


# Earnings Release 3Q09

hypermarcas

November 10, 2009

# Disclaimer

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of the Company. These are merely projections and, as such, are based exclusively on the expectations of the Company's management concerning the future of the business and its continued access to capital to fund its business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in the Company's filed disclosure documents and are, therefore, subject to change without prior notice.




1 Highlights

2 Financial Results

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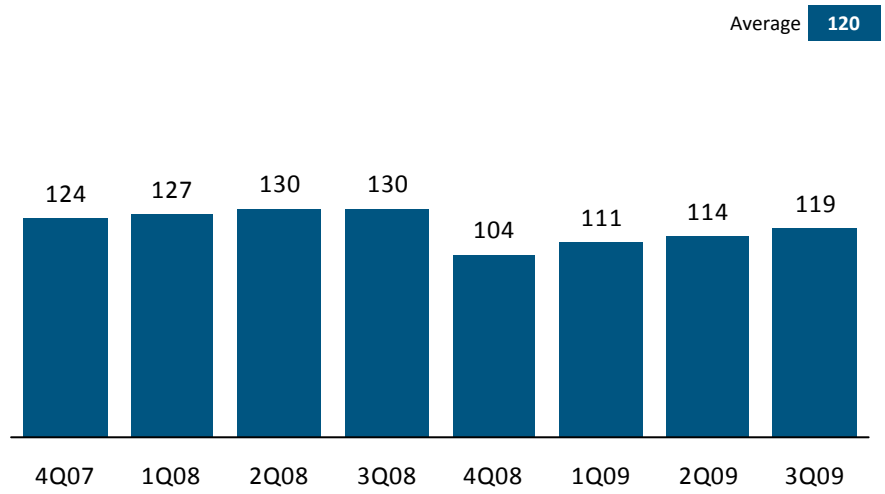



1 Highlights

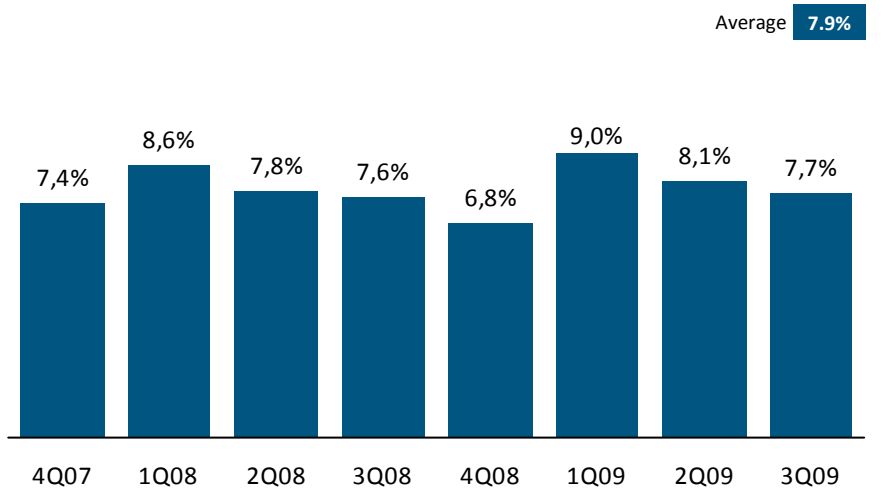
2 Financial Results

# Positive Outlook for the Domestic Market

## Industrial Production Indicator



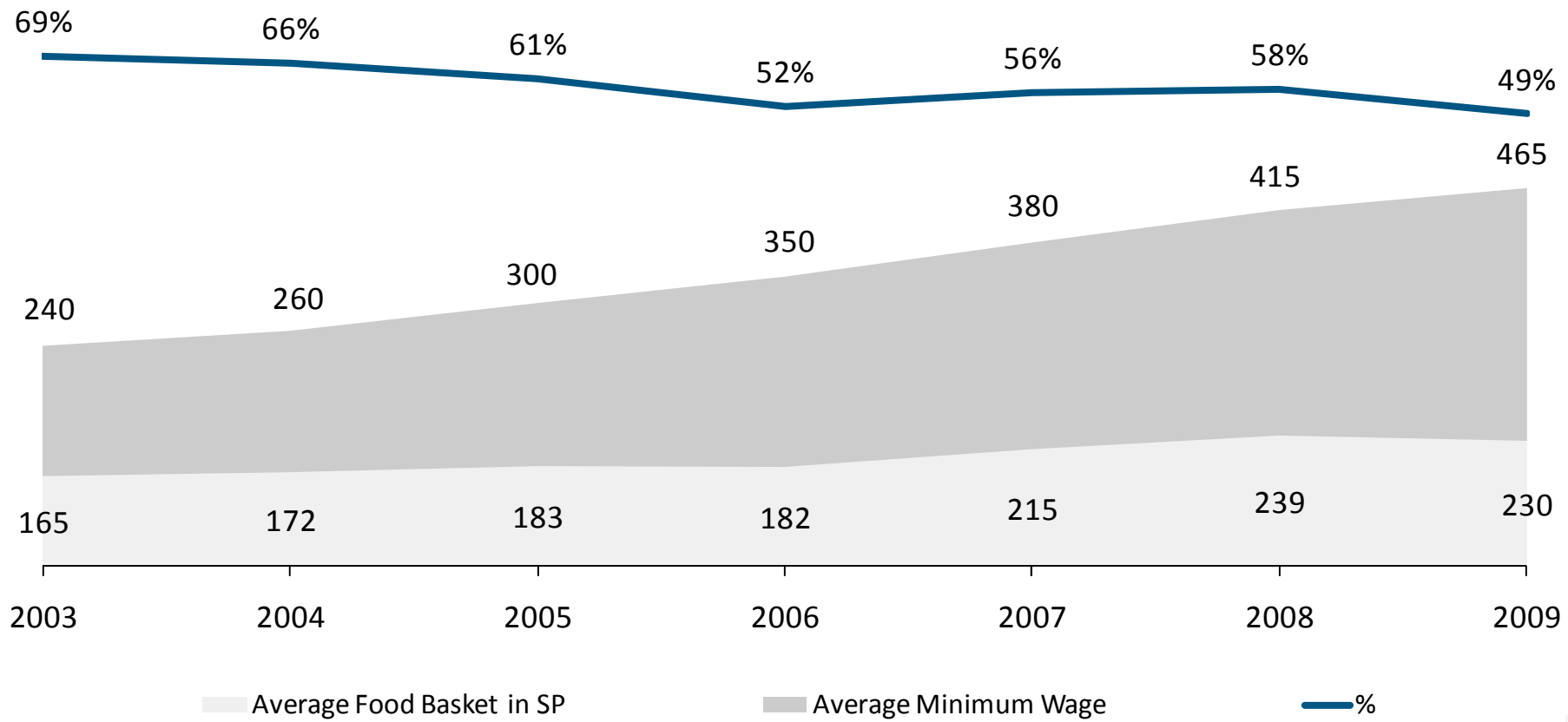

## Unemployment Rate (%)




Source: Brazil's Central Bank (FOCUS), IBGE, FGV.

# Consumption is Driven by Income Growth

## Minimum Wage (R$)




Source: IBGE, Dieese.

## Strategic Rationale

Hydrogen

- Entrance in the personal care **infant market**
- Brand **expansion potential** and distribution improvements
- **Contract with Disney and Warner Bros.**



## Strategic Rationale

pom pom

BIGFRAL

- Entrance in the **disposable products market**, in baby's diapers (Pom Pom), geriatric diapers (Bigfral) and feminine pads (existing technology and capacity for production)
- **Expansion** for **national distribution** and in the **Farma** channel



## Strategic Rationale

Jontex

OLLA

- Entrance in the **condoms market** with leader brands (Jontex , Olla and Lovetex)
- **High potential of market growth**



# 3Q09 Main Launchings

bozzano

- Revamping of the men´s care line of shaving foams and creams




bozzano

- Launching of shaving blades and systems




monange

- Relaunching of Monange´s shampoo line



# 3Q09 Main Launchings

**Finn**

- New line of sucralose sweetener, made from sugar




**Finn**

- Launching of the cereal bars, cookies and breakfast cereals line




**éh**

- Brand expansion into body care category: organic soaps, lotions, exfoliator and shower oil



# Operational / Financial Highlights

## Operations

- Beginning of operations in the new Distribution Center in Cajamar
  - Consolidation of 7 DC's into 1
  - High-end technology
  - 35,000 square meters of area
  - More than 50,000 pallet positions

Distribution Center




## Financials

- Equity offering with approximately R$548 million raised through primary shares issuance to finance the Company´s expansion
- Extension of Loans and Financings Maturity and reduction of the average cost of debt

# Agenda

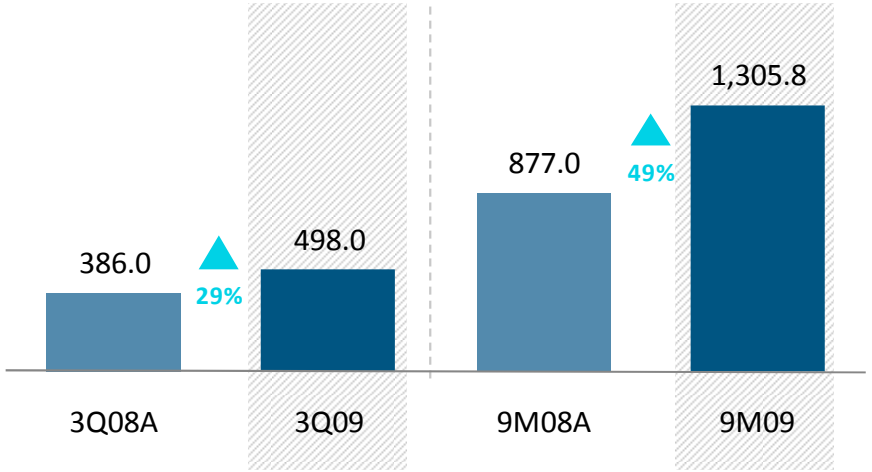
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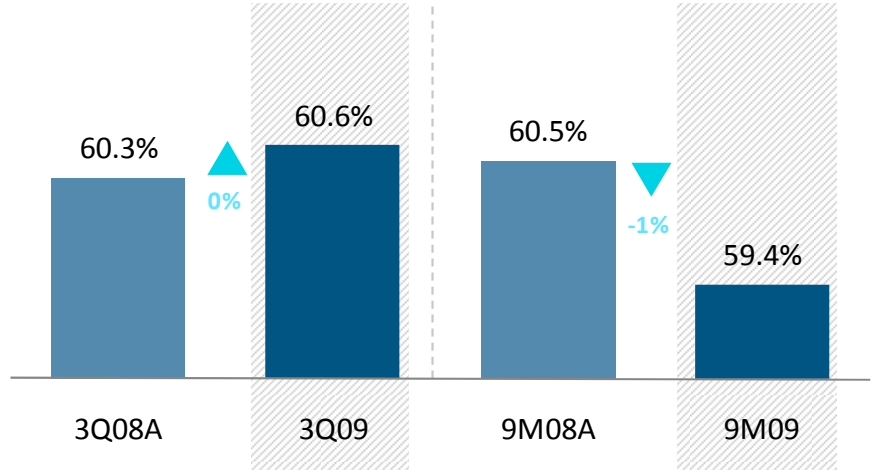

1 Highlights

**2 Financial Results**

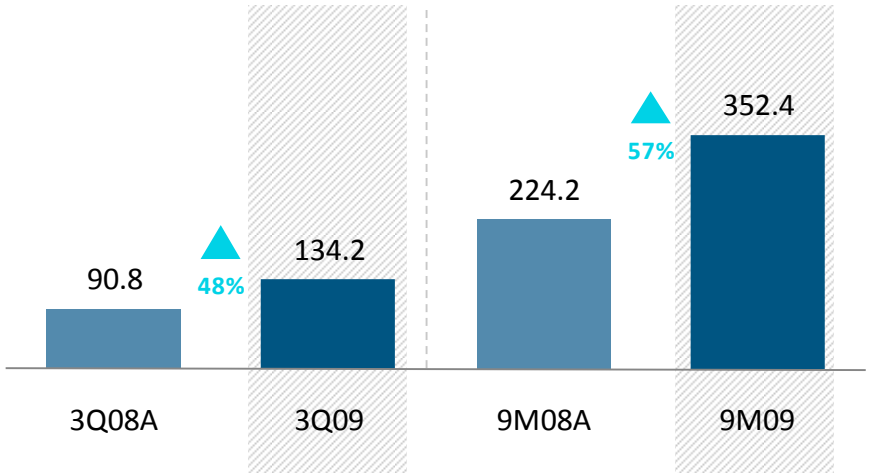
## Net Revenue (R$ million)



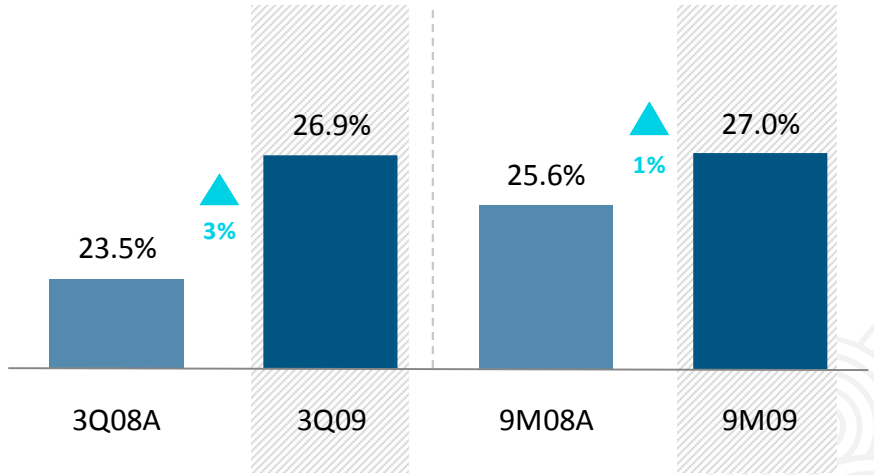

## Gross Margin (%)



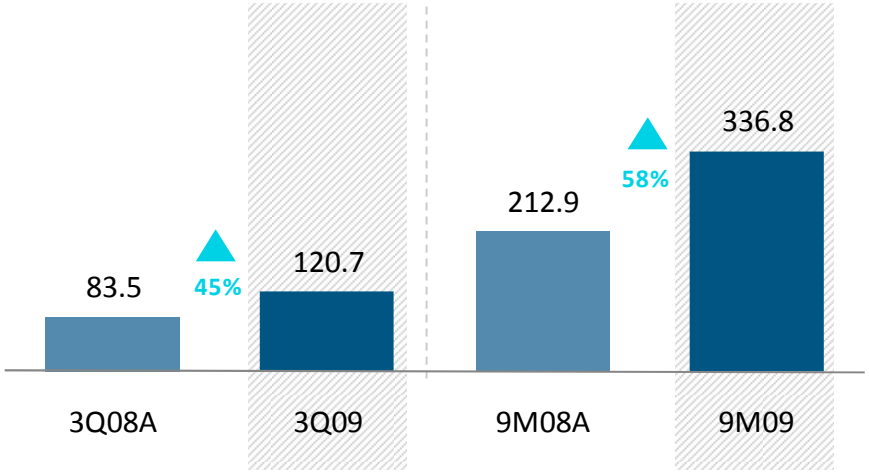

## EBITDA (R$ million)



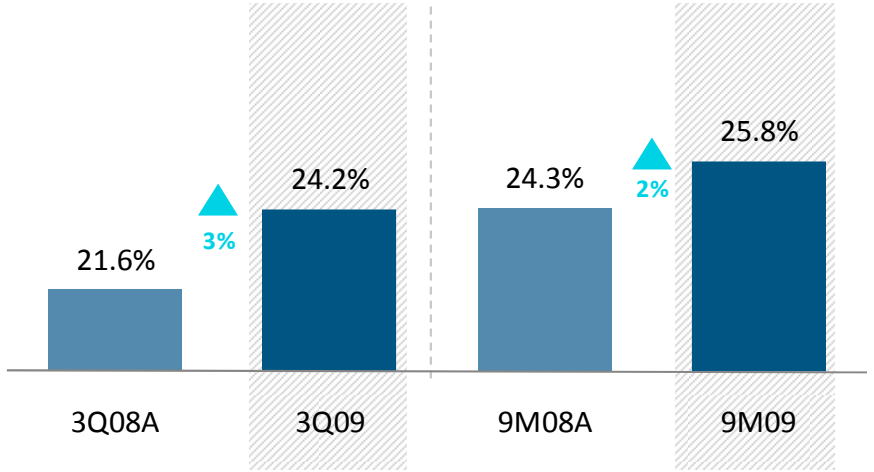

## EBITDA Margin (%)



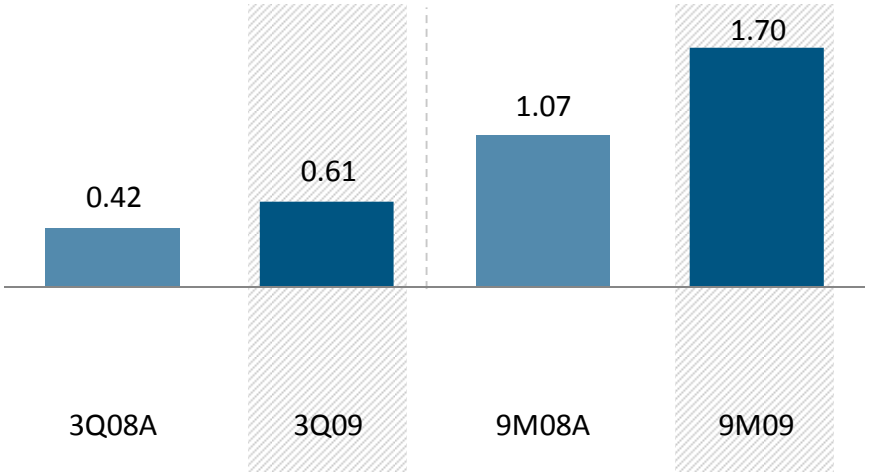
## Cash Earnings (R$ million)



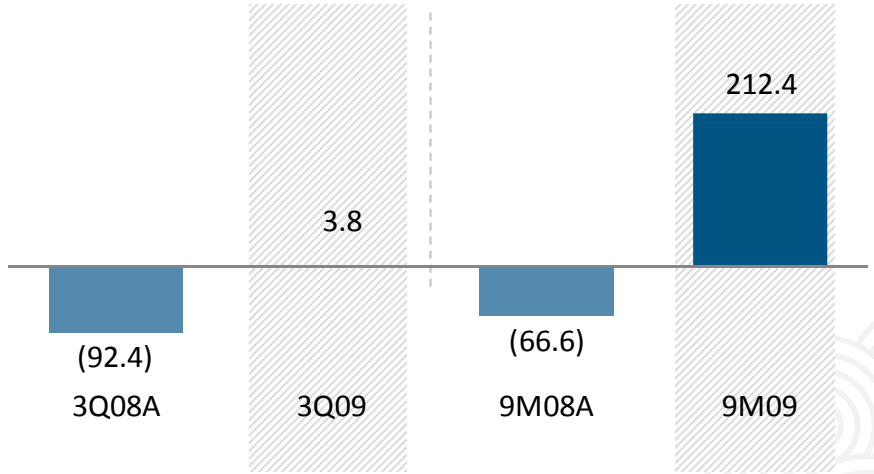

## Cash Earnings Margin (%)




## Cash Earnings per Share (R$)

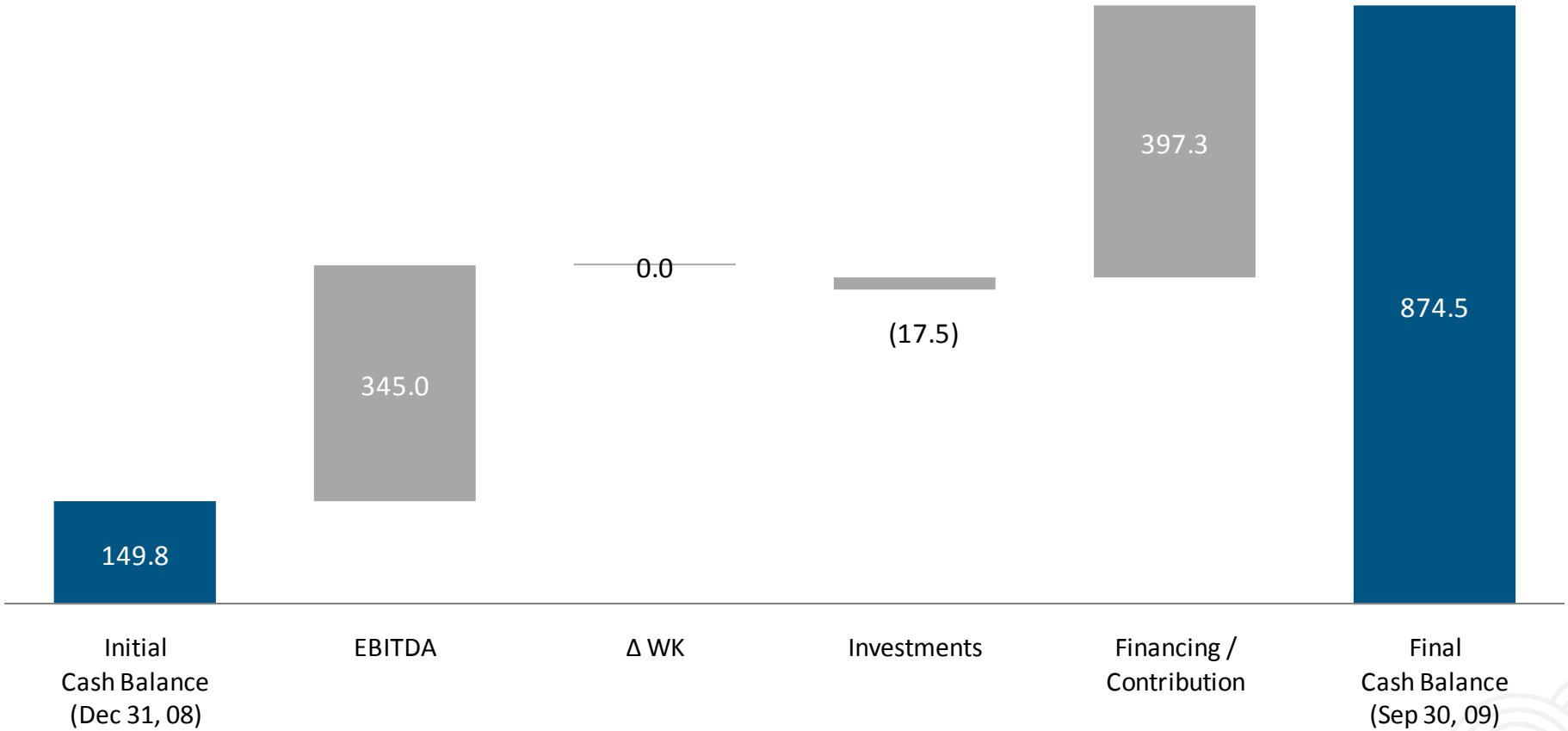



## Reported Net Income (R$ million)



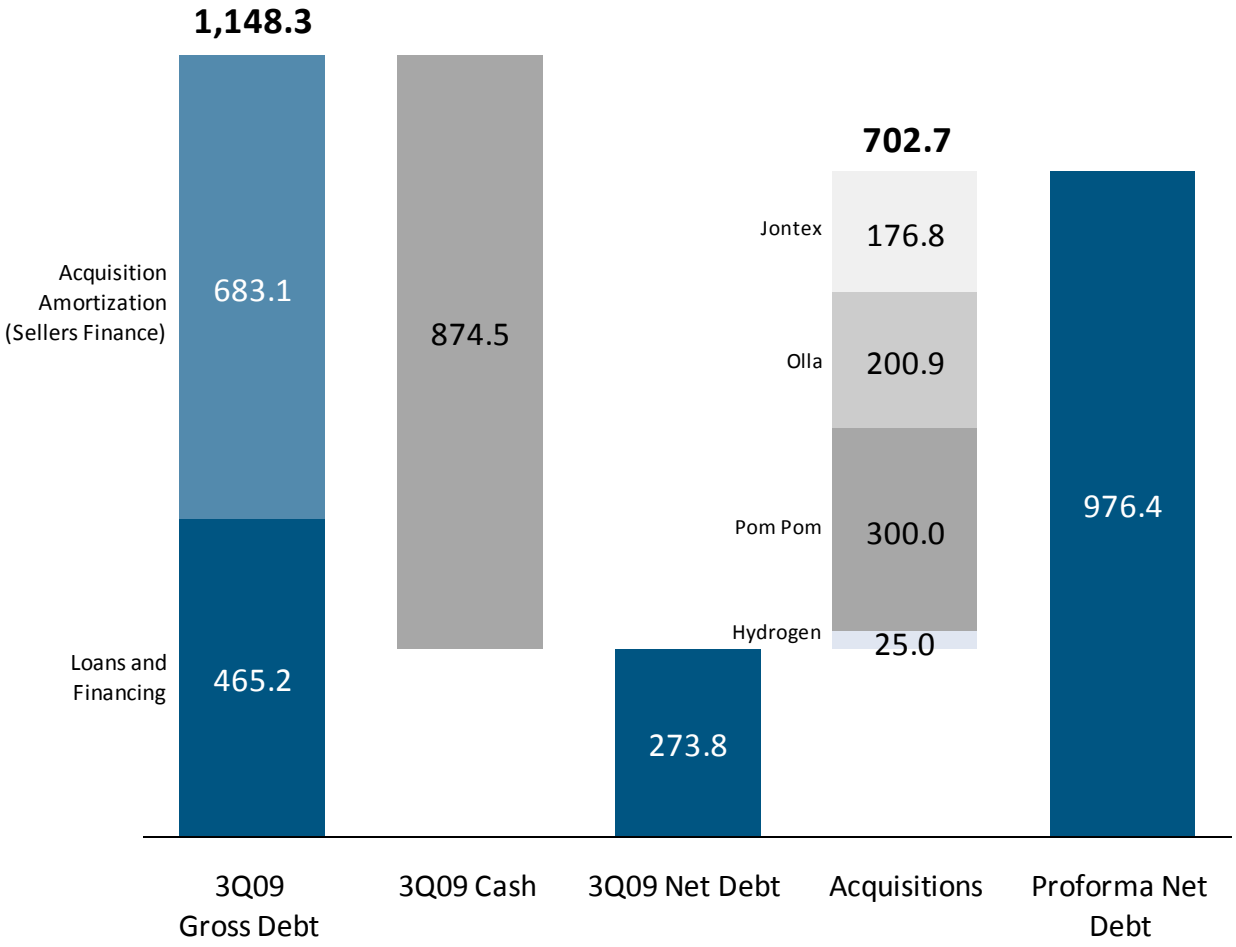
# Proforma Cash Flow

## Cash Flow Evolution 9M09 (R$ million)



# Proforma Indebtedness

(R$ million)



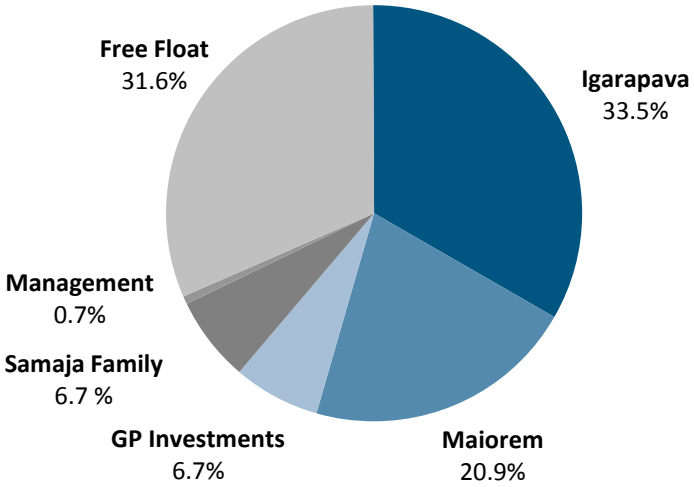

**Proforma Net Debt**
**LTM EBITDA = 2.1x**

| Proforma Totals (R$ MM) | |
|---|---|
| Loans and Financing | 465.2 |
| Notes Payable | 1.004.1 |
| Gross Debt | 1,469.3 |
| Cash | 492.9 |
| Net Debt | 976.4 |

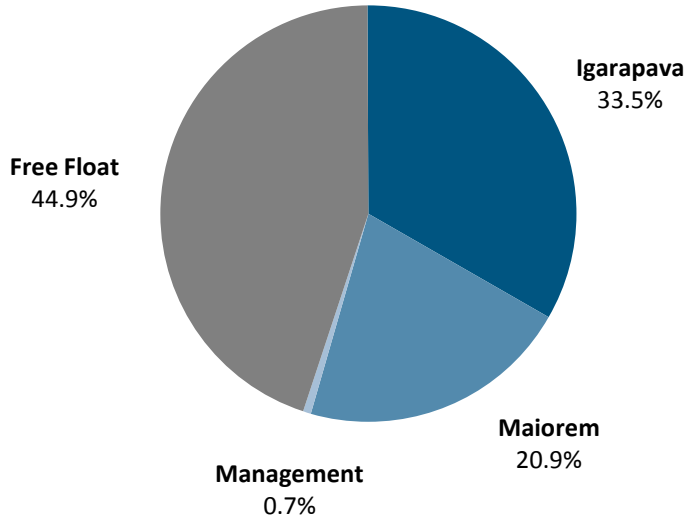
# Ownership Structure and Corporate Governance

**Increase of free float from 32% to 45% => increase in liquidity**

## Before exiting the Control Group




## After exiting the Control Group




### Change

Release of 29,720,140 ordinary shares of Samaja Family and GP Investments from the Control Group

# Contacts

## Investor Relations




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