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.

MGLU3: R$ 4.95 per share	**Conference call: August 07, 2013 (Wednesday)**	Investor Relations: Tel. +55 11 3504-2727
Total Shares: 186,494,467	10:00AM in US Time (EST): +1 646-843-6054	www.magazineluiza.com.br/ri
Market Cap: R$ 0.9 billion	11:00PM in Brazil Time: +55 11 2188-0155	ri@magazineluiza.com.br

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.

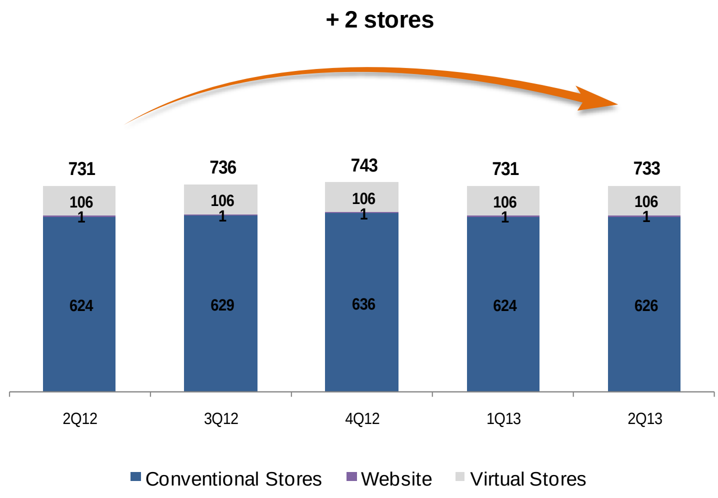
- **Streamlining of costs and expenses:** i) Gains from the streamlining of costs and expenses will be more significant in the last quarter of 2013, a period to execute a large part of the new budget processes (ZBB - Zero Based Budgeting) and initiatives implemented throughout the year, including the 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

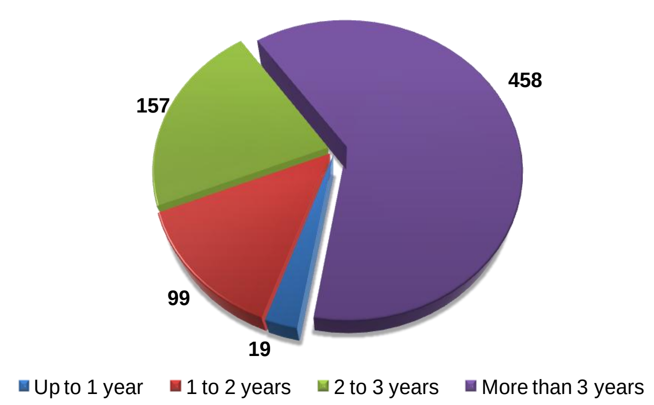
Magazine Luiza ended June 2013 with 733 stores, of which 626 were conventional, 106 virtual multimedia branches and the website. In 2Q13, the Company inaugurated three conventional stores (Joinville – SC, Pouso Alegre – MG and Londrina – PR) and closed one store in São Paulo – SP.

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

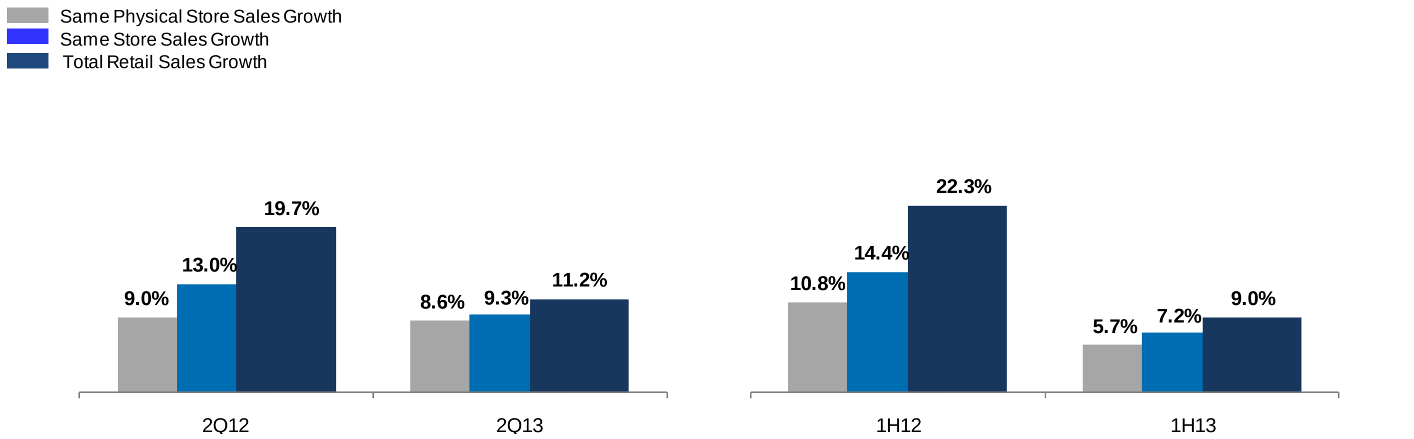


Average Age of Stores (number of stores)

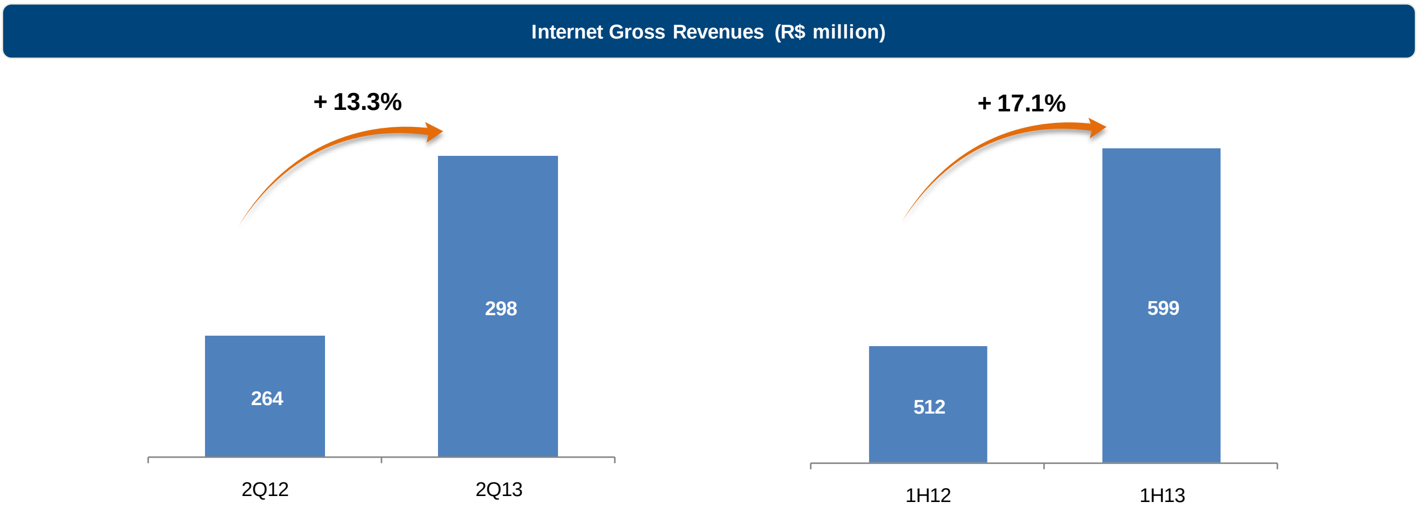


In same-store terms, Magazine Luiza grew 9.3% and 7.2% in 2Q13 and 1H13 over the same periods last year, respectively.

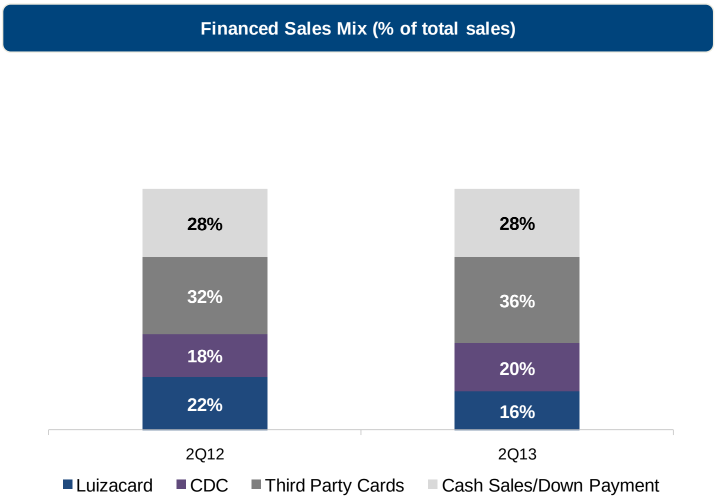
Same Store Sales Growth (%)

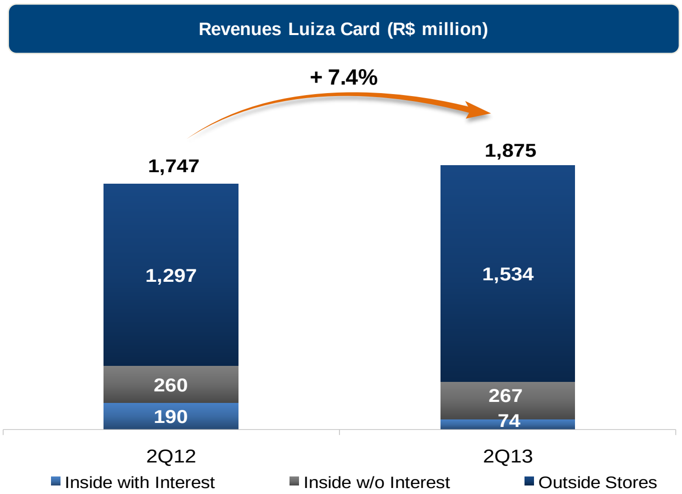


Internet sales (www.magazineluiza.com.br) climbed 13.3% in 2Q13 over a high base of comparison in2Q12 (45.0%), totaling gross revenue of R$298.4 million and representing 13.7% of total retail sales. In 1H13, sales came to R$599.3 million, up 17.1% on 1H12.



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.





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

	Retail	Consortium 100%	Eliminations	Consolidated	Cons.Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
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%

	Retail	Consortium 100%	Eliminations	Consolidated	Cons.Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
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

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About Magazine Luiza

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

EBITDA, Adjusted EBITDA and Adjusted Net Income

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

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