Magazine Luiza S.A.
1st Quarter 2014 Earnings Release

São Paulo, May 7, 2014 – Magazine Luiza S.A. (BM&FBOVESPA: MGLU3), one of the largest retail chains focused on durable goods, actively engaged in serving Brazil's low income segment, hereby announces its results for the first quarter of 2014 (1Q14). 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).

Same-store-sales growth of 25.4% with significant increase in net margin

The Company posted the best first quarter in its history, with good sales performance across all channels and in Luizacred's operations. Magazine Luiza recorded net income of R$20.5 million in 1Q14.

Gross revenue: increase of 26.6% to R$2.7 billion in 1Q14 including new stores and same-store sales growth of 25.4%, the highest figure in the last two years (22.3% in brick-and-mortar stores and 44.0% in e-commerce).

EBITDA: rise of 92.5% to R$120.8 million in 1Q14, with a margin of 5.3% (+170 bps YoY).

Net Income: significant increase YoY to R$20.5 million in 1Q14, with net margin of 0.9%.

We started 2014 with strong sales growth, achieving double-digit growth rates across all channels, along with significant improvement in the profitability. Our promotional campaigns and commercial strategies proved to be effective, resulting in important market share gains at the beginning of the year in several categories, particularly in mobile phones segment.

- **Expressive sales increase in 1Q14, with net revenue up by 28.5% to R$2.3 billion, thanks to:** (i) same-store sales growth of 25.4% (22.3% in brick-and-mortar stores), led by the performance of the stores in the Northeast, the former Baú stores and virtual stores, whose sales grew above the Company's average in 1Q14; (ii) the 44.0% growth in e-commerce sales; (iii) growth of 36.5% in service revenues (service revenues sales' share rose from 4.0% in 1Q13 to 4.3% in 1Q14); and (iv) the improvement in the sales mix. The technology line (especially smartphones and tablets) continued to experience sales growth above the market average, registering important market share gains. The Company closed the quarter with 744 stores, and 13 new stores relative to 1Q13.

- **Somewhat stable gross margin in 1Q14, includes strong performance of e-commerce sales:** on a comparable basis, excluding the effect of the accounting reclassification of the social security tax (0.7 p.p. effect in the quarter), first-quarter consolidated gross margin fell by 0.2 p.p. year-on-year to 28.0%, chiefly due to the higher share of e-commerce sales in the overall mix. E-commerce accounted for 16.1% of consolidated sales in 1Q14, versus 14.2% in 1Q13. It is important to mention the good performance of gross margin in the Northeastern stores, which are gradually converging to the Company's average margin.

- **Improved operating leverage, with dilution of selling, general and administrative expenses:** selling, general and administrative expenses accounted for 23.0% of net revenue in 1Q14, 2.4 p.p. down YoY (or 1.7 p.p. down on a comparable basis), excluding the effect from the reclassification of the social security tax (0.7 p.p.).

- **Consolidated EBITDA virtually doubled to R$120.8 million, with a margin of 5.3% in 1Q14 (includes provision for profit sharing payment):** EBITDA grew significantly above the increase in net revenue (92.5% versus 28.5%), translating into a 1.7 p.p. expansion in the EBITDA margin. The increase in EBITDA also reflects the solid contribution of equity income results, which accounted for 1.0% of net revenues in 1Q14 (versus 0.6% in 1Q13).

- **Record net income at Luizacred:** various initiatives adopted in 2013 explain Luizacred's good performance at the beginning of this year, among which we highlight: (i) the improvement of the sales mix including its own credit line (CDC) and sales with Luiza cards; (ii) the increased penetration of financial services in overall mix; (iii) important increase in productivity and efficiency ratios; and (iv) improvement in non-performing loans. The combination of these factors explains the increase in Luizacred's EBITDA margin to the record figure of 17.8% in 1Q14 (8.7% in 1Q13). Luizacred's net income more than doubled in 1Q14, totaling R$39.7 million, equivalent to an annualized return on equity (ROE) of 35.7%.

- **Record net income for a first quarter, of R$20.5 million (includes provisions for profit sharing payment):** net income grew by 25 times over the previous year figure, without any non-recurring gains, for net margin of 0.9% in 1Q14.

Consolidated Key Indicators

R$ million (except when otherwise indicated)	1Q14	1Q13	% Chg
Gross Revenue	2,699.1	2,131.2	26.6%
Net Revenue	2,268.9	1,765.6	28.5%
Gross Income	620.0	498.2	24.4%
Gross Margin	27.3%	28.2%	-0.9 pp
Gross Margin (Comparable Basis)	28.0%	28.2%	-0.2 pp
EBITDA	120.8	62.7	92.5%
EBITDA Margin	5.3%	3.6%	1.7 pp
Net Income	20.5	0.8	ns
Net Margin	0.9%	0.0%	0.9 pp
Same Store Sales Growth	25.4%	5.2%	-
Same Physical Store Sales Growth	22.3%	2.9%	-
Internet Sales Growth	44.0%	21.1%	-
Number of Stores - End of Period	744	731	1.8%
Sales Area - End of Period (M2)	473,884	461,981	2.6%

ns – not significant

MANAGEMENT COMMENTS

We began 2014 with a good performance and exceeded our own expectations. We were able to accelerate our sales growth in 1Q14, even after a strong performance in 4Q13. Despite an easy comparison basis (same-store sales growth of brick-and-mortar stores of 2.9% in 1Q13), the sales performance has exceeded our initial expectations and resulted in market share gains in several categories, due to a combination of factors: (i) improved productivity and maturation curve of the Northeastern stores and former Baú stores; (ii) better commercial assertiveness with greater availability of inventories in categories with high turnover and seasonal demand, as well as a reduction in out-of-stock items; (iii) improved execution in promotional calendar events during the quarter, with the most important actions represented by "Liquidação Fantástica" (huge sale campaign) in January and “Dia do Cliente Ouro” (the day of the gold clients) in March; (iv) strong adherence to the innovative promotional campaign “Prédio pra Você” (Building for You) that delivered the first prize to the winner in April 2014.

Despite the higher marketing investments in the first quarter, on account of our sponsorship of the World Cup on Rede Globo, we managed to obtain solid operating leverage with good dilution of selling, general and administrative expenses. The higher marketing investments are already beginning to bear fruit, increasing awareness of the Magazine Luiza brand not only in regions where we have brick-and-mortar stores, but especially in regions where we do not have stores and only operate through e-commerce sales. We experienced an increase in the number of new visitors to our website, with a good conversion ratio into new sales as a result of our marketing campaign. Our media effort should pay off even further in the coming months, with the beginning of the World Cup soccer tournament. The synergies from the integration of the acquired chains are gradually being captured and the operating profitability as a whole has been improving consistently quarter after quarter since the end of 2012.

In the end of March, we completed the integration of the distribution centers within the multichannel delivery project, which should result in a significant improvement in the level of service of our e-commerce operations, including also a significant reduction in delivery times and distribution costs of goods ordered online. We continued to improve our multi-channel operation as a whole, with innovative tools in terms of shopping experience, with new features and tools that are scheduled to be released until year-end.

We reiterate our expansion plan for 2014, with the opening of 30 to 40 new stores in the Southeast and Northeast, the majority of which are in the conventional store format. We will continue with the implementation and execution of various projects which are expected to provide support to our future sales growth. At the same time, we will continue to identify additional opportunities for reducing costs and expenses, aiming to further increase the profitability of our business, optimizing our asset base and scale.

Management

EXPECTATIONS FOR UPCOMING QUARTERS IN 2014

Focus on profitability.

We present below the update of the main projects and guidelines that will support our performance in 2014:

- **Sales:** the Company reiterates its outlook of double-digit sales growth in both brick-and-mortar stores and e-commerce in 2014, with higher sales growth in the first half of the year, due to the World Cup effect and the stronger marketing effort with more comprehensive television coverage in the first half and also the easy comparison basis.

- **Stable gross margin in 2014:** despite an unusual seasonality as detailed above, the Company has ongoing projects that have positively contributed to our sales performance and business strategy, which, combined with an improvement in our operating margins in the Northeast, should contribute to maintain a stable gross margin for the year as a whole. Some actions that are underway and are worth mentioning are described below:

    i. **Inventory management project:** the Company has been introducing improvements in the product assortment analysis and management process. The Company's supply concepts and parameters are increasingly more efficient, with improved control of safety stock level and reduction of discontinued items, in addition to the swift replacement of high turnover products. The out-of-stock level fell by half at the end of 1Q14 over 1Q13, leading to greater product availability at stores.

    ii. **Pricing project:** The pricing management project is in constant progress. The Company goal is to be competitive, balancing sales with sustainable margins. We have developed different price levels, with distinct margin goals and autonomy of discounts in order to maximize our retail gross margin.

- **EBITDA margin expansion:** total operating expenses should continue to be diluted in the coming quarters, resulting in an increase in the EBITDA margin in 2014. The following projects/indicators should positively contribute to this goal:

    i. **Increase in the productivity of stores in maturation:** consistent and sustainable improvements in productivity and profitability of integrated stores (Baú and Maia) and other recently-opened own stores, further approximating the results of these operations to the average of the Company's more mature stores.

    ii. Operational efficiency project at Luizacred: focus on the operational efficiency of Luizacred, with additional streamlining of costs and expenses to improve the productivity of the operation as a whole, without jeopardizing the quality of the credit granted and the provisioning policy of the portfolio.

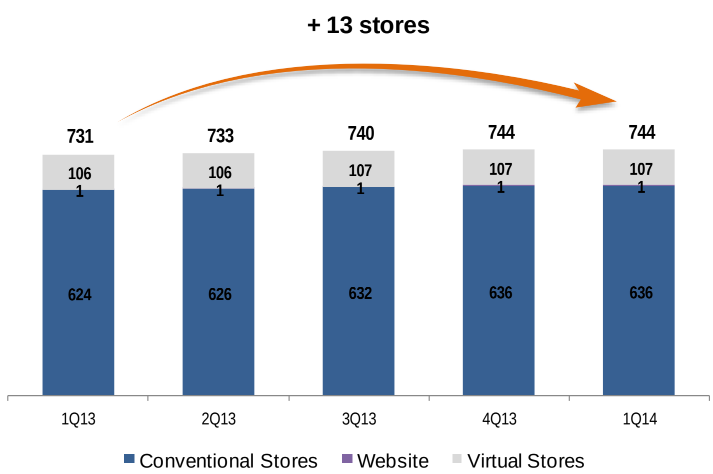
    iii- Increase in services revenue: the Company launched an internal campaign specifically developed to boost the share of services revenue as a percentage of sales, currently at just over 4% of sales of goods. The greater profitability and high contribution margin of this line justifies this greater focus.

- **Profitability expansion:** the prospects regarding margin and sales indicators mentioned above should positively impact the Company's profitability in 2014. The increase in financial expenses in 2014, due to the higher average "Selic" interest rate, should partially offset the increase in financial revenues of retail operations.

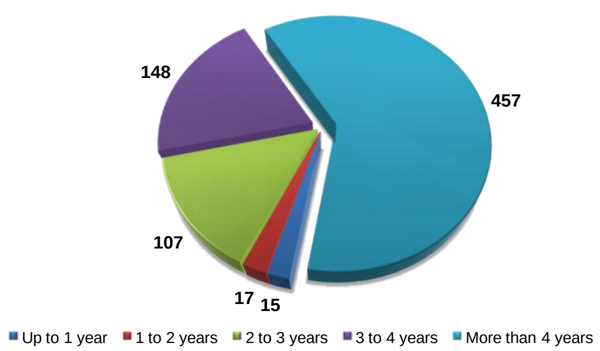
OPERATING PERFORMANCE

Magazine Luiza ended March 2014 with 744 stores, of which 636 were in conventional store format, 107 virtual stores and the website. The Company did not open new stores in 1Q14. It is important to mention that of Magazine Luiza's 744 stores, 287 (38.7%) are less that than four years old and are still maturing.

Number of Stores

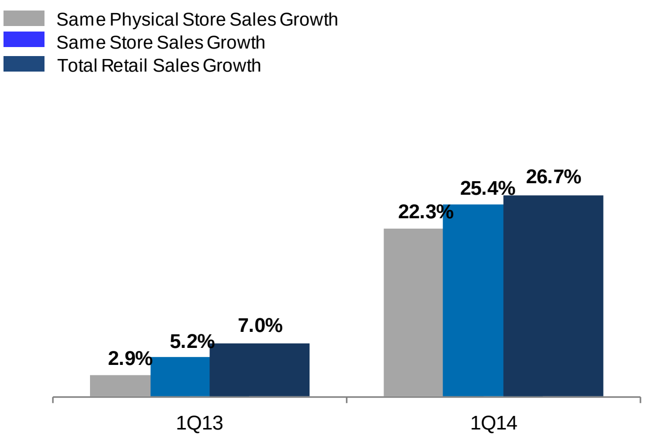


Average Age of Stores (number of stores)

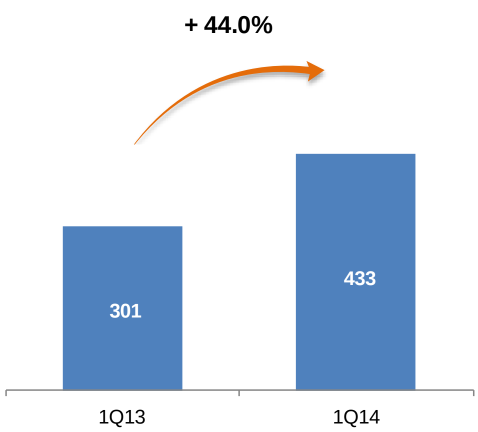


Same-store sales expanded by 25.4% between 1Q14 and 1Q13, while total sales grew by 26.7%. The website (www.magazineluiza.com.br) maintained its strong growth rate and posted an increase of 44.0% between 1Q14 and 1Q13, generating R$433.2 million in gross revenues, which accounted for 16.1% of the Company's total sales.

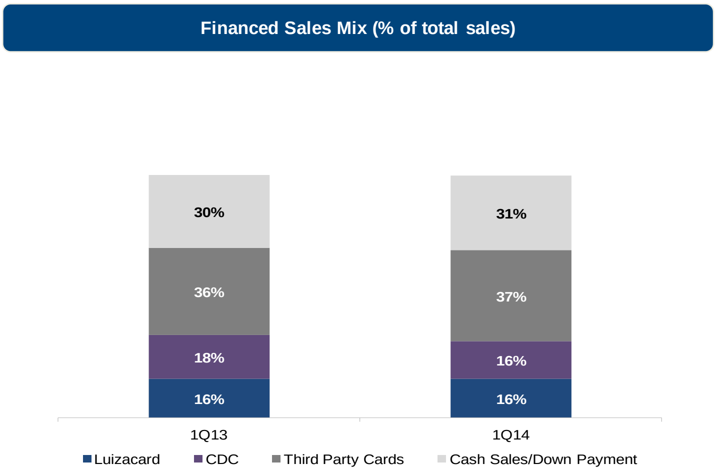
Same Store Sales Growth (%)

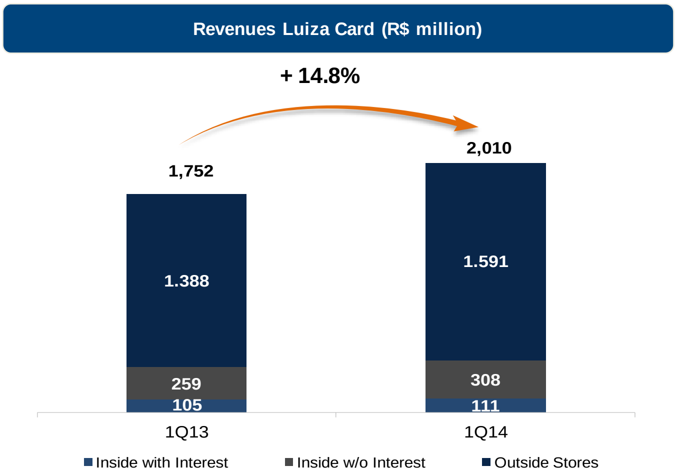


Internet Gross Revenues (R$ million)



Over the past 12 months, Luizacred's credit card base declined by 9.1% to 3.4 million in 1Q14, due to user base optimization. In 1Q14, sales on Luiza cards accounted for 16% of total retail sales, virtually stable over the same period last year, thanks to a more conservative approach to credit approval and a slight increase in the share of third party credit cards.





In 1Q14, total spending on Luiza cards increased by 14.8% to R$2.0 billion. In the same period, the use of Luiza cards outside of the Company's stores increased by 14.7%, corresponding to 79.2% of total spending (stable YoY).

The Company maintains its policy of limiting interest-free installment sales on Luiza cards to 15% of total sales. In 1Q14, the share of interest-free installment sales on Luiza cards fell to 11% of total sales, reinforcing the strategy of profitable sales.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Gross Revenue

(in R$ million)	1Q14	1Q13	% Chg
Gross Revenue - Retail - Merchandise Sales	2,575.5	2,039.1	26.3%
Gross Revenue - Retail - Services	115.5	84.6	36.5%
Subtotal Retail	**2,690.9**	**2,123.7**	**26.7%**
Gross Revenue - Consortium Management	9.9	9.3	6.7%
Inter-Company Eliminations	(1.7)	(1.7)	2.6%
Total Gross Revenue	**2,699.1**	**2,131.2**	**26.6%**

Magazine Luiza's consolidated gross revenue grew by 26.6% to R$2,699.1 million in 1Q14, led by the solid performance of the retail segment and by the 25.4% increase in same-store sales (bricks-and-mortar and e-commerce were up 22.3% and 44.0%, respectively), as previously explained.

Consolidated Net Revenue

(in R$ million)	1Q14	1Q13	% Chg
Net Revenue - Retail - Merchandise Sales	2,160.4	1,684.7	28.2%
Net Revenue - Retail - Services	101.2	74.1	36.6%
Subtotal Retail	**2,261.6**	**1,758.8**	**28.6%**
Net Revenue - Consortium Management	9.0	8.5	6.6%
Inter-Company Eliminations	(1.7)	(1.7)	2.6%
Total Net Revenue	**2,268.9**	**1,765.6**	**28.5%**

Consolidated net revenue climbed 28.5%, to R$2,268.9 million in 1Q14. Net revenue increased above gross revenue growth due to the reduction in PIS/COFINS tax rates for smartphones and tablets, partially offset by the effect from the social security tax reclassification, previously recorded as operating expenses and which are now recorded as sales tax (with the payroll tax deduction program, the social security tax is now calculated as a percentage of gross revenue instead of as a percentage of payroll expenses) as of 2Q13.

Consolidated Gross Profit

(in R$ million)	1Q14	1Q13	% Chg
Gross Income - Retail - Merchandise Sales	513.0	419.0	22.4%
Gross Income - Retail - Services	101.2	74.1	36.6%
Subtotal Retail	**614.2**	**493.1**	**24.6%**
Gross Income - Consortium Management	5.8	5.2	11.5%
Inter-Company Eliminations	-	-	0.0%
Total Gross Income	**620.0**	**498.2**	**24.4%**
	-	-	

(as % of Net Revenue)	1Q14	1Q13	% Chg
Gross Margin - Retail - Merchandise Sales	23.7%	24.9%	-1.2 pp
Gross Margin - Retail - Services	100.0%	100.0%	0.0 pp
Subtotal Retail	**27.2%**	**28.0%**	**-0.8 pp**
Gross Margin - Consortium Management	63.9%	61.1%	2.8 pp
Inter-Company Eliminations	0.0%	0.0%	0.0 pp
Total Gross Margin	**27.3%**	**28.2%**	**-0.9 pp**
	28.0%	**28.2%**	**-0.2 pp**

Consolidated gross profit totaled R$620.0 million in 1Q14, with a gross margin of 27.3%. On a comparable basis, excluding the impact of the reclassification of the social security tax to net revenue (0.7 p.p.), the gross margin was 28.0% in 1Q14, a slight 0.2 p.p. decrease over 1Q13. As previously explained, the gross margin performance reflected the improvement in the Northeast stores' margin, owing to the complete integration of operations, the maintenance of margins in the other regions, which offset the increased share of e-commerce in our sales.

Operating Expenses

(in R$ million)	1Q14	% NR	1Q13	% NR	% Chg
Selling Expenses	(419.9)	-18.5%	(355.1)	-20.1%	18.3%
General and Administrative Expenses	(102.3)	-4.5%	(94.0)	-5.3%	8.8%
Provisions for Loan Losses	(4.7)	-0.2%	(4.9)	-0.3%	-3.0%
Other Operating Revenues, Net	6.1	0.3%	8.4	0.5%	-27.9%
Total Operating Expenses	**(520.8)**	**-23.0%**	**(445.5)**	**-25.2%**	**16.9%**

Selling Expenses

Selling expenses totaled R$419.9 million in 1Q14, equivalent to 18.5% of net revenue, 1.6 p.p. down on 1Q13. Selling expenses continued to decline compared with recent quarters, due to the streamlining of expenses and the maturation of new stores and the acquired stores (Maia and Baú). It is worth mentioning that first-quarter selling expenses already include the provisions for the profit sharing program, which will be calculated quarterly starting in 2014.

Selling expenses also reflected the 0.5 p.p. impact of the social security tax reclassification. On a comparable basis, selling expenses declined by 1.1 p.p. over 1Q13.

General and Administrative Expenses

General and administrative expenses totaled R$102.3 million in 1Q14, equivalent to 4.5% of net revenue, 0.8 p.p. down YoY. This continuous decrease in recent quarters, and again in 1Q14, reflects the dilution of expenses as a result of the good sales performance and cost and expense streamlining initiatives. First-quarter general and administrative expenses already include the provisions for the profit sharing payment.

General and administrative expenses also reflected the 0.2 p.p. impact of the social security tax reclassification. On a comparable basis, general and administrative expenses declined by 0.6 p.p. over 1Q13.

Provisions for Bad Debt

Provisions for bad debt reached R$4.7 million in 1Q14, 0.1 p.p. down year-on-year, corresponding to 0.2% of net revenue. Note that these provisions refer only to Magazine Luiza, and most of the provisions for loan losses are recorded by Luizacred (as explained in Annex 1).

Other Operating Revenues (Expenses)

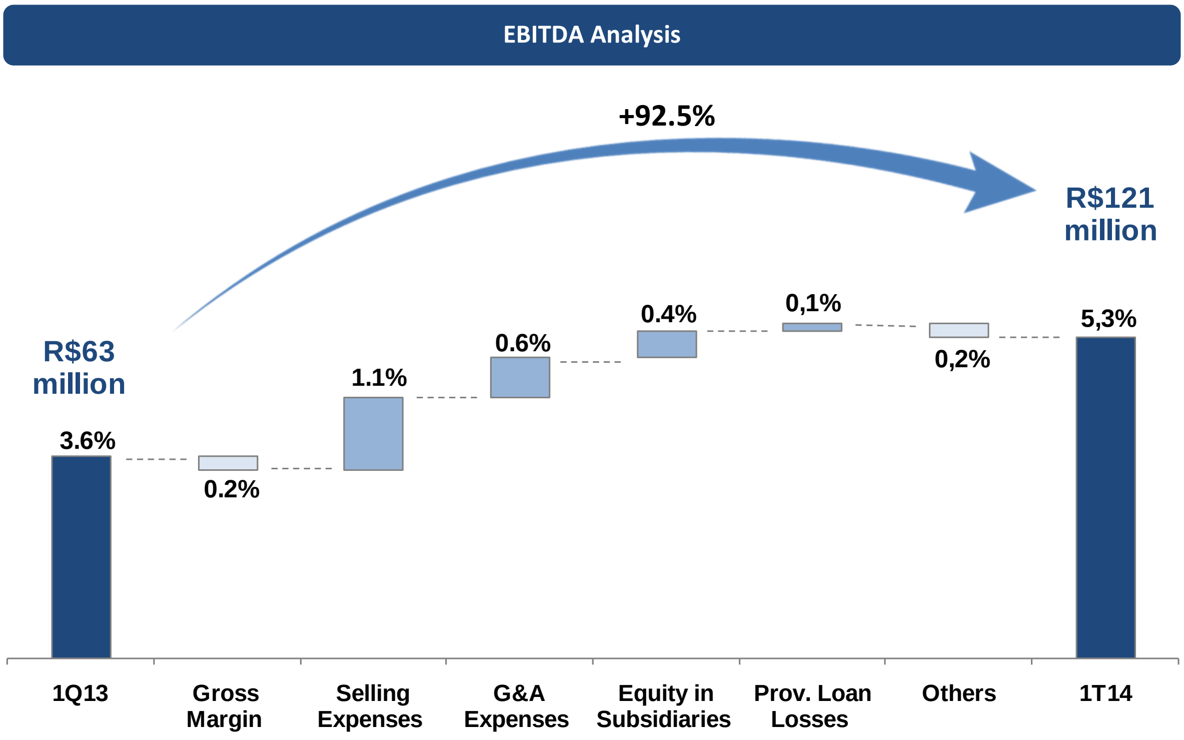
(in R$ million)	1Q14	% NR	1Q13	% NR	% Chg
Gain on Sale of Assets	(0.1)	0.0%	(0.1)	0.0%	-6.0%
Deferred Revenue Recorded	7.9	0.3%	8.6	0.5%	-7.4%
Provision for Tax Liabilities	(1.7)	-0.1%	1.4	0.1%	-218.8%
Non-recurring Expenses	-	0.0%	(1.4)	-0.1%	-100.0%
Other	(0.1)	0.0%	(0.1)	0.0%	54.0%
Total	**6.1**	**0.3%**	**8.4**	**0.5%**	**-27.9%**

Other net operating revenues totaled R$6.1 million in 1Q14, equivalent to 0.3% of net revenue, essentially as a result of the appropriation of deferred revenue of R$7.9 million and the increase of R$1.7 million in provisions for tax losses.

Shareholders' Equity

Shareholders' equity more than doubled YoY a gain of R$21.6 million in 1Q14, equivalent to 1.0% of net revenue. The main reason was once again Luizacred's excellent performance, as explained in Annex I.

EBITDA



In 1Q14, earnings before interest, taxes, depreciation and amortization (Consolidated EBITDA) grew above the increase in net sales (92.5% versus 28.5%) to a quarterly record R$120.8 million, translating into an EBITDA margin of 5.3%, chiefly fueled by the good sales performance in all channels, the dilution of operating expenses and Luizacred's record performance.

Financial Result

CONSOLIDATED FINANCIAL RESULTS (in R$ million)	1Q14	% NR	1Q13	% NR	% Chg
Financial Expenses	(95.4)	-4.2%	(59.3)	-3.4%	60.8%
Interest on Loans and Financing	(39.0)	-1.7%	(26.0)	-1.5%	50.1%
Interest on Prepayment of Receivables – Third Party Cards	(29.6)	-1.3%	(15.7)	-0.9%	88.2%
Interest on Prepayment of Receivables – Luiza Card	(16.0)	-0.7%	(10.1)	-0.6%	59.4%
Other Expenses	(10.8)	-0.5%	(7.6)	-0.4%	42.8%
Financial Revenues	21.0	0.9%	14.0	0.8%	49.8%
Gains on Marketable Securities	1.3	0.1%	0.4	0.0%	214.9%
Other Financial Revenues	19.7	0.9%	13.6	0.8%	44.9%
Total Financial Results	(74.4)	-3.3%	(45.3)	-2.6%	64.3%
Income From Cash and Cash Equivalents[1]	8.3	0.4%	2.2	0.1%	275.2%
Adjusted Financial Results	(66.1)	-2.9%	(43.1)	-2.4%	53.4%

Note (1): yields of the exclusive fund, which are booked as financial revenue in the Parent Company and as gross revenue in the Consolidated, as per the Explanatory Notes.

Adjusted net financial expenses (including income from the exclusive fund) totaled R$66.1 million in 1Q14, representing 2.9% of consolidated net revenue. The increase in financial revenues in 1Q14, combined with the reduction in net debt, offset the increase in average CDI rate in the period (CDI increased from 7.0% in 1Q13 to 10.5% in 1Q14).

Consolidated Net Income

The Company posted record net income of R$20.5 million in 1Q14, implying net margin of 0.9%, reflecting the excellent sales performance, improved operating leverage and the performance of Luizacred. This represented another quarter of higher profitability, in line with the continuous improvement trend expected for the Company's profit margins.

Working Capital

CONSOLIDATED (R$ million)	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13
Accounts Receivables	510.0	530.6	463.7	458.4	448.8
Inventories	1,264.0	1,251.4	1,135.5	1,051.1	974.9
Related Parties	82.0	108.9	67.8	86.3	85.0
Recoverable Taxes	224.4	218.6	214.3	230.5	190.4
Other Assets	56.0	41.0	64.0	73.2	63.3
Current Operating Assets	2,136.4	2,150.4	1,945.3	1,899.6	1,762.5
Suppliers	1,528.4	1,651.5	1,332.3	1,306.1	1,169.8
Payroll, Vacation and Related Charges	155.4	166.6	146.7	126.7	115.8
Taxes Payable	27.3	41.7	18.9	28.5	20.4
Related Parties	61.6	73.6	53.8	50.9	41.7
Taxes in Installments	7.7	8.3	8.9	8.9	9.0
Other Accounts Payable	118.0	107.7	85.4	80.1	113.1
Current Operating Liabilities	1,898.3	2,049.4	1,646.0	1,601.1	1,469.9
Working Capital	238.1	101.0	299.2	298.5	292.6
% of Gross Revenue (LTM)	2.3%	1.0%	3.3%	3.4%	3.4%
Balance of Discounted Receivables	1,238.0	1,186.3	993.1	904.9	838.2
Working Capital Adjusted	1,476.1	1,287.3	1,292.3	1,203.4	1,130.8
% of Gross Revenue (LTM)	14.4%	13.3%	14.0%	13.6%	13.2%

In March 2014, net working capital reached R$238.1 million, representing 2.3% of gross revenue in the past 12 months, higher than the 1.0% level of December 2013 due to the seasonality of the period. Working capital requirements are typically higher earlier in the year, particularly because of payment of the purchases made during the end of the previous year, as well as the planning for greater sales volume ahead of the World Soccer Cup.

At the close of 1Q14, the balance of prepaid receivables from third-party credit cards was R$1,238.0 million. Considering the balance of discounted receivables, working capital requirements would increase to 14.4% of gross revenue.

Capex

CAPEX (in R$ million)	1Q14	1Q13
New Stores	0.6	5.2
Remodeling	3.0	7.3
Technology	1.4	8.4
Logistics	0.7	5.4
Other	0.2	0.9
Total	**6.0**	**27.3**

Investments in fixed and intangible assets amounted to R$16.4 million in 1Q14 and include store remodelings as well as investments in technology, logistics and new store openings, as shown in the table above. In 1Q14, the Company invested 60% in store remodelings and openings, 23% in IT and 17% in logistics and in other projects.

Net Debt

CONSOLIDATED (R$ million)	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13
(+) Current Loans and Financing	520.6	425.2	555.5	534.8	404.3
(+) Non-current Loans and Financing	708.7	895.1	829.1	860.4	1,016.2
(=) Gross Debt	1,229.3	1,320.3	1,384.6	1,395.2	1,420.5
(-) Cash and Cash Equivalents	235.3	280.3	260.3	176.6	152.3
(-) Current Securities	306.3	491.3	423.5	539.0	476.2
(-) Non-current Securities	-	-	-	-	-
(-) Total Cash	541.5	771.6	683.8	715.6	628.5
(=) Net Debt	687.7	548.7	700.9	679.6	792.0
Short Term Debt/Total	42%	32%	40%	38%	28%
Long Term Debt/Total	58%	68%	60%	62%	72%
Adjusted EBITDA (LTM)	469.7	411.6	364.3	317.4	305.3
Net Debt/ Adjusted EBITDA	1.5 x	1.3 x	1.9 x	2.1 x	2.6 x

In March 2014, Magazine Luiza had loans and debt in the amount of R$1,229.3 million, and cash and financial investments of R$541.5 million, for net debt of R$687.7 million (equivalent to 1.5x adjusted EBITDA of the past 12 months). The reduction of the Company's leverage versus 1Q13 reflects improved operating results, lower working capital requirements, and cash from the sale of the distribution center in Louveira (SP) in June 2013.

According to the previous method of proportional consolidation of Luizacred's and Luizaseg's results, assets and liabilities, net debt stood at R$557.2 million, equivalent to 1.2x adjusted EBITDA in the last 12 months.

ANNEX I
LUIZACRED

Operating Indicators

Luizacred is a joint venture between Magazine Luiza and Itaú Unibanco, responsible for financing the majority of the Company's sales. Magazine Luiza's main role is employee management and customer service, while Itaú Unibanco is responsible for financing at Luizacred, drafting the credit and collections policies and back office activities, such as accounting and treasury.

In March 2014, Luizacred had a total of 3.4 million cards issued, 9.1% down YoY. In 2013 and 2014, Luizacred focused on improving the mix between direct consumer credit (CDC) and the Luiza Card in its revenue mix, choosing to offer part of its new clients direct consumer credit rather than credit cards. In 1Q14, purchases outside Magazine Luiza stores accounted for 79.2% of total card billings, 14.7% up on 1Q13.

Luizacred's credit portfolio, including credit cards, direct consumer credit and personal loans, totaled the record amount of R$4.1 billion at the close of 1Q14, 15.6% higher than in 1Q13.

LUIZACRED – Key Indicators (R$ million)	1Q14	1Q13	% Chg
Total Card Base (thousand)	3,420	3,760	-9.1%
Luiza Card Sales – In chain	419	364	15.1%
Luiza Card Sales – Outside Brand	1,591	1,388	14.7%
CDC Sales	316	306	3.3%
Personal Loans Sales	32	40	-20.1%
Total Luizacred Sales	**2,358**	**2,098**	**12.4%**
Card Portfolio	2,942	2,512	17.1%
CDC Portfolio	1,129	979	15.4%
Personal Loans Portfolio	59	83	-28.6%
Total Portfolio	**4,130**	**3,574**	**15.6%**

Credit and Collection Policy

The granting of credit at Luizacred follows the policies and criteria established by Itaú Unibanco's Credit Modeling and Policies area. The policies are defined based on proprietary statistics models, using the Risk Adjusted Return on Capital (RAROC) model. As a result of its conservative strategy, Luizacred maintained its low credit approval rate in 1Q14.

Income Statement

LUIZACRED – Income (R$ million)	1Q14	V.A.	1Q13	V.A.	% Chg
Financial Intermediation Revenue	314.8	100.0%	276.9	100.0%	13.7%
Cards	173.8	55.2%	148.5	53.6%	17.0%
CDC	125.9	40.0%	109.1	39.4%	15.4%
Personal Loans	15.1	4.8%	19.2	6.9%	-21.6%
Financial Intermediation Expenses	(193.6)	-61.5%	(188.3)	-68.0%	2.8%
Market Funding Operations	(52.2)	-16.6%	(32.5)	-11.7%	60.5%
Provision for Loan Losses	(141.4)	-44.9%	(155.8)	-56.3%	-9.2%
Gross Financial Intermediation Income	121.1	38.5%	88.6	32.0%	36.8%
Other Operating Revenues (Expenses)	(55.1)	-17.5%	(62.6)	-22.6%	-12.0%
Service Revenue	75.3	23.9%	60.6	21.9%	24.4%
Personnel Expenses	(1.0)	-0.3%	(0.6)	-0.2%	70.8%
Other Administrative Expenses	(109.2)	-34.7%	(105.8)	-38.2%	3.2%
Depreciation and Amortization	(3.3)	-1.0%	(3.3)	-1.2%	-1.2%
Tax Expenses	(19.7)	-6.3%	(17.8)	-6.4%	11.0%
Other Operating Revenues (Expenses)	2.8	0.9%	4.3	1.6%	-35.8%
Income Before Tax	66.1	21.0%	26.0	9.4%	154.3%
Income Tax and Social Contribution	(26.4)	-8.4%	(10.4)	-3.7%	154.6%
Net Income	39.7	12.6%	15.6	5.6%	154.2%

Revenue from Financial Intermediation

In 1Q14, gross revenue from financial intermediation grew by 13.7% over 1Q13, mainly due to the increases of 17.0% and 15.4%, respectively, in financial transactions with the card and transactions with direct consumer credit (CDC).

Provisions for Bad Debt

The portfolio of loans overdue for more than 90 days (NPL 90) improved by 0.9 p.p. in March 2014 over December 2013. The short-term indicator (NPL 15) climbed by 1.2 p.p. in the same period, due to seasonality. The default indicators remain under strict control with a tendency to improve, thanks to the conservative approach to granting credit and the reduction in default rates associated with the most recent batch of credit.

Provisions for loan losses, net of recoveries, fell from 56.3% of gross financial intermediation revenue in 1Q13 to 44.9% in 1Q14, reflecting the improvement in default indicators and the portfolio profile in 1Q14. Provisions for loan losses accounted for 3.4% of the total portfolio in 1Q14, significantly below the 4.4% recorded in 1Q13.

PORTFOLIO OVERDUE	Mar-14		Dec-13		Sep-13		Jun-13		Mar-13	
Total Portfolio (R$ million)	4,130.4	100.0%	4,121.6	100.0%	3,746.5	100.0%	3,626.4	100.0%	3,573.6	100.0%
000 to 014 days	3,519.8	85.2%	3,527.7	85.6%	3,204.2	85.5%	3,112.9	85.8%	3,103.9	86.9%
015 to 030 days	52.6	1.3%	40.6	1.0%	36.6	1.0%	44.1	1.2%	50.6	1.4%
031 to 060 days	56.0	1.4%	36.6	0.9%	30.3	0.8%	40.9	1.1%	45.2	1.3%
061 to 090 days	75.2	1.8%	55.0	1.3%	52.0	1.4%	64.4	1.8%	64.6	1.8%
091 to 120 days	57.1	1.4%	51.0	1.2%	52.2	1.4%	50.6	1.4%	42.9	1.2%
121 to 150 days	50.3	1.2%	43.8	1.1%	50.8	1.4%	49.6	1.4%	31.3	0.9%
151 to 180 days	46.8	1.1%	43.4	1.1%	51.5	1.4%	45.0	1.2%	31.0	0.9%
180 to 360 days	272.6	6.6%	323.5	7.8%	268.8	7.2%	218.9	6.0%	204.0	5.7%
Overdue 15-90 days	183.8	4.4%	132.1	3.2%	119.0	3.2%	149.4	4.1%	160.5	4.5%
Overdue Above 90 days	426.8	10.3%	461.7	11.2%	423.3	11.3%	364.0	10.0%	309.2	8.7%
Total Overdue	610.6	14.8%	593.9	14.4%	542.3	14.5%	513.5	14.2%	469.7	13.1%
Allowance for Doubtful in IFRS	538.8	13.0%	542.7	13.2%	493.9	13.2%	458.8	12.7%	454.2	12.7%
Coverage (%)	126%		118%		117%		126%		147%	

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

Gross Financial Intermediation Result

As a result of the sharp growth in gross financial intermediation revenue and the reduction of provisions for loan losses, partially offset by a higher average CDI rate, the gross margin from financial intermediation stood at 38.5% in 1Q14, a 6.5 p.p. upturn over 1Q13 (32.0%).

Other Operating Revenues (Expenses)

- **Service Revenue:** increased by 24.4% over 1Q13, mainly driven by commissions for the use of Luiza cards outside the Magazine Luiza stores, and revenues from insurance and new services;
- **Selling and Administrative Expenses** (personnel, administrative, depreciation, amortization and taxes): equivalent to 42.3% of financial intermediation revenue, 3.7 p.p. down on 1Q13 (46.0%) and 2.3 p.p. down on 4Q13 (44.6%), due to the project to reduce costs and expenses implemented in 2013;
- **Other Operating Revenues (Expenses):** net revenues of R$2.8 million, equivalent to just 0.9% of financial intermediation revenue.

Net Operating Result

Luizacred recorded operating income of R$66.1 million in 1Q14, equivalent to 21.0% of financial intermediation revenue, a significant improvement over the operating income of R$26.0 million recorded in 1Q13 (9.4% of financial intermediation revenue).

Net income totaled R$39.7 million in 1Q14, with an average ROE (Return on Equity) of 35.7%, substantially higher than the R$15.6 million recorded in 1Q13.

Shareholders' Equity

In compliance with the accounting practices established by the Brazilian Central Bank, considering the minimum provisions required by Law 2682, Luizacred posted net income of R$58.3 million in 1Q14, with a shareholders' equity of R$514.3 million in March 2014. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred's shareholders' equity for use in the financial statements of Magazine Luiza was R$464.7 million.

ANNEX II
FINANCIAL STATEMENTS – CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT (R$ million)	1T14	AV	1T13	AV	Var(%)
Gross Revenue	2,699.1	119.0%	2,131.2	120.7%	26.6%
Taxes and Deductions	(430.2)	-19.0%	(365.6)	-20.7%	17.7%
Net Revenue	2,268.9	100.0%	1,765.6	100.0%	28.5%
Total Costs	(1,648.9)	-72.7%	(1,267.4)	-71.8%	30.1%
Gross Income	620.0	27.3%	498.2	28.2%	24.4%
Selling Expenses	(419.9)	-18.5%	(355.1)	-20.1%	18.3%
General and Administrative Expenses	(102.3)	-4.5%	(94.0)	-5.3%	8.8%
Provisions for Loan Losses	(4.7)	-0.2%	(4.9)	-0.3%	-3.0%
Other Operating Revenues, Net	6.1	0.3%	8.4	0.5%	-27.9%
Equity in Subsidiaries	21.6	1.0%	10.0	0.6%	115.6%
Total Operating Expenses	(499.2)	-22.0%	(435.5)	-24.7%	14.6%
EBITDA	120.8	5.3%	62.7	3.6%	92.5%
Depreciation and Amortization	(27.0)	-1.2%	(24.7)	-1.4%	9.7%
EBIT	93.8	4.1%	38.1	2.2%	146.2%
Financial Results	(74.4)	-3.3%	(45.3)	-2.6%	64.2%
Operating Income	19.4	0.9%	(7.2)	-0.4%	-369.9%
Income Tax and Social Contribution	1.1	0.0%	8.0	0.5%	-85.9%
Net Income	20.5	0.9%	0.8	0.0%	2460.5%

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13
CURRENT ASSETS					
Cash and Cash Equivalents	235.3	280.3	260.3	176.6	152.3
Securities	306.3	491.3	423.5	539.0	476.2
Accounts Receivable	510.0	530.6	463.7	458.4	448.8
Inventories	1,264.0	1,251.4	1,135.5	1,051.1	974.9
Related Parties	82.0	108.9	67.8	86.3	85.0
Taxes Recoverable	224.4	218.6	214.3	230.5	190.4
Other Assets	56.0	41.0	64.0	73.2	63.3
Total Current Assets	2,678.0	2,922.0	2,629.0	2,615.2	2,391.0
NON-CURRENT ASSETS					
Accounts Receivable	3.6	4.7	4.3	4.0	3.4
Deferred Income Tax and Social Contribution	142.0	139.4	148.0	148.3	156.5
Recoverable Taxes	150.0	158.8	156.1	148.3	144.4
Judicial Deposits	178.3	170.1	157.4	150.4	138.5
Other Assets	46.1	45.4	42.8	41.7	39.1
Investments in Subsidiaries	266.0	251.7	248.7	236.6	224.6
Fixed Assets	530.8	540.4	527.9	510.8	575.5
Intangible Assets	480.4	481.4	437.5	436.6	436.2
Total Non-current Assets	1,797.2	1,791.9	1,722.6	1,676.8	1,718.1
TOTAL ASSETS	4,475.2	4,713.9	4,351.7	4,292.0	4,109.1

LIABILITIES (R$ million)	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13
CURRENT LIABILITIES					
Suppliers	1,528.4	1,651.5	1,332.3	1,306.1	1,169.8
Loans and Financing	520.6	425.2	555.5	534.8	404.3
Payroll, Vacation and Related Charges	155.4	166.6	146.7	126.7	115.8
Taxes Payable	27.3	41.7	18.9	28.5	20.4
Related Parties	61.6	73.6	53.8	50.9	41.7
Taxes in Installments	7.7	8.3	8.9	8.9	9.0
Deferred Revenue	36.7	36.7	35.6	35.6	36.2
Dividends Payable	16.2	16.2	-	-	-
Other Accounts Payable	118.0	107.7	85.4	80.1	113.1
Total Current Liabilities	2,471.8	2,527.6	2,237.2	2,171.5	1,910.4
NON-CURRENT LIABILITIES					
Loans and Financing	708.7	895.1	829.1	860.4	1,016.2
Taxes in Installments	-	-	-	0.6	1.2
Provision for Tax, Civil and Labor Risks	255.0	245.9	228.7	227.3	196.2
Deferred Revenue	341.3	349.2	358.2	359.9	367.5
Deferred Income Tax and Social Contribution	-	-	-	-	-
Other Accounts Payable	1.7	1.5	1.0	0.9	0.7
Total Non-current Liabilities	1,306.7	1,491.7	1,417.0	1,449.1	1,581.8
SHAREHOLDERS' EQUITY					
Capital Stock	606.5	606.5	606.5	606.5	606.5
Capital Reserve	6.8	5.6	4.9	4.2	3.5
Treasury Shares	(39.8)	(20.1)	-	-	-
Legal Reserve	9.7	9.7	4.0	4.0	4.0
Profit Retention Reserve	94.5	94.5	2.6	2.6	2.6
Other Comprehensive Income	(1.5)	(1.6)	(1.4)	(1.3)	(0.5)
Accumulated Losses	20.5	-	80.8	55.5	0.8
Total Shareholders' Equity	696.6	694.6	697.5	671.4	616.9
TOTAL	4,475.2	4,713.9	4,351.7	4,292.0	4,109.1

ANNEX IV
FINANCIAL STATEMENTS - ADJUSTED CASH FLOW STATEMENT

ADJUSTED CASH FLOW STATEMENTS	1Q14	1Q13
Net Income	**20.5**	**0.8**
Effect of IR / CS Net of Payment	(1.6)	(8.0)
Depreciation and Amortization	27.0	24.7
Interest Accrued on Loans	34.5	21.9
Equity, Net of Dividends Received	2.1	0.2
Provision for Losses on Inventories and Receivables	18.4	15.0
Provision for Tax, Civil and Labor Contingencies	11.6	10.0
Gain on Sale of Fixed Assets	0.1	0.2
Recognition of Deferred Income	(7.9)	(8.6)
Stock Option Expenses	1.1	0.7
Interest offset Taxes with Tax Loss	-	-
Adjusted Net Income	**105.7**	**56.9**
Trade Accounts Receivable	9.7	23.8
Inventories	(19.0)	89.7
Taxes Recoverable	3.0	11.0
Other Receivables	(13.2)	(47.9)
Changes in Operating Assets	**(19.6)**	**76.7**
Trade Accounts Payable	(123.2)	(156.5)
Other Payables	(31.1)	(29.3)
Change in Operating Liabilities	**(154.3)**	**(185.8)**
Cash Flow from Operating Activities	**(68.2)**	**(52.2)**
Additions of Fixed and Intangible Assets	(16.6)	(27.3)
Cash on Sale of Fixed Assets	-	-
Sale of Exclusive Dealing and Exploration Right Contract	-	-
Investment in Subsidiary	-	-
Cash Flow from Investing Activities	**(16.6)**	**(27.3)**
Loans and Financing	0.5	202.5
Repayment of Loans and Financing	(93.3)	(17.8)
Payment of Interest on Loans and Financing	(32.7)	(22.0)
Treasury Shares	(19.8)	-
Payment of Dividends	-	-
Cash Flow from Financing Activities	**(145.3)**	**162.7**
Cash, Cash Equivalents and Securities at Beginning of Period	771.6	545.3
Cash, Cash Equivalents and Securities at end of Period	541.5	628.5
Change in Cash and Cash equivalents	**(230.0)**	**83.2**

Note: The difference between the Cash Flow Statement and the Adjusted Cash Flow Statement is basically related to the treatment of Bonds and Securities as Cash Equivalents.

ANNEX V
RESULTS BY SEGMENT – 1Q14

1Q14 (in R$ million)	Retail	Consortium 100%	Eliminations	Consolidated	Cons. Finance 50%	Insurance 50%	Eliminations	Consolidated Pro-Forma
Gross Revenue	2,690.9	9.9	(1.7)	2,699.1	195.1	30.8	(57.3)	2,867.6
Taxes and Deductions	(429.3)	(0.9)	-	(430.2)	-	-	-	(430.2)
Net Revenue	2,261.6	9.0	(1.7)	2,268.9	195.1	30.8	(57.3)	2,437.4
Total Costs	(1,647.3)	(3.3)	1.7	(1,648.9)	(26.1)	(3.8)	-	(1,678.7)
Gross Income	614.2	5.8	-	620.0	168.9	27.0	(57.3)	758.7
Selling Expenses	(419.9)	-	-	(419.9)	(64.5)	(21.5)	49.3	(456.6)
General and Administrative Expenses	(97.6)	(4.7)	-	(102.3)	(0.5)	(5.3)	-	(108.1)
Provisions for Loan Losses	(4.7)	-	-	(4.7)	(70.7)	-	-	(75.4)
Equity in Subsidiaries	22.5	-	(0.9)	21.6	-	-	(21.6)	-
Other Operating Revenues, Net	6.1	0.0	-	6.1	1.4	0.0	(1.4)	6.1
Total Operating Expenses	(493.6)	(4.7)	(0.9)	(499.2)	(134.3)	(26.8)	26.2	(634.0)
EBITDA	120.6	1.1	(0.9)	120.8	34.7	0.3	(31.0)	124.7
Depreciation and Amortization	(26.9)	(0.1)	-	(27.0)	(1.6)	(0.0)	1.4	(27.3)
EBIT	93.7	1.0	(0.9)	93.8	33.0	0.3	(29.7)	97.4
Financial Results	(74.7)	0.3	-	(74.4)	-	2.7	8.0	(63.6)
Operating Income	19.0	1.3	(0.9)	19.4	33.0	3.0	(21.6)	33.8
Income Tax and Social Contribution	1.6	(0.4)	-	1.1	(13.2)	(1.2)	-	(13.3)
Net Income	20.5	0.9	(0.9)	20.5	19.8	1.8	(21.6)	20.5
Gross Margin	27.2%	63.9%	0.0%	27.3%	86.6%	87.8%	100.0%	31.1%
EBITDA Margin	5.3%	11.9%	50.8%	5.3%	17.8%	0.8%	54.2%	5.1%
Net Margin	0.9%	9.8%	50.8%	0.9%	10.2%	5.9%	37.8%	0.8%

ANNEX IV
RESULTS BY SEGMENT – 1Q13

1Q13 (in R$ million)	Retail	Consortium	Eliminations	Consolidated	Cons. Finance	Insurance	Eliminations	Consolidated
		100%			50%	50%		Pro-Forma
Gross Revenue	2,123.7	9.3	(1.7)	2,131.2	168.7	21.2	(41.9)	2,279.3
Taxes and Deductions	(364.8)	(0.8)	-	(365.6)	-	-	-	(365.6)
Net Revenue	1,758.8	8.5	(1.7)	1,765.6	168.7	21.2	(41.9)	1,913.7
Total Costs	(1,265.8)	(3.3)	1.7	(1,267.4)	(16.3)	(2.4)	-	(1,286.0)
Gross Income	493.1	5.2	-	498.2	152.5	18.8	(41.9)	627.6
Selling Expenses	(355.1)	-	-	(355.1)	(61.8)	(13.9)	36.8	(393.9)
General and Administrative Expenses	(89.5)	(4.5)	-	(94.0)	(0.3)	(3.2)	-	(97.5)
Provisions for Loan Losses	(4.9)	-	-	(4.9)	(77.9)	-	-	(82.8)
Equity in Subsidiaries	10.5	-	(0.5)	10.0	-	-	(10.0)	-
Other Operating Revenues, Net	8.4	0.0	-	8.4	2.2	0.2	(1.4)	9.4
Total Operating Expenses	(430.5)	(4.5)	(0.5)	(435.5)	(137.8)	(16.9)	25.4	(564.8)
EBITDA	62.6	0.7	(0.5)	62.7	14.6	1.9	(16.5)	62.8
Depreciation and Amortization	(24.6)	(0.1)	-	(24.7)	(1.6)	(0.0)	1.4	(24.9)
EBIT	38.0	0.6	(0.5)	38.1	13.0	1.9	(15.1)	37.9
Financial Results	(45.4)	0.2	-	(45.3)	-	1.8	5.0	(38.4)
Operating Income	(7.4)	0.7	(0.5)	(7.2)	13.0	3.7	(10.0)	(0.5)
Income Tax and Social Contribution	8.2	(0.3)	-	8.0	(5.2)	(1.5)	-	1.3
Net Income	0.8	0.5	(0.5)	0.8	7.8	2.2	(10.0)	0.8
Gross Margin	28.0%	61.1%	0.0%	28.2%	90.4%	88.7%	100.0%	32.8%
EBITDA Margin	3.6%	7.7%	29.0%	3.6%	8.7%	8.8%	39.3%	3.3%
Net Margin	0.0%	5.8%	29.0%	0.0%	4.6%	10.6%	24.0%	0.0%

ANNEX VII
FINANCIAL STATEMENTS – PRO-FORMA CONSOLIDATED RESULTS

CONSOLIDATED PRO-FORMA (R$ million)	1Q14	V.A.	1Q13	V.A.	%Chg
Gross Revenue	2,867.6	117.6%	2,279.3	119.1%	25.8%
Taxes and Deductions	(430.2)	-17.6%	(365.6)	-19.1%	17.7%
Net Revenue	2,437.4	100.0%	1,913.7	100.0%	27.4%
Total Costs	(1,678.7)	-68.9%	(1,286.0)	-67.2%	30.5%
Gross Income	758.7	31.1%	627.6	32.8%	20.9%
Selling Expenses	(456.6)	-18.7%	(393.9)	-20.6%	15.9%
General and Administrative Expenses	(108.1)	-4.4%	(97.5)	-5.1%	10.9%
Provisions for Loan Losses	(75.4)	-3.1%	(82.8)	-4.3%	-8.9%
Other Operating Revenues, Net	6.1	0.2%	9.4	0.5%	-35.1%
Total Operating Expenses	(634.0)	-26.0%	(564.8)	-29.5%	12.2%
EBITDA	124.7	5.1%	62.8	3.3%	98.5%
Depreciation and Amortization	(27.3)	-1.1%	(24.9)	-1.3%	9.5%
EBIT	97.4	4.0%	37.9	2.0%	157.2%
Financial Results	(63.6)	-2.6%	(38.4)	-2.0%	65.6%
Operating Income	33.8	1.4%	(0.5)	0.0%	-6563.7%
Income Tax and Social Contribution	(13.3)	-0.5%	1.3	0.1%	-1100.8%
Net Income	20.5	0.8%	0.8	0.0%	2457.3%

ANNEX X
BREAKDOWN OF SALES AND NUMBER OF STORES PER CHANNEL

Gross Revenue by Channel (R$ million)	1Q14	V.A.	1Q13	V.A.	Growth Total
Virtural Stores	119.6	4.5%	93.8	4.4%	27.4%
Site	433.2	16.1%	300.8	14.2%	44.0%
Subtotal - Virtual Stores	**552.8**	20.6%	**394.6**	18.6%	40.1%
Conventional Stores	2,129.9	79.4%	1,726.8	81.4%	23.3%
Total	**2,682.6**	100.0%	**2,121.5**	100.0%	26.5%

Number of stores per channel – End of the period	Mar-14	Part(%)	Mar-13	Part(%)	Growth Total
Virtural Stores	107	14.4%	106	14.5%	1
Site	1	0.1%	1	0.1%	-
Subtotal - Virtual Stores	**108**	14.5%	**107**	14.6%	1
Conventional Stores	636	85.5%	624	85.4%	12
Total	**744**	100.0%	**731**	100.0%	13
Total Sales Area (m²)	**473,884**	100.0%	**461,981**	100%	2,6%

Note: In compliance with Technical Pronouncement CPC 36, the booking of the proceeds from the exclusive funds whose quotas are 100% owned by Magazine Luiza changed from financial income to operating income from services in the retail segment in the amount of R$8.3 million in 1Q14 and R$2.2 million in 1Q13. The differences in gross revenue from the retail segment in the breakdown by channel and income statements refer to these classifications.

RESULTS CONFERENCE CALL

Conference Call in Portuguese/English (with simultaneous interpreting)

May 08, 2014 (Thursday)

11:00 a.m. – Brasília time

10:00 a.m. – US EST

Callers from Brazil:
Dial-in: +55 11 2188-0155
Access code: Magazine Luiza
Webcast link:
http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=2364

Callers from other countries:
Dial-in: +1 646 843-6054
Access code: Magazine Luiza
Webcast link:
http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=2365

Replay (available for 7 days):
Dial-in number for callers from Brazil: +55 (11) 2188-0155
Dial-in number for callers outside Brazil: +1 (866) 890-2584
Access code for Portuguese and English versions: Magazine Luiza

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About Magazine Luiza

Founded in 1957, Magazine Luiza is one of Brazil's largest retail chains focused on durable goods, actively engaged in Brazil's low income classes. To strengthen its relationship with its customers, Magazine Luiza innovated in 2001 by entering into a partnership 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 interest, income and social contribution taxes, financial income and expenses, depreciation and amortization) is not a financial performance measure under the accounting practices adopted in Brazil. Because it does not consider expenses intrinsic to the business, EBITDA has limitations that affect its use as a profitability or liquidity indicator. EBITDA should not be considered an alternative to net income or operating cash flow. In addition, EBITDA does not have a standard meaning, and our definition may not be comparable with the definitions adopted by other companies.Non-recurring results used to calculate adjusted EBITDA and adjusted net income should not be considered an alternative to EBITDA and net income in accordance with the accounting practices adopted in Brazil.