Magazine Luiza S.A.
2nd Quarter 2013 Earnings Release

São Paulo, August 6, 2013 - Magazine Luiza S.A. (BM&FBOVESPA: MGLU3), one of the largest retail chains focused on durable goods, actively engaged in serving Brazil's low income segment, announces today its results for the second quarter of 2013 (2Q13). The Company's accounting information is based on consolidated numbers, in millions of reais (except when indicated otherwise), in accordance with International Financial Reporting Standards (IFRS).

2Q13 HIGHLIGHTS

The Company generated a consolidated net income of R$54.7 million in 2Q13, representing a marked improvement on recent quarters. The second quarter was marked by an expansion in consolidated gross revenue, same-store sales growth, higher gross margin in the Northeast and yet another solid quarter for Luizacred.

- **Consolidated gross revenue increased 11.2% to R$2.2 billion in 2Q13:** Same-store sales increased 9.3%, driven by bricks-and-mortar stores, despite the high base of comparison on the quarter (SSS growth of 13.0% in 2Q12) and nationwide protests in June.

- **Increase in Northeast stores gross margin:** Consolidated gross margin grew 0.2 percentage points over 2Q12, representing 29.0% of net revenue in 2Q13, reflecting higher margin in Northeast stores, owing to the full integration of the operations and maintenance of gross margin in other regions.

- **Significant improvement in Luizacred's profitability:** EBITDA margin grew to 10.2% in 2Q13 (3.1% in 2Q12) and net margin grew to 5.6% in 2Q13 (1.2% in 2Q12).

- **Asset sale:** The Company concluded the sale of a 76.7% interest in a distribution center located in Louveira (SP) to the FII Kinea Fund for R$205.5 million, which resulted in a net operating gain from other non-recurring expenses of R$65.3 million for the quarter, classified under other operating revenue. The objective of the transaction was to capitalize the core business and reduce the number of properties owned, generating higher returns for shareholders and reaffirming the Company's focus on sustainable growth.

- **Consolidated EBITDA totaled R$160.1 million, with a margin of 8.7%:** Excluding the gain mentioned above, consolidated adjusted EBITDA amounted to R$94.8 million with adjusted EBITDA margin of 5.1%. This was positively impacted by an increase in gross margin and equity income. The operating result reflects continued improvement in profitability, which is expected in 2013 following the integration of retail chains Maia and Baú.

- **Consolidated net income totaled R$54.7 million with net margin of 3.0%:** Excluding non-recurring results from income tax and social contribution effects, adjusted consolidated net income totaled R$11.5 million (net margin of 0.6%), representing a significant improvement compared with the net income of R$0.8 million reported in 1Q13.

In compliance with CPC 19 and IFRS 11, in 1Q13 the Company began presenting its position in joint ventures (Luizacred and Luizaseg) by treating it as equity income rather than a proportional consolidation of assets, liabilities, revenues and expenses. The effect of the changes to the accounting practices are explained in Note 2.2 in the Quarterly Information. The consolidated results correspond to the retail and consortium segments. To guarantee transparency and breakdown of information, the Company maintained the financial statements by segment in the Annexes.

Consolidated Key Indicators

R$ million (except when otherwise indicated)	2Q13	2Q12	% Chg	1H13	1H12	% Chg
Gross Revenue	2,192.4	1,971.7	11.2%	4,323.7	3,963.8	9.1%
Net Revenue	1,843.7	1,652.7	11.6%	3,609.3	3,318.5	8.8%
Gross Income	534.9	476.9	12.2%	1,033.1	939.5	10.0%
Gross Margin	29.0%	28.9%	0.2 pp	28.6%	28.3%	0.3 pp
EBITDA	160.1	80.5	98.8%	222.8	103.3	115.7%
EBITDA Margin	8.7%	4.9%	3.8 pp	6.2%	3.1%	3.1 pp
Adjusted EBITDA	94.8	82.6	14.7%	157.5	138.9	13.4%
Adjusted EBITDA Margin	5.1%	5.0%	0.1 pp	4.4%	4.2%	0.2 pp
Net Income	54.7	21.9	149.4%	55.5	(18.8)	-394.9%
Net Margin	3.0%	1.3%	1.6 pp	1.5%	-0.6%	2.1 pp
Adjusted Net Income	11.5	9.5	21.4%	12.4	(0.8)	-1621.1%
Adjusted Net Income Margin	0.6%	0.6%	0.1 pp	0.3%	0.0%	0.4 pp
Same Store Sales Growth	9.3%	13.0%	-	7.2%	14.4%	-
Same Physical Store Sales Growth	8.6%	9.0%	-	5.7%	10.8%	-
Internet Sales Growth	13.3%	45.0%	-	17.1%	43.9%	-
Number of Stores - End of Period	733	731	0.3%	733	731	0.3%
Sales Area - End of Period (M2)	464,379	457,394	1.5%	464,379	457,394	1.5%

MANAGEMENT COMMENTS

Magazine Luiza reported net income of R$54.7 million in 2Q13, representing growth of 149.4% in relation to 2Q12. The solid result reflects the sale of the 76.7% interest in the distribution center located in Louveira (SP), as well as Management focus on the gradual and continuous improvement in profitability in 2013 in the retail and consumer finance segments.

Although the Company achieved satisfactory sales growth, the economic environment was more challenging, including the social protests in June. Additionally, the high comparison base effect impacted our sales performance, especially in the e-commerce (+45.0% in 2Q12). The growth recorded by this channel (13.3% in 2Q13) stood below our initial expectations, though we were able to maintain its profitability.

The lower contribution from e-commerce in our total sales, combined with our greater marketing efforts, hampered our ability to obtain a better dilution of costs and expenses in the period. Nevertheless, we managed to reduce our selling, general and administrative expenses by 0.7 percentage points compared to 1Q13. We believe there are still many opportunities to be implemented in 2H13, which will help reduce expenses.

We recorded non-recurring expenses of R$15.8 million related to the acquisition of Lojas Maia, representing mainly provisions and write-offs from the merger, with no cash effect.

Magazine Luiza continues to invest in its expansion and remains committed to improving the profitability of its business and creating value for its shareholders.

EXPECTATIONS FOR UPCOMING QUARTERS IN 2013

- **Sales growth in 2013**: Maintenance of the growth expectations for 2013.

- ***Minha Casa Melhor* (My Better Home) Program:** The federal government program will enable several low-income families who are currently out of the consumer durables market to obtain credit for the first time. With subsidized interest rates (0.4% p.m.) and extended payment terms (up to 48 months), My Better Home program was created to complement a gap not fulfilled by banks and financial institutions by offering better credit conditions and providing access to essential products for low-income consumer homes. The government expects to benefit 3.7 million families, who represent up to R$18.7 billion in sales to accredited chains. Benefitted by its focus on the low-income groups, its geographical positioning and a product mix with a high share of home appliances and furniture, Magazine Luiza participate since the beginning of the Program, as it believes this is an excellent opportunity to leverage its sales in the coming quarters.

- **Maintenance of the gross margin in 2013**: Gross margin increased across Northeast stores and remained stable in other regions.

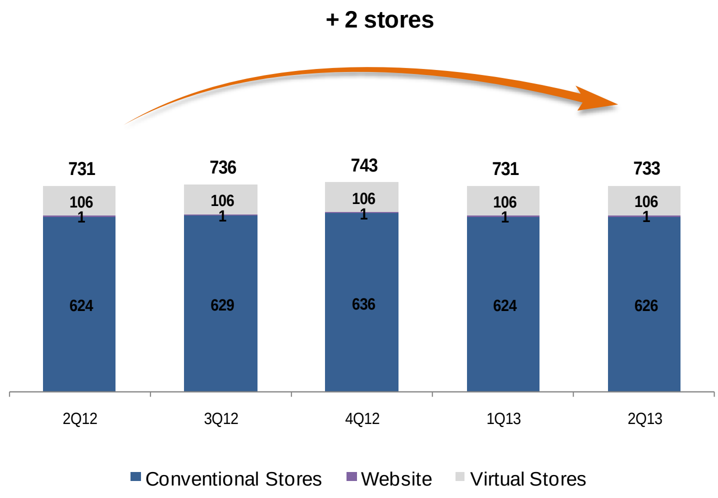
- **Streamlining of costs and expenses:** i) Gains from the streamlining of costs and expenses will be more significant in the last quarter of 2013, a period to execute a large part of the new budget processes (ZBB - Zero Based Budgeting) and initiatives implemented throughout the year, including the increase in productivity and reduced logistics costs with the multichannel delivery project, in which all DCs (distribution centers) will be integrated with e-commerce; ii) the Company will also benefit from a dilution in operating expenses through the maturation of stores, including the Baú and Maia stores acquired.

OPERATING PERFORMANCE

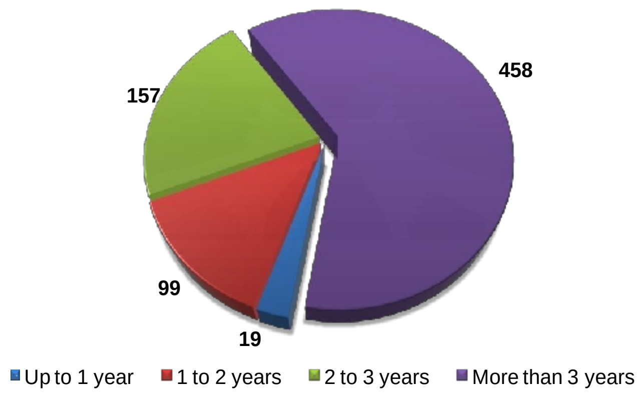
Magazine Luiza ended June 2013 with 733 stores, of which 626 were conventional, 106 virtual multimedia branches and the website. In 2Q13, the Company inaugurated three conventional stores (Joinville – SC, Pouso Alegre – MG and Londrina – PR) and closed one store in São Paulo – SP.

Note that, of Magazine Luiza's 733 stores, 275 (37.5%) are less than three years old and are in the process of maturation.

Number of Stores

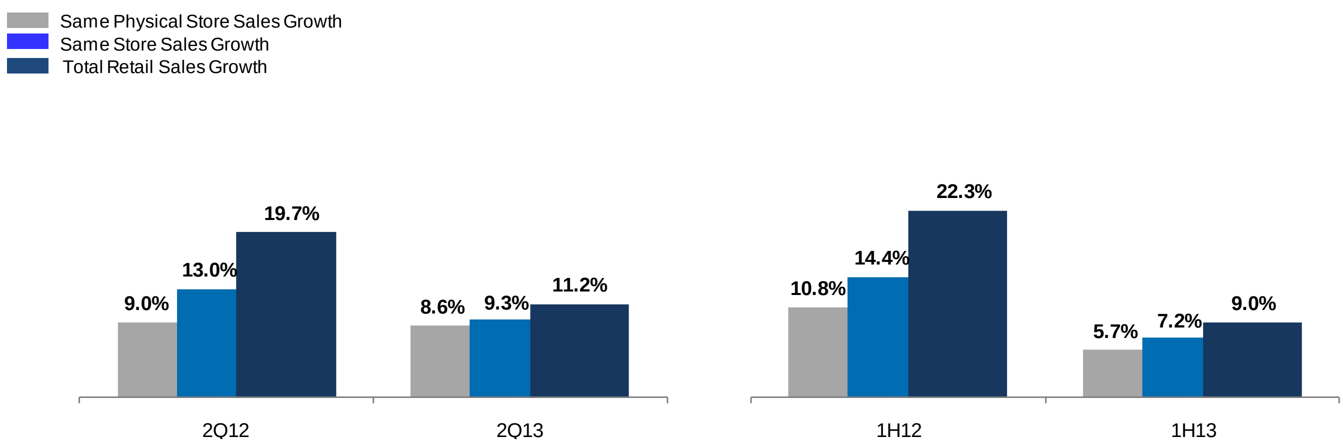


Average Age of Stores (number of stores)



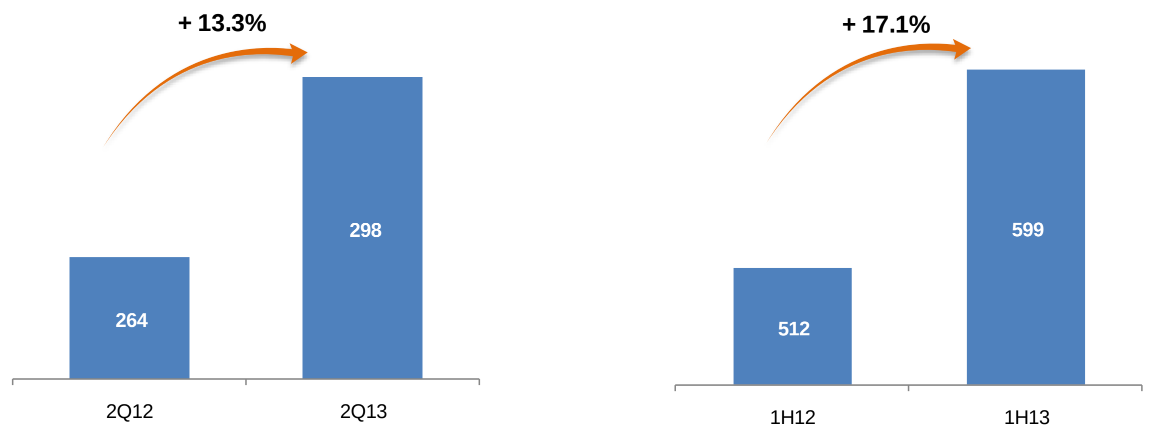
In same-store terms, Magazine Luiza grew 9.3% and 7.2% in 2Q13 and 1H13 over the same periods last year, respectively.

Same Store Sales Growth (%)



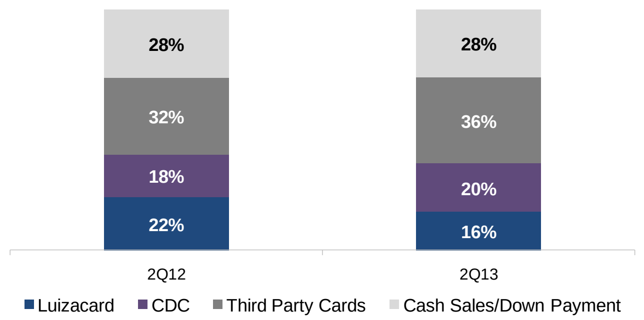
Internet sales (www.magazineluiza.com.br) climbed 13.3% in 2Q13 over a high base of comparison in2Q12 (45.0%), totaling gross revenue of R$298.4 million and representing 13.7% of total retail sales. In 1H13, sales came to R$599.3 million, up 17.1% on 1H12.

Internet Gross Revenues (R$ million)

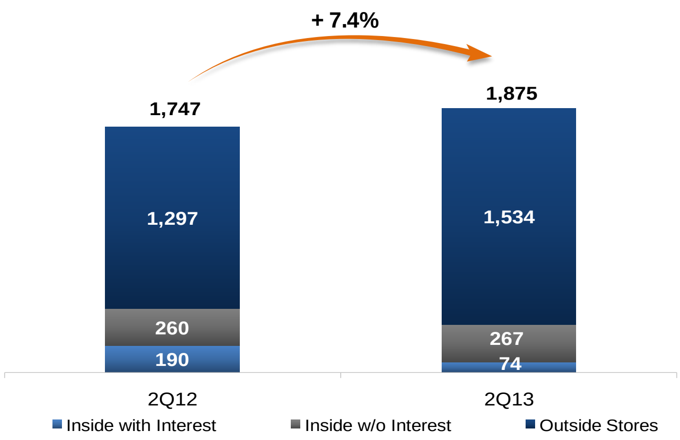


Over the past 12 months, Luizacred's credit card base decreased from 4.2 million in 2Q12 to 3.6 million in 2Q13. In 2Q13, total spending on Luiza Cards accounted for 16% of total retail sales, lower than the same period last year, thanks to an increase in Direct Consumer Credit (CDC) and a conservative approach to approving credit.

Financed Sales Mix (% of total sales)



Revenues Luiza Card (R$ million)



In 2Q13, total spending on Luiza Cards increased 7.4% to R$1.9 billion. In the same period, the use of Luiza cards outside the Company's stores increased 18.3%, representing 81.8% of total spending (compared to 74.2% in 2Q12).

Note that the Company is maintaining its policy of encouraging interest-bearing sales and limiting interest-free sales in Luiza Cards to 15% of total sales. In 1H13, the share of interest-free sales fell to 12% of total sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

(in R$ million)	2Q13	2Q12	% Chg	1H13	1H12	% Chg
Gross Revenue - Retail - Merchandise Sales	2,096.9	1,887.3	11.1%	4,136.0	3,801.2	8.8%
Gross Revenue - Retail - Services	87.7	77.8	12.7%	172.3	149.6	15.2%
Subtotal Retail	**2,184.6**	**1,965.1**	**11.2%**	**4,308.2**	**3,950.8**	**9.0%**
Gross Revenue - Consortium Management	9.6	7.9	20.9%	18.9	15.7	20.3%
Inter-Company Eliminations	(1.7)	(1.4)	25.7%	(3.4)	(2.7)	26.9%
Total Gross Revenue	**2,192.4**	**1,971.7**	**11.2%**	**4,323.7**	**3,963.8**	**9.1%**

Magazine Luiza's consolidated gross revenue increased 11.2%, to R$2,192.4 million in 2Q13 from R$1,971.7 million in 2Q12, primarily reflecting an improvement in the retail segment influenced by 9.3% growth in same-store sales. Bear in mind that this growth was obtained despite a high base of comparison (SSS growth of 13.0% in 2Q12).

In 1H13, consolidated gross revenue climbed 9.1% to R$4,323.7 million.

Consolidated Net Revenue

(in R$ million)	2Q13	2Q12	% Chg	1H13	1H12	% Chg
Net Revenue - Retail - Merchandise Sales	1,759.9	1,578.8	11.5%	3,444.7	3,176.4	8.4%
Net Revenue - Retail - Services	76.7	67.9	12.9%	150.8	130.5	15.6%
Subtotal Retail	**1,836.7**	**1,646.8**	**11.5%**	**3,595.5**	**3,306.9**	**8.7%**
Net Revenue - Consortium Management	8.8	7.2	21.3%	17.2	14.3	20.3%
Inter-Company Eliminations	(1.7)	(1.4)	25.7%	(3.4)	(2.7)	26.9%
Total Net Revenue	**1,843.7**	**1,652.7**	**11.6%**	**3,609.3**	**3,318.5**	**8.8%**

Magazine Luiza's consolidated net revenue climbed 11.6% to R$1,843.7 million in 2Q13, from R$1,652.7 million in 2Q12, accompanying an increase in gross revenue.

In 1H13, consolidated net revenue grew 8.8%, totaling R$3,609.3 million.

Consolidated Gross Profit

(in R$ million)	2Q13	2Q12	% Chg	1H13	1H12	% Chg
Gross Income - Retail - Merchandise Sales	452.7	404.3	12.0%	871.7	800.1	8.9%
Gross Income - Retail - Services	76.7	67.9	12.9%	150.8	130.5	15.6%
Subtotal Retail	**529.5**	**472.2**	**12.1%**	**1,022.5**	**930.6**	**9.9%**
Gross Income - Consortium Management	5.4	4.7	16.3%	10.6	8.9	18.6%
Inter-Company Eliminations	-	-	0.0%	-	-	0.0%
Total Gross Income	**534.9**	**476.9**	**12.2%**	**1,033.1**	**939.5**	**10.0%**

(as % of Net Revenue)	2Q13	2Q12	% Chg	1H13	1H12	% Chg
Gross Margin - Retail - Merchandise Sales	25.7%	25.6%	0.1 pp	25.3%	25.2%	0.1 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp	100.0%	100.0%	0.0 pp
Subtotal Retail	**28.8%**	**28.7%**	**0.2 pp**	**28.4%**	**28.1%**	**0.3 pp**
Gross Margin - Consortium Management	61.6%	64.2%	-2.7 pp	61.3%	62.2%	-0.9 pp
Inter-Company Eliminations	0.0%	0.0%	0.0 pp	0.0%	0.0%	0.0 pp
Total Gross Margin	**29.0%**	**28.9%**	**0.2 pp**	**28.6%**	**28.3%**	**0.3 pp**

Consolidated gross profit totaled R$534.9 million in 2Q13 with gross margin if 29.0%, 0.2 percentage points higher than 2Q12. Gross margin from the merchandise sales was influenced by the higher share of Internet sales, but it also reflects an improvement in Northeast stores gross margin, owing to the complete integration of operations and maintenance of margin in other regions.

In 1H13, consolidated gross profit totaled R$1,033.1 million with gross margin of 28.6%, an upturn of 0.3 percentage points over the same period last year.

Operating Expenses

(in R$ million)	2Q13	% NR	2Q12	% NR	% Chg	1H13	% NR	1H12	% NR	% Chg
Selling expenses	(363.9)	-19.7%	(327.2)	-19.8%	11.2%	(718.9)	-19.9%	(660.5)	-19.9%	8.8%
General and administrative expenses	(92.0)	-5.0%	(82.1)	-5.0%	12.1%	(186.0)	-5.2%	(172.0)	-5.2%	8.2%
Provisions for loan losses	(5.1)	-0.3%	(7.3)	-0.4%	-29.9%	(10.0)	-0.3%	(11.4)	-0.3%	-12.4%
Other operating revenues, net	73.4	4.0%	15.8	1.0%	364.2%	81.8	2.3%	9.0	0.3%	811.4%
Total Operating Expenses	**(387.6)**	**-21.0%**	**(400.8)**	**-24.3%**	**-3.3%**	**(833.1)**	**-23.1%**	**(834.9)**	**-25.2%**	**-0.2%**

Selling Expenses

Selling expenses totaled R$363.9 million in 2Q13, representing 19.7% of net revenue and accompanying an increase in revenue. Selling expenses continued to decline compared with recent quarters in line with the Company's expectations of gradual improvement, reflecting the continued focus on the streamlining of expenses and maturation of new stores and the Baú and Maia acquisitions. However, the Company's efforts to ensure sales growth prevented a greater dilution of expenses in 2Q13.

In 1H13, selling expenses totaled R$718.9 million, representing 19.9% of net revenue.

General and Administrative Expenses

General and administrative expenses totaled R$92.0 million in 2Q13, or 5.0% of net revenue in line with 2Q12.

In 1H13, general and administrative expenses came to R$186.0 million, equivalent to 5.2% of net revenue.

Provisions for Loan Losses

Provisions for loan losses fell to R$5.1 million in 2Q13 from R$7.3 million in 2Q12, corresponding to 0.3% of net revenue, and flat to 2Q12. Note these provisions refer only to Magazine Luiza, as most of the provisions for loan losses are recorded by Luizacred (explained in Annex 1).

In 1H13, provisions for loan losses amounted to R$10.0 million, representing 0.3% of net revenue.

Other Operating Revenues (Expenses)

(in R$ million)	2Q13	% NR	2Q12	% NR	% Chg	1H13	% NR	1H12	% NR	% Chg
Gain on sale of assets	126.4	6.9%	(0.3)	0.0%	-	126.3	3.5%	(0.5)	0.0%	-
Deferred revenue recorded	8.3	0.4%	18.0	1.1%	-54.2%	16.8	0.5%	25.5	0.8%	-34.1%
Provisions for tax liabilities	(45.3)	-2.5%	1.1	0.1%	-4143.3%	(43.9)	-1.2%	(0.5)	0.0%	9649.3%
Non-recurring expenses	(15.8)	-0.9%	(3.3)	-0.2%	382.9%	(17.2)	-0.5%	(16.3)	-0.5%	5.5%
Other	(0.2)	0.0%	0.2	0.0%	-185.9%	(0.2)	0.0%	0.8	0.0%	-128.4%
Total	**73.4**	**4.0%**	**15.8**	**1.0%**	**364.2%**	**81.8**	**2.3%**	**9.0**	**0.3%**	**811.4%**

Other net operating revenues (expenses) improved to R$73.4 million revenue in 2Q13 from a revenue of R$15.8 million in 2Q12, mainly owing to: i) the gain from the sale of the 76.7% interest held by the Company in the distribution center in Louveira (SP) in the amount of R$126.4 million; ii) an increase in provisions for ICMS, PIS and COFINS tax liabilities, revised to probable losses in the amount of R$45.3 million; and iii) other non-recurring expenses mainly related to provisions and write-offs from the process of accounting incorporation of Lojas Maia in the amount of R$15.8 million.

In 1H13, other net operating revenue totaled R$81.8 million, representing 2.3% of net revenue.

Equity in Subsidiaries

Equity in subsidiaries climbed to a profit of R$12.8 million in 2Q13 from a profit of R$4.4 million in 2Q12, equivalent to 0.7% of net revenue, led by the improvement in Luizacred's net result (as explained in Annex I).

EBITDA

(in R$ million)	2Q13	% NR	2Q12	% NR	% Chg	1H13	% NR	1H12	% NR	% Chg
EBITDA	**160.1**	**8.7%**	**80.5**	**4.9%**	**98.8%**	**222.8**	**6.2%**	**103.3**	**3.1%**	**115.7%**
Extraordinary costs	-	0.0%	7.5	0.5%	-100.0%	-	0.0%	15.0	0.5%	-100.0%
Extraordinary revenue	(126.4)	-6.9%	-	0.0%	0.0%	(126.4)	-3.5%	-	0.0%	0.0%
Extraordinary expenses	61.1	3.3%	3.3	0.2%	1762.7%	61.1	1.7%	29.3	0.9%	108.8%
Deferred revenue adjustment	-	0.0%	(8.8)	-0.5%	-100.0%	-	0.0%	(8.8)	-0.3%	-100.0%
Adjusted EBITDA	**94.8**	**5.1%**	**82.6**	**5.0%**	**14.7%**	**157.5**	**4.4%**	**138.9**	**4.2%**	**13.4%**

In 2Q13, earnings before interest, taxes, depreciation and amortization (consolidated EBITDA) reached R$160.1 million, accompanied by margin of 8.7%. Excluding non-recurring effects, consolidated adjusted EBITDA amounted to R$94.8 million, with a margin of 5.1%. The main factors that positively impacted adjusted EBITDA were higher gross margin and an increase in equity income owing to an improvement in Luizacred's net result.

In 1H13, EBTIDA totaled R$222.8 million with a margin of 6.2%. Excluding non-recurring effects, adjusted EBITDA totaled R$157.5 million with a margin of 4.4%.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (in R$ million)	2Q13	% NR	2Q12	% NR	1H13	% NR	1H12	% NR
Financial Expenses	(74.1)	-4.0%	(64.7)	-3.9%	(133.4)	-3.7%	(128.0)	-3.9%
Interest on loans and financing	(32.4)	-1.8%	(29.3)	-1.8%	(58.3)	-1.6%	(60.1)	-1.8%
Interest on prepayment of receivables – third party cards	(17.5)	-0.9%	(16.5)	-1.0%	(33.2)	-0.9%	(27.4)	-0.8%
Interest on prepayment of receivables – Luiza Card	(11.5)	-0.6%	(12.1)	-0.7%	(21.6)	-0.6%	(24.6)	-0.7%
Other expenses	(12.8)	-0.7%	(6.8)	-0.4%	(20.3)	-0.6%	(15.9)	-0.5%
Financial Revenues	14.6	0.8%	7.7	0.5%	28.6	0.8%	22.2	0.7%
Gains on marketable securities	1.1	0.1%	0.8	0.1%	1.5	0.0%	2.2	0.1%
Other financial revenues	13.6	0.7%	6.8	0.4%	27.2	0.8%	20.0	0.6%
Total Financial Results	(59.5)	-3.2%	(57.1)	-3.5%	(104.8)	-2.9%	(105.8)	-3.2%
Income from cash and cash equivalentes[1]	6.5	0.4%	3.7	0.2%	8.7	0.2%	4.8	0.1%
Adjusted Financial Results	(53.0)	-2.9%	(53.4)	-3.2%	(96.1)	-2.7%	(101.0)	-3.0%

Note(1): revenue from the exclusive fund, which is booked as financial income under Parent Company and as gross revenue under Consolidated results, as presented in the Notes.

Adjusted net financial expenses (including income from the exclusive fund) totaled R$53.0 million in 2Q13, declining from 3.2% of net revenue in 2Q12 to 2.9% in 2Q13. The financial result was mainly influenced by a reduction in the CDI rate, lower working capital requirements and an increase in investments funds income.

In 1H13, adjusted net financial expenses amounted to R$96.1 million, reducing from 3.0% to 2.7% of net revenue in the period.

Consolidated Net Income

The 2Q13 net result was positive by R$54.7 million, with a net margin of 3.0%, influenced by higher gross margin, an improvement in Luizacred's net result and partly from the sale of the distribution center. Excluding non-recurring results, adjusted net income reached R$11.5 million, in line with the trend of gradual improvement in profitability expected by the Company for 2013.

In 1H13, consolidated net income totaled R$55.5 million with a margin of 1.5%. Excluding non-recurring results, adjusted net income came to R$12.4 million with margin of 0.3%.

Working Capital

CONSOLIDATED (R$ million)	Jun-13	Mar-13	Dec-12	Sep-12	Jun-12
Accounts receivables	458.4	448.8	486.5	490.2	479.2
Inventories	1,051.1	974.9	1,068.8	1,306.9	1,131.3
Related parties	86.3	85.0	73.6	67.6	69.0
Recoverable taxes	230.5	190.4	208.5	40.8	21.7
Other assets	73.2	63.3	38.0	71.9	84.1
Current operating assets	1,899.6	1,762.5	1,875.3	1,977.4	1,785.2
Suppliers	1,306.1	1,169.8	1,326.3	1,173.2	1,016.4
Payroll, vacation and related charges	126.7	115.8	138.3	139.5	127.8
Taxes payable	28.5	20.4	47.8	13.8	15.6
Related parties	50.9	41.7	51.1	29.5	51.2
Taxes in installments	8.9	9.0	9.1	9.2	2.9
Other accounts payable	80.1	113.1	80.9	94.8	82.9
Current operating liabilities	1,601.1	1,469.9	1,653.6	1,460.2	1,296.8
Working Capital	298.5	292.6	221.8	517.3	488.5
% of Net Revenue	3.4%	3.4%	2.6%	6.4%	6.2%
Balance of Discounted Receivables	904.9	838.2	791.4	659.5	536.8
Working Capital Adjusted	1,203.4	1,130.8	1,013.1	1,176.8	1,025.3
% of Net Revenue	13.6%	13.2%	12.0%	14.5%	13.0%

In June 2013, net working capital stood at R$298.5 million, representing only 3.4% of gross revenue in the last 12 months, lower than the 6.2% recorded in June 2012. The reduction in relation to that period is primarily owing to the booking of part of taxes recoverable in the long term. In June 2013, the Company recorded tax credits of R$378.7 million, of which R$230.5 million was recognized under current assets and R$148.3 million under non-current assets. These amounts refer mainly to accrued ICMS tax and tax substitution credits and will be realized through a request for compensation of debits of a similar nature to the states where the credits originated.

On the same date, the balance of prepaid receivables from third-party credit cards was R$904.9 million. Considering the balance of discounted receivables, working capital requirements would correspond to 13.6% of gross revenue.

Capex

CAPEX (in R$ million)	2Q13	2Q12	1H13	1H12
New Stores	5.3	5.1	10.6	11.6
Remodeling	10.3	8.1	17.6	19.1
Technology	7.8	3.9	16.3	11.2
Logistics	7.1	9.6	12.5	22.1
Other	3.3	8.7	4.1	15.0
Total	**33.8**	**35.4**	**61.1**	**79.0**

Investments in fixed and intangible assets fell from R$35.4 million in 2Q12 to R$33.8 million in 2Q13, and include renovations to existing stores as well as investments in technology, logistics and new stores (inaugurated and yet to be inaugurated). In 2Q13, three conventional stores were opened, while the Company began investing in nine more stores that will be opened in 3Q13.

Net Debt

CONSOLIDATED (R$ million)	Jun-13	Mar-13	Dec-12	Sep-12	Jun-12
(+) Current loans and financing	534.8	404.3	317.2	223.0	225.9
(+) Non-current loans and financing	860.4	1,016.2	918.8	892.6	901.0
(=) Gross Debt	1,395.2	1,420.5	1,236.0	1,115.5	1,126.9
(-) Cash and cash equivalents	176.6	152.3	418.9	92.9	137.5
(-) Current securities	539.0	476.2	126.4	204.4	186.1
(-) Total Cash	715.6	628.5	545.3	297.4	323.6
(=) Net Debt	679.6	792.0	690.7	818.2	803.3
Short term debt/total	38%	28%	26%	20%	20%
Long term debt/total	62%	72%	74%	80%	80%
Adjusted EBITDA (LTM)	317.4	305.3	298.8	326.6	341.0
Net Debt/ Adjusted EBITDA	2.1 x	2.6 x	2.3 x	2.5 x	2.4 x

In June 2013, Magazine Luiza had loans and financing totaling R$1,395.2 million and cash and financial investments of R$715.6 million. Net debt came to R$679.6 million - equivalent to 2.1x adjusted EBITDA of the last 12 months.

The lower debt balance at the close of June 2013 in relation to March 2013 and June 2012 reflects lower working capital requirements, explained previously, and cash from the sale of the distribution center.

According to the previous proportional method of consolidation of Luizacred's and Luizaseg's results, assets and liabilities, net debt stood at R$573.4 million, equivalent to 1.8x adjusted EBITDA in the last 12 months, versus 2.3x in March 2013 and 2.2x in June 2012, as disclosed in our previous earnings releases.

ANNEX I
LUIZACRED

Operating Indicators

Luizacred is a joint venture between Magazine Luiza and Itaú Unibanco, responsible for financing the majority of the Company's sales. Magazine Luiza's main role is employee management and customer service, while Itaú Unibanco is responsible for financing at Luizacred, drafting the credit and collections policies and back-office activities, such as accounting and treasury.

In June 2013, Luizacred had a total base of 3.6 million cards issued. In the last 12 months, the total card base decreased by 14.4%, partially offset by the increased share of direct consumer credit (CDC). In 2Q13, purchases outside Magazine Luiza stores represented 81.8% of total card billings, up 18.3% on 2Q12.

Luizacred's credit portfolio, including credit cards, direct consumer credit and personal loans, totaled R$3.6 billion at the close of 2Q13.

LUIZACRED – Key Indicators (R$ million)	2Q13	2Q12	% Chg	1H13	1H12	% Chg
Total Card Base (thousand)	3,586	4,191	-14.4%	3,586	4,191	-14.4%
Luiza Card Sales – In chain	341	450	-24.2%	705	925	-23.7%
Luiza Card Sales – Outside Brand	1,534	1,297	18.3%	2,922	2,437	19.9%
CDC Sales	374	293	27.6%	680	530	28.3%
Personal Loans Sales	34	45	-24.3%	74	104	-28.7%
Total Luizacred Sales	**2,284**	**2,085**	**9.5%**	**4,381**	**3,996**	**9.7%**
Card Portfolio	2,519	2,655	-5.1%	2,519	2,655	-5.1%
CDC Portfolio	1,033	661	56.2%	1,033	661	56.2%
Personal Loans Portfolio	75	126	-40.3%	75	126	-40.3%
Total Portfolio	**3,626**	**3,442**	**5.4%**	**3,626**	**3,442**	**5.4%**

Credit and Collection Policy

The granting of credit at Luizacred follows the policies and criteria established by Itaú Unibanco's Credit Modeling and Policies area. The policies are defined based on proprietary statistics models, using the Risk Adjusted Return on Capital (RAROC) model. Maintaining its conservative approach, Luizacred maintained its low credit approval rate in 2Q13.

Income Statement

LUIZACRED – Income (R$ million)	2Q13	V.A.	2Q12	V.A.	% Chg	1H13	V.A.	1H12	V.A.	% Chg
Financial Intermediation Revenue	295.6	100.0%	276.9	100.0%	6.8%	581.0	100.0%	538.8	100.0%	7.8%
Cards	165.0	55.8%	173.6	62.7%	-4.9%	322.6	55.5%	343.8	63.8%	-6.2%
CDC	111.6	37.7%	73.2	26.4%	52.4%	220.1	37.9%	134.9	25.0%	63.1%
Personal Loans	19.0	6.4%	30.1	10.9%	-36.7%	38.3	6.6%	60.1	11.2%	-36.4%
Financial Intermediation Expenses	(198.7)	-67.2%	(204.8)	-74.0%	-3.0%	(395.5)	-68.1%	(407.5)	-75.6%	-3.0%
Market Funding Operations	(34.6)	-11.7%	(42.7)	-15.4%	-19.1%	(67.1)	-11.5%	(93.3)	-17.3%	-28.1%
Provision for Loan Losses	(164.2)	-55.5%	(162.0)	-58.5%	1.3%	(328.4)	-56.5%	(314.2)	-58.3%	4.5%
Gross Financial Intermediation Income	96.9	32.8%	72.1	26.0%	34.4%	185.5	31.9%	131.3	24.4%	41.3%
Other Operating Revenues (Expenses)	(63.4)	-21.5%	(65.2)	-23.5%	-2.6%	(126.0)	-21.7%	(152.1)	-28.2%	-17.1%
Service Revenue	63.5	21.5%	58.0	20.9%	9.6%	124.1	21.4%	111.1	20.6%	11.7%
Personnel Expenses	(0.8)	-0.3%	(1.2)	-0.4%	-31.4%	(1.4)	-0.2%	(3.0)	-0.6%	-53.1%
Other Administrative Expenses	(107.7)	-36.4%	(105.8)	-38.2%	1.8%	(213.5)	-36.8%	(220.7)	-41.0%	-3.2%
Depreciation and Amortization	(3.3)	-1.1%	(3.3)	-1.2%	-1.1%	(6.6)	-1.1%	(6.6)	-1.2%	-1.0%
Tax Expenses	(18.4)	-6.2%	(16.5)	-5.9%	11.7%	(36.2)	-6.2%	(33.1)	-6.2%	9.2%
Other Operating Revenues (Expenses)	3.3	1.1%	3.7	1.3%	-11.8%	7.6	1.3%	0.3	0.1%	2280.0%
Income Before Tax	33.5	11.3%	6.9	2.5%	381.9%	59.5	10.2%	(20.8)	-3.9%	-386.1%
Income Tax and Social Contribution	(13.4)	-4.5%	(3.1)	-1.1%	338.5%	(23.8)	-4.1%	8.0	1.5%	-397.4%
Net Income	20.1	6.8%	3.9	1.4%	416.0%	35.7	6.1%	(12.8)	-2.4%	-379.1%

Revenue from Financial Intermediation

In 2Q13, gross revenue from financial intermediation increased 6.8% over 2Q12, mainly due to the higher share of direct consumer credit.

Provisions for Loan Losses

Luizacred's default indicators improved 1.7 percentage points compared with June 2012. The portfolio of loans overdue for more than 90 days (NPL 90) reduced 1.6 percentage points in relation to June 2012. The default indicators remain under control, with a conservative approach in relation to provisions, which are above the minimum required by the Central Bank.

Provisions on gross revenue from financial intermediation fell from 58.5% in 2Q12 to 55.5% in 2Q13, reflecting the improvement in default indicators in recent quarters. Provisions for loan losses represented 4.5% of the total portfolio in 2Q13, slightly below the 4.7% recorded in 2Q12 and the 4.6% recorded in 1Q13.

As a result, the coverage ratio remained above that recorded in June 2012 and below the ratio recorded in March 2013, equivalent to 126%.

PORTFOLIO OVERDUE	Jun-13		Mar-13		Dec-12		Sep-12		Jun-12	
Total Portfolio (R$ million)	3,626.4	100.0%	3,573.6	100.0%	3,650.3	100.0%	3,408.4	100.0%	3,441.8	100.0%
000 to 014 days	3,112.9	85.8%	3,103.9	86.9%	3,229.4	88.5%	2,917.3	85.6%	2,893.3	84.1%
015 to 030 days	44.1	1.2%	50.6	1.4%	41.0	1.1%	42.2	1.2%	45.3	1.3%
031 to 060 days	40.9	1.1%	45.2	1.3%	34.3	0.9%	39.8	1.2%	43.3	1.3%
061 to 090 days	64.4	1.8%	64.6	1.8%	46.8	1.3%	53.2	1.6%	58.9	1.7%
091 to 120 days	50.6	1.4%	42.9	1.2%	35.6	1.0%	51.8	1.5%	51.0	1.5%
121 to 150 days	49.6	1.4%	31.3	0.9%	27.0	0.7%	39.6	1.2%	48.9	1.4%
151 to 180 days	45.0	1.2%	31.0	0.9%	28.1	0.8%	38.5	1.1%	46.8	1.4%
180 to 360 days	218.9	6.0%	204.0	5.7%	208.0	5.7%	226.0	6.6%	254.3	7.4%
Overdue from 15-90 days	149.4	4.1%	160.5	4.5%	122.1	3.3%	135.1	4.0%	147.5	4.3%
Overdue from 15-90 days	364.0	10.0%	309.2	8.7%	298.8	8.2%	355.9	10.4%	400.9	11.6%
Allowance for doubtful in IFRS	458.8	12.7%	454.2	12.7%	456.4	12.5%	460.8	13.5%	467.5	13.6%
Coverage (%)	126%		147%		153%		129%		117%	

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

Gross Financial Intermediation Revenue

As a result of the sharp growth in direct consumer credit revenue and the lower CDI rate in the period, gross margin from financial intermediation in 2Q13 was 32.8%, a 6.8 p.p. increase over 2Q12 (26.0%).

Other Operating Revenues (Expenses)

- **Service Revenue:** increased by 9.6% over 2Q12, mainly driven by commissions for the use of Luiza cards outside the stores, revenues from insurance and from new services;
- **Selling and Administrative Expenses** (personnel, administrative, amortization and taxes): equivalent to 44.0% of financial intermediation revenue, 1.8 p.p. down on 2Q12 (45.8%) and 0.7 p.p. down on 1Q13 (44.7%), due to the project to reduce costs and expenses and the adjustment of the mix of different financial products;
- **Other Operating Revenues (Expenses):** net revenues of R$3.3 million, equivalent to just 1.1% of financial intermediation revenue.

Net Operating Result

Luizacred recorded operating income of R$33.5 million in 2Q13, equivalent to 11.3% of financial intermediation revenue, a significant improvement over the operating income of R$6.9 million recorded in 2Q12 (2.5% of revenue from financial intermediation).

Net income totaled R$20.1 million in the quarter, with a ROE (Return on Equity) of 23.0%.

Shareholders' Equity

In compliance with the accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$28.9 million in 2Q13, with a shareholders' equity of R$425.6 million in June 2013. As a result of adjustments required under the IFRS, specifically complementary provisions according to the expected losses net of taxes, Luizacred's shareholders' equity for use in the financial statements of Magazine Luiza was R$399.2 million.

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	2Q13	V.A.	2Q12	V.A.	% Chg	1H13	V.A.	1H12	V.A.	% Chg
Gross Revenue	2,192.4	118.9%	1,971.7	119.3%	11.2%	4,323.7	119.8%	3,963.8	119.4%	9.1%
Taxes and Deductions	(348.7)	-18.9%	(319.1)	-19.3%	9.3%	(714.3)	-19.8%	(645.3)	-19.4%	10.7%
Net Revenue	1,843.7	100.0%	1,652.7	100.0%	11.6%	3,609.3	100.0%	3,318.5	100.0%	8.8%
Total Costs	(1,308.8)	-71.0%	(1,175.8)	-71.1%	11.3%	(2,576.2)	-71.4%	(2,379.0)	-71.7%	8.3%
Gross Income	534.9	29.0%	476.9	28.9%	12.2%	1,033.1	28.6%	939.5	28.3%	10.0%
Selling expenses	(363.9)	-19.7%	(327.2)	-19.8%	11.2%	(718.9)	-19.9%	(660.5)	-19.9%	8.8%
General and administrative expenses	(92.0)	-5.0%	(82.1)	-5.0%	12.1%	(186.0)	-5.2%	(172.0)	-5.2%	8.2%
Provisions for loan losses	(5.1)	-0.3%	(7.3)	-0.4%	-29.9%	(10.0)	-0.3%	(11.4)	-0.3%	-12.4%
Other operating revenues, net	73.4	4.0%	15.8	1.0%	364.2%	81.8	2.3%	9.0	0.3%	811.4%
Equity in Subsidiaries	12.8	0.7%	4.4	0.3%	189.5%	22.8	0.6%	(1.3)	0.0%	-
Total Operating Expenses	(374.8)	-20.3%	(396.4)	-24.0%	-5.4%	(810.3)	-22.4%	(836.2)	-25.2%	-3.1%
EBITDA	160.1	8.7%	80.5	4.9%	98.8%	222.8	6.2%	103.3	3.1%	115.7%
Depreciation and Amortization	(25.6)	-1.4%	(23.0)	-1.4%	10.9%	(50.2)	-1.4%	(43.8)	-1.3%	14.6%
EBIT	134.5	7.3%	57.5	3.5%	134.0%	172.6	4.8%	59.5	1.8%	190.1%
Financial Results	(59.5)	-3.2%	(57.1)	-3.5%	4.3%	(104.8)	-2.9%	(105.8)	-3.2%	-1.0%
Operating Income	75.0	4.1%	0.4	0.0%	18465.6%	67.8	1.9%	(46.3)	-1.4%	-246.3%
Income Tax and Social Contribution	(20.4)	-1.1%	21.5	1.3%	-194.6%	(12.4)	-0.3%	27.5	0.8%	-144.9%
Net Income	54.7	3.0%	21.9	1.3%	149.4%	55.5	1.5%	(18.8)	-0.6%	-394.9%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	160.1	8.7%	80.5	4.9%	-	222.8	6.2%	103.3	3.1%	-
Extraordinary costs	-	0.0%	7.5	0.5%	-	-	0.0%	15.0	0.5%	-
Extraordinary revenues	(126.4)	-6.9%	-	0.0%	-	(126.4)	-3.5%	-	0.0%	-
Extraordinary expenses	61.1	3.3%	3.3	0.2%	-	61.1	1.7%	29.3	0.9%	-
Adjusted deferred revenues	-	0.0%	(8.8)	-0.5%	-	-	0.0%	(8.8)	-0.3%	-
Adjusted EBITDA	94.8	5.1%	82.6	5.0%	-	157.5	4.4%	138.9	4.2%	-

Net Income	54.7	3.0%	21.9	1.3%	-	55.5	1.5%	(18.8)	-0.6%	-
Extraordinary operational results	(65.3)	-3.5%	2.1	0.1%	-	(65.3)	-1.8%	35.6	1.1%	-
Extraordinary financial results	-	0.0%	10.6	0.6%	-	-	0.0%	10.6	0.3%	-
Tax over extraordinary results	22.2	1.2%	(4.3)	-0.3%	-	22.2	0.6%	(15.7)	-0.5%	-
Extraordinary tax credits	-	0.0%	(20.7)	-1.3%	-	-	0.0%	(12.5)	-0.4%	-
Adjusted Net Income	11.5	0.6%	9.5	0.6%	-	12.4	0.3%	(0.8)	0.0%	-

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Jun-13	Mar-13	Dec-12	Sep-12	Jun-12
CURRENT ASSETS					
Cash and cash equivalents	176.6	152.3	418.9	92.9	137.5
Securities	539.0	476.2	126.4	204.4	186.1
Accounts receivable	458.4	448.8	486.5	490.2	479.2
Inventories	1,051.1	974.9	1,068.8	1,306.9	1,131.3
Related parties	86.3	85.0	73.6	67.6	69.0
Taxes recoverable	230.5	190.4	208.5	40.8	21.7
Other assets	73.2	63.3	38.0	71.9	164.1
Total current assets	2,615.2	2,391.0	2,420.6	2,274.8	2,188.9
NON-CURRENT ASSETS					
Accounts receivable	4.0	3.4	0.4	1.3	1.4
Deferred income tax and social contribution	148.3	156.5	148.3	152.5	152.4
Recoverable taxes	148.3	144.4	137.4	9.2	21.6
Judicial deposits	150.4	138.5	129.3	115.0	120.6
Other assets	41.7	39.1	39.6	38.2	17.1
Investments in subsidiaries	236.6	224.6	222.9	213.2	207.3
Fixed assets	510.8	575.5	574.0	550.7	527.8
Intangible assets	436.6	436.2	435.3	435.5	437.5
Total non-current assets	1,676.8	1,718.1	1,687.2	1,515.5	1,485.5
TOTAL ASSETS	4,292.0	4,109.1	4,107.7	3,790.3	3,674.4

LIABILITIES (R$ million)	Jun-13	Mar-13	Dec-12	Sep-12	Jun-12
CURRENT LIABILITIES					
Suppliers	1,306.1	1,169.8	1,326.3	1,173.2	1,016.4
Loans and financing	534.8	404.3	317.2	223.0	225.9
Payroll, vacation and related charges	126.7	115.8	138.3	139.5	127.8
Taxes payable	28.5	20.4	47.8	13.8	15.6
Related parties	50.9	41.7	51.1	29.5	66.2
Taxes in installments	8.9	9.0	9.1	9.2	2.9
Deferred revenue	35.6	36.2	37.1	38.0	38.9
Dividends payable	-	-	-	-	-
Other accounts payable	80.1	113.1	80.9	94.8	82.9
Total current liabilities	2,171.5	1,910.4	2,007.9	1,721.2	1,576.6
NON-CURRENT LIABILITIES					
Loans and financing	860.4	1,016.2	918.8	892.6	901.0
Taxes in installments	0.6	1.2	1.8	2.4	3.0
Provision for tax, civil and labor risks	227.3	196.2	187.6	173.5	173.8
Deferred revenue	359.9	367.5	375.2	382.8	403.6
Deferred income tax and social contribution	-	-	-	6.5	7.9
Other accounts payable	0.9	0.7	0.6	5.9	6.0
Total non-current liabilities	1,449.1	1,581.8	1,483.9	1,463.6	1,495.3
SHAREHOLDERS' EQUITY					
Capital stock	606.5	606.5	606.5	606.5	606.5
Capital reserve	4.2	3.5	2.8	2.1	1.4
Legal reserve	4.0	4.0	4.0	4.0	4.0
Profit retention reserve	2.6	2.6	2.6	9.3	9.3
Other comprehensive income	(1.3)	(0.5)	0.1	0.1	0.1
Accumulated losses	55.5	0.8	-	(16.5)	(18.8)
Total shareholders' equity	671.4	616.9	616.0	605.6	602.5
TOTAL	4,292.0	4,109.1	4,107.7	3,790.3	3,674.4

ANNEX IV
FINANCIAL STATEMENTS – ADJUSTED CASH FLOW STATEMENTS

ADJUSTED CASH FLOW STATEMENTS	2Q13	2Q12	1H13	1H12
Net Income	**54.7**	**21.9**	**55.5**	**(18.8)**
Effect of IR / CS net of payment	16.5	(21.7)	8.5	(28.3)
Depreciation and amortization	25.6	23.0	50.2	43.8
Interest accrued on loans	28.4	25.2	50.3	50.1
Equity, net of dividends received	(11.7)	2.7	(11.4)	8.4
Provision for losses on inventories and receivables	18.4	12.3	33.3	20.0
Provision for tax, civil and labor contingencies	44.9	4.0	55.0	15.6
Gain on sale of fixed assets	(126.5)	0.7	(126.3)	1.2
Recognition of deferred income	(8.3)	(18.0)	(16.8)	(25.5)
Stock option expenses	0.7	0.7	1.4	1.4
Adjusted Net Income	**42.7**	**50.8**	**99.6**	**67.8**
Trade accounts receivable	(21.7)	(33.3)	2.1	12.8
Inventories	(83.1)	(2.0)	6.6	124.8
Taxes recoverable	(40.1)	5.2	(29.0)	9.5
Other receivables	(27.0)	(98.4)	(74.9)	(134.4)
Changes in operating assets	**(171.9)**	**(128.5)**	**(95.2)**	**12.7**
Trade accounts payable	129.8	(23.4)	(26.6)	(250.3)
Other payables	(31.5)	92.3	(60.8)	37.5
Change in operating liabilities	**98.4**	**68.9**	**(87.4)**	**(212.8)**
Cash Flow from Operating Activities	**(30.8)**	**(8.8)**	**(83.0)**	**(132.3)**
Additions of fixed and intangible assets	(33.8)	(35.4)	(61.1)	(79.0)
Cash on sale of fixed assets	205.5	-	205.5	-
Investment in subsidiary	-	-	-	(24.0)
Cash Flow from Investing Activities	**171.7**	**(35.4)**	**144.4**	**(103.0)**
Loans and financing	0.2	173.6	202.7	474.7
Repayment of loans and financing	(37.8)	(42.5)	(55.5)	(60.1)
Payment of interest on loans and financing	(16.2)	(15.0)	(38.2)	(49.0)
Payment of dividends	-	(2.8)	-	(2.8)
Cash Flow from Financing Activities	**(53.7)**	**113.3**	**109.0**	**362.7**
Cash, cash equivalents and securities at beginning of period	628.5	254.5	545.3	196.2
Cash, cash equivalents and securities at end of period	715.6	323.6	715.6	323.6
Change in Cash and Cash equivalents	**87.1**	**69.1**	**170.3**	**127.4**

Note: the difference between the Cash Flow Statements and Adjusted Cash Flow Statements refers only to the account of Securities as Cash Equivalents.

ANNEX V
RESULTS BY SEGMENT – 2Q13

2Q13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons.Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,184.6	9.6	(1.7)	2,192.4	179.6	24.1	(42.5)	2,353.6
Taxes and Deductions	(347.9)	(0.8)	-	(348.7)	-	-	-	(348.7)
Net Revenue	1,836.7	8.8	(1.7)	1,843.7	179.6	24.1	(42.5)	2,004.9
Total Costs	(1,307.2)	(3.4)	1.7	(1,308.8)	(17.3)	(2.3)	-	(1,328.4)
Gross Income	529.5	5.4	-	534.9	162.3	21.9	(42.5)	676.6
Selling expenses	(363.9)	-	-	(363.9)	(63.1)	(16.0)	36.7	(406.2)
General and administrative expenses	(87.6)	(4.4)	-	(92.0)	(0.4)	(2.9)	-	(95.3)
Provisions for loan losses	(5.1)	-	-	(5.1)	(82.1)	-	-	(87.2)
Equity in Subsidiaries	13.5	-	(0.7)	12.8	-	-	(12.8)	(0.0)
Other operating revenues, net	73.4	0.0	-	73.4	1.6	(0.2)	(1.4)	73.5
Total Operating Expenses	(369.7)	(4.4)	(0.7)	(374.8)	(143.9)	(19.1)	22.5	(515.3)
EBITDA	159.8	1.0	(0.7)	160.1	18.4	2.8	(19.9)	161.3
Depreciation and Amortization	(25.5)	(0.1)	-	(25.6)	(1.6)	(0.0)	1.4	(25.8)
EBIT	134.3	0.9	(0.7)	134.5	16.7	2.8	(18.6)	135.5
Financial Results	(59.7)	0.1	-	(59.5)	-	1.8	5.8	(51.9)
Operating Income	74.7	1.1	(0.7)	75.0	16.7	4.6	(12.8)	83.5
Income Tax and Social Contribution	(20.0)	(0.4)	-	(20.4)	(6.7)	(1.8)	-	(28.9)
Net Income	54.7	0.7	(0.7)	54.7	10.0	2.8	(12.8)	54.7
Gross Margin	28.8%	61.6%	0.0%	29.0%	90.4%	90.7%	100.0%	33.7%
EBITDA Margin	8.7%	11.4%	41.6%	8.7%	10.2%	11.5%	47.0%	8.0%
Net Margin	3.0%	8.2%	41.6%	3.0%	5.6%	11.5%	30.1%	2.7%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	159.8	1.0	(0.7)	160.1	18.4	2.8	(19.9)	161.3
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	(126.4)	-	-	(126.4)	-	-	-	(126.4)
Extraordinary expenses	61.1	-	-	61.1	-	-	-	61.1
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	94.5	1.0	(0.7)	94.8	18.4	2.8	(19.9)	96.0
Adjusted EBITDA Margin	5.1%	11.4%	41.6%	5.1%	10.2%	11.5%	47.0%	4.8%

Net Income	54.7	0.7	(0.7)	54.7	10.0	2.8	(12.8)	54.7
Extraordinary operational results	(65.3)	-	-	(65.3)	-	-	-	(65.3)
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	22.2	-	-	22.2	-	-	-	22.2
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	11.5	0.7	(0.7)	11.5	10.0	2.8	(12.8)	11.5
Adjusted Net Margin	0.6%	8.2%	41.6%	0.6%	5.6%	11.5%	30.1%	0.6%

ANNEX VI
RESULTS BY SEGMENT – 1H13

1H13 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons.Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	4,308.2	18.9	(3.4)	4,323.7	352.5	45.3	(84.3)	4,637.2
Taxes and Deductions	(712.7)	(1.6)	-	(714.3)	-	-	-	(714.3)
Net Revenue	3,595.5	17.2	(3.4)	3,609.3	352.5	45.3	(84.3)	3,922.8
Total Costs	(2,573.0)	(6.7)	3.4	(2,576.2)	(33.5)	(4.6)	-	(2,614.4)
Gross Income	1,022.5	10.6	-	1,033.1	319.0	40.7	(84.3)	1,308.4
Selling expenses	(718.9)	-	-	(718.9)	(124.9)	(29.9)	73.6	(800.1)
General and administrative expenses	(177.1)	(9.0)	-	(186.0)	(0.7)	(6.1)	-	(192.9)
Provisions for loan losses	(10.0)	-	-	(10.0)	(164.2)	-	-	(174.2)
Equity in Subsidiaries	24.1	-	(1.2)	22.8	-	-	(22.8)	(0.0)
Other operating revenues, net	81.8	0.0	-	81.8	3.8	0.0	(2.8)	82.9
Total Operating Expenses	(800.2)	(8.9)	(1.2)	(810.3)	(286.0)	(36.0)	47.9	(1,084.3)
EBITDA	222.4	1.7	(1.2)	222.8	33.0	4.7	(36.4)	224.1
Depreciation and Amortization	(50.1)	(0.2)	-	(50.2)	(3.3)	(0.0)	2.8	(50.7)
EBIT	172.3	1.5	(1.2)	172.6	29.7	4.6	(33.6)	173.3
Financial Results	(105.1)	0.3	-	(104.8)	-	3.7	10.8	(90.3)
Operating Income	67.2	1.8	(1.2)	67.8	29.7	8.3	(22.8)	83.0
Income Tax and Social Contribution	(11.8)	(0.6)	-	(12.4)	(11.9)	(3.3)	-	(27.6)
Net Income	55.5	1.2	(1.2)	55.5	17.8	5.0	(22.8)	55.5
Gross Margin	28.4%	61.3%	0.0%	28.6%	90.5%	89.7%	100.0%	33.4%
EBITDA Margin	6.2%	9.6%	35.4%	6.2%	9.4%	10.3%	43.2%	5.7%
Net Margin	1.5%	7.0%	35.4%	1.5%	5.1%	11.1%	27.1%	1.4%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	222.4	1.7	(1.2)	222.8	33.0	4.7	(36.4)	224.1
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	(126.4)	-	-	(126.4)	-	-	-	(126.4)
Extraordinary expenses	61.1	-	-	61.1	-	-	-	61.1
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	157.1	1.7	(1.2)	157.5	33.0	4.7	(36.4)	158.8
Adjusted EBITDA Margin	4.4%	9.6%	35.4%	4.4%	9.4%	10.3%	43.2%	4.0%

Net Income	55.5	1.2	(1.2)	55.5	17.8	5.0	(22.8)	55.5
Extraordinary operational results	(65.3)	-	-	(65.3)	-	-	-	(65.3)
Extraordinary financial results	-	-	-	-	-	-	-	-
Tax over extraordinary results	22.2	-	-	22.2	-	-	-	22.2
Extraordinary tax credits	-	-	-	-	-	-	-	-
Adjusted Net Income	12.4	1.2	(1.2)	12.4	17.8	5.0	(22.8)	12.4
Adjusted Net Margin	0.3%	7.0%	35.4%	0.3%	5.1%	11.1%	27.1%	0.3%

ANNEX VII
RESULTS BY SEGMENT – 2Q12

2Q12 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons.Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Receita Bruta	1,965.1	7.9	(1.4)	1,971.7	167.4	20.6	(35.1)	2,124.6
Impostos e Cancelamentos	(318.4)	(0.7)	-	(319.1)	-	-	-	(319.1)
Receita Líquida	1,646.8	7.2	(1.4)	1,652.7	167.4	20.6	(35.1)	1,805.6
Custo Total	(1,174.6)	(2.6)	1.4	(1,175.8)	(21.4)	(1.6)	-	(1,198.7)
Lucro Bruto	472.2	4.7	-	476.9	146.1	19.0	(35.1)	606.8
Despesas com vendas	(327.2)	-	-	(327.2)	(61.2)	(13.2)	29.0	(372.5)
Despesas gerais e administrativas	(78.4)	(3.7)	-	(82.1)	(0.6)	(3.7)	-	(86.4)
Perda em liquidação duvidosa	(7.3)	-	-	(7.3)	(81.0)	-	-	(88.4)
Equivalência patrimonial	5.3	-	(0.8)	4.4	-	-	(4.4)	-
Outras receitas operacionais, líquidas	15.7	0.1	-	15.8	1.9	0.1	(1.7)	16.1
Total de Despesas Operacionais	(392.0)	(3.6)	(0.8)	(396.4)	(140.9)	(16.8)	22.9	(531.3)
EBITDA	80.3	1.1	(0.8)	80.5	5.1	2.2	(12.2)	75.6
Depreciação e amortização	(23.0)	(0.1)	-	(23.0)	(1.7)	(0.0)	1.7	(23.0)
EBIT	57.3	1.0	(0.8)	57.5	3.5	2.1	(10.5)	52.6
Resultado Financeiro	(57.3)	0.2	-	(57.1)	-	2.0	6.1	(49.0)
Lucro Operacional	(0.0)	1.3	(0.8)	0.4	3.5	4.1	(4.4)	3.6
IR / CS	21.9	(0.4)	-	21.5	(1.5)	(1.7)	-	18.3
Lucro Líquido	21.9	0.8	(0.8)	21.9	1.9	2.5	(4.4)	21.9
Margem Bruta	28.7%	64.2%	0.0%	28.9%	87.2%	92.2%	100.0%	33.6%
Margem EBITDA	4.9%	15.2%	61.1%	4.9%	3.1%	10.4%	34.8%	4.2%
Margem Líquida	1.3%	11.6%	61.1%	1.3%	1.2%	12.0%	12.6%	1.2%

Reconciliação do EBITDA pelas despesas extraordinárias

EBITDA	80.3	1.1	(0.8)	80.5	5.1	2.2	(12.2)	75.6
Custos extraordinários	7.5	-	-	7.5	-	-	-	7.5
Receitas extraordinárias	-	-	-	-	-	-	-	-
Despesas extraordinárias	3.3	-	-	3.3	-	-	-	3.3
Ajuste receitas diferidas	(8.8)	-	-	(8.8)	-	-	-	(8.8)
EBITDA Ajustado	82.3	1.1	(0.8)	82.6	5.1	2.2	(12.2)	77.7
Margem EBITDA Ajustada	5.0%	15.2%	61.1%	5.0%	3.1%	10.4%	34.8%	4.3%
Lucro Líquido	21.9	0.8	(0.8)	21.9	1.9	2.5	(4.4)	21.9
Resultado operacional extraordinário	2.1	-	-	2.1	-	-	-	2.1
Resultado financeiro extraordinário	10.6	-	-	10.6	-	-	-	10.6
IR/CS s/ resultados extraordinários	(4.3)	-	-	(4.3)	-	-	-	(4.3)
Crédito de IR/CS extraordinário	(20.7)	-	-	(20.7)	-	-	-	(20.7)
Lucro Líquido Ajustado	9.5	0.8	(0.8)	9.5	1.9	2.5	(4.4)	9.5
Margem Líquida Ajustada	0.6%	11.6%	61.1%	0.6%	1.2%	12.0%	12.6%	0.5%

ANNEX VIII
RESULTS BY SEGMENT – 1H12

1H12 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons.Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	3,950.8	15.7	(2.7)	3,963.8	324.9	39.0	(70.6)	4,257.2
Taxes and Deductions	(644.0)	(1.4)	-	(645.3)	-	-	-	(645.3)
Net Revenue	3,306.9	14.3	(2.7)	3,318.5	324.9	39.0	(70.6)	3,611.9
Total Costs	(2,376.3)	(5.4)	2.7	(2,379.0)	(46.6)	(3.3)	(0.0)	(2,428.9)
Gross Income	930.6	8.9	-	939.5	278.3	35.7	(70.6)	1,182.9
Selling expenses	(660.5)	-	-	(660.5)	(126.9)	(25.1)	58.3	(754.2)
General and administrative expenses	(164.6)	(7.3)	-	(172.0)	(1.5)	(6.4)	-	(179.9)
Provisions for loan losses	(11.4)	-	-	(11.4)	(157.1)	-	-	(168.5)
Equity in Subsidiaries	0.1	-	(1.4)	(1.3)	-	-	1.3	-
Other operating revenues, net	8.8	0.2	-	9.0	0.2	0.0	(3.4)	5.7
Total Operating Expenses	(827.7)	(7.1)	(1.4)	(836.2)	(285.4)	(31.4)	56.2	(1,096.9)
EBITDA	102.9	1.8	(1.4)	103.3	(7.1)	4.3	(14.4)	86.1
Depreciation and Amortization	(43.7)	(0.1)	-	(43.8)	(3.3)	(0.0)	3.4	(43.7)
EBIT	59.3	1.7	(1.4)	59.5	(10.4)	4.3	(11.0)	42.4
Financial Results	(106.3)	0.5	-	(105.8)	-	4.2	12.3	(89.3)
Operating Income	(47.0)	2.1	(1.4)	(46.3)	(10.4)	8.5	1.3	(47.0)
Income Tax and Social Contribution	28.2	(0.7)	-	27.5	4.0	(3.4)	-	28.2
Net Income	(18.8)	1.4	(1.4)	(18.8)	(6.4)	5.1	1.3	(18.8)
Gross Margin	28.1%	62.2%	0.0%	28.3%	85.6%	91.5%	100.0%	32.8%
EBITDA Margin	3.1%	12.6%	52.8%	3.1%	-2.2%	11.0%	20.5%	2.4%
Net Margin	-0.6%	9.9%	52.8%	-0.6%	-2.0%	13.1%	-1.8%	-0.5%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	102.9	1.8	(1.4)	103.3	(7.1)	4.3	(14.4)	86.1
Extraordinary costs	15.0	-	-	15.0	-	-	-	15.0
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	29.3	-	-	29.3	-	-	-	29.3
Adjusted deferred revenues	(8.8)	-	-	(8.8)	-	-	-	(8.8)
Adjusted EBITDA	138.5	1.8	(1.4)	138.9	(7.1)	4.3	(14.4)	121.6
Adjusted EBITDA Margin	4.2%	12.6%	52.8%	4.2%	-2.2%	11.0%	20.5%	3.4%
Net Income	(18.8)	1.4	(1.4)	(18.8)	(6.4)	5.1	1.3	(18.8)
Extraordinary operational results	35.6	-	-	35.6	-	-	-	35.6
Extraordinary financial results	10.6	-	-	10.6	-	-	-	10.6
Tax over extraordinary results	(15.7)	-	-	(15.7)	-	-	-	(15.7)
Extraordinary tax credits	(12.5)	-	-	(12.5)	-	-	-	(12.5)
Adjusted Net Income	(0.8)	1.4	(1.4)	(0.8)	(6.4)	5.1	1.3	(0.8)
Adjusted Net Margin	0.0%	9.9%	52.8%	0.0%	-2.0%	13.1%	-1.8%	0.0%

ANNEX IX
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS (PRO-FORMA)

CONSOLIDATED PRO-FORMA (R$ million)	2Q13	V.A.	2Q12	V.A	% Chg.	1H13	V.A	1H12	V.A	% Chg.
Gross Revenue	4,637.2	118.2%	4,257.2	117.9%	8.9%	4,637.2	118.2%	4,257.2	117.9%	8.9%
Taxes and Deductions	(714.3)	-18.2%	(645.3)	-17.9%	10.7%	(714.3)	-18.2%	(645.3)	-17.9%	10.7%
Net Revenue	3,922.8	100.0%	3,611.9	100.0%	8.6%	3,922.8	100.0%	3,611.9	100.0%	8.6%
Total Costs	(2,614.4)	-66.6%	(2,428.9)	-67.2%	7.6%	(2,614.4)	-66.6%	(2,428.9)	-67.2%	7.6%
Gross Income	1,308.4	33.4%	1,182.9	32.8%	10.6%	1,308.4	33.4%	1,182.9	32.8%	10.6%
Selling expenses	(800.1)	-20.4%	(754.2)	-20.9%	6.1%	(800.1)	-20.4%	(754.2)	-20.9%	6.1%
General and administrative expenses	(192.9)	-4.9%	(179.9)	-5.0%	7.2%	(192.9)	-4.9%	(179.9)	-5.0%	7.2%
Provisions for loan losses	(174.2)	-4.4%	(168.5)	-4.7%	3.4%	(174.2)	-4.4%	(168.5)	-4.7%	3.4%
Equity in Subsidiaries	82.9	2.1%	5.7	0.2%	1351.3%	82.9	2.1%	5.7	0.2%	1351.3%
Total Operating Expenses	(1,084.3)	-27.6%	(1,096.9)	-30.4%	-1.1%	(1,084.3)	-27.6%	(1,096.9)	-30.4%	-1.1%
EBITDA	224.1	5.7%	86.1	2.4%	160.4%	224.1	5.7%	86.1	2.4%	160.4%
Depreciation and Amortization	(50.7)	-1.3%	(43.7)	-1.2%	16.1%	(50.7)	-1.3%	(43.7)	-1.2%	16.1%
EBIT	173.3	4.4%	42.4	1.2%	309.0%	173.3	4.4%	42.4	1.2%	309.0%
Financial Results	(90.3)	-2.3%	(89.3)	-2.5%	1.1%	(90.3)	-2.3%	(89.3)	-2.5%	1.1%
Operating Income	83.0	2.1%	(47.0)	-1.3%	-276.8%	83.0	2.1%	(47.0)	-1.3%	-276.8%
Income Tax and Social Contribution	(27.6)	-0.7%	28.2	0.8%	-	(27.6)	-0.7%	28.2	0.8%	-
Net Income	55.5	1.4%	(18.8)	-0.5%	-394.9%	55.5	1.4%	(18.8)	-0.5%	-394.9%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	224.1	5.7%	86.1	2.4%	-	224.1	5.7%	86.1	2.4%	-
Extraordinary costs	-	0.0%	15.0	0.4%	-	-	0.0%	15.0	0.4%	-
Extraordinary revenues	(126.4)	-3.2%	-	0.0%	-	(126.4)	-3.2%	-	0.0%	-
Extraordinary expenses	61.1	1.6%	29.3	0.8%	-	61.1	1.6%	29.3	0.8%	-
Adjusted deferred revenues	-	0.0%	(8.8)	-0.2%	-	-	0.0%	(8.8)	-0.2%	-
Adjusted EBITDA	158.8	4.0%	121.6	3.4%	-	158.8	4.0%	121.6	3.4%	-

Net Income	55.5	1.4%	(18.8)	-0.5%	-	55.5	1.4%	(18.8)	-0.5%	-
Extraordinary operational results	(65.3)	-1.7%	35.6	1.0%	-	(65.3)	-1.7%	35.6	1.0%	-
Extraordinary financial results	-	0.0%	10.6	0.3%	-	-	0.0%	10.6	0.3%	-
Tax over extraordinary results	22.2	0.6%	(15.7)	-0.4%	-	22.2	0.6%	(15.7)	-0.4%	-
Extraordinary tax credits	-	0.0%	(12.5)	-0.3%	-	-	0.0%	(12.5)	-0.3%	-
Adjusted Net Income	12.4	0.3%	(0.8)	0.0%	-	12.4	0.3%	(0.8)	0.0%	-

ANNEX X
BREAKDOWN OF SALES AND NUMBER OF STORES BY CHANNEL

Gross Revenue by Channel (R$ million)	2Q13	V.A.	2Q12	V.A.	Growth Total
Virtual Stores	101.0	4.6%	88.7	4.5%	13.9%
Website	298.4	13.7%	263.5	13.4%	13.3%
Subtotal – Virtual Stores	**399.5**	18.3%	**352.2**	18.0%	13.4%
Conventional Stores	1,778.6	81.7%	1,609.3	82.0%	10.5%
Total	**2,178.1**	100.0%	**1,961.5**	100.0%	11.0%

Gross Revenue by Channel (R$ million)	1H13	V.A.	1H12	V.A.	Growth Total
Virtual Stores	194.9	4.5%	173.9	4.4%	12.1%
Website	599.3	13.9%	512.0	13.0%	17.0%
Subtotal – Virtual Stores	**794.1**	18.5%	**685.9**	17.4%	15.8%
Conventional Stores	3,505.4	81.5%	3.260.2	82.6%	7.5%
Total	**4,299.5**	100.0%	**3.946.0**	100.0%	9.0%

Number of stores per channel – End of the period	Jun-13	Part(%)	Jun-12	Part(%)	Growth Total
Virtual Stores	106	14.5%	106	14.5%	-
Website	1	0.1%	1	0.1%	-
Subtotal – Virtual Stores	**107**	14.6%	**107**	14.6%	-
Conventional Stores	626	85.4%	624	85.4%	2
Total	**733**	100.0%	**731**	100.0%	2
Total Sales Area (m²)	**464,379**	100.0%	**457,394**	100%	1,5%

Note: In compliance with Technical Pronouncement CPC 36, the booking of revenues from the exclusive funds whose quotas are 100% owned by Magazine Luiza changed from financial income to operating income from services in the retail segment, totaling R$6.5 million in 2Q13, versus R$3.7 million in 2Q12. The differences in gross revenue from the retail segment in the breakdown by channel and income statement refer to these classifications.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

August 7, 2013 (Wednesday)

11:00 a.m. – Brasilia Time

10:00 a.m. – US EST

Callers from Brazil:

Dial-in: +55 11 2188-0155
Access code: Magazine Luiza
Webcast link:
http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1477

Callers from other countries:

Dial-in: +1 646 843-6054
Access code: Magazine Luiza
Webcast link:
http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1480

Replay (available for 7 days):

Dial-in: +55 11 2188-0155
Portuguese version: Magazine Luiza/ English version: Magazine Luiza

Investor Relations

Roberto Bellissimo Rodrigues	Tatiana Santos	Anderson Rezende
Chief Financial and Investor Relations Officer	IR, M&A and New Businesses Director	IR Manager

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ri@magazineluiza.com.br

About Magazine Luiza

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

EBITDA, Adjusted EBITDA and Adjusted Net Income

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

Disclaimer

Interim Financial Information

Magazine Luiza S.A.

June 30, 2013

Magazine Luiza S.A.

Interim financial information

June 30, 2013

Table of Contents

Report on review of interim financial information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Magazine Luiza S.A. (“Company”), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2013, which comprises the balance sheet (statement of financial position) as at June 30, 2013, and the related statement of income comprehensive income for the three and six months ended on that and the statements of changes in equity, and statements of cash flows for the six-month period then ended, including the notes to financial statements.

The Company´s management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) 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 and Exchange Commission (CVM), applicable to the preparation of Quarterly Information Form (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 (R1) applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange 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 interim financial statements referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Interim Financial Statements (ITR), and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

Restatement of corresponding figures

As mentioned in Note 2.2, due to a change in the accounting practice applicable to joint ventures, introduced by CPC 19 (R2) and IFRS11 – Joint Arrangements, the corresponding consolidated figures relating to the balance sheet (statement of financial position) as at December 31, 2012 and the corresponding interim financial information relating to the statement of income, statements of comprehensive income, statements of changes in equity, statements of cash flows and statements of value added (supplemental information) for the six-month period ended June 30, 2012, presented for purposes of comparison, have been adjusted and are restated as required by CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, and CPC 26 (R1) – Presentation of Financial Statements. Our conclusion does not contain any modifications regarding this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added (“SVA”) for the six-month period ended June 30, 2013, prepared under the Management’s responsibility, the presentation of which in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR) and considered supplemental information by IFRS, which do not require the presentation of an SVA. 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.

São Paulo, August 5, 2013

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6

Luiz Carlos Nannini
Accountant CRC-1SP171638/O-7

Alexandre Rubio
Accountant CRC-1SP223361/O-2

Magazine Luiza S.A.

Statement of financial position
June 30, 2013 and December 31, 2012
(Amounts in thousands of Brazilian reais - R$)

		Company		Consolidated	
	Note	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**
					(Restated)
Assets					
Current assets					
Cash and cash equivalents	4.1	**162,250**	404,143	**176,574**	418,879
Securities	4.2	**539,038**	126,385	**539,038**	126,385
Trade accounts receivable	5	**458,447**	486,474	**458,447**	486,474
Inventories	6	**1,051,127**	1,068,762	**1,051,127**	1,068,762
Related parties	7	**86,896**	74,342	**86,322**	73,625
Recoverable taxes	8	**230,442**	208,490	**230,455**	208,503
Other assets		**71,907**	37,130	**73,218**	37,950
Total current assets		**2,600,107**	2,405,726	**2,615,181**	2,420,578
Noncurrent assets					
Trade accounts receivable	5	**3,987**	398	**3,987**	398
Deferred income tax and social contribution	9	**147,773**	147,758	**148,276**	148,301
Recoverable taxes	8	**148,268**	137,365	**148,268**	137,365
Judicial deposits		**150,439**	129,348	**150,439**	129,348
Other assets		**40,832**	38,943	**41,740**	39,565
Investments in subsidiaries	10	**11,482**	12,272	**-**	-
Investments in joint ventures	11	**236,608**	222,894	**236,608**	222,894
Property and equipment	12	**510,087**	573,223	**510,821**	573,957
Intangible assets	13	**436,399**	435,049	**436,646**	435,338
Total noncurrent assets		**1,685,875**	1,697,250	**1,676,785**	1,687,166
Total assets		**4,285,982**	4,102,976	**4,291,966**	4,107,744

	Note	Company		Consolidated	
		6/30/2013	**12/31/2012**	**6/30/2013**	**12/31/2012**
					(Restated)
Liabilities and equity					
Current liabilities					
Trade accounts payable	14	**1,305,659**	1,325,992	**1,306,103**	1,326,310
Borrowings and financing	15	**534,795**	317,198	**534,795**	317,198
Payroll, vacation and related charges		**124,925**	136,586	**126,691**	138,255
Taxes payable		**28,024**	47,401	**28,488**	47,800
Related parties	7	**50,874**	51,291	**50,874**	51,291
Tax installment payment		**8,880**	9,128	**8,880**	9,128
Deferred revenue	16	**35,573**	37,104	**35,573**	37,104
Other accounts payable		**79,144**	80,541	**80,066**	80,775
Total current liabilities		**2,167,874**	2,005,241	**2,171,470**	2,007,861
Noncurrent liabilities					
Borrowings and financing	15	**860,423**	918,766	**860,423**	918,766
Tax installment payment		**594**	1,783	**594**	1,783
Provision for tax, civil and labor risks	17	**225,789**	186,027	**227,269**	187,553
Deferred revenue	16	**359,872**	375,167	**359,872**	375,167
Other accounts payable		**-**	-	**908**	622
Total noncurrent liabilities		**1,446,678**	1,481,743	**1,449,066**	1,483,891
Total liabilities		**3,614,552**	3,486,984	**3,620,536**	3,491,752
Equity					
Capital		**606,505**	606,505	**606,505**	606,505
Capital reserve		**4,229**	2,820	**4,229**	2,820
Legal reserve		**4,025**	4,025	**4,025**	4,025
Profit retention reserve		**2,561**	2,561	**2,561**	2,561
Other comprehensive income		**(1,346)**	81	**(1,346)**	81
Profit for the period		**55,456**	-	**55,456**	-
Total equity		**671,430**	615,992	**671,430**	615,992
Total liabilities and equity		**4,285,982**	4,102,976	**4,291,966**	4,107,744

See accompanying notes.

Magazine Luiza S.A.

Statements of income
Six-month periods ended June 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

		Six-month period ended				Quarter ended			
		Company		Consolidated		Company		Consolidated	
	Note	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Net sales revenue	18	**3,586,810**	2,990,106	**3,609,336**	3,318,513	**1,830,183**	1,567,261	**1,843,728**	1,652,662
Costs on resale of goods and services	19	**(2,572,986)**	(2,134,762)	**(2,576,235)**	(2,378,981)	**(1,307,199)**	(1,119,004)	**(1,308,848)**	(1,175,782)
Gross profit		**1,013,824**	855,344	**1,033,101**	939,532	**522,984**	448,257	**534,880**	476,880
Operating revenue (expenses)									
Selling	20	**(718,934)**	(600,761)	**(718,934)**	(660,540)	**(363,861)**	(313,316)	**(363,861)**	(327,191)
General and administrative	20	**(177,061)**	(139,844)	**(186,018)**	(171,963)	**(87,594)**	(72,674)	**(92,023)**	(82,084)
Allowance for doubtful accounts		**(10,004)**	(9,723)	**(10,004)**	(11,420)	**(5,135)**	(7,330)	**(5,135)**	(7,330)
Depreciation and amortization		**(50,055)**	(37,941)	**(50,208)**	(43,800)	**(25,480)**	(21,409)	**(25,557)**	(23,038)
Equity in the earnings of subsidiaries	10 and 11	**24,052**	(27,412)	**22,842**	(1,294)	**13,525**	3,685	**12,806**	4,423
Other operating revenue, net	20 and 21	**81,789**	7,669	**81,828**	8,978	**73,381**	14,661	**73,405**	15,813
		(850,213)	(808,012)	**(860,494)**	(880,039)	**(395,164)**	(396,383)	**(400,365)**	(419,407)
Operating income before financial result		**163,611**	47,332	**172,607**	59,493	**127,820**	51,874	**134,515**	57,473
Finance income		**36,956**	26,217	**28,626**	22,179	**20,896**	11,055	**14,612**	7,673
Finance expenses		**(133,353)**	(118,757)	**(133,418)**	(128,021)	**(74,062)**	(62,740)	**(74,122)**	(64,742)
Financial result	22	**(96,397)**	(92,540)	**(104,792)**	(105,842)	**(53,166)**	(51,685)	**(59,510)**	(57,069)
Operating profit (loss) before income tax and social contribution		**67,214**	(45,208)	**67,815**	(46,349)	**74,654**	189	**75,005**	404
Current and deferred income tax and social contribution	9	**(11,758)**	26,405	**(12,359)**	27,546	**(20,000)**	21,723	**(20,351)**	21,508
Profit (loss) for the period		**55,456**	(18,803)	**55,456**	(18,803)	**54,654**	21,912	**54,654**	21,912
Profit (loss) attributable to:									
Owners of the Company		**55,456**	(18,803)	**55,456**	(18,803)	**54,654**	21,912	**54,654**	21,912
Earnings (loss) per share									
Basic and diluted earnings per share (R$)		**0.37**	(0.11)	**0.37**	(0.11)	**0.36**	(0.11)	**0.36**	(0.11)

See accompanying notes.

Magazine Luiza S.A.

Statements of changes in equity
Six-month periods ended June 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

	Note	Capital stock	Capital reserve	Legal reserve	Profit retention reserve	Retained earnings (accumulated losses)	Other comprehensive income	Total
Balances as at December 31, 2011		606,505	-	4,025	10,415	-	-	620,945
								-
Stock option plan		-	1,410	-	-	-	-	1,410
Loss for the period		-	-	-	-	(18,803)	-	(18,803)
Distribution of dividends		-	-	-	(1,109)	-	-	(1,109)
		606,505	1,410	4,025	9,306	(18,803)	-	602,443
Other comprehensive income:								
Financial instruments adjustments		-	-	-	-	-	90	90
Balances at June 30, 2012		**606,505**	**1,410**	**4,025**	**9,306**	**(18,803)**	**90**	**602,533**
Balances at December 31, 2012		**606,505**	**2,820**	**4,025**	**2,561**	**-**	**81**	**615,992**
								-
Stock option plan		**-**	**1,409**	**-**	**-**	**-**	**-**	**1,409**
Profit for the period		**-**	**-**	**-**	**-**	**55,456**	**-**	**55,456**
		606,505	**4,229**	**4,025**	**2,561**	**55,456**	**81**	**672,857**
Other comprehensive income:								
Financial instruments adjustments		**-**	**-**	**-**	**-**	**-**	**(1,427)**	**(1,427)**
Balances at June 30, 2013		**606,505**	**4,229**	**4,025**	**2,561**	**55,456**	**(1,346)**	**671,430**

See accompanying notes.

Magazine Luiza S.A.

Statements of cash flows
Six-month periods ended June 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

	Note	Company		Consolidated	
		6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Cash flows from operating activities					
Profit (loss) for the period		55,456	(18,803)	55,456	(18,803)
Adjustments to reconcile profit for the period to cash provided by operating activities:					
Income tax and social contribution expense recognized in profit or loss	9	11,758	(26,405)	12,359	(27,546)
Depreciation and amortization		50,055	37,941	50,208	43,800
Interest on borrowings and financing		50,275	45,629	50,275	50,072
Yield on securities		(8,854)	(5,009)	(8,854)	(5,009)
Equity accounting	10 and 11	(24,052)	27,412	(22,842)	1,294
Changes in allowance for inventory losses		33,339	18,341	33,339	20,038
Provision for contingencies	17	54,800	13,840	54,997	15,561
Property and equipment written-off, net of gain on disposal		(126,327)	1,154	(126,327)	1,154
Appropriation of deferred revenue	21	(16,826)	(21,941)	(16,826)	(25,547)
Stock option costs		1,409	1,410	1,409	1,410
		81,033	73,569	83,194	56,424
				-	
(Increase) decrease in operating assets:				-	
Trade accounts receivable		2,122	29,022	2,122	12,815
Securities		385	-	(403,799)	(154,226)
Inventories		6,612	109,435	6,612	124,769
Related parties		(16,257)	72,004	(16,400)	26,625
Recoverable taxes		(29,405)	11,706	(29,038)	9,518
Other assets		(57,757)	(156,952)	(58,534)	(161,061)
Increase (decrease) in operating liabilities:					
Trade accounts payable		(26,764)	(255,295)	(26,638)	(250,302)
Payroll, vacation and related charges		(11,661)	4,155	(11,564)	6,626
Taxes payable		(31,150)	(18,452)	(31,646)	(19,268)
Related parties		(417)	(32,111)	(417)	20,433
Tax installment payment		(1,437)	(1,418)	(1,437)	(1,418)
Other payables		(16,435)	27,188	(15,703)	31,122
Cash used in operating activities		(101,131)	(137,149)	(503,248)	(297,943)
Income tax and social contribution paid		(3,450)	(346)	(3,817)	(738)
Dividends received from subsidiaries		13,404	7,150	11,404	7,150
Net cash used in operating activities		(91,177)	(130,345)	(495,661)	(291,531)

Magazine Luiza S.A.

Statement of cash flows (Continued)
Six-month periods ended June 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

		Company		Consolidated	
	Note	6/30/2013	6/30/2012	6/30/2013	6/30/2012
					(Restated)
Cash flows from investing activities					
Purchase of property and equipment	12	**(44,706)**	(53,078)	**(44,787)**	(66,916)
Purchase of intangible assets	13	**(16,266)**	(8,194)	**(16,297)**	(12,068)
Investments in exclusive investment fund		**(1,113,373)**	(505,546)	**-**	-
Redemptions in exclusive investment fund		**709,189**	351,320	**-**	-
Receivables from property and equipment disposal		**205,461**	-	**205,461**	
Investment in subsidiary		**-**	(49,465)	**-**	(24,000)
Cash provided by merger		**-**	5,459	**-**	-
Cash provided by (used in) investing activities		**(259,695)**	(259,504)	**144,377**	(102,984)
Cash flows from financing activities					
Borrowings and financing		**202,676**	474,657	**202,676**	474,657
Payment of borrowings and financing		**(55,525)**	(60,116)	**(55,525)**	(60,142)
Repayment of interest on borrowings and financing		**(38,172)**	(49,015)	**(38,172)**	(49,015)
Payment of dividends		**-**	(2,771)	**-**	(2,771)
Cash flows provided by financing activities		**108,979**	362,755	**108,979**	362,729
Decrease in cash and cash equivalents		**(241,893)**	(27,094)	**(242,305)**	(31,786)
Cash and cash equivalents at the beginning of the period		**404,143**	150,980	**418,879**	169,282
Cash and cash equivalents at the end of the period		**162,250**	123,886	**176,574**	137,496
Decrease in cash and cash equivalents		**(241,893)**	(27,094)	**(242,305)**	(31,786)

See accompanying notes.

Magazine Luiza S.A.

Statements of value added
Six-month periods ended June 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

	Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Revenues				
Sale of goods, products and services	**4,052,753**	3,364,682	**4,076,903**	3,760,400
Allowance for doubtful accounts, net of reversals	**(10,004)**	(9,723)	**(10,004)**	(11,420)
Other operating revenue	**93,109**	22,780	**93,148**	31,722
	4,135,858	3,377,739	**4,160,047**	3,780,702
Inputs acquired from third parties				
Cost of products, goods and services sold	**(2,826,552)**	(2,311,986)	**(2,829,801)**	(2,556,236)
Materials, electricity, outsourced services and other	**(326,770)**	(260,534)	**(330,160)**	(302,326)
Loss and recovery of receivables	**(8,535)**	(5,685)	**(8,535)**	(5,685)
	(3,161,857)	(2,578,205)	**(3,168,496)**	(2,864,247)
Gross value added	**974,001**	799,534	**991,551**	916,455
Depreciation and amortization	**(50,055)**	(37,941)	**(50,208)**	(43,800)
Net value added produced by the entity	**923,946**	761,593	**941,343**	872,655
Value added received in transfer				
Equity in the earnings of subsidiaries	**24,052**	(27,412)	**22,842**	(1,294)
Finance income	**36,956**	26,217	**28,626**	22,179
Total value added for distribution	**984,954**	760,398	**992,811**	893,540

Magazine Luiza S.A.

Statements of value added (Continued)
Six-month periods ended June 30, 2013 and 2012
(Amounts in thousands of Brazilian reais - R$)

	Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Distribution of value added				
Personnel and charges:				
Direct compensation	**315,327**	264,273	**319,136**	290,409
Benefits	**63,306**	52,583	**63,657**	59,171
Government Severance Indemnity Fund for Employees (FGTS)	**30,001**	25,208	**30,350**	27,880
	408,634	342,064	**413,143**	377,460
Taxes, fees and contributions:				
Federal	**127,521**	134,752	**130,117**	173,501
State	**140,483**	90,765	**140,483**	128,013
Local	**13,461**	11,037	**14,004**	12,305
	281,465	236,554	**284,604**	313,819
Value distributed to providers of capital:				
Interest	**113,102**	103,376	**113,102**	112,139
Rentals	**106,046**	83,741	**106,190**	94,957
Other	**20,251**	13,466	**20,316**	13,968
	239,399	200,583	**239,608**	221,064
Value distributed to shareholders:				
Retained earnings/ accumulated losses	**55,456**	(18,803)	**55,456**	(18,803)
	984,954	760,398	**992,811**	893,540

See accompanying notes.

1. General information

Magazine Luiza S.A. (the "Company" or "Parent Company") is primarily engaged in the retail sale of consumer goods (mainly home appliances, electronics and furniture), through its physical and virtual stores or through e-commerce, having its headquarters located in the city of Franca, State of São Paulo, Brazil. Its parent and holding company is LTD Administração e Participação S.A.

As at June 30, 2013, the Company and its subsidiaries have 733 stores (743 stores as at December 31, 2012) and eight distribution centers (eight distribution centers as at December 31, 2012) located in the South, Southeast, Midwest and Northeast regions of the country.

The Company holds equity interests in other companies, as detailed below:

a) A 50% direct interest in Luizacred S.A.- Sociedade de Crédito, Financiamento e Investimento's voting capital ("Luizacred") – a jointly-controlled entity 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) A 50% direct interest in Luizaseg Seguros S.A.'s voting capital ("Luizaseg") – a jointly-controlled entity 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.

Magazine Luiza S.A., its subsidiary and joint ventures are hereinafter referred to as "Group" for purposes of this report, unless otherwise indicated through specific information.

2. Basis of presentation and accounting policies

2.1. Accounting policies

The interim financial information is presented in Brazilian reais (R$), which is the Company's functional and reporting currency.

The Company's individual and consolidated interim financial information for the periods ended June 30, 2013 and 2012 have been prepared in conformity with CPC 21 (R1) (interim financial statement) and IAS 34 and fairly presented according to the standards issued by the Brazilian Securities and Exchange Commission.

The accounting policies adopted when preparing the individual and consolidated interim financial information are consistent with those adopted and disclosed in Note 2 to financial statements for the year ended December 31, 2012, except for the application of CPC 19 (R2) – Joint Ventures and IFRS 11 - Joint Arrangements, which requires the transition from the proportionate consolidation to the equity method of accounting when recording joint ventures, the effects of which are disclosed in Note 2.2 below. Accordingly, this interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2012.

The statement of value added ("SVA") is intended to disclose the wealth created by the Company and its distribution during a certain period and is presented by the Company, as required by Brazilian Corporation Law, as part of its individual financial statements and as supplemental information to the consolidated financial statements, since it is neither provided for nor mandatory under the IFRS.

(In thousands of Brazilian reais – R$)

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) – Joint Arrangements to the Company's equity interests in Joint Ventures

Under CPC 19 (R1) – Investments in Joint Ventures (prior to the transition to IFRS 11 and CPC 19 (R2)), the Company's interests in the assets, liabilities, revenues and expenses of Luizacred and Luizaseg, both classified as joint ventures, were presented using the proportionate consolidation in the consolidated financial statements. Upon adoption of IFRS 11 and CPC 19 (R2), the Company was required to state equity interests in joint ventures under the equity method of accounting. The effect of such application is as follows:

Impact on the statement of income	Consolidated 6/30/2012
Decrease in net sales revenue	(288,518)
Decrease in the cost of goods sold, services rendered and funding for financial operations	49,941
Decrease in gross profit	(238,577)
Decrease in selling, general and administrative expenses	101,532
Decrease in losses on doubtful accounts	157,121
Increase in depreciation and amortization	(119)
Decrease in equity in the earnings of subsidiaries	(1,294)
Increase in other operating revenue, net	3,267
Decrease in operating expenses	260,507
Decrease in financial result (costs)	(21,322)
Decrease in current and deferred income tax and social contribution	(608)
Net effects on statement of income	-

(In thousands of Brazilian reais – R$)

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) – Joint Arrangements to the Company's equity interests in Joint Ventures (Continued)

Impact on the statement of financial position	Consolidated 12/31/2012
Decrease in cash and cash equivalents	(4,249)
Decrease in securities	(48,842)
Decrease in trade accounts receivable	(1,618,005)
Increase in related parties	38,084
Decrease in recoverable taxes	(6,268)
Decrease in other assets	(10,112)
Decrease in current assets	(1,649,392)
Decrease in securities	(59,255)
Decrease in trade accounts receivable	(1,373)
Decrease in deferred income tax and social contribution	(53,429)
Decrease in recoverable taxes	(1,044)
Decrease in judicial deposits	(8,444)
Decrease in other assets	(340)
Increase in investments in joint ventures	222,894
Decrease in property and equipment	(1,228)
Decrease in intangible assets	(5,400)
Increase in noncurrent assets	92,381
Decrease in trade accounts payable	(1,845)
Decrease in interbank deposits	(990,021)
Decrease in credit card operations	(566,664)
Decrease in payroll, vacation and related charges	(1,282)
Decrease in taxes payable	(32,374)
Increase in related parties	25,302
Increase in deferred revenue	5,544
Decrease in insurance technical reserves	(34,140)
Decrease in other trade accounts payable	(3,673)
Decrease in current liabilities	(1,599,153)
Decrease in provisions for contingencies	(11,649)
Decrease in insurance technical reserves	(27,353)
Increase in deferred revenue	81,144
Increase in noncurrent liabilities	42,142
Effect on equity	-

(In thousands of Brazilian reais – R$)

2. Basis of presentation and accounting policies (Continued)

2.2. Application of IFRS 11 and CPC 19 (R2) – Joint Arrangements to the Company's equity interests in Joint Ventures (Continued)

Impact on the statements of cash flows	Consolidated 6/30/2012
Decrease in income tax and social contribution expenses recognized in profit or loss	608
Increase in depreciation and amortization	119
Increase in equity accounting	1,294
Decrease in changes in the allowance for inventory losses	(157,121)
Decrease in provisions for contingencies	(8,866)
Decrease in appropriation of deferred revenue	(3,438)
Increase in cash flows from operating assets	88,001
Decrease in cash flows from operating liabilities	(61,081)
Increase in changes in income tax and social contribution paid	4,746
Increase in changes in dividends received from subsidiaries	7,150
Decrease in cash flows from operating activities	(128,588)
Decrease in cash flows from purchase of property and equipment	36
Increase in cash flows from purchases of intangible assets	(643)
Increase in cash flows and investments in exclusive investment fund	505,546
Decrease in cash flows from redemptions from exclusive investment fund	(351,320)
Decrease in cash flows from investments in subsidiaries	(24,000)
Increase in cash flows from investing activities	129,619
Increase in total cash flows	1,031

Impact on the statement of value added	Consolidated 6/30/2012
Decrease in sale of goods, products and services	**(288,519)**
Decrease in the allowance for doubtful accounts, net of reversals	**157,121**
Decrease in other operating revenue	**(17,982)**
Decrease in revenue	**(149,380)**
Decrease in the cost of products, goods and services sold	**49,943**
Decrease in materials, electricity, outsourced services and other	**95,103**
Decrease in inputs acquired from third parties	**145,046**
Decrease in depreciation and amortization	**(119)**
Decrease in equity in the earnings of subsidiaries	**(1,294)**
Decrease in financial revenue	**(4,192)**
Net effect on the statement of value added	**(9,939)**
Decrease in direct compensation	**(1,931)**
Decrease in benefits	**(632)**
Decrease in FGTS	**(93)**
Decrease in payroll and related charges	**(2,656)**
Decrease in federal taxes	**(21,134)**
Decrease in local taxes	**(2,543)**
Decrease in taxes, fees and contributions	**(23,677)**
Increase in interest rates	**17,126**
Decrease in rentals	**(557)**
Decrease in other	**(175)**
Increase in value distributed to providers of capital	**16,394**
Net effect on the statements of value added	**(9,939)**

2. Basis of presentation and accounting policies (Continued)

2.3. Standards, interpretations and revised standards not yet effective and which were not early adopted by the Company

There are no other standards and interpretations issued and not yet adopted that in Management's opinion can significantly impact the statement of income for the period or the equity reported by the Company.

New or revised pronouncements not effective yet

Below, the standard that will become effective as of the fiscal year beginning January 1, 2014:

• IAS 32/CPC 39 – Financial Instruments: Disclosures – Offsetting Financial Assets and Liabilities – it provides additional clarifications to the guidance on IAS 32 about the requirements to offset financial assets and liabilities in the statement of financial position.

Below, the standard that will become effective as of the fiscal year beginning January 1, 2015:

• IFRS 9 Financial Instruments –IFRS 9 Financial Instruments ends the first part of the project to replace "IAS 39 Financial Instruments: Recognition and Measurement". IFRS 9 applies a simple approach to calculate if a financial asset is measured at amortized cost or fair value. The new approach is based on how an entity manages its financial instruments (its business model) and the financial assets' contractual cash flows. This standard also requires the adoption of only one method to measure asset impairment losses.

3. Notes included in the financial statements as at December 31, 2012 not presented in this interim financial information

This interim financial information is presented in conformity with CPC 21 (R1) and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the provisions set forth in of CVM Circular Letter SNC/SEP 003/2011 of April 28, 2011. The preparation of this interim financial information requires the Company's management to make judgments on the relevance of the changes that should be disclosed in the notes to financial statements. Accordingly, this interim financial information includes selected notes to financial statements and does not comprise all the notes presented in the financial statements for the year ended December 31, 2012. As permitted by CVM Circular Letter No. 03/2011, the following notes to financial statements were not stated:

- Credit card operations (Note17);
- Insurance technical reserves (Note 19);
- Tax installment payment (Note 21);
- Equity (Note 22);
- Employee benefits (Note 28);
- Commitments (Note 31);
- Statements of cash flows (Note 32);
- Insurance (Note 33).

(In thousands of Brazilian reais – R$)

4. Cash and cash equivalents and securities

4.1. Cash and cash equivalents

		Company		Consolidated	
	Rates	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012 (Restated)**
Cash		**22,515**	16,973	**22,524**	16,977
Banks		**22,076**	86,819	**24,028**	88,445
Financial assets at fair value through profit or loss and held for trading:					
Bank deposit certificates	80% to 105% CDI	**21,523**	237,828	**21,953**	238,244
Non-exclusive investment funds	102% CDI	**96,136**	62,523	**108,069**	75,213
		162,250	404,143	**176,574**	418,879

4.2. Securities

Financial assets at fair value through profit or loss		**Company and Consolidated 6/30/2013**	**12/31/2012 (Restated)**
Held for trading			
Non-exclusive investment fund	105% CDI	**4,483**	4,333
Exclusive investment fund			
Investment fund units	(a)	**7,795**	7,210
Federal government bonds	(a)	**109,152**	2,898
Repurchase agreements	(a)	**307,597**	33,339
Time deposits and other securities	(a)	**110,011**	78,605
		534,555	122,052
		539,038	126,385

(a) It refers to fixed income exclusive investment fund. As at June 30, 2013, the portfolio substantially comprises the four categories described in the table below, which are pegged to financial operations and securities, indexed to the monthly variation of the Overnight Brazilian Interbank Deposit Rate (CDI), intended to provide the Company with an average return of 103% of CDI.

(In thousands of Brazilian reais – R$)

5. Trade accounts receivable

	Company and Consolidated	
	6/30/2013	**12/31/2012 (Restated)**
Trade accounts receivable:		
Debit and credit cards (a)	**218,677**	230,151
Own installment plan (b)	**75,002**	81,623
Extend warranty agreements (c)	**99,749**	84,691
Total trade accounts receivable	**393,428**	396,465
Commercial agreements (d)	**122,390**	155,610
Allowance for doubtful accounts	**(35,367)**	(38,496)
Present value adjustment	**(18,017)**	(26,707)
	462,434	486,872
Current assets	**458,447**	486,474
Noncurrent assets	**3,987**	398

The amounts classified as trade accounts receivable above are classified as receivables and, therefore, measured at amortized cost. The Company and Consolidate have days sales outstanding of 17 days.

The adjustment to present value is calculated on the reporting dates for all trade accounts receivable, expect for those arising from commercial agreements settled in the short term and whose impact is not material. The calculation of such adjustment is based on the term of realization of the underlying asset by using a discount rate based on the average rate of finance charges the Company incurs in funding, as stated in Note 2.1.3 to financial statements for the year ended December 31, 2012. This rate is taken into consideration by the Group's Management when making market valuations of the time value of money and the specific risks relating to these assets.

At June 30, 2013, trade accounts receivable were collateralized as loans in the amount of R$132,891 (R$144,802 at December 31, 2012), represented by credit card receivables.

(In thousands of Brazilian reais – R$)

5. Trade accounts receivable (Continued)

(a) Trade accounts receivable from credit and debit card sales, which the Company receives from operators at the amounts, terms and number of installments defined upon sale of the product.

As at June 30, 2013, the Company had credits granted to financial institutions totaling R$904,898 (R$791,361 as at December 31, 2012), on which a discount ranging from 105.0% to 108.0% of CDI is applied, recognized in the statement of income under “Finance expense”. The Company, through advances from cards, transfers to the credit card companies and financial institutions all risks of payment by customers and, therefore, derecognizes the receivables referring to these credits. The respective finance charges are recorded in the statement of income for the year upon derecognition.

(b) It refers to receivables from sales financed by the Company.

(c) The Company intermediates sales on behalf of Luizaseg. The Company allocates to Luizaseg the full extended warranty amount, in the month subsequent to the sale and receives from customers according to the transaction term.

(d) It refers to bonuses on products to be received from suppliers, arising from the achievement of purchase volume and as part of agreements defining the suppliers’ participation in advertising and marketing expenditures (joint advertising).

Changes in the allowance for doubtful accounts are as follows:

	Company and Consolidated	
	6/30/2013	**12/31/2012 (Restated)**
Opening balance	**(38,496)**	(24,456)
(+) Additions	**(22,316)**	(37,125)
(-) Write-offs	**25,445**	23,085
Closing balances	**(35,367)**	(38,496)

(In thousands of Brazilian reais – R$)

5. Trade accounts receivable (Continued)

The aging list of trade accounts receivable is as follows:

	Company and Consolidated	
	6/30/2013	12/31/2012 (Restated)
Current:		
Up to 30 days	**57,960**	54,932
31 to 60 days	**37,763**	34,545
61 to 90 days	**32,306**	29,765
91 to 180 days	**98,798**	107,162
181 to 360 days	**134,152**	143,024
Over 361 days	**5,739**	6,051
	366,718	375,479
Overdue:		
Up to 30 days	**6,531**	6,091
31 to 60 days	**4,912**	3,839
61 to 90 days	**6,126**	3,246
91 to 180 days	**9,141**	7,810
	26,710	20,986
	393,428	396,465

The aging list of trade accounts receivable from sales agreements is as follows:

	Company and Consolidated	
	6/30/2013	12/31/2012
Current:		
Up to 30 days	**19,458**	26,458
31 to 60 days	**33,126**	46,379
61 to 90 days	**16,597**	57,681
91 to 180 days	**36,517**	16,284
181 to 360 days	**305**	188
	106,003	146,990
Overdue:		
Up to 30 days	**3,378**	1,376
31 to 60 days	**4,957**	456
61 to 90 days	**2,317**	896
91 to 180 days	**5,735**	1,010
181 to 360 days	**-**	2,072
Over 361 days	**-**	2,810
	16,387	8,620
	122,390	155,610

(In thousands of Brazilian reais – R$)

6. Inventories

	Company and Consolidated	
	6/30/2013	**12/31/2012**
Goods for resale	**1,063,479**	1,079,285
Consumables	**11,846**	9,706
Advances to suppliers	**-**	826
Allowance for losses	**(24,198)**	(21,055)
	1,051,127	1,068,762

As at June 30, 2013, the Company's cycle-counting inventories were collateralized in lawsuits under enforcement amounting to approximately R$1,671 (R$17,163 at December 31, 2012).

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

	Company and Consolidated	
	6/30/2013	**12/31/2012**
Opening balance for the period	**(21,055)**	(15,034)
Inventories written off or sold	**7,880**	19,385
Additions due to merger	**-**	(3,781)
Recognition of provision	**(11,023)**	(21,625)
Balance at the end of the period	**(24,198)**	(21,055)

The provision for inventory losses remained unchanged in relation to the financial statements for the year ended December 31, 2012.

(In thousands of Brazilian reais – R$)

7. Related Parties

a) Related-party balance

Current assets	Company 6/30/2013	Company 12/31/2012 (Restated)	Consolidated 6/30/2013	Consolidated 12/31/2012 (Restated)
Commissions on services rendered				
Joint ventures:				
Luizacred (i)	**27,211**	19,420	**27,211**	19,420
Luizaseg (ii)	**21,134**	18,985	**21,134**	18,985
	48,345	38,405	**48,345**	38,405
Subsidiaries:				
Consortia Group (“LAC”) (iii)	**574**	717	**-**	-
Reimbursement of expenses and expenditures related to purchase in consortium drawings				
Subsidiaries:				
Grupo de Consórcios (“LAC”) (iii)	**896**	1,154	**896**	1,154
Dividends receivable:				
Luizacred (i)	**-**	1,130	**-**	1,130
Luizaseg (ii)	**-**	2,573	**-**	2,573
	-	3,703	**-**	3,703
Balance receivable from credit card sales and CDC receivables (direct consumer credit):				
Luizacred (i)	**37,081**	30,363	**37,081**	30,363
	86,896	74,342	**86,322**	73,625
Securities				
Fundo de investimento ML Renda Fixa – fixed income investment fund (viii)	**534,555**	122,052	**534,555**	122,052

Current liabilities	Company 6/30/2013	Company 12/31/2012	Consolidated 6/30/2013	Consolidated 12/31/2012 (restated)
Transfer of services rendered				
Joint ventures:				
Luizacred (i)	**20,756**	23,623	**20,756**	23,623
Luizaseg (ii)	**27,884**	25,551	**27,884**	25,551
	48,640	49,174	**48,640**	49,174
Subsidiaries:				
Consortia Group (“LAC”) (iii)	**635**	698	**635**	698
Rental payable and other transfers				
Subsidiaries of the Company’s owners:				
MTG Administração, Assessoria e Participações S.A. (v)	**926**	1,258	**926**	1,258
PJD Agropastoril Ltda. (vii)	**34**	137	**34**	137
	960	1,395	**960**	1,395
Subsidiary of the Company’s owners:				
Balances of advertising campaigns payable:				
ETCO - Empresa Técnica de Comunicação Ltda. (vi)	**639**	24	**639**	24
	50,874	51,291	**50,874**	51,291

(In thousands of Brazilian reais – R$)

7. **Related Parties** (Continued)

b) Related-party transactions

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Income from services brokerage commission								
Joint ventures:								
Luizacred (i)	**79,804**	65,134	**79,804**	65,134	**33,858**	30,194	**33,858**	30,194
Luizaseg (ii)	**67,312**	51,556	**67,312**	51,556	**39,581**	27,830	**39,581**	27,830
	147,116	116,690	**147,116**	116,690	**73,439**	58,024	**73,439**	58,024
Subsidiaries:								
Consortia Group (“LAC”) (iii)	**3,421**	2,695	**-**	-	**1,727**	1,374	-	-
Income from exclusive fund:								
Fundo de investimento ML Renda Fixa (viii)	**8,705**	4,822	**8,705**	4,822	**6,490**	3,654	**6,490**	3,654
Reimbursement of shared expenses								
Joint venture:								
Luizacred (i)	**25,312**	17,898	**25,312**	17,898	**11,680**	10,909	**11,680**	17,898
Subsidiaries:								
Lojas Maia (iv)	**-**	7,131	**-**	-	**-**	1,607	**-**	-
Financial revenue from loans:								
Lojas Maia (iv)	**-**	1,108	-	-	**-**	-	**-**	-
	184,554	150,344	**181,133**	139,410	**93,336**	75,568	**91,609**	79,576

(In thousands of Brazilian reais – R$)

7. Related Parties (Continued)

b) Related-party transactions (Continued)

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Office building rental expenses								
Subsidiaries of the Company's owners:								
MTG Administração, Assessoria e Participações S.A. (v)	**(5,747)**	(820)	**(5,747)**	(820)	**(2,753)**	(452)	**(2,753)**	(452)
PJD Agropastoril Ltda. (vii)	**(204)**	(191)	**(204)**	(191)	**(101)**	(63)	**(101)**	(63)
	(5,951)	(1,011)	**(5,951)**	(1,011)	**(2,854)**	(515)	**(2,854)**	(515)
Expenses with anticipated credit card charges:								
Luizacred (i)	**(21,570)**	(24,610)	**(21,570)**	(24,610)	**(11,508)**	(12,149)	**(16,539)**	(12,149)
Advertising campaigns expenses								
Subsidiary of the Company's owners:								
ETCO - Empresa Técnica de Comunicação Ltda. (vi)	**(73,358)**	(69,090)	**(73,358)**	(69,090)	**(36,343)**	(37,590)	**(36,343)**	(37,590)
	(100,879)	(94,711)	**(100,879)**	(94,711)	**(50,705)**	(50,254)	**(55,736)**	(50,254)

(i) The transactions with Luizacred, joint venture of Banco Itaúcard S.A., refer to the following activities:

(a) Commissions on the issuance and activation of own branded credit cards ("Luiza Card") and financial expenses related to the anticipation 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 customers prospecting, management and administration of consumer credit transactions, control over and collection of loans granted, access to telecommunication systems and network, in addition to storage and availability of physical area at the points-of-sale.

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

(d) Balance receivable from Luizacred's dividend proposal.

(In thousands of Brazilian reais – R$)

7. Related Parties (Continued)

b) Related-party transactions (Continued)

(ii) Receivables (current assets) and revenues of Luizaseg, joint venture of NCVP Participações Societárias S.A., subsidiary of Cardif do Brasil Seguros e Previdência S.A., refer to the commissions on services monthly rendered by the Company related to the sales of additional guarantees and proposed dividends. Payables (current liabilities) refer to the transfers of extended warranties sold to Luizaseg, in full, in the month following the sale.

(iii) Receivables (current assets) of LAC, wholly-owned subsidiary, refer to commissions and sales by the Company as the representative of the purchase in consortium operations. Payables (current liabilities) refer to the transfers to be made to LAC relating to the consortia installments received by the Company at its points-of-sale cashiers.

(iv) It refers to all transactions of Lojas Maia, wholly-owned subsidiary until its merger on April 30, 2012, comprising the following: (i) reimbursement of the advertising expenses assumed by the Company, based on a formal agreement entered into by the parties; and (ii) loan between the parties falling due on April 30, 2012 and yielding 100% interest of the CDI rate.

(v) Transactions with MTG Administração, Assessoria e Participações S.A. ("MTG"), controlled by the same owners of the Company, refer to expenses on office buildings rentals for the installation of stores, distribution centers and head offices.

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

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

(viii) Transactions with ML Renda Fixa Crédito Privado Fundo de Investimento and ML Renda Fixa Crédito Privado FI refer to exclusive investment fund operations (see Note 4.2 – Securities).

Additionally, the Company has balances relating to deferred revenue deriving from related parties transactions, which were maintained in a specific item for reporting purposes, as described in Note 16.

c) Management compensation

	6/30/2013	6/30/2012
Compensation paid to the Board of Directors	**167**	140
Compensation paid to the Board of Executive Officers	**3,141**	2,988
Total	**3,308**	3,128

(In thousands of Brazilian reais – R$)

7. Related Parties (Continued)

c) Management compensation (Continued)

The Board of Directors' compensation comprises the compensation to members of the internal and non-statutory committees, which advise the Board of Directors. The Company does not grant postemployment benefits, severance benefits, or any other long-term benefits to management. The short-term benefits to the Board of Executive Officers are the same benefits granted to employees. These benefits are included in the compensation of the Board of Executive Officers. The Company also offers the Stock Option Plan to its Management, employees or service providers, as described in Note 22 to the financial statements for the year ended December 31, 2012. In addition, the Company does not provide any benefit to the key management personnel of its related parties.

Under Brazilian legislation and the Company's Bylaws, the shareholders must determine and approve at the Shareholders' Meeting the annual overall Management compensation. For the year ended December 31, 2013, the maximum Management overall compensation was R$10,186.

8. Recoverable Taxes

	Company		Consolidated	
	6/30/2013	**12/31/2012**	**6/30/2013**	**12/31/2012 (Restated)**
Recoverable ICMS – State VAT (a)	**367,463**	320,594	**367,463**	320,594
Recoverable income tax and social contribution	**5,350**	7,849	**5,350**	7,849
Recoverable IRRF – withholding income tax	**5,857**	10,365	**5,870**	10,378
Taxes on revenue (PIS and COFINS)	**28**	7,037	**28**	7,037
Other	**12**	10	**12**	10
Total	**378,710**	345,855	**378,723**	345,868
Current assets	**230,442**	208,490	**230,455**	208,503
Noncurrent assets	**148,268**	137,365	**148,268**	137,365

(a) It refers to accumulated ICMS credits, owned and under tax replacement, deriving from the several rates in the interstate inflow and outflow of goods. Such credits will be realized through reimbursement request and offset of debts of the same nature with the State that originated the credit. On June 1, 2013, the Company adhered to the São Paulo state special system, assigning the tax substitution condition to the distribution center. This condition virtually changes how ICMS is collected under the tax substitution regime, so that ICMS started being paid as goods are shipped by the establishment.

(In thousands of Brazilian reais – R$)

9. 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 tax rates effective for the Company and the consolidated effects in force in the respective periods:

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Profit (loss) before income tax and social contribution	**67,214**	(45,208)	**67,815**	(46,349)	**74,654**	189	**75,005**	404
Effective rate	**34%**	34%	**34%**	34%	**34%**	34%	**34%**	34%
Income tax and social contribution credit (debit) at effective rates	**(22,853)**	15,371	**(23,057)**	15,759	**(25,382)**	(64)	**(25,502)**	(137)
Effect of deferred tax assets not recorded on merged company Lojas Maia's results	**-**	**-**	**-**	(8,149)	**-**	-	**-**	131
Deferred taxes over temporary differences deriving from Lojas Maia, after merger	**-**	20,741	-	20,741	**-**	20,741	-	20,741
Reconciliation to effective tax rate (effect of applying tax rates):								
Deduction - equity accounting	**8,178**	(9,320)	**7,766**	(440)	**4,599**	1,253	**4,354**	1,504
Other permanent (add-backs) and deductions, net	**2,917**	(387)	**2,932**	(365)	**783**	(207)	**797**	(731)
Income tax and social contribution credit (debit)	**(11,758)**	26,405	**(12,359)**	27,546	**(20,000)**	21,723	**(20,351)**	21,508
Current	**(11,773)**	-	**(12,334)**	(699)	**(11,773)**	-	**(12,147)**	(502)
Deferred	**15**	26,405	**(25)**	28,245	**(8,227)**	21,723	**(8,204)**	22,010
Total	**(11,758)**	26,405	**(12,359)**	27,546	**(20,000)**	21,723	**(20,351)**	21,508
Effective rate	**17.5%**	58.4%	**18.2%**	59.4%	**26.8%**	11.493.7%	**27.1%**	5,323.8%

(In thousands of Brazilian reais – R$)

9. Income tax and social contribution (Continued)

b) Breakdown of deferred income tax and social contribution assets and liabilities:

	Company		Consolidated	
	6/30/2013	**12/31/2012**	**6/30/2013**	**12/31/2012 (Restated)**
Deferred income tax and social contribution assets:				
Tax loss and social contribution tax loss carryforwards	**70,197**	75,337	**70,197**	75,337
Allowance for doubtful accounts	**13,221**	18,459	**13,221**	18,459
Allowance for inventory losses	**8,227**	7,159	**8,227**	7,159
Provision for contingencies	**67,622**	49,849	**68,125**	50,392
Other provisions	**-**	1,648	**-**	1,648
	159,267	152,452	**159,770**	152,995
Deferred income tax and social contribution liabilities:				
Temporary difference for adoption of RTT (1)	**(11,494)**	(4,694)	**(11,494)**	(4,694)
Deferred income tax and social contribution	**147,773**	147,758	**148,276**	148,301

(1) The Company adopted the Transition Tax Regime (RTT), as prescribed by Law No. 11941/09, which, as of the adoption of new accounting practices, creates temporary differences for tax bases.

The asset recorded is limited to the amounts whose realization is supported by future taxable base projections, approved by Management. The projections of future taxable income include several estimates related to the performance of the Brazilian and world economies, selection of exchange rates, sales volume, sales price, tax rates, and others, which may change in relation to actual data and amounts. As income tax and social contribution income or expenses arise not only from taxable income but also from the Group’s tax and corporate structure, the expected realization of temporarily nondeductible differences, the existence of nontaxable revenue, nondeductible expenses, and several other variables, there is no direct correlation between the profit of the Company and its subsidiary and the income tax and social contribution on income. Accordingly, the growth in the realization of temporarily nondeductible differences should not be considered as an indication of the Company's and its subsidiary’s future profit.

10. Investment in subsidiary

The Company holds 100% of the shares of subsidiary Luiza Administradora de Consórcio ("LAC") as at June 30, 2013 and December 31, 2012. Changes in the investment in the subsidiary, disclosed in the individual financial statements, are as follows:

	Luiza Administradora de Consórcio ("LAC")	
	6/30/2013	**12/31/2012**
Shares held	**6,500**	6,500
Current assets	**15,648**	15,569
Noncurrent assets	**2,392**	2,188
Current liabilities	**4,170**	3,337
Noncurrent liabilities	**2,388**	2,148
Net revenue	**17,242**	30,755
Capital stock	**6,500**	6,500
Equity	**11,482**	12,272
Profit for the year/period	**1,210**	2,501

Changes in investments	6/30/2013	12/31/2012
Opening balances	**12,272**	9,771
Distributed dividends	**(2,000)**	-
Equity in earnings of subsidiaries	**1,210**	2,501
Closing balances	**11,482**	12,272

11. Investments in joint ventures

	Luizacred		Luizaseg	
	6/30/2013	**12/31/2012**	**6/30/2013**	**12/31/2012**
Total shares – in thousands	**978**	978	**13,883**	13,883
Direct interest percentage	**50%**	50%	**50%**	50%
Current assets	**3,261,400**	3,299,478	**107,110**	124,647
Noncurrent assets	**355,328**	326,972	**130,408**	122,432
Current liabilities	**3,175,058**	3,224,852	**104,206**	109,885
Noncurrent liabilities	**42,504**	38,096	**59,264**	54,907
Net revenue	**705,024**	1,334,394	**90,612**	172,670
Capital stock	**274,624**	274,623	**13,883**	13,884
Equity	**399,164**	363,502	**74,048**	82,286
Profit for the year	**35,663**	14,782	**10,021**	21,240

Changes in investments	6/30/2013	12/31/2012	6/30/2013	12/31/2012
Opening balance	**181,751**	122,858	**41,143**	38,398
Capital increase	**-**	19,465	**-**	-
Addition through merger of subsidiary	**-**	30,532	**-**	-
Proposed dividends	**-**	(1,131)	**(7,700)**	(7,949)
Other comprehensive income	**-**	-	**(1,428)**	75
Equity in earnings of subsidiaries	**17,831**	10,027	**5,011**	10,619
Closing balance	**199,582**	181,751	**37,026**	41,143

(In thousands of Brazilian reais – R$)

11. Investments in joint ventures (Continued)

Total investments in joint ventures	6/30/2013	12/31/2012
Luizacred	**199,582**	181,751
Luizaseg	**37,026**	41,143
	236,608	222,894

The Company's interests in joint ventures are described in Note 1.

The interests in joint ventures are stated in the Company and Consolidated under the equity method of accounting, according to the provisions of CPC 19 (R2) - *Negócios em Conjunto* and IFRS 11 - Joint Arrangements.

12. Property and equipment

Changes in property and equipment for the quarter ended June 30, 2013 are as follows:

	Company	Consolidated (Restated)
Net PP&E at December 31, 2012	573,223	573,957
Additions	44,706	44,787
Write-offs	(72,681)	(72,681)
Depreciation	(35,161)	(35,242)
Net PP&E at June 30, 2013	510,087	510,821
Breakdown of PP&E at June 30, 2013:		
Cost of property and equipment	837,706	839,444
Accumulated depreciation	(327,619)	(328,623)
Net PP&E at June 30, 2013	510,087	510,821

In the quarter ended June 30, 2013, the Company sold its 76.7% interest in the distribution center located in the city of Louveira (SP) for the amount of R$205,461; the property's net cost and other transaction costs totaled R$78,907. Total gain from this operation is recorded under "Other operating revenue, net" item.

The Company will continue using this distribution center by means of 10-year lease agreement, with operating lease characteristics, renewable for other periods, pursuant to applicable laws. This transaction was materialized by means of approval from Brazilian Federal Savings Bank ("CEF"), whose loan agreement contained restrictive covenants involving the sale of relevant assets.

During the quarter no indications that property and equipment items might be impaired were identified.

(In thousands of Brazilian reais – R$)

13. Intangible assets

Changes in intangible assets for the quarter ended June 30, 2013, are as follows:

	Company	Consolidated (Restated)
Net intangible assets at December 31, 2012	435,049	435,338
Additions	16,266	16,297
Write-offs	(22)	(22)
Amortization	(14,894)	(14,967)
Net intangible assets at June 30, 2013	436,399	436,646
Breakdown of intangible assets at June 30, 2013		
Cost of the intangible assets	573,415	574,288
Accumulated amortization	(137,016)	(137,642)
Net intangible assets at June 30, 2013	436,399	436,646

During the quarter no indications that intangible assets might be impaired were identified.

14. Trade accounts payable

	Company		Consolidated	
	6/30/2013	12/31/2012	6/30/2013	12/31/2012 (Restated)
Goods for resale - domestic market	**1,298,679**	1,323,817	**1,298,679**	1,323,817
Other trade accounts payable	**19,605**	14,369	**20,049**	14,687
Present value adjustment	**(12,625)**	(12,194)	**(12,625)**	(12,194)
	1,305,659	1,325,992	**1,306,103**	1,326,310

(In thousands of Brazilian reais – R$)

15. Borrowings and financing

Type	Charges	Guarantees	Final maturity	Company 6/30/2013	Company 12/31/2012	Consolidated 6/30//2013	Consolidated 12/31/2012
Investment (a)	TJLP + 2.83% p.a. (ii) IPCA + 8.91% p.a. (ditto in 2012)	Bank guarantee	Dec/13	**7,138**	13,579	**7,138**	13,579
Working capital (b)	107.5% to 118.8% of CDI p.a. (ditto in 2012)	(b)	Dec/19	**761,684**	801,494	**761,684**	801,494
Finance leases (c)	CDI/TJLP/LIBOR (ditto in 2012)	Fiduciary sale/ escrow deposits	Dec/19	**12,797**	18,032	**12,797**	18,032
Debentures - restricted offer (d)	112% to 114.5% of CDI	-	Mar/16	**403,618**	200,180	**403,618**	200,180
Promissory notes (e)	105% of CDI	-	Oct/13	**209,981**	202,679	**209,981**	202,679
				1,395,218	1,235,964	**1,395,218**	1,235,964
Current liabilities				**534,795**	317,198	**534,795**	317,198
Noncurrent liabilities				**860,423**	918,766	**860,423**	918,766

(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 sureties, guarantees, and part of the credit card receivables, as described in Note 5.

Part of funding was contracted in foreign currency, subject to fixed interest and exchange fluctuations. In order to hedge its transactions against foreign exchange risks, the Company contracted swap operations, replacing charges contracted with CDI-indexed floating interest rates. This is a fully matched operation that does not expose the Company to foreign exchange or foreign interest rate risks.

(c) The Company has finance lease agreements relating to: (i) an aircraft, whose agreement was entered into in 2005 and expires in 2016. For this agreement, R$1,228 (equivalent to US$610,000) was deposited in escrow, recorded under "Other noncurrent assets", to be redeemed on the final maturity of the agreement. This deposit, equivalent to 15% of asset's total amount, is adjusted by foreign exchange variation, whose corresponding entry is recognized in profit or loss; (ii) IT equipment and software, whose agreements expire in 2019.

15. Borrowings and financing (Continued)

(d) The Company conducted its first issue of nonconvertible debentures, in a single series, for public offering with restricted placement efforts, in accordance with CVM Rule 476/09, on December 26, 2011. A total of 200 debentures were issued, with unit face value of R$1,000 each, totaling R$200,000.

Debentures have a 30-month effectiveness term from the issue date, therefore, maturing on June 26, 2014. The debentures' unit face value will not be adjusted for inflation and will bear compensatory interest corresponding to 113% of accumulated variation of DI (interbank deposits) average daily rates, which will be paid half-yearly, the first payment was made on June 26, 2012. In this operation, the Company incurred in transaction costs of R$1,722, which will be appropriated to profit or loss for the same effectiveness term. Taking into account the transaction costs, the estimated effective interest rate (TIR) is approximately 116.38% of the CDI, p.a..

The debentures were fully paid in on January 6, 2012, after registration and compliance with CETIP settlement rules, at their unit face value plus proportional interest from the date of issue to the date of effective payment.

On March 7, 2013 the Company conducted its second issue of unsecured, nonconvertible debentures, in two series, for public offering with restricted placement efforts. A total of 200 debentures were issued, with unit face value of R$1,000 each, totaling R$200,000. For legal purposes, the issue date of these debentures was March 22, 2013 in two series: (a) 1st series amounting to R$100,000, two-year effectiveness term, the unit value is not adjusted for inflation and will accrue interest rates equivalent to 112.00% of accumulated variation of DI average rates; the 2nd series, amounting to R$100,000 shall have tree-year term, the unit value is not adjusted for inflation and will accrue interest rates equivalent to 114.50% of DI rate.

(e) On October 4, 2012, the Company's Board of Directors approved the second issue of promissory notes, in a single series, for public offering with restricted placement efforts. A total of 20 promissory notes were issued, with unit face value of R$10,000, totaling R$200,000. The promissory notes have 360-day effectiveness term from the issue date. The unit face value of the promissory notes is not adjusted for inflation and they accrue compensatory interest rates calculated from the issue date, equivalent to 105.00% of accumulated variation of DI average daily rates. The funds raised were used to reinforce the Company's cash position.

(In thousands of Brazilian reais – R$)

15. Borrowings and financing (Continued)

The Company has few working capital agreements with restrictive covenants. The covenants referring to financial ratios are as follows:

(i) Banco do Brasil: maintenance of the adjusted net debt-to-EBITDA ratio below 3 times. Adjusted net debt refers to the sum of any and all bank loans, including debentures and excluding compror and vendor transactions, less cash and cash equivalents plus credit card receivables.

(ii) Federal Savings Bank: maintenance of the net debt-to-EBITDA ratio below 3.5 times. Additionally, it requires evidence of use of funds raised through investment plan and fund use reports.

At June 30, 2013, the Company is in compliance with the restrictive covenants described above.

16. Deferred revenue

	Company and Consolidated	
	6/30/2013	12/31/2012
Deferred revenue with third parties:		
Exclusiveness agreement with Banco Itaúcard (a)	**177,750**	184,000
Exploration right agreement - payroll (b)	**-**	1,531
Commercial agreement - Cardif (c)	**34,859**	38,360
	212,609	223,891
Deferred revenue with related parties:		
Exclusiveness agreement with Luizacred (d)	**182,836**	188,380
	395,445	412,271
Current liabilities	**35,573**	37,104
Noncurrent liabilities	**359,872**	375,167

(a) On September 27, 2009, the company entered into an "Partnership Agreement", entered into the financial institutions Itaú Unibanco Holding S.A. ("Itaú") and Banco Itaúcard S.A., under which the Company assigned to Luizacred the exclusive right to offer, distribute, and sell financial products and services at its store chain during a 20-year period.

Under this partnership, Itaú's entities paid R$250,000 in cash, of which: (i) R$230,000 referring to the closed deal, without withdrawal right and; (ii) R$20,000 referring to the fulfillment of profitability targets at Luizacred, subject to full or partial refund of amount, to be appropriated to profit or loss during the agreement's period—20 years—as targets are achieved.

(b) On June 30, 2008, the Company entered into with a financial institution an agreement for the assignment of exclusive rights over its payroll during a five-year period to render banking services to its employees. This partnership allowed the inflow of R$20,250 into the Company's cash. The recognition of revenue deriving from funds received is appropriated to profit or loss during the agreement's effectiveness period.

(In thousands of Brazilian reais – R$)

16. Deferred income (Continued)

(c) On June 21, 2012, as a result of the merger of subsidiary Lojas Maia and the intention to renew and extend the Operating and Commercial Agreement for distribution of several insurance services within Magazine Luiza's distribution chain up to December 31, 2015, the Company and Cardif do Brasil entered into an amendment to referred agreement, which allowed the inflow of R$80,000 into the Company's cash, R$30,000 of which are allocated to the joint venture Luizacred, since the latter waived the priority in the distribution of credit card loss and theft insurance. The recognition of revenue deriving from this agreement is appropriated to profit or loss during the agreement's effectiveness period.

(d) On December 29, 2010, subsidiary Lojas Maia entered into a partnership agreement with Luizacred, a joint venture, whereby it grants the exclusive right to offer, distribute and sell financial products and services in its store chain during a 19-year period. Under this partnership, Luizacred paid R$160,000 in cash to Lojas Maia (R$80,000 in consolidated are eliminated against Luizacred's intangible assets), which are appropriated to profit or loss during the agreement's effectiveness period. As part of this partnership agreement, the amount of R$20,000, referred to in letter "(a) ii" above was increased to R$55,000.

On December 16, 2011, the Company entered into an amendment to the partnership agreement with joint venture Luizacred, due to the increase in the Company's operations, resulting from the acquisition of New-Utd. Under this amendment, Luizacred paid R$48,000 in cash to the Company, which will be appropriated to profit or loss during the remaining effectiveness period of the partnership agreement.

On February 22, 2013, the Company entered into a new amendment to the partnership agreement, aiming at transferring Luizacred's credit card issuance activities ("Luiza Card"), and related assets and liabilities to Itaú or an Itaú's affiliate ("Transfer"). After the transfer, Magazine Luiza would continue to receive 50% of Luiza Card's results through profit sharing, thus maintaining its economic interest. Said transfer was suspended in a new amendment signed on July 5, 2013, in view of new understandings between the parties regarding the implementation of a new structure to replace the previous one. This Amendment also maintains its exclusive rights up to 2029.

17. Provision for contingencies

The Company and its subsidiary are parties to labor, civil and tax lawsuits in progress for which it has filed administrative or legal defense. In those cases where the opinion of the legal counsel is unfavorable, the Company recognized, as at June 30, 2013, a provision for tax, civil and labor contingencies in noncurrent liabilities that corresponds to Group's management's best estimate of future disbursement. Changes in the provision for contingencies are as follows:

Company

	12/31/2012	Additions	Reversal	Write-offs	Adjustments	6/30/2013
Tax	151,485	48,846	(4,974)	(13,447)	6,641	**188,551**
Civil	10,098	1,833	-	(868)	-	**11,063**
Labor	24,444	2,454	-	(723)	-	**26,175**
	186,027	53,133	(4,974)	(15,038)	6,641	**225,789**

(In thousands of Brazilian reais – R$)

17. Provision for contingencies (Continued)

Consolidated

	12/31/2012 (Restated)	Additions	Reversal	Write-offs	Adjustments	6/30/2013
Tax	151,485	48,846	(4,974)	(13,447)	6,641	**188,551**
Civil	11,292	2,051	(12)	(1,024)	-	**12,307**
Labor	24,776	2,454	(9)	(810)	-	**26,411**
	187,553	53,351	(4,995)	(15,281)	6,641	**227,269**

As at June 30, 2013, the Company's main lawsuits classified by Management as probable loss based on the opinion of its legal counsels and the legal obligations whose amounts are judicially deposited t and included in the provision for contingencies above, are as follows:

a) Tax lawsuits

(i) The Company is challenging several tax delinquency notices filed by few Finance State Departments, which allege differences in payment of ICMS (State VAT), supposed errors when fulfilling few ancillary obligations and few federal tax offsetting procedures with the Brazilian IRS. The Company recorded a provision, as its legal counsels assessed the risk as a probable loss. These tax delinquency notices total R$44,065 as at June 30, 2013 (R$18,687 as at December 31, 2012). Of this amount, approximately R$1,671 is guaranteed by cycle-counting inventories of the Company's goods.

In the quarter ended June 30, 2013, the Company adhered to the special installment payment program of ICMS debits registered or not in the federal collectible debt of the State of São Paulo (PEP-SP). These debits were being discussed at the administrative or judicial levels by the Company's legal counsels.

Total debits included in the installment payment program, after a detailed analysis by the Company's Management about the costs of holding them in court, amounted to R$41,912, which were monetary adjusted until the accession date, and received an amnesty of R$24,614 indemnity, which were fully settled in a lump sum of R$17,298, divided into R$ 8,997 in principal and R$ 8,301 in interests and fiscal penalties. Approximately R$10,646 was recorded as provision for tax risks, since the probability of success was deemed as remote.

17. Provision for contingencies (Continued)

a) Tax lawsuits (Continued)

Concurrently with adhering to the installment payment program described above, the Company revised its lawsuits of several natures, regarding their probability of success or loss, which explains the change in tax provision seen in the last quarter.

(ii) The Company is challenging at court through a writ of mandamus the unconstitutionality of obligation to pay the contribution to the National Agrarian Settlement and Reform Institute (INCRA). Accordingly, the Company made judicial deposits and set up a provision for tax risks in account restricted to this case, totaling R$6,054 as at June 30, 2013 (R$5,353 as at December 31, 2012).

(iii) The Company is challenging at court the increase in the Occupational Accident Risk (RAT) tax rate. Therefore, it filed a lawsuit and made a judicial deposit in an account restricted to the case for the amounts corresponding to the increase difference. The provision totals R$35,684 as at June 30, 2013 (R$29,652 as at December 31, 2012).

(iv) The Company is challenging in court at the administrative level the FAP (Accident Prevention Factor) index which was required by MPS/CNPS Resolution 1269/06, whose provision totals R$26,880 as at June 30, 2013 (R$22,123 as at December 31, 2012).

(v) Other tax lawsuits assessed by the Company's Management and its legal counsels as probable loss amount to R$27,921 as at June 30, 2013 (R$31,227 as at December 31, 2012), which were accrued and refer to tax deficiency notices for alleged differences in ICMS rates applied, as well as risks related to PIS/COFINS referring to debits on interest income, tax subsidies received and credits subject to challenge by tax authorities.

(vi) The merged subsidiary Lojas Maia did not recognize the mandatory payment of PIS/COFINS on the ICMS calculation basis, and made a judicial deposit and set up related provision, totaling R$41,098 as at June 30, 2013 (R$36,554 as at December 31, 2012).

17. Provision for contingencies (Continued)

a) Tax lawsuits (Continued)

(vii) During the business combination process of merged subsidiary Lojas Maia, other tax risks relating to ICMS, IRPJ, CSSL and ISS were identified by the Company and weighted within the context of calculating the related fair values, and an additional provision was recognized, totaling R$6,849 as at June 30, 2013 (R$7,889 as at December 31, 2012).

b) Civil lawsuits

The Company's civil contingencies, amounting to R$12,307 as at June 30, 2013 (R$11,292 as at December 31, 2012) are related to claims mainly filed by customers on possible product defects. Other immaterial balances are recorded in the Company's joint ventures.

c) Labor lawsuits

i. At the labor courts, the Company is a party to various labor lawsuits, mostly claiming overtime.

The amount accrued of R$18,544 as at June 30, 2013 (R$18,483 as at December 31, 2012) in the company, reflects the likelihood of probable loss assessed by the Company's Management and its legal counsels. Other immaterial balances are recorded in the Company's subsidiaries and joint ventures.

ii. The Company is also challenging the payment of social security contribution on one month's salary paid by the employer upon employee's resignation notice, whose full amount was judicially deposited for R$7,867 as at June 30, 2013 (R$6,383 as at December 31, 2012).

17. Provision for contingencies (Continued)

The Company is a party to other lawsuits which were classified by Management, based on the opinion of its legal counsels, as possible losses; therefore, no provision was recognized for these lawsuits.

The amounts attributed to the main lawsuits where the Company is the defendant are as follows:

a) <u>Tax lawsuits</u>: there are tax lawsuits where the Company, its subsidiary and joint ventures are the defendants. The amount estimated by Management and its legal counsels relating to these lawsuits, under the administrative or court level, is R$366,709 as at June 30, 2013 (R$339,161 as at December 31, 2012).

Below, the nature of main lawsuits assessed as possible losses where the Company is the defendant:

PIS/COFINS - Administrative lawsuits, which are pending in the Regional Judgment Authority and the CARF, relating to tax deficiency notices issued due to possible differences in tax bases due to credits calculated and offset, but not ratified by the Brazilian IRS, among other less material amounts. These lawsuits amount to R$181,500.

ICMS - Administrative and court proceedings, relating to tax deficiency notices issued due to: (i) possible differences in ICMS tax rates; (ii) noncompliance with certain ancillary obligations, (iii) acquisition of goods from suppliers whose registrations were subsequently declared invalid by the tax authorities; and (iv) discussion on the tax rate increase in the state of São Paulo, from 17% to 18%, where the government does not accept reimbursement of a 1% difference, among others involving less material amounts estimated at R$79,225.

b) <u>Civil and labor lawsuits</u>

The Company challenges civil and labor administrative proceedings, with likelihood of possible loss, whose amounts are not material for reporting purposes.

17. Provision for contingencies (Continued)

b) Civil and labor lawsuits (Continued)

Contingent assets

The Company is a party to other tax lawsuits of several natures as a plaintiff. The estimated amounts of these proceedings total approximately R$452,506 as at June 30, 2013 (R$371,821 as at December 31, 2012), which were not recorded since they refer to contingent assets. These credits mainly refer to the litigation that aims at excluding ICMS from PIS/COFINS calculation basis, totaling approximately R$229,843. Other credits may be obtained from lawsuits discussing the increase in the PIS/COFINS calculation basis, the exclusion of ISS from the PIS/COFINS calculation basis, among others.

(In thousands of Brazilian reais – R$)

18. Net operating revenue

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Gross revenue:								
Retail – resale of goods	**4,135,954**	3,420,838	**4,135,954**	3,801,241	**2,096,877**	1,796,145	**2,096,877**	1,887,348
Retail – services rendered	**163,578**	135,256	**168,862**	146,909	**81,186**	71,168	**85,949**	76,426
Purchase in consortium management	**-**	-	**18,866**	15,688	**-**	-	**9,608**	7,945
	4,299,532	3,556,094	**4,323,682**	3,963,838	**2,178,063**	1,867,313	**2,192,434**	1,971,719
Taxes and refunds:								
Resale of goods	**(691,269)**	(548,066)	**(691,269)**	(624,874)	**(336,939)**	(290,528)	**(336,939)**	(308,500)
Services rendered	**(21,453)**	(17,922)	**(23,077)**	(20,451)	**(10,941)**	(9,524)	**(11,767)**	(10,557)
	(712,722)	(565,988)	**(714,346)**	(645,325)	**(347,880)**	(300,052)	**(348,706)**	(319,057)
Net sales revenue	**3,586,810**	2,990,106	**3,609,336**	3,318,513	**1,830,183**	1,567,261	**1,843,728**	1,652,662

19. Costs of goods resold and services rendered

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Costs:								
of goods resold	**(2,572,986)**	(2,134,762)	**(2,572,986)**	(2,376,259)	**(1,307,199)**	(1,119,004)	**(1,307,199)**	(1,174,565)
of services rendered	**-**	-	**(3,249)**	(2,722)	**-**	-	**(1,649)**	(1,217)
	(2,572,986)	(2,134,762)	**(2,576,235)**	(2,378,981)	**(1,307,199)**	(1,119,004)	**(1,308,848)**	(1,175,782)

(In thousands of Brazilian reais – R$)

20. Information on the nature of the expenses recognized in the statement of income for the period

The Group presented its statement of income using a classification of expenses according to their function. Information on the nature of these expenses recognized in the statement of income is shown below:

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Personnel expenses	**(489,475)**	(422,397)	**(489,475)**	(460,300)	**(248,112)**	(220,980)	**(248,112)**	(230,116)
Service providers expenses	**(184,550)**	(152,976)	**(184,550)**	(181,789)	**(85,866)**	(76,917)	**(85,866)**	(83,959)
Other	**(140,181)**	(157,563)	**(149,099)**	(181,436)	**(44,096)**	(73,432)	**(48,501)**	(79,388)
	(814,206)	(732,936)	**(823,124)**	(823,525)	**(378,074)**	(371,329)	**(382,479)**	(393,463)
Classified by function as:								
Selling expenses	**(718,934)**	(600,761)	**(718,934)**	(660,540)	**(363,861)**	(313,316)	**(363,861)**	(327,191)
General and administrative expense	**(177,061)**	(139,844)	**(186,018)**	(171,963)	**(87,594)**	(72,674)	**(92,023)**	(82,084)
Other operating revenue	**81,789**	7,669	**81,828**	8,978	**73,381**	14,661	**73,405**	15,813
	(814,206)	(732,936)	**(823,124)**	(823,525)	**(378,074)**	(371,329)	**(382,479)**	(393,463)

(In thousands of Brazilian reais – R$)

21. Other operating revenue, net

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)	6/30/2013	6/30/2012	6/30/2013	6/30/2012 (Restated)
Gain (loss) on sale of property and equipment items (a)	**126,327**	**(531)**	**126,327**	(531)	**126,444**	(261)	**126,444**	(261)
Appropriation of deferred revenue (b)	**16,826**	**21,941**	**16,826**	25,547	**8,259**	17,118	**8,259**	18,045
Provision for tax losses (c)	**(43,872)**	**(450)**	**(43,872)**	(450)	**(45,285)**	1,120	**(45,285)**	1,120
Nonrecurring expenses (d)	**(17,239)**	**(13,706)**	**(17,239)**	(16,342)	**(15,849)**	(3,282)	**(15,849)**	(3,282)
Other	**(253)**	**415**	**(214)**	754	**(188)**	(34)	**(164)**	191
Total	**81,789**	**7,669**	**81,828**	8,978	**73,381**	14,661	**73,405**	15,813

(a) On June 27, 2013, the Company sold 76.7% of the distribution center located in the municipality of Louveira (SP) recording a gain of R$126,554, as detailed in Note 12. The remaining balance of R$227 refers to the loss from sale of property and equipment items.

(b) It refers to the appropriation of deferred revenue due to the assignment of exploration rights, as described in Note16.

(c) The Company adhered to the installment payment of tax debts of the State of São Paulo, as detailed in Note 17. Concurrently, the Company, together with its legal counsels, reviewed the judicial proceedings as to their probability of success or loss, which affected the provision for tax risks.

(d) It mainly refers to provisions and accounting write-offs deriving from the merger process of acquired chains.

(In thousands of Brazilian reais – R$)

22. Financial result

	Six-month period ended				Quarter ended			
	Company		Consolidated		Company		Consolidated	
	6/30/2013	**6/30/2012**	**6/30/2013**	**6/30/2012 (Restated)**	**6/30/2013**	**6/30/2012**	**6/30/2013**	**6/30/2012 (Restated)**
Finance income:								
Interest rates on extended warranty sales	**21,195**	10,369	**21,195**	10,369	**10,913**	4,647	**10,913**	4,647
Income on short-term investments and securities	**9,786**	6,355	**1,456**	2,165	**7,338**	4,261	**1,054**	832
Interest rates on the sale of goods - Interest rates due to delays in receivables	**1,890**	767	**1,890**	905	**1,013**	450	**1,013**	489
Exchange gains	**33**	92	**33**	92	**-**	-	**-**	-
Discounts obtained	**3,827**	2,770	**3,827**	2,784	**1,625**	724	**1,625**	732
Other	**225**	5,864	**225**	5,864	**7**	973	**7**	973
	36,956	26,217	**28,626**	22,179	**20,896**	11,055	**14,612**	7,673
Finance expense:								
Interest on borrowings and financing	**(58,306)**	(53,781)	**(58,306)**	(60,119)	**(32,350)**	(27,803)	**(32,350)**	(29,277)
Charges on anticipation of credit card	**(54,796)**	(49,595)	**(54,796)**	(52,020)	**(29,015)**	(28,246)	**(29,015)**	(28,670)
Accrued interest on extended warranty	**(12,312)**	(6,715)	**(12,312)**	(6,715)	**(8,332)**	(3,287)	**(8,332)**	(3,287)
Exchange losses	**(281)**	(333)	**(281)**	(333)	**(281)**	(333)	**(281)**	(333)
Other	**(7,658)**	(8,333)	**(7,723)**	(8,834)	**(4,084)**	(3,071)	**(4,144)**	(3,175)
	(133,353)	(118,757)	**(133,418)**	(128,021)	**(74,062)**	(62,740)	**(74,122)**	(64,742)
Net financial result	**(96,397)**	(92,540)	**(104,792)**	(105,842)	**(53,166)**	(51,685)	**(59,510)**	(57,069)

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, Financial, Insurance and Purchase in Consortium Management operations. These classifications are considered as the primary reporting segments. The characteristics of each segment are described as follows:

Retail - mainly resale of goods and provision of services at the Company's stores;

Financial transactions - through the joint venture Luizacred, mainly engaged in the granting of credit to the Company's customers for acquisition of products;

Insurance - through the joint venture Luizaseg, mainly engaged in the offer of extended warranties of products purchased by the Company's customers;

Purchase in consortium management - through the subsidiary LAC, mainly engaged in the management of purchase in consortium 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.

(In thousands of Brazilian reais – R$)

23. Segment reporting (Continued)

Statements of income

	6/30/2013			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium management**
Gross revenue from third parties	**4,260,999**	**347,481**	**45,306**	**18,866**
Gross revenue from related parties	**47,238**	**5,031**	**-**	**-**
Revenue deductions	**(712,722)**	**-**	**-**	**(1,624)**
Segment's net revenue	**3,595,515**	**352,512**	**45,306**	**17,242**
Costs	**(2,572,986)**	**(33,542)**	**(4,644)**	**(4,976)**
Costs with related parties	**-**	**-**	**-**	**(1,694)**
Gross profit	**1,022,529**	**318,970**	**40,662**	**10,572**
Selling expenses	**(718,934)**	**(101,888)**	**(16,030)**	**-**
Selling expenses - related parties	**-**	**(22,973)**	**(13,866)**	**-**
General and administrative expenses	**(177,061)**	**(714)**	**(6,118)**	**(8,957)**
Loss on allowance for doubtful accounts	**(10,004)**	**(164,191)**	**-**	**-**
Depreciation and amortization	**(50,055)**	**(3,284)**	**(9)**	**(153)**
Equity accounting	**24,052**	**-**	**-**	**-**
Other operating revenue	**81,789**	**3,805**	**5**	**39**
Financial result (loss)	**(100,071)**	**-**	**3,678**	**310**
Financial result (loss) with related parties	**(5,031)**	**-**	**-**	**-**
Income tax and social contribution	**(11,758)**	**(11,894)**	**(3,311)**	**(601)**
Profit (loss) for the period	**55,456**	**17,831**	**5,011**	**1,210**

	6/30/2012			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium management**
Gross revenue from third parties	3,884,984	312,642	39,042	15,688
Gross revenue from related parties	61,039	12,305	-	-
Revenue deductions	(643,966)	-	-	(1,359)
Segment's net revenue	3,302,057	324,947	39,042	14,329
Costs	(2,376,259)	(46,635)	(3,306)	(2,722)
Costs with related parties	-	-	-	(2,695)
Gross profit	925,798	278,312	35,736	8,912
Selling expenses	(660,540)	(93,638)	-	-
Selling expenses - related parties	-	(33,267)	(25,078)	-
General and administrative expenses	(164,639)	(1,519)	(6,375)	(7,324)
Loss on allowance for doubtful accounts	(11,420)	(157,121)	-	-
Depreciation and amortization	(43,655)	(3,317)	(3)	(145)
Equity accounting	131	-	-	-
Other operating revenue	8,758	160	13	219
Financial result (loss)	(89,177)	-	4,196	461
Financial result (loss) with related parties	(12,304)	-	-	-
Income tax and social contribution	28,245	3,999	(3,391)	(699)
Profit (loss) for the period	(18,803)	(6,391)	5,098	1,424

(In thousands of Brazilian reais – R$)

23. Segment information (Continued)

Statement of financial position

	6/30/2013			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium management**
Assets				
Cash and cash equivalents	**162,250**	**1,118**	**50**	**14,324**
Securities	**539,038**	**5,034**	**99,975**	**-**
Trade accounts receivable	**462,434**	**1,608,894**	**-**	**-**
Inventories of goods for resale	**1,051,127**	**-**	**-**	**-**
Investments	**248,090**	**-**	**-**	**-**
Property and equipment and intangible assets	**946,486**	**97,590**	**9**	**-**
Other	**876,557**	**95,728**	**18,725**	**3,716**
	4,285,982	**1,808,364**	**118,759**	**18,040**
Liabilities				
Trade accounts payable	**1,305,659**	**-**	**1,017**	**444**
Borrowings and financing	**1,395,218**	**-**	**-**	**-**
Interbank deposits	**-**	**962,195**	**-**	
Credit card transactions	**-**	**552,797**	**-**	
Insurance technical reserves	**-**	**-**	**66,473**	
Provision for contingencies	**225,789**	**13,752**	**93**	**1,480**
Deferred revenue	**395,445**	**7,500**	**-**	**-**
Other	**292,441**	**72,547**	**14,152**	**4,634**
	3,614,552	**1,608,781**	**81,735**	**6,558**

	12/31/2012			
	Retail	**Financial operations**	**Insurance operations**	**Purchase in consortium management**
Assets				
Cash and cash equivalents	404,143	4,244	5	14,736
Securities	126,385	5,024	103,073	-
Trade accounts receivable	486,872	1,619,378	-	-
Inventories of goods for resale	1,068,762		-	-
Investments	235,166	-	-	-
Property and equipment and intangible assets	1,008,272	100,802	16	1,023
Other	773,376	83,777	20,448	1,998
	4,102,976	1,813,225	123,542	17,757
Liabilities				
Trade accounts payable	1,325,992	-	1,845	318
Borrowings and financing	1,235,964	-	-	-
Interbank deposits	-	990,021	-	-
Credit card transactions	-	566,664	-	-
Insurance technical reserves	-	-	61,493	-
Provision for contingencies	186,027	11,548	101	1,526
Deferred revenue	412,271	7,500	-	-
Other trade accounts payable	326,730	55,741	18,960	3,641
	3,486,984	1,631,474	82,399	5,485

(In thousands of Brazilian reais – R$)

24. Financial instruments

Capital risk management

The objectives of capital management are to safeguard continuous return to the Company's shareholders and benefits to other related parties, and maintain an optimal 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's capital structure comprises financial liabilities, cash and cash equivalents, securities, and equity.

Periodically, Management reviews the capital structure and its ability to settle its liabilities, and monitors, on a timely basis, the average term of trade accounts payable in relation to the average term of inventory turnover. Actions are taken when assets are higher than the liabilities.

The Company also uses the Net Debt-to-EBITDA ratio, which in its opinion, represents 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 any and all Borrowings and Financing in current and noncurrent liabilities, less cash and cash equivalents and securities in current assets. EBITDA means earnings before income tax and social contribution, finance income and expenses, depreciation and amortization.

The Company's capital structure can be broken down as follows:

	Company		Consolidated	
	6/30/2013	12/31/2012	6/30/2013	12/31/2012 (Restated)
Borrowings and financing	**1,395,218**	1,235,964	**1,395,218**	1,235,964
(-) Cash and cash equivalents	**(162,250)**	(404,143)	**(176,574)**	(418,879)
(-) Securities	**(539,038)**	(126,385)	**(539,038)**	(126,385)
Net debt	**693,930**	705,436	**679,606**	690,700
Equity	**671,430**	615,992	**671,430**	615,992

(In thousands of Brazilian reais – R$)

24. Financial instruments (Continued)

Categories of financial instruments

	Company		Consolidated	
	6/30/2013	**12/31/2012**	**6/30/2013**	**12/31/2012**
Financial assets				**(Restated)**
Loans and receivables (including cash and banks):				
Cash and banks	**44,591**	103,792	**46,552**	105,422
Judicial deposits	**150,439**	129,348	**150,439**	129,348
Trade accounts receivable	**462,434**	486,872	**462,434**	486,872
Related parties	**86,896**	74,342	**86,322**	73,625
Held for trading:				
Cash and cash equivalents and securities	**656,687**	426,736	**669,049**	439,842
Financial liabilities				
Amortized cost:				
Borrowings and financing	**1,395,218**	1,235,964	**1,395,218**	1,235,964
Trade accounts payable	**1,305,659**	1,325,992	**1,306,103**	1,326,310
Related parties	**50,874**	51,291	**50,874**	51,291
Tax installment payment	**9,474**	10,911	**9,474**	10,911

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 drawing on market prices quoted for similar instruments.

The fair value of other financial instruments described above allows to approximating their carrying amounts based on current payment conditions. The Company has no outstanding assets or liabilities where the fair value could be measured by using non-observable material information (Level 3) at June 30, 2013 and December 31, 2012.

(In thousands of Brazilian reais – R$)

24. Financial instruments (–Continued)

Liquidity risk management

The Company's Finance Department has the ultimate responsibility for managing the liquidity risk and has prepared a proper liquidity risk management model to manage funding requirements as well as liquidity in the short-, medium- and long-terms. 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 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 the end of the reporting period.

Contractual maturity is based on the most recent date when the Group should settle related obligations.

	Less than one year	One to three years	Over three years	Total
Trade accounts payable	1,305,659	-	-	1,305,659
Borrowings and financing	534,795	736,541	123,882	1,395,218
Related parties	50,874	-	-	50,874
Tax installment payment	8,880	594	-	9,474

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 goods and purchase in consortium-related activities, created to acquire vehicles, motorcycles, home appliances and furniture. The main market risk factors affecting the Company's business are summarized as follows:

24. Financial instruments (–Continued)

Considerations on risks (Continued)

Credit risk: arises from the possibility of the Company incurring losses due to default of amounts billed to its customers, totaling R$393,428 as at June 30, 2013 (R$396,465 as at December 31, 2012). 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 actual receipt of the total balance of trade accounts receivable due to the nature of the Group's activities. In cases in which the concentration of billed amounts is higher, the risk is managed by means of periodic analysis of default rate and adoption of more efficient collection measures. At June 30, 2013, the Group recorded past-due or uncollectible balances that had been renegotiated, amounting to R$10,162 (R$11,196 at December 31, 2012), 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 scenario. These transactions' inherent risks are managed through the definition of operating and sales policies, setting limits for derivative transactions, and monitoring positions assumed.

Interest rate risk: the Group is exposed to floating interest rates tied to the "Long-term Interest Rate (TJLP)", "Extended Consumer Price Index (IPCA)" and "Overnight Brazilian Interbank Deposit Rate (CDI)", relating to financial investments and borrowings and financing in Brazilian reais, for which it performed a sensitivity analysis, as described below.

Foreign exchange rate risk management: the Company contracts derivative transactions, recorded in equity and statement of income accounts, to meet its market risk management requirements, arising from mismatching between currencies and indexes. 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 interest-bearing foreign currency-denominated loans, for which it entered into swap transactions to hedge against exchange rate fluctuations, swapping contracted interest rate and foreign currency exchange rate change 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 counterparty and that should be settled by its net value. Thus, Management believes that, in substance, this is a loan transaction denominated in local currency, subject to a certain interest rate; accordingly, the accounting treatment and related disclosures reflect the substance of the transaction.

(In thousands of Brazilian reais – R$)

24. Financial instruments (–Continued)

Considerations on risks (Continued)

The Company does not adopt the hedge accounting provided for in CPC 38.

Below, a description of contracts that impacted profit for the period ended June 30, 2013:

Bank	Notional amount	Fair value with gain (loss) on swap	Bank index		Company index	
			Index	Interest	Index	Interest
		(a)				
Bradesco	29,027	21,154	US$	4.08% p.a.	CDI	118.8% p.a.
Banco do Brasil	89,442	68,519	US$	4.79% p.a.	CDI	116.0% p.a.
	118,469	89,673				

(a) The fair value of derivatives is calculated under a methodology commonly 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, as well as there are no future commitments subject to cash flow hedge.

Sensitivity analysis of financial instruments

As at June 30, 2013, Management carried out a sensitivity analysis, taking into account a 25% and 50% increase in the expected interest rates (probable scenario), using future interest rates disclosed by BM&FBOVESPA and/or Brazilian Central Bank (BACEN). The expected effects of interest expenses, net of finance income from financial investments for the next quarterly results (September 30, 2013) are as follows:

	Probable rate	Scenario I probable	Scenario II (+ 25%)	Scenario III (+ 50%)
Future interest exposed to:				
CDI	8.50%	24,584	30,729	36,875
TJLP	5.10%	14	18	21
IPCA	5.80%	85	106	128
Total		24,683	30,853	37,024

24. Financial instruments (–Continued)

Sensitivity analysis of financial instruments (Continued)

As previously mentioned, the Group's Management understands there is no market risk arising from changes in exchange rates, since all material financial liabilities recorded in foreign currency are pegged to swap transactions, so that the accounting and financial treatment of these borrowings are denominated in local currency. Thus, changes in swap derivative instruments and borrowings and financing are offset.

25. Approval of financial statements

The financial statements were approved and authorized for disclosure by the Board of Directors on August 5, 2013.