



4Q11 Conference Call

March 23, 2012

magazineluiza
vem ser feliz

▪ Highlights of 2011 and Expectations for 2012

- Financial Performance
- Operational Performance



Highlights of 2011

Initiatives and achievements

- **Significant sales growth**
 - Sales growth of 33.5%
 - Same store sales growth of 16.5%
 - E-commerce growth of 44.4%
 - Maia Stores: R\$1 billion in sales
- **Sustainable Growth**
 - Maintenance of the Gross Margin
 - Financial discipline (sales with no interest)
- **Consolidation of the São Paulo Office**
- **Initial Public Offering (IPO)**
- **Investments and expansion**
 - 124 stores opened (24 organically and 100 from Baú)
 - 124 stores refurbished

Impacts on financial results

- **Acquisition of Baú**
 - Initial disbursement of R\$80.3 million
 - Extraordinary expenses of R\$30.8 million
 - R\$10.5 million of investments
- **Integration of Maia**
 - Decrease in sales (stores closed)
 - Extraordinary expenses of R\$18.0 million
 - R\$49.5 million in investments
- **Infrastructure investments**
 - Logistics and IT – R\$71 million
 - Extraordinary expenses at Magazine Luiza of R\$29.6 million (integration of chains)
- **Luizacred Results**
 - Conservative revenue's recognition
 - Higher provisions than predicted
 - Reduction of credit approval rate

Expectations for 2012

1

Maturation of Baú' Stores

- Corporate integration – nov/11
- Systems integration – feb/12
- People and logistic costs synergies
- Constant sales growth

2

Integration Process – Maia' stores

- Corporate integration – 2Q12
- Systems integration – end of 3Q12
- Complete management integration – 4Q12
- Brand transition – Salvador and João Pessoa

3

Reduction of costs and expenses

- “*Mais com Menos*” (*More with Less*) project
- Reduction in expenses in all departments
- Significant reduce in consulting and integration expenses

4

Infrastructure Investments

- Logistics and Technology investments
- Budget: R\$140 million
 - New stores opening (20-30 stores)
 - Stores refurbishing (50-60 stores)

5

Luizacred

- Robust provisions for loan losses
- Maintenance of credit approval rate
- Improvement in profitability during 2S12 (credit portfolio's maturation and expenses dilution)

6

Results

- Sales increase (stores maturation. internet. market consolidation and Brazilian market perspectives)
- Sustainable results

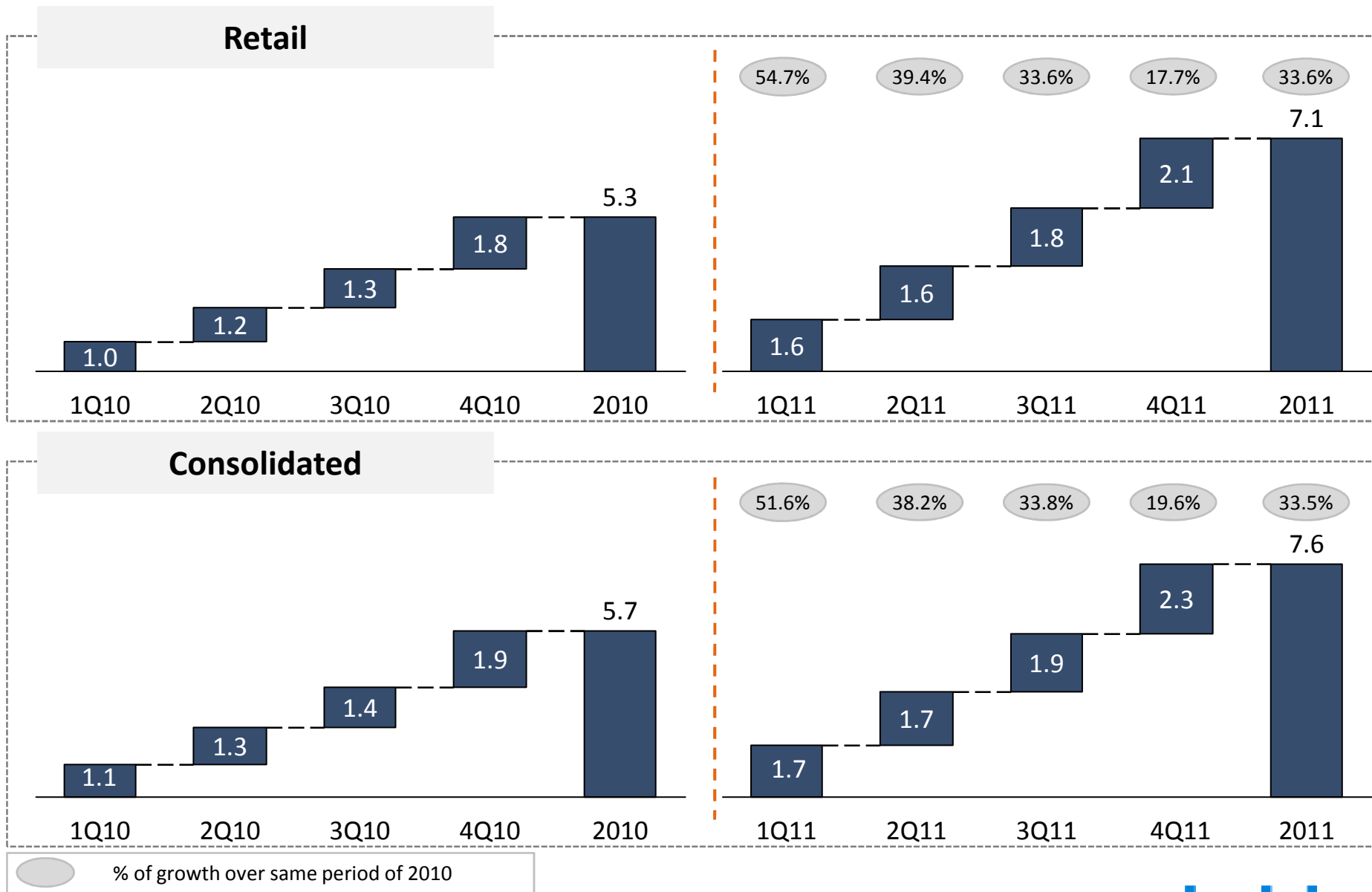
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- Highlights of 2011 and Expectations for 2012

- **Financial Performance**

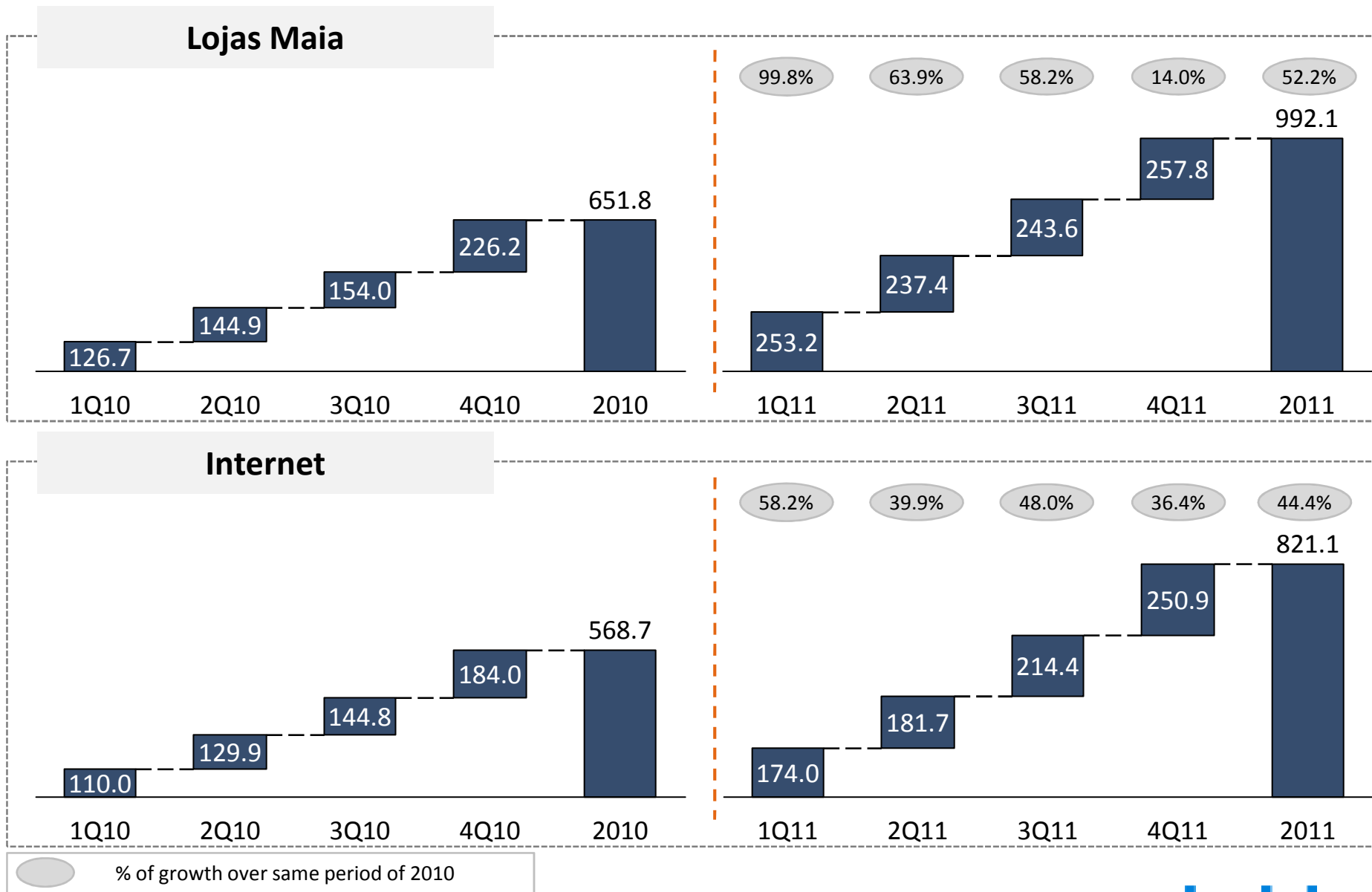
- Operational Performance



Gross Revenue (R\$ billions)

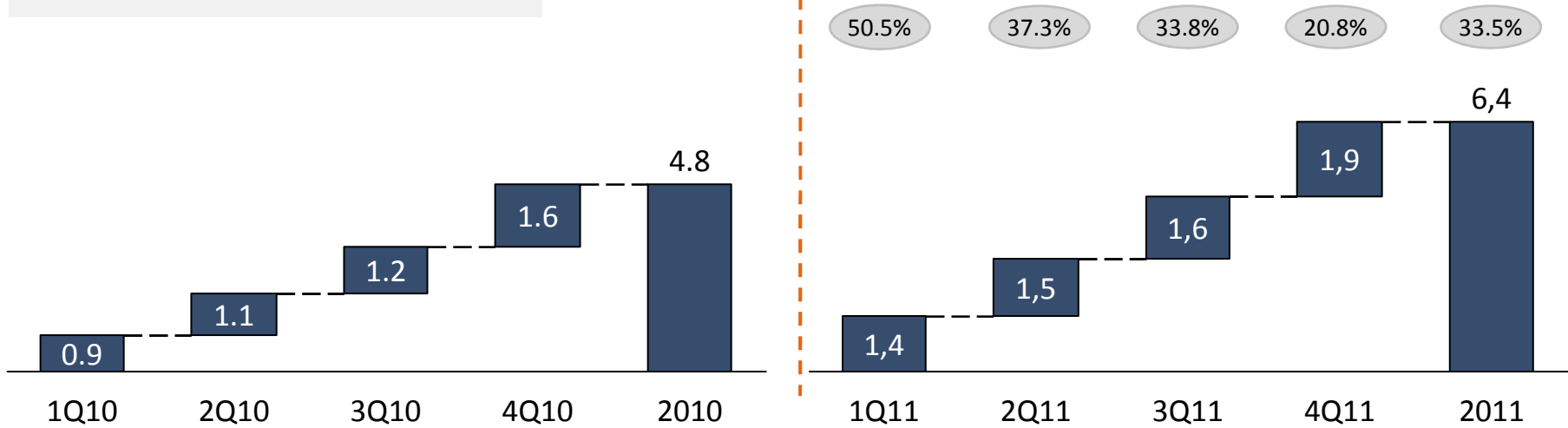


Gross Revenue – Maia and Internet (R\$ millions)

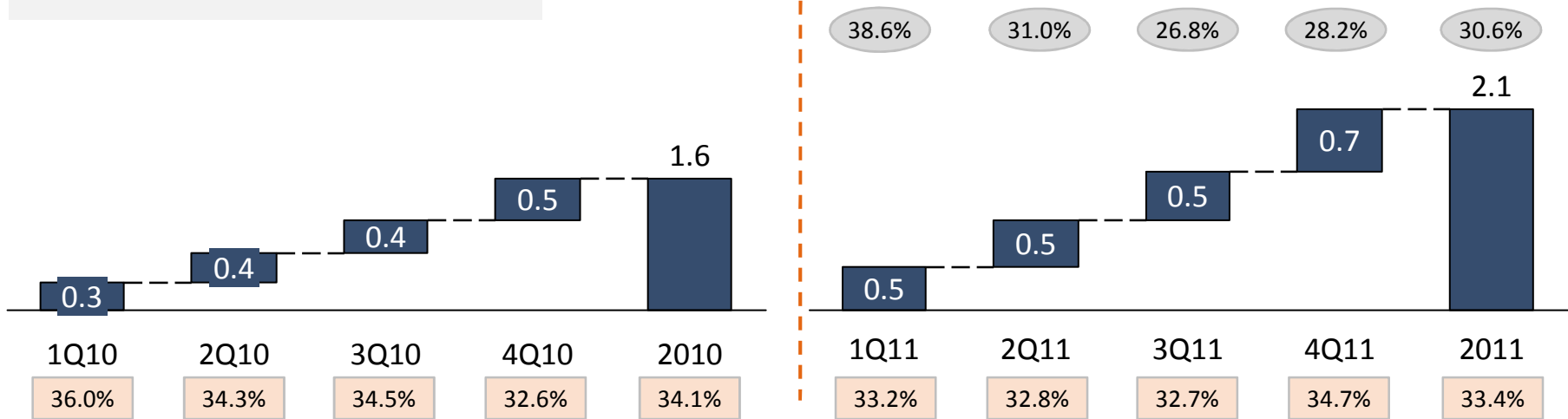


Net Revenue and Gross Profit (R\$ billion)

Net Revenue - Consolidated

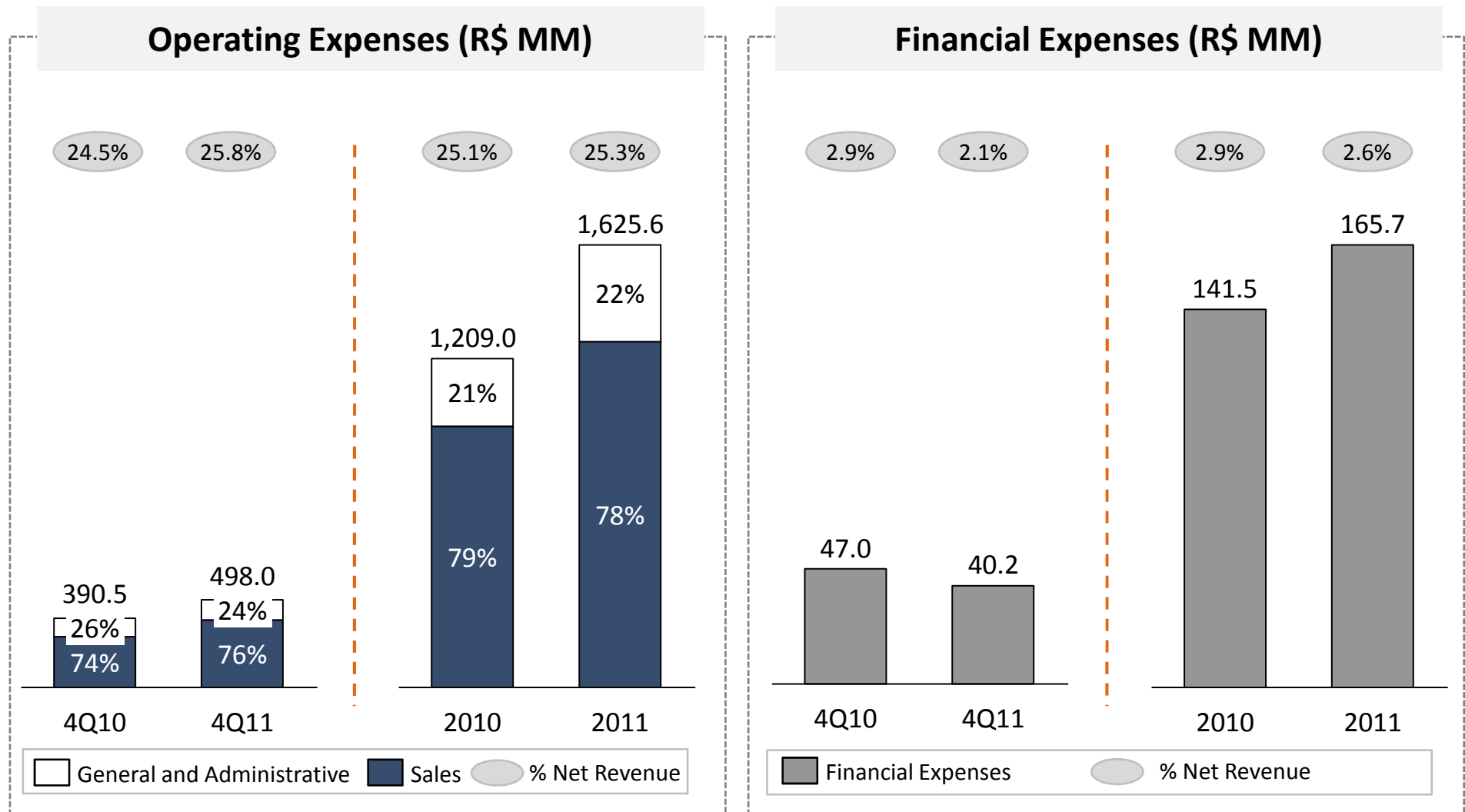


Gross Profit - Consolidated



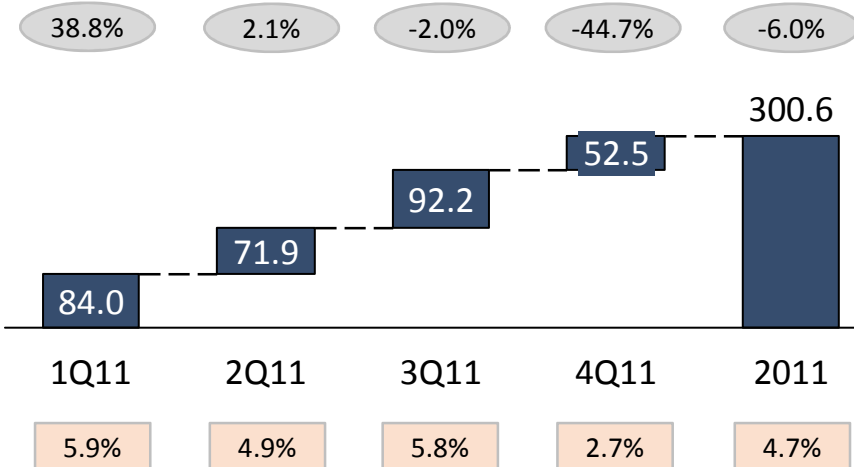
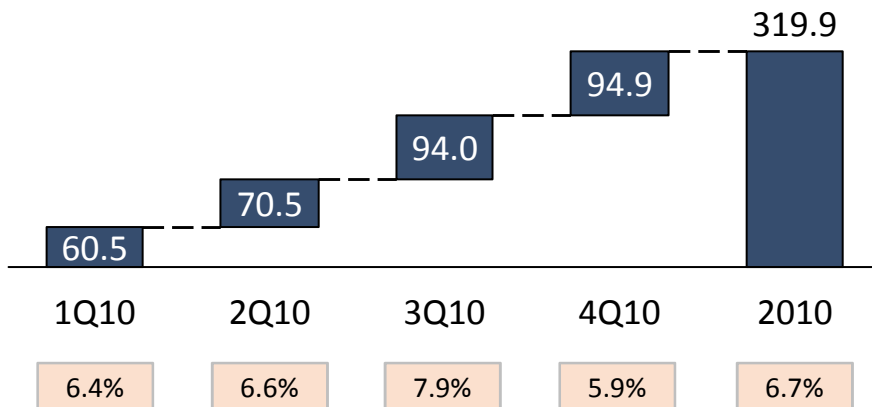
% of growth over same period of 2010
 Gross Margin (%)

Operating and Financial Expenses (R\$ millions)

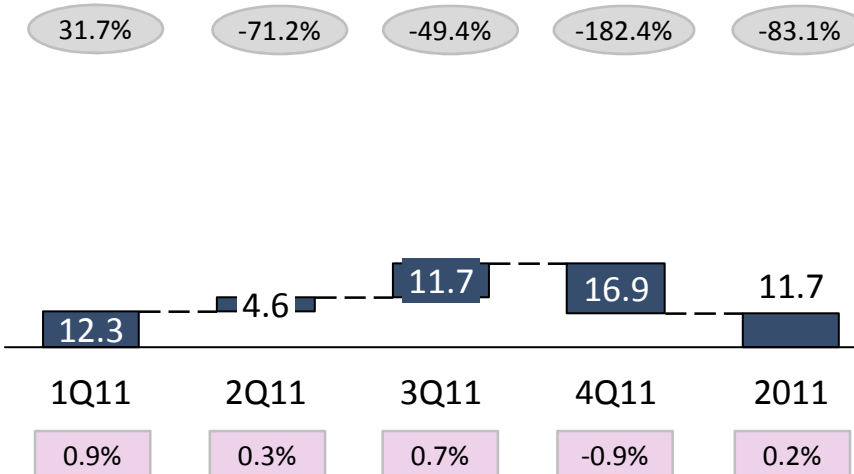
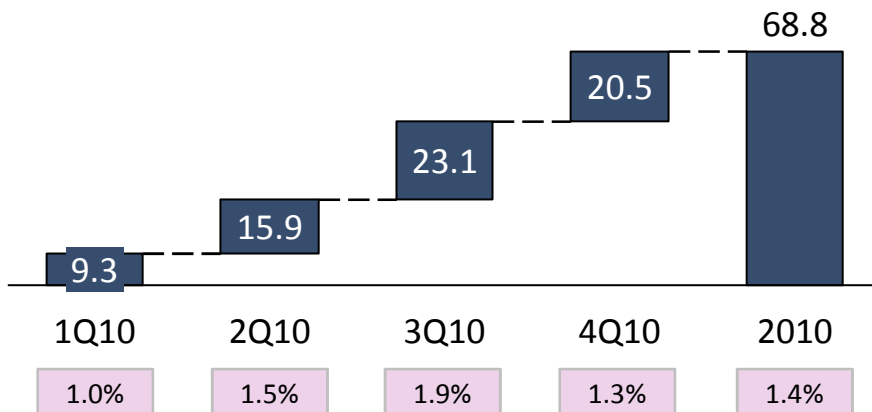


EBITDA and Net Income (R\$ millions)

EBITDA – Consolidated



Net Income - Consolidated

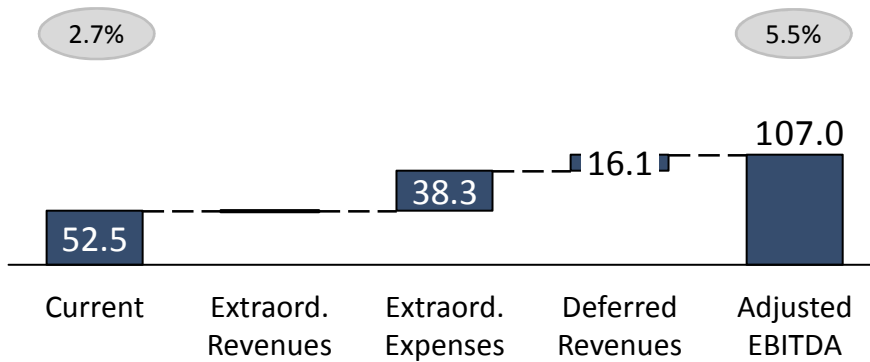


% of growth over same period of 2010
 Margin EBITDA (%)
 Net Margin (%)

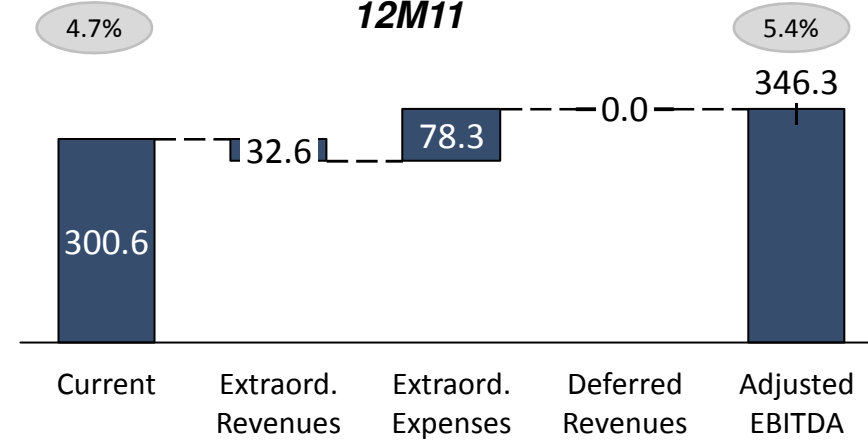
Adjusted EBITDA and Net Income (R\$ millions)

Adjusted EBITDA

4Q11

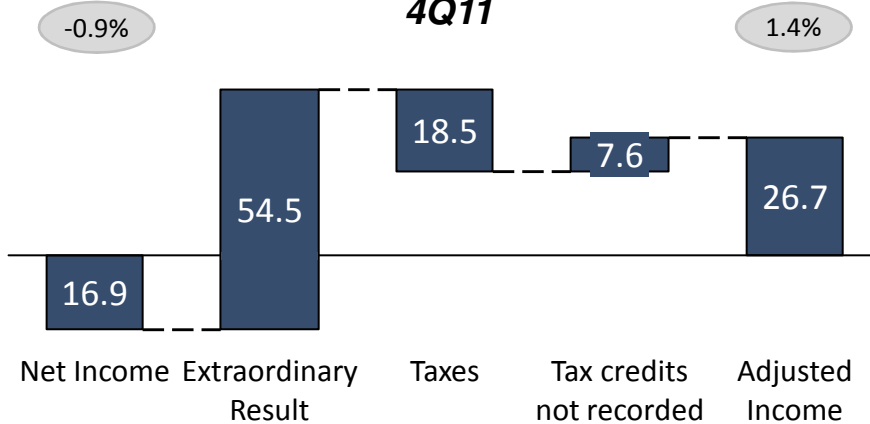


12M11

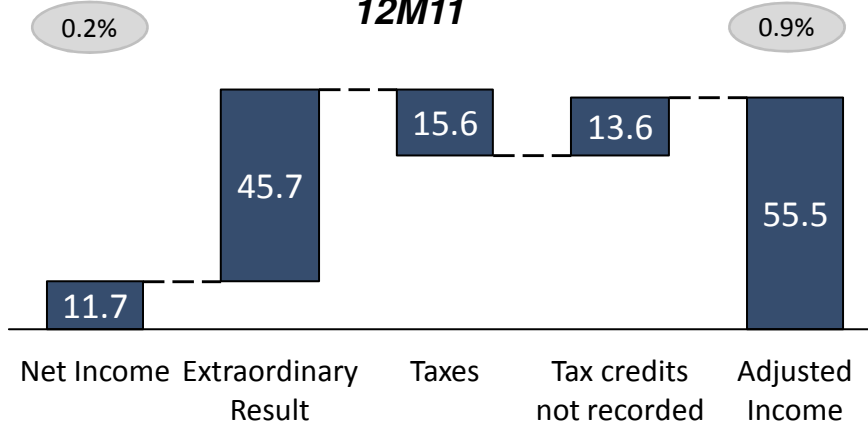


Adjusted Net Income

4Q11



12M11



% of Net Revenue

- Highlights of 2011 and Expectations for 2012

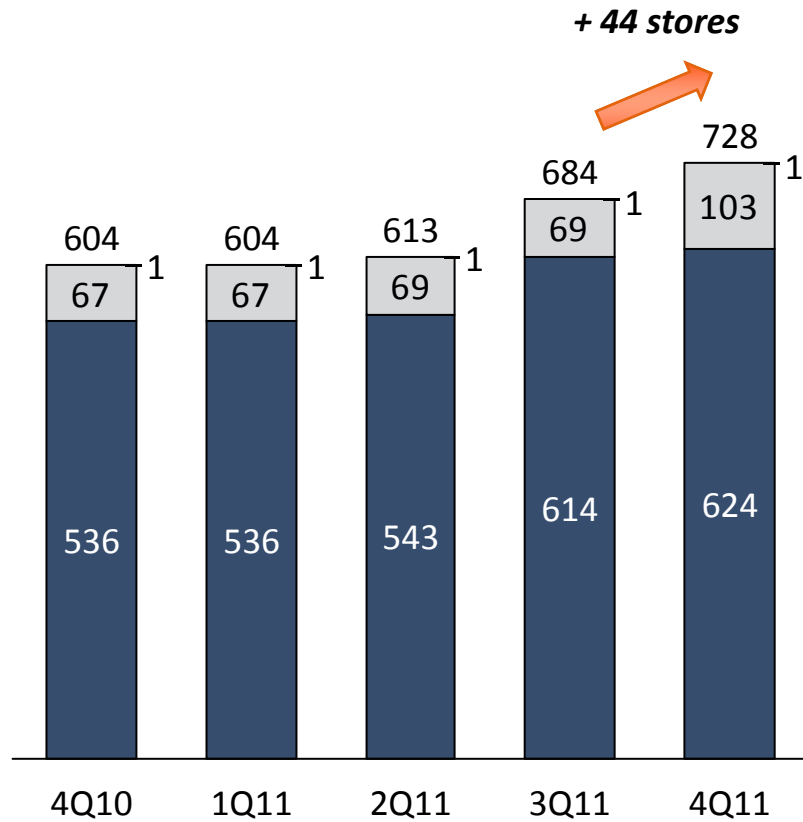
- Financial Performance

- **Operational Performance**



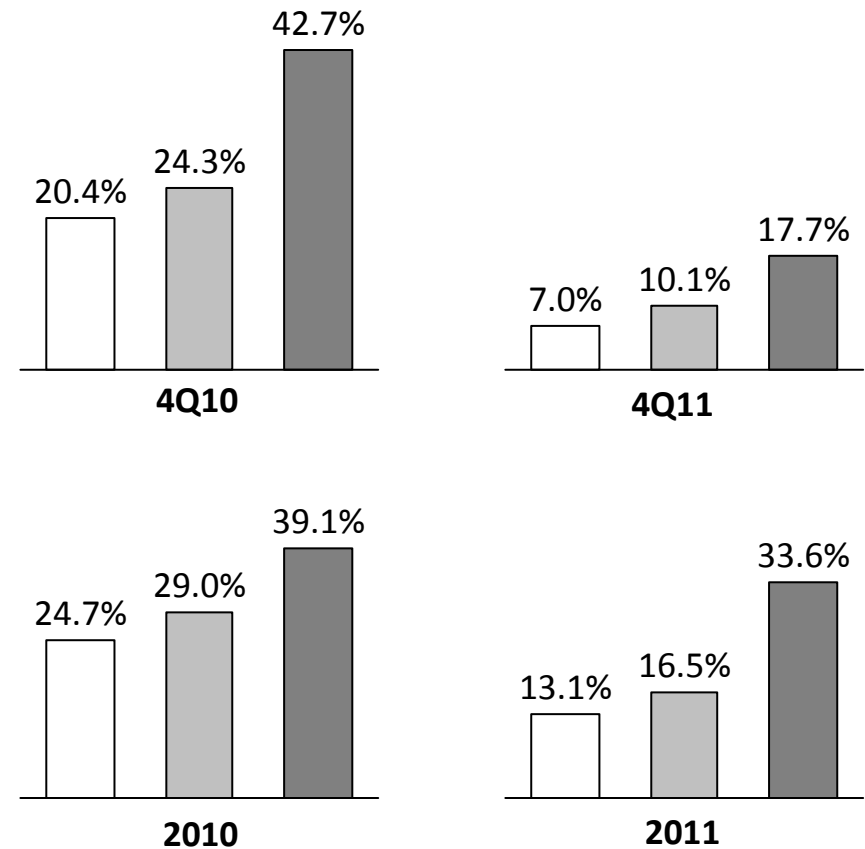
Operational Performance – Stores

Number of Stores (unit)



Site
 Virtual Stores
 Conventional Stores

Same Store Sales Growth (%)

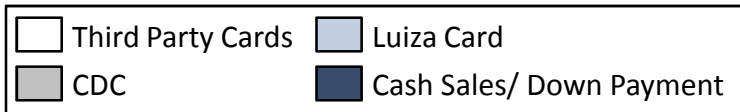
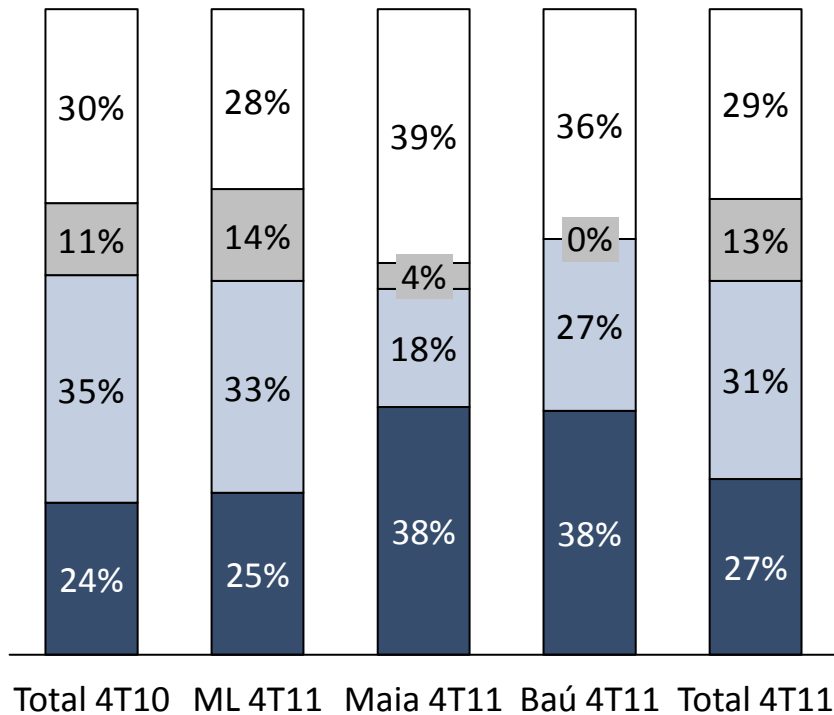


Same Stores Sale Growth - Physical Stores
 Same Store Sales Growth (includes e-commerce)
 Total Retail Growth

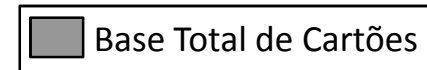
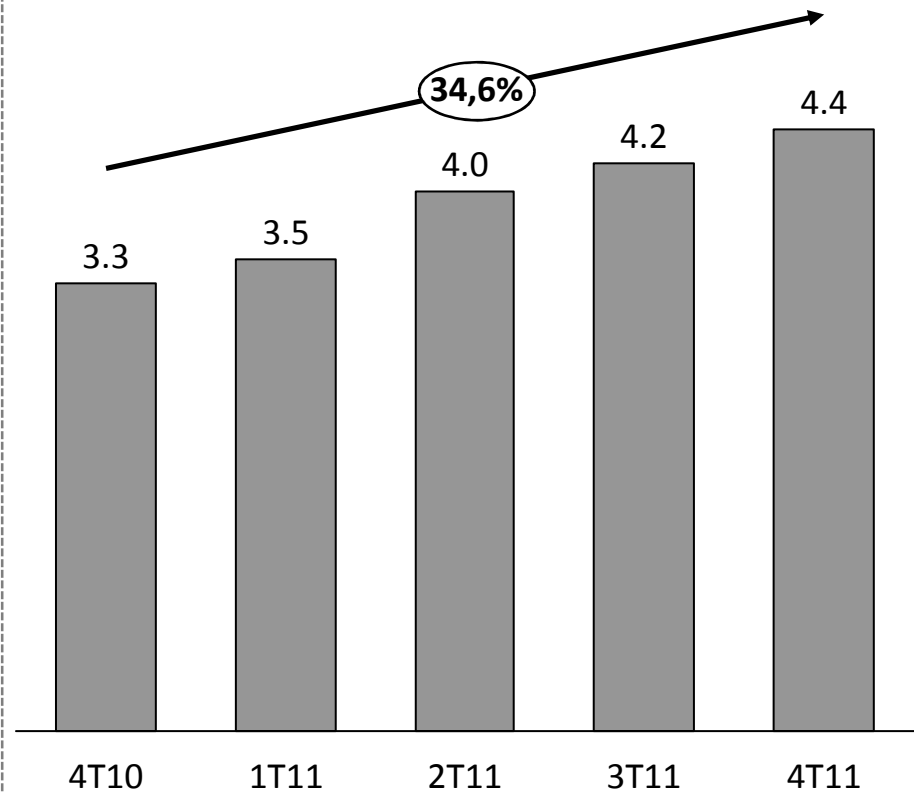


Operational Performance – Luiza Card

Financed Mix Sales (%)



Luiza Card – Total Credit Card Base (MM)



Luizacred Portfolio (R\$ millions)

Portfolio Overdue	Dec 2011		Sep 2011		Jun 2011		Mar 2011		Dec 2010	
Total Portfolio (R\$ MM)	3,334.2	100.0%	3,011.7	100.0%	2,668.3	100.0%	2,424.2	100.0%	2,359.7	100.0%

000 to 014 days	2,773.8	83.2%	2,478.2	82.3%	2,155.4	80.8%	1,890.1	78.0%	1,901.7	80.6%
015 a 030 days	43.2	1.3%	34.2	1.1%	78.8	3.0%	96.6	4.0%	91.0	3.9%
031 a 060 days	39.5	1.2%	36.2	1.2%	51.9	1.9%	59.7	2.5%	64.8	2.7%
061 a 090 days	64.4	1.9%	52.7	1.8%	48.4	1.8%	63.7	2.6%	43.3	1.8%
091 a 120 days	53.2	1.6%	54.0	1.8%	45.3	1.7%	66.2	2.7%	36.2	1.5%
121 a 150 days	46.4	1.4%	48.8	1.6%	47.3	1.8%	51.6	2.1%	31.4	1.3%
151 a 180 days	41.9	1.3%	51.8	1.7%	51.2	1.9%	33.5	1.4%	29.1	1.2%
180 a 360 days	271.8	8.2%	255.7	8.5%	190.0	7.1%	162.8	6.7%	162.2	6.9%

Overdue from 15-90 days	147.0	4.4%	123.2	4.1%	179.1	6.7%	219.9	9.1%	199.0	8.4%
Overdue above 90 days	413.3	12.4%	410.3	13.6%	333.8	12.5%	314.2	13.0%	259.0	11.0%
Total Overdue	560.4	16.8%	533.5	17.7%	512.9	19.2%	534.1	22.0%	458.0	19.4%

Allowance for doubtful accounts in IFRS	469.5	14.1%	455.7	15.1%	372.9	14.0%	333.4	13.8%	309.4	13.1%
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Coverage (%)	114%	111%	112%	106%	119%
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