Magazine Luiza S.A.
1st Quarter 2012 Earnings Release

São Paulo, May 14, 2012 – Magazine Luiza S.A. (BM&FBOVESPA: MHLU3), one of the largest retail chains focused on durable goods, actively engaged in serving Brazil's low income segment, hereby announces its results for the first quarter of 2012 (1Q12). The Company's accounting information is based on consolidated numbers, in millions of reais (except when indicated otherwise), according to the International Financial Reporting Standards (IFRS).

1Q12 HIGHLIGHTS

The first quarter of 2012 was marked by substantial sales growth of 25.7%, conclusion of the Lojas do Baú merger, the further progress in the Lojas Maia integration, and the reduction and rationalization of costs and expenses.

Significant Sales Growth

Magazine Luiza's consolidated gross revenue in 1Q12 totaled R$2.1 billion, a 25.7% increase over 1Q11. Same-store sales grew 15.9%, resulting in significant market share gains. Internet sales climbed 42.8%, totaling R$248.5 million in 1Q12. Same-store sales at physical stores were influenced by store maturation and the successful *Liquidação Fantástica* (Fantastic Clearance Sale) held simultaneously in all store chains in the first week of 2012.

Sustainable Growth

The Company posted sustainable growth in 1Q12, maintaining the conservative credit approval policy adopted by Luizacred. Consolidated gross margin remained at the levels projected for the quarter, which considered an improvement in Luizacred's margins and a reduction in retail margins, impacted by the integration of Lojas Maia and Lojas do Baú, as well as the significant contribution from *Liquidação Fantástica*. The Company also maintained its strict financial discipline, limiting interest-free sales.

Conclusion of the Lojas do Baú Integration

The systems integration of Lojas do Baú – the last phase of the integration process – was completed at the end of February 2012. All the stores were integrated with Magazine Luiza's systems in March, enabling the capture of synergies through reductions in administrative and logistics expenses, with the end of leasing agreements of the distribution centers belonging to Grupo Sílvio Santos. As the integration is completed, the stores have just started the maturation process, which should be completed in 3 years. Sales should grow consistently, thanks to improved supplies to the stores, the benefits of the Company's business policy and the training provided to sales teams.

Continuation of the Lojas Maia Integration Process

Continuing with the integration of the stores in the northeast region, the Company concluded the corporate merger of Lojas Maia on April 30, 2012, which will be followed by the integration of systems of all stores, scheduled for 2Q12. It is worth mentioning that the Company has already completed several phases of the process, including sales, marketing and training, which made the solid revenues growth possible. The next phase will enable Magazine Luiza to improve its commercial management and reduce expenses.

Rationalization of Costs and Expenses
The rationalization of costs and expenses is the Company's main focus from January 2012, including the review in the administrative and store staff and the other operational expenses.

Investments in Infrastructure and Expansion
Magazine Luiza inaugurated 7 stores in 1Q12 and closed 5 Baú stores, with the number of stores increasing from 728 in 2011 to 730 in March 2012. The Company thus kept its planning with regard to organically new store openings. It is important to mention that the Company incorporated 126 new stores in the past 12 months. In addition, in 1Q12, the Company made important investments in infrastructure, mostly in logistics, chiefly related to the expansion of the distribution center in Louveira.

Luizacred
Luizacred maintained its conservative approach in the first quarter, with substantial provisions for loan losses and lower credit approval rates than in 1Q11. The portfolio's overdue indicators continue to improve from last year, thus enabling proportional reduction in provisions in the second semester of 2012. Luizacred is also participating in the rationalization of costs and expenses project, implementing a series of actions to dilute its operational expenses in the next quarters.

Results
Magazine Luiza's results were in line with the projections for 1Q12, thanks to sales growth, the successful integration of Lojas do Baú and the rationalization of expenses. The majority of non-recurring expenses planned for 2012 were incurred in 1Q12, mainly in January and February, totaling R$33.5 million (R$20.3 million of which in Magazine Luiza and Baú, and R$13.2 million in Lojas Maia). In March 2012, operational expenses were significantly lower and below the projections, generating positive results for the retail business (including Lojas Maia) as well as for the consolidated business.

EXPECTATIONS FOR UPCOMING QUARTERS IN 2012

For the upcoming quarters in 2012, the Company will sharpen its focus on the maturation process of new stores, the Lojas Maia integration, as well as on reducing and diluting expenses and increasing profitability.

Significant Sales Growth
The Company is confident of continuing to grow sales substantially, fueled by the maturation of new stores, internet sales and the positive outlook of the Brazilian market, with the noteworthy reduction in the basic interest rate to its lowest level ever.

Continuation of the Lojas Maia Integration Process
Lojas Maia's systems are expected to be integrated by the close of 3Q12. As of 4Q12, the Company should benefit from a fully integrated management, with the dilution of administrative and logistics expenses. In addition, the systems unification should bring benefits to working capital and price management, contributing to increasing Lojas Maia's gross margin.

Improved Profitability in Luizacred
The Company expects Luizacred's profitability to increase from the second half of 2012, with the maturation of both the credit card portfolio and the stores inaugurated in 2011, the dilution of operating expenses and proportional reduction of provisions, thanks to the improved quality of the overdue loan portfolio.

Results

Continuing with the rationalization of costs and expenses project, the Company plans to implement new opportunities in 2012, ensuring improved profitability every quarter. The Management remains confident of obtaining better productivity indicators and significantly positive results in 2012.

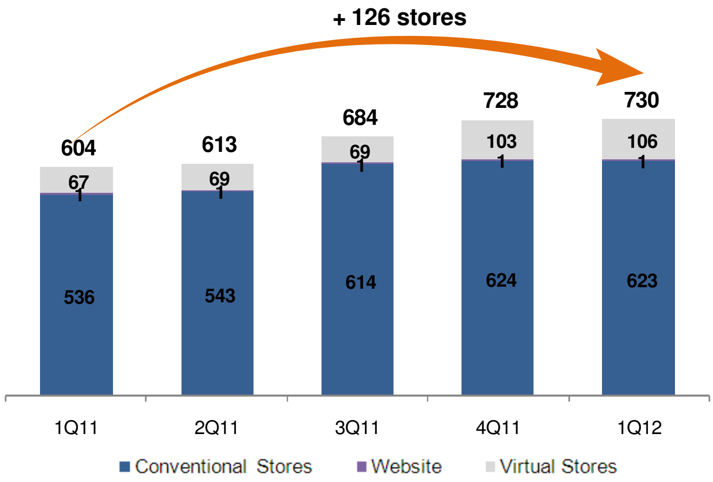
KEY INDICATORS

R$ million (except when otherwise indicated)	1Q12	1Q11	% Chg
Total Gross Revenue	2,131.4	1,696.1	25.7%
Total Net Revenue	1,805.1	1,416.1	27.5%
EBITDA	9.3	84.0	-88.9%
EBITDA Margin	0.5%	5.9%	-5.4 pp
Ajusted EBITDA	42.8	78.7	-45.6%
Ajusted EBITDA Margin	2.4%	5.6%	-3.2 pp
Net Income	(40.7)	12.3	-431.2%
Net Margin	-2.3%	0.9%	-3.1 pp
Ajusted Net Income	(10.3)	8.7	-218.0%
Ajusted Net Margin	-0.6%	0.6%	-1.2 pp
Same Store Sales Growth	15.9%	25.6%	-
Same Physical Store Sales Growth	12.6%	21.7%	-
Internet Sales Growth	42.8%	58.2%	-
Number of Stores - End of Period	730	604	20.9%
Sales Area - End of Period (M2)	456,292	400,112	14.0%
Credit Card Base - Luizacred (thousand)	4,251	3,463	22.8%

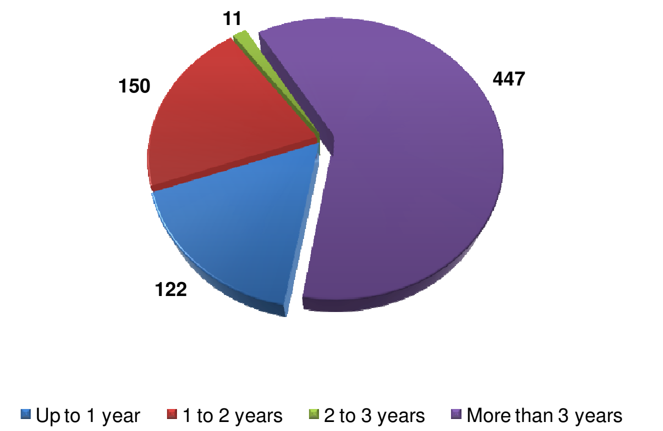
OPERATING PERFORMANCE

Magazine Luiza ended March 2012 with 730 stores, of which 623 were conventional stores, 106 virtual stores and the website, for a total increase of 126 stores over the same period last year. In 1Q12, the Company inaugurated 7 stores, of which 4 were conventional stores in the northeast and 3 virtual stores in Paraná, and closed 5 of the recently acquired Baú, 3 of which in Paraná and 2 in São Paulo. Note that of Magazine Luiza's 730 stores, 283 (approximately 40%) are less than three years old and have yet not reached complete maturation.

Number of Stores

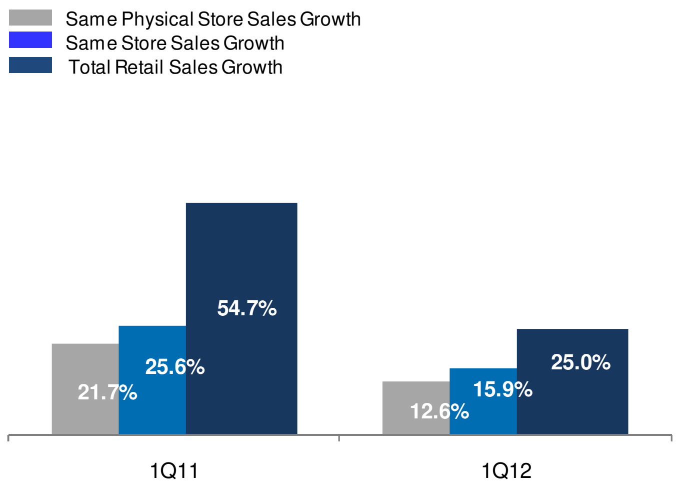


Average Age of Stores (number of stores)

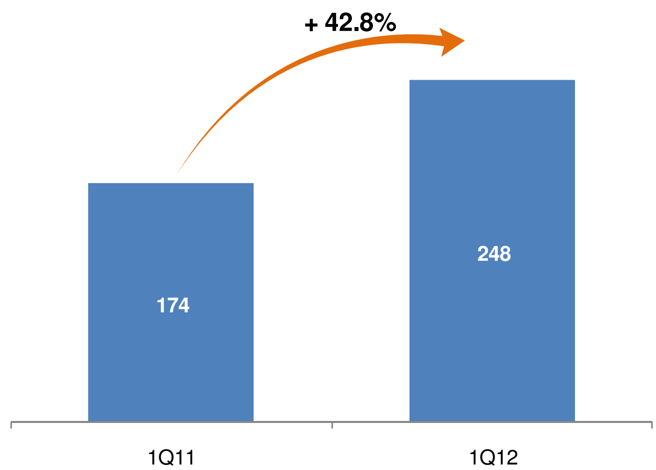


In same-store terms, Magazine Luiza grew 15.9% in 1Q12 over 1Q11, when growth was 25.6% over 1Q10.

Same Store Sales Growth (%)



Internet Gross Revenues (R$ million)

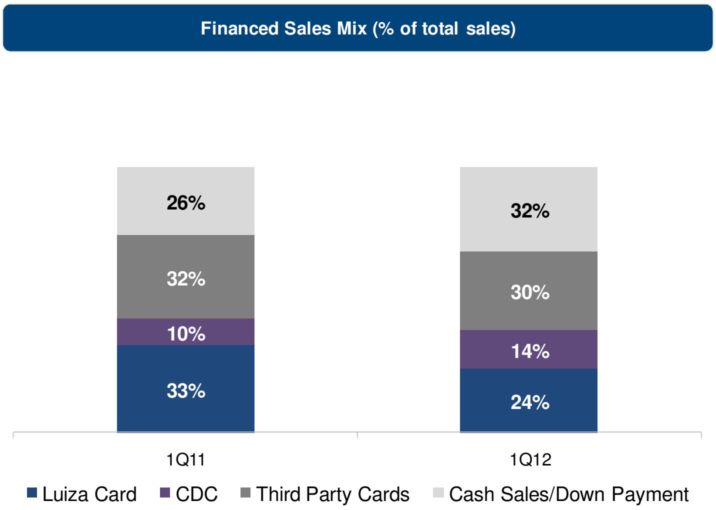


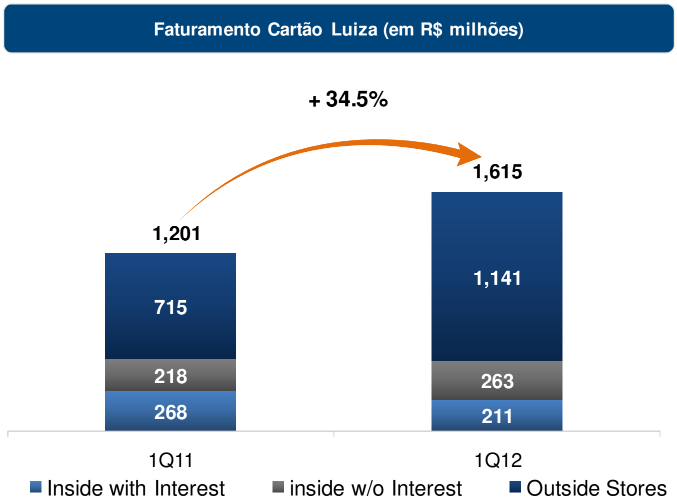
Note 1: Same-store sales growth of Magazine Luiza, excluding Lojas Maia, was 17.2% in 1Q12 (considering only physical stores, same-store sales grew 13.4%).

Note 2: Lojas Maia recorded same-store sales growth of 9.0% in 1Q12.

The Internet segment maintains its strong growth pace, increasing its product mix and site content (www.magazineluiza.com.br). In 1Q12, Internet sales climbed 42.8% to R$248.5 million, accounting for 12.5% of retail sales.

In the past 12 months, Luizacred's credit card base grew significantly, from 3.5 million in 1Q11 to 4.3 million in 1Q12, for growth of 22.8%. In 1Q12, sales on Luiza Cards accounted for 24% of total sales, less than in the same period last year, due to the conservative approach to credit approvals, which was partially offset by the increase in CDC (Direct Consumer Credit).





Luizacred has entered into a number of partnerships to promote the use of Luiza Card outside the Company's store network, increasing activation and revenue generation potential. In 1Q12, total spending on Luiza Cards increased 34.5%, to R$1.6 billion. In the same period, the use of the card outside the Company's stores increased by 59.7%, corresponding to 70.6% of total spending (compared to 59.5% in 1Q11).

Note that the Company maintains its policy of encouraging interest-bearing sales and limiting interest-free sales to 15% of total sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

The following table provides a breakdown of gross revenue by business segment:

(in R$ million)	1Q12	1Q11	% Chg
Gross Revenue - Retail - Merchandise Sales	1,913.9	1,532.8	24.9%
Gross Revenue - Retail - Services	70.6	55.3	27.7%
Subtotal Retail	**1,984.5**	**1,588.1**	**25.0%**
Gross Revenue - Consumer Finance	157.5	117.0	34.7%
Gross Revenue - Insurance Operations	18.4	15.8	16.4%
Gross Revenue - Consortium Management	7.7	6.0	29.8%
Inter-Company Eliminations	(36.9)	(30.9)	19.5%
Total Gross Revenue	**2,131.4**	**1,696.1**	**25.7%**

Magazine Luiza's consolidated gross revenue increased by 25.7% in 1Q12, from R$1,696.1 million to R$2,131.4 million. The substantial growth in 1Q12 was mainly driven by the following factors:

- 25.0% growth in the retail segment, totaling R$1,984.5 million in 1Q12, influenced by the 15.9% growth in same-store sales and the higher number of stores;

- 34.7% growth in revenue from the consumer financing segment, from R$117.0 million in 1Q11 to R$157.5 million in 1Q12. Revenue growth at Luizacred was chiefly influenced by the increase in service revenue and personal loans, which, as of 3Q11, were recorded under Luizacred (excluding the effect from personal loans, revenue growth would be 21.8%).

Consolidated Net Revenue

(in R$ million)	1Q12	1Q11	% Chg
Net Revenue - Retail - Merchandise Sales	1,597.5	1,260.6	26.7%
Net Revenue - Retail - Services	61.4	48.0	28.0%
Subtotal Retail	**1,658.9**	**1,308.6**	**26.8%**
Net Revenue - Consumer Finance	157.5	117.0	34.7%
Net Revenue - Insurance Operations	18.4	15.8	16.4%
Net Revenue - Consortium Management	7.1	5.5	27.7%
Inter-Company Eliminations	(36.9)	(30.9)	19.5%
Total Net Revenue	**1,805.1**	**1,416.1**	**27.5%**

Magazine Luiza's consolidated net revenue increased 27.5% in 1Q12, from R$1,416.1 million to R$1,805.1 million, thanks to the increase in gross revenue, particularly in the retail and consumer financing segments. Net revenue growth outpaced gross revenue growth, basically due to the higher volume of products subject to tax substitution, which is booked under COGS.

Consolidated Gross Profit

(in R$ million)	1Q12	1Q11	% Chg
Gross Income - Retail - Merchandise Sales	395.8	339.9	16.4%
Gross Income - Retail - Services	61.4	48.0	28.0%
Subtotal Retail	**457.2**	**387.9**	**17.9%**
Gross Income - Consumer Finance	132.3	94.1	40.6%
Gross Income - Insurance Operations	16.7	14.7	13.7%
Gross Income - Consortium Management	4.3	2.9	44.8%
Inter-Company Eliminations	(35.6)	(29.8)	19.5%
Total Gross Income	**574.9**	**469.9**	**22.4%**

(as % of Net Revenue)	1Q12	1Q11	% Chg
Gross Margin - Retail - Merchandise Sales	24.8%	27.0%	-2.2 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp
Subtotal Retail	**27.6%**	**29.6%**	**-2.1 pp**
Gross Margin - Consumer Finance	84.0%	80.4%	3.5 pp
Gross Margin - Insurance Operations	90.8%	92.9%	-2.1 pp
Gross Margin - Consortium Management	60.1%	53.1%	7.1 pp
Inter-Company Eliminations	96.4%	96.4%	0.0 pp
Total Gross Margin	**31.8%**	**33.2%**	**-1.3 pp**

In 1Q12, consolidated gross profit came to R$574.9 million, up 22.4%, accompanied by a gross margin of 31.8%, down 1.3 p.p. from 1Q11. The table below shows the main factors influencing gross profit:

- Gross margin from the retail segment was 27.6% in 1Q12, lower than the 1Q11 margin of 29.6%, impacted by the following factors: (i) strong growth of *Liquidação Fantástica* held in January; (ii) higher share of internet sales; (iii) the integration of the Baú stores; and (iv) chiefly due to the low gross margin at Lojas Maia, due to the outflow of products sold in *Liquidação Fantástica*, preparing stores in the northeast region for the same product mix as that in Magazine Luiza.

  In the following quarters, margin should improve, in comparison to 1Q12, as that should not be impacted by seasonal and extraordinary events.

- The gross margin from the consumer finance segment stood at 84.0% in 1Q12, 3.5 p.p. more than in 1Q11, thanks to the reduction of the CDI rate and revenue from personal loans which began to be booked in Luizacred (excluding the effect from personal loans, gross margin in this segment would be 82.8%, higher than in 1Q11).

Operating Expenses

(in R$ million)	1Q12	% NR	1Q11	% NR	% Chg
Selling expenses	(381.6)	-21.1%	(297.8)	-21.0%	28.2%
General and administrative expenses	(93.4)	-5.2%	(73.6)	-5.2%	27.0%
Provisions for loan losses	(80.2)	-4.4%	(51.0)	-3.6%	57.3%
Other operating revenues, net	(10.4)	-0.6%	36.5	2.6%	-128.4%
Total Operating Expenses	**(565.6)**	**-31.3%**	**(385.8)**	**-27.2%**	**46.6%**

Selling Expenses

Consolidated selling expenses totaled R$381.6 million in 1Q12, corresponding to 21.1% of net revenue, remaining flat over 1Q11 despite the booking of part of the 1Q12 non-recurring expenses (chiefly due to adjustments in store expenses to increase productivity in the coming quarters).

General and Administrative (G&A) Expenses

G&A expenses increased from R$73.6 million in 1Q11 to R$93.4 million in 1Q12, corresponding to 5.2% of net revenue, 1 p.p. down from R$119.8 million in 4Q11 (equivalent to 6.2% of net revenue). This reduction is the result of the integration of the offices of Baú stores and the focus on the rationalization of expenses proposed in the year's strategic plan.

Provisions for Loan Losses

Provisions for loan losses increased from R$51.0 million in 1Q11 (equivalent to 3.6% of consolidated net revenue) to R$80.2 million in 1Q12 (4.4% of consolidated net revenue). This increase reflects the conservative approach adopted by Luizacred towards maintaining substantial provisions for loan losses.

Other Operating Expenses (Revenue)

Other net operating expenses (revenue) fell from revenues of R$36.5 million in 1Q11 to an expense of R$10.4 million in 1Q12, mainly due to the following factors:

- Extraordinary expenses with the integration of the chains and stores to be inaugurated (R$13.1 million);
- Reduction in the booking of deferred revenues due to the change in the accounting methodology of deferred revenue to the straight-line method (from R$12.3 million to R$5.8 million);
- Change in the booking of personal loans, which are now recognized under financial intermediation, thereby reducing revenue from profit sharing;
- In 1Q111, the Company registered gains in the selling of fixed assets of R$10.7 million.

Notes on Extraordinary Expenses

The majority of extraordinary expenses planned for 2012 were incurred in the first quarter, mainly in January and February. In 1Q12, extraordinary expenses totaled R$33.5 million:

- Magazine Luiza and Lojas do Baú: R$20.3 million, mainly related to:
    - Rentals and logistics expenses of the distribution centers of Grupo Silvio Santos;
    - Personnel expenses (administrative and stores staff review);
    - Expenses related to the closing of 5 stores at the end of March;
    - Training, travel and consulting expenses;
    - Pre-operating expenses with new stores.

- Lojas Maia: R$13.2 million, mainly allocated to:
    - Products cost sold in *Liquidação Fantástica*;
    - Personnel expenses (administrative and stores staff review);
    - Training and travel expenses;
    - Pre-operating expenses with new stores.

EBITDA

In 1Q12, earnings before interest, taxes, depreciation and amortization (Consolidated EBITDA) reached R$9.3 million, accompanied by a margin of 0.5%. The consolidated result was chiefly impacted by extraordinary costs and expenses, as well as the higher provisions for loan losses. Excluding only the effects from extraordinary expenses, adjusted EBITDA was R$42.8 million, with a margin of 2.4%.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (R$ million)	1Q12	% NR	1Q11	% NR
Financial Expenses	(57.0)	-3.2%	(54.8)	-3.9%
Interest on loans and financing	(30.8)	-1.7%	(36.4)	-2.6%
Interest on prepayment of receivables – third party cards	(10.9)	-0.6%	(8.0)	-0.6%
Interest on prepayment of receivables – Luiza Card	(6.2)	-0.3%	(6.2)	-0.4%
Other expenses	(9.1)	-0.5%	(4.2)	-0.3%
			-	
Financial Revenues	17.9	1.0%	9.1	0.6%
Gains on marketable securities	4.7	0.3%	5.5	0.4%
Other financial revenues	13.2	0.7%	3.6	0.3%
Total Financial Results	(39.2)	-2.2%	(45.7)	-3.2%

Net financial expenses declined from 3.2% of net revenue in 1Q11 to 2.2% in 1Q12, totaling R$39.2 million. This decline was basically due to the reduction in net debt and the lower CDI rate in the period.

Interest on prepayment of receivables on Luiza Cards remained practically stable, at R$6.2 million both in 1Q11 and 1Q12, corresponding to merely 0.3% of consolidated net revenue. The Company's policy is to minimize interest-free sales on Luiza Cards and limit the share of third-party credit cards in total sales, always encouraging sales through Luizacred.

Income and Social Contribution Taxes

Income and social contribution taxes were positive by R$9.8 million in 1Q12, due to the operating loss during the period. In addition, the Company did not record deferred tax assets on losses at Lojas Maia in the amount of R$8.3 million in 1Q12, which affected the effective consolidated tax rate. It is worth mentioning that this loss will be offset by the tax benefits on goodwill from the acquisition, which became possible after the merger approved on April 30, 2012.

Consolidated Net Income

First-quarter net result was a loss of R$40.7 million, influenced by extraordinary costs and expenses and unused tax credits. Excluding these effects, adjusted net loss stood at R$10.3 million, with a margin of -0.6%.

Working Capital

CONSOLIDATED (R$ million)	Mar-12	Dec-11	Mar-11
Accounts receivables	1,884.4	1,927.8	1,522.2
Inventories	1,134.2	1,264.7	741.1
Related parties	31.5	42.6	49.2
Recoverable taxes	27.8	24.6	31.2
Other assets	87.8	59.4	59.1
Current operating assets	3,165.8	3,319.1	2,402.9
Suppliers	1,041.0	1,267.8	756.7
Interbank deposits	1,021.5	981.5	842.4
Operations with credit cards	415.6	436.1	235.8
Payroll, vacation and related charges	112.6	121.6	96.4
Taxes payable	34.1	49.3	26.2
Related parties	13.6	25.5	15.3
Taxes in installments	2.9	2.9	41.9
Technical insurance provisions	32.0	32.5	16.5
Other accounts payable	70.5	94.6	73.4
Current operating liabilities	2,743.6	3,011.7	2,104.6
Working Capital	422.2	307.3	298.3

Note: The balance of accounts receivable is disclosed net of prepaid credit card receivables, totaling R$467.7 million in March 2012, R$441.0 million in December 2011 and R$298.7 million in March 2011.

In March 2012, net working capital stood at R$422.2 million, representing only 5.3% of gross revenue in the past 12 months. On the same date, the balance of prepaid receivables from third-party credit cards was R$467.7 million. Considering the balance of discounted receivables, working capital requirements would correspond to 11.1% of gross revenue.

Due to the seasonality of the retail sector, working capital requirements are higher in the first quarter, particularly because of payment of the purchases made during the end of the previous year.

Capex

CAPEX (R$ million)	1Q12	1Q11
New Stores	6.5	6.0
Remodeling	11.0	10.0
Technology	7.3	2.3
Others	18.4	4.2
Total	43.2	22.5

Investments in fixed and intangible assets increased from R$22.5 million in 1Q11 to R$43.2 million in 1Q12, and include renovations to existing stores as well as investments in technology, logistics and new stores. In 1Q12, 7 new stores were inaugurated organically (4 conventional stores in the northeast and 3 virtual stores in Paraná). Other investments include the conclusion of the expansion of the Louveira distribution center and other investments in logistics, which totaled R$12.5 million in 1Q12.

Net Debt

In March 2012, Magazine Luiza had loans and financing in the amount of R$985.6 million, and cash and financial investments of R$376.3 million, for net debt of R$609.4 million, equivalent to 2x adjusted EBITDA of the past 12 months.

The higher debt balance at the close of March 2012 over December 2011 reflects the higher working capital requirements explained above.

CONSOLIDATED (R$ million)	Mar-12	Dec-11	Mar-11
(+) Current loans and financing	122.4	129.7	350.1
(+) Non-current loans and financing	863.2	581.7	595.4
(+) Financing of Acquisition	-	-	25.4
(=) Gross Debt	985.6	711.3	970.9
(-) Cash and cash equivalents	176.1	173.1	125.6
(-) Current securities	162.7	75.0	145.3
(-) Non-current securities	37.4	43.3	21.7
(-) Total Cash	376.3	291.3	292.6
(=) Net Debt	609.4	420.0	678.3
Short term debt/total	12%	18%	39%
Long term debt/total	88%	82%	61%
Ajusted EBITDA (LTM)	310.5	346.3	343.4
Net Debt/ Ajusted EBITDA	2.0 x	1.2 x	2.0 x

ANNEX I

FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	1Q12	V.A.	1Q11	V.A.	% Chg
Gross Revenue	2,131.4	118.1%	1,696.1	119.8%	25.7%
Taxes and Deductions	(326.3)	-18.1%	(280.0)	-19.8%	16.5%
Net Revenue	1,805.1	100.0%	1,416.1	100.0%	27.5%
Total Costs	(1,230.2)	-68.2%	(946.2)	-66.8%	30.0%
Gross Income	574.9	31.8%	469.9	33.2%	22.4%
Selling expenses	(381.6)	-21.1%	(297.8)	-21.0%	28.2%
General and administrative expenses	(93.4)	-5.2%	(73.6)	-5.2%	27.0%
Provisions for loan losses	(80.2)	-4.4%	(51.0)	-3.6%	57.3%
Other operating revenues, net	(10.4)	-0.6%	36.5	2.6%	-128.4%
Total Operating Expenses	(565.6)	-31.3%	(385.8)	-27.2%	46.6%
EBITDA	9.3	0.5%	84.0	5.9%	-88.9%
Depreciation and Amortization	(20.7)	-1.1%	(21.1)	-1.5%	-2.0%
EBIT	(11.4)	-0.6%	62.9	4.4%	-118.1%
Financial Results	(39.2)	-2.2%	(45.7)	-3.2%	-14.3%
Operating Income	(50.5)	-2.8%	17.2	1.2%	-393.7%
Income Tax and Social Contribution	9.8	0.5%	(4.9)	-0.3%	-299.9%
Net Income	(40.7)	-2.3%	12.3	0.9%	-431.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	9.3	0.5%	84.0	5.9%	-
Extraordinary costs (1)	7.5	0.4%	-	0.0%	
Extraordinary revenues	-	0.0%	-	0.0%	-
Extraordinary expenses (1)	26.0	1.4%	-	0.0%	-
Adjusted deferred revenues (2)	-	0.0%	(5.4)	-0.4%	-
Adjusted EBITDA	42.8	2.4%	78.7	5.6%	-

Net Income	(40.7)	-2.3%	12.3	0.9%	-
Extraordinary results	33.5	1.9%	(5.4)	-0.4%	-
Tax over extraordinary results	(11.4)	-0.6%	1.8	0.1%	-
Tax credits not recorded	8.3	0.5%	-	0.0%	-
Adjusted Net Income	(10.3)	-0.6%	8.7	0.6%	-

Note (1): Extraordinary costs and expenses totaled R$33.5 million in 1Q12, R$20.3 million of which at Magazine Luiza and Baú and R$13.2 million at Lojas Maia. The extraordinary result was booked as follows: R$7.5 million as COGS, R$12.9 million as selling and administrative expenses and R$13.1 million as other operating expenses.

Note (2): change in the deferred revenue booking criteria to the straight-line accounting method.

ANNEX II

FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Mar-12	Dec-11	Mar-11
CURRENT ASSETS			
Cash and cash equivalents	176.1	173.1	125.6
Securities	162.7	75.0	145.3
Accounts receivable	1,884.4	1,927.8	1,522.2
Inventories	1,134.2	1,264.7	741.1
Related parties	31.5	42.6	49.2
Taxes recoverable	27.8	24.6	31.2
Other assets	87.8	59.4	59.1
Total current assets	3,504.6	3,567.1	2,673.8
NON-CURRENT ASSETS			
Securities	37.4	43.3	21.7
Accounts receivable	3.6	9.4	14.1
Deferred income tax and social contribution	191.6	178.9	170.8
Recoverable taxes	24.3	31.0	11.3
	103.2	89.0	50.4
Other assets	29.2	19.8	9.9
Fixed assets	513.7	489.9	359.9
Intangible assets	447.1	448.9	370.0
Total non-current assets	1,350.2	1,310.2	1,008.1
TOTAL ASSETS	4,854.8	4,877.4	3,682.0

LIABILITIES (R$ million)	Mar-12	Dec-11	Mar-11
CURRENT LIABILITIES			
Suppliers	1,041.0	1,267.8	756.7
Loans and financing	122.4	129.7	350.1
Interbank deposits	1,021.5	981.5	842.4
Operations with credit cards	415.6	436.1	235.8
Payroll, vacation and related charges	112.6	121.6	96.4
Taxes payable	34.1	49.3	26.2
Related parties	13.6	25.5	15.3
Taxes in installments	2.9	2.9	41.9
Deferred revenue	24.1	24.1	55.1
Dividends payable	1.7	1.7	-
Technical insurance provisions	32.0	32.5	16.5
Other accounts payable	70.5	94.6	98.9
Total current liabilities	2,891.7	3,167.1	2,535.2
NON-CURRENT LIABILITIES			
Loans and financing	863.2	581.7	595.4
Interbank deposits	-	-	1.2
Taxes in installments	3.7	4.4	6.2
Provision for tax, civil and labor risks	188.1	173.4	182.5
Technical insurance provisions	20.5	17.9	28.6
Deferred revenue	288.2	294.3	254.6
Deferred income tax and social contribution	11.9	10.8	13.0
Other accounts payable	6.5	6.9	5.5
Total non-current liabilities	1,382.1	1,089.3	1,087.0
SHAREHOLDERS' EQUITY			
Capital stock	606.5	606.5	43.0
Legal reserve	4.0	4.0	3.4
Profit retention reserve	10.4	10.4	1.0
Accumulated losses	(40.7)	-	12.3
Total shareholders' equity	581.0	620.9	59.7
TOTAL	4,854.8	4,877.4	3,682.0

ANNEX III

FINANCIAL STATEMENTS - RETAIL

RETAIL INCOME STATEMENT (R$ million)	1Q12	V.A.	1Q11	V.A.	% Chg.
Gross Revenue	1,984.5	119.6%	1,588.1	121.4%	25.0%
Taxes and Deductions	(325.6)	-19.6%	(279.6)	-21.4%	16.5%
Net Revenue	1,658.9	100.0%	1,308.6	100.0%	26.8%
Total Costs	(1,201.7)	-72.4%	(920.7)	-70.4%	30.5%
Gross Income	457.2	27.6%	387.9	29.6%	17.9%
Selling expenses	(333.3)	-20.1%	(261.9)	-20.0%	27.3%
General and administrative expenses	(86.2)	-5.2%	(67.9)	-5.2%	26.9%
Provisions for loan losses	(4.1)	-0.2%	(1.9)	-0.1%	113.7%
Other operating revenues, net	(6.9)	-0.4%	25.7	2.0%	-127.0%
Total Operating Expenses	(430.6)	-26.0%	(306.0)	-23.4%	40.7%
EBITDA	26.6	1.6%	81.8	6.3%	-67.5%
Depreciation and Amortization	(20.7)	-1.2%	(20.8)	-1.6%	-0.5%
EBIT	5.9	0.4%	61.1	4.7%	-90.3%
Equity in Subsidiaries	(5.1)	-0.3%	6.2	0.5%	-183.1%
Financial Results	(47.8)	-2.9%	(54.1)	-4.1%	-11.6%
Operating Income	(47.0)	-2.8%	13.1	1.0%	-458.6%
Income Tax and Social Contribution	6.3	0.4%	(0.8)	-0.1%	-867.5%
Net Income	(40.7)	-2.5%	12.3	0.9%	-431.2%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	26.6	1.6%	81.8	6.3%	-
Extraordinary costs	7.5	0.5%	-	0.0%	-
Extraordinary revenues	-	0.0%	-	0.0%	-
Extraordinary expenses	26.0	1.6%	-	0.0%	-
Adjusted deferred revenues	-	0.0%	(5.4)	-0.4%	-
Adjusted EBITDA	60.1	3.6%	76.5	5.8%	-

Net Income	(40.7)	-2.5%	12.3	0.9%	-
Extraordinary results	33.5	2.0%	(5.4)	-0.4%	-
Tax over extraordinary results	(11.4)	-0.7%	1.8	0.1%	-
Tax credits not recorded	8.3	0.5%	-	0.0%	-
Adjusted Net Income	(10.3)	-0.6%	8.7	0.7%	-

ANNEX IV

FINANCIAL STATEMENTS BY BUSINESS LINE – 1Q12

1Q12 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons. Finance 50%	Insurance 50%	Consortium 100%	Eliminations	Consolidated
Gross Revenue	1,688.8	295.7	1,984.5	157.5	18.4	7.7	(36.9)	2,131.4
Taxes and Deductions	(265.9)	(59.7)	(325.6)	-	-	(0.7)	-	(326.3)
Net Revenue	1,422.8	236.1	1,658.9	157.5	18.4	7.1	(36.9)	1,805.1
Total Costs	(1,015.8)	(185.9)	(1,201.7)	(25.3)	(1.7)	(2.8)	1.3	(1,230.2)
Gross Income	407.1	50.1	457.2	132.3	16.7	4.3	(35.6)	574.9
Selling expenses	(287.4)	(45.9)	(333.3)	(65.8)	(11.9)	-	29.3	(381.6)
General and administrative expenses	(67.2)	(19.1)	(86.2)	(0.9)	(2.6)	(3.7)	-	(93.4)
Provisions for loan losses	(2.4)	(1.7)	(4.1)	(76.1)	-	-	-	(80.2)
Other operating revenues, net	(7.0)	0.1	(6.9)	(1.7)	(0.1)	0.1	(1.7)	(10.4)
Total Operating Expenses	(364.0)	(66.6)	(430.6)	(144.5)	(14.6)	(3.6)	27.6	(565.6)
EBITDA	43.1	(16.5)	26.6	(12.2)	2.1	0.7	(7.9)	9.3
Depreciation and Amortization	(16.5)	(4.2)	(20.7)	(1.7)	(0.0)	(0.1)	1.7	(20.7)
EBIT	26.6	(20.6)	5.9	(13.9)	2.1	0.6	(6.2)	(11.4)
Equity in Subsidiaries	(31.1)	(1.6)	(5.1)	-	-	-	32.7	-
Financial Results	(40.9)	(7.0)	(47.8)	-	2.2	0.2	6.2	(39.2)
Operating Income	(45.4)	(29.2)	(47.0)	(13.9)	4.4	0.9	32.7	(50.5)
Income Tax and Social Contribution	4.7	1.6	6.3	5.5	(1.7)	(0.3)	-	9.8
Net Income	(40.7)	(27.5)	(40.7)	(8.3)	2.6	0.6	32.7	(40.7)
Gross Margin	28.6%	21.2%	27.6%	84.0%	90.8%	60.1%	96.4%	31.8%
EBITDA Margin	3.0%	-7.0%	1.6%	-7.7%	11.6%	10.0%	21.5%	0.5%
Net Margin	-2.9%	-11.7%	-2.5%	-5.3%	14.2%	8.2%	-88.6%	-2.3%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	43.1	(16.5)	26.6	(12.2)	2.1	0.7	(7.9)	9.3
Extraordinary costs	-	7.5	7.5	-	-	-	-	7.5
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	20.3	5.7	26.0	-	-	-	-	26.0
Adjusted deferred revenues	-	-	-	-	-	-	-	-
Adjusted EBITDA	63.4	(3.3)	60.1	(12.2)	2.1	0.7	(7.9)	42.8
Ajusted EBITDA Margin	4.5%	-1.4%	3.6%	-7.7%	11.6%	10.0%	21.5%	2.4%

Net Income	(40.7)	(27.5)	(40.7)	(8.3)	2.6	0.6	32.7	(40.7)
Extraordinary results	20.3	13.2	33.5	-	-	-	-	33.5
Tax over extraordinary results	(6.9)	(4.5)	(11.4)	-	-	-	-	(11.4)
Tax credits not recorded	-	8.3	8.3	-	-	-	-	8.3
Equity in Subsidiaries	17.0	-	-	-	-	-	-	-
Adjusted Net Income	(10.3)	(10.5)	(10.3)	(8.3)	2.6	0.6	32.7	(10.3)
Adjusted Net Income Margin	-0.7%	-4.5%	-0.6%	-5.3%	14.2%	8.2%	-88.6%	-0.6%

ANNEX V

FINANCIAL STATEMENTS BY BUSINESS LINE – 1Q11

1Q11 (in R$ million)	Magazine Luiza	Lojas Maia 100%	Retail Pro-Forma	Cons. Finance 50%	Insurance 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 Deductions	(221.8)	(57.8)	(279.6)	-	-	(0.4)	-	(280.0)
Net Revenue	1,113.1	195.4	1,308.6	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)	(47.8)	(11.6)	-	23.5	(297.8)
General and administrative expenses	(54.3)	(13.7)	(67.9)	(1.2)	(1.3)	(3.1)	-	(73.6)
Provisions for loan losses	(1.9)	-	(1.9)	(49.1)	-	-	-	(51.0)
Other operating revenues, net	22.7	3.0	25.7	13.0	(0.0)	0.1	(2.3)	36.5
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)	(1.3)	(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 in Subsidiaries	11.0	0.9	6.2	-	-	-	(11.9)	-
Financial Results	(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%

Reconciliation of EBITDA for extraordinary expenses

EBITDA	67.4	14.4	81.8	9.0	1.8	(0.0)	(8.6)	84.0
Extraordinary costs	-	-	-	-	-	-	-	-
Extraordinary revenues	-	-	-	-	-	-	-	-
Extraordinary expenses	-	-	-	-	-	-	-	-
Adjusted deferred revenues	(5.4)	-	(5.4)	-	-	-	-	(5.4)
Adjusted EBITDA	62.0	14.4	76.5	9.0	1.8	(0.0)	(8.6)	78.7
Ajusted EBITDA Margin	5.6%	7.4%	5.8%	7.7%	11.2%	-0.8%	27.8%	5.6%

Net Income	12.3	5.7	12.3	4.6	1.5	0.1	(11.9)	12.3
Extraordinary results	(5.4)	-	(5.4)	-	-	-	-	(5.4)
Tax over extraordinary results	1.8	-	1.8	-	-	-	-	1.8
Tax credits not recorded	-	-	-	-	-	-	-	-
Equity in Subsidiaries	-	-	-	-	-	-	-	-
Adjusted Net Income	8.7	5.7	8.7	4.6	1.5	0.1	(11.9)	8.7
Adjusted Net Income Margin	0.8%	2.9%	0.7%	4.0%	9.5%	1.0%	38.5%	0.6%

ANNEX VI

SALES MIX AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	1Q12	V.A.	1Q11	V.A.	Growth Total
Virtual Stores	85,2	4,3%	60,6	3,8%	40,6%
Website	248,5	12,5%	174,0	11,0%	42,8%
Subtotal – Virtual Channel	**333,7**	16,8%	**234,6**	14,8%	42,2%
Conventional Stores	1.650,9	83,2%	1.353,6	85,2%	22,0%
Magazine Luiza	1.355,1	68,3%	1.100,3	69,3%	23,2%
Lojas Maia	295,7	14,9%	253,2	15,9%	16,8%
Total	**1.984,5**	100,0%	**1.588,1**	100,0%	25,0%

Number of stores per channel – End of the period	Mar-12	Part(%)	Mar-11	Part(%)	Growth Total
Virtual Stores	106	14,5%	67	11,1%	39
Website	1	0,1%	1	0,2%	-
Subtotal – Virtual Channel	**107**	14,7%	**68**	11,3%	39
Conventional Stores	623	85,3%	536	88,7%	87
Magazine Luiza	477	65,3%	400	66,2%	77
Lojas Maia	146	20,0%	136	22,5%	10
Total	**730**	100,0%	**604**	100,0%	126
Total Sales Area (m²)	**456.292**		**400.112**		14,0%

ANNEX VII

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 such back office activities as accounting and treasury.

In March 2012, Luizacred had a total base of 4.3 million cards issued. In the past 12 months, the total card base grew 22.8%, contributing to the increase in revenue from Luiza Card both inside and outside the Company's stores (in 1Q12, purchases outside stores represented 70.6% of total Card billings, up 59.7% on 1Q11).
Luizacred's credit portfolio, including credit card, CDC (Direct Consumer Credit) and personal loans, totaled R$3.3 billion at the close of 1Q12.

LUIZACRED – Key Indicators (R$ million)	1Q12	1Q11	% Chg
Total Card Base (thousand)	4,251	3,463	22.8%
Luiza Card Sales – In chain	475	486	-2.4%
Luiza Card Sales – Outside Brand	1,141	715	59.7%
CDC Sales	237	127	86.5%
Personal Loans Sales	59	68	-13.1%
Total Luizacred Sales	1,911	1,395	37.0%
Card Portfolio	2,656	2,053	29.3%
CDC Portfolio	537	371	44.8%
Personal Loans Portfolio	141	-	-
Total Portfolio	3,334	2,424	37.5%

Loan and Collection Policy

Credit is granted at Luizacred according to the policies and criteria established by the Credit Modeling and Policy area of Itaú Unibanco. The policies are defined based on proprietary statistics models using the Risk Adjusted Return on Capital (RAROC) model as the criterion. Continuing its conservative approach, in 1Q12 Luizacred reduced the credit approval rate compared to 1Q11.

Results from Operating Revenue

In 1Q12, gross operating revenue (revenues from financial intermediation and services) increased by 34.7% (1) over 1Q11. The highlights were:

- The 32.8% growth in financial intermediation over 1Q11, notably revenue from personal loans which, in 3Q11, began to be booked as result from financial intermediation (previously, results from personal loans were recognized under other operating revenue via profit sharing);
- Revenue from services grew 44.9% over 1Q11, led by the higher revenue from insurance, tariffs and commissions for the use of Luiza Cards outside the Company's stores.

(1) Excluding the effects from personal loans, gross revenue climbed 21.8%.

Provisions for Loan Losses

In March 2012, the aging indicators of Luizacred's portfolio were virtually stable over December 2011 and improved over March 2011. Provisions for loan losses on Luizacred's portfolio came to 4.6% in 1Q12, higher than the 4.0% recorded in 1Q11.

Luizacred's balance of provision for loan losses also remained virtually stable, dropping from R$469.5 million (14.1% of total portfolio) in December 2011 to R$467.5 million (14.0% of total portfolio) in March 2012, remaining R$2.4 million above the requirements of the Brazilian Central Bank in accordance with Law 2682. The balance of provisions was equivalent to 111% of the portfolio overdue more than 90 days.

PORTFOLIO OVERDUE	Mar-12		Dec-11		Sep-11		Jun-11		Mar-11	
Total Portfolio (R$ million)	3,334.1	100.0%	3,334.2	100.0%	3,011.7	100.0%	2,668.3	100.0%	2,424.2	100.0%
000 to 014 days	2,754.4	82.6%	2,773.8	83.2%	2,478.2	82.3%	2,155.4	80.8%	1,890.1	78.0%
015 to 030 days	52.9	1.6%	43.2	1.3%	34.2	1.1%	78.8	3.0%	96.6	4.0%
031 to 060 days	47.8	1.4%	39.5	1.2%	36.2	1.2%	51.9	1.9%	59.7	2.5%
061 to 090 days	56.8	1.7%	64.4	1.9%	52.7	1.8%	48.4	1.8%	63.7	2.6%
091 to 120 days	46.5	1.4%	53.2	1.6%	54.0	1.8%	45.3	1.7%	66.2	2.7%
121 to 150 days	44.3	1.3%	46.4	1.4%	48.8	1.6%	47.3	1.8%	51.6	2.1%
151 to 180 days	54.4	1.6%	41.9	1.3%	51.8	1.7%	51.2	1.9%	33.5	1.4%
180 to 360 days	277.1	8.3%	271.8	8.2%	255.7	8.5%	190.0	7.1%	162.8	6.7%
Overdue from 15-90 days	157.5	4.7%	147.0	4.4%	123.2	4.1%	179.1	6.7%	219.9	9.1%
Overdue above 90 days	422.2	12.7%	413.3	12.4%	410.3	13.6%	333.8	12.5%	314.2	13.0%
Total Overdue	579.7	17.4%	560.4	16.8%	533.5	17.7%	512.9	19.2%	534.1	22.0%
Allowance for doubtful accounts in I FRS	467.5	14.0%	469.5	14.1%	455.7	15.1%	372.9	14.0%	333.4	13.8%
Coverage (%)	111%		114%		111%		112%		106%	

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

Operating Expenses

The increase in other administrative expenses is related to the rapid growth of the credit card base and the opening of new stores, which should be diluted over time with the maturation of the base, growth of the portfolio and the Company's efforts to reduce expenses. The variation in other operating revenues (expenses) is associated also with the change in the accounting method used for personal loans.

Income Statement

LUIZACRED – Income (R$ million)	1Q12	V.A.	1Q11	V.A.	% Chg
Financial Intermediation Revenue	262.0	100.0%	197.3	100.0%	32.8%
Cards	170.3	65.0%	146.9	74.4%	15.9%
CDC	61.7	23.5%	50.4	25.6%	22.3%
Personal Loans	30.0	11.5%	-	0.0%	-
Financial Intermediation Expenses	(202.8)	-77.4%	(144.0)	-73.0%	40.8%
Market Funding Operations	(50.6)	-19.3%	(45.8)	-23.2%	10.3%
Provision for Loan Losses	(152.2)	-58.1%	(98.1)	-49.7%	55.1%
Gross Financial Intermediation Income	59.2	22.6%	53.4	27.0%	11.0%
Other Operating Revenues (Expenses)	(86.9)	-33.2%	(38.0)	-19.2%	128.9%
Service Revenue	53.1	20.3%	36.7	18.6%	44.9%
Personnel Expenses	(1.8)	-0.7%	(2.4)	-1.2%	-24.1%
Other Administrative Expenses	(114.8)	-43.8%	(84.1)	-42.6%	36.5%
Depreciation and Amortization	(3.3)	-1.3%	(2.7)	-1.3%	24.7%
Tax Expenses	(16.7)	-6.4%	(11.5)	-5.8%	44.5%
Other Operating Revenues (Expenses)	(3.4)	-1.3%	26.1	13.2%	-113.0%
Other Operating Revenues	11.7	4.4%	36.0	18.3%	-67.7%
Other Operating Expenses	(15.0)	-5.7%	(9.9)	-5.0%	51.2%
Income Before Tax	(27.7)	-10.6%	15.4	7.8%	-280.3%
Income Tax and Social Contribution	11.1	4.2%	(6.1)	-3.1%	-280.4%
Net Income	(16.7)	-6.4%	9.2	4.7%	-280.2%

Shareholders' Equity

According to the accounting practices established by the Brazilian Central Bank, Luizacred shareholders' equity in March 2012 stood at R$333.7 million. As a result of additional provisions and other adjustments required under IFRS, the shareholders' equity of Luizacred for use in the financial statements of Magazine Luiza was R$334.3 million.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

May 15, 2012 (Tuesday)
11:00 AM – Brasilia Time
10:00 AM – US EST

Callers from Brazil:
Dial-in: +55 11 4688-6361
Access code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3846

Callers from other countries:
Dial-in: +1 786 924-6977
Toll-free within the United States: +1 888 700-0802
Access code: Magazine Luiza
Webcast link: http://webcast.mz-ir.com/publico.aspx?codplataforma=3847

Replay (available for 7 days):
Dial-in: +55 11 4688-6312
Portuguese version: 5033648# / English version: 2077187#

Investor Relations

Roberto Bellissimo Rodrigues
Chief Financial and Investor Relations Officer

Tatiana Santos
IR and New Business Manager

Anderson Rezende
IR and New Business Coordinator

Phone: +55 11 3504-2727
ri@magazineluiza.com.br

About Magazine Luiza

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

EBITDA, Adjusted EBITDA and Adjusted Net Income

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

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 Board of Directors. The non-accounting data was not reviewed by the Company's independent auditors

Quarterly Information (ITR)

Magazine Luiza S.A.

March 31, 2012

Magazine Luiza S.A.

Quarterly Information (ITR)

March 31, 2012

Contents

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information (ITR) in accordance with accounting practices adopted in Brazil and specific standards established by the Brazilian Securities and Exchange Commission (CVM)

Independent auditor's review report on quarterly information (ITR)

The Shareholders, Board of Directors and Officers
Magazine Luiza S.A.
Franca - SP

Introduction

We have reviewed the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Magazine Luiza S.A. ("Company") for the quarter ended March 31, 2012, comprising the balance sheet at March 31, 2012 and the related statement of operations, statement of comprehensive income, of changes in equity and cash flow statement for the three-month period then ended, including accompanying notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 – Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of interim financial information, consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to Quarterly Information (ITR).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of interim financial information, consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to Quarterly Information (ITR).

Other matters

Interim statements of value added

We also reviewed the individual and consolidated interim statements of value added (DVA), for the three-month period ended March 31, 2012, prepared under the responsibility of Company management, whose presentation in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Financial Information (ITR) and considered supplementary information under IFRS, which do not require DVA presentation. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim financial information.

Review of individual and consolidated interim financial information for the quarter ended March 31, 2011 and audit of the individual and consolidated financial statements for the year ended December 31, 2011.

The individual and consolidated financial information contained in the quarterly information, related to: i) the balance sheet at December 31, 2011; ii) the statement of operations, of changes in equity and cash flow statement for the quarter ended March 31, 2011: and iii) other amounts and information included in the notes related to these periods, presented for purposes of comparison, were audited and reviewed, respectively by other independent auditors, who issued an unmodified audit report dated March 22, 2012, and an unmodified review report dated May 13, 2011.

São Paulo, May 14, 2012.

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

Luiz Carlos Nannini
Accountant CRC-1SP171638/0-7

Magazine Luiza S.A.

Balance sheets
March 31, 2012 and 2011
(In thousands of reais)

		Company - BR GAAP		Consolidated - IFRS and BR GAAP	
	Note	**03/31/2012**	**12/31/2011**	**03/31/2012**	**12/31/2011**
Assets					
Current assets					
Cash and cash equivalents	4.1	**154,847**	150,980	**176,122**	173,117
Securities	4.2	**80,311**	26,876	**162,701**	74,957
Accounts receivable	5	**378,819**	436,326	**1,884,416**	1,927,828
Inventories	6	**986,858**	1,092,081	**1,134,219**	1,264,657
Related parties	7	**113,670**	130,165	**31,482**	42,601
Taxes recoverable		**20,059**	18,749	**27,826**	24,608
Other assets		**60,409**	21,819	**87,848**	59,359
Total current assets		**1,794,973**	1,876,996	**3,504,614**	3,567,127
Non-current assets					
Securities	4.2	**-**	-	**37,433**	43,267
Accounts receivable	5	**1,760**	5,858	**3,616**	9,407
Deferred income and social contribution taxes	8	**128,884**	122,333	**191,552**	178,907
Recoverable taxes		**7,620**	15,182	**24,341**	31,042
Judicial deposits		**64,206**	53,534	**103,158**	88,969
Other assets		**21,154**	15,782	**29,218**	19,789
Investments in subsidiaries	9	**75,923**	72,877	**-**	-
Investments in jointly-controlled subsidiaries	10	**171,333**	161,256	**-**	-
Property and equipment	11	**431,111**	417,295	**513,743**	489,938
Intangible assets	12	**172,904**	175,716	**447,133**	448,908
Total non-current assets		**1,074,895**	1,039,833	**1,350,194**	1,310,227
Total assets		**2,869,868**	2,916,829	**4,854,808**	4,877,354

	Note	Company - BR GAAP		Consolidated - IFRS and BR GAAP	
		03/31/2012	12/31/2011	03/31/2012	12/31/2011
Liabilities and equity					
Current liabilities					
Suppliers	13	**875,049**	1,091,013	**1,040,998**	1,267,774
Loans and financing	14	**84,267**	94,979	**122,375**	129,671
Interbank deposits	15	**-**	-	**1,021,455**	981,478
Operations with credit cards		**-**	-	**415,573**	436,130
Payroll, vacation and related charges		**99,103**	109,726	**112,561**	121,596
Taxes payable		**21,075**	33,289	**34,128**	49,324
Related parties	7	**31,940**	45,737	**13,565**	25,492
Tax payment in installments		**2,859**	2,854	**2,859**	2,854
Deferred revenue	16	**19,217**	19,217	**24,079**	24,092
Dividends payable		**1,662**	1,662	**1,662**	1,662
Technical insurance reserves		**-**	-	**31,985**	32,464
Other accounts payable		**50,627**	78,715	**70,481**	94,598
Total current liabilities		**1,185,799**	1,477,192	**2,891,721**	3,167,135
Non-current liabilities					
Loans and financing	14	**777,847**	496,278	**863,233**	581,664
Tax payment in installments		**3,686**	4,398	**3,686**	4,398
Provision for tax, civil and labor risks	17	**90,650**	84,176	**188,089**	173,404
Technical insurance reserves		**-**	-	**20,473**	17,853
Deferred revenue	16	**225,668**	230,490	**288,161**	294,261
Deferred income and social contribution taxes	8	**1,869**	-	**11,932**	10,765
Other accounts payable		**3,345**	3,350	**6,509**	6,929
Total non-current liabilities		**1,103,065**	818,692	**1,382,083**	1,089,274
Total liabilities		**2,288,864**	2,295,884	**4,273,804**	4,256,409
Equity					
Capital		**606,505**	606,505	**606,505**	606,505
Capital reserve		**705**	-	**705**	-
Legal reserve		**4,025**	4,025	**4,025**	4,025
Retained earnings reserve		**10,415**	10,415	**10,415**	10,415
Other comprehensive income		**69**	-	**69**	-
Loss for the period		**(40,715)**	-	**(40,715)**	-
Total equity		**581,004**	620,945	**581,004**	620,945
Total liabilities and equity		**2,869,868**	2,916,829	**4,854,808**	4,877,354

See accompanying notes.

Magazine Luiza S.A.

Statements of operations for the quarters
March 31, 2012 and 2011
(In thousands of reais)

		Company - BR GAAP		Consolidated - IFRS and BR GAAP	
	Note	**03/31/2012**	**03/31/2011**	**03/31/2012**	**03/31/2011**
Net revenue	**19**	**1,422,845**	1,113,138	**1,805,100**	1,416,053
Cost of goods resold, services rendered and fund raising for financial operations	**20**	**(1,015,758)**	(781,902)	**(1,230,181)**	(946,195)
Gross income		**407,087**	331,236	**574,919**	469,858
Operating income (expenses)					
Selling expenses	**21**	**(287,445)**	(230,361)	**(381,633)**	(297,771)
General and administrative expenses	**21**	**(67,170)**	(54,267)	**(93,423)**	(73,571)
Provisions for loan losses		**(2,393)**	(1,914)	**(80,188)**	(50,974)
Depreciation and amortization		**(16,532)**	(17,452)	**(20,703)**	(21,131)
Equity in subsidiaries	**9 and 10**	**(31,097)**	10,950	**-**	-
Other operating income (expenses), net	**21 and 22**	**(6,992)**	22,712	**(10,353)**	36,484
		(411,629)	(270,332)	**(586,300)**	(406,963)
Operating income (loss) before financial expenses		**(4,542)**	60,904	**(11,381)**	62,895
Financial results	**23**	**(40,855)**	(47,704)	**(39,161)**	(45,684)
Operating income (loss) before income and social contribution taxes		**(45,397)**	13,200	**(50,542)**	17,211
Income and social contribution taxes – current and deferred	**8**	**4,682**	(905)	**9,827**	(4,916)
Net income (loss) for the period		**(40,715)**	12,295	**(40,715)**	12,295
Net income (loss) attributable to:					
Company owners		**(40,715)**	12,295	**(40,715)**	12,295
Earnings (loss) per share					
Basic and diluted (reais per share)		**(0.23)**	0.08	**(0.23)**	0.08

See accompanying notes.

Magazine Luiza S.A.

Statements of changes in equity
March 31, 2012 and 2011
(In thousands of reais)

	Capital	Capital reserve	Legal reserve	Retained earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Total
Balances at December 31, 2010	43,000	-	3,442	994	-	-	47,436
Net income for the period	-	-	-	-	12,295	-	12,295
		-					
Balances at March 31, 2011	43,000	-	3,442	994	12,295	-	59,731
		-					
Balances at December 31, 2011	**606,505**	**-**	**4,025**	**10,415**	**-**	**-**	**620,945**
Share purchase option plan	**-**	**705**	**-**	**-**	**-**	**-**	**705**
Loss for the period	**-**	**-**	**-**	**-**	**(40,715)**	**-**	**(40,715)**
	606,505	**705**	**4,025**	**10,415**	**(40,715)**	**-**	**580,935**
Other comprehensive income: Adjustment of financial instruments	**-**	**-**	**-**	**-**	**-**	**69**	**69**
Balances at March 31, 2012	**606,505**	**705**	**4,025**	**10,415**	**(40,715)**	**69**	**581,004**

See accompanying notes.

Magazine Luiza S.A.

Cash flow statements
March 31, 2012 and 2011
(In thousands of reais)

	Note	Company - BR GAAP		Consolidated - IFRS and BR GAAP	
		03/31/2012	03/31/2011	03/31/2012	03/31/2011
Cash flow from operating activities					
Net income (loss) for the period		(40,715)	12,295	(40,715)	12,295
Adjustments to reconcile net income (loss) for the period to cash from operating activities:					
Income and social contribution tax expense recognized in P&L	8	(4,682)	905	(9,827)	4,916
Depreciation and amortization		16,532	17,452	20,703	21,131
Interest on loans and financing provisioned		21,402	22,792	24,837	27,311
Boutique investment fund yield		(1,168)	-	(1,168)	-
Equity in subsidiaries	9 and 10	31,097	(10,950)	-	-
Changes in provision for losses on assets		6,043	2,661	83,838	38,579
Provision for tax, civil and labor risks		8,079	7,143	18,183	8,197
Fixed and intangible asset disposal, net of gain on disposal		501	(10,657)	501	(10,594)
Deferred revenue		(4,822)	(11,986)	(6,112)	(12,275)
Tax refunds		-	(4,285)	-	(4,285)
Expenses with stock option plan		705	-	705	-
				-	
(Increase) decrease in operating assets:				-	
Accounts receivable		59,212	47,178	(30,985)	(39,197)
Securities		-	-	(28,364)	(88,319)
Inventories		101,573	106,224	126,788	116,328
Related parties		21,810	(25,833)	11,119	(13,219)
Taxes recoverable		6,598	19,606	3,829	19,576
Other assets		(54,635)	(12,161)	(52,107)	12,143
Increase (decrease) in operating liabilities:					
Suppliers		(215,964)	(335,723)	(226,776)	(375,568)
Interbank deposits		-	-	39,977	(13,116)
Operations with credit card		-	-	(20,557)	15,552
Technical insurancereserves		-	-	2,141	1,408
Payroll, vacation and related charges		(10,623)	(23,264)	(9,035)	(20,153)
Taxes payable		(12,214)	(14,025)	(11,948)	(17,969)
Related parties		(13,797)	4,681	(11,927)	9,152
Tax payment in installments		(707)	(87)	(707)	(1,219)
Other accounts payable		(29,698)	11,578	(28,036)	(2,831)
Cash used in operating activities		(115,473)	(196,456)	(145,643)	(312,157)
Income and social contribution taxes paid		(346)	(3,595)	(5,287)	(3,595)
Net cash used in operating activities		(115,819)	(200,051)	(150,930)	(315,752)
Cash flow from investing activities					
Fixed asset purchases	11	(24,785)	(15,726)	(36,543)	(20,285)
Intangible asset purchase	12	(3,252)	(1,752)	(6,691)	(2,198)
Boutique investment fund investments		(187,150)	-	(187,150)	-
Boutique investment fund redemption		134,883	-	134,883	-
Investment in subsidiaries		(49,465)	(8,333)	-	(8,333)
Cash used in investing activities		(129,769)	(25,811)	(95,501)	(30,816)
Cash flow from financing activities					
Raising of loans and financing		301,010	170,006	301,010	170,069
Loans and financing repayment		(17,580)	(11,059)	(17,599)	(21,778)
Interest on loans and financing paid		(33,975)	(2,709)	(33,975)	(4,970)
Cash provided by financing activities		249,455	156,238	249,436	143,321
Increase (decrease) in cash and cash equivalents		3,867	(69,624)	3,005	(203,247)
Cash and cash equivalents at the beginning of the period		150,980	181,263	173,117	328,865
Cash and cash equivalents at the end of the period		154,847	111,639	176,122	125,618
Increase (decrease) in cash and cash equivalents		3,867	(69,624)	3,005	(203,247)

See accompanying notes.

Magazine Luiza S.A.

Statements of value added
March 31, 2012 and 2011
(In thousands of reais)

	Company - BR GAAP		Consolidated - IFRS and BR GAAP	
	03/31/2012	03/31/2011	03/31/2012	03/31/2011
Revenues				
Sale of goods, products and services	**1,596,466**	1,263,313	**2,029,910**	1,610,617
Allowance for doubtful accounts, net of reversals	**(2,393)**	(1,914)	**(80,188)**	(50,974)
Other operating revenues	**3,431**	31,436	**11,283**	55,325
	1,597,504	1,292,835	**1,961,005**	1,614,968
Inputs acquired from third parties				
Cost of products, goods and services sold	**(1,010,205)**	(843,883)	**(1,313,775)**	(1,009,393)
Materials, energy, outsourced services and others	**(131,630)**	(99,904)	**(210,232)**	(154,886)
Loss on assets	**(2,904)**	(2,746)	**(2,904)**	(2,746)
	(1,144,739)	(946,533)	**(1,526,911)**	(1,167,025)
Gross value added	**452,765**	346,302	**434,094**	447,943
Depreciation and amortization	**(16,532)**	(17,452)	**(20,703)**	(21,131)
Net value added generated by the entity	**436,233**	328,850	**413,391**	426,812
Value added received in transfer				
Equity in subsidiaries	**(31,097)**	10,950	**-**	-
Financial income	**15,162**	4,793	**17,887**	9,146
Total value added to be distributed	**420,298**	344,593	**431,278**	435,958
Value added distribution				
Payroll and charges:				
Direct remuneration	**126,553**	102,104	**146,537**	118,276
Benefits	**25,080**	20,241	**30,410**	23,676
FGTS	**12,178**	9,103	**14,263**	10,551
	163,811	131,448	**191,210**	152,503
Taxes, charges and contributions:				
Federal	**160,488**	69,377	**103,564**	104,727
State	**36,030**	41,469	**64,556**	72,322
Municipal	**5,125**	4,461	**7,751**	5,476
	201,643	115,307	**175,871**	182,525
Interest on debt:				
Interest	**50,755**	56,363	**51,390**	52,892
Rent	**39,542**	27,342	**47,778**	33,561
Other	**5,262**	1,838	**5,744**	2,182
	95,559	85,543	**104,912**	88,635
Interest on equity:				
Retained earnings (accumulated losses)	**(40,715)**	12,295	**(40,715)**	12,295
	420,298	344,593	**431,278**	435,958

See accompanying notes.

1. Operations

Magazine Luiza S.A. (“Company”) mainly operates with retail trade of consumer goods (mainly home appliances, electronic products and furniture), through physical or virtual stores or electronic trade, headquartered in the city of Franca, São Paulo state, Brazil. Its holding company is LTD Administração e Participação S.A.
At March 31, 2012, the Company and its subsidiaries had 735 stores (728 stores at December 31, 2011) and 9 distribution centers (8 distribution centers at December 31, 2011) located in the Brazilian South, Southeast, Mid-West and Northeast regions.

The Company holds equity investments in other companies, as follows:

a) Luizacred S.A. - Sociedade de Crédito, Financiamento e Investimento (“Luizacred”) – Company jointly controlled with Banco Itaúcard S.A. of which the business purpose is the offering, distribution and trade of financial products and services to customers of Magazine Luiza stores;

b) Luizaseg Seguros S.A. (“Luizaseg”) – Company jointly controlled with NCVP Participações Societárias S.A., subsidiary of Cardif do Brasil Seguros e Previdência S.A., of which the business purpose is the development, sale and management of guarantees for any type of product sold in Brazil, to customers of Magazine Luiza stores;

c) Luiza Administradora de Consórcios Ltda. (“LAC”) – Wholly-owned subsidiary of which the business purpose is management of consortium groups formed for the acquisition of vehicles, motorcycles, home appliances and real estate;

d) F.S. Vasconcelos & Cia Ltda. (“Lojas Maia”) – Wholly-owned subsidiary, represented by a chain of stores, which operates in the same business line as that of Magazine Luiza S.A in the Northeast region of Brazil, acquired in July 2010.

In 2011, the Company acquired “New-Utd Utilidades Domésticas S.A.” (“New-Utd”), a company comprising the net assets of 121 points of sale of BF Utilidades Domésticas Ltda. and BF PAR Utilidades Domésticas Ltda., the related rent contracts, store furniture, equipment and premises, as well as IT structures(hardware and software). The acquisition process was concluded with the merger of New-Utd on October 31, 2011.

Magazine Luiza S.A. and its subsidiaries and jointly-controlled subsidiaries are hereinafter referred to as “Group” for the purposes of this report, except where specifically indicated otherwise.

2. Basis of presentation and summary of significant accounting practices

2.1. Accounting practices

This quarterly information (ITR) was approved by the executive board on May 14, 2012.

The quarterly information is presented in thousands of “R$”, which is the Company’s functional and reporting currency.

The Company’s individual and consolidated quarterly financial information for the periods ended March 31, 2012 and 2011 was prepared in accordance with technical pronouncement CPC 21 (interim financial reporting) and IAS 34, and is presented consistently with Brazilian Securities and Exchange Commission (CVM) rules.

The accounting practices adopted in preparing the quarterly information, company and consolidated, are consistent with those adopted and disclosed in Note 2 to the financial statements for the year ended December 31, 2011, as such they should be read together.

The individual financial statements present investments in subsidiaries by the equity pickup method, in accordance with ruling Brazilian legislation. As such, these individual financial statements are not in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (“IASB”), which require that these investments be stated in the Company’s separate financial statements at their fair value or cost.

The statement of value added (“DVA”) aims at evidencing wealth generated by the Company and the distribution thereof along a certain period, being presented by the Company, as required by Brazilian corporation law, as part of its individual financial statements and as supplementary information to the consolidated financial statements, since it is not a mandatory statement provided for by IFRS.

2. Basis of presentation and summary of significant accounting practices (Continued)

2.2. Standards, interpretations and changes in existing standards that are not yet effective and that were not adopted early by the Company.

There were no significant changes in the standards disclosed in the December 31, 2011 financial statements.

3. Notes to the December 31, 2011 financial statements not presented in this quarterly information

The interim financial information is presented in accordance with technical pronouncements CPC 21 (“CPC 21”) and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) observing the provisions in Official Circular /CVM/SNC/SEP No. 003/2011 dated April 28, 2011. Preparation of this interim financial information involves use of professional judgment by Company management about relevance and changes that should be disclosed in the notes. As such, this interim financial information includes selected notes and does not include all the notes presented in the financial statements for the year ended December 31, 2011. As allowed by Official Circular No. 03/2011of the Brazilian Securities and Exchange Commission (CVM), the following notes are not being presented:

- Operations with credit cards (Note 15);
- Technical insurance reserves (Note 17);
- Taxes paid in installments (Note 19);
- Equity (Note 20);
- Benefits to employees (Note 26);
- Employee profit sharing (Note 27);
- Business combination (Note 30);
- Commitments (Note 31);
- Cash flow statements (Note 32);
- Insurance coverage (Note 30).

(In thousands of reais)

4. Cash and cash equivalents and Securities

4.1. Cash and cash equivalents

		Company		Consolidated	
		(BR GAAP)		(IFRS and BR GAAP)	
	Rates	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Cash		**15,874**	10,751	**19,287**	13,260
Banks		**25,969**	32,820	**33,737**	41,428
Financial assets stated at fair value through profit or loss and held for trading:					
Bank deposit certificates	From 95.0% to 102.5% of CDI	**32,313**	106,876	**42,407**	113,025
Non-exclusive investment funds	103.8% of CDI	**80,691**	533	**80,691**	5,404
Total cash and cash equivalents		**154,847**	150,980	**176,122**	173,117

4.2. Securities

		Company		Consolidated	
Financial assets stated at fair value through profit or loss	Average rates	(BR GAAP) 03/31/2012	12/31/2011	(IFRS and BR GAAP) 03/31/2012	12/31/2011
Held for trading					
Non-exclusive investment fund	105% of CDI	**-**	-	**50,649**	29,587
Boutique investment fund:					
Federal public securities	(a)	**32,278**	22,476	**32,278**	22,476
Repurchase agreements	(a)	**46,397**	2,803	**46,397**	2,803
Term deposits and other securities	(a)	**1,636**	1,597	**1,636**	1,597
Available for sale					
Fixed income securities - LFT	100% of Selic	**-**	-	**69,174**	61,761
Total marketable securities		**80,311**	26,876	**200,134**	118,224
Current assets		**80,311**	26,876	**162,701**	74,957
Non-current assets		**-**	-	**37,433**	43,267
Total		**80,311**	26,876	**200,134**	118,224

(a) Refers to fixed income boutique investment fund. At March 31, 2012, the portfolio was substantially distributed in the three categories described in the table above, which are related to securities and financial operations pegged to monthly Interbank Deposit Certificate (CDI) variation, in order to allow average profitability for the Company of 103% of CDI.

(In thousands of reais)

5. Accounts receivable

	Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Trade accounts receivable:				
Debit and credit cards (a)	**218,559**	262,117	**252,253**	293,739
Own credit sales (b)	**53,268**	59,824	**69,166**	73,492
Supplementary guarantee contracts (c)	**41,184**	31,434	**41,184**	31,434
Credit operations (d)	**-**	-	**1,667,174**	1,667,164
Total trade accounts receivable	**313,011**	353,375	**2,029,777**	2,065,829
Commercial agreements (e)	**104,589**	128,265	**130,226**	146,738
Provisions for loan losses	**(26,041)**	(24,456)	**(259,783)**	(259,221)
Present value adjustment	**(10,980)**	(15,000)	**(12,188)**	(16,111)
Total accounts receivable	**380,579**	442,184	**1,888,032**	1,937,235
Current	**378,819**	436,326	**1,884,416**	1,927,828
Non-current	**1,760**	5,858	**3,616**	9,407

The amounts classified as accounts receivable presented above are classified as receivables and thus measured at amortized cost. Average days sales outstanding are of 18 days – Company and 102 days – Consolidated.

Present value adjustment is calculated at balance sheet date for all trade accounts receivable, excepting those resulting from commercial agreements settled within short term and of which the effect is not material. Calculation thereof takes into consideration the term for asset realization using a discount rate based on the average rate that the Company incurs in raising funds, as described in Note 2.7.3 to the financial statements for the year ended December 31, 2011. This rate is considered by Group management in carrying out market valuations related to time value of money and the specific risks for these assets. Credit operations are stated at present value, calculated on a “pro rata day” basis based on the contractual interest rate.

(In thousands of reais)

5. Accounts receivable (Continued)

There was assignment of title to accounts receivable in guarantee of loans in the amount of R$ 175,471 at March 31, 2012 (R$187,269 at December 31, 2011), represented by accounts receivable in connection with credit cards.

(a) Accounts receivable resulting from sales through credit cards, which are received by the Company and its subsidiary Lojas Maia from the credit cards companies for amounts, and within terms and number of installments defined upon product sale.

At March 31, 2012, the Company had assigned title to accounts receivable to financial institutions totaling R$467,658 (R$441,012 at December 31, 2011), to which there is application of a discount from 104.8% to 107.0% of CDI, posted to financial expenses in P&L. Through the advance on credit card receivables operation, the Company transfers to the credit card companies and financial institutions all the risks related to customers' default, as such, the balance of accounts receivable is net of these credits.

(b) Refers to accounts receivable resulting from credit sales financed by the Company itself.

(c) These sales are intermediated by the Company for Luizaseg. The Company transfers to Luizaseg the full amount of extended guarantee, in the month subsequent to that of sale and receives from customers within the term agreed in the transaction.

(d) Refers to customer financing and personal credit operations carried out by the subsidiary together with Luizacred.

(e) Refers to bonus products to be received from suppliers, based on purchase volume, as well as agreements defining supplier's match of expenses related to advertising and promotion (cooperative advertising).

Changes in the provisions for loan losses are as follows:

	Company		Consolidated	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Balance at the beginning of the period	**(24,456)**	(28,172)	**(259,221)**	(182,924)
(+) Additions	**(5,221)**	(18,710)	**(81,319)**	(250,362)
(-) Write-offs	**3,636**	22,426	**80,757**	174,065
Balance at the end of the period	**(26,041)**	(24,456)	**(259,783)**	(259,221)

(In thousands of reais)

5. **Accounts receivable** (Continued)

Breakdown of trade accounts receivable, by maturity, is as follows:

	Company		Consolidated	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Falling due:				
Up to 30 days	**41,957**	29,895	**525,825**	509,045
From 31 to 60 days	**18,429**	39,248	**321,143**	330,951
From 61 to 90 days	**38,268**	48,713	**242,081**	249,269
From 91 to 180 days	**114,022**	101,132	**405,955**	401,886
From 181 to 360 days	**80,377**	109,075	**235,291**	281,020
Above 361 days	**6,782**	8,440	**9,310**	12,433
	299,835	336,503	**1,739,605**	1,784,604
Overdue:				
Up to 30 days	**3,763**	4,573	**32,087**	26,046
From 31 to 60 days	**2,205**	2,882	**22,296**	18,622
From 61 to 90 days	**2,056**	2,468	**27,786**	31,843
From 91 to 180 days	**5,152**	6,949	**73,005**	71,431
From 181 to 360 days	**-**	-	**134,989**	132,636
Above 361 days	**-**	-	**9**	647
	13,176	16,872	**290,172**	281,225
Total	**313,011**	353,375	**2,029,777**	2,065,829

Breakdown of accounts receivable from commercial agreements, by maturity, is as follows:

	Company		Consolidated	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Falling due:				
Up to 30 days	**26,541**	32,270	**33,779**	35,281
From 31 to 60 days	**39,348**	55,221	**44,161**	63,650
From 61 to 90 days	**7,380**	16,195	**8,634**	17,609
From 91 to 180 days	**5,152**	15,637	**5,666**	17,276
From 181 to 360 days	**268**	850	**268**	944
Above 361 days	**-**	-	**132**	-
	78,689	120,173	**92,640**	134,760
Overdue:				
Up to 30 days	**12,682**	2,056	**19,596**	3,106
From 31 to 60 days	**7,331**	1,145	**9,040**	1,926
From 61 to 90 days	**1,123**	387	**2,225**	658
From 91 to 180 days	**1,151**	1,429	**1,523**	2,577
From 181 to 360 days	**1,513**	1,661	**1,973**	2,297
Above 361 days	**2,100**	1,414	**3,229**	1,414
	25,900	8,092	**37,586**	11,978
Total	**104,589**	128,265	**130,226**	146,738

(In thousands of reais)

6. Inventories

	Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Resale goods	**979,040**	1,086,282	**1,125,051**	1,256,138
Consumption materials	**6,367**	5,171	**7,717**	7,891
Advance to suppliers	**1,451**	628	**1,451**	628
Total	**986,858**	1,092,081	**1,134,219**	1,264,657

The Company had at March 31, 2012 and December 31, 2011, goods inventories provided as guarantee in connection with judicial proceedings pending judgment in the amount of approximately R$3,500.

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

	Company		Consolidated	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Balance at the beginning of the period	**(15,034)**	(18,597)	**(18,815)**	(32,629)
Inventories written off or sold	**1,493**	9,643	**1,493**	20,043
Setting up of provision	**(3,650)**	(6,080)	**(3,650)**	(6,229)
Balance at the end of the period	**(17,191)**	(15,034))	**(20,972)**	(18,815)

The practice related to provision for inventory losses remain unaltered in relation to that disclosed in the December 31, 2011 financial statements.

(In thousands of reais)

7. Related parties

a) Related party balance

	Company (BRGAAP)		Consolidated (IFRS and BR GAAP)	
Current assets	**03/31/2012**	**12/31/2011**	**03/31/2012**	**12/31/2011**
Commissions for services rendered				
Jointly-controlled subsidiaries:				
Luizacred (i)	**29,299**	30,415	**17,366**	15,555
Luizaseg (ii)	**10,747**	10,788	**5,374**	5,394
	40,046	41,203	**22,740**	20,949
Subsidiaries:				
Consortium Group (“LAC”) (iii)	**534**	498	**-**	-
Refund of expenses and expenses with consortium drawings				
Subsidiaries:				
Consortium Group (“LAC”) (iii)	**169**	169	**975**	749
Lojas Maia (iv)	**30,020**	24,498	**-**	-
	30,189	24,667	**975**	749
Dividends receivable:				
Luizacred (i)	**2,451**	2,451	**-**	-
Luizaseg (ii)	**7,083**	1,774	**-**	-
	9,534	4,225	**-**	-
Balance receivable from credit card sales:				
Luizacred (i)	**12,385**	39,008	**7,767**	20,903
Loan agreements with subsidiary:				
Lojas Maia (iv)	**20,982**	20,564	**-**	-
Total current assets	**113,670**	130,165	**31,482**	42,601

(In thousands of reais)

7. Related parties (Continued)

a) Related party balance (Continued)

	Company (BRGAAP)		Consolidated (IFRS and BR GAAP)	
Current liabilities	**03/31/2012**	**12/31/2011**	**03/31/2012**	**12/31/2011**
Transfer of amounts received in connection with services rendered				
Jointly-controlled subsidiaries:				
Luizacred (i)	**14,259**	15,656	**4,096**	3,805
Luizaseg (ii)	**16,421**	16,785	**8,209**	8,391
	30,680	32,441	**12,305**	12,196
Subsidiaries:				
Consortium Group (“LAC”) (iii)	**389**	574	**389**	574
Rent payable and other fund transfers				
Controlled by Company majority shareholders:				
MTG Administração, Assessoria e Participações S.A. (v)	**819**	1,103	**819**	1,103
PJD Agropastoril Ltda. (viii)	**32**	31	**32**	31
	851	1,134	**851**	1,134
Controlled by Company majority shareholders:				
Balance of advertising campaigns payable:				
ETCO - Empresa Técnica de Comunicação Ltda. (vi)	**20**	11,588	**20**	11,588
Total current liabilities	**31,940**	45,737	**13,565**	25,492
Other balances with related parties				
Itaú Unibanco S.A. (viii)	**-**	-	**1,021,455**	981,478
Credit card operations:				
Redecard S.A (ix).	**-**	-	**235,156**	174,099

(In thousands of reais)

7. Related parties (Continued)

b) Transactions with related parties

	Company (BRGAAP)		Consolidated (IFRS and BR GAAP)	
	03/31/2012	03/31/2011	03/31/2012	03/31/2011
Revenue from service intermediation commissions				
Jointly-controlled subsidiaries:				
Luizacred (i)	**34,940**	28,523	**17,470**	14,262
Luizaseg (ii)	**23,726**	18,522	**11,863**	9,261
	58,666	47,045	**29,333**	23,523
Subsidiaries:				
Consortium Group (“LAC”) (iii)	**1,321**	1,118	**-**	-
Refund of shared expenses				
Jointly-controlled subsidiary:				
Luizacred (i)	**6,989**	14,740	**3,495**	7,370
Subsidiaries:				
Lojas Maia (iv)	**5,524**	9,303	**-**	-
Financial income from intercompany loan:				
Lojas Maia (iv)	**1,108**	-	**-**	-
Revenue from personal credit operation - Profit Sharing:				
Itaú Unibanco S.A. (viii)	**-**	-	**3,092**	16,605
	-	-	**3,092**	16,605
Transactions with other Itaú Group companies:				
Assignment of title to receivables (ix)	**-**	-	**-**	-
Financial service intermediation (ix)	**-**	-	**4,211**	8,345
	-	-	**4,211**	8,345
Result from fixed asset sale				
Controlled by Company majority shareholders:				
MTG Administração, Assessoria e Participações S.A. (v)	**-**	10,661	**-**	10,661
Total revenues	**73,608**	82,867	**40,131**	66,504

(In thousands of reais)

7. Related parties (Continued)

b) Transactions with related parties (Continued)

	Company (BRGAAP)		Consolidated (IFRS and BR GAAP)	
	03/31/2012	03/31/2011	03/31/2012	03/31/2011
Expenses with rent of commercial buildings				
Controlled by Company majority shareholders:				
MTG Administração, Assessoria e Participações S.A. (v)	**(368)**	(2,245)	**(368)**	(2,245)
PJD Agropastoril Ltda. (vii)	**(128)**	(281)	**(128)**	(281)
	(496)	(2,526)	**(496)**	(2,526)
Expenses with charges on advance on credit card receivables:				
Luizacred (i)	**(12,461)**	(12,464)	**(6,231)**	(6,232)
Expenses with charges on interbank deposits:				
Itaú Unibanco (viii)	**-**	-	**(25,272)**	(22,918)
Shared costs:				
Itaú Unibanco (viii)	**-**	-	**(3,912)**	(4,506)
Cardif do Brasil Vida e Previdência S.A. (x)	**-**	-	**(419)**	(456)
Expenses with advertising campaigns				
Controlled by Company majority shareholders:				
ETCO - Empresa Técnica de Comunicação Ltda. (vi)	**(31,500)**	(37,976)	**(31,500)**	(37,976)
Total expenses	**(44,457)**	(52,966)	**(67,411)**	(74,158)

In the consolidated financial statements, Banco Itaucard was considered related party of Luizacred.

i. The transactions with Luizacred, jointly controlled with Banco Itaúcard S.A., refer to the following:

a) Commissions for issue and enablement of credit cards with own flag ("Cartão Luiza") and financial expenses on advance on credit card receivables;

b) Balance receivable from product sales to customers financed by Luizacred, received by the Company on the subsequent day ("D+1");

7. Related parties (Continued)

b) Transactions with related parties (Continued)

c) Commissions from services monthly rendered by the Company including customer catchment, consumer credit operation management, control and collection of financing granted, access to systems and telecommunications network, as well as filing services and provision of physical space at sales points.

Amounts payable (current liabilities) refer to receipt of installments from customers at Company stores cash tills, which are transferred to Luizacred on D+1.

ii. Amounts receivable (current assets) and revenues of Luizaseg, jointly controlled with NCVP Participações Societárias S.A., subsidiary of Cardif do Brasil Seguros e Previdência S.A., result from commissions for services rendered monthly by the Company referring to sale of supplementary guarantees. Amounts payable (current liabilities) refer to transfer of extended guarantees sold, to Luizaseg, in full, in the month subsequent to that of sale.

iii. Amounts receivable (current assets) of LAC, wholly-owned subsidiary, refer to commissions and sales operations made by the Company as consortium operations representative. Amounts payable (current liabilities) refer to fund transfers to be made to LAC referring to consortium installments received by the Company at cash registers of its sale points.

iv. The balance receivable from Lojas Maia, wholly-owned subsidiary, refers to: i) agreement for refund of expenses with advertising assumed by the Company, based on formal agreement between the parties; and ii) loan agreement between the parties maturing on April 30, 2012 and earning 100% of CDI. In addition, the Company is guarantor of this subsidiary in a loan operation, totaling R$123,485, in connection with assignment of title to credit card receivables.

v. The transactions with MTG Administração, Assessoria e Participações S.A. (“MTG”), controlled by the Company’s majority shareholders, refer to expenses with rent of commercial buildings housing its stores, as well as the distribution centers and head office.

7. Related parties (Continued)

b) Transactions with related parties (Continued)

vi. Transactions with ETCO - Empresa Técnica de Comunicação Ltda., a company indirectly controlled by the vice-chairwoman of the Company's board of directors, refer to advertising and promotion service agreements, including fund transfers related to advertising, media production and graphic creation.

vii. Transactions with PJD Agropastoril Ltda., a company controlled by the Company's indirect controlling shareholders, refer to expenses with rent of commercial buildings where its stores are located.

viii. The balances and transactions with Itaú Unibanco S.A., end joint controlling company of Luizacred refer to:

a. Interbank deposits and related charges posted to P&L, according to Note 15, correspond to fund raisings by Luizacred.

b. Portion attributed to Luizacred from sale of financial products from the "portfolio" of Itaú Unibanco, offered by Luizacred to customers at the Company's points of sale.

c. Administrative and operating costs, in accordance with the apportionment agreement between the parties.

ix. Transactions with other affiliates, which are controlled by Itaú Unibanco S.A., refer to:

a. Assignment of title to receivables, supported by CMN Resolution No. 2836, dated May 30, 2001, related to contracts of Luizacred included in the allowance for doubtful accounts;

b. Intermediation of financial services, mainly related to insurance sales and banking communication operations.

x. Transactions with Cardif do Brasil Vida e Previdência S.A., joint controlling company of Luizaseg, refer to administrative and operating costs, in accordance with the agreement executed by the parties.

The Company also has balances related to deferred revenues from related parties, presented in specific account heading, as described in Note16.

(In thousands of reais)

7. **Related parties** (Continued)

c) Management compensation

	03/31/2012	**03/31/2011**
Board of directors compensation	**60**	59
Executive board compensation	**1,534**	1,422
Total	**1,594**	1,481

The Company does not have post-employment benefits, labor contract termination benefits or other long-term benefits. Short-term benefits for the executive board are the same granted to other employees. The amounts of such benefits are included in executive board compensation. On April 1, 2011, the Company's board of directors approved a share-based compensation plan for management and certain board members. Share options related to this plan were granted on January 5, 2012, see Note 18. In addition, the Company does not have any benefits for key management personnel of its related parties.

Under Brazilian corporate legislation and the Company's charter, shareholders are responsible for establishing and approving in a general meeting, the overall amount of annual management compensation. For the year ended December 31, 2012, maximum overall management compensation of R$12,595 was approved.

(In thousands of reais)

8. Income and social contribution taxes

a) The chart below sets out reconciliation of tax effect on net income before income and social contribution taxes at the rates applicable to the Company and the consolidated effects in the corresponding periods.

	Company		Consolidated	
	03/31/2012	**03/31/2011**	**03/31/2012**	**03/31/2011**
Net income (loss) before income and social contribution taxes	**(45,397)**	13,200	**(50,542)**	17,211
Applicable rate	**34%**	34%	**34%**	34%
Expected income and social contribution taxes at ruling rates	**15,435**	(4,488)	**17,184**	(5,852)
Effect from deferred tax balance due to rate difference of CSSL for financial institutions, from 9% to 15%	**-**	-	**1,012**	474
Effect from tax losses not recorded as deferred taxes of subsidiary Lojas Maia	**-**	-	**(8,280)**	-
Reconciliation with effective rate (effect from application of tax rates):				
Exclusion - equity in subsidiaries	**(10,573)**	3,723	**-**	-
Other permanent (additions) exclusions, net	**(180)**	(140)	**(89)**	462
Income and social contribution tax credit (debit)	**4,682**	(905)	**9,827**	(4,916)
Current	**-**	-	**(1,651)**	(8,297)
Deferred	**4,682**	(905)	**11,478**	3,381
Total	**4,682**	(905)	**9,827**	(4,916)

(In thousands of reais)

8. Income and social contribution taxes (Continued)

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

	Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Deferred income and social contribution tax assets:				
Income and social contribution tax losses	**80,565**	68,747	**89,633**	72,470
Temporary difference due to adoption of RTT(2)	**1,071**	3,219	**1,071**	3,219
Provision for loan losses	**10,051**	9,512	**50,574**	51,618
Provision for inventory losses	**5,845**	5,112	**5,845**	5,112
Provision for tax, civil and labor risks	**30,821**	28,620	**32,569**	30,256
Provision for tax, civil and labor risks in business combinations	**-**	-	**5,222**	4,345
Other provisions	**531**	7,123	**6,638**	11,887
	128,884	122,333	**191,552**	178,907
Deferred income and social contribution tax liabilities:				
Amortization of intangibles in business combinations	**-**	-	**9,929**	10,693
Temporary difference due to adoption of RTT(2)	**1,869**	-	**-**	-
Other	**-**	-	**2,003**	72
	1,869	-	**11,932**	10,765

(2) The Company adopted the Transition Tax Regime (RTT), allowed by Law No. 11941/09 which, with the adoption of the new accounting practices, generates temporary differences for tax purposes.

9. Investments in subsidiaries

We set out below details about Company subsidiaries at each period end:

Subsidiary	Main activity	Ownership interest - % 2012 and 2011
Lojas Maia	Retail trade - consumer goods	**100%**
LAC	Consortium administration	**100%**

Changes in investments in subsidiaries, presented in the individual financial statements are as follows:

(In thousands of reais)

9. Investments in subsidiaries (Continued)

	Luiza Administradora de consórcio ("LAC")		Lojas Maia	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Units of interest/shares held	**6,500**	6,500	**5,000**	5,000
Current assets	**13,686**	11,815	**258,335**	270,313
Non-current assets	**1,133**	2,170	**210,531**	190,955
Current liabilities	**3,857**	3,607	**294,764**	288,716
Non-current liabilities	**607**	607	**339,114**	340,026
Net revenue	**7,088**	25,795	**236,071**	777,998
Capital	**6,500**	6,500	**47,000**	17,000
Equity (capital deficiency)	**10,355**	9,771	**(165,012)**	(167,473)
Net income (loss) for the year/period	**584**	(354)	**(27,538)**	10,246

Changes in investments	**03/31/2012**	**12/31/2011**	**03/31/2012**	**03/31/2011**
Balances at the beginning of the period	**9,771**	10,125	**63,106**	96,017
Advance for future capital increase	**-**	-	**30,000**	12,000
Loss on share subscription	**-**	-	**-**	(55,157)
Equity pickup	**584**	(354)	**(27,538)**	10,246
Balances at the end of the period	**10,355**	9,771	**65,568**	63,106

Total of investments in subsidiaries	**03/31/2012**	**12/31/2011**
Consortium group ("LAC")	**10,355**	9,771
Lojas Maia	**65,568**	63,106
	75,923	72,877

10. Investments in jointly controlled companies ("joint ventures")

	Luizacred		Luizaseg	
	03/31/2012	**12/31/2011**	**03/31/2012**	**12/31/2011**
Total shares - in thousands	**978**	847	**13,883**	13,883
Direct percentage interest	**40.55% (i)**	40.55% (i)	**50%**	50%
Current assets	**2,966,086**	2,944,752	**125,758**	104,350
Non-current assets	**340,748**	326,468	**79,754**	91,910
Current liabilities	**2,949,506**	2,955,772	**92,788**	83,626
Non-current liabilities	**23,018**	12,468	**41,182**	35,838
Net revenues	**315,073**	1,057,740	**33,483**	137,508
Capital	**274,624**	226,624	**13,884**	13,884
Equity	**334,310**	302,980	**71,542**	76,796
Net income (loss) for the period	**(16,672)**	45,494	**5,236**	14,942

Changes in investments	**03/31/2012**	**12/31/2011**	**03/31/2012**	**12/31/2011**
Balances at the beginning of the period	**122,858**	51,802	**38,398**	37,116
Capital increase	**19,464**	-	**-**	-
Relative interest increase (see statement presented hereinafter)	**-**	55,157	**-**	-
Proposed dividends	**-**	(2,489)	**(5,314)**	(6,189)
Other comprehensive income	**-**	-	**69**	
Equity pickup	**(6,760)**	18,388	**2,618**	7,471
Balances at the end of the period	**135,562**	122,858	**35,771**	38,398

Total of investments in jointly controlled subsidiaries	**03/31/2012**	**12/31/2011**
Luizacred	**135,562**	122,858
Luizaseg	**35,771**	38,398
	171,333	161,256

(i) Direct interest of 40.55%. Indirectly through subsidiary Lojas Maia, the company holds additional interest of 9.45%, thus direct and indirect ownership interest totals 50%.

(In thousands of reais)

10. Investments in jointly controlled companies (“joint ventures”) (Continued)

On January 16, 2012, the general shareholders’ meeting of jointly controlled subsidiary Luizacred approved capital increase of R$ 48,000, in cash, with issue of 130,852 new shares, of which 65,426 are preferred and 65,426 are common shares. The funds were contributed as follows:

Shareholder	Preferred	Common	% ownership interest
Itaucard	244,404	244,404	50.00%
Magazine Luiza	198,212	198,212	40.55%
Lojas Maia	46,192	46,192	9.45%
Total	488,808	488,808	100.00%

11. Property and equipment

Changes in property and equipment, in the quarter ended March 31, 2012, were as follows:

	Company	Consolidated
Property and equipment, net at December 31, 2011	417,295	489,938
Additions	24,785	36,543
Write-offs	(134)	(134)
Depreciation	(10,835)	(12,604)
Property and equipment, net at March 31, 2012	431,111	513,743
Breakdown of property and equipment at March 31, 2012:		
Property and equipment cost	720,516	823,801
Accumulated depreciation	(289,405)	(310,058)
Property and equipment, net at March 31, 2012	431,111	513,743

In the quarter, no evidence of property and equipment impairment was detected.

(In thousands of reais)

12. Intangible assets

Changes in intangible assets in the quarter ended March 31, 2012 were as follows:

	Company	Consolidated
Intangible assets, net at December 31, 2011	175,716	448,908
Additions	3,252	6,691
Write-offs	(367)	(367)
Amortization	(5,697)	(8,099)
Intangible assets, net at March 31, 2012	172,904	447,133
Breakdown of intangible assets at March 31, 2012		
Intangible assets cost	275,053	566,108
Accumulated amortization	(102,149)	(118,975)
Intangible assets, net at March 31, 2012	172,904	447,133

In the quarter, no evidence of property and plant impairment was detected.

13. Trade accounts payable

	Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Resale goods - domestic market	**878,182**	1,077,806	**1,046,696**	1,257,299
Other suppliers	**7,166**	26,690	**7,166**	26,690
Present value adjustments	**(10,299)**	(13,483)	**(12,864)**	(16,215)
	875,049	1,091,013	**1,040,998**	1,267,774

(In thousands of reais)

14. Loans and financing

Modality	Charges	Guarantees	Final maturity	Company 03/31/2012	Company 12/31/2011	Consolidated 03/31/2012	Consolidated 12/31/2011
BNDES (a)	TJLP + 2.38% p.a. (i) IPCA + 8.91% p.a. (ii)	Bank guarantee	Dec/13	**29,263**	32,297	**29,263**	32,297
Working capital (b)	107.5% to 118.8% of CDI p.a.	(b)	Mar/17	**607,237**	538,594	**730,722**	658,646
Finance leases (c)	CDI/TJLP/LIBOR	Chattel mortgage / Escrow deposits	Dec/2019	**19,677**	20,366	**19,686**	20,392
Debentures – restricted placement (d)	113% of CDI	-	Jun/14	**205,937**	-	**205,937**	-
				862,114	591,257	**985,608**	711,335
Current liabilities				**84,267**	94,979	**122,375**	129,671
Non-current liabilities				**777,847**	496,278	**863,233**	581,664

(a) Loans from BNDES have the nature of: i) financing for opening of new stores and ii) acquisition of premises and equipment. These contracts involve monthly repayment of the principal amount and interest.

(b) This financing is secured by sureties, commercial pledge, bank guarantees, and mortgage of properties belonging to the controlling shareholders and part of credit card receivables, as described in Note 5.

Part of loans was raised in foreign currency, which is subject to fixed interest and exchange variation. In order to hedge its operations against the risk of exchange rate variation, the Company has taken out “swaps” of contractual charges for variable interest corresponding to a CDI percentage. It is a fully “tied” operation, which does not expose the Company to foreign exchange rate or foreign interest rate risks. The effect from this operation is shown in Note 25.

(c) The Company has finance lease contracts related to: (i) aircraft, for which the contract was entered into in 2005 with final maturity in 2016. This contract required escrow deposit of R$ 1,081, (equivalent to US$ 664 thousand), recorded in “Other non-current assets”, which will be redeemed upon contract final maturity. This deposit, equivalent to 15% of the total amount of the asset, is restated by exchange variation, recognized in P&L for the period; (ii) IT equipment and software, of which the contracts have final maturity in 2019.

(In thousands of reais)

14. Loans and financing (Continued)

(d) The Company made the first issue of simple debentures, not convertible into shares, in a sole series, for public distribution with restricted placement efforts, in conformity with CVM Rule No. 476/09, with issue date of December 26, 2011. There was issue of 200 debentures, with nominal unit value of R$1,000, totaling R$200,000.

The debentures will be valid for 30 months as from issue date, thus maturing on June 26, 2014. Debentures nominal value will not be restated and will earn interest of 113% of the accumulated variation of average daily rates of Interbank Deposits - DI, which shall be paid twice-annually, the first such payment shall be on June 26, 2012. In this operation, the Company incurred transaction costs of R$1,722, which will be posted to P&L over the same validity period. Considering operation costs, projected effective interest rate (TIR) is of approximately 116.38% of CDI p.a.

Debentures were paid on January 6, 2012, after registration and compliance with CETIP settlement rules, considering their unit value plus applicable remuneration on a *pro rata temporis* basis from debenture issue date through to effective payment date.

There was no change in the Company's contractual covenants in relation to December 31, 2011 and at March 31, 2011, the Company complied with its contractual obligations.

15. Interbank deposits

		Consolidated (IFRS and BR GAAP)	
Modality	**Charges**	**03/31/2012**	**12/31/2011**
Interbank deposits	103.9% of CDI	**1,021,455**	981,478

Interbank deposits are securities issued by financial institutions and trading thereof is restricted to the interbank market and refer to interbank fund raising by Luizacred from Itaú Unibanco Holding S.A., of which maturities are as follows:

	Consolidated
Up to 90 days	1,021,080
From 91 to 365 days	375
	1,021,455

(In thousands of reais)

16. Deferred revenue

	Company (BR GAAP)		Consolidated (IFRS and BRGAAP)	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Deferred revenue from third parties:				
Exclusivity agreement with Banco Itaúcard (a)	**193,375**	196,500	**193,375**	196,500
Exploration right agreement – payroll (b)	**4,288**	5,207	**4,288**	5,207
Commercial agreement - Cardif (c)	**-**	-	**16,227**	16,802
	197,663	201,707	**213,890**	218,509
Deferred revenue from related parties:				
Exclusivity agreement with Luizacred (d)	**47,222**	48,000	**98,350**	99,844
	47,222	48,000	**98,350**	99,844
Total deferred revenue	**244,885**	249,707	**312,240**	318,353
Current liabilities	**19,217**	19,217	**24,079**	24,092
Non-current liabilities	**225,668**	230,490	**288,161**	294,261

a) On November 27, 2009, the Company entered into an “Association Agreement”, with Itaú Unibanco Holding S.A. (“Itaú”) and Banco Itaúcard S.A., under which the Company assigned to Luizacred the exclusive right to offer, distribute and trade financial products and services in its chain of stores, for the term of 20 years.

   For the referred to association Itaú institutions paid on demand the amount of R$250,000, of which: i) R$230,000 referred to execution of the agreement , without right of refund for damages, and; ii) R$20,000 related to compliance with profitability target of Luizacred, subject to return of the amount, in full or in part, to be posted to P&L over the contractual period, i.e. 20 years, as targets are attained.

b) On June 30, 2008, the Company entered with a financial institution into an agreement for assignment of exclusive exploration right in connection with its payroll for 5 years in order to render bank services to its employees. This partnership allowed the Company to have cash inflow of R$20,250. Recognition of revenue related to funds received is posted to P&L during the contract term.

c) On December 1, 2007, subsidiary Lojas Maia entered into a commercial agreement for six years with Cardif do Brasil Seguros e Garantias S.A. in order to trade insurance products, such as extended guarantee, financial hedge and other insurance products. Under this agreement, subsidiary Lojas Maia recognized R$23,000, which is being posted to P&L over the contract term.

d) On December 29, 2010, subsidiary Lojas Maia entered into an association agreement with Luizacred, a jointly controlled company, under which it granted exclusive right to offer, distribute and trade financial products and services in its chain of stores, for 19 years. For this association, Luizacred paid R$160,000 in cash to Lojas Maia (in Consolidated R$80,000 were eliminated against intangible assets of Luizacred), which are posted to P&L during the contract term. As part of this association agreement, the amount of R$20,000, mentioned in item “(a) ii” above, was increased to R$55,000.

   On December 16, 2011, the Company entered into an amendment to the association agreement with the jointly-controlled subsidiary Luizacred, due to the increase in Company operations, resulting from acquisition of New-Utd. Under this amendment, Luizacred paid R$48,000 in cash to the Company, which will be posted to P&L over the remaining association agreement term.

(In thousands of reais)

17. Provision for tax, civil and labor risks

The Company and its subsidiaries and jointly-controlled subsidiaries present labor, civil and tax proceedings pending judgment for which administrative or judicial opposition was filed. For the cases involving unfavorable outcome in the opinion of legal advisors the Company set up at March 31, 2012, in non-current liabilities, a provision for tax, civil and labor contingencies, based on Group management's best estimate of the related future cash outlay. Changes in the provision for tax, civil and labor contingencies are as follows:

Company

	12/31/2011	Additions	Write-offs	03/31/2012
Tax	50,424	5,031	-	**55,455**
Civil	8,521	1,350	(1,007)	**8,864**
Labor	25,231	1,698	(598)	**26,331**
	84,176	8,079	(1,605)	**90,650**

Consolidated

	12/31/2011	Additions	Reversal	Write-offs	03/31/2012
Tax	126,233	15,593	(2,077)	-	**139,749**
Civil	17,935	2,995	-	(2,367)	**18,563**
Labor	29,236	1,672	-	(1,131)	**29,777**
	173,404	20,260	(2,077)	(5,575)	**188,089**

17. Provision for tax, civil and labor risks (Continued)

At March 31, 2012, the nature of the main cases classified by management, based on the opinion of its legal advisors, as involving probable loss, as well as the legal obligations for which there are judicial deposits, of which the amounts were included in the above provisions, is as follows:

a) Tax proceedings

(i) The Company has filed opposition against twenty-one tax assessments by the São Paulo State Finance Department, which allege ICMS underpayment, supposedly due to error in tax rate application. The Company set up a related provision for cases involving probable loss in the opinion of its legal advisors. These tax assessments aggregate R$16,956 at March 31, 2012 (R$15,706 at December 31, 2011). Out of this amount, approximately R$3,500 is secured by the Company's revolving goods inventories.

(ii) The Company is questioning in court through petition for writ of mandamus the constitutionality of the obligation of INCRA contribution payment. For this, the Company has made judicial deposits in an account bound to the legal proceeding, totaling at March 31, 2012 the amount of R$3,688 (R$3,477 at December 31, 2011).

(iii) The Company is questioning in court the increase in the Occupational Accident Risk (RAT) rate. For this, it filed a judicial proceeding and started to deposit in court, in an account bound to the proceeding, the amounts referring to the tax rate increase. The judicial deposit aggregates R$19,651 at March 31, 2012 (R$17,532 at December 31, 2011).

(iv) The Company is questioning at the administrative level the Accident Prevention Factor (FAP) index imposed by MPS/CNPS Resolution No. 1269/06, for which the provision totals R$15,160 at March 31, 2012 (R$13,709 at December 31, 2011).

17. Provision for tax, civil and labor risks(Continued)

a) Tax proceedings (Continued)

(v) Other tax proceedings considered by management of the Company and Lojas Maia and their legal advisors as involving probable loss aggregate R$37,798 at March 31, 2012 (R$36,193 at December 31, 2011), which were provisioned and relate to tax notices for supposed differences in application of ICMS rates, as well as PIS/COFINS related risks referring to debts on interest income, tax incentives received and tax credits that may be questioned by the tax authorities.

(vi) Subsidiary Lojas Maia does not recognize PIS/COFINS levied on ICMS calculation base, thus makes a judicial deposit and sets up a related provision in the amount of R$36,242 at March 31, 2012 (R$33,084 at December 31, 2011).

(vii) In the business combination with Lojas Maia, other tax risks related to ICMS, IRPJ, CSSL and ISS were detected by the Company and weighted to determine the related fair values, with recording of an additional provision of R$ 10,254 at March 31, 2012 (R$6,532 at December 31, 2011).

b) Civil proceedings: Civil contingencies of the Company in the amount of R$8,864 at March 31, 2012 (R$8,521 at December 31, 2011) relate to customer claims related to possible product defects. Lojas Maia, for belonging to the same retailing group, presents proceedings of the same nature of R$4,359 at March 31, 2012 (R$5,652 at December 31, 2011). The remaining balances are not relevant and are recorded in the other subsidiaries and jointly-controlled subsidiaries of the Company.

17. Provision for tax, civil and labor risks (Continued)

c) Labor proceedings

i. The Company is defendant in several labor proceedings mainly claiming payment of overtime differences.

The provisioned amount of R$22,084 at March 31, 2012 (R$21,932 at December 31, 2011) – Company reflects the risk of probable loss assessed by Company management together with its legal advisors. The remaining balances are not relevant and are recorded in other subsidiaries and jointly-controlled subsidiaries of the Company.

ii. The Company is also challenging payment of social security contribution on labor prior notice, which is being fully deposited in court, in the amount of R$4,247 at March 31, 2012 (R$3,299 at December 31, 2011), balance which is fully provisioned by the Company.

The Company is party to other proceedings that were considered by management as involving possible loss, based on the opinion of its legal advisors; therefore no provision has been set up for these proceedings. The amounts attributed to the main cases are as follows:

d) Tax proceedings: The Company and its subsidiaries and jointly-controlled subsidiaries are defendants in certain tax proceedings. The amount estimated by management and its legal advisors related to these proceedings at administrative or judicial level totals R$ 405,083 at March 31, 2012 (R$377,309 at December 31, 2011).

We describe below the nature of the main proceedings considered as involving possible loss:

PIS/COFINS – Administrative proceedings pending judgment by the Regional Appellate Division, related to tax notices issued due to differences in tax calculation bases, tax credits computed and offset against tax liabilities however not approved by Brazilian IRS, among other minor ones. Proceedings of this nature aggregate R$156,577.

17. Provision for tax, civil and labor risks (Continued)

ICMS – Administrative and judicial proceedings related to tax notices issued due to: (i) differences in ICMS rates, (ii) certain noncompliance with accessory obligations, (iii) acquisition of goods from suppliers of which the registration was considered invalid by the tax authorities, (iv) and, challenge about ICMS rate increase in the São Paulo state, from 17% to 18%; among other minor ones, aggregating estimated amount of R$188,028.

e) Civil and labor proceedings: The Company has filed opposition against civil and labor proceedings at administrative level considered as involving possible loss, of which the amounts are not material for disclosure.

Contingent assets

The Company is claimant in other tax proceedings of sundry nature. These proceedings aggregate the estimated amount of approximately R$344,815 at March 31, 2012 (R$294,528 at December 31, 2011) and were not recorded for representing contingent assets. Such credits mainly refer to the challenge in court in order to exclude ICMS from the PIS/COFINS tax base, and total approximately R$211,000. Other credits are claimed in proceedings challenging PIS tax base expansion and ISS exclusion from PIS/COFINS tax base, among others.

18. Equity

Share purchase option plan

The Board of Directors meeting held on January 5, 2012 established eligible beneficiaries of the share purchase option plan approved on April 1, 2011, i.e. share purchase options may be granted to officers, employees or service providers of the Group. The same meeting established strike price of options to be granted, of R$13.60 for certain elected directors and R$10.32 for another director. The private documents granting share purchase options to eligible beneficiaries were also signed, and a total of 2,250,000 share purchase options were granted for price of R$10.32 (Plan 1) and a total of 1,274,732 share purchase options were granted for price of R$13.60 (Plan 2).

(In thousands of reais)

18. Equity (Continued)

Both plans will inure for 8 years as from option grant date. Options may be exercised, in full or in part, as long as beneficiary remains uninterruptedly Company officer or employee between grant date and the dates specified below. For Plan 1, 20% of options may be exercised when granted and, as from this date, further 20% of the options may be exercised every year beneficiary continues working for the Company. For Plan 2, 20% of options may be exercised as from March 1, 2012 and, as from said date, further 20% may be exercised every year beneficiary continues working for the Company.

Up to March 31, 2012 no share purchase option has been exercised. The fair value of each option granted is estimated on the grant date applying the option pricing *Black & Scholes* model considering the following assumptions: a) expected average option life of 5.5 years; b) annual average volatility considered by companies of the same sector of 43.5%; c) risk-free interest rate of 10%. Weighted average fair value of options granted at March 31, 2012 was R$ 6.49.

Under CPC 10 R1 and IFRS 2, the effects from transactions with share-based payments were recorded in P&L for the year, considering the fair value of share purchase options, resulting in R$ 705 at March 31, 2012. The chart below sets out the maximum shareholding dilution percentage, to which the current shareholders will be subject in case of exercise until March 31 of all options granted:

	03/31/2012
Current number of shares	**186,494,467**
Balance of share options in force	**3,524,732**
Maximum dilution percentage	**1.89%**

(In thousands of reais)

19. Net revenue

	Company (BR GAAP)		Consolidated (IFRS and BRGAAP)	
	03/31/2012	03/31/2011	03/31/2012	03/31/2011
Gross revenue:				
Retail - goods resale	**1,624,693**	1,282,451	**1,913,893**	1,532,839
Retail - service rendering	**64,088**	52,470	**39,983**	30,667
Credit operations	**-**	-	**151,306**	110,747
Insurance operations	**-**	-	**18,443**	15,847
Consortium administration	**-**	-	**7,743**	5,964
	1,688,781	1,334,921	**2,131,368**	1,696,064
Taxes and returns:				
Goods resale	**(257,538)**	(214,781)	**(316,374)**	(272,239)
Service rendering	**(8,398)**	(7,002)	**(9,894)**	(7,772)
	(265,936)	(221,783)	**(326,268)**	(280,011)
Net revenue	**1,422,845**	1,113,138	**1,805,100**	1,416,053

20. Cost of goods resold, services rendered and funding for financial operations

	Company (BR GAAP)		Consolidated (IFRS and BRGAAP)	
	03/31/2012	03/31/2011	03/31/2012	03/31/2011
Cost of:				
Goods resold	**(1,015,758)**	(781,902)	**(1,201,694)**	(920,668)
Services rendered	**-**	-	**(3,207)**	(2,610)
Funding for financial operations	**-**	-	**(25,280)**	(22,917)
	(1,015,758)	(781,902)	**(1,230,181)**	(946,195)

(In thousands of reais)

21. Information on the nature of expenses recognized in the statement of operations for the period

The Group presented the statement of operations using classification of expenses based on their function. Information about nature of these expenses recognized in the statement of operations is set out below:

	Company (BR GAAP)		**Consolidated (IFRS and BR GAAP)**	
	03/31/2012	**03/31/2011**	**03/31/2012**	**03/31/2011**
Personnel expenses	**(201,417)**	(164,325)	**(231,099)**	(187,926)
Expenses with service providers	**(76,059)**	(58,371)	**(115,196)**	(90,469)
Other	**(84,131)**	(39,220)	**(139,114)**	(56,463)
Total	**(361,607)**	(261,916)	**(485,409)**	(334,858)
Classified by function as:				
Selling expenses	**(287,445)**	(230,361)	**(381,633)**	(297,771)
General and administrative expenses	**(67,170)**	(54,267)	**(93,423)**	(73,571)
Other operating revenues (expenses), net	**(6,992)**	22,712	**(10,353)**	36,484
	(361,607)	(261,916)	**(485,409)**	(334,858)

22. Other operating revenues, net

	Company (BR GAAP)		**Consolidated (IFRS and BRGAAP)**	
	03/31/2012	**03/31/2011**	**03/31/2012**	**03/31/2011**
Gain (loss) on fixed asset disposals (a)	**(270)**	10,662	**(270)**	10,662
Deferred revenue (b)	**4,823**	11,986	**5,783**	12,280
Provision for tax losses	**(1,570)**	(83)	**(1,570)**	(83)
Expenses with network integration (c)	**(10,424)**	-	**(13,060)**	-
Personal credit operations (d)	**-**	-	**3,092**	16,604
Expenses with financial claims (e)	**-**	-	**(1,761)**	(548)
Other	**449**	147	**(2,567)**	(2,431)
Total	**(6,992)**	22,712	**(10,353)**	36,484

a) In 2011, the balance referred to real property sales to related parties as described in Note 7. The amount of this transaction in 2012 refers to scrap sales to third parties.

b) Refers to recording of deferred revenue in connection with assignment of exploration rights, as described in Note 16.

c) Refer to non-recurring expenses incurred, in the network integration process.

(In thousands of reais)

22. Other operating revenues, net (Continued)

d) In 2005, Luizacred entered into a partnership agreement with former Banco Fininvest S.A., succeeded by Itaú Unibanco, in order to offer personal credit operations to Magazine Luiza customers, to complete the portfolio of services offered by Luizacred. The main contractual provision establishes transfer of funds computed monthly ("profit sharing") from loan services of Fininvest to Luizacred.

e) Refer to expenses with claims in connection with credit card operations of Luizacred.

23. Financial results

	Company		Consolidated	
	03/31/2012	**03/31/2011**	**03/31/2012**	**03/31/2011**
Financial income:				
Interest on extended guarantee sales	**5,722**	2,764	**5,722**	2,764
Short-term investments and securities yield	**2,094**	1,285	**4,714**	5,510
Interest on goods sales - interest on late payment	**317**	206	**416**	296
Exchange gains	**92**	14	**92**	14
Discounts obtained	**2,046**	228	**2,052**	228
Other	**4,891**	296	**4,891**	334
	15,162	4,793	**17,887**	9,146
Financial expenses:				
Interest on loans and financing	**(25,978)**	(30,960)	**(30,842)**	(36,396)
Charges on advance on credit card receivables	**(21,349)**	(17,432)	**(17,119)**	(14,188)
Provision for interest on extended guarantee sales	**(3,428)**	(1,102)	**(3,428)**	(1,102)
Other	**(5,262)**	(3,003)	**(5,659)**	(3,144)
	(56,017)	(52,497)	**(57,048)**	(54,830)
Financial results	**(40,855)**	(47,704)	**(39,161)**	(45,684)

24. Information by operating segment

CPC 22 and IFRS 8 – Operating Segment require that operating segments be identified based on internal reports about Company components regularly reviewed by the Managing Director, in charge of making decisions about fund allocation to the segment and evaluating its performance.

24. Information by operating segment (Continued)

In order to manage its businesses in relation to financial and operating aspects, the Company classified its business into Retail, Financial Operations, Insurance Operations and Consortium Administration. These divisions are considered the main segments for disclosure purposes. The main characteristics of each of the divisions are as follows:

- Retail - mainly goods resale and service rendering at Company stores;
- Financial operations - through the jointly controlled subsidiary Luizacred, of which the main business purpose is to offer credit to Company customers for products acquisition;
- Insurance operations - through jointly-controlled subsidiary Luizaseg, of which the business purpose is to offer extended guarantee for products acquired by Company customers;
- Consortium administration – through subsidiary LAC, of which the main business purpose is consortium administration for products acquisition by Company customers.

Company sales are fully performed in the Brazilian territory and considered retail operations, also there is no sales concentration to certain customers or of certain products and services offered by the Group.

(In thousands of reais)

24. Information by operating segment (Continued)

Statements of operations

	03/31/2012						
	Retail	Financial operations	Insurance operations	Consortium administration	Total	Eliminations	Consolidated balance
Gross revenue from third parties	1,953,875	151,306	18,443	7,744	2,131,368	-	2,131,368
Gross revenue from related parties	30,654	6,231	-	-	36,885	(36,884)	-
Deductions	(325,613)	-	-	(655)	(326,268)	-	(326,268)
Net revenue from segment	1,658,916	157,537	18,443	7,088	1,841,984	(36,884)	1,805,100
Costs	(1,201,694)	(25,280)	(1,702)	(2,826)	(1,231,502)	1,322	(1,230,181)
Gross profit (loss)	457,222	132,257	16,741	4,262	610,482	(35,563)	574,919
Selling expenses	(333,349)	(48,284)	-	-	(381,633)	-	(381,633)
Selling expenses - related parties	-	(17,470)	(11,863)	-	(29,333)	29,333	-
General and administrative expenses	(86,222)	(915)	(2,629)	(3,657)	(93,423)	-	(93,423)
Provisions for loan losses	(4,090)	(76,098)	-	-	(80,188)	-	(80,188)
Depreciation and amortization	(20,685)	(1,660)	-	(77)	(22,422)	1,719	(20,703)
Equity in subsidiaries	(5,134)	-	-	-	(5,134)	5,134	-
Other operating revenues	(6,936)	(1,694)	(106)	102	(8,634)	(1,719)	(10,353)
Financial income (expenses)	(41,614)	-	2,213	240	(39,161)	-	(39,161)
Financial income (expenses)- related parties	(6,231)	-	-	-	(6,231)	6,231	-
Income and social contribution taxes	6,324	5,528	(1,739)	(286)	9,827	-	9,827
Net income (loss) for the period	(40,715)	(8,336)	2,617	584	(45,850)	5,135	(40,715)

(In thousands of reais)

24. Information by operating segment (Continued)

	31/03/2011						
	Retail	**Financial operations**	**Insurance operations**	**Consortium administration**	**Total**	**Eliminations**	**Consolidated balance**
Gross revenue from third parties	1,563,506	110,747	15,847	5,964	1,696,064	-	1,696,064
Gross revenue from related parties	24,640	6,232	-	-	30,872	(30,872)	-
Deductions	(279,596)	-	-	(415)	(280,011)	-	(280,011)
Net revenue from segment	1,308,550	116,979	15,847	5,549	1,446,925	(30,872)	1,416,053
Costs	(920,668)	(22,917)	(1,123)	(2,605)	(947,313)	1,118	(946,195)
Gross profit (loss)	387,882	94,062	14,724	2,944	499,612	(29,754)	469,858
Selling expenses	(261,883)	(33,557)	(2,331)	-	(297,771)	-	(297,771)
Selling expenses - related parties	-	(14,262)	(9,261)	-	(23,523)	23,523	-
General and administrative expenses	(67,948)	(1,206)	(1,329)	(3,088)	(73,571)	-	(73,571)
Provisions for loan losses	(1,914)	(49,060)	-	-	(50,974)	-	(50,974)
Depreciation and amortization	(20,785)	(1,331)	(1,285)	(67)	(23,468)	2,337	(21,131)
Equity in subsidiaries	6,181	-	-	-	6,181	(6,181)	-
Other operating revenues	25,702	13,041	(25)	102	38,820	(2,336)	36,484
Financial income (expenses)	(47,884)	-	1,996	204	(45,684)	-	(45,684)
Financial income (expenses)- related parties	(6,232)	-	-	-	(6,232)	6,232	-
Income and social contribution taxes	(824)	(3,064)	(991)	(37)	(4,916)	-	(4,916)
Net income (loss) for the period	12,295	4,623	1,498	58	18,474	(6,179)	12,295

(In thousands of reais)

24. Information by operating segment (Continued)

	03/31/2012						
	Retail	**Financial operations**	**Insurance operations**	**Consortium administration**	**Total**	**Eliminations**	**Consolidated balance**
Assets							
Cash and cash equivalents	162,281	1,884	24	11,933	176,122	-	176,122
Securities	80,311	29,011	90,812	-	200,134	-	200,134
Accounts receivable	454,600	1,433,432	-	-	1,888,032	-	1,888,032
Inventories	1,134,219	-	-	-	1,134,219	-	1,134,219
Investments	48,268	-	-	-	48,268	(48,268)	-
Property and equipment and intangible assets	952,623	105,686	3	912	1,059,224	(98,348)	960,876
Other assets	506,432	83,404	11,917	1,974	603,727	(108,302)	495,425
	3,338,734	1,653,417	102,756	14,819	5,109,726	(254,918)	4,854,808
Liabilities							
Suppliers	1,039,058	-	1,226	714	1,040,998	-	1,040,998
Loans and financing	985,608	-	-	-	985,608	-	985,608
Interbank deposits	-	1,021,455	-	-	1,021,455	-	1,021,455
Operation with credit card	-	415,573	-	-	415,573	-	415,573
Technical insurance reserves	-	-	52,458	-	52,458	-	52,458
Provision for tax, civil and labor risks	176,020	11,390	72	607	188,089	-	188,089
Deferred revenue	410,587	-	-	-	410,587	(98,347)	312,240
Other accounts payable	311,469	37,844	13,229	3,143	365,685	(108,302)	257,383
	2,922,742	1,486,262	66,985	4,464	4,480,453	(206,649)	4,273,804

(In thousands of reais)

24. Information by operating segment (Continued)

	12/31/2011						
	Retail	Financial operations	Insurance operations	Consortium administration	Total	Eliminations	Consolidated balance
Assets							
Cash and cash equivalents	158,171	3,817	18	11,111	173,117	-	173,117
Securities	26,876	5,315	86,033	-	118,224	-	118,224
Accounts receivable	504,836	1,432,399	-	-	1,937,235	-	1,937,235
Inventories	1,264,657	-	-	-	1,264,657	-	1,264,657
Investments	32,186	-	-	-	32,186	(32,186)	-
Property and equipment and intangible assets	930,254	107,342	4	980	1,038,580	(99,734)	938,846
Other assets	461,117	86,737	12,075	1,894	561,823	(116,548)	445,275
	3,378,097	1,635,610	98,130	13,985	5,125,822	(248,468)	4,877,354
Liabilities							
Suppliers	1,266,046	-	1,066	662	1,267,774	-	1,267,774
Loans and financing	711,335	-	-	-	711,335	-	711,335
Interbank deposits	-	981,478	-	-	981,478	-	981,478
Operations with credit cards	-	436,130	-	-	436,130	-	436,130
Technical insurance reserves	-	-	50,317	-	50,317	-	50,317
Provision for tax, civil and labor risks	166,569	6,167	61	607	173,404	-	173,404
Deferred revenue	418,088	-	-	-	418,088	(99,735)	318,353
Other accounts payable	362,588	60,345	8,288	2,945	434,166	(116,548)	317,618
	2,924,626	1,484,120	59,732	4,214	4,472,692	(216,283)	4,256,409

25. Financial instruments

Capital risk management

Company management administers Company funds in order to ensure business continuity and maximize funds available for opening stores, refurbishing and overhaul of existing stores as well as return to shareholders.

The Company's capital structure comprises financial liabilities, cash and cash equivalents, marketable securities and equity, comprising capital stock and retained earnings.

Periodically, management reviews the Company's capital structure and its capacity to settle its liabilities, and also timely monitors the average days payable outstanding in relation to average inventory churn, taking necessary measures when these balances result in assets in excess of liabilities.

The Company's capital management objective is to ensure its capacity to continue operating and offer return to shareholders as well as benefits to other stakeholders, and also maintain a proper capital structure to reduce costs and maximize funds available for opening stores, refurbishing and overhaul of existing stores.

The Company also uses the Net Debt/EBITDA ratio which, in its view, better reflects indebtedness, since it reflects consolidated financial obligations net of cash available for payments, considering cash provided by its operating activities.
"Net debt" is construed to be the sum of any and all loans and financing in current and non-current liabilities, less cash and cash equivalents in current assets. EBITDA is construed to be net income before income and social contribution taxes, financial expenses and financial income and depreciation and amortization.

(In thousands of reais)

25. Financial instruments (Continued)

Category of financial instruments

	Company		Consolidated	
Financial assets	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Loans and receivables (including cash and banks):				
Cash and banks	**41,842**	43,571	**53,024**	54,688
Judicial deposits	**64,206**	53,534	**103,158**	88,969
Accounts receivable	**380,579**	442,184	**1,888,032**	1,937,235
Related parties	**113,670**	130,165	**31,482**	42,601
Held for trading:				
Cash equivalents and Securities	**193,316**	134,285	**254,058**	174,892
Available for sale:				
Securities	**-**	-	**69,174**	61,761
Financial liabilities				
Amortized cost:				
Loans, financing and interbank deposits	**862,114**	591,257	**2,007,063**	1,692,813
Credit card operations	**-**	-	**415,573**	436,130
Trade accounts payable	**875,049**	1,091,013	**1,040,998**	1,267,774
Related parties	**31,940**	45,737	**13,565**	25,492

Company management believes that the carrying amount of financial instruments presented in the individual and consolidated financial statements approximates market value since a significant portion thereof matures within short term. The balance of loans and financing is adjusted for inflation based on inflation rates and variable interest rates due to market conditions and, therefore, the outstanding balance recorded as of balance sheet date approximates market value.

However, considering that there is no active market for these instruments, differences could arise if these amounts were settled in advance.

(In thousands of reais)

25. Financial instruments (Continued)

Fair value measurement

Consolidated assets and liabilities estimated at fair value are summarized below: Cash and cash equivalents are classified within Level 2 and the fair value is estimated based on reports from brokerage firms that make use of quoted market prices for similar instruments.

The fair value of other financial instruments described above allows estimating the carrying value based on existing payment terms. The Company has no assets or outstanding liabilities where the fair value could be measured using significant unobservable information (Level 3) at March 31, 2012.

Liquidity risk management

The ultimate responsibility for managing liquidity risk is borne by the Executive Finance Board of the Company, which developed an appropriate liquidity risk management model to manage needs for funding and liquidity in the short, medium and long term. The Group manages liquidity risk through ongoing monitoring of expected and actual cash flows, matching of maturity of financial assets and liabilities and maintaining close relationships with financial institutions, with periodic disclosure of information to support credit decisions when external funds are needed.

The following table shows in detail the remaining contractual maturity of the Group's financial liabilities and the contractual repayment terms. The table has been prepared in accordance with the undiscounted cash flows of financial liabilities based on the earliest date on which the Group must pay off its obligations. The tables include the cash flows of interest and principal. To the extent that interest flows are post-fixed, the undiscounted value was obtained based on interest rates at year-end.

The contractual maturity is based on the earliest date on which the Group should pay off its obligations.

	Less than one year	**One to three years**	**Three to five years**	**More than five years**	**Total**
Trade accounts payable	1,040,998	-	-	-	1,040,998
Loans and financing	124,036	693,485	151,002	25,357	993,880
Related parties	13,565	-	-		13,565

25. Financial instruments (Continued)

Considerations about risks

The businesses of the Company and its subsidiaries comprise especially retail trade of consumer goods, mainly household items, electronics, furniture and financial services, consumer finance for the acquisition of such goods and consortium group activities to acquire vehicles, motorcycles, home appliances and real properties. The main market risk factors that affect its businesses are, briefly, as follows:

Credit risk: Credit risk arises from the possibility of the Group to incur losses from non-receipt of amounts billed to its customers, which at March 31, 2012 amount to R$ 1,888,032 (R$ 1,937,235 at December 31, 2011). This risk is assessed by the Company as low, in view of the natural sales diversification, due to the large number of customers, but there is no security interest ensuring receipt of the total balance of accounts receivable, due to the nature of the Group's business. For cases where the concentration of the invoiced amounts is higher, the risk is managed through periodic reviews of the level of default, as well as the adoption of more effective collection forms. At March 31, 2012, the Group had overdue accounts receivable, whose terms were renegotiated in the amount of R$ 97,996 (R$ 89,694 at December 31, 2011), which are included in the Group's analysis on the need for setting up an allowance for doubtful accounts.

Market risk: results from the retail market slowdown in the economic scenario of Brazil. Management of the risks involved in these operations is accomplished through the establishment of operating and commercial policies.

Interest rate risk: the Group is exposed to floating interest rates linked to the "Long Term Interest Rate (TJLP)" and "Interbank Deposit Certificate (CDI)" relating to short-term investments and loans and financing in Brazilian reais for which it performed a sensitivity analysis, as described below.

(In thousands of reais)

25. Financial instruments (Continued)

Exchange rate risk management: The Company uses derivative financial instruments, recorded in balance sheet and income statement accounts, in order to meet its needs in managing market risks arising from the mismatch between currencies and indexes. Transactions with derivative instruments are carried out by the Executive Finance Board, in accordance with policies previously approved by the Group's Board of Directors. In this scenario, the Company obtained loans denominated in foreign currencies plus interest for which "swap" operations were taken out in order to provide hedge against risk of changes in exchange rates, swapping contractual interest and foreign exchange rate variation for CDI variation plus a fixed rate. This is a "tied" operation which consists in a formal loan agreement and a "swap" operation taken out on the same date, with the same maturity, the same counterparty and to be settled on a net basis. Thus, management believes that, in essence, this operation is a loan denominated in local currency increased by a given interest rate, so the accounting treatment and related disclosures reflect the essence of the operation.

Details of contracts that impacted P&L for the year ended March 31, 2012 are as follows:

	Notional	Fair value with swap	Index – Bank		Index – Company	
Bank	**value**	**gain (loss)**	**Index**	**Interest**	**Index**	**Interest**
		(a)				
Bradesco	78,311	5,082	US$	4.08% p.a.	CDI	118% p.a.
Banco do Brasil	123,485	9,495	US$	4.79% p.a.	CDI	116% p.a.
	201,796	14,577				

(a) The fair value of derivative financial instruments is determined using a methodology commonly applied by market participants, and present value of payment is estimated using market curves informed by BM&FBOVESPA.

In the periods presented there were no operations that failed to be classified as hedging operation and there are no future commitments related to cash flow hedge.

(In thousands of reais)

25. Financial instruments (Continued)

Sensitivity analysis of financial instruments

On March 31, 2012, management prepared a sensitivity analysis considering an increase or decrease of 25% and 50% in expected interest rates (likely scenario), using forward interest rates disclosed by BM&FBOVESPA and/or BACEN. The expected effect of interest expense net of financial income from financial investments for the period of 12 months is as follows:

	Probable rate	Scenario I probable	Scenario II (+ 25%)	Scenario III (- 25%)	Scenario IV (+ 50%)	Scenario V (- 50%)
Interest to be incurred subject to:						
CDI	9.70%	66,015	82,519	49,511	99,022	33,007
TJLP	6.00%	2,259	2,467	1,919	2,742	1,645
IPCA	5.20%	1,277	1,374	1,110	1,506	978
Total		69,551	86,360	52,540	103,270	35,630

As mentioned heretofore, Group management believes that there is no market risk for changes in the exchange rate, since all the relevant financial liabilities denominated in foreign currency transactions are linked to swap operations, so that the accounting and financial treatment of these loans is denominated in local currency. Thus, the swap derivative financial instrument variation offsets that of loans and financing.

26. Subsequent events

Issue of promissory notes

On April 10, 2012, the Company's Board of Directors approved the first issue of promissory notes, in a sole series, for public distribution with restricted placement efforts. There was issue of 10 promissory notes, with unit nominal value of R$ 10,000, totaling R$ 100,000. The promissory notes are valid for 180 days after issue date. Promissory notes nominal unit value will not be restated and will earn interest, as from issue date, of 109.00% of the accumulated variation of average daily Interbank Deposit (DI) rates. Funds raised were destined to increase the Company's cash.

26. Subsequent events (Continued)

Merger – Lojas Maia

The Special Shareholders' Meeting held on April 30, 2012 approved F.S. Vasconcelos e Cia Ltda. ("Lojas Maia") Merger Protocol and Rationale, without increasing Company capital. Lojas Maia is a wholly-owned subsidiary of the Company.