

Operator:

Good morning, and thank you for waiting. Welcome to Magazine Luiza's conference call to discuss the results relating to the 3Q13. We would like to inform you that this call is being recorded and all participants will be in listen-only mode during the Company's presentation. After the presentation, we will begin the Q&A session, when further instructions will be provided. Should any of you need further assistance during this call, please press *0 to talk to the operator.

A replay of this event will be available at the end of the conference call, for a period of one week. We would also like to stress that any statements made during this call, related to the business outlook of Magazine Luiza, projections, financial and operating goals, are based on beliefs and assumptions from the Company's management and information currently available. Forward-looking statements are no guarantee of performance.

These statements involve risks, uncertainties, and assumptions which therefore, depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions, and other operating factors may affect the future performance of Magazine Luiza and therefore, lead to results that differ materially from those expressed in such forward-looking statements.

To open the conference call, we would like to give the floor to Luiza Helena Trajano, President of Magazine Luiza. Please, go ahead.

Luiza Helena Trajano:

Good morning, everyone. Thank you for joining us. All our team is gathered and Marcelo and Beto will be talking to you shortly. I just wanted to greet you first, and to assure that we have achieved what we had predicted and promised.

We are showing consistent growth every quarter, and will keep doing so. This was a very satisfying quarter, however we are aware that we still have a long road ahead of us and we are working very hard on a daily basis.

This quarter was better than the media had expected. Especially in our segment, which with the decrease in the populations overall levels of debt was able to see a spike in consumption.

And *Minha Casa Melhor*, despite not having achieved the levels that Caixa had predicted, has activated a segment that had no purchasing power previously.

Usually we have a dark September. All retailers expect to have a gap in September, but it was the best September ever, and it will show in our results.

So, I thank you very much for being with us and now we have to keep on threading our path, and you can be confident that we will be delivering all of our promises. Marcelo now will give you some explanations and I will stay around if you have any further questions about how I see Brazil's current outlook. I am very satisfied with the short term delinquency levels. It is something that I check every Monday, and the levels right now are the best ever. We are selling well, we are profitable, we deliver, and we have low risks. The only risk we have is delinquency and I can assure you it is completely under control.

I tend to focus on the short term delinquency rates because when people don't pay the first and second payments, especially newer clients, they tend to stop paying. So, every Monday we work on credit approval, we check delinquency rates, particularly to this segment. We are really focused. So, thank you very much for being with us. And I will be here to take your questions over this call.

We have been involved with political parties of every nature, and I would like to say that we are fully positioned with the Government and we are moving forward considering the regulation, and we really worked deeply in that direction. So, we will seek the best agreements for our clients and for us And now I give the floor to Marcelo.

Marcelo Silva:

Good morning, everyone. I would like to start by addressing the main highlights of the 3Q13. As an analyst mentioned yesterday in his report, this quarter was really sound. It is supported by improvements in every aspect of our business. Starting with gross revenue, our growth this quarter was 18.9% vis-à-vis the same quarter of last year, reaching R\$2.4 billion.

It is very important to consider same-store sales growth. We achieved 17% vis-à-vis the same period of the previous year, 14% brick and mortar, in e-commerce 36%. And we understand the comparative base is very strong vis-à-vis the same period of the previous year. We opened eight stores, seven conventional, one virtual, including one in Heliópolis community, in São Paulo. It is our first experience in big capital city communities, and we shut down a conventional store.

In September, another important highlight is that we have the brand conversion of Lojas Maia, in the Northeast, into Magazine Luiza. It is a gradual process. And Paraíba is the last state, because that is the state where Lojas Maia had their headquarters and that is why we really were extremely cautious and careful with the brand conversion in Paraíba. In addition to sales growth, we maintained our gross margin, even compared to the previous year.

We preserved the margin in the South, Southeast, and Midwest. Gross margin in the Northeast has been growing vis-à-vis the integration process that we decided to conclude last year. And this allowed us to have all processes and controls of the Company, and gross margins are already beginning to be closer to other regions' numbers. The effect of 0.8 p.p. of accounting reclassification, and later on we will get into details, it has to do with payroll tax deduction, and also the effect of SG&A expenses.

It is important to say that our efforts to lower operating expenses at the Company are beginning to deliver results, reducing by 1.5 p.p.. Last year it was 25.5% and now it is 24%, and now, once again, addressing the payroll deduction with 0.8 p.p.. It is also important to highlight profitability at LuizaCred. Results were just exceptional this year. We improved our gross margin, Luiza mentioned our delinquency rate - it is absolutely under control.

We have been trying to lower operating expenses and, as a result, the EBITDA margin at LuizaCred moved from 4.2% in 3Q12, to 9.6% and the net margin is at 5.1%, which is very significant in our results. The Company's profitability improved considerably as a result. Consolidated recurrent EBITDA was of R\$122 million, reaching 6.1%, 1.7 p.p. better compared to the previous year due significant increase in sales streamlining our operating expenses and increasing equity income, especially at LuizaCred.

Therefore, we had the best net income in recent years, particularly ever since the IPO, a level of R\$25 million, and consolidated 9 month result is at R\$80 million. If you follow the 2Q, you will see that part of our sales had an impact on the net results, but it is the best year-to-date ever since the IPO.

Now, I would like to give the floor to our CFO, Roberto Bellissimo. He will give you more details on our financial and operating indexes.

Roberto Bellissimo:

Good morning, everyone. On page five we show some operating numbers of the Company, highlighting same-store sales growth at a level of 17%, the greatest growth in this concept for the last two years, growing very significantly. On page six we show some indicators for LuizaCred. Billing at LuizaCred grew over 15% vis-à-vis the previous year. It keeps on growing together with Magazine Luiza.

On page seven we show the performance of our client base for LuizaCred credit card base, growing 9.9%, almost 10%. And we highlight direct credit to consumer, it is a more profitable product, and we also highlight the profitability of LuizaCred as a whole, which is the fourth consecutive quarter in which LuizaCred has high consistent profit with return on equity of 19%, which is quite interesting.

On page eight we show the performance of LuizaCred portfolio, highlighting short-term delinquency, which is at the lowest levels of recent years. It is an important achievement which leads us to believe that provisions that went down this quarter vis-à-vis the 3Q12 should have gradual improvements which have helped LuizaCred to evolve its result. In addition to the improvement in gross margin and the dilution of operational expenses at LuizaCred.

Next, on page ten, we show our gross revenue performance. And here we also stress e-commerce, growing over 36%, therefore maintaining its profitability, maintaining its margins, very positive, and improving the Company's result as a whole.

On page 11 we show the performance of our gross income. Once again, on an adjusted basis the reclassification of the INSS, keeping our gross margin in high levels, around 29% of the net revenue. And also, because we maintained the level, for all the year we expect to have 50 b.p. expansion in gross margin, which has improved the Company's result as a whole.

On page 12 we show this main highlight, which is the dilution of operating expenses at 1.5 p.p. Going through all the lines, personnel expenses, logistics, rentals, all lines were diluted this quarter, and this shows our sales growth and also synergy after the integration of the networks or chains in the last two years.

On page 13 we show our equity performance improved basically due to LuizaCred results, as we said before.

On page 14 we show our EBITDA growth, 1.7 p.p., R\$122 million of recurrent EBITDA and growing over 60% vis-à-vis the previous year.

On page 15 we show our financial expenses, which remained at the same level as they were last year, despite the higher CDI due to a lower net debt this year, vis-à-vis the previous year.

On page 16 we show our net income performance. I would just like to highlight that this net income of R\$25 million, with a net margin of 1.3 p.p., represents a return on equity also amounting to 14% or 15% to Magazine Luiza's.

On page 17 we show the performance of our working capital around 3.3% of gross revenue, and this is also due to improved performance of our inventory turnover. And the net debt/EBITDA ratio went down from 2.1 last quarter to 1.9 over the 3Q, and it is expected to have the strength with an increased EBITDA and a reduction in net debt last quarter.

Now I give the floor back to Marcelo Silva.

Marcelo Silva:

I would like to conclude our presentation addressing our expectations for the 4Q13. We expect sales growth within the same levels that we had. We closed October figures well. We are very bullish, with extremely good expectations for November and December. As Luiza mentioned, *Minha Casa Melhor* will be stronger in 2014, and we expect to launch our participation as sponsor in the World Cup by Rede Globo and thus expect an increase in our market share.

And we also have many initiatives focusing on the increased participation of our customers, customer loyalty and, consequently, improving our market share in the segments where we focus on. The gross margin is expected to be maintained in other regions, and we still foresee gradual growth in our gross margin in the Northeast stores. In our pricing project, we already had a rollout, we were in the pilot phase and now we are rolling it out in all the Company stores, and certainly it will improve intelligence in the pricing process in all aspects.

And we expect to have gains in streamline costs and expenses. Maia and Baú stores are still becoming mature, and we have a multi-channel project that is about to be concluded. We already have six VCs with a multi-channel e-commerce project. We had a zero-base budget in the 1H of the year and in the 2H we as well. So, the full year 2014 will be most stringently controlled compared to what we had up to now.

In addition, LuizaCred maintained the operating efficiency project. LuizaCred is also expected to have streamlining gains for costs and expenses this quarter and the following quarters. As Luiza Helena mentioned, this is the beginning of what we have been mentioning so far due to the 1Q and the 2Q, it is a long path to take in terms of improving results. We want to have consistent and gradual results, very down to earth, being very much controlled. And we are confident that we will keep on delivering positive and consistently good results in the coming quarters.

Having said that, now I would like to move to the most important part of our call, which is the Q&A. We want to hear your questions so we can clarify them. Today, we have Luiza Helena, Frederico, our COO, Isabel, our Controller Director, Roberto, CFO, Marcelo Ferreira, LuizaCred Director, and our Commercial Director, Fabrício Garcia. We are all here at your service to clarify any questions. Let us move on to the Q&A.

Marcelo Moraes, Deutsche Bank:

Good morning. My first question regards the sales. I understood very well. Marcelo said that the 4Q13 is expected to deliver same-store sales performance similar to the 3Q13. Looking for the future, particularly 2014, how sustainable is this growth? And what was the trigger to speed a growth in the 3Q13 vis-à-vis the previous quarters? What was the triggering factor to accelerate or move to 14% or 15%?

Marcelo Silva:

Well, we have mentioned some aspects, actually. The market improved and, as you know, when we have signs of accelerated inflation rate, consumption tends to go down a little bit and this happened in the previous quarters, and maybe we had a hangover effect in June, we had many problems during 15 days and, consequently, in July we had a good month sales-wise.

August we had Fathers' Day and August was a very good month, and in September we had several initiatives at Magazine Luiza, so that is our share. On the other hand, the market has also had a stronger appetite compared to previous quarters. Now we started the 4Q and October was within our expectation, slightly above. I cannot mention any figures now, but in November I would say we have there is the market effect and we also have our teams' impact. And on that regard I can assure you that we have been heavily engaged on sales with our sales people, sales managers, store managers, e-commerce, which are also corresponding or meeting our expectations. We don't want to credit the market, because when the market goes down, it does have a direct impact. but also to all the work we have been developing with our customerscustomers, both on and offline, that is what I have to tell you.

Marcelo Moraes:

Marcelo, was there any change in the commercial policy or any advertising campaign that was different from what you did in the previous year in order to add to that?

Marcelo Silva:

No. Our campaigns are the same we have been doing for the last few months. Now, there is something I would like to tell you, in 1H, when there is sign of inflation, there is a slowdown in the 2H. Government increased interest rates, inflation started decreasing, and therefore we had an increase in consumer confidence. Well, we have to consider *Minha Casa Melhor*. *Minha Casa Melhor* program is also becoming more prominent in the market, for all the retailers, which includes us, obviously.

So, these are the factors that when added contribute to our growth. And I also believe our team has a huge part to play in this growth. We are very much engaged, very confident, being successful with the Company's sales efforts. The store personnel, the online personnel, and also enhancing our processes and our logistics that is becoming increasingly better.

So, it is a set of factors. We cannot say that it is something so specific. We have the market from the outside and inside the Company.

Luiza Helena Trajano:

Nothing was different. Now, about 2014, particularly the 1H14 will be great. Particularly in our segment, we have the World Cup being hosted in Brazil, and Magazine Luiza actually will be a sponsor of the World Cup, and that is a dream we have been having for quite a long time. So, we already have a positive effect because of the World Cup.

There is already the effect of the World Cup which is increasing our TV sales, so, just imagine January and February, not only TVs. People want to change many things like refrigerators. They do many improvements to the house, because it is a very big event for Brazilians. You saw that FIFA ticket sales were full, the draw will be impressive, and moves Brazilians.

And we also have elections, so nothing will be done to impair the economy. And considering reserve rates and inflation under control, I always said that the USD would never be beyond R\$2.20. So, unless there is something global, a global effect that has an impact in Brazil, our team is fully engaged, so this engages people to do more and more. And the commercial area is always targeting the same results.

Marcelo Moraes:

Perfect. Thank you. One last question, related to improvement in the Company's consolidated margin, is it possible to have a breakdown of how much of this improvement is associated to improvements in Magazine Luiza stores? And how much is associated to the integration of the Northeast stores like Maia and Baú? Can you identify what comes from each side?

Marcelo Silva:

After we integrated the Company into a single one, we do not breakdown. We do it in house, but not externally. There is no doubt that once we have the integration systems, processes, Magazine Luiza inventory control and the commercial performance in a more uniform area, considering the Midwest, South and Southeast, Northeast margins are gradually going up.

And because we already have Magazine Luiza system, we managed to introduce, like Luiza said, sales people are compensated by margin and profit, so that does improve our margin. And we do not know exactly when, but probably gradually Northeast stores, leaving some peculiarities or regional aspects aside, we will get closer and closer to the margin in other regions.

Marcelo Moraes:

Great. Thank you, and congratulations for the results.

Alencar Costa, Goldman Sachs:

Good morning. I had a couple of questions. One of them is about the inventory level. Even if you adjust by the reclassification of recoverable taxes, there was good performance in the drop in level of inventories. Do you feel comfortable with the current inventory levels, considering it is close to Christmas season? Do you consider any Black Friday event this year? And also considering your sales expectations for the 4Q13 and 2014, what are your comments?

Marcelo Silva:

We are ready for Black Friday and for Christmas season, and already for the fantastic big sale. And Fabrício can even make comments on that.

Fabrício Garcia:

Good morning, everyone. We are very comfortable with our inventory levels. I believe the integration also helped us to have better performance in the Northeast. So, inventory levels went slightly down, but our possibilities, inventory-wise, are much better, and this has a positive effect on our results.

We are ready for yearend, for Black Friday, and October already was a good result, as Marcelo said, we are very comfortable both with our inventory levels and expectations by yearend.

Alencar Costa:

Perfect. Thank you. The second question has to do with the coverage ratio. The LuizaCred portfolio ratio is going down dramatically and it is lower compared to the last four quarters, or from the levels that we seen in Brazilian banks. Do you feel comfortable with the coverage ratios, considering the total delay level of the portfolio? The most recent ones, there is a slight increase, so do you feel comfortable with this coverage level, and do you expect to maintain it in the future?

Roberto Bellissimo:

Good morning, Alencar. We do feel comfortable. The coverage ratio is not a goal per se. We have our projections. Provisions are improving, they are going down vis-à-vis last year, because our portfolio is improving. And if the coverage ratio is going down, that is a reflex of the portfolio performance. It is not a goal per se. Expenses over portfolio are better, expenses over revenues are better. And today, if the coverage ratio is lower than last year, that is because we already had provisions, last year, and that does not necessarily mean that they were timely last year and overdue this year. If you consider the portfolio performance and the expectation to improve our expectations are maintained.

And also improvement in internal processes being conservative, and we improved our approval process since last year. So, since the beginning of last year, we have been focusing on this, so we feel very comfortable with LuizaCred result, the level of provision, even higher than the minimum required by the Central Bank. This quarter, for instance, we estimate our result based on IFRS and provisions were R\$172 million. We also report results in BR GAAP according to the law 2682 and the delay in the portfolio.

R\$2 million lower than IFRS, our BR GAAP was R\$21 million, even higher than what we reported, an IFRS of R\$19 million. So, we feel very comfortable, and the coverage ratio is not a goal per se. And it is a result based on the calculation of provisions and expected losses by Itaú, which is very conservative.

Luiza Helena Trajano

Itaú gives the final word. When we think about delinquency, Itaú is really conservative. So, it is even more conservative considering collections. So, you can be confident that we are very confident in our area. Really confident.

Our average term is seven or eight months, so there will not be surprises. When the first payment is good, it is different when we had 20, 25 months for other products. But our average term is 7.5, 8 months maximum. So, it is highly predictable.

Alencar Costa:

Thank you very much. Now if I may, just one last brief question, about *Minha Casa Melhor* program, you mentioned your expectations for the 4Q. You believe it will also help to maintain sales. However, when we talked to the Company it would say that it only accounted for 2% or 3% of your sales. Do you expect to see a much higher difference over the 4Q and down the road? Could you elaborate on the level? Do you think, of your total sales, what percentage would it be?

Luiza Helena Trajano:

Caixa is here to say, there is more than one billion reais in credit cards for the population. We were confident that it would happen gradually. But the big moment will be next year, particularly in the Northeast. For every 100 new customers in the Northeast, due to fast approval that Beto and Marcelo mentioned, we have to consider only 10 customers that can really be approved, without SPC or Serasa.

So, sometimes we have contracts that cannot be closed with anyone. Not only Magazine Luiza, but other companies, too. So, they are customers that do not get in. In the Northeast, it is amazing when you check what happened last month, so there is a potential for growth. And now we evaluated with the President, and have increased tables, microwarves and kitchen closets. We added another three products within R\$5,000, and we also worked on some prices, adjusted some prices of furniture.

The problem was not exactly price, but we want to do things well, because we do believe in this program, under the same ethics adopted by ourselves and Caixa. So I am confident that next year, There will be a big impact in the northeast especially because they have *Minha Casa, Minha Vida*. In the city of São Paulo there isn't financing, because there isn't any land, however Campinas has a lot.

Those who have *Minha Casa, Minha Vida* will really focus on it. So, it will just be outstanding. Not only myself, but several companies' CEOs have been involved for more than six months in this program. And now it is important that customers can buy anything for one year with a card. They do not have to spend R\$5,000 at once. They have one year to buy or to spend this R\$5,000, and 48 months to pay. So, that is a program that is absolutely great.

Alencar Costa:

Thank you.

Hugo Queiroz, Caixa Econômica:

Good morning, everyone. I would just like to have an idea about Internet competition. I saw today that Via Varejo gave up purchasing *Compra Fácil* because of its margins. Retailers want to keep on improving results, how were yours?

Frederico Trajano:

Good morning. I believe the Internet scenario; some companies have already published the figures in the 3Q. I cannot talk about *Compra Fácil* because it is a privately held company, the numbers are not disclosed to the market and it is a very specific situation. But if you check our robust figures, growth-wise, we will grow in at very sound rate in Brazil as a whole.

So the share is really growing, so when the market is growing, competition is not so relevant. You have more people on the Web, more people getting to data through mobile phones. We can mention smartphones, for instance: the impact brought by the reduction of taxes as of April, by the Government, a positive impact. Now the base is larger and we have more consumers with Internet access, and eventually it benefits everyone, as in very robust results.

We do not breakdown Internet results from others because we have integrated channels. It is a small project, so it is included in the total result. Internet significantly contributes to an increase in EBITDA this quarter, for the Company. It is a very favorable contribution margin, and these margins have been maintained, gross margin vis-à-vis the previous year, but there was also lower expenses, as if it had a growth by 35% on same-store sales due to the impact of marketing, back office, DC expenses, so Internet is highly productive in Magazine Luiza.

I do not see competition as a threat, the whole market is growing, almost all players are growing about 30%, which is a very healthy and productive number, with no signs of a predatory market.

Hugo Queiroz:

Right. What about CAPEX? Do you intend to focus more on operations, improving margins? Or do you have any plans to invest in an acquisition, buying some chain?

Marcelo Silva:

We do not expect to acquire chains, we will keep on growing organically, just as this year. We have 17 new stores, and we are even present in the Northeast, with special focus on the Northeast. In the next call we will be addressing what will happen next year, but we keep on growing, in 20 to 30 new stores, and this time focusing more on the Northeast region. So, this is our CAPEX plan for 2014.

Hugo Queiroz:

OK, thank you. Good morning.

Tobias Stingelin, Credit Suisse

Good morning. Congratulations on the great results. My first question is the following: what about the margin expansion process? Considering what you have achieved so far, if you were to check from 0 to 100 and where are you targeting for, where exactly are you now and where can you get to? That is my first question.

Second question, now that we have Luiza and Marcelo, I know you mentioned this a lot, but what about the market? The beer market, for instance, is not growing, it is an extremely inexpensive product, but with a very poor performance. Discretionary categories, on the other hand, are growing a lot. I know a lot was said about inflation rates, income, maybe credit, but could you give me qualitative numbers? Luiza, she has a very good perception of consumers, why is he free to choose and now is going for something more expensive, Luiza?

Marcelo Silva:

The fastest growing categories are smartphones and tablets, in all markets. As for white line and furniture, they are growing less. As to your first question, Tobias, could you repeat it, please?

Tobias Stingelin:

I want to know about your margin progress. I just wanted to know what is your status in the process, 50%, 60%, 70%? Or do you still have 30% to complete?

Marcelo Silva:

We have a pricing system that we set early this year. We had pilot studies in several stores and regions, and now we are implementing in all Company stores, including the Northeast. So, the full year of the pricing project is 2014. One of our assumptions is to have monitored freedom to the sales part. Now, the impact or the process for EBITDA, we cannot estimate yet.

Roberto Bellissimo:

Tobias, are you referring to EBITDA or gross margin?

Tobias Stingelin:

In reality I was thinking about EBITDA, because these are two separate things. There is a pricing process of gross margin, mas there are also gains in expenses that you have been achieveing. There are both, if you want to talk only about EBITDA margin that is alright, but if you want to talk both, even better. me.

Roberto Bellissimo:

We have several points for improvement to be tackled. Pricing is one of them. The gross margin in the Northeast, initiatives to lower expenses that we mentioned this year and will be further implemented next year. New stores are not mature yet. Almost 40% of our stores are not mature yet, but we still have a big potential to improve. We have improved but it is

hard to tell exactly if it is 50%, 40%, or 60%. But we did improve, we lowered expenses, and there is part to be captured next year and even 2015, particularly in the new stores.

On average they take about three years to reach the EBITDA margin of more mature stores. They tend to put the margin down for now. Until September we achieved 5% of average margin, recurring average margin.

In the 4Q, generally the numbers are higher, the average margin for the year could be above 5%, and more mature margins, more mature stores margins tend to be higher. So, we still have some potential for this quarter next year and even 2015, considering all these factors.

Tobias Stingelin:

OK. Perfect. Thank you.

Roberto Bellissimo:

Just one last comment, Tobias, we completed integration less than one year ago, so there is still a learning curve, so we can capture more out of these stores, this year and next year.

Tobias Stingelin:

What about the new stores in the Northeast? Do they also have a faster maturity curve?

Roberto Bellissimo:

The new stores, that is a region that we have been at for some time. It tends to be faster, because they are in the same region, but this is like organic growth which is like opening a new store in Ribeirão Preto.

Luiza Helena Trajano:

And also we are opening one new store in Sorocaba mall, which is a famous region which makes it easier, today at 2 p.m. we opened a store in Sorocaba mall.

Tobias Stingelin:

Thank you.

Operator:

There are no further questions. I would like to give the floor back to the CEO of the Company, Marcelo Silva, for the final remarks.

Marcelo Silva:

I would like to thank you all for joining us for this conference call. We are really confident, and as Luiza Helena mentioned well, this is the beginning of a new phase at the Company, after integration and consolidation, and now focusing on customer service and the Company's results. We are very confident for the 4Q and 2014, no doubt about it.

And today we would like to acknowledge our team for the intense effort for being increasingly motivated, engaged, they greatly support Magazine Luiza, so we can have more and more loyal customers. At the end of the day, better results will come naturally based on what we do at Magazine Luiza. So, thank you very much.

Luiza Helena, your final remarks, if you please.

Luiza Helena Trajano:

I only have to thank you all, and I will be here, you can e-mail us with your questions. I have a lot of information about Brazil. As I said in September, that Brazil was not going to have the chaos that everyone was predicting, and we didn't. And answering the question, I think technology

has really helped people to go for changes. Beer has reached a point where people already spent a lot on it. In a higher income, we can see wine, for instance, wine is really coming very strongly in Brazil in all stores. But beer already sells a lot, they managed to get to very high sales levels, and now with the end of year celebrations and World Cup they should have an extra boost.

Our segment is very much influenced by technology, I received people from Japan these days, because I thought that this segment didn't sell much cellphones and I found out that this company sells 40% in cellphones. It is an endless market, with a lot of new aspects.

Like the president said, smartphone is something incredible. Today we sell 10x more than we used to, like this Lei do Bem, and now we will enter into broadband, which is a job for next year for the president and the minister to provide cheap broadband for everybody, which will be a revolution in the technology segment.

Thank you all, and we will be happy to take further questions. And we are very responsible with our business. We are celebrating, but in a very conservative manner, because we know this is just the beginning of our cycle, for all of us, who have been working so hard. Thank you very much.

Operator:

Magazine Luiza's 3Q13 earnings results conference call is concluded now. You may disconnect your lines now. Have a great day.

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