Magazine Luiza S.A.
Third Quarter of 2011 Earnings Release

São Paulo, November 10, 2011 - Magazine Luiza S.A. (BM&FBOVESPA: MGLU3), one of the largest retailer network focused on durable goods, actively engaged on Brazil's popular classes, discloses its results for the Third Quarter of 2011 (3Q11) and the Nine Months period ended on September 30, 2011 (9M11). The Company's accounting information is based on consolidated numbers, in million of reais (except when otherwise indicated), according to the International Financial Reporting Standard (IFRS).

HIGHLIGHTS FOR THE THIRD QUARTER OF 2011 (3Q11) - Consolidated

- 33.8% increase in Gross Sales and Net Sales
- 20.0% growth in Same Store Sales
- 58.2% growth in Lojas Maia's Gross Sales
- EBITDA of R$92.2 million, with margin of 5.8%
- Net Income of R$11.7 million and net margin of 0.7%
- Credit card base expanded to 4.2 million

HIGHLIGHTS FOR THE NINE MONTHS OF 2011 (9M11) - Consolidated

- 40.5% increase in Gross Sales and 39.9% growth in Net Sales
- 19.8% growth in Same Store Sales
- 72.5% growth in Lojas Maia's Gross Sales
- EBITDA of R$248.1 million, with margin of 5.5%
- Net Income of R$28.6 million, with net margin of 0.6%

KEY INDICATORS

R$ million (except when otherwise indicated)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Total Gross Revenue	1,891.8	1,414.2	33.8%	5,332.1	3,795.3	40.5%
Total Net Revenue	1,602.7	1,197.4	33.8%	4,491.5	3,211.5	39.9%
EBITDA	92.2	94.0	-2.0%	248.1	225.0	10.2%
EBITDA Margin	5.8%	7.9%	-2.1 pp	5.5%	7.0%	-1.5 pp
Net Income	11.7	23.1	-49.4%	28.6	48.3	-40.9%
Net Margin	0.7%	1.9%	-1.2 pp	0.6%	1.5%	-0.9 pp
Same Store Sales Growth	20.0%	30.0%	-	19.8%	31.2%	-
Same Physical Store Sales Growth	16.6%	26.3%	-	16.3%	26.8%	-
Internet Sales Growth	48.0%	66.1%	-	48.2%	80.7%	-
Number of Stores - End of Period	684	591	15.7%	684	591	15.7%
Sales Area - End of Period (M2)	441,256	390,934	12.9%	441,256	390,934	12.9%
Average Area per Store - End of Period (M2)	645	661	-2.5%	645	661	-2.5%
Credit Card Base - Luizacred (thousand)	4,174	2,642	58.0%	4,174	2,642	58.0%

MGLU3: R$12.70 per share
Total Shares: 186.494.467
Market Cap: R$2.4 billions

Conference call: November 11, 2011 (Friday)
11:00AM in US time (EST): + 1 516-300-1066
14:00PM in Brazil time: +55 11 3217-4971

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EXECUTIVE SUMMARY

Sales Growth

In 3Q11, Magazine Luiza grew significantly above the average market growth and registered consolidated gross revenue of R$1.89 billion, up 33.8% over 3Q10 and 8.5% over 2Q11. In 9M11, revenue stood at R$5.33 billion, up 40.5% over 9M10. In this quarter, the Company accelerated its growth in same store sales from 14.4% in 2Q11 to 20.0% in 3Q11, over the same period of last year. Even after excluding Lojas Maia, the Company posted same store sales growth of 18.2% in 3Q11. Same store sales growth was also quite impressive in 9M11, at 19.8%.

Internet Expansion

Magazine Luiza, with its multichannel strategy, continues investing in the internet segment and increasing its market share. **Internet sales increased 48.0% in 3Q11** for a total of R$214.4 million. In August 2011, Magazine Luiza announced the launch of *Magazine Você* (Magazine and You) project, one of the first real Social Commerce initiatives in Brazil and worldwide. The project will increase brand awareness in social media (Facebook and Orkut) and drive online sales through a network of announcers that receive commissions between 2.5% and 4.5% of sales.

Lojas Maia

Magazine Luiza initiated the effective brand name transition in the stores located in the Northeastern region. In October 2011, the Company organized the first big reopening party, starting with the metropolitan area of Recife, when 14 stores were remodeled to Magazine Luiza's format pattern. Stores became more attractive, with a new mix of products and with a much more modern atmosphere, contributing to a significant increase in sales. The Company will still remodel this year another 14 stores in the Great Fortaleza area and 8 stores in the Maceió region. By the end of 2012, all Northeastern stores will be turned into Magazine Luiza's brand name.

Employees Town Hall and reopening of one store in the city of Recife.

Lojas do Baú

The operational integration process of Baú stores will be one of the fastest in Magazine Luiza's timeline. In August 2011, the Company took control of the 121 Baú stores, reinforcing the strategy of consolidating its presence in the existing markets and the expansion of virtual stores. The majority of the stores remained closed along 3Q11, but during the month of August, and specially at the end of September, 69 conventional stores were opened, 34 in the state of Paraná, 34 in the state of São Paulo (8 in Greater São Paulo) and 1 in Minas Gerais. **Both the stores' facade and the employees' uniforms were already turned into Magazine Luiza's brand name.**

Additionally, 35 virtual stores will be inaugurated in Paraná till the end of November 2011. Out of these 35 virtual stores, 11 were opened in October 2011. These stores were totally remodeled to Magazine Luiza's format pattern, achieving another great success in sales. Finally, 4 conventional stores are being remodeled and will be extended to the existing Company´ stores (2 in Greater São Paulo), while 13 stores will be divested. It is important to note that Baú's administrative activities were already incorporated to Magazine Luiza's.

Organic Growth

In 3Q11, the Company's organic growth involved the inauguration of 2 conventional stores in Southern and Southeastern Brazil (Blumenau/SC and Indaiatuba/SP), totaling 11 inaugurations as of September 2011. At the end of 3Q11, Magazine Luiza had a total of 684 stores. **Additionally, the Company is investing in the opening of 9 stores in the South and Southeast and another 4 in the Northeast, all of which should be inaugurated by the year end.**

Luizacred Growth

Cartão Luiza (Luiza Card) continues growing significantly, even with a conservative credit rate approval, in accordance with Itaú Unibanco’s credit policies. **The card base reached 4.2 million** and credit overdue indicators in Luizacred portfolio have improved in recent months. The total overdue portfolio decreased 100 bps from June 2011 to September 2011, led by overdue portfolio between 15 and 90 days, as a result of conservative approval rates.

Results

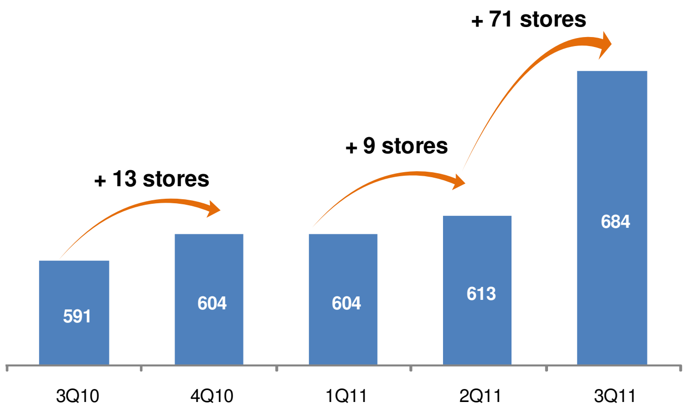
In 3Q11, earnings before interests, taxes, depreciation and amortization (Consolidated EBITDA) stood at R$92.2 million, with margin of 5.8%. **This result was due to the impressive sales growth**, despite the several pre-operational expenses related to the opening of Baú stores, remodeling of stores in Northeastern Brazil, the inauguration of 2 stores in this quarter and the 13 stores to be inaugurated by the year-end.

Finally, the performance of same store sales is still high. The Company believes that accumulated results and perspectives for the year-end indicate a solid and sustainable path to growth and profitability.

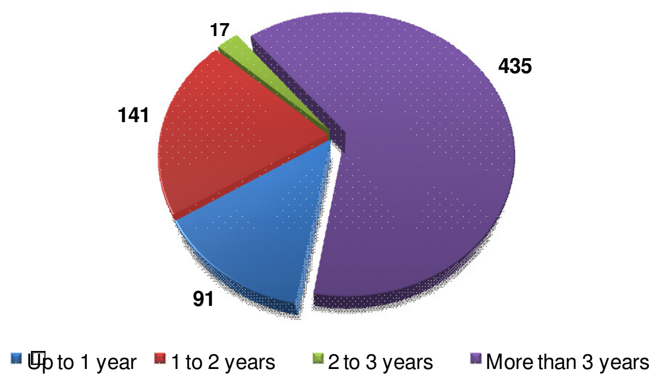
OPERATING PERFORMANCE

At the end of 3Q11, Magazine Luiza had a total of 684 stores, divided among 614 conventional stores, 69 virtual stores and one website. In 3Q11, the Company's organic growth involved the inauguration of 2 conventional stores in Southern and Southeastern Brazil (Blumenau/SC and Indaiatuba/SP), totaling 11 inaugurations up to September 2011 (4 in Greater São Paulo, 2 in the Northeast, 1 in Mato Grosso do Sul, 2 virtual stores in São Paulo state in addition to the aforementioned inaugurations). The Company is investing in the opening of 9 more stores in the South and Southeast and 4 stores in the Northeast of Brazil, which should be inaugurated by the end of the year, as well as 35 virtual Baú stores. Note that one third of all stores (around 250 stores) are less than 3 years old and have not yet reached full maturation.

Number of Stores

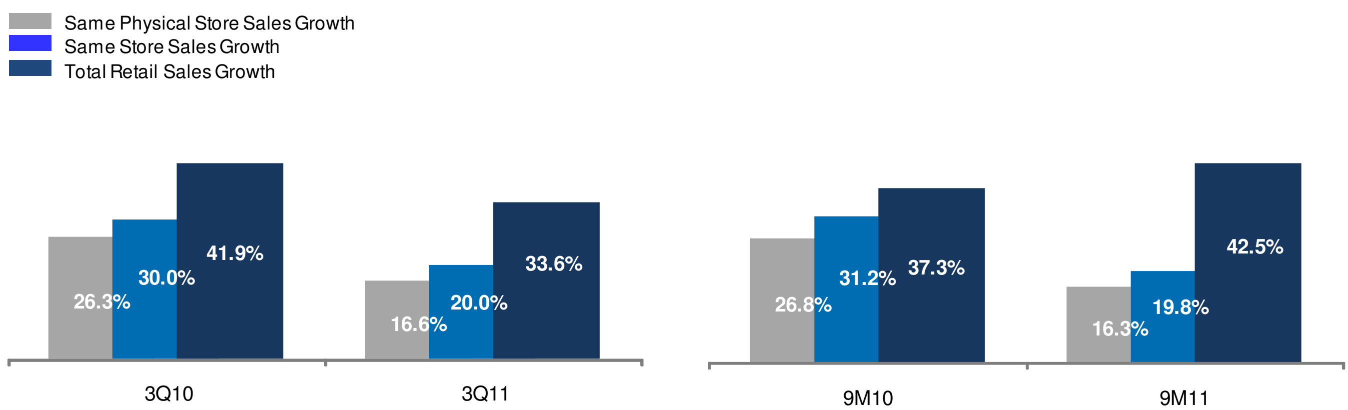


Average Age of Stores (number of stores)



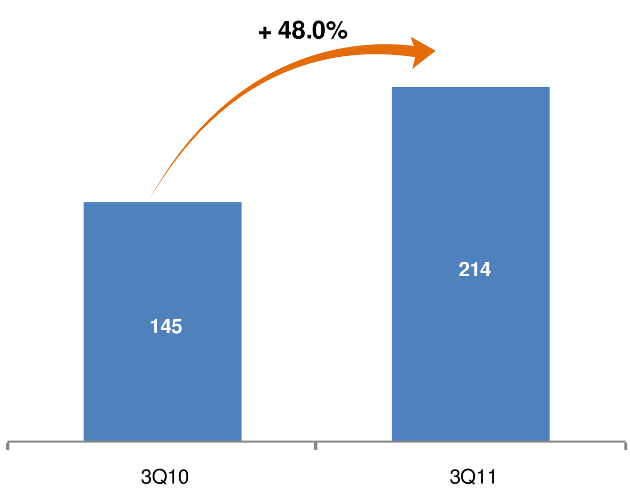
In 3Q11, Magazine Luiza grew significantly above the average market growth. In this quarter, the Company accelerated its growth in same store sales from 14.4% in 2Q11 to 20.0% in 3Q11, over the same period of last year. Even after excluding Lojas Maia, the Company posted same store sales growth of 18.2% in 3Q11. Same store sales growth was also quite impressive in 9M11, at 19.8%.

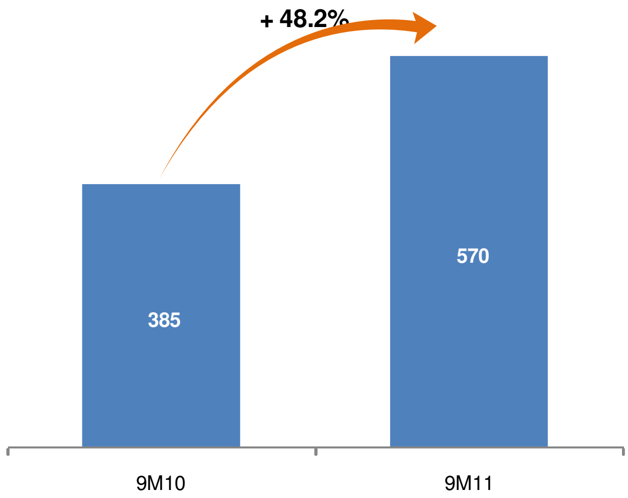
Same Store Sales Growth (%)



The increase in the product mix and the vast content of the Company's website (www.magazineluiza.com.br) contributed to the internet growth path. In 3Q11, online sales increased 48.0% to reach R$214.4 million, equivalent to 12.1% of all retail sales. In 9M11, sales totaled R$570.1 million, up 48.2% on the same period last year.

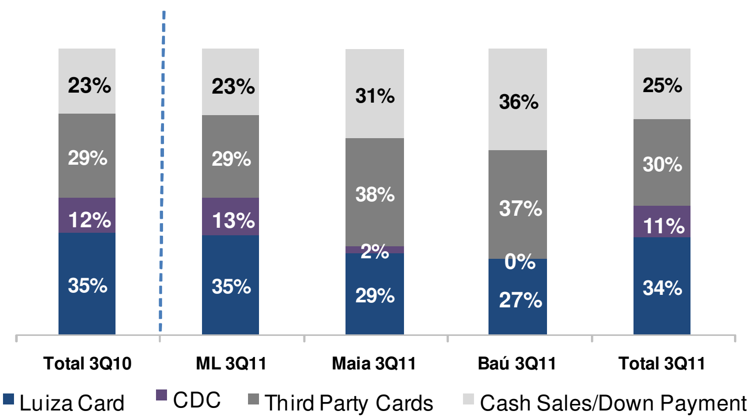
Internet Gross Revenues (R$ million)



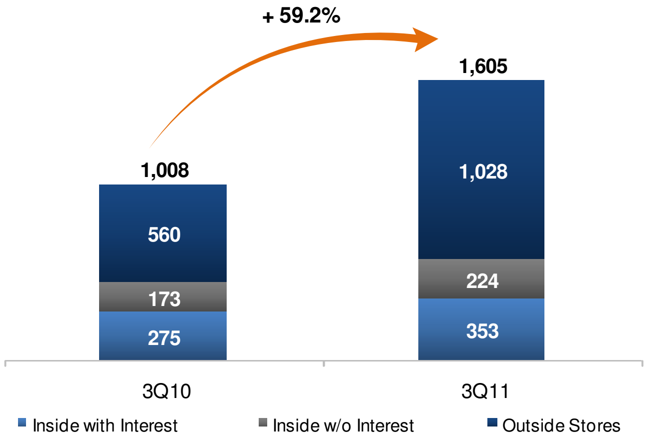


The number of credit cards issued by Luizacred increased 58.0% in the past 12 months reaching 4.2 million. In 3Q11, Cartão Luiza's sales represented 35% of all sales at Magazine Luiza stores. Including CDC (Direct Consumer Credit), which represented 13% of total sales, Luizacred financed almost half of all Magazine Luiza's sales. At Lojas Maia, Cartão Luiza's share stood at 29% in 3Q11.

Financed Sales Mix (% of total sales)



Luiza Card Revenues (R$ million)



Luizacred has entered into a number of partnerships to boost the use of Cartão Luiza outside the Company' stores, increasing its activation and revenue generation potential. In 3Q11, total spending on Cartão Luiza increased 59.2%, reaching R$1.6 billion. In the same period, purchases outside stores increased 83.5%, equivalent to 64.0% of total spending (compared to 55.5% in 3Q10). It is important to note that, the majority of Cartão Luiza sales carry interest and non-interest bearing sales represent less than 15% of the Company's total sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

The table below demonstrates the distribution of Company's gross revenue among the business lines:

(in R$ million)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Gross Revenue - Retail - Merchandise Sales	1,699.7	1,271.8	33.6%	4,809.2	3,397.4	41.6%
Gross Revenue - Retail - Services	65.7	49.5	32.7%	183.1	125.8	45.5%
Subtotal Retail	**1,765.4**	**1,321.3**	**33.6%**	**4,992.3**	**3,523.3**	**41.7%**
Gross Revenue - Consumer Finance	135.3	100.1	35.2%	368.2	287.7	28.0%
Gross Revenue - Insurance Operations	17.9	14.7	21.6%	50.3	42.3	18.8%
Gross Revenue - Consortium Management	7.2	5.3	35.6%	19.9	14.7	35.2%
Inter-Company Eliminations	(34.1)	(27.2)	25.4%	(98.6)	(72.8)	35.5%
Total Gross Revenue	**1,891.8**	**1,414.2**	**33.8%**	**5,332.1**	**3,795.3**	**40.5%**

Magazine Luiza's consolidated gross revenue increased from R$1,414.2 million in 3Q10 to R$1,891.8 million in 3Q11, up 33.8% and 8.5% higher than in 2Q11. This significant increase was mainly due to the following factors:

- 33.6% growth in the retail segment, totaling R$1,765.4 million in 3Q11, driven by 20.0% same store sales growth, organic growth (24 new stores in the last 12 months) and the acquisition of Lojas Maia;

- 58.2% growth in Lojas Maia's gross revenue, totaling R$243.6 million (considering only the post-acquisition period during which same store sales grew 41.8% from August to September); and

- 35.2% growth in revenue from the consumer financing segment, from R$100.1 million in 3Q10 to R$135.3 million in 3Q11, led by growth in revenues from services and personal loans (previously, the results of this product were recorded through profit sharing under other operating revenue).

In 9M11, consolidated gross revenue was up 40.5%, totaling R$5,332.1 million.

Tax and Deductions

(in R$ million)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Deductions - Retail – Merchandise Sales	(279.7)	(209.9)	33.3%	(814.8)	(566.3)	43.9%
Deductions - Retail - Services	(8.9)	(6.6)	35.7%	(24.5)	(16.5)	48.4%
Subtotal Retail	**(288.6)**	**(216.5)**	**33.3%**	**(839.3)**	**(582.8)**	**44.0%**
Deductions - Consumer Finance	-	-	0.0%	-	-	0.0%
Deductions - Insurance Operations	-	-	0.0%	-	-	0.0%
Deductions - Consortium Management	(0.5)	(0.4)	27.5%	(1.3)	(1.1)	26.9%
Inter-Company Eliminations	-	-	0.0%	-	-	0.0%
Total Deductions	**(289.1)**	**(216.9)**	**33.3%**	**(840.6)**	**(583.8)**	**44.0%**

Taxes and deductions on sales reached R$289.1 million in 3Q11, up 33.3% in line with gross revenue growth. In 9M11, total was R$840.6 million, up 44.0%, chiefly related to the growth in retail revenues, particularly for Lojas Maia, in which tax burden on sales is higher than for Magazine Luiza (in the Southern and Southeastern regions, the tax substitution regime, booked in COGS, is more representative).

Consolidated Net Revenue

(in R$ million)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Net Revenue - Retail - Merchandise Sales	1,420.0	1,061.9	33.7%	3,994.4	2,831.2	41.1%
Net Revenue - Retail - Services	56.8	42.9	32.2%	158.6	109.3	45.1%
Subtotal Retail	**1,476.8**	**1,104.8**	**33.7%**	**4,153.0**	**2,940.5**	**41.2%**
Net Revenue - Consumer Finance	135.3	100.1	35.2%	368.2	287.7	28.0%
Net Revenue - Insurance Operations	17.9	14.7	21.6%	50.3	42.3	18.8%
Net Revenue - Consortium Management	6.8	5.0	36.2%	18.6	13.7	35.8%
Inter-Company Eliminations	(34.1)	(27.2)	25.4%	(98.6)	(72.8)	35.5%
Total Net Revenue	**1,602.7**	**1,197.4**	**33.8%**	**4,491.5**	**3,211.5**	**39.9%**

Consolidated net revenue increased 33.8% in 3Q11, from R$1,197.4 million to R$1,602.7 million. In 9M11, consolidated net revenue figure grew 39.9%, reaching R$4,491.5 million, led by an increase in gross revenue, mainly in the retail segment.

Cost of Goods Sold, Services Rendering and Funding for Financial Operations

(in R$ million)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Costs - Retail - Merchandise Sales	(1,047.2)	(765.4)	36.8%	(2,932.7)	(2,042.8)	43.6%
Costs - Retail - Services	-	-	0.0%	-	-	0.0%
Subtotal Retail	**(1,047.2)**	**(765.4)**	**36.8%**	**(2,932.7)**	**(2,042.8)**	**43.6%**
Costs - Consumer Finance	(27.5)	(16.5)	66.0%	(72.1)	(41.8)	72.5%
Costs - Insurance Operations	(1.3)	(0.8)	55.6%	(3.6)	(2.3)	59.6%
Costs - Consortium Management	(4.3)	(2.6)	66.9%	(10.6)	(6.6)	60.8%
Inter-Company Eliminations	1.2	1.0	21.6%	3.6	2.5	45.0%
Total Costs	**(1,079.0)**	**(784.3)**	**37.6%**	**(3,015.4)**	**(2,091.0)**	**44.2%**

In 3Q11, the total cost grew 37.6% compared to the same period in 2010, reaching R$1,079.0 million. Changes in cost were mainly due to the following factors:

- The cost of goods sold in 3Q11 grew 36.8%, above net revenue from merchandise growth, mainly as a result of a greater share of products categories with lower margins and sales through the internet, in addition to sales at Lojas Maia (especially at stores undergoing remodeling for the transition of the brand name); and

- The cost of consumer financing increased 66.0% in 3Q11, due to loan portfolio growth of 51.0% and the 15.2% increase in the CDI (Certificate of Interbank Deposits) rate in the period (the CDI increased from 2.6% in 3Q10 to 3.0% in 3Q11).

It is worth mentioning that the change in Luizacred financial margin is linked to the change in the portfolio profile, given the accelerated growth of Cartão Luiza’s purchases outside the stores. These operations have lower financial margin in the beginning, but generate higher results in the medium-term.

Total costs increased from R$2,091.0 million in 9M10 to R$3,015.4 million in 9M11, up 44.2%.

Consolidated Gross Income

(in R$ million)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Gross Income - Retail - Merchandise Sales	372.8	296.5	25.7%	1,061.8	788.4	34.7%
Gross Income - Retail - Services	56.8	42.9	32.2%	158.6	109.3	45.1%
Subtotal Retail	**429.6**	**339.4**	**26.6%**	**1,220.4**	**897.7**	**35.9%**
Gross Income - Consumer Finance	107.9	83.6	29.1%	296.1	245.9	20.4%
Gross Income - Insurance Operations	16.5	13.8	19.5%	46.7	40.1	16.5%
Gross Income - Consortium Management	2.4	2.4	2.7%	7.9	7.0	12.4%
Inter-Company Eliminations	(32.8)	(26.2)	25.6%	(94.9)	(70.3)	35.1%
Total Gross Income	**523.6**	**413.1**	**26.8%**	**1,476.1**	**1,120.5**	**31.7%**

(as % of Net Revenue)	3Q11	3Q10	% Chg	9M11	9M10	% Chg
Gross Margin - Retail - Merchandise Sales	26.3%	27.9%	-1.7 pp	26.6%	27.8%	-1.3 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp	100.0%	100.0%	0.0 pp
Subtotal Retail	**29.1%**	**30.7%**	**-1.6 pp**	**29.4%**	**30.5%**	**-1.1 pp**
Gross Margin - Consumer Finance	79.7%	83.5%	-3.8 pp	80.4%	85.5%	-5.1 pp
Gross Margin - Insurance Operations	92.7%	94.3%	-1.6 pp	92.8%	94.7%	-1.8 pp
Gross Margin - Consortium Management	36.1%	47.9%	-11.8 pp	42.7%	51.6%	-8.9 pp
Inter-Company Eliminations	96.4%	96.3%	0.1 pp	96.3%	96.6%	-0.2 pp
Total Gross Margin	**32.7%**	**34.5%**	**-1.8 pp**	**32.9%**	**34.9%**	**-2.0 pp**

In 3Q11, consolidated gross income reached R$523.6 million, up 26.8% on the same period last year. This increase was driven by the following factors:

- Gross margin from the retail sector stood at 29.1% in 3Q11, a slight decrease from the 2Q11 margin of 29.5%, mainly due to the sales held by Lojas Maia (affecting gross income by nearly R$4.0 million and gross retail margin by 30 bps). Gross margin at Magazine Luiza remained stable;

- Margin from the consumer finance segment stood at 79.7% in 3Q11, slightly below 3Q10, given the migration to the new credit card platform and CDI increase;

- Gross profit from consortium business continues to be affected by the launching of Consórcio Luiza in stores in Northeastern Brazil.

Consolidated gross income in the first nine months of 2011 was R$1,476.1 million, up 31.7% in the period, a margin of 32.9%.

SG&A Expenses (Selling, General & Administrative Expenses)

Selling expenses stood at R$321.3 million in 3Q11, equivalent to 20.0% of net revenue and stable in comparison with the same period in 2010. Due to stores which will be opened in 4Q11 and the changing of brands in the Greater Recife area, the Company posted non-recurring selling expenses of nearly R$2.2 million.

General and administrative expenses increased from R$62.2 million in 3Q10 to R$88.5 million in 3Q11. This change can be mainly explained by the opening of the new office in São Paulo, between September and October of last year, as well as the maintenance of Lojas Maia main office and all non-recurring expenses originated from the integration process of both networks (Lojas Maia and Baú). Magazine Luiza posted increase in consulting expenses by about R$5.8 million.

In 9M11, selling, general and administrative expenses totaled R$1,127.6 million, decreasing from 25.5% of net revenue in 9M10 to 25.1% in 9M11.

Provision for Loan Losses

The provision for loan losses went from R$29.1 million in 3Q10 to R$68.1 million in 3Q11. It is important to emphasize that, for conservative reasons, Luizacred has reduced the credit approval rate, thus improving the indicators of overdue credits, in recent months. The total overdue portfolio decreased by 100 bps from June 2011 to September 2011.

Luizacred loss in the portfolio was 4.3% in 3Q11, in line with recurring losses in 2Q11. In 3Q10, losses in the portfolio stood at 2.7% due to the changes in the criteria for provisioning for loan losses (excluding this effect, recurring losses would have been 4.1% in 3Q10.

In 9M11, the provision for loan losses went from R$117.1 million to R$171.8 million, corresponding to 3.8% of net revenue.

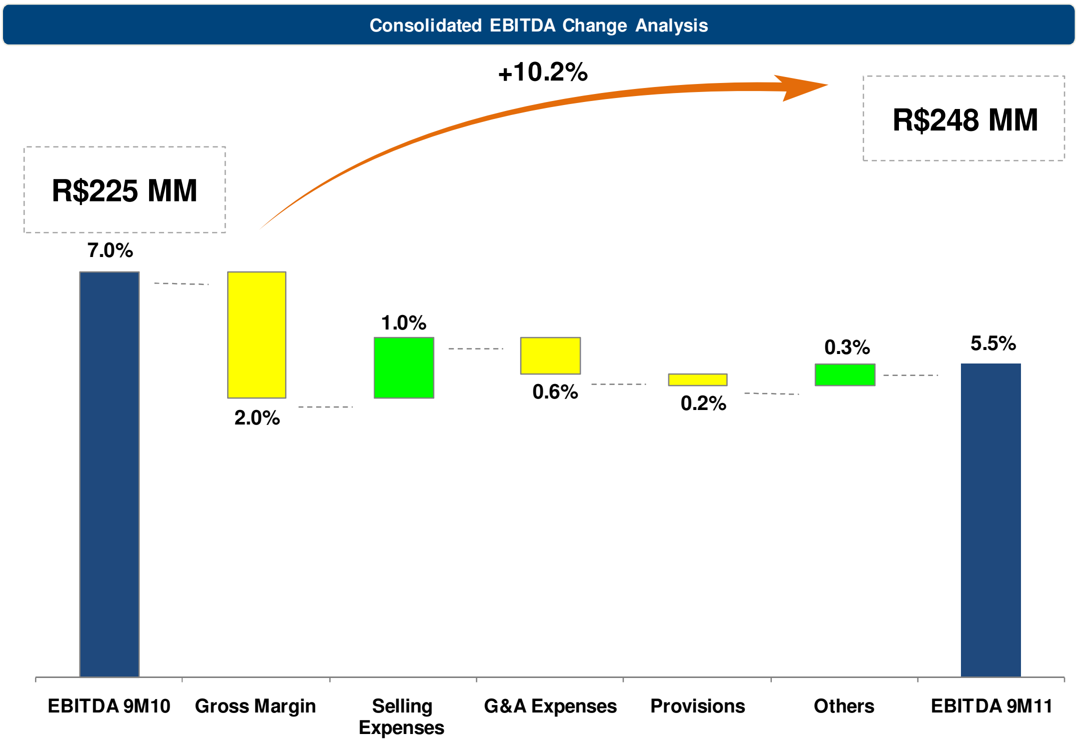
Other operating revenues (expenses)

Other net operating revenue increased from R$10.6 million in 3Q10 to R$46.4 million in 3Q11, mainly as a result of fiscal provisions benefits at Lojas Maia (R$32.6 million), net of pre-operational expenses related to the opening of Baú stores (R$11.4 million).

Consolidated EBITDA

In 3Q11, earnings before interests, taxes, depreciation and amortization (Consolidated EBITDA) stood at R$92.2 million, with margin of 5.8%. This result was due to the impressive sales growth, despite pre-operational expenses related to the opening of Baú stores, remodeling of stores in Northeastern Brazil, the inauguration of stores in this quarter and the stores to be inaugurated by the year-end.

In 9M11, EBITDA stood at R$248.1 million, with margin of 5.5%, up 10.2% over the same period in 2010.



Financial Results

CONSOLIDATED FINANCIAL RESULTS (R$ million)	3Q11	% NR	3Q10	% NR	9M11	% NR	9M10	% NR
Financial Expenses	(53.0)	-3.3%	(52.7)	-4.4%	(165.5)	-3.7%	(121.3)	-3.8%
Interest on loans and financing	(33.8)	-2.1%	(28.9)	-2.4%	(108.4)	-2.4%	(71.9)	-2.2%
Interest on prepayment of receivables – third party cards	(7.4)	-0.5%	(4.6)	-0.4%	(21.6)	-0.5%	(8.5)	-0.3%
Interest on prepayment of receivables – Luiza Card	(5.6)	-0.3%	(4.9)	-0.4%	(17.9)	-0.4%	(15.2)	-0.5%
Other expenses	(6.2)	-0.4%	(14.4)	-1.2%	(17.5)	-0.4%	(25.6)	-0.8%
Financial Revenues	15.6	1.0%	13.9	1.2%	40.1	0.9%	26.8	0.8%
Gains on marketable securities	10.4	0.7%	2.0	0.2%	26.8	0.6%	5.7	0.2%
Other financial revenues	5.1	0.3%	11.9	1.0%	13.3	0.3%	21.1	0.7%
Total Financial Results	(37.4)	-2.3%	(38.8)	-3.2%	(125.4)	-2.8%	(94.5)	-2.9%

Net financial expenses decreased from 3.2% in 3Q10 to 2.3% of net revenue in 3Q11, amounting to R$37.4 million. The decline was due to a reduction in the Company's net debt (after the IPO), despite the increased CDI rate in the period, from 2.6% in 3Q10 to 3.0% in 3Q11. For comparison purposes, net financial expenses of total revenue were 3.2% in 1Q11 and 2.9% in 2Q11.

Interest on prepayment of receivables from Cartão Luiza increased from R$4.9 million in 3Q10 to R$5.6 million in 3Q11, equal to 0.3% of consolidated net revenue. The Company seeks to minimize non-interest bearing sales on the Cartão Luiza, as well as to limit the share of third-party credit cards in total sales, always encouraging purchases using Luizacred.

Net financial expenses increased from R$94.5 million in 9M10 to R$125.4 million in 9M11.

Income Tax and Social Contribution

Income tax and social contribution were up from R$14.3 million in 3Q10 to R$20.3 million in 3Q11. The effective tax rate was 63.4%, due to the Company's decision of not accounting tax benefits on losses originated at Baú stores (New-Utd Utilidade Domésticas S.A.) and Lojas Maia. The Company plans to absorb both networks in the short term. If tax credits had been recognized, consolidated net income would have increased by approximately R$6.8 million.

Consolidated Net Income

Consolidated net income in 3Q11 totaled R$11.7 million, with a margin of 0.7% of net revenue. The figure was down R$11.4 million from 3Q10, due to increased depreciation (R$4.9 million) stemming from higher investments and the increase in income tax and social contribution on operating income (R$6.0 million).

In 9M11, consolidated net income was R$28.6 million, with a margin of 0.6% of net revenue.

Working Capital

CONSOLIDATED (R$ million)	Sep-11	Jun-11	Mar-11	Dec-10	Sep-10
Accounts receivables	1,758.3	1,630.6	1,522.2	1,524.7	1,345.4
Inventories	1,001.0	876.6	741.1	849.8	649.8
Related parties	42.0	24.2	49.2	36.0	25.7
Recoverable taxes	26.1	16.8	31.2	46.5	47.2
Other assets	70.4	68.7	59.1	63.0	68.6
Current operating assets	2,897.9	2,616.9	2,402.9	2,520.0	2,136.7
Suppliers	988.1	923.7	756.7	1,132.3	742.6
Interbank deposits	928.1	911.4	842.4	852.7	642.2
Operations with credit cards	349.1	298.8	235.8	220.2	179.9
Payroll, vacation and related charges	133.1	113.9	96.4	116.5	91.4
Taxes payable	36.2	32.5	26.2	39.4	21.7
Related parties	21.0	12.3	15.3	21.7	4.7
Taxes in installments	3.9	8.2	41.9	43.0	48.3
Technical insurance provisions	29.9	17.7	16.5	22.9	9.6
Other accounts payable[1]	62.5	57.3	73.4	68.8	133.3
Current operating liabilities	2,551.9	2,375.8	2,104.6	2,517.6	1,873.8
Working Capital	346.0	241.1	298.3	2.4	262.9

Note: The balance of accounts payable is reported net of prepaid credit card receivables in the amount of R$344.9 million in September 2011, R$318.6 million in June 2011, R$298.7 million in March 2011 and R$235.0 million in December 2010 and R$129.4 million in September 2010.
(1) Other accounts payable do not consider acquisitions liabilities.

In September 2011, net working capital was R$346.0 million, representing only 4.8% of gross revenue over the last 12 months. On the same date, the balance of prepaid receivables from third-parties credit card was R$344.9 million. Considering this balance of receivables, net working capital would be equivalent to 9.6% of the gross revenue

CAPEX

CAPEX (in R$ million)	3Q11	3Q10	9M11	9M10
New Stores	7.5	5.0	21.0	9.2
Remodeling	19.3	6.9	44.4	12.0
Technology	11.8	12.8	29.5	28.3
Others	11.5	14.0	17.7	21.1
Total	50.2	38.7	112.6	70.6

Fixed and intangible assets investments increased from R$38.7 million in 3Q10 to R$50.2 million in 3Q11. These investments include remodeling of existing stores, as well as investments in technology, logistics and new stores. In 3Q11, the Company opened 2 new stores and began investments to open an additional 13 stores in 4Q11. It is worth mentioning that the Company also disbursed R$80.3 million for the acquisition of Baú's points of sales (New-Utd Utilidades Domésticas S.A.).

Net Debt

CONSOLIDATED (R$ million)	Sep-11	Jun-11	Mar-11	Dec-10	Sep-10
(+) Current loans and financing	140.8	332.7	350.1	108.8	325.8
(+) Non-current loans and financing	617.1	516.2	595.4	666.1	507.4
(+) Financing of Acquisition	-	8.4	25.4	33.6	-
(=) Gross Debt	757.9	857.3	970.9	808.5	833.3
(-) Cash and cash equivalents	78.0	48.3	125.6	328.9	63.7
(-) Current securities	259.5	655.5	145.3	46.7	48.0
(-) Non-current securities	35.4	24.4	21.7	32.0	29.9
(=) Net Debt	385.1	129.1	678.3	401.0	691.6
Short term debt/total	19%	40%	39%	18%	39%
Long term debt/total	81%	60%	61%	82%	61%
EBITDA[1]	343.0	344.9	343.4	319.9	319.9
Net Debt/ EBITDA[1]	1.1 x	0.4 x	2.0 x	1.3 x	2.2 x

1 EBITDA of last 12 months, except Sep/10, refers to FY10.

In September 2011, Magazine Luiza had loans and financing in the amount of R$757.9 million, cash and investments of R$372.8 million, totaling a net debt of R$385.1 million, equivalent to 1.1 times EBITDA in the last 12 months. In 3Q11, the Company reduced its gross debt and invested part of its cash in the acquisition of Baú stores, opening and remodeling new stores and decreasing the interbank deposits of Luizacred.

ANNEX I

FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	3Q11	V.A.	3Q10	V.A.	% Chg	9M11	V.A.	9M10	V.A.	% Chg
Gross Revenue	1,891.8	118.0%	1,414.2	118.1%	33.8%	5,332.1	118.7%	3,795.3	118.2%	40.5%
Taxes and Deductions	(289.1)	-18.0%	(216.9)	-18.1%	33.3%	(840.6)	-18.7%	(583.8)	-18.2%	44.0%
Net Revenue	1,602.7	100.0%	1,197.4	100.0%	33.8%	4,491.5	100.0%	3,211.5	100.0%	39.9%
Total Costs	(1,079.0)	-67.3%	(784.3)	-65.5%	37.6%	(3,015.4)	-67.1%	(2,091.0)	-65.1%	44.2%
Gross Income	523.6	32.7%	413.1	34.5%	26.8%	1,476.1	32.9%	1,120.5	34.9%	31.7%
Selling expenses	(321.3)	-20.0%	(238.3)	-19.9%	34.8%	(892.8)	-19.9%	(669.7)	-20.9%	33.3%
General and administrative expenses	(88.5)	-5.5%	(62.2)	-5.2%	42.2%	(234.8)	-5.2%	(148.8)	-4.6%	57.8%
Provisions for loan losses	(68.1)	-4.2%	(29.1)	-2.4%	134.4%	(171.8)	-3.8%	(117.1)	-3.6%	46.7%
Other operating revenues, net	46.4	2.9%	10.6	0.9%	337.7%	71.3	1.6%	40.2	1.3%	77.5%
Total Operating Expenses	(431.5)	-26.9%	(319.0)	-26.6%	35.3%	(1,228.0)	-27.3%	(895.5)	-27.9%	37.1%
EBITDA	92.2	5.8%	94.0	7.9%	-2.0%	248.1	5.5%	225.0	7.0%	10.2%
Depreciation and Amortization	(22.8)	-1.4%	(17.9)	-1.5%	27.6%	(65.7)	-1.5%	(50.3)	-1.6%	30.5%
EBIT	69.4	4.3%	76.2	6.4%	-8.9%	182.4	4.1%	174.7	5.4%	4.4%
Financial Results	(37.4)	-2.3%	(38.8)	-3.2%	-3.6%	(125.5)	-2.8%	(94.5)	-2.9%	32.8%
Operating Income	32.0	2.0%	37.4	3.1%	-14.5%	56.9	1.3%	80.3	2.5%	-29.1%
Income Tax and Social Contribution	(20.3)	-1.3%	(14.3)	-1.2%	41.9%	(28.4)	-0.6%	(32.0)	-1.0%	-11.2%
Net Income	11.7	0.7%	23.1	1.9%	-49.4%	28.6	0.6%	48.3	1.5%	-40.9%

ANNEX II

FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Sep-11	Jun-11	Mar-11	Dec-10	Sep-10
CURRENT ASSETS					
Cash and cash equivalents	78.0	48.3	125.6	328.9	63.7
Securities	259.5	655.5	145.3	46.7	48.0
Accounts receivable	1,758.3	1,630.6	1,522.2	1,524.7	1,345.4
Inventories	1,001.0	876.6	741.1	849.8	649.8
Related parties	42.0	24.2	49.2	36.0	25.7
Taxes recoverable	26.1	16.8	31.2	46.5	47.2
Other assets	70.4	68.7	59.1	63.0	68.6
Total current assets	3,235.4	3,320.7	2,673.8	2,895.6	2,248.4
NON-CURRENT ASSETS					
Securities	35.4	24.4	21.7	32.0	29.9
Accounts receivable	6.3	9.3	14.1	18.7	6.7
Deferred income tax and social contribution	183.7	189.7	170.8	168.2	167.3
Recoverable taxes	29.5	32.2	11.3	10.2	9.5
Other assets	94.1	78.3	60.3	69.6	53.3
Fixed assets	406.6	372.6	359.9	358.8	339.1
Intangible assets	448.6	374.9	370.0	374.6	374.7
Total non-current assets	1,204.1	1,081.3	1,008.1	1,032.2	980.6
TOTAL ASSETS	4,439.4	4,402.0	3,682.0	3,927.8	3,228.9

LIABILITIES (R$ million)	Sep-11	Jun-11	Mar-11	Dec-10	Sep-10
CURRENT LIABILITIES					
Suppliers	988.1	923.7	756.7	1,132.3	742.6
Loans and financing	140.8	332.7	350.1	108.8	325.8
Interbank deposits	928.1	911.4	842.4	852.7	642.2
Operations with credit cards	349.1	298.8	235.8	220.2	179.9
Payroll, vacation and related charges	133.1	113.9	96.4	116.5	91.4
Taxes payable	36.2	32.5	26.2	39.4	21.7
Related parties	21.0	12.3	15.3	21.7	4.7
Taxes in installments	3.9	8.2	41.9	43.0	48.3
Deferred revenue	25.6	26.0	55.1	26.0	18.1
Dividends payable	-	-	-	-	-
Technical insurance provisions	29.9	17.7	16.5	22.9	9.6
Other accounts payable	62.5	65.7	98.9	102.4	133.3
Total current liabilities	2,718.3	2,742.9	2,535.2	2,685.9	2,217.7
NON-CURRENT LIABILITIES					
Loans and financing	617.1	516.2	595.4	666.1	507.4
Interbank deposits	-	0.3	1.2	4.0	5.5
Taxes in installments	4.0	6.1	6.2	6.3	8.4
Provision for tax, civil and labor risks	165.8	189.6	182.5	182.0	167.3
Technical insurance provisions	18.2	29.6	28.6	20.8	25.7
Deferred revenue	259.4	271.4	254.6	296.1	236.9
Deferred income tax and social contribution	11.5	12.3	13.0	13.7	13.7
Other accounts payable	5.5	5.8	5.5	5.4	4.0
Total non-current liabilities	1,081.7	1,031.3	1,087.0	1,194.4	969.0
SHAREHOLDERS' EQUITY					
Capital stock	606.5	606.5	43.0	43.0	220.0
Legal reserve	3.4	3.4	3.4	3.4	0.0
Profit retention reserve	1.0	1.0	1.0	1.0	-
Accumulated losses	28.6	16.9	12.3	-	(177.8)
Total shareholders' equity	639.5	627.8	59.7	47.4	42.3
TOTAL	4,439.4	4,402.0	3,682.0	3,927.8	3,228.9

ANNEX III

FINANCIAL STATEMENTS - RETAIL

RETAIL INCOME STATEMENT (R$ million)	3Q11	V.A.	3Q10	V.A.	% Chg	9M11	V.A.	9M10	V.A.	% Chg
Gross Revenue	1,765.4	119.5%	1,321.3	119.6%	33.6%	4,992.3	120.2%	3,523.3	119.8%	41.7%
Taxes and Deductions	(288.6)	-19.5%	(216.5)	-19.6%	33.3%	(839.3)	-20.2%	(582.8)	-19.8%	44.0%
Net Revenue	1,476.8	100.0%	1,104.8	100.0%	33.7%	4,153.0	100.0%	2,940.5	100.0%	41.2%
Total Costs	(1,047.2)	-70.9%	(765.4)	-69.3%	36.8%	(2,932.7)	-70.6%	(2,042.8)	-69.5%	43.6%
Gross Income	429.6	29.1%	339.4	30.7%	26.6%	1,220.4	29.4%	897.7	30.5%	35.9%
Selling expenses	(304.4)	-20.6%	(218.1)	-19.7%	39.6%	(844.0)	-20.3%	(605.3)	-20.6%	39.4%
General and administrative expenses	(81.2)	-5.5%	(56.4)	-5.1%	43.9%	(214.1)	-5.2%	(132.7)	-4.5%	61.4%
Provisions for loan losses	(2.7)	-0.2%	(2.6)	-0.2%	1.8%	(7.3)	-0.2%	(8.1)	-0.3%	-9.8%
Other operating revenues, net	32.5	2.2%	8.6	0.8%	277.5%	70.0	1.7%	34.7	1.2%	101.6%
Total Operating Expenses	(355.8)	-24.1%	(268.5)	-24.3%	32.5%	(995.4)	-24.0%	(711.3)	-24.2%	39.9%
EBITDA	73.8	5.0%	70.9	6.4%	4.1%	225.0	5.4%	186.4	6.3%	20.7%
Depreciation and Amortization	(22.4)	-1.5%	(17.5)	-1.6%	28.1%	(64.6)	-1.6%	(49.3)	-1.7%	31.0%
EBIT	51.4	3.5%	53.4	4.8%	-3.8%	160.4	3.9%	137.1	4.7%	17.0%
Equity in Subsidiaries	14.9	1.0%	17.9	1.6%	-17.0%	28.9	0.7%	35.0	1.2%	-17.6%
Financial Results	(45.8)	-3.1%	(45.6)	-4.1%	0.3%	(150.8)	-3.6%	(114.8)	-3.9%	31.4%
Operating Income	20.5	1.4%	25.7	2.3%	-20.3%	38.5	0.9%	57.3	2.0%	-32.9%
Income Tax and Social Contribution	(8.8)	-0.6%	(2.6)	-0.2%	241.2%	(9.9)	-0.2%	(9.0)	-0.3%	10.0%
Net Income	11.7	0.8%	23.1	2.1%	-49.4%	28.6	0.7%	48.3	1.6%	-40.9%

ANNEX IV

FINANCIAL STATEMENTS BY BUSINESS LINE – 3Q11

3Q11 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Baú 100%	Retail Pro-Forma	Cons. Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,512.8	243.6	9.1	1,765.4	135.3	17.9	7.2	(34.1)	1,891.8
Taxes and Deductions	(235.2)	(52.4)	(1.0)	(288.6)	-	-	(0.5)	-	(289.1)
Net Revenue	1,277.5	191.2	8.0	1,476.8	135.3	17.9	6.8	(34.1)	1,602.7
Total Costs	(901.3)	(139.8)	(6.2)	(1,047.2)	(27.5)	(1.3)	(4.3)	1.2	(1,079.0)
Gross Income	376.3	51.5	1.9	429.6	107.9	16.5	2.4	(32.8)	523.6
Selling expenses	(263.7)	(38.2)	(2.5)	(304.4)	(32.8)	(11.3)	-	27.3	(321.3)
General and administrative expenses	(67.3)	(11.8)	(2.1)	(81.2)	(0.7)	(2.9)	(3.7)	-	(88.5)
Provisions for loan losses	(2.7)	-	-	(2.7)	(65.4)	-	-	-	(68.1)
Other operating revenues, net	8.3	35.5	(11.4)	32.5	16.6	(0.0)	(0.3)	(2.3)	46.4
Total Operating Expenses	(325.3)	(14.5)	(16.0)	(355.8)	(82.3)	(14.3)	(4.0)	24.9	(431.5)
EBITDA	50.9	37.0	(14.1)	73.8	25.5	2.3	(1.6)	(7.9)	92.2
Depreciation and Amortization	(18.6)	(3.3)	(0.5)	(22.4)	(1.3)	(1.3)	(0.1)	2.3	(22.8)
EBIT	32.3	33.7	(14.6)	51.4	24.2	1.0	(1.7)	(5.6)	69.4
Equity in Subsidiaries	15.8	2.6	-	14.9	-	-	-	(18.4)	-
Financial Results	(38.6)	(7.4)	0.1	(45.8)	-	2.5	0.3	5.6	(37.4)
Operating Income	9.6	28.9	(14.5)	20.5	24.2	3.6	(1.4)	(18.4)	32.0
Income Tax and Social Contribution	2.1	(10.9)	-	(8.8)	(10.7)	(1.4)	0.6	-	(20.3)
Net Income	11.7	18.0	(14.5)	11.7	13.5	2.1	(0.8)	(18.4)	11.7
Gross Margin	29.5%	26.9%	23.2%	29.1%	79.7%	92.7%	36.1%	96.4%	32.7%
EBITDA Margin	4.0%	19.4%	-175.9%	5.0%	18.9%	12.9%	-23.4%	23.2%	5.8%
Net Margin	0.9%	9.4%	-180.9%	0.8%	10.0%	12.0%	-11.6%	54.0%	0.7%

ANNEX V

FINANCIAL STATEMENTS BY BUSINESS LINE – 3Q10

3Q10 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons. Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,219.5	101.8	1,321.3	100.1	14.7	5.3	(27.2)	1,414.2
Taxes and Deductions	(191.2)	(25.3)	(216.5)	-	-	(0.4)	-	(216.9)
Net Revenue	1,028.4	76.4	1,104.8	100.1	14.7	5.0	(27.2)	1,197.4
Total Costs	(712.2)	(53.2)	(765.4)	(16.5)	(0.8)	(2.6)	1.0	(784.3)
Gross Income	316.2	23.2	339.4	83.6	13.8	2.4	(26.2)	413.1
Selling expenses	(209.8)	(8.3)	(218.1)	(32.2)	(9.3)	-	21.3	(238.3)
General and administrative expenses	(46.9)	(9.5)	(56.4)	(0.8)	(2.5)	(2.6)	-	(62.2)
Provisions for loan losses	(2.6)	-	(2.6)	(26.4)	-	-	-	(29.1)
Other operating revenues, net	8.3	0.3	8.6	3.1	-	0.2	(1.3)	10.6
Total Operating Expenses	(251.1)	(17.5)	(268.5)	(56.3)	(11.8)	(2.4)	20.0	(319.0)
EBITDA	65.1	5.7	70.9	27.2	2.1	(0.0)	(6.1)	94.0
Depreciation and Amortization	(16.9)	(0.6)	(17.5)	(0.3)	(1.3)	(0.1)	1.3	(17.9)
EBIT	48.2	5.1	53.4	27.0	0.8	(0.1)	(4.9)	76.2
Equity in Subsidiaries	16.6	-	17.9	-	-	-	(16.6)	-
Financial Results	(39.2)	(6.5)	(45.6)	-	1.8	0.2	4.9	(38.8)
Operating Income	25.7	(1.3)	25.7	27.0	2.6	0.1	(16.6)	37.4
Income Tax and Social Contribution	(2.6)	-	(2.6)	(10.7)	(1.0)	(0.1)	-	(14.3)
Net Income	23.1	(1.3)	23.1	16.3	1.6	0.1	(16.6)	23.1
Gross Margin	30.7%	30.4%	30.7%	83.5%	94.3%	47.9%	96.3%	34.5%
EBITDA Margin	6.3%	7.5%	6.4%	27.2%	14.1%	-0.2%	22.6%	7.9%
Net Margin	2.2%	-1.7%	2.1%	16.3%	10.8%	1.5%	61.2%	1.9%

ANNEX VI

SALES MIX AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	9M11	V.A.(%)	9M10	V.A.(%)	Growth Total
Virtual Stores	198.3	4.0%	161.0	4.6%	23.2%
Website	570.1	11.4%	384.7	10.9%	48.2%
Subtotal – Virtual Channel	**768.5**	15.4%	**545.7**	15.5%	40.8%
Conventional Stores	4,223.8	84.6%	2,977.6	84.5%	41.9%
Magazine Luiza	3,480.5	69.7%	2,875.8	81.6%	21.0%
Lojas Maia	734.2	14.7%	101.8	2.9%	621.4%
Baú	9.1	0.2%	-	0.0%	-
Total	**4,992.3**	100.0%	**3,523.3**	100.0%	41.7%

Gross Revenue by Channel (R$ million)	3Q11	V.A.(%)	3Q10	V.A.(%)	Growth Total
Virtual Stores	69.6	3.9%	58.1	4.4%	19.8%
Website	214.4	12.1%	144.8	11.0%	48.0%
Subtotal – Virtual Channel	**284.0**	16.1%	**203.0**	15.4%	39.9%
Conventional Stores	1,481.4	83.9%	1,118.3	84.6%	32.5%
Magazine Luiza	1,228.8	69.6%	1,016.6	76.9%	20.9%
Lojas Maia	243.6	13.8%	101.8	7.7%	139.3%
Baú	9.1	0.5%	-	0.0%	-
Total	**1,765.4**	100.0%	**1,321.3**	100.0%	33.6%

Number of stores per channel – End of the period	Sep-11	V.A.(%)	Sep-10	V.A.(%)	Growth Total
Virtual Stores	69	10.1%	64	10.8%	5
Website	1	0.1%	1	0.2%	-
Subtotal – Virtual Channel	**70**	10.2%	**65**	11.0%	5
Conventional Stores	614	89.8%	526	89.0%	88
Magazine Luiza	407	59.5%	392	66.3%	15
Lojas Maia	138	20.2%	134	22.7%	4
Baú	69	10.1%	-	0.0%	69
Total	**684**	100.0%	**591**	100.0%	93
Total Sales Area (m^2)	**441,256**	100.0%	**390,934**	100.0%	12.9%

ANNEX VII

LUIZACRED

Operational Indicators

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

In September 2011, Luizacred had a total base of 4.2 million cards issued. In the last 12 months, the total base of active cards grew 58.0%, contributing to the increase of Luiza card revenue, inside and outside the Company’s stores (in 3Q11, purchases outside stores represented 64.0% of total sales, with a growth of 83.5% over 3Q10). Luizacred’s credit portfolio, including credit card and CDC (Direct Consumer Credit), added up to R$3.0 billion at the end of 3Q11.

LUIZACRED – Key Indicators (R$ million)	3Q11	3Q10	%Chg	9M11	9M10	%Chg
Total Card Base (thousand)	4,174	2,642	58.0%	4,174	2,642	58.0%
Luiza Card Sales – Inside	578	448	28.9%	1,636	1,262	29.6%
Luiza Card Sales – Outside	1,028	560	83.5%	2,665	1,443	84.6%
CDC Sales	171	139	22.8%	448	389	15.1%
Personal Loans Sales	64	98	-34.8%	315	292	7.7%
Total Sales	1,840	1,245	47.7%	5,064	3,387	49.5%
Card Portfolio	2,484	1,642	51.3%	2,484	1,642	51.3%
CDC Portfolio	389	352	10.3%	389	352	10.3%
Personal Loans Portfolio	139	0	0.0%	139	0	0.0%
Total Portfolio	3,012	1,995	51.0%	3,012	1,995	51.0%

Loan and Collection Policy

Luizacred’s credit approval is done by following the policies and criteria established by the Itaú Unibanco Modeling and Credit Policy area. The policies are defined based on proprietary statistic models, using as decision criteria the Risk Adjusted Return on Capital (RAROC) model. For conservative reasons, Luizacred reduced the credit approval rate by 300 bps in 3Q11 compared to 1H11.

Results from Financial Intermediation

Results from financial intermediation in the quarter increased by 33.6% over 3Q10, driven by personal loans, which are now recorded as result from financial intermediation (previously, the results of this product were recognized under other operating revenue, via profit sharing).

Note that the migration of Itaú Unibanco’s card platform was completed in 3Q11. As a result of this migration, new practices were adopted at Luizacred, leading to more conservative revenue recognition. For comparison purposes, under previous practices, Luizacred’s consumer financing revenue would have been R$23.4 million higher in 3Q11.

The cost of financial operations increased 66.6% as a result of 51.0% growth of loan portfolio between September 2010 and September 2011 and 15.2% increase in the CDI rate in the period (from 2.6% in 3Q10 to 3.0% in 3Q11).

It is worth mentioning that the change in Luizacred financial margin is linked to the change in the portfolio profile, given the accelerated growth of Cartão Luiza's purchases outside stores. These operations have lower financial margin in the beginning, but generate higher results in the medium-term.

Provision for Loan Losses

The aging indicators of Luizacred's portfolio improved in the quarter compared to 2Q11. The overdue portfolio represented 23.3% of the total portfolio in September 2011, down 100 bps, from 24.3% in June 2011, mainly to the overdue portfolio between 15 and 90 days, as a result of conservative approval rates.

Loss in the portfolio was 4.3% in 3Q11, in line with recurring losses in 2Q11. In 3Q10, losses in the portfolio stood at 2.7% due to the changes in the criteria for provisioning for loan losses (excluding this effect, recurring losses would have been 4.1% in 3Q10.

Finally, balance for loan losses provision increased from R$372.9 million (14.0% of total portfolio) in June 2011 to R$455.7 million (15.1% of total portfolio) in September 2011, remaining R$47.8 million higher the Brazilian Central Bank' requirements in accordance with Law 2682.

PORTFOLIO (R$ million)		Sep-11		Jun-11		Mar-11		Dec/10		Sep-10	
Total Portfolio		3,011.7	100.0%	2,668.3	100.0%	2,424.2	100.0%	2,359.7	100.0%	1,994.9	100.0%
000 to 014 days	A	2,309.5	76.7%	2,020.5	75.7%	1,771.8	73.1%	1,825.4	77.4%	1,554.3	77.9%
015 to 030 days	B	80.5	2.7%	119.6	4.5%	128.1	5.3%	130.8	5.5%	88.2	4.4%
031 to 060 days	C	71.6	2.4%	75.4	2.8%	76.6	3.2%	87.2	3.7%	51.2	2.6%
061 to 090 days	D	73.8	2.4%	65.3	2.4%	72.4	3.0%	44.5	1.9%	38.9	2.0%
091 to 120 days	E	67.8	2.3%	55.3	2.1%	83.2	3.4%	36.9	1.6%	35.3	1.8%
121 to 150 days	F	53.6	1.8%	51.8	1.9%	63.3	2.6%	31.8	1.3%	32.2	1.6%
151 to 180 days	G	53.6	1.8%	64.6	2.4%	44.8	1.8%	29.3	1.2%	30.8	1.5%
180 to 360 days	H	301.3	10.0%	215.9	8.1%	184.0	7.6%	173.7	7.4%	163.9	8.2%
Overdue up to 90 days		225.9	7.5%	260.2	9.8%	277.1	11.4%	262.6	11.1%	178.3	8.9%
Overdue above 90 days		476.3	15.8%	387.6	14.5%	375.3	15.5%	271.7	11.5%	262.3	13.1%
Total Overdue		702.2	23.3%	647.8	24.3%	652.4	26.9%	534.3	22.6%	440.6	22.1%

Other Operating Revenue (Expenses)

Revenue from services rendered increased 44.0% in 3Q11 over 3Q10, driven by the increase in revenue from tariffs, commissions from the use of Cartão Luiza outside the stores and the sale of insurance. Furthermore, the increase in other net operating revenue is related to R$42.9 million in revenues from Luizacred marketing selling structure to boost Itaucard brand.

Income Statement

LUIZACRED – Income (R$ million)	3Q11	V.A.	3Q10	V.A.	% Chg.	9M11	V.A.	9M10	V.A.	% Chg.
Financial Intermediation Revenue	225.5	100.0%	168.8	100.0%	33.6%	611.1	100.0%	488.0	100.0%	25.2%
Cards	147.2	65.3%	116.7	69.1%	26.1%	429.2	70.2%	339.1	69.5%	26.5%
CDC	51.4	22.8%	52.1	30.9%	-1.4%	155.0	25.4%	148.9	30.5%	4.1%
Personal Loans	26.9	11.9%	-	0.0%	0.0%	26.9	4.4%	-	0.0%	0.0%
Financial Intermediation Expenses	(185.8)	-82.4%	(85.9)	-50.9%	116.2%	(473.1)	-77.4%	(301.6)	-61.8%	56.9%
Market Funding Operations	(54.9)	-24.4%	(33.1)	-19.6%	66.0%	(144.2)	-23.6%	(83.6)	-17.1%	72.5%
Provision for Loan Losses	(130.9)	-58.0%	(52.9)	-31.3%	147.6%	(328.9)	-53.8%	(218.0)	-44.7%	50.9%
Gross Financial Intermediation Income	39.7	17.6%	82.8	49.1%	-52.1%	137.9	22.6%	186.4	38.2%	-26.0%
Other Operating Revenues (Expenses)	8.8	3.9%	(28.9)	-17.1%	-130.3%	(58.3)	-9.5%	(87.0)	-17.8%	-33.0%
Service Revenue	45.2	20.0%	31.4	18.6%	44.0%	125.3	20.5%	87.5	17.9%	43.3%
Personnel Expenses	(1.4)	-0.6%	(1.6)	-0.9%	-9.3%	(5.4)	-0.9%	(4.2)	-0.9%	27.5%
Other Administrative Expenses	(51.8)	-23.0%	(53.1)	-31.4%	-2.4%	(149.7)	-24.5%	(154.3)	-31.6%	-3.0%
Depreciation and Amortization	(2.7)	-1.2%	(0.6)	-0.3%	376.6%	(8.0)	-1.3%	(1.7)	-0.3%	382.6%
Tax Expenses	(13.8)	-6.1%	(11.3)	-6.7%	22.7%	(37.6)	-6.2%	(31.6)	-6.5%	19.1%
Other Operating Revenues (Expenses)	33.2	14.7%	6.1	3.6%	442.8%	17.1	2.8%	17.3	3.5%	-1.2%
Other Operating Revenues	71.0	31.5%	28.6	16.9%	148.4%	142.0	23.2%	55.3	11.3%	156.6%
Other Operating Expenses	(37.8)	-16.8%	(22.5)	-13.3%	68.2%	(124.9)	-20.4%	(38.1)	-7.8%	228.1%
Income Before Tax	48.4	21.5%	53.9	31.9%	-10.2%	79.6	13.0%	99.4	20.4%	-19.9%
Income Tax and Social Contribution	(21.3)	-9.5%	(21.3)	-12.6%	0.0%	(30.9)	-5.1%	(39.3)	-8.0%	-21.3%
Net Income	27.1	12.0%	32.6	19.3%	-16.8%	48.7	8.0%	60.1	12.3%	-18.9%

Basel

According to the accounting practices established by the Brazilian Central Bank, Luizacred's shareholders' equity in September 2011 stood at R$338.1 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$312.3 million. In September 2011, Luizacred's Capital Adequacy Ratio was 13.0% compared to the 11.0% minimum required by the Brazilian Central Bank.

CONFERENCE CALL DETAILS

Conference Call in Portuguese with simultaneous translation to English

November 11, 2011 (Friday)
11:00 AM – US EST
2:00 PM – Brasília Time

Calling from US or other Countries:
Phone: + 1 516-3001066
Access Code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3145

Calling from Brazil:
Phone: + 55 11 3127-4971
Access Code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3144

Replay (available for 7 days):
Phone: +55 11 3127-4999
Access Codes:
Portuguese version:49474287
Para versão em Inglês: 88463063

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About Magazine Luiza

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

EBITDA

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

Disclaimer

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