
RENNER
Conference Call
2Q10 Results
In Portuguese with simultaneous translation in English
Time: 12:00 pm (US-ET) / 1:00 pm (Brazil)
Access in English: +1 (786) 924 6977
Access in Portuguese: +55 (11) 4688 6361
Replay in English: +55 (11) 4688 6312 password: 47006
Replay in Portuguese: +55 (11) 4688 6312 password: 47005
LREN3
NOVO
MERCADO
BM&FBOVESPA
1st
BRAZILIAN
CORPORATION

Forward-Looking Statements

Any statement made during this presentation referring to the Company's business outlook, projections and financial and operating goals represent beliefs and assumptions of the Management of Lojas Renner S.A and are based on information currently available to the Company.

Future considerations are not a guarantee of performance. These involve risks, uncertainties and assumptions since they refer to forward-looking events and, therefore depend on circumstances that may not occur.

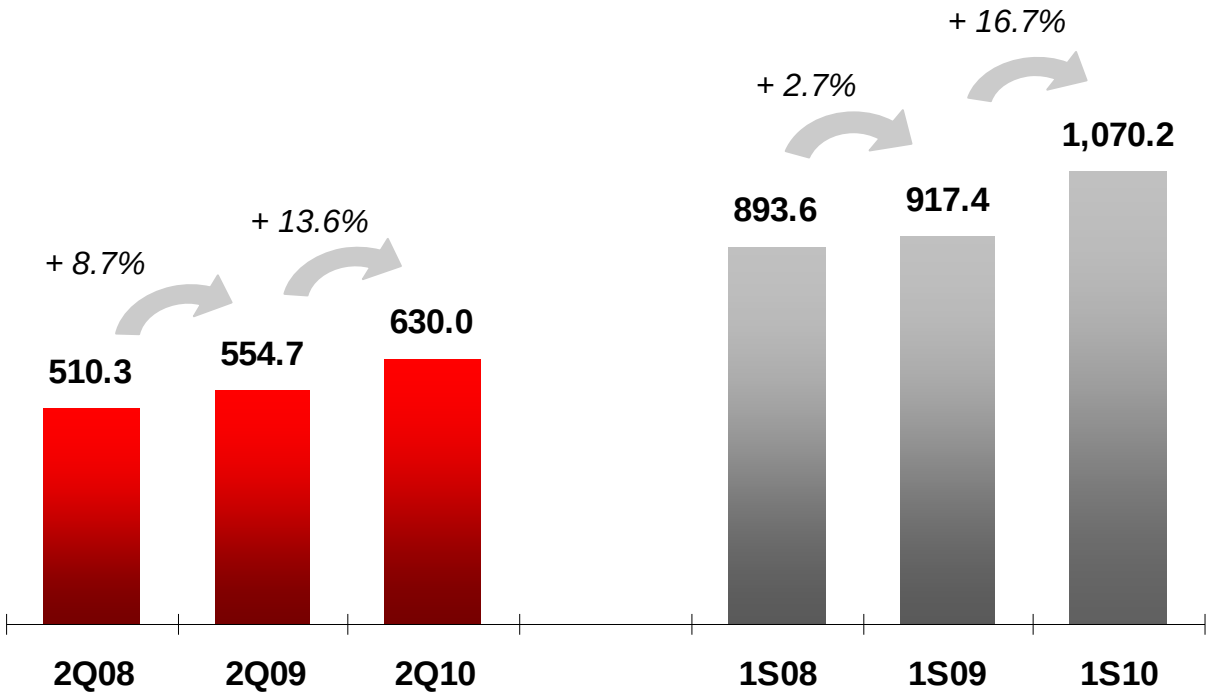
The audience should understand that general economic and industry conditions, as well as other operating factors may affect the Company's future results and lead to outcomes that may be materially different from those expressed in such future considerations.

Except where indicated to the contrary, the following financial and operating information is in conformity with Brazilian Corporate Law, incorporating the amendments in Law 11,638/07, and the comparisons refer to the second quarter (2Q) and first semester (1S).

As from December 2007, the Company has begun to include revenues from financial services in Gross Operating Sales Revenue. However, in this report, comparisons, percentages of expenses, and operating margins are related to Net Revenue from Merchandise Sales.

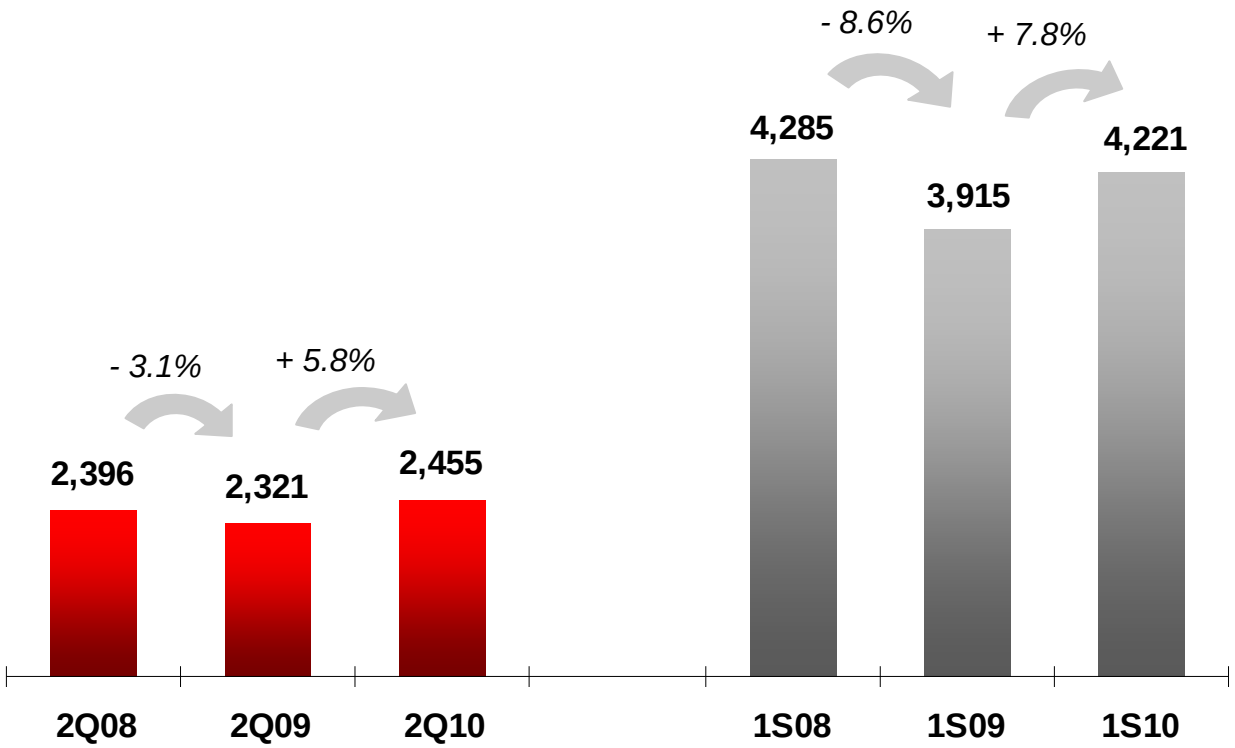
Net Revenue from Merchandise Sales

Net Revenue from Merchandise Sales
R$ MM



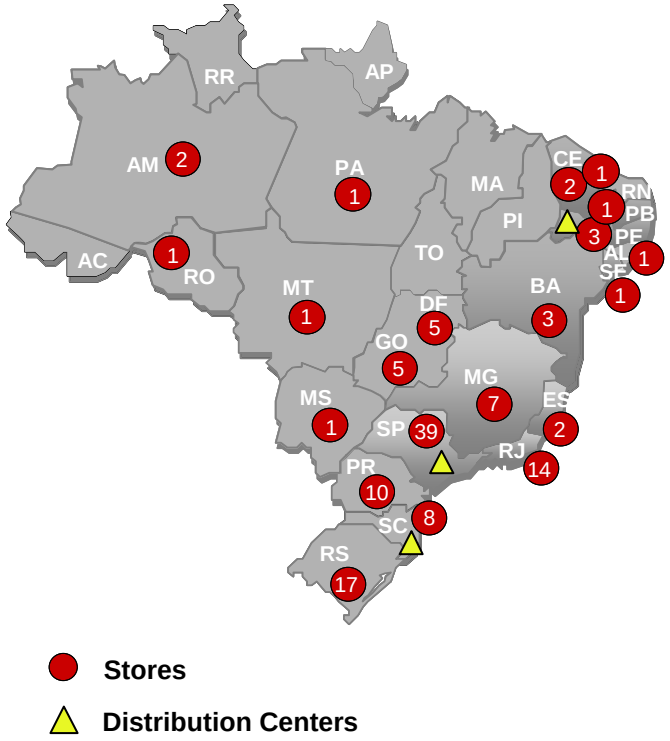
Store Productivity

Net Revenue from Merchandise Sales per m²
R$ MM

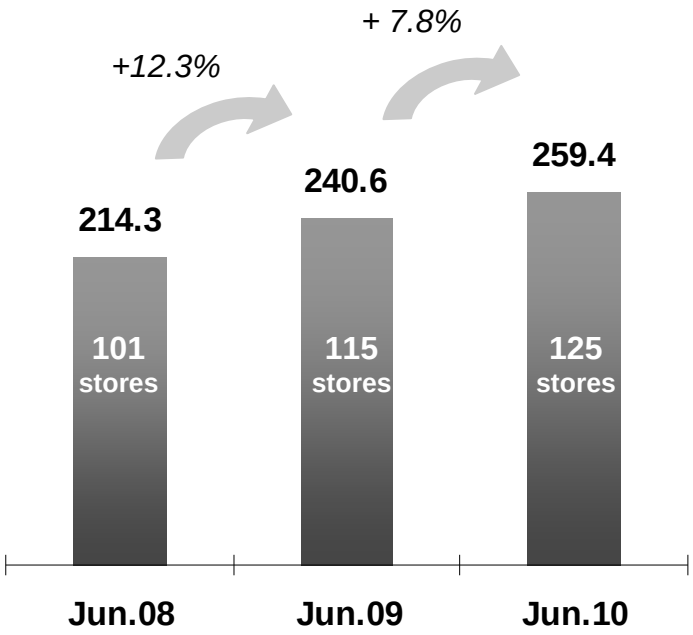


Store Operations

Geographical Distribution
June 30th, 2010

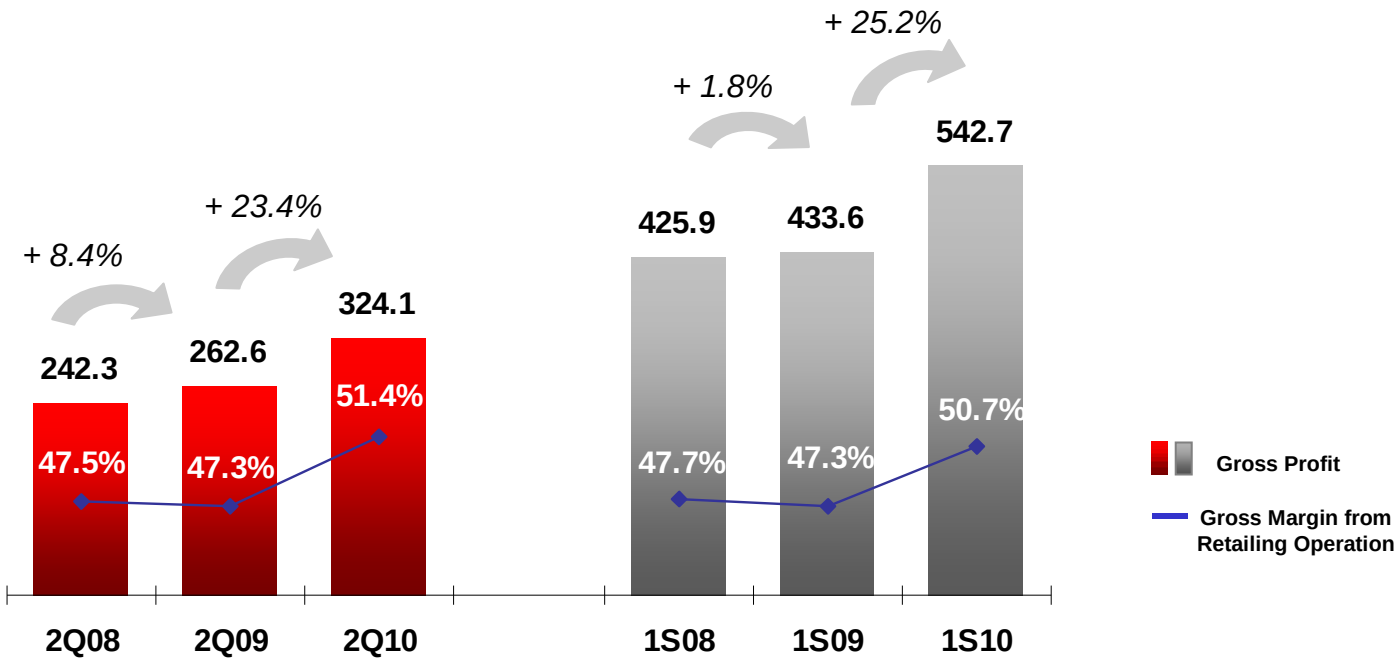


Selling Area & Number of Stores
Thousand m²



Gross Profit from Merchandise Sales

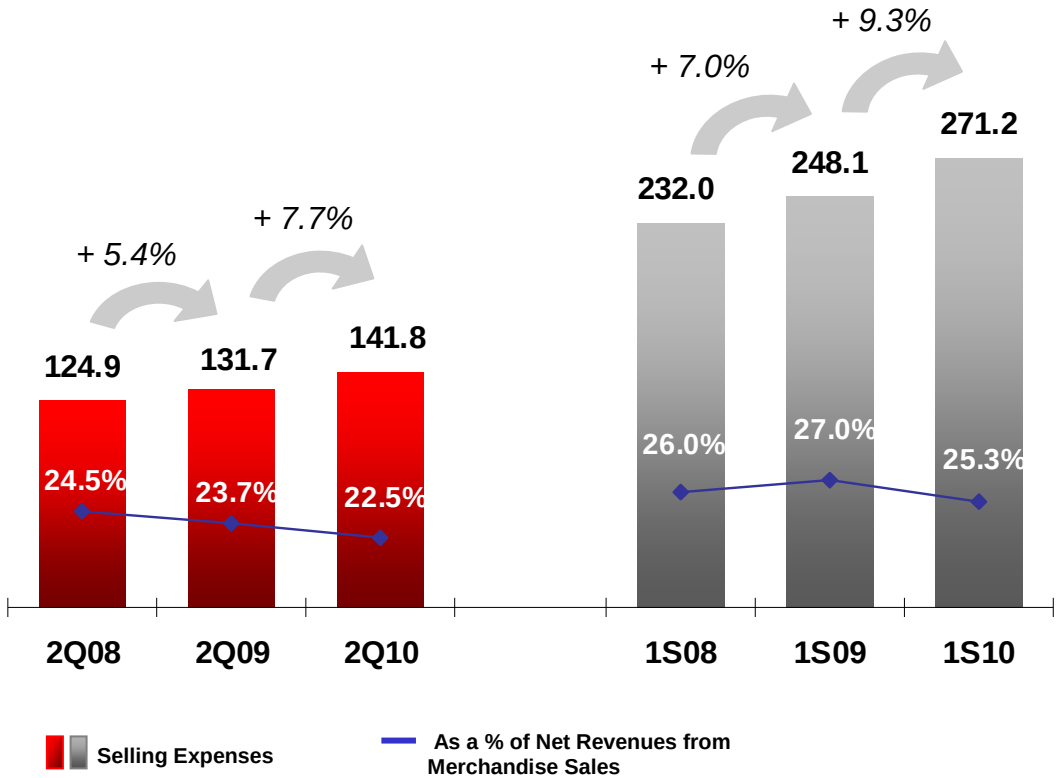
Gross Profit & Gross Margin from Merchandise Sales
R$ MM



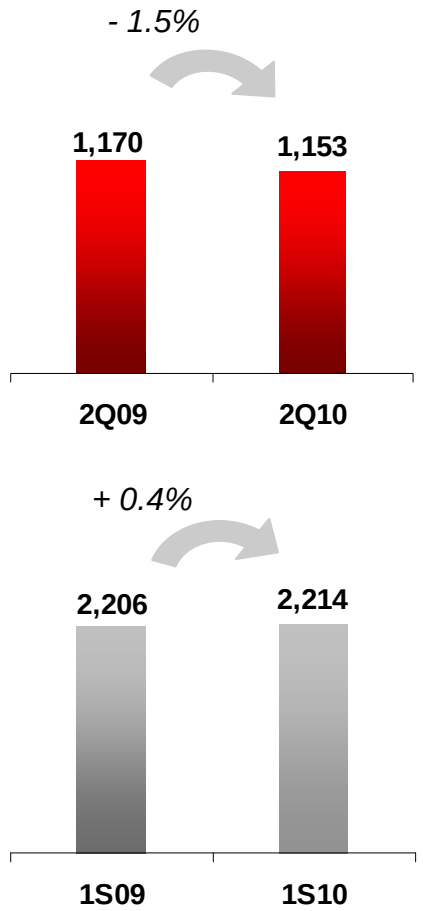
- Operating initiatives for development of the supply chain;
- Adjustments in the quantities of domestically-made products in relation to imports;
- Improvements in the composition of inventory and in procurement planning;
- Improvement of processes in the development of the collections;
- Better understanding of the characteristics of each region.

Selling Expenses

Selling Expenses
R$ MM



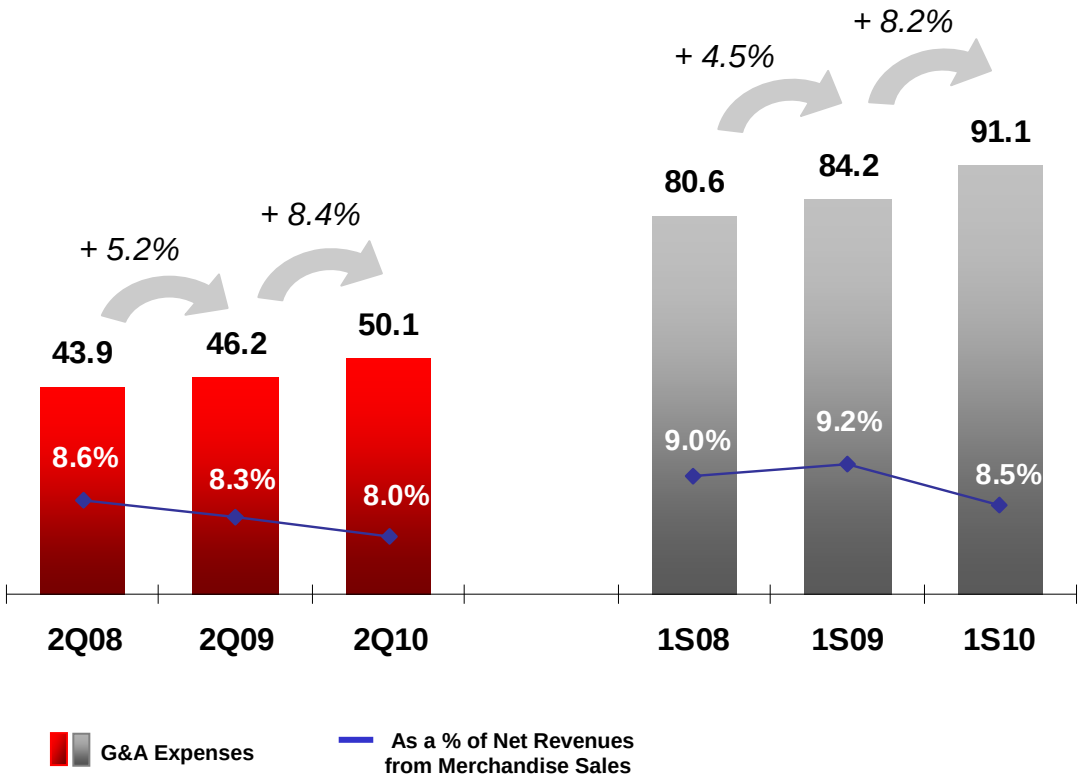
Average Expenses per Store
(R$ thousand)



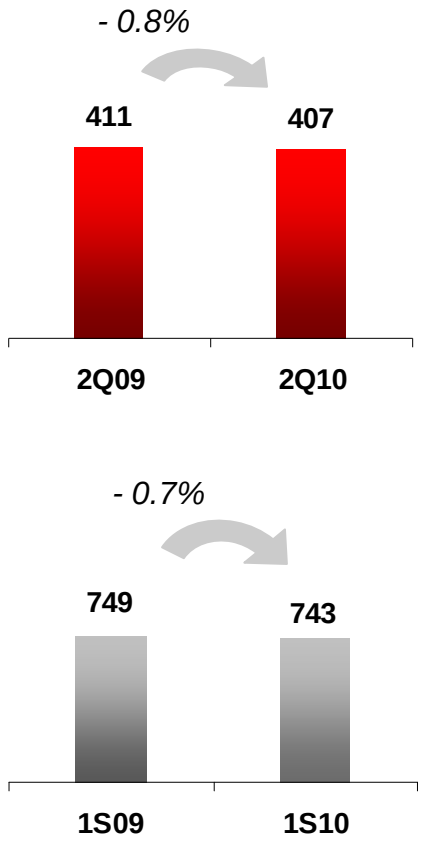
- New remuneration system for store employees adopted by the Company since 2008.

General & Administrative Expenses

General & Administrative Expenses
R$ MM



Average Expenses per Store
(R$ thousand)



- Management's continuous efforts to cut corporate costs over the year.

Renner Card and Financial Services

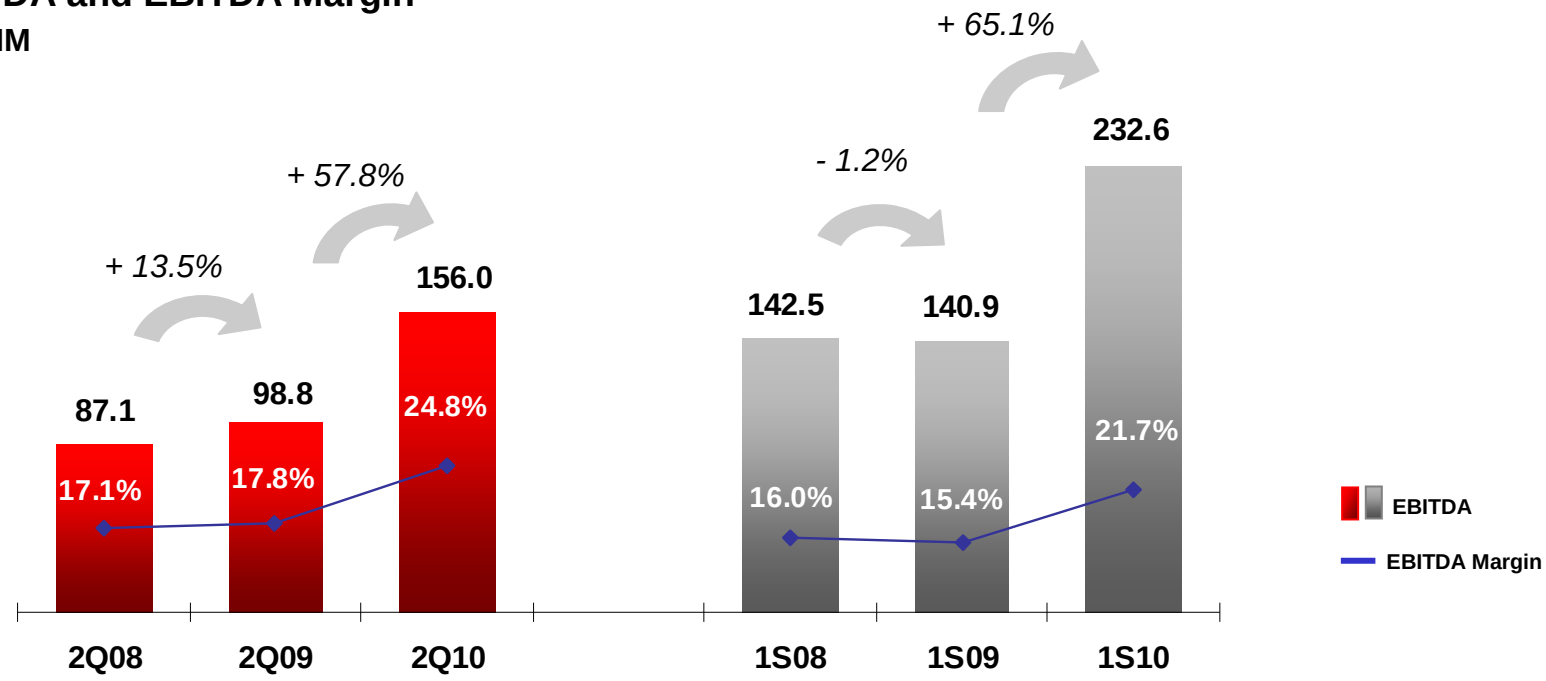
Result from Financial Services Breakdown (R$ MM)	2Q10	2Q09	1S10	1S09
Revenues	**72.0**	**58.6**	**137.5**	**115.2**
Recovery of Past Due Receivables *(Related to Merchandise Sales)*	29.8	27.3	53.4	50.3
Additional Revenues Generated by Interest-bearing Plan	23.6	16.7	45.7	35.7
Personal Loans and Other Financial Services	18.6	14.6	38.4	29.2
Credit Losses, Net of Recoveries	**(28.6)**	**(32.0)**	**(52.2)**	**(54.3)**
Merchandise Sales	(10.9)	(14.5)	(16.6)	(21.1)
Additional Losses Generated by Interest-bearing Plan	(12.1)	(11.4)	(25.3)	(21.8)
Personal Loans	(5.6)	(6.1)	(10.3)	(11.4)
Operating Expenses *(Renner Card & Financial Services)*	**(11.9)**	**(9.6)**	**(21.4)**	**(17.4)**
Total	**31.5**	**17.0**	**63.9**	**43.5**
% of EBITDA	20.2%	17.2%	27.5%	30.9%

Result from Financial Services (R$ MM)	2Q10	2Q09	1S10	1S09
Renner Card *(Related to Merchandise Sales)*	**18.9**	**12.8**	**36.8**	**29.2**
Financial Services *(0+8, Personal Loans and Other Financial Services)*	**24.5**	**13.8**	**48.5**	**31.7**
Operating Expenses *(Renner Card & Financial Services)*	**(11.9)**	**(9.6)**	**(21.4)**	**(17.4)**
Total	**31.5**	**17.0**	**63.9**	**43.5**

Total EBITDA

EBITDA and EBITDA Margin

R$ MM



15.4%	16.1%	22.2%	14.3%	13.6%	19.3%
EBITDA/ Company's Total Net Revenues			EBITDA/ Company's Total Net Revenues		

- Better volumes of sales;
- Higher gross margin;
- Operating leverage;
- Higher results from financial services.

EBITDA from Retailing Operation

EBITDA Reconciliation (R$ MM)	2Q10	2Q09	1S10	1S09
Net Income	**91.0**	**47.8**	**127.9**	**58.7**
(+) Income and Social Contribution Taxes	45.7	24.7	64.3	30.2
(+/-) Result from Write-off of Fixed Assets	0.4	0.2	0.8	0.1
(+/-) Financial Result	(3.6)	3.0	(5.6)	7.0
(+) Depreciation and Amortization	17.9	18.3	36.7	36.5
(+) Stock Option Plan	4.6	4.8	8.5	8.4
EBITDA	**156.0**	**98.8**	**232.6**	**140.9**
EBITDA Margin *(over Net Revenues from Merchandise Sales)*	**24.8%**	**17.8%**	**21.7%**	**15.4%**

EBITDA from Retailing Operation	2Q10	2Q09	1S10	1S09
(-) Financial Services Result	31.5	17.0	63.9	43.5
EBITDA from Retailing Operation	**124.5**	**81.8**	**168.7**	**97.4**
EBITDA Margin from Retailing Operation *(over Net Revenues from Merchandise Sales)*	**19.8%**	**14.7%**	**15.8%**	**10.6%**

Financial Results & Cash Position

Financial Result

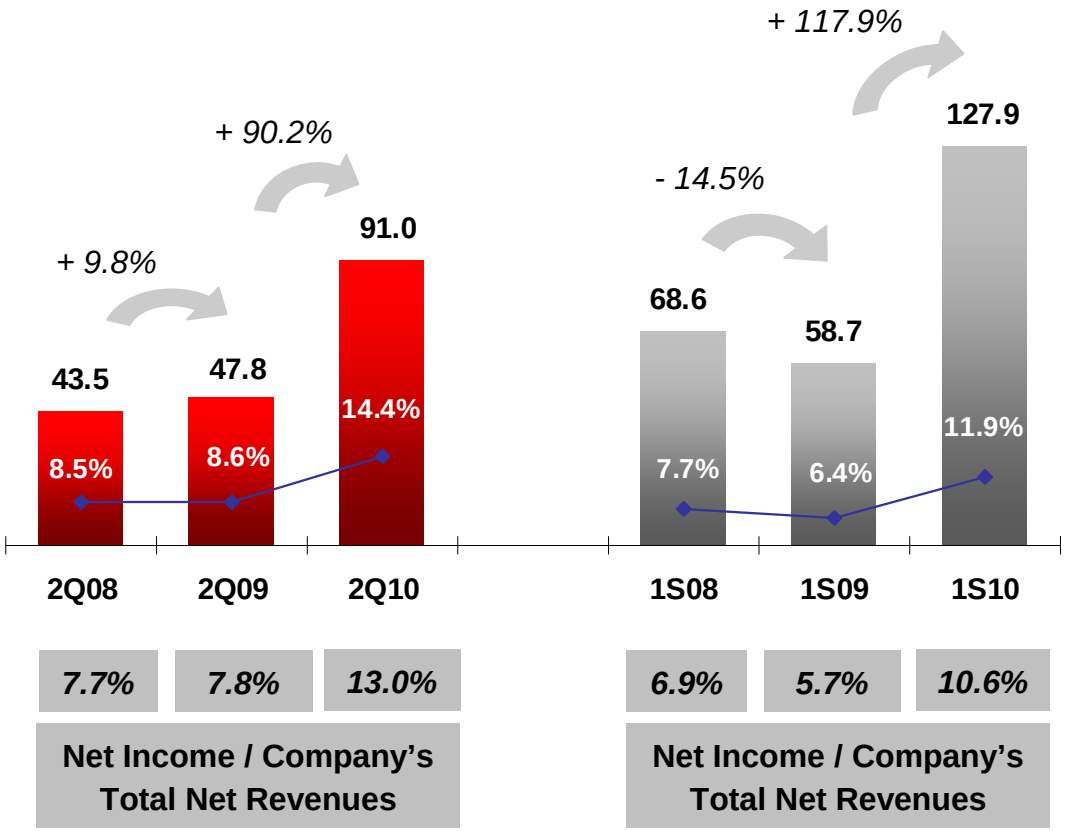
Financial Result (R$ MM)	2Q10	2Q09	1S10	1S09
Financial Revenues	11.8	5.7	22.2	10.5
Financial Expenses	(2.2)	(1.9)	(5.2)	(3.8)
Net Effect of Adjustment of Long-Term Taxes to Present Value	0.8	(0.7)	1.1	(1.2)
Foreign Exchange Variation, Net	0.0	1.8	0.3	1.8
Cost of Financing Delinquent Customers, Net	(6.8)	(7.9)	(12.8)	(14.3)
Financial Result	**3.6**	**(3.0)**	**5.6**	**(7.0)**

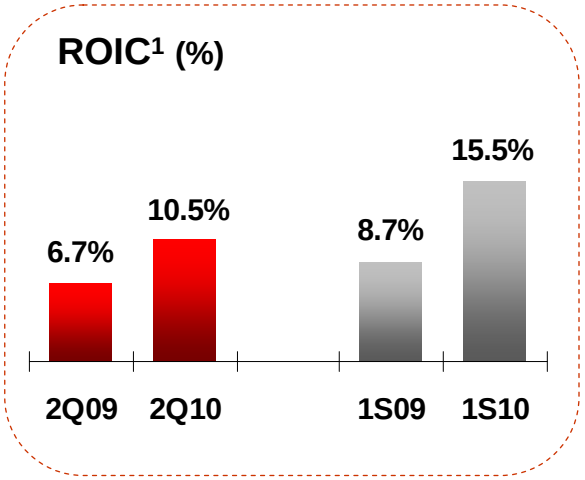
Cash and Cash Equivalents, Net

Cash and Cash Equivalents, Net (R$ MM)	Jun.10	Mar.10	Jun.09
Cash and Cash Equivalents	359.1	390.8	194.4
Loans and Financing	(149.8)	(147.7)	(164.2)
Short term	(118.9)	(114.6)	(124.5)
Long term	(30.9)	(33.1)	(39.7)
Cash and Cash Equivalents, Net	**209.3**	**243.1**	**30.2**

Net Income

Net Income
R$ MM

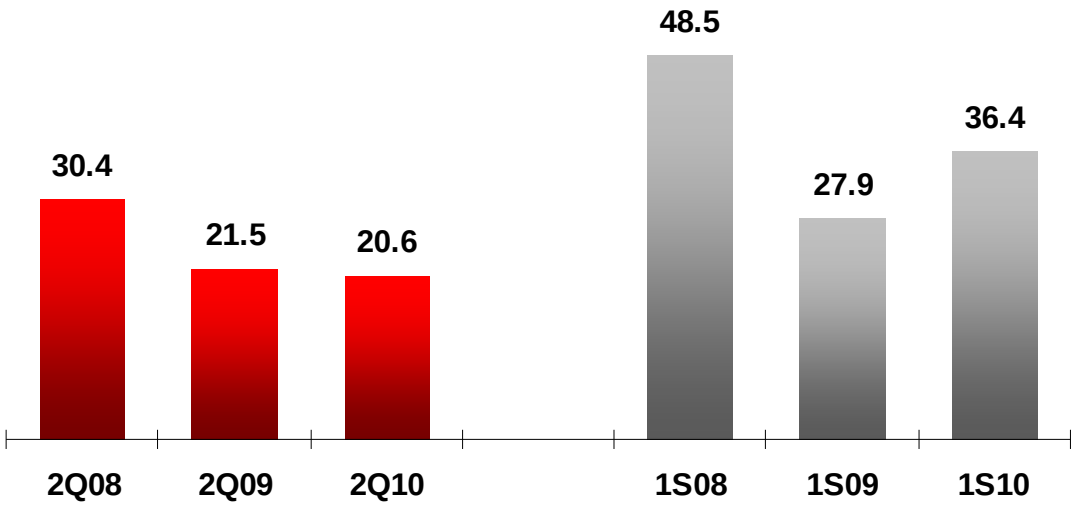




[1] ROIC calculated based on quarterly disclosed data.
ROIC = NOPAT / Invested Operating Capital

Investments (CAPEX)

CAPEX Evolution
R$ MM



CAPEX Summary (R$ MM)	2Q10	2Q09	1S10	1S09
New Stores	15.4	14.8	23.1	20.6
Remodeling of Instalations	1.1	2.3	1.7	2.9
IT Equipment & Systems	3.6	1.3	5.7	1.3
Others	0.5	3.1	5.9	3.1
Total	**20.6**	**21.5**	**36.4**	**27.9**

Expansion Plan

	City	Location	Date
1	Maceió - AL	Shopping Iguatemi Maceió	March
2	Joinville - SC	Joinville Garten Shopping	April
3	São Paulo - SP	Avenida Paulista	May
4	Campo Grande - RJ	West Shopping	June
5	São Paulo - SP	Shopping Raposo Tavares	June
Total stores inaugurated in 1S10			**5 stores**



	City	Location	Date
6	Palmas - TO	Shopping Center Capim Dourado	August
7	Belo Horizonte - MG	Boulevard Shopping BH	October
8	São Gonçalo - RJ	Shopping Boulevard São Gonçalo	November
9	Salvador - BA	Salvador Norte Shopping	November
10	Cotia - SP	Shopping Granja Vianna	November
11	Santa Maria - RS	Royal Plaza Shopping Center	November
Total stores to be inaugurated in 2S10			**6 stores**

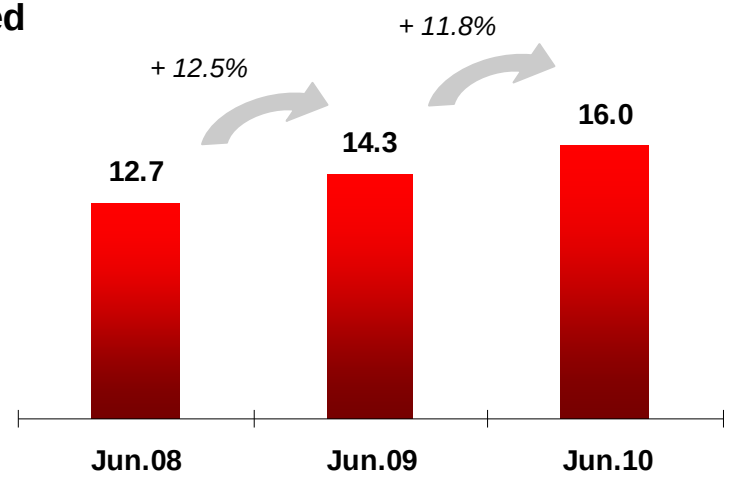
	City	Location	Date
1	Caxias do Sul - RS	San Pelegrino Shopping Mall	October
2	Salvador - BA	Shopping Center Paralela	November
3	Franca - SP	Franca Shopping Center	November
Compact stores to be inaugurated in 2S10			**3 stores**

Balance Sheet

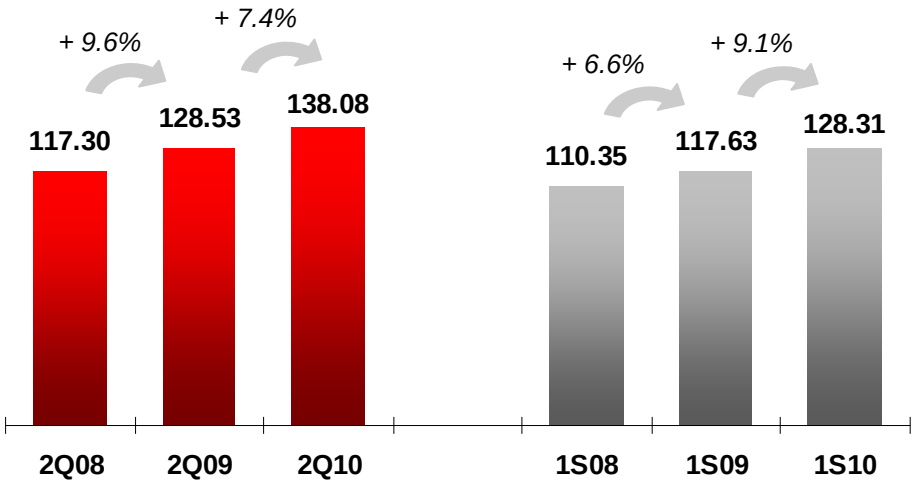
In R$ MM	Jun.30.10	Part.	Mar.31.10	Part.	Jun.30.09	Part.
Cash & Cash Equivalents	359.1	19%	390.8	21%	194.4	12%
Trade Account Receivables	690.2	37%	625.3	34%	634.3	40%
Inventories	285.8	15%	283.0	15%	231.2	15%
Inventories	280.0	15%	273.3	14%	215.2	14%
Imports in Transit	5.8	0%	9.6	1%	16.0	1%
Others	134.3	7%	132.8	8%	126.0	8%
Permanent Assets	402.5	22%	400.3	22%	400.4	25%
TOTAL ASSETS	**1,871.9**	**100%**	**1,832.2**	**100%**	**1,586.3**	**100%**
Loans and Financing	118.9	6%	114.6	6%	124.5	8%
Financing - Financed Sales and Personal Loans	285.4	15%	267.3	15%	217.0	14%
Suppliers	243.2	13%	212.5	12%	184.0	11%
Commercial Suppliers	377.0	20%	302.6	17%	254.6	16%
Antecipation of Payments	(153.0)	-8%	(124.7)	-7%	(108.8)	-7%
Supplier of Material for Consumption	19.2	1%	34.7	2%	38.2	2%
Taxes and Contributions Payable	93.1	5%	61.3	3%	89.7	6%
Others	122.3	7%	185.4	9%	109.3	7%
Not Current Liabilities	93.4	5%	83.1	5%	83.0	5%
Shareholders' Equity	915.6	49%	908.0	50%	778.8	49%
TOTAL LIABILITIES	**1,871.9**	**100%**	**1,832.2**	**100%**	**1,586.3**	**100%**

Renner Card

Number of Cards Issued
Millions

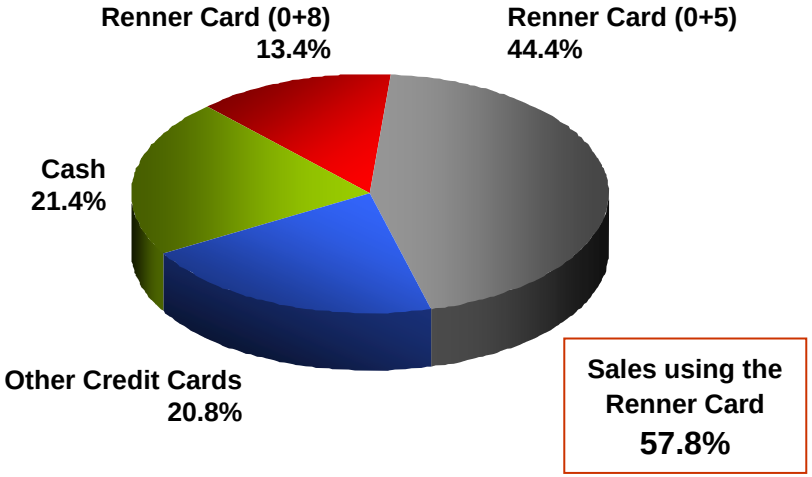


Renner Card Average Ticket
R$



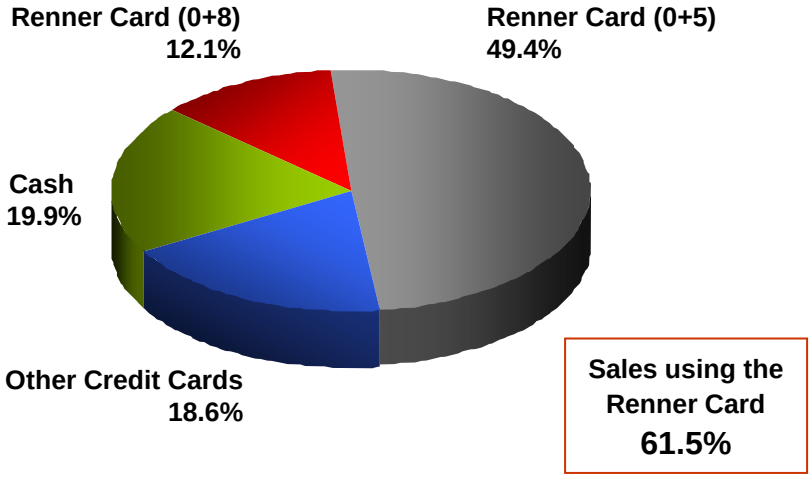
Payment Options

2nd Quarter, 2010



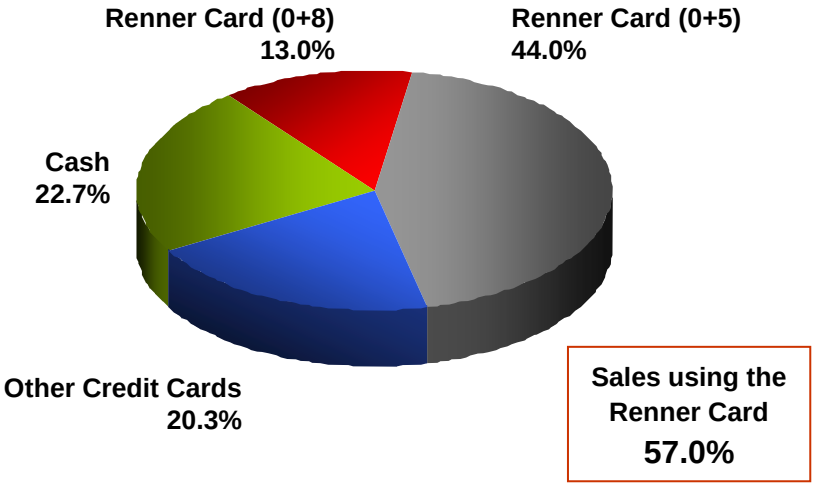
Sales using the Renner Card
57.8%

2nd Quarter, 2009



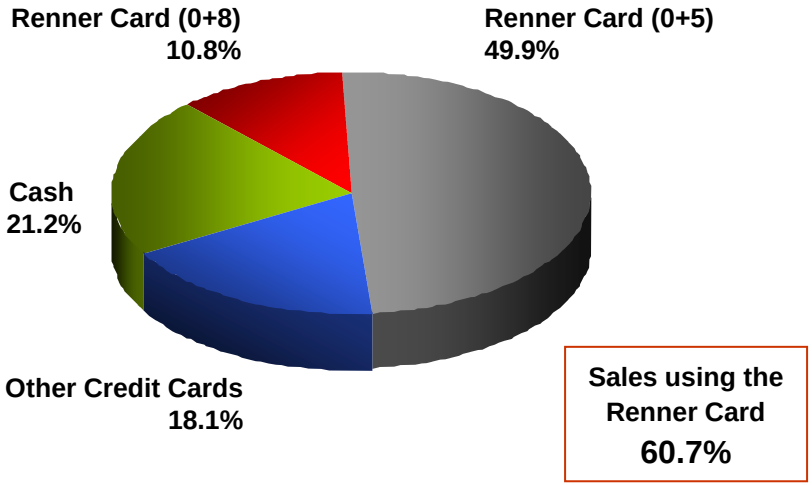
Sales using the Renner Card
61.5%

1st Semester, 2010



Sales using the Renner Card
57.0%

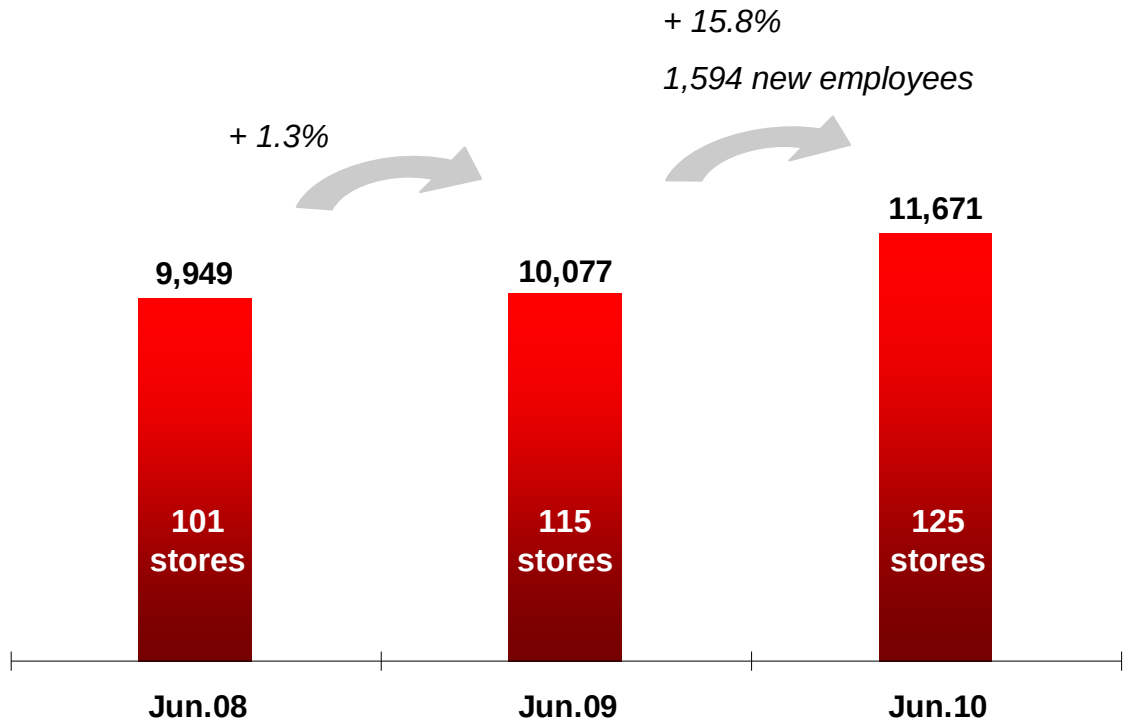
1st Semester, 2009



Sales using the Renner Card
60.7%

Employees

Number of Employees



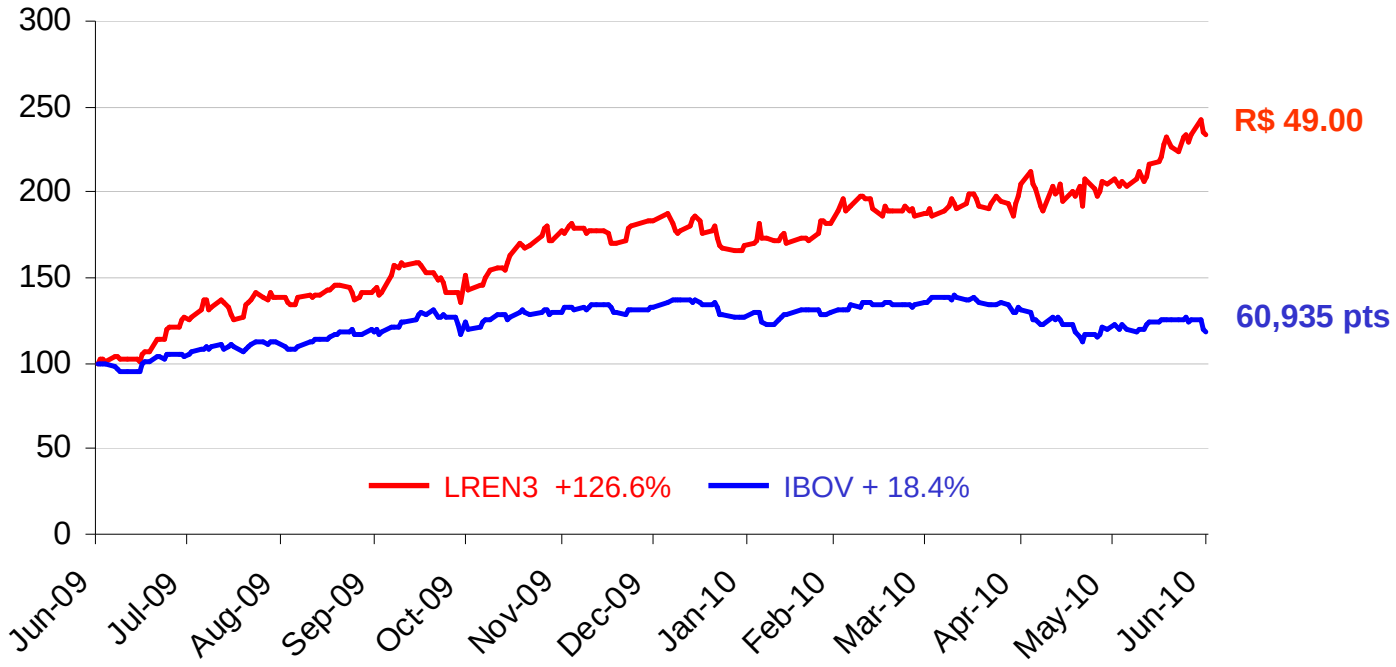
New Hiring of Personnel by Area:

- Administrative: 424 new employees
- Stores: 1.170 new employees

Stock Appreciation

Last 12 months

Base 100



José Galló
Chief Executive Officer

Adalberto Santos
Chief Financial Officer and IR Officer

Paula Picinini
Investor Relations Manager

Diva Freire
Investor Relations Analyst

Katia Ramires
Investor Relations Analyst

Lúcia Andrade
IR Assistant

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