Magazine Luiza S.A. First Quarter 2011Earnings Release

Gross Revenue increases 51.6% to R$1,696.1 million
Total Same Store Sales increase of 25.6%
38.9% expansion in EBITDA to R$84.0 million (5.9% margin)

São Paulo, May 16, 2011 - Magazine Luiza, S.A. (BM&FBovespa: MGLU3). one of the largest retail networks focused on durable goods with major penetration in Brazil's emerging middle class and 604 stores strategically located in 16 Brazilian states, discloses its results of the first quarter of 2011 (1Q11). The Company's accounting information is based on consolidated numbers, in million of reais, as per International Financial Reporting Standards – IFRS, except when otherwise indicated.

MGLU3: R$16.35 per share
Total shares: 188,587,146
Market value: R$3.0 billion
Closing price: 5/13/2011

THE INITIAL PUBLIC PRIMARY OFFERING OF COMMON SHARES ("SHARES") OF MAGAZINE LUIZA S.A. ("COMPANY" AND "OFFERING," RESPECTIVELY) IS IN PROGRESS. THIS REPORT SHOULD IN NO WAY BE CONSIDERED A RECOMMENDATION FOR INVESTMENT. BEFORE INVESTING IN THE SHAES, POTENCIAL INVESTORS SHOULD CARRY OUT THEIR OWN ANALYSIS AND EVALUATON OF THE COMPANY, ITS BUSINESS AND ITS FINANCIAL CONDISTIONS AND THE RISKS INVOLVED IN INVESTING IN THE SHARES. **INVESTORS SHOULD READ CAREFULY THE OFFERING PROSPECUTS, ESPECIALLY THE SECTION "RISK FACTORS."**

HIGHLIGHTS OF THE PERIOD (1Q11)

- Consolidated Gross Revenue up 51.6% to R$1,696.1 million and Net Revenue up 50.5% to R$1,416.1 million
- 25.6% growth in same store retail sales, up 21.7% at physical stores and 58.2% on the internet
- Gross Revenue of Lojas Maia reached R$253.2 million, up 99.7%.
- EBITDA at R$84.0 million, expanding 38.9%, with EBITDA margin at 5.9%;
- Net Income growth of 31.7% to R$12.3 million, with margin at 0.9%.
- Credit cards base increase to 3.5 million cards with 3.0 million active cards (activation rate at 86%).

KEY INDICATORS

R$ million (except when otherwise indicated)	1Q11	1Q10	% Chg.
Total Gross Revenue	1,696.1	1,118.9	**51.6%**
Total Net Revenue	1,416.1	941.1	**50.5%**
EBITDA	84.0	60.5	**38.9%**
EBITDA Margin	5.9%	6.4%	**-0.5 p.p.**
Net Income	12.3	9.3	**31.7%**
Net Margin	0.9%	1.0%	**-0.1 p.p.**
Same Store Growth	25.6%	33.0%	**-**
Same Physical Store Growth	21.7%	28.7%	**-**
Internet Sales Growth	58.2%	80.6%	**-**
Number of Stores – End of Period	604	456	**32.5%**
Sales Area – End of Period (M2)	400,112	310,980	**28.7%**
Average Area per Store - End of Period (M2)	662	682	**-2.9%**
Total Card Base – Luizacred (thousand)	3,463	2,146	**61.4%**
Total Active Card Base – Luizacred (thousand)	2,976	1,745	**70.6%**

MESSAGE FROM THE MANAGEMENT

Over the last 50 years Magazine Luiza has built a business that is unparalleled in the durable goods segment serving Brazil's emerging middle class. With the growing demand in this sector and the success of our initiatives to expand our business, including more than 500 new stores in the last 10 years, Magazine Luiza decided to prepare the company to go public. On April 28, Magazine Luiza began its initial public offering, attracting thousands of new shareholders.

Magazine Luiza's common shares began trading on the BM&FBovespa on May 2, 2011, after the IPO pricing at R$16.00 per share. The Company has a total of 188,587,146 shares, including *green shoe* shares, for a market value at the IPO date of R$3.0 billion. The primary offering was of 33,750,000 shares in the basic offering (R$540 million), and 38,587,146 shares (R$617 million), including the green shoe shares.

With the proceeds of the offering, we plan to continue growing, strengthening our technological and logistical structures and generating more value for our shareholders. In the past 10 years, our annual compounded growth rate of gross revenues in retail was 25.8%. We are pleased to report that our strong first quarter 2011 results reinforce the key investment highlights that we discussed during our road show, specifically:

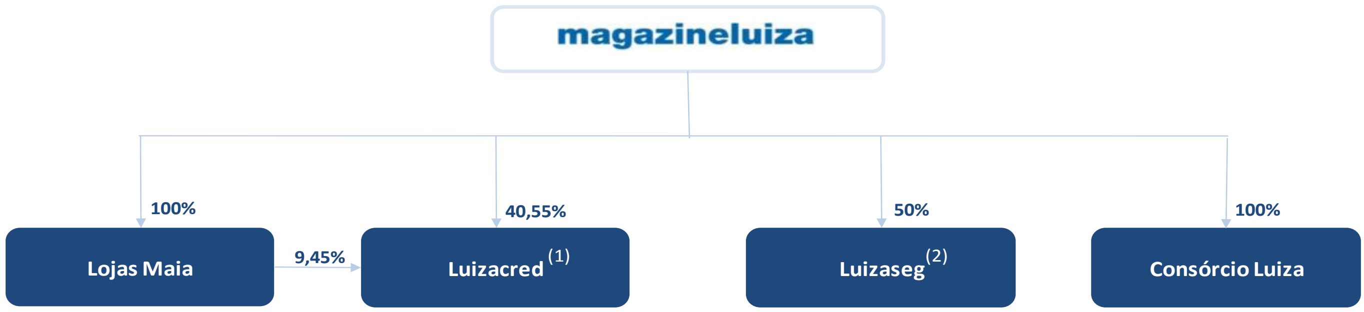
- Magazine Luiza's leadership in Brazil's fastest growing retail segment;
- The motivated group of employees, reinforcing our strong corporate culture;
- Our broad client base and initiatives targeting customer retention;
- Our multi-channel approach that allows us to profitably reach diverse geographies and expand within our market segments;
- A history of being innovators in the market with multiple opportunities and partnerships, including our joint ventures in consumer financing and insurance

Magazine Luiza is firmly committed to operating in accordance with the best corporate governance practices and preserving its renowned corporate culture which is focused on people. The Company is listed on BMF&Bovespa's Novo Mercado, which requires companies to have the highest standards of corporate governance. With our historic advertising campaign focused on education, clarity and transparency for our IPO, we have shown our commitment to fostering the participation of individual investors in the Brazilian capital markets. We developed dedicated channels oriented to communicating with these investors, in addition to a special program to encourage our employees to become shareholders in Magazine Luiza at the time of the IPO. With this initiative, not only management, but all levels of our employees' interests are aligned with those of our shareholders. The Company's IPO marked the beginning of a new chapter in the story of a Company that is known for innovation and market leadership.

Significant accomplishments during 1Q11 include one of the largest same store expansions in our history, as well as excellent performance in the Brazilian Northeast with the acquisition of Lojas Maia. Several internal initiatives contributed to this above-market growth, both in physical stores and internet sales. In the quarter, our same store sales increased 25.6% and our consolidated gross revenue, 51.6% to more than R$1.7 billion. We significantly diluted operating expenses, increasing EBITDA by 39% with a 5.9% margin over net revenue. Net income increased 31.7%, reaching R$12.3 million. We believe that both the 2010 results and the first quarter's results for 2011 show that we are on track for solid, sustainable growth and profitability.

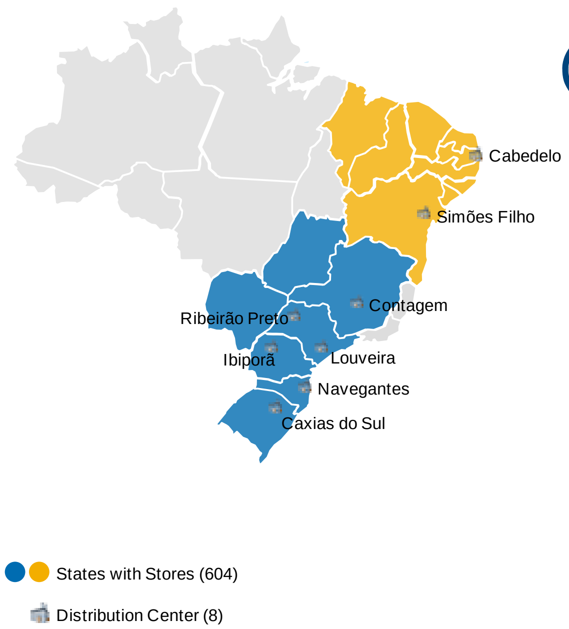
Magazine Luiza’s goal is to be one of the leading companies in Brazil dedicated to the growing middle class of consumers, with the best operating performance in the industry. Our objectives include creating strong shareholder value and continuing to share these gains across society through our social initiatives and corporate investments in innovation and job creation. In 2011, we will continue to execute our strategy to improve our operations and increase our number of stores and market share.

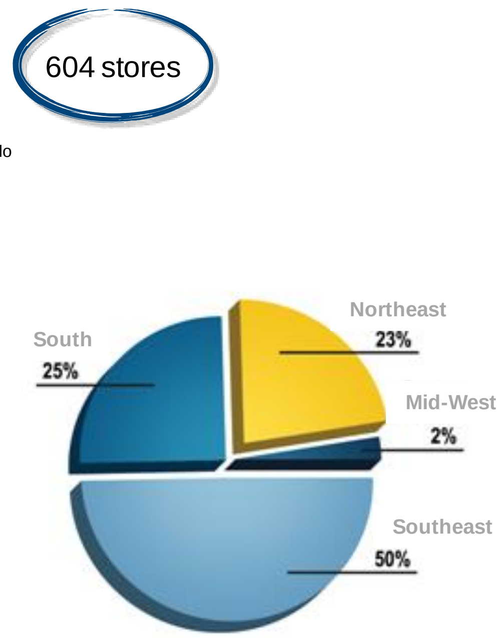
COMPANY OVERVIEW



(1) JV com Itaú Unibanco (2) JV com Cardif

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





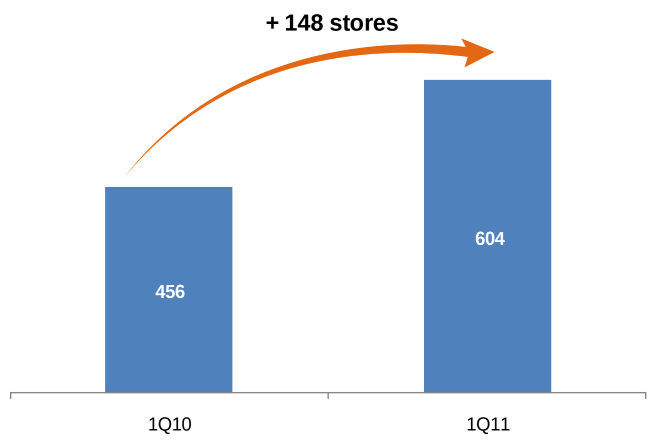
At the close of 1Q11, Magazine Luiza had 21 thousand employees, 604 stores and 8 distribution centers strategically located in 16 Brazilian states that together account for 75% of national GDP.

COMMENTS ON THE CONSOLIDATED PERFORMANCE

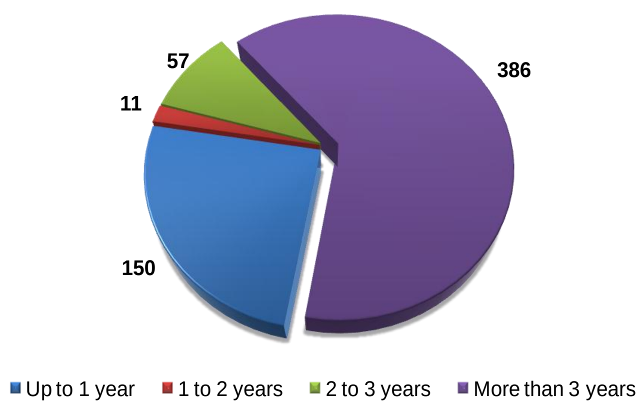
OPERATING PERFORMANCE

At the end of 1Q11, Magazine Luiza had 604 stores: 536 conventional stores, 67 virtual stores and 1 website. In the last 12 months (LTM), stores increased from 456 to 604, including the 136 Lojas Maia stores acquired in August of 2010. In the past years, as a result of accelerated expansion, more than 1/3 of our stores are less than 3 years old and have yet to reach their full potential.

Growth in Number of Stores (quantity)

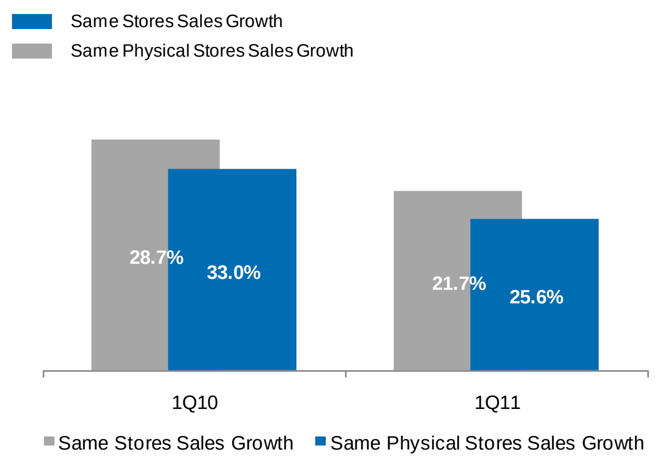


Average Age of Stores (numbers of stores)

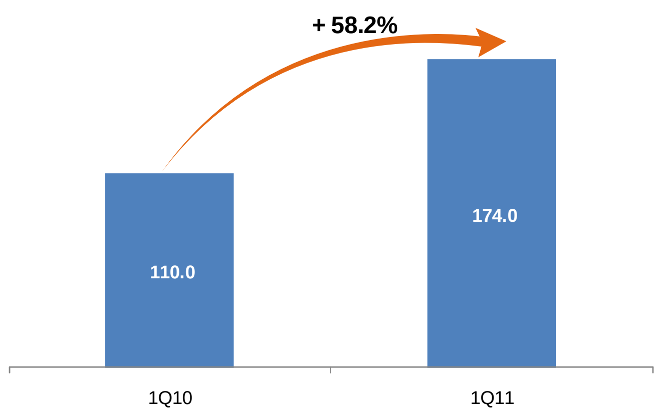


Besides opening new stores, Magazine Luiza has focused its efforts on productivity gains. In 1Q11, same store sales increased 25.6% following a 33.0% same store sales growth in 1Q10. This performance is due to market growth and especially our improved operating performance in internet sales and new stores that are still maturing.

Same Stores Sales Growth (%)

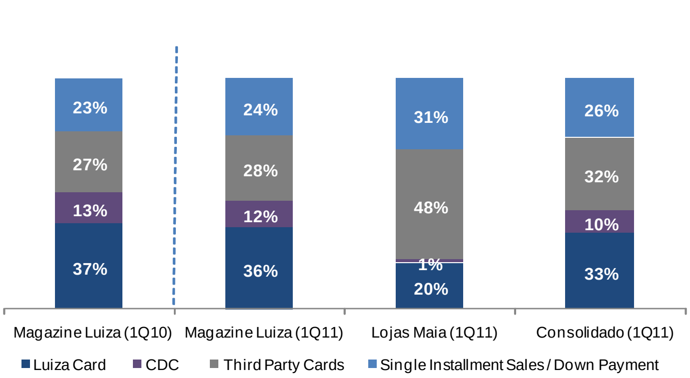


Gross Internet Revenues ($ million)

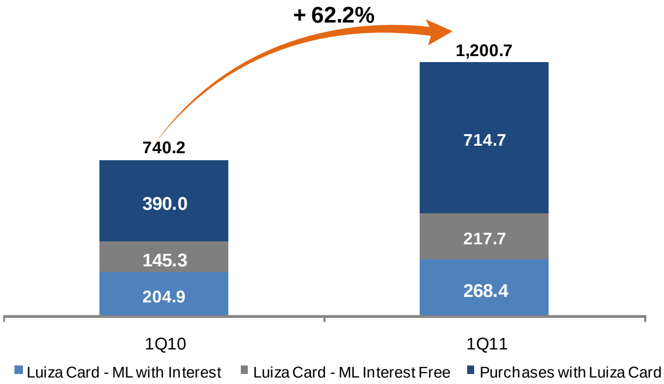


Our credit card base, issued by Luizacred, posted LTM growth from 2.1 million to 3.5 million. Magazine Luiza believes that the Luiza Card is a very important customer retention tool. In 1Q11, sales with the Luiza Card represented 36% of the total at Magazine Luiza stores and 20% of sales at Lojas Maia. The latter is still growing, progressively reducing the share of third-party cards.

Financed Sales Mix (% of total sales)



Luiza Card Revenues (R$ million)



In addition, Luiza cardholders increasingly make purchases outside the Magazine Luiza chain, increasing Luizacred's sources of revenue. Total purchases with the Luiza Card grew 62.2% in 1Q11 to R$1.2 billion. In the same period, purchases outside our chain were up 83.2%, representing 59.5% of total expenditures, as compared to 52.7% in 1Q10. It should also be noted that the majority of purchases with the Luiza Card incur interest, such that interest-free purchases account for less than 15% of the Company's total sales.

FINANCIAL PERFORMANCE

Consolidated Gross Revenue

The table below shows the gross revenue mix among our business lines:

(in R$ million)	1Q11	1Q10	% Chg.
Gross Revenue – Retail - Merchandise Sales	1,532.8	994.2	54.2%
Gross Revenue – Retail - Services	55.3	32.4	70.8%
Subtotal Retail	**1,588.1**	**1,026.6**	**54.7%**
Gross Revenue – Credit Operations	117.0	92.8	26.1%
Gross Revenue – Insurance Operations	15.8	13.9	13.9%
Gross Revenue – Consortium Management	6.0	4.5	32.1%
Inter-Company Eliminations	(30.9)	(18.8)	63.8%
Total Gross Revenue	**1,696.1**	**1,118.9**	**51.6%**

In 1Q11, consolidated gross revenue increased 51.6% year-on-year from R$1,118.9 million to R$1,696.1 million. This significant increase was mainly due to the performance of merchandise sales, which grew 54.2%, due to:

- 25.6% increase in same store merchandise sales, especially the 58.2% rise in internet sales and 21.7% rise in same physical store sales;
- Physical expansion, with the LTM increase of 148 stores, from 456 in March of 2010 to 604 in March of 2011, including the 136 Lojas Maia stores, and average sales area up 28.9% from 310.4 thousand m² to 400.1 thousand m²;
- Gross revenue from Lojas Maia reached R$253.2 million to 1Q11, increasing total retail growth to 54.7%.

Consolidated gross revenue was also impacted by:

- 70.8% increase in service revenue from R$32.4 million to R$55.3 million;
- Growth in consumer financing revenue of 26.1% from R$92.8 million to R$117.0 million, driven by the 32.8% expansion in Luiza Card revenues;

  Due to changes in Luizacred's accounting practices, as of November of 2010, interest income from past due contracts are now provisioned at a lower rate (IGPM + 1.0% p. m.) than the overdue rate (15.99% p. m.), generating an estimated R$5.6 million less in income for Magazine Luiza;
- Rise in insurance revenues of 13.9% from R$13.9 million to R$15.8 million, noting that the increase in extended warranties is normally delayed as compared to retail sales and that Lojas Maia sales are still not carried out by Luizaseg as there is a previous contract directly with Cardif;
- Reductions to consolidated gross revenue refer to the services provided by the parent company to related companies, which increased from R$14.8 million in 1Q10 to R$24.6 million in 1Q11, and revenues from the prepayment of interest-free sales with the Luiza Card, which were up from R$4.0 million to R$6.2 million.

Taxes and Deductions

Taxes and deductions over sales grew 57.4%, from R$177.9 million in 1Q10 to R$280.0 million in 1Q11. This increase was chiefly due to the growth in retail revenues, particularly at Lojas Maia, where the tax burden on sales is higher than for Magazine Luiza as the tax substitution regime, booked in CMV is more common in the Brazilian South and Southeast.

(in R$ million)	1Q11	1Q10	% Chg.
Deductions – Retail – Merchandise Sales	(272.2)	(173.3)	57.1%
Deductions – Retail - Services	(7.4)	(4.2)	73.3%
Subtotal Retail	**(279.6)**	**(177.5)**	**57.5%**
Deductions – Credit Operations	-	-	-
Deductions – Insurance Operations	-	-	-
Deductions– Consortium Management	(0.4)	(0.3)	28.3%
Inter-Company Eliminations	-	-	-
Total Deductions	**(280.0)**	**(177.9)**	**57.4%**

Consolidated Net Revenue

Consolidated net revenue increased 50.5% from R$941.1 million to R$1,416.1 million. This expansion was due to the 51.6% and 57.4% increases in gross revenues, taxes and deductions, respectively.

(in R$ million)	1Q11	1Q10	% Chg.
Net Revenue – Retail - Merchandise Sales	1,260.6	820.9	53.6%
Net Revenue – Retail - Services	48.0	28.1	70.4%
Subtotal Retail	**1,308.5**	**849.0**	**54.1%**
Net Revenue – Credit Operations	117.0	92.8	26.1%
Net Revenue – Insurance Operations	15.8	13.9	13.9%
Net Revenue – Consortium Management	5.5	4.2	32.4%
Inter-Company Eliminations	(30.9)	(18.8)	63.8%
Total Net Revenue	**1,416.1**	**941.1**	**50.5%**

Cost of Goods Sold, Services and Funding for Financial Operations

The total consolidated cost grew 57.1% from R$602.1 million in 1Q10 to R$946.2 million in 1Q11, mostly due to the cost of goods sold (COGS) and the cost of credit operations.
COGS grew 56.6%, slightly above growth in net revenue from merchandise, mostly due to the increase of product lines with lower margins, such as electronics, and internet sales in the sales mix.

The cost of financial operations increased 90.8% due to the more than 43% expansion in the credit portfolio, the higher interbank deposit (CDI) rate in the period of 11.1%, as compared to an annualized average rate of 8.6% in 1Q10, and the R$160 million payment for Lojas Maia in December of 2010 for consumer financing rights in the Northeast. This last effect was neutralized as of March of 2011, when Itaúcard and Lojas Maia realized a capital stock increase at Luizacred for the same amount. However, until the capital transfer, Luizacred had a non-recurring interest expense from interbank deposits, generating an R$1.9 million expense for Magazine Luiza.

(in R$ million)	1Q11	1Q10	% Chg.
Costs – Retail – Merchandise Sales	(920.7)	(588.1)	56.6%
Costs – Retail - Services	-	-	-
Subtotal Retail	**(920.7)**	**(588.1)**	**56.6%**
Costs – Credit Operations	(22.9)	(12.0)	90.8%
Costs – Insurance Operations	(1.1)	(0.8)	46.5%
Costs – Consortium Management	(2.6)	(2.0)	30.1%
Inter-Company Eliminations	1.1	0.7	60.0%
Total Costs	**(946.2)**	**(602.1)**	**57.1%**

CONSOLIDATED GROSS INCOME

Consolidated gross income grew 38.6% from R$338.9 million in 1Q10 to R$469.9 million in 1Q11. In the same period, consolidated gross margin decline 2.8 p.p. from 36.0% to 33.2%, a decrease largely offset by increased sales.

Gross margin of merchandise sales fell from 28.4% in 1Q10 to 27.0% due to the increased sales of electronic goods and internet sales, as mentioned above.

In the same period, gross margin of financial operations decreased from 87.1% to 80.4%. Considering the delayed revenues according to the previous accounting practices in the amount of R$5.6 million and excluding the interest expenses of interbank deposits in the amount of R$1.9 million, the gross income for the financial operation would have been R$7.5 million higher, with gross margin at approximately 82.8%.

(in R$ million)	1Q11	1Q10	% Chg.
Gross Income – Retail - Merchandise Sales	339.9	232.8	46.0%
Gross Income – Retail - Services	48.0	28.1	70.4%
Subtotal Retail	**387.9**	**261.0**	**48.6%**
Gross Income - Credit Operations	94.1	80.8	16.5%
Gross Income – Insurance Operations	14.7	13.1	12.0%
Gross Income - Consortium Management	2.9	2.2	34.6%
Inter-Company Eliminations	(29.8)	(18.1)	64.0%
Total Gross Income	**469.9**	**338.9**	**38.6%**

(in R$ million)	1Q11	1Q10	% Chg.
Gross Margin – Retail - Merchandise Sales	27.0%	28.4%	-1.4 p.p.
Gross Margin – Retail - Services	100.0%	100.0%	0.0 p.p.
Subtotal Retail	**29.6%**	**30.7%**	**-1.1 p.p.**
Gross Margin – Credit Operations	80.4%	87.1%	-6.7 p.p.
Gross Margin – Insurance Operations	92.9%	94.5%	-1.6 p.p.
Gross Margin – Consortium Management	53.1%	52.2%	0.8 p.p.
Inter-Company Eliminations	96.4%	96.3%	0.1 p.p.
Total Gross Margin	**33.2%**	**36.0%**	**-2.8 p.p.**

Selling expenses

Selling expenses increased 33.5%, from R$211.4 million in 1Q10 to R$282.3 million in 1Q11. Thus, sales expenses decreased 2.6 p.p. from 22.5% to 19.9% of net revenue. The dilution of selling expenses was driven by the strong growth of same store and internet sales, proportionally reducing expenses such as personnel, rents and marketing.

General and Administrative Expenses

General and administrative expenses increased 79.1%, from R$39.9 million in 1Q10 to R$71.5 million 1Q11. Thus, fixed costs increased from 4.2% to 5.0% of net revenue. This variation was primarily due to moving the business office to São Paulo in September and October of last year, as well as the maintenance of the central office of Lojas Maia and all non-recurring expenses from the process of integrating the chains.

Provision for Doubtful Accounts

Provisions for doubtful accounts increased 17.2% from R$43.5 million in 1Q10 to R$51.0 million in 1Q11. Thus, provisions for default decreased 1.0 p.p. from 4.6% to 3.6% of net revenue. It should be noted that we approve an average of 30% to 35% of financing requests and that our credit approval system is based on *credit score* statistical models developed and managed by Itaú Unibanco. Magazine Luiza has more than 2 thousand employees dedicated to the Luizacred operation at stores, and their compensation is pegged to *first payment default* such that they are encouraged to carefully register our customers and verify the necessary documentation.

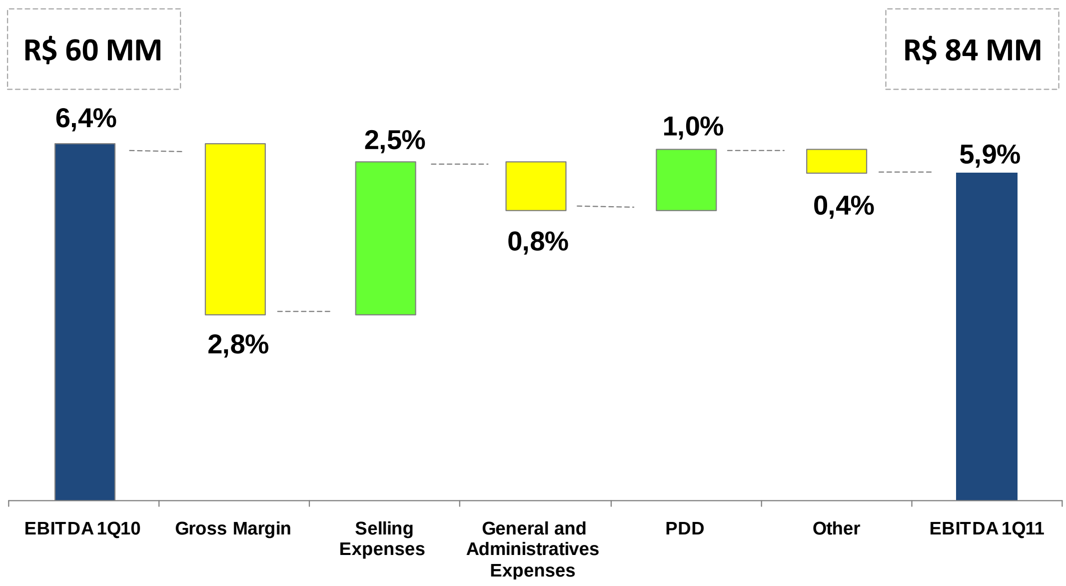
Other operating revenues, net

Other operating revenues increased 15.7% from R$16.4 million in 1Q10 to R$18.9 million in 1Q11. This variation was driven by the R$10.7 million profit on the sale of 9 properties for R$15.5 million as a part of the Company's strategy to reduce invested capital and focus on return on investment. The Company believes this non-recurring profit offset non-recurring expenses due to the accounting changes at Luizacred.

EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) grew 38.9% from R$60.5 million to R$84.0 million. Same stores growth, internet sales growth, dilution of fixed cost and the strong performance of stores in the Northeast drove EBITDA. EBTIDA margin in the period was at 5.9% of net revenue.

EBITDA Variation Analysis



Depreciation and Amortization

Depreciation and amortization expenses increased 35.3% from R$15.6 million in 1Q10 to R$21.1 million in 1Q11. This variation is due to significant investments made in 2010, the acquisition of Lojas Maia, organic growth of 15 new stores, remodeling and general investments in technology such as the implementation of Oracle, Hyperion and People Soft.

Financial Income

Net financial expenses increased 62.7% from R$28.1 million in 1Q10 to R$45.7 million in 1Q11 as a result of the increased debt and the CDI, which increased from an annualized average of 8.6% to 11.1%. Charges on prepayment of credit cards include interest from the Luiza Card, which increased from R$4.0 million in 1Q10 to R$6.2 million in 1Q11, representing just 0.4% of consolidated net revenue. Other charges on prepayment refer to third-party credit cards, which were up from R$2.1 million to R$8.0 million. The Company's policy is to minimize interest-free sales on the Luiza Card, as well as limiting the share of third-party cards in total sales, always encouraging sales through Luizacred.

CONSOLIDATED FINANCIAL INCOME (R$ million)	1Q11	1Q10	% Chg.
Financial Expenses	(54.8)	(34.6)	58.3%
Interest on loans and financing	(36.4)	(22.1)	64.8%
Interest on prepayment of receivables – third party cards	(8.0)	(2.1)	280.9%
Interest on prepayment of receivables – Luiza Card	(6.2)	(4.0)	55.0%
Other expenses	(4.2)	(6.4)	-34.1%
Financial Revenues	9.1	6.5	39.7%
Gains on marketable securities	5.5	1.9	187.9%
Other financial revenues	3.6	4.6	-21.6%
Total Financial Income	(45.7)	(28.1)	62.7%

Earnings before Income Tax and Social Contribution

Earnings before income tax and social contribution were up 2.6% from R$16.8 million in 1Q10 to R$17.2 million in 1Q11. This growth was due to the operating improvement, as well as our financial discipline, maintaining financial expenses practically stable despite the increase in interest rates in the quarters.

Income Tax and Social Contribution

Income tax and social contribution fell from R$7.4 million in 1Q10 to R$4.9 million in 1Q11. The effective tax rate was 28.6% on earnings before income tax and social contribution, primarily due to deferred tax credits at Lojas Maia.

Net Income

Net Income increased 31.7%, from R$9.3 million in 1Q10 to R$12.3 million in 1Q11, equal to 0.9% of net revenue. The expansion of net income was driven by the increase in EBITDA.

Working Capital

Due to the seasonality of retail and the average term of purchases, the first quarter generally requires more working capital, chiefly related to payment to suppliers, that is, purchases made at the close of the previous year. On the other hand, in the fourth quarter, there is high cash flow and a reduction of net working capital, with an increased trade accounts balance. It should be noted that working capital management at Lojas Maia was not optimized as systems have not yet been integrated.

CONSOLIDATED (R$ million)	Mar-11	Dec-10	Mar-10
Accounts receivable	1,522.2	1,524.7	1,142.0
Inventories	741.1	849.8	394.2
Related parties	49.2	36.0	15.1
Taxes recoverable	31.2	46.5	32.8
Other assets	59.1	63.0	34.0
Current operating assets	2,402.9	2,520.0	1,618.2
Suppliers	756.7	1,132.3	449.0
Interbank deposits	842.4	852.7	569.7
Operations with credit cards	235.8	220.2	124.1
Wages, vacation and social charges	96.4	116.5	52.5
Taxes payable	26.2	39.4	23.7
Related parties	15.3	21.7	9.8
Taxes in installments	41.9	43.0	10.9
Technical insurance provisions	16.5	22.9	20.4
Other accounts payable	73.4	68.8	56.3
Current operating liabilities	2,104.6	2,517.6	1,316.4
Working Capital	298.3	2.4	301.8

Note: The accounts receivable balance is net of prepaid credit card receivables in the amount of R$298.7 million in March, 2011, R$235.0 million in December, 2010 and R$64.8 million in March, 2010.

CAPEX

Fixed CAPEX increased from R$16.8 million in 1Q10 to R$22.5 million in 1Q11. These investments include remodeling of existing stores, as well as investments in 13 new stores, 6 of which were inaugurated after March of 2011 and 7 of which are in progress.

CAPEX (R$ million)	1Q11	1Q10	% Chg.
New Stores	6.0	2.3	157.4%
Remodeling	10.0	1.5	589.1%
Technology	2.3	10.8	-78.9%
Other	4.2	2.2	90.6%
Total	22.5	16.8	33.8%

Net Debt

The Company's net debt increased from R$401.0 million in December of 2010 to R$678.3 million in March of 2011, basically as a result of the variation in working capital due to the seasonality of retail. Year-on-year, net debt grew R$162.6 million, primarily as a function of LTM investments. As per the proceeds allocation disclosed for the IPO, approximately 30% of the primary offering should be used to finance our working capital, reducing short term debt.

CONSOLIDATED (R$ million)	Mar-11	Dec-10	Mar-10
(+) Current loans and financing	350.1	108.8	186.0
(+) Financing of Lojas Maia Acquisition	25.4	33.6	-
(+) Non-current loans and financing	595.4	666.1	463.5
(=) Gross Debt	970.9	808.5	649.5
(-) Cash and cash equivalents	125.6	328.9	64.7
(-) Current securities	145.3	46.7	41.9
(-) Non-current securities	21.7	32.0	27.2
(=) Net Debt	678.3	401.0	515.7
Short term debt/total	39%	18%	29%
Long term debt/total	61%	82%	71%
EBITDA[1]	343.4	319.9	319.9
Net Debt/EBTIDA[1]	2.0x	1.3x	1.6x

1EBITDA of March, 2011 refers to LTM, while the others refer to FY2010.

APPENDICES:

FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	1Q11	AV	1Q10	AV	% Chg.
Gross Revenue	1,696.1	119.8%	1,118.9	118.9%	51.6%
Taxes and Cancellations	(280.0)	-19.8%	(177.9)	-18.9%	57.4%
Net Revenue	1,416.1	100.0%	941.1	100.0%	50.5%
Total Costs	(946.2)	-66.8%	(602.1)	-64.0%	57.1%
Gross Income	469.9	33.2%	338.9	36.0%	38.6%
Selling expenses	(282.3)	-19.9%	(211.4)	-22.5%	33.5%
General and administrative expenses	(71.5)	-5.0%	(39.9)	-4.2%	79.1%
Provisions for loan losses	(51.0)	-3.6%	(43.5)	-4.6%	17.2%
Other operating revenues, net	18.9	1.3%	16.4	1.7%	15.7%
Total Operating Expenses	(385.8)	-27.2%	(278.5)	-29.6%	38.5%
EBITDA	84.0	5.9%	60.5	6.4%	38.9%
Depreciation and Amortization	(21.1)	-1.5%	(15.6)	-1.7%	35.3%
EBIT	62.9	4.4%	44.9	4.8%	40.2%
Financial Income	(45.7)	-3.2%	(28.1)	-3.0%	62.7%
Operating Income	17.2	1.2%	16.8	1.8%	2.6%
INCOME TAX AND SOCIAL CONTRIBUTION	(4.9)	-0.3%	(7.4)	-0.8%	-34.0%
Net Income	12.3	0.9%	9.3	1.0%	31.7%

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FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Mar-11	AV	Dec-10	AV	Mar-10	AV
CURRENT ASSETS						
Cash and cash equivalents	125.6	3.4%	328.9	8.4%	64.7	2.8%
Securities	145.3	3.9%	46.7	1.2%	41.9	1.8%
Accounts receivable	1,522.2	41.3%	1,524.7	38.8%	1,142.0	49.1%
Inventories	741.1	20.1%	849.8	21.6%	394.2	16.9%
Related parties	49.2	1.3%	36.0	0.9%	15.1	0.6%
Taxes recoverable	31.2	0.8%	46.5	1.2%	32.8	1.4%
Other assets	59.1	1.6%	63.0	1.6%	34.0	1.5%
Total current assets	2,673.8	72.6%	2,895.6	73.7%	1,724.8	74.1%
		-		-		-
NON-CURRENT ASSETS		-		-		-
Securities	21.7	0.6%	32.0	0.8%	27.2	1.2%
Accounts receivable	14.1	0.4%	18.7	0.5%	5.8	0.3%
Deferred income tax and social contribution	170.8	4.6%	168.2	4.3%	163.0	7.0%
Other assets	71.6	1.9%	79.8	2.0%	21.2	0.9%
Investments in subsidiaries	-	-	-	-	-	-
Investments in joint ventures	-	-	-	-	-	-
Fixed assets	359.9	9.8%	358.8	9.1%	291.3	12.5%
Intangible assets	370.0	10.0%	374.6	9.5%	93.9	4.0%
Total non-current assets	1,008.2	27.4%	1,032.2	26.3%	602.4	25.9%
						-
TOTAL ASSETS	3,682.0	100.0%	3,927.8	100.0%	2,327.2	100.0%

LIABILITIES (R$ million)	1Q11	AV	4Q10	AV	1Q10	AV
CURRENT LIABILITIES						
Suppliers	756.7	20.6%	1,132.3	28.8%	449.0	19.3%
Loans and financing	350.1	9.5%	108.8	2.8%	186.0	8.0%
Interbank deposits	842.4	22.9%	852.7	21.7%	569.7	24.5%
Operations with credit cards	235.8	6.4%	220.2	5.6%	124.1	5.3%
Wages, vacation and social charges	96.4	2.6%	116.5	3.0%	52.5	2.3%
Taxes payable	26.2	0.7%	39.4	1.0%	23.7	1.0%
Related parties	15.3	0.4%	21.7	0.6%	9.8	0.4%
Taxes in installments	41.9	1.1%	43.0	1.1%	10.9	0.5%
Deferred revenue	55.1	1.5%	26.0	0.7%	38.7	1.7%
Dividends payable	-	-	-	-	-	-
Technical insurance provisions	16.5	0.4%	22.9	0.6%	20.4	0.9%
Other accounts payable	98.9	2.7%	102.4	2.6%	56.3	2.4%
Total current liabilities	2,535.2	68.9%	2,685.9	68.4%	1,541.0	66.2%
NON-CURRENT LIABILITIES					-	
Loans and financing	595.4	16.2%	666.1	17.0%	463.5	19.9%
Interbank deposits	1.2	-	4.0	0.1%	1.3	-
Taxes in installments	6.2	0.2%	6.3	0.2%	11.9	0.5%
Provision for tax, civil and labor risks	182.5	5.0%	182.0	4.6%	68.4	2.9%
Technical insurance provisions	28.6	0.8%	20.8	0.5%	14.7	0.6%
Deferred revenue	254.6	6.9%	296.1	7.5%	221.7	9.5%
Provision for investment losses	-	-	-	-	-	-
Deferred income tax and social contribution	13.0	0.4%	13.7	0.3%	-	-
Other accounts payable	5.5	0.1%	5.4	0.1%	1.3	-
Total non-current liabilities	1,087.0	29.5%	1,194.4	30.4%	782.9	33.6%
SHAREHOLDERS' EQUITY						
Capital stock	43.0	1.2%	43.0	1.1%	220.0	9.5%
Legal reserve	3.4	-	3.4	-	0.0	-
Profit retention reserve	1.0	-	1	-		-
Accumulated losses	12.3	0.3%	-	-	(216.8)	-
Total shareholders' equity	59.7	1.6%	47.4	1.2%	3.3	0.1%
TOTAL	3,682.0	100.0%	3,927.8	100.0%	2,327.2	100.0%

INCOME BY BUSINESS LINE – 1Q11

1Q11 (R$ million)	Magazine Luiza	Lojas Maia (100%)	Retail Pro-forma	Luizacred (50%)	Luizaseg (50%)	Consortium (100%)	Eliminations	Consolidated
Gross Revenue	1,334.9	253.2	1,588.1	117.0	15.8	6.0	(30.9)	1,696.1
Taxes and Cancellations	(221.8)	(57.8)	(279.6)	-	-	(0.4)	-	(280.0)
Net Revenue	1,113.1	195.4	1,308.5	117.0	15.8	5.5	(30.9)	1,416.1
Total Costs	(781.9)	(138.8)	(920.7)	(22.9)	(1.1)	(2.6)	1.1	(946.2)
Gross Income	331.2	56.6	387.9	94.1	14.7	2.9	(29.8)	469.9
Selling expenses	(230.4)	(31.5)	(261.9)	(32.3)	(11.6)	-	23.5	(282.3)
General and administrative expenses	(52.2)	(13.7)	(65.9)	(1.2)	(1.3)	(3.1)	-	(71.5)
Provisions for loan losses	(1.9)	-	(1.9)	(49.1)	-	-	-	(51.0)
Other operating revenues, net	20.6	3.0	23.6	(2.4)	(0.0)	0.1	(2.3)	18.9
Total Operating Expenses	(263.8)	(42.2)	(306.0)	(85.0)	(12.9)	(3.0)	21.2	(385.8)
EBITDA	67.4	14.4	81.8	9.0	1.8	(0.0)	(8.6)	84.0
Depreciation and Amortization	(17.5)	(3.3)	(20.8)	(1.33)	(1.3)	(0.1)	2.3	(21.1)
EBIT	50.0	11.1	61.1	7.7	0.5	(0.1)	(6.2)	62.9
Equity pick-up	10.9	0.9	6.2	-	-	-	(11.9)	-
Financial Income	(47.7)	(6.4)	(54.1)	-	2.0	0.2	6.2	(45.7)
Operating Income	13.2	5.6	13.1	7.7	2.5	0.1	(11.9)	17.2
INCOME TAX AND SOCIAL CONTRIBUTION	(0.9)	0.1	(0.8)	(3.1)	(1.0)	(0.0)	-	(4.9)
Net Income	12.3	5.7	12.3	4.6	1.5	0.1	(11.9)	12.3
Gross Margin	29.8%	29.0%	29.6%	80.4%	92.9%	53.1%	96.4%	33.2%
EBITDA Margin	6.1%	7.4%	6.3%	7.7%	11.2%	-0.8%	27.8%	5.9%
Net Margin	1.1%	2.9%	0.9%	4.0%	9.5%	1.0%	38.5%	0.9%

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INCOME BY BUSINESS LINE – 1Q11

1Q10 (R$ million)	Magazine Luiza	Luizacred (50%)	Luizaseg (50%)	Consortium (100%)	Eliminations	Consolidated
Gross Revenue	1,026.6	92.8	13.9	4.5	(18.8)	1,118.9
Taxes and Cancellations	(177.5)	-	-	(0.3)	-	(177.9)
Net Revenue	849.0	92.8	13.9	4.2	(18.8)	941.1
Total Costs	(588.1)	(12.0)	(0.8)	(2.0)	0.7	(602.1)
Gross Income	261.0	80.8	13.1	2.2	(18.1)	338.9
Selling expenses	(186.2)	(30.6)	(8.7)	-	14.1	(211.4)
General and administrative expenses	(34.5)	(0.7)	(2.4)	(2.3)	-	(39.9)
Provisions for loan losses	(2.7)	(40.8)	-	-	-	(43.5)
Other operating revenues, net	16.0	1.5	-	0.1	(1.3)	16.4
Total Operating Expenses	(207.4)	(70.7)	(11.1)	(2.2)	12.9	(278.5)
EBITDA	53.5	10.2	2.0	0.0	(5.3)	60.5
Depreciation and Amortization	(15.3)	(0.3)	(1.3)	(0.1)	1.3	(15.6)
EBIT	38.3	9.9	0.7	(0.0)	(4.0)	44.9
Equity pick-up	7.2	-	-	-	(7.2)	-
Financial Income	(33.5)	-	1.3	0.1	4.0	(28.1)
Operating Income	11.9	9.9	2.1	0.1	(7.2)	16.8
INCOME TAX AND SOCIAL CONTRIBUTION	(2.6)	(4.0)	(0.8)	(0.1)	-	(7.4)
Net Income	9.3	5.9	1.3	0.0	(7.2)	9.3
Gross Margin	30.7%	87.1%	94.5%	52.2%	96.3%	36.0%
EBITDA Margin	6.3%	11.0%	14.6%	0.7%	28.1%	6.4%
Net Margin	1.1%	6.3%	9.0%	1.1%	38.1%	1.0%

APPENDIX: SALES MIX AND NUMBER OF STORES PER CHANNEL

Gross Revenue by channel (R$ million)	1Q11	Share (%)	1Q10	Share (%)	Growth Same Stores	Growth Total
Virtual stores	60.6	3.8%	47.6	4.6%	18.2%	27.3%
Website	174.0	11.0%	110.0	10.7%	58.2%	58.2%
Subtotal – Virtual Channel	**234.6**	14.8%	**157.5**	15.3%	46.3%	48.9%
Conventional stores	1,353.6	85.2%	869.1	84.7%	21.9%	55.8%
Magazine Luiza	1,100.3	69.3%	869.1	84.7%	21.9%	26.6%
Lojas Maia	253.2	15.9%	-	-	-	-
Total	**1,588.1**	100.0%	**1,026.6**	100.0%	25.6%	54.7%

Number of stores per channel – end of the period	1Q11	1Q10	Growth Total
Virtual stores	67	62	5
Website	1	1	-
Subtotal – Virtual Channel	**68**	**63**	5
Conventional stores	536	393	143
Magazine Luiza	400	393	7
Lojas Maia	136	-	136
Total	**604**	**456**	148
Total sales area (m^2):	**400,112**	**310,980**	28.7%

APPENDIX: LUIZACRED

Luizacred is a joint venture between Magazine Luiza and Itaú Unibanco, responsible for financing approximately half of our sales. In March of 2011, Luizacred had 3.0 million active cards of a total base of 3.5 million cards issued, representing activation of 86%. LTM growth of the total card base was 61.4%, contributing to the growth of card sales inside and outside of our stores and in 1Q11, sales from outside our stores accounted for 60% of total card sales, up 83.2% as compared to 1Q10. Luizacred's credit portfolio, including credit cards and direct consumer credit (CDC) totaled more than R$2.4 billion in March of 2011.

LUIZACRED – Key Indicators (R$ million)	1Q11	1Q10	% Chg.
Total Card Base (thousand)	3,463	2,146	61.4%
Total Active Card Base (thousand)	2,976	1,745	70.6%
Luiza Card Sales – In chain	486.0	350.1	38.8%
Luiza Card Sales – Outside Brand	714.7	390.0	83.2%
CDC Sales	127.1	116.9	8.7%
Personal Loans Sales	125.2	97.3	28.7%
Total Luizacred Sales	1,452.9	954.4	52.2%
Card Portfolio	2,053.2	1,339.8	53.2%
CDC Portfolio	371.0	355.7	4.3%
Total Portfolio	2,424.2	1,695.5	43.0%

Revenue from financial intermediation was up 24.3% year-on-year. Due to changes in Luizacred's accounting practices, as of November of 2010, interest income from past due contracts are now provisioned at a lower rate (IGPM + 1.0% p. m.) than the overdue rate (15.99% p. m.), generating an estimated non-recurring loss of R$11.2 million Magazine Luiza;

The cost of financial operations increased 90.8% due to the more than 43.0% expansion in the credit portfolio, the higher interbank deposit (CDI) rate in the period of 11.1%, as compared to an annualized average rate of 8.6% in 1Q10, and the R$160 million payment for Lojas Maia in December of 2010 for consumer financing rights in the Northeast. This last effect was neutralized as of March of 2011, when Itaúcard and Lojas Maia realized a capital stock increase at Luizacred for the same amount. However, until the capital transfer, Luizacred had a non-recurring interest expense from interbank deposits in the amount of R$3.8 million.

In 1Q11, provisions for doubtful accounts grew at a slower rate than financial intermediation revenue, showing the improved default rates from 1.6% p.m. in 1Q10 to 1.4% p.m. in 1Q11 with respect to the portfolio, or 44.0% to 41.9% in relation to gross revenue, including service revenue, in the same periods. Thus, despite non-recurring events that effected gross financial intermediation income, with the decline in default and dilution of fixed costs, Luizacred generated net income of R$9.2 million in 1Q11.

LUIZACRED – Income (R$ million)	1Q11	1Q10	% Chg.
Financial Intermediation Revenue	197.3	158.7	24.3%
Cards	146.9	110.6	32.8%
CDC	50.4	48.1	4.8%
Financial Intermediation Expenses	(144.0)	(105.3)	36.8%
Market Funding Operations	(45.8)	(24.0)	90.8%
Provision for Doubtful Accounts	(98.1)	(81.5)	20.3%
Gross Financial Intermediation Income	53.4	53.5	-0.2%
Other Operating Revenues (Expenses)	(38.0)	(33.7)	12.7%
Service Revenue	36.7	26.8	36.7%
Personnel Expenses	(2.4)	(1.4)	69.7%
Other Administrative Expenses	(53.1)	(51.7)	2.9%
Depreciation and Amortization	(2.7)	(0.7)	280.5%
Tax Expenses	(11.5)	(9.7)	18.7%
Other Operating Revenues (Expenses)	(4.9)	3.0	-262.1%
Income Before Tax	15.4	19.8	-22.2%
Income Tax and Social Contribution	(6.1)	(8.0)	-23.6%
Net Income	9.2	11.7	-21.3%

CONFERENCE CALL & WEBCAST

Conference Call with Webcast
(in Portuguese with simultaneous translation into English)
Date: May 16, 2011
Time: 2 P.M. (EDT) / 3 P.M. (Brasília time)

Connection numbers:
Participants in Brazil: (11) 3127-4971
Participants in US and other countries: (1 516) 300-1066
Access Code: Magazine Luiza

Access links will be available on the Investor Relations Website: **www.magazineluiza.com.br/ir.**

The presentation for the conference call will be available for download on the Company's IR website at least 30 minutes prior to the start of the conference call.

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About Magazine Luiza

Founded in 1957, Magazine Luiza is one of Brazil's chief durable goods retail chains with major penetration among middle class consumers. To build better relationships with its customers, Magazine Luiza innovated with the creation of Luizacred in partnership with Itaú Unibanco in 2001. In 2005, Magazine Luiza once again led the market when it became the first retailer with an insurance company, Luizaseg, a joint venture with the BNP Paribas group's Cardif. Finally, in 2010, Magazine Luiza acquired Lojas Maia, one of the largest retail chains in Brazil's fastest growing region, with stores throughout the Northeast. Magazine Luiza has 604 stores and 8 distribution centers strategically located in 16 Brazilian states that together account for 75% of national GDP.

EBITDA

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

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