (loss) over the term of the agreement. As part of this partnership agreement, the amount of R$ 20,000, mentioned in item "(a) ii" above was increased to R$ 55,000.

e) On December 13, 2005, the Company entered into a strategic partnership with Cardif do Brasil Seguros e Previdência S.A., through which it has granted to the jointly-owned subsidiary Luizaseg, the right to explore and exclusivity in the offer, distribution and sale of additional warranty products, mainly extended warranties of the products sold in the Company's store chain, for a period of 10 years. This partnership allowed the inflow of R$ 50,000 to the Company's cash, without definition of goals to be attained or right of reimbursement of the amount.

The recognition of the revenue arising from the funds received is allocated to income (loss) over the term of the agreement.

17. PROVISION FOR TAX, CIVIL AND LABOR RISKS

The Company and its subsidiaries and jointly-owned subsidiaries are parties to labor, civil and tax lawsuits in progress for which it has filed administrative or legal defense. In cases where the opinion of the legal counsel is unfavorable, the Company recognized a reserve for tax, civil and labor contingencies in noncurrent liabilities, as of June 30, 2011 and December 31, 2010, which corresponds to management's best estimate of future disbursement. Changes in the reserve for tax, civil and labor contingencies, as follows:

Company:

	12/31/2010	Additions	Use/ Write-offs	06/30/2011
Tax	27,982	8,929	-	36,911
Civil	8,644	700	(779)	8,565
Labor	21,659	3,096	(1,050)	23,705
	58,285	12,725	(1,829)	69,181

Consolidated:

	12/31/2010	Additions	Use / Write-offs	06/30/2011
Tax	142,711	14,787	(10,157)	147,340
Civil	14,377	2,771	(1,192)	15,956
Labor	24,932	3,304	(1,964)	26,272
	182,020	20,862	(13,313)	189,569

As of June 30, 2011, the main lawsuits classified by management as probable loss based on the opinion of its legal counsel, as well as legal liabilities for which the amounts were included in the reserve for contingencies are as follows:

a) Tax lawsuits:

(i) The Company is challenging fifteen tax assessment notices filed by the Department of Finance of São Paulo, which claims underpayment of the State VAT (ICMS), allegedly due to incorrect application of rates. The Company recorded a reserve for risks assessed as probable loss by its legal counsel. These tax assessment notices amount to R$ 14,161 on June 30, 2011 (R$ 12,234 on December 31, 2010).

(ii) Lawsuit challenging the constitutionality of the Contribution to the National Institute of Rural Settlement and Agrarian Reform (INCRA), for which an escrow deposit was made totaling R$ 2,686 on June 30, 2011 (R$ 2,321 on December 31, 2010).

(iii) The Company is challenging the increase in the Occupational Accident Risk rate (RAT). Therefore, it filed a lawsuit and deposited the amounts corresponding to the increased rate in an escrow account. The amount of the escrow deposit totals R$ 10,373 as of June 30, 2011 (R$ 6,843 on December 31, 2010).

(iv) The Company challenges at administrative level the FAP (Accident Prevention Factor) index which was prescribed by MPS/CNPS Resolution 1269/06, whose provision totals R$ 9,625 as of June 30, 2011 (R$ 6,584 on December 31, 2010).

(v) Other tax claims assessed by the management of the Parent Company and subsidiary Lojas Maia and their legal counsel as probable loss amount to R$ 36,489 as of June 30, 2011 (R$ 41,234 on December 31, 2010), for which a reserve has been recognized. The tax claims are related to tax assessment notices allegedly due to the incorrect application of ICMS rates, as well as to risks related to PIS/COFINS on debits on interest income, tax incentives received and credits subject to challenge with the tax authorities.

(vi) Subsidiary Lojas Maia does not acknowledge the mandatory collection of PIS/COFINS on ICMS tax base, depositing in an escrow account the amount of the related provision, in the total amount of R$ 26,614 on June 30, 2011 (R$ 15,580 on December 31, 2010).

(vii) During the business combination process of subsidiary Lojas Maia, other tax risks relating to ICMS, IRPJ, CSSL and ISS were identified by the Company and weighted in the context of calculation of the related fair values, and an additional reserve was recognized in the total amount of R$ 47,392 on June 30, 2011 (R$ 41,038 on December 31, 2010).

b) Civil lawsuits: Civil contingencies of R$ 8,565 on June 30, 2011 (R$ 8,644 on December 31, 2010) (Company) are related to claims filed by customers on possible product defects; the subsidiary Lojas Maia, since it also operates in the retail industry, is party to lawsuits of the same nature in the amount of R$ 5,652 on June 30, 2011 (R$ 5,733 on December 31, 2010). Other non-relevant balances are recorded in the Company's additional investments.

c) Labor lawsuits:

   i. At the labor courts, the Company is a party to various labor lawsuits, mostly claiming overtime. The accrued amount of R$ 21,250 (company) on June 30, 2011 (R$ 19,990 on December 31, 2010), reflects the likelihood of probable loss assessed by the Company's management and its legal counsel.

   ii. The Company is also challenging the payment of social security contribution on paid prior notice, which is being fully deposited in escrow and totals R$ 2,455 (parent company) on June 30, 2011 (R$ 1,759 on December 31, 2010), the total balance recognized at the parent company.

The Company is a party to other lawsuits that were assessed by management, based on the opinion of its legal counsel, as possible losses and, therefore, no reserve was recognized for such lawsuits. The amount of the main lawsuits where the Company is the defendant are:

a) Tax lawsuits: There are tax lawsuits where the Company and its subsidiaries and jointly-owned subsidiaries are the defendants. The amount estimated by management and its legal counsel relating to these lawsuits, which are at the administrative or legal level, is R$ 291,361 at June 30, 2011 (R$ 132,245 on December 31, 2010).

b) Civil and labor lawsuits: The Company challenges civil and labor administrative lawsuits, with likelihood of possible loss, whose amounts are immaterial for disclosure.

Contingent assets

The Company is party to other tax lawsuits of several nature as plaintiff. The estimated amounts of these lawsuits total approximately R$ 293,767 on June 30, 2011 (R$ 233,602 on December 31, 2010), which were not recorded since they refer to contingent assets. These credits refer primarily to the lawsuit filed to exclude the ICMS from the PIS/COFINS tax base, totaling approximately R$ 170,500. Other credits may be obtained from lawsuits that address the increase in the PIS tax basis, the exclusion of ISS from the PIS/COFINS tax basis, among others.

18. SHAREHOLDERS' EQUITY

In 2010 the Company approved at the Extraordinary Shareholders' Meeting held on December 17, 2010, the reduction of the capital to R$ 177,000 to absorb accumulated losses. On April 1, 2011, the Extraordinary Shareholders' Meeting approved the split of all common shares representing the Company's capital, so that each common share was represented by 3.10666710436154 new common shares, resulting in 150,000,000 common shares.

Initial Public Offering

On April 5, 2011, the Company entered into the Novo Mercado Listing Agreement with BM&FBOVESPA, whereby it agreed to abide by the Novo Mercado Differentiated Corporate Governance Practices, a special securities trading segment of BM&FBOVESPA, governed by the Novo Mercado Listing Rules, which establishes differentiated corporate governance practices to be adopted by the Company, that are stricter than those set forth in the Brazilian Corporate Law.

On May 2, 2011, Magazine Luiza conducted a primary and secondary public offering of common shares held by the Selling Shareholders, at the offering price of R$ 16.00 per share. Additional shares, defined as “Over-allotment Option” was also subscribed at the final offering memorandum. Additional shares were sold under the same conditions and prices of those originally offered. The Initial Public Offering process was concluded on June 3, 2011.

Summary of the amounts involved in the operation:

	Initial lot	Over-allotment	Total
Primary offering:			
Number of shares	33,750,000	2,744,467	36,494,467
Amounts in R$’000	540,000	43,911	583,911
Secondary offering:			
Number of shares	16,564,432	2,339,897	18,904,329
Amounts in R$’000	265,031	37,438	302,469
Total shares	50,314,432	5,084,364	55,398,796
Total offering price	805,031	81,349	886,380

The Company’s total shares after the offering will be 186,494,467 common shares, and the Ownership structure will be distributed as follows:

	Number of shares	Interest - %
LTD Administração e Participações S.A.	113,035,011	60.61
Wagner Garcia Participações S.A.	8,411,383	4.51
Brazil Zia I, LLC	3,672,546	1.97
Brazil Zia II, LLC	963,698	0.52
Outstanding shares	55,398,796	29.70
Other	5,013,033	2.69
Total	186,494,467	100.00

Net proceeds from the Primary Offering will be used in (i) the opening of new stores, (ii) the acquisition of companies in the retail and e-commerce segments, (iii) remodeling of stores and (iv) increasing of working capital.

Expenses related to the Initial Public Offering amounted to R$ 20,406, net of fiscal effects, of which R$ 14,932 related to Banks and Brokers commissions.

The Company’s shares started to be traded on May 2, 2011.

19. NET REVENUE

	Six-month period ended on				Quarter ended on			
	Company		Consolidated		Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Gross revenue:								
Retail - resale of goods	2,625,247	2,125,647	3,109,471	2,125,647	1,342,796	1,131,443	1,576,632	1,131,443
Retail - services provided	110,971	76,343	65,276	41,126	58,501	43,960	34,609	23,580
Loan operations	-	-	220,518	177,268	-	-	109,771	88,509
Insurance operations	-	-	32,407	27,625	-	-	16,560	13,716
Consortium management	-	-	12,681	9,394	-	-	6,717	4,882
	2,736,218	2,201,990	3,440,353	2,381,060	1,401,297	1,175,403	1,744,289	1,262,130
Taxes and deductions:								
Resale of goods	(426,977)	(356,348)	(535,035)	(356,348)	(212,196)	(183,049)	(262,796)	(183,049)
Services provided	(14,779)	(9,943)	(16,463)	(10,638)	(7,777)	(5,695)	(8,691)	(6,069)
	(441,756)	(366,291)	(551,498)	(366,986)	(219,973)	(188,744)	(271,487)	(189,118)
Net revenue	2,294,462	1,835,699	2,888,855	2,014,074	1,181,324	986,659	1,472,802	1,073,012

20. COST OF GOODS SOLD, SERVICES AND FUNDING FOR FINANCIAL OPERATIONS

	Six-month period ended on				Quarter ended on			
	Company		Consolidated		Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Costs:								
Goods resold	(1,614,214)	(1,277,389)	(1,885,481)	(1,277,389)	(832,312)	(689,319)	(964,813)	(689,319)
Services provided	-	-	(6,219)	(3,954)	-	-	(3,609)	(1,885)
Funding for financial transactions	-	-	(44,640)	(25,262)	-	-	(21,723)	(13,252)
	(1,614,214)	(1,277,389)	(1,936,340)	(1,306,605)	(832,312)	(689,319)	(990,145)	(704,456)

21. OTHER OPERATING REVENUES, NET

	Six-month period ended on				Quarter ended on			
	Company		Consolidated		Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Gain on sale of property, plant and equipment (a)	10,652	46	9,963	46	(10)	46	(699)	46
Recognition of deferred revenue Assignment of receivables from right of use (b)	23,974	27,473	24,629	24,905	11,988	13,736	12,355	12,452
Tax refund (c)	4,285	9,611	4,285	9,611	-	-	-	-
Provision for tax contingencies	(1,927)	(6,700)	(1,927)	(6,700)	-	(2,227)	-	(2,227)
Management compensation	(2,932)	(2,281)	(2,932)	(2,281)	(1,510)	(1,180)	(1,510)	(1,180)
Employee profit sharing	(903)	(1,381)	(903)	(1,381)	(228)	-	(228)	-
Others	(1,544)	(660)	(8,226)	5,358	750	(261)	(3,941)	4,116
Total	31,605	26,108	24,889	29,559	10,990	10,114	5,977	13,207

a) The balance refers to the sale of properties to related parties, as described in Note 11.

b) Refers to the recognition of deferred revenue from the assignment rights of use, according to Note 16.

c) Refer to tax credits pegged to temporary credits on social security contributions of indemnity nature.

22. FINANCIAL RESULTS

	Six-month period ended on				Quarter ended on			
	Company		Consolidated		Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Financial income:								
Interest on extended warrant sales	5,793	5,598	5,793	5,598	3,029	2,745	3,029	2,745
Income from short-term financial investments and securities	9,659	590	16,340	3,704	8,374	114	10,830	1,790
Interest on sale of goods - interest on delay in collections	1,089	956	1,270	956	883	381	974	381
Exchange gains	165	-	165	-	151	-	151	-
Other	874	2,664	913	2,664	374	1,457	351	1,457
	17,580	9,808	24,481	12,922	12,787	4,697	15,335	6,373
Financial expenses:								
Interest on loans and financing	(63,916)	(42,985)	(74,567)	(42,985)	(32,956)	(20,894)	(38,171)	(20,894)
Charges on credit card advances	(34,021)	(24,707)	(26,601)	(14,323)	(16,589)	(14,603)	(12,413)	(8,226)
Provision of interest on extended warrant	(4,251)	(5,647)	(4,251)	(5,647)	(3,149)	(2,816)	(3,149)	(2,816)
Exchange loss	-	(309)	-	(309)	-	(91)	-	(91)
Other	(6,541)	(5,303)	(7,117)	(5,303)	(3,538)	(1,912)	(3,973)	(1,913)
	(108,729)	(78,951)	(112,536)	(68,567)	(56,232)	(40,316)	(57,706)	(33,940)
Financial result, net	(91,149)	(69,143)	(88,055)	(55,645)	(43,445)	(35,619)	(42,371)	(27,567)

23. SEGMENT REPORTING

CPC 22 and IFRS 8 - Segment Reporting - require the operating segments to be identified based on internal reports related to the Company's components periodically reviewed by the CEO, the chief operating decision maker, so that funds are allocated to segments and their performance are evaluated.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into Retail, Credit, Insurance and Consortium Management operations. These classifications are considered as the primary segments for disclosure of information. The characteristics of these divisions are described below:

- Retail - mainly resale of goods and provision of services in the Company's stores;
- Financial transactions - through the jointly-owned subsidiary Luizacred, mainly engaged in the granting of credit to the Company's customers for acquisition of products;
- Insurance - through the jointly-owned subsidiary Luizaseg, mainly engaged in the offer of extended warranties of products purchased by the Company's customers;
- Consortium management - through the subsidiary LAC, mainly engaged in the management of consortiums to the Company's customers for purchase of products.

The Company's sales are fully made in the Brazilian territory and, considering retail operations, there is no concentration of customers, as well as of products and services offered by the Group.

Statement of income

	06/30/2011						
	Retail	Financial operations	Insurance operations	Consortium management	Total	Exclusions	Consolidated balance
Gross revenue from third parties	3,174,747	220,518	32,407	12,681	3,440,353	-	3,440,353
Gross revenue from related parties	52,141	12,355	-	-	64,496	(64,496)	-
Revenue deductions	(550,618)	-	-	(880)	(551,498)	-	(551,498)
Net revenues by segment	2,676,270	232,873	32,407	11,801	2,953,351	(64,496)	2,888,855
Cost of goods sold, services and funding for financial operations	(1,885,481)	(44,640)	(2,299)	(6,315)	(1,938,735)	2,395	(1,936,340)
Gross profit	790,789	188,233	30,108	5,486	1,014,616	(62,101)	952,515
Selling expenses	(539,557)	(30,919)	(992)	-	(571,468)	-	(571,468)
Selling expenses - related parties	-	(29,910)	(19,835)	-	(49,745)	49,745	-
General and administrative expenses	(132,910)	(1,978)	(5,340)	(6,120)	(146,348)	-	(146,348)
Income (loss) from provision for loan losses	(4,620)	(99,030)	-	-	(103,650)	-	(103,650)
Depreciation and amortization	(42,163)	(2,699)	(2,570)	(134)	(47,566)	4,673	(42,893)
Equity in subsidiaries	19,284	-	-	-	19,284	(19,284)	-
Other operating income	37,508	(8,092)	(61)	206	29,561	(4,672)	24,889
Financial income (loss)	(92,675)	-	4,198	422	(88,055)	-	(88,055)
Financial income from related parties	(12,355)	-	-	-	(12,355)	12,355	-
Income tax and social contribution	(1,139)	(4,781)	(2,193)	-	(8,113)	-	(8,113)
Net income for the period	22,162	10,824	3,315	(140)	36,161	(19,284)	16,877

	06/30/2010						
	Retail	Financial operations	Insurance operations	Consortium management	Total	Exclusions	Consolidated balance
Gross revenue from third parties	2,166,773	177,268	27,625	9,394	2,381,060	-	2,381,060
Gross revenue from related parties	35,217	10,384	-	-	45,601	(45,601)	-
Revenue deductions	(366,291)	-	-	(695)	(366,986)	-	(366,986)
Net revenues by segment	1,835,699	187,652	27,625	8,699	2,059,675	(45,601)	2,014,074
Cost of goods sold, services and funding for financial operations	(1,277,389)	(25,261)	(1,419)	(4,027)	(1,308,096)	1,491	(1,306,605)
Gross profit	558,310	162,391	26,206	4,672	751,579	(44,110)	707,469
Selling expenses	(387,179)	(44,012)	(183)	-	(431,374)	-	(431,374)
Selling expenses - related parties	-	(16,736)	(16,990)	-	(33,726)	33,726	-
General and administrative expenses	(76,280)	(1,326)	(4,405)	(4,603)	(86,614)	-	(86,614)
Income (loss) from provision for loan losses	(5,458)	(82,583)	-	-	(88,041)	-	(88,041)
Depreciation and amortization	(31,786)	(556)	(2,568)	(121)	(35,031)	2,568	(32,463)
Equity in subsidiaries	17,102	-	-	-	17,102	(17,102)	-
Other operating income	26,108	5,567	-	452	32,127	(2,568)	29,559
Financial income (loss)	(58,759)	-	2,831	283	(55,645)	-	(55,645)
Financial income from related parties	(10,384)	-	-	-	(10,384)	10,384	-
Income tax and social contribution	(6,449)	(8,972)	(1,991)	(254)	(17,666)	-	(17,666)
Net income for the period	25,225	13,773	2,900	429	42,327	(17,102)	25,225

	06/30/2011						
	Retail	Financial operations	Insurance operations	Consortium management	Total	Exclusions	Consolidated balance
Assets							
Cash and cash equivalents	37,284	1,513	22	9,492	48,311	-	48,311
Securities	509,760	87,674	82,488	-	679,922	-	679,922
Accounts receivable	491,906	1,147,728	-	288	1,639,922	-	1,639,922
Inventories	876,603	-	-	-	876,603	-	876,603
Investments	8,570	-	-	-	8,570	(8,570)	-
Property, plant and equipment and intangible assets (Fixed assets)	739,110	85,451	2,572	821	827,954	(80,463)	747,491
Others	371,474	77,448	10,179	1,278	460,379	(50,605)	409,774
	3,034,707	1,399,814	95,261	11,879	4,541,661	(139,638)	4,402,023
Liabilities							
Suppliers	922,595	-	925	186	923,706	-	923,706
Loans and financing	848,884	-	-	-	848,884	-	848,884
Interbank deposits	-	911,761	-	-	911,761	-	911,761
Operations with credit cards	-	298,823	-	-	298,823	-	298,823
Technical insurance provisions	-	-	47,321	-	47,321	-	47,321
Provision for tax, civil and labor risks	185,075	4,156	66	272	189,569	-	189,569
Deferred revenue	377,850	-	-	-	377,850	(80,461)	297,389
Other accounts payable	256,919	42,484	6,518	1,436	307,357	(50,605)	256,752
	2,591,323	1,257,224	54,830	1,894	3,905,271	(131,066)	3,774,205

	12/31/2010						
	Retail	Financial operations	Insurance operations	Consortium management	Total	Exclusions	Consolidated balance
Assets							
Cash and cash equivalents	319,359	249	31	9,226	328,865	-	328,865
Securities	-	5,029	73,654	-	78,683	-	78,683
Accounts receivable	518,153	1,025,101	-	131	1,543,385	-	1,543,385
Inventories	849,799	-	-	-	849,799	-	849,799
Investments	(28,837)	-	-	-	(28,837)	28,837	-
Property, plant and equipment and intangible assets (Fixed assets)	724,766	87,750	5,139	941	818,596	(85,136)	733,460
Others	335,047	80,540	11,510	1,683	428,780	(35,193)	393,588
	2,718,287	1,198,669	90,334	11,981	4,019,271	(91,492)	3,927,780
Liabilities							
Suppliers	1,139,807	-	733	184	1,140,724	-	1,140,724
Loans and financing	774,873	-	-	-	774,873	-	774,873
Interbank deposits	-	856,725	-	-	856,725	-	856,725
Credit cards operations	-	220,230	-	-	220,230	-	220,230
Technical insurance provisions	-	-	43,695	-	43,695	-	43,695
Provision for tax, civil and labor risks	179,165	2,524	76	255	182,020	-	182,020
Deferred revenue	407,154	-	-	-	407,154	(85,136)	322,018
Other accounts payable	299,175	67,388	7,165	1,424	375,152	(35,193)	339,959
	2,800,174	1,146,867	51,669	1,863	4,000,573	(120,329)	3,880,344

24. EARNINGS PER SHARE

As established by CPC 21 and IAS 33, “Earnings per Share”, the reconciliation of net income for the period to the amounts used to calculate the basic and diluted earnings per share is as follows:

	Six-month period		Quarter	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Net income for the period	16,877	25,225	4,582	15,892
Outstanding shares	161,426	150,000	172,726	150,000
Basic/diluted earnings per share	0.10	0.17	0.03	0.11

25. FINANCIAL INSTRUMENTS

Capital risk management

The Company’s funds are managed in a way to ensure the continuity of the Company as a going concern and to maximize its funds to allow for investments in new stores, refurbishment and redesign of existing stores and provide return to shareholders.

The Company’s capital structure comprises financial liabilities, cash and cash equivalents, securities and shareholders' equity, including capital and retained earnings.

Periodically, Management reviews the capital structure and its ability to settle its liabilities, as well as monitors, on a timely basis, the average term of suppliers in relation to the average term of inventory turnover. Actions are promptly taken when the assets resulting from this ratio are higher than the liabilities.

The objectives of capital management are to safeguard the continuous return to the Company’s shareholders and benefits to other related parties, and maintain an ideal capital structure to reduce this cost and maximize its funds to allow for investments in new stores, refurbishment and redesign of existing stores.

The Company also uses the Net Debt/EBITDA ratio, which in its opinion, represent the most adequate manner to measure its indebtedness, since it reflects the consolidated financial obligations less cash and cash equivalents for payment, considering its cash from operating activities.

Net Debt means the sum of Borrowings and Financing in current and noncurrent liabilities, less cash and cash equivalents in current assets. EBITDA means net income before income taxes, financial income and expenses, and depreciation and amortization.

Categories of financial instruments

	Company		Consolidated	
Financial assets	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Loans and receivables (including cash and banks):				
Cash and banks	20,887	156,435	26,904	265,994
Escrow deposits	32,785	24,175	32,785	24,175
Trade accounts receivable	402,876	424,363	1,642,462	1,543,385
Related parties	58,176	40,139	24,156	36,018
Held for trading:				
Securities	516,656	24,828	648,528	93,329
Available for sale:				
Cash equivalents and Securities	-	-	52,801	48,225

Financial liabilities	Company 06/30/2011	Company 12/31/2010	Consolidated 06/30/2011	Consolidated 12/31/2010
Amortized cost:				
Loans, financing and interbank deposit	727,558	633,744	1,760,645	1,631,598
Credit card operations	-	-	298,823	220,230
Suppliers	796,936	977,173	923,706	1,132,289
Related parties	20,361	33,775	12,273	21,666

In the opinion of the Company's Management, the carrying amounts of the financial instruments recognized in the individual and consolidated financial statements approximate their respective fair values, as the maturity dates of most balances are close to the balance sheet date. Loans and financing are adjusted for inflation based on inflation indices and variable interest rates according to market conditions and, therefore, the debit balance recorded at the balance sheet dates approximates the fair value.

However, considering that there is no active market for these instruments, differences may arise should these amounts be settled in advance.

Fair value measurement

Consolidated assets and liabilities at fair value are summarized as follows:

Cash and cash equivalents are classified in Level 2 and the fair value is estimated based on reports from brokerage firms making use of market prices quoted for similar instruments.

The fair value of other financial instruments described above allows to approximate their carrying amounts based on the existing payment conditions. The Company has no outstanding assets or liabilities where the fair value could be measured by using non-observable significant information (Level 3) as of December 31, 2010.

Liquidity risk management

The Company's management has ultimate responsibility for the management of the liquidity risk and has prepared an appropriate liquidity risk management model to manage funding requirements and short, medium - and long-term liquidity management. The Group manages the liquidity risk through the continuous monitoring of estimated and actual cash flows, the combination of the maturity profiles of financial assets and liabilities and the maintenance of a close relationship with financial institutions, with regular disclosure of information to support credit decisions when external funds are necessary.

The table below details the remaining contractual maturity of the Group's financial liabilities on June 30, 2011 and the contractual amortization periods. This table was prepared using the undiscounted cash flows of financial liabilities, based on the closest date when the Group should settle the related obligations. The tables include interest and principal cash flows. As interest flows are based on floating rates, the undiscounted amount was based on the interest curves at yearend. Contractual maturity is based on the most recent date when the Company should settle the related obligations.

	Less than one year	From one to three years	From three to five years	Total
Suppliers	923,706	-	-	923,706
Loans and financing	332,705	346,023	170,156	848,884
Related parties	12,273	-	-	12,273

Considerations on risks

The Company's and its subsidiaries' businesses mainly comprise the retail sale of consumer goods, mainly home appliances, electronic equipment, furniture and financial services, consumer financing for purchase of these assets and consortium-related activities, created to purchase vehicles, motorcycles, home appliances and furniture. The main market risk factors affecting the Company's business are as follows:

Credit risk: credit risk arises from the possibility of the Group incurring losses resulting from the non-receipt of amounts billed to its customers. As of June 30, 2011 the balance of credit risks is R$ 1,639,922 (R$ 1,543,385 on December 31, 2010). This risk is assessed by the Company as low, due to the normal dispersion of sales as a result of the large number of customers; however, there are no guarantees of collection of trade accounts receivable due to the nature of the Group's activities. In cases where the concentration of billed amounts is greater, the risk is managed by periodically analyzing the default rate and adopting more efficient collection measures.

As of June 30, 2011, the Group recorded past-due balances under "trade accounts receivable", whose terms were renegotiated, in the amount of R$ 11,458, (R$ 11,584 on December 31, 2010), which are included in the Group's analysis on the need to recognize an allowance for doubtful accounts.

Market risk: arises from the slowdown of retail sales in the Brazilian economic environment. The risks involved in these transactions are managed by establishing operational and commercial policies.

Interest rate risk: the Group is exposed to floating interest rates tied to the "Long-term Interest Rate (TJLP)" and "Certificate of Interbank Deposit (CDI)", relating to financial investments and loans and financing in Brazilian reais, for which it performed a sensitivity analysis, describe as follows:

Foreign exchange rate and price risk: the Company uses derivatives, recorded in balance sheet and income statement accounts, to meet its market risk management requirements, arising from mismatching between currencies and indices. Derivative transactions are carried out through the Finance Department, pursuant to the strategies previously approved by the Group's Board of Directors. In this scenario, the Company raised foreign currency-denominated loans bearing interest, for which it entered into swap transactions to hedge against exchange rate variation, swapping contracted interest rate and foreign currency exchange rate for CDI plus fixed rate. This is a matched transaction which consists formally of a loan agreement and a swap transaction entered into on the same date, with the same maturity and counterpart and that should be settled by its net value. Thus, Management believes that, in substance, this is a loan transaction denominated in foreign currency, subject to a certain interest rate; accordingly, the accounting treatment and related disclosures reflect the substance of the transaction.

Below is the description of agreements, whose transactions are registered with the CETIP - Financial Risk Protection System (SPR), affecting income for the year ended June 30, 2011:

			Bank index		Company index	
Bank	Reference value (notional)	Fair value through gain (loss) of "swap"	Index	Interest	Index	Interest
Unibanco	37,824	(9,853)	US$	6.25% a.a.	CDI	108.30%
Bradesco	100,649	(10,631)	US$	4.08% a.a.	CDI	118.80%
Itaú BBA	52,533	(5,276)	US$	3.51 % a.a.	CDI	114.80%
Safra	52,369	(5,125)	US$	3.23 % a.a.	CDI	111.90%
Brasil	119,982	(5,171)	US$	4.79% a.a.	CDI	116.00%
	363,357	(36,056)				

(a) The fair value of derivatives is determined by using a methodology normally used by market players; the present value of payments is estimated by using market curves disclosed by BM&FBOVESPA.

There were no transactions, in the reporting period, no longer classified as hedging transactions and no future commitments subject to cash flow hedge.

Sensitivity analysis of financial instruments

The sensitivity analysis was determined based on the exposure to interest rates of derivatives and non-derivatives instruments at the end of the reporting period. For derivatives with fixed rates, the analysis is prepared by assuming that the amount of the outstanding liability at the end of the reporting period remained outstanding over the year. A 10% increase or decrease is used to internally present the interest rate risks to Management's key personnel and corresponds to Management's assessment of the possible changes in interest rates.

If interest rates were 10% higher or lower and the other variables remained constant, the income for the period ended June 30, 2011 would decrease or increase by R$ 5,360, primarily due to the Group's exposure to interest on borrowings at fixed rates.

Additional sensitivity analysis on financial instruments, pursuant to ICVM 475/08

As of June 30, 2011, Management carried out a sensitivity analysis, taking into account a 25% and 50% increase or decrease in the expected interest rates (probable scenario), using future interest rates disclosed by BM&FBOVESPA, on the balances of borrowings and financing, net of short-term investments, as follows:

	Scenario I Probable	Scenario II (+ 25%)	Scenario III (- 25%)	Scenario IV (+ 50%)	Scenario V (- 50%)
Interest to be incurred exposed to:					
CDI	50,317	62,896	37,737	75,745	25,158
TJLP	2,570	2,723	2,319	2,925	2,117
IPCA	2,535	2,807	2,084	3,168	1,723
Total	55,422	68,426	42,140	81,838	28,998

As discussed above, the Group's management understands that there is no significant market risk arising from changes in exchange rates since all financial liabilities recorded in foreign currency are tied to swap transactions, except for trade accounts payable - foreign and lease of aircraft, so that these borrowings are denominated in local currency. Accordingly, changes in swap instruments and borrowings and financing are offset, based on the sensitivity analysis described below.

The sensitivity analysis was determined based on the exposure to exchange rates of derivatives at the end of the reporting period. A 25% and 50% increase or decrease in expected exchange rates (probable scenario) was taken into consideration, based on future exchange rates of the US dollar, as disclosed by BM&FBOVESPA.

Sensitivity analysis of derivatives - "swap":

	Reference value (notional)	Reference amount US$ (a)	Scenario I Probable	Scenario II (+ 25%)	Scenario III (- 25%)	Scenario IV (+ 50%)	Scenario V (- 50%)
Loans and financing	363,356	232,756	10,477	94,367	(73,412)	178,257	(157,302)
Swap	(363,356)	(232,756)	(10,477)	(94,367)	73,412	(178,257)	157,302
Total	-	-	-	-	-	-	-

Sensitivity analysis of trade accounts payable to foreign suppliers and lease of aircraft:

	Reference (notional) amount	Reference amount US$ (a)	Scenario I Probable	Scenario II	Scenario III	Scenario IV	Scenario V
Foreign suppliers	8,508	5,450	8,775	10,968	6,581	13,162	4,387
Leases - aircrafts	2,936	1,881	3,028	3,786	2,271	4,543	1,514
Total	11,444	7,331	11,803	14,754	8,852	17,705	5,901

(a) Amount translated into US dollars based on the rate disclosed by the Central Bank on June 30, 2011, of R$ 1,5611 per US$ 1.00

26. BUSINESS COMBINATIONS

The initial accounting of the acquisition of Lojas Maia was temporarily calculated for the year ended December 31, 2010 and for this reporting period. On the date of these financial statements, necessary market valuations and other calculations had not been completed and, consequently, had been calculated based on management's best estimate of probable amounts. The final valuation should be completed by the end of the nine-month period ended by September 30, 2011.

27. APPROVAL OF THE FINANCIAL STATEMENTS

The disclosure of the financial statements was approved and authorized by the Board of Directors on August 10, 2011.

28. SUBSEQUENT EVENTS

Acquisition of 121 "Baú da Felicidade" stores

The Company signed on July 21, 2011 a purchase and sale contract with BF Utilidades Domésticas Ltda., BF PAR Utilidades Domésticas Ltda., companies of Silvio Santos Group, which sets out the terms and conditions for the acquisition by the Company of the electro-electronic and furniture retail businesses exploited by the "Baú da Felicidade" network through 121 stores located in the states of Paraná, São Paulo and Minas Gerais.

The deal was carried out with the creation of a company, named "New-Utd Utilidades Domésticas S.A.", which will have as its net assets 121 Baú da Felicidade stores, the respective rental contracts, furniture, equipment and facilities of the stores, as well as the IT systems (hardware and software) and ownership of the customer base. The value of the acquisition was R$ 80,289, fully paid on July 29, 2011.

The Corporation is waiting for the final appraisal reports of the acquired business to carry out the necessary bookkeeping entries regarding the integration of the business.