2Q11 RESULTS

Grupo Pão de Açúcar and Globex Utilidades

July 26, 2011





















Grupo Pão de Açúcar

2Q11 HIGHLIGHTS

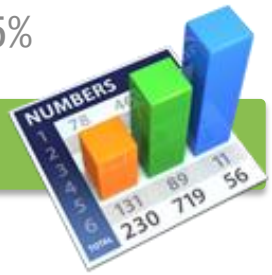


ENÉAS PESTANA

Macroeconomic impact

- IPCA 12 months: +6.7%
  - GPA Food real growth: +2.3%
- Increase in Selic[1] rate from 11.75% to 12.25%

Performance in businesses



- **'Same-store' growth:**
  - GPA Food[2]: +9.3%, Globex[2]:+17.6%
  - Results: increase in marketshare, profitability with competitiveness and permanent control of expenses
    - EBITDA: +20% Food, +38% Globex
    - EPS: +64% Consolidated

[1] End of periods 1Q11 and 2Q11, respectively
[2] Net Sales

2Q11 HIGHLIGHTS



ENÉAS PESTANA

Capital Structure and Debt

> Improved debt/EBITDA ratio

> Same level of financial expenses

People and Sustainability

People

> Turnover reduction

> Better customer service

> Improved employees' satisfaction

Sustainability

> GPA/AES Eletropaulo/AKATU: campaign of conscious consumption and discard of fluorescent lamps

> 10 years of recycling stations (currently 238 stations)

> Agreement entered into with "Ministry of Social Development" and with the "Ministry of Rural Development" for the promotion of family farming in "Brazil without Poverty Program" of the Federal Government

AGENDA – 2Q11 RESULTS



GPA CONSOLIDATED IN THE 2Q11: GROSS SALES OF R$ 12.6 BN



>GROSS SALES: R$ 12.6 bn + 61.3% vs. 2Q10

GPA Food[1]: Same-store growth of 9.1% in the 2Q11
Globex[2]: Same-store growth of 14.1% in the 2Q11



>GROSS PROFIT: R$ 3.0 bn +82.8% vs. 2Q10

Margins: GPA Food[1]: 25.2% +40 bps vs. 2Q10
Globex[2]: 28.1% +130 bps vs. 1Q11



>EBITDA: R$ 641 mn +66.3% vs. 2Q10

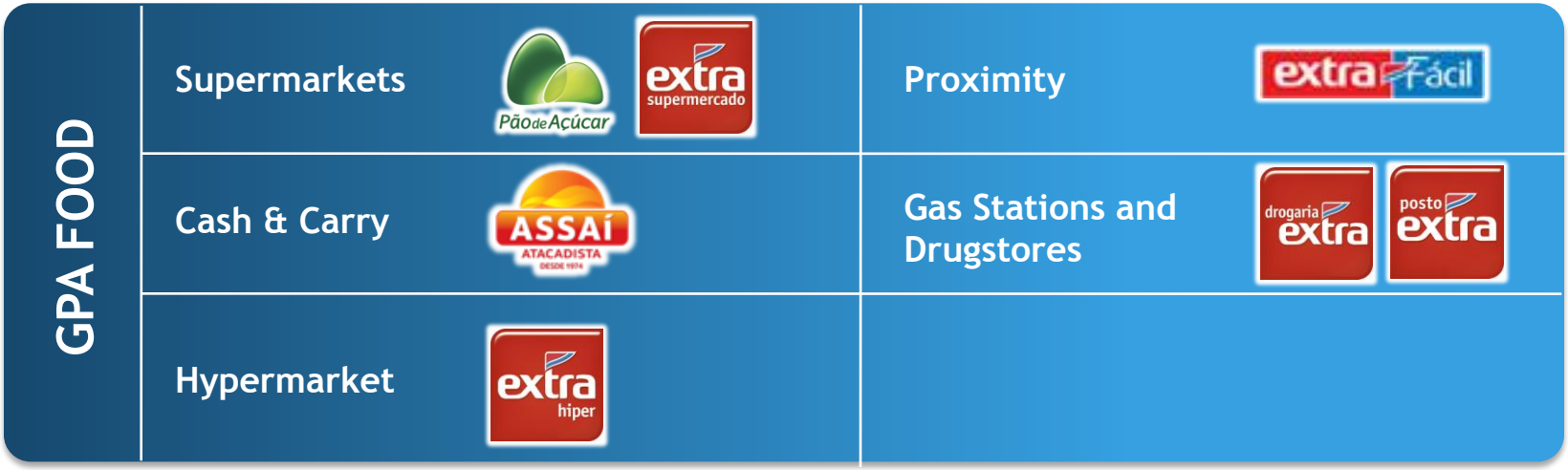
Margins: GPA Food[1]: 6.7% +50 bps vs. 2Q10
Globex[2]: 4.4% +110 bps vs. 1Q11

The figures presented in this document already reflect the IFRS change in 2010 and 2011 and it changes Company's already published figures.

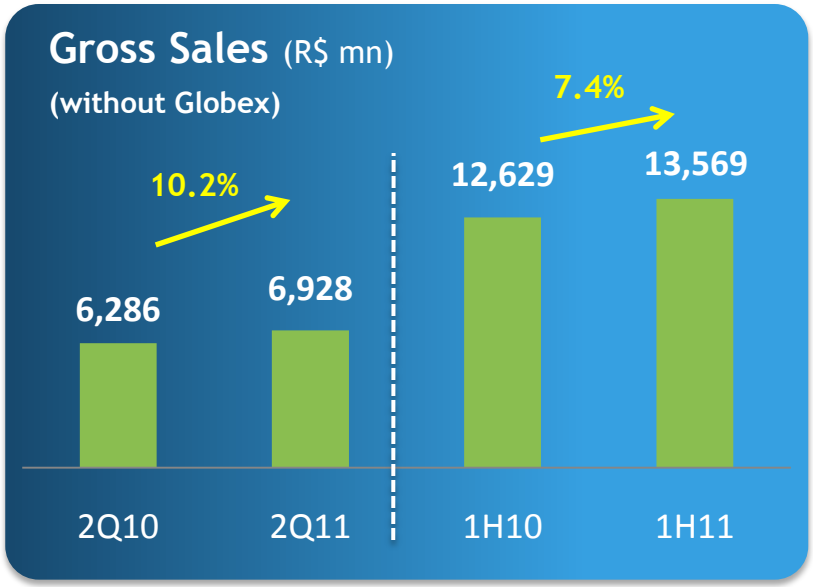
Globex's numbers are not comparable between 2Q11 and 2Q10 due to the consolidation of Casas Bahia as of November, 2010.

[1] Refers to GPA Consolidated without Globex.
[2] Considers Ponto Frio and e-commerce, excluding Casasbahia.com.br

AGENDA – 2Q11 RESULTS



GROSS SALES OF R$ 6.9 BN, SAME-STORE SALES INCREASE 9.1% IN THE QUARTER



> Same-store growth

> In the 2Q11, higher than the 2nd player for 3 years in a row

> In the 1H11, +7.4%, the upward trend observed in previous quarters is maintained





Highlights with same-store growth > 15%

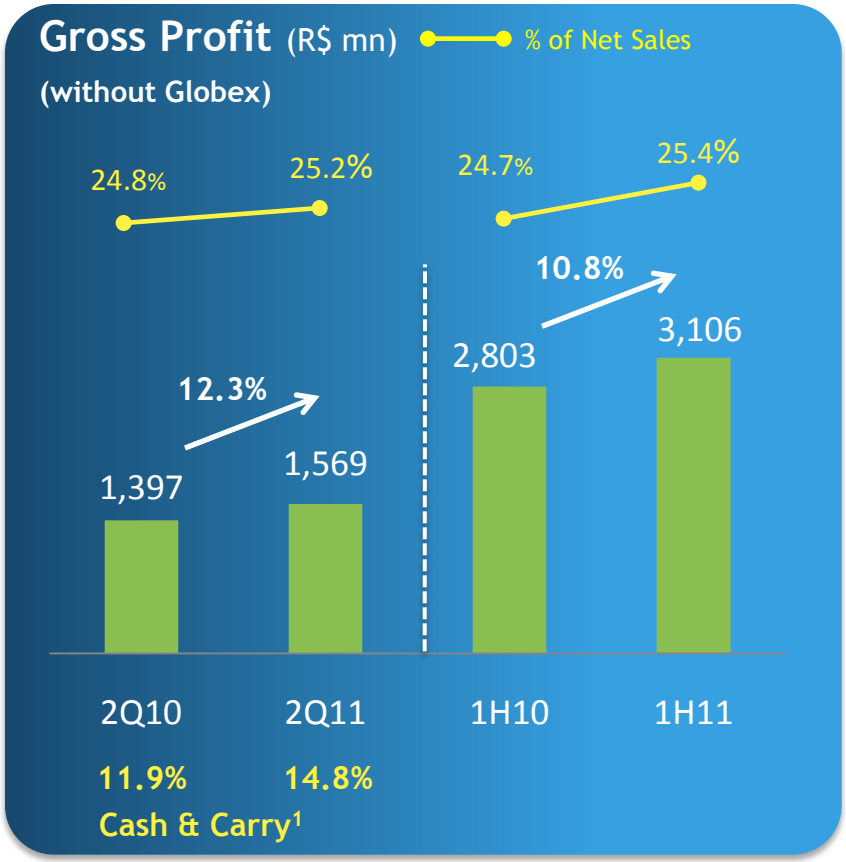
ASSAÍ ATACADISTA

extra supermercado



The shopping period for Easter took place in the 1Q10 and 2Q11. The analysis of growth in the first 6 months isolates this effect.

GROSS PROFIT CLIMBS BY 12.3%



> **Margin expansion is related mainly to :**
>
> > Product mix with higher margin

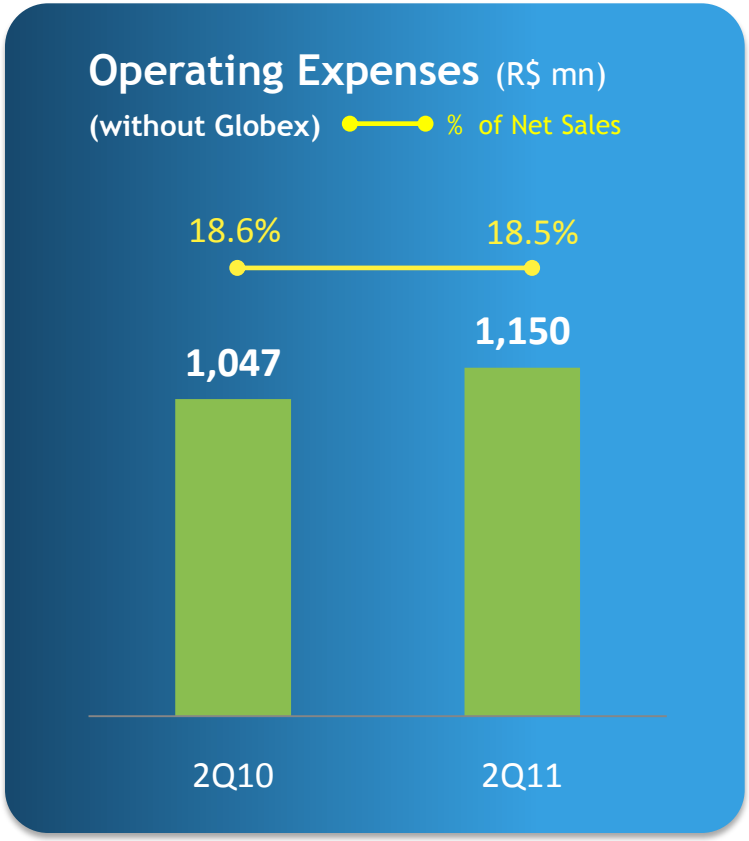
General Merchandise and **Perishables**

Aligned with the strategy of conversion to Extra Supermercado, which allocates larger area for these categories



[1] Cash-and-carry operation share in GPA Food net sales.

OPERATING EXPENSES OF R$ 1.1 BN IN THE 2Q11

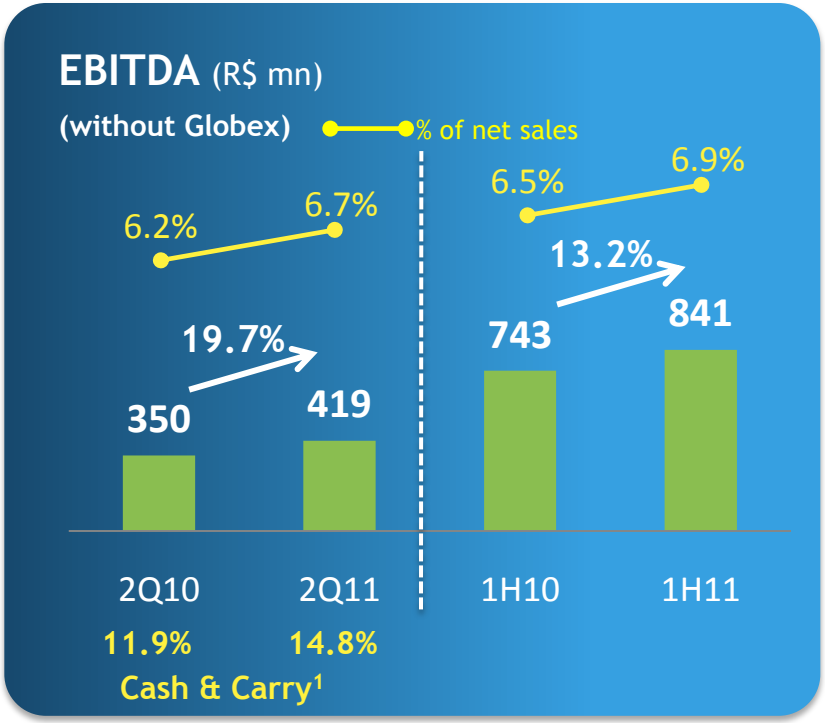


> Maintenance of the same level of operating expenses as a percentage of net sales in 2Q10



Creation of the Management Control with the administration of the expenses groups

EBITDA MARGIN OF 6.7% IN 2Q11



> The expansion reflects:

- > Increase in gross margin – greater sales of higher aggregated margin items
- > Expenses dilution – increase in a lower rate than sales and gross profit

The reclassification of 'Profit sharing', which now impacts the EBITDA, represents 20 bps of margin, which would be 6.9% in the quarter

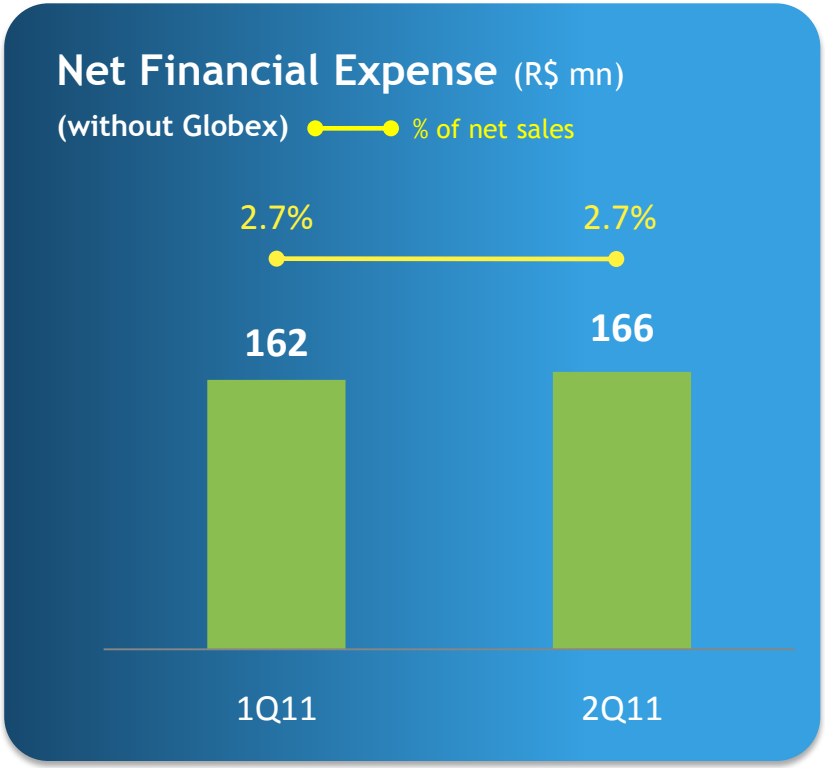
[1] Cash-and-carry operation share in GPA Food net sales.

NET FINANCIAL EXPENSE KEEPS REPRESENTING 2.7% OF SALES

> Maintained level of 2.7% of net sales, despite the higher Selic rate

> Breakdown:

- > 1.1%: Charges on bank net debt (R$67.6 mn)
- > 0.6%: Charges of discounted receivables (R$34.3 mn)
- > 1.0%: Adjustment by CDI of other assets and liabilities(R$64.4 mi)



AGENDA – 2Q11 RESULTS



Due to the consolidation of Casas Bahia's results as of November, 2010, we use the 1Q11 as a reference for better comparison.

Expenses from "profit sharing", previously recognized after "operating profit before income tax", are now recognized in the "general and administrative expenses" line, as part of the adjustment to the new accounting standards (IFRS).

GLOBEX 2Q11 HIGHLIGHTS



RAPHAEL KLEIN

> **Positive results of the integration process:**
  - > Commercial margin gains
  - > Control of non-interest-bearing sales and increased interest-bearing sales
  - > Maintenance of financial expense
  - > Return of organic growth (12 new stores)

The Company will consistently deliver the guidance presented to the market

GLOBEX 2Q11 HIGHLIGHTS



QUIROGA

> **Nova Pontocom (2Q11 vs 2Q10):**
  - > Sales [1] : growth of 58.0%
    - > 50% higher than the market growth
    - > Highlight for CasasBahia.com.br, 3-digit growth
  - > EBITDA: growth above 50%
    - > Margin between 6% and 7%
  - > SAC 2.0
  - > Logistics 2020

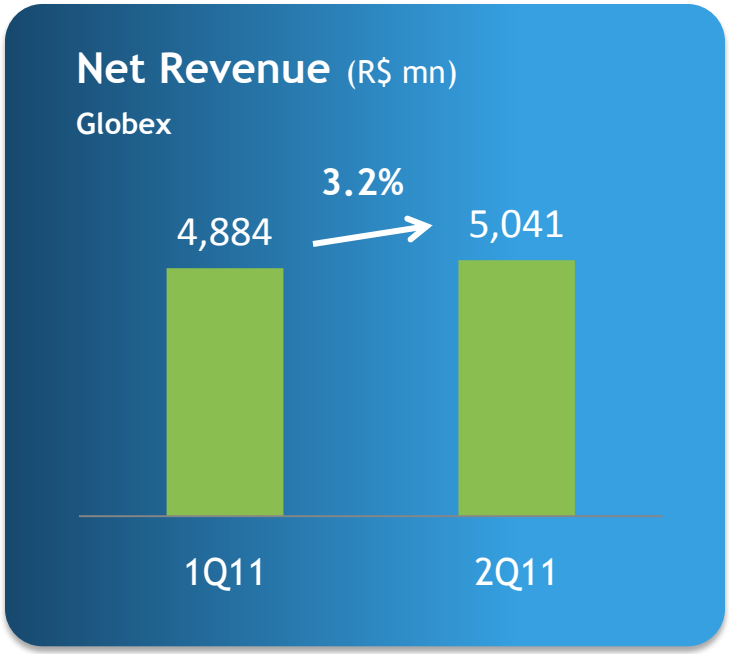
ebit Confiança na Compra Online

extra.com.br

PONTOFRIO.com

(1) In addition to the PontoFrio.com.br and Extra.com.br websites and the wholesale operation, this number includes the proforma of CasasBahia.com.br and is the basis for the guidance given for the year.

NET SALES OF R$ 5.0 BN, SAME-STORE CLIMB BY 17.6%



> **Same-store growth vs. 2Q10:**
>
> > Even vs. the period of World Cup (2Q10)
>
> > Control of non-interest-bearing sales and increased interest-bearing sales



Bricks-and-mortar:

+8.1%

HIGHLIGHTS

SAME-STORE gross sales

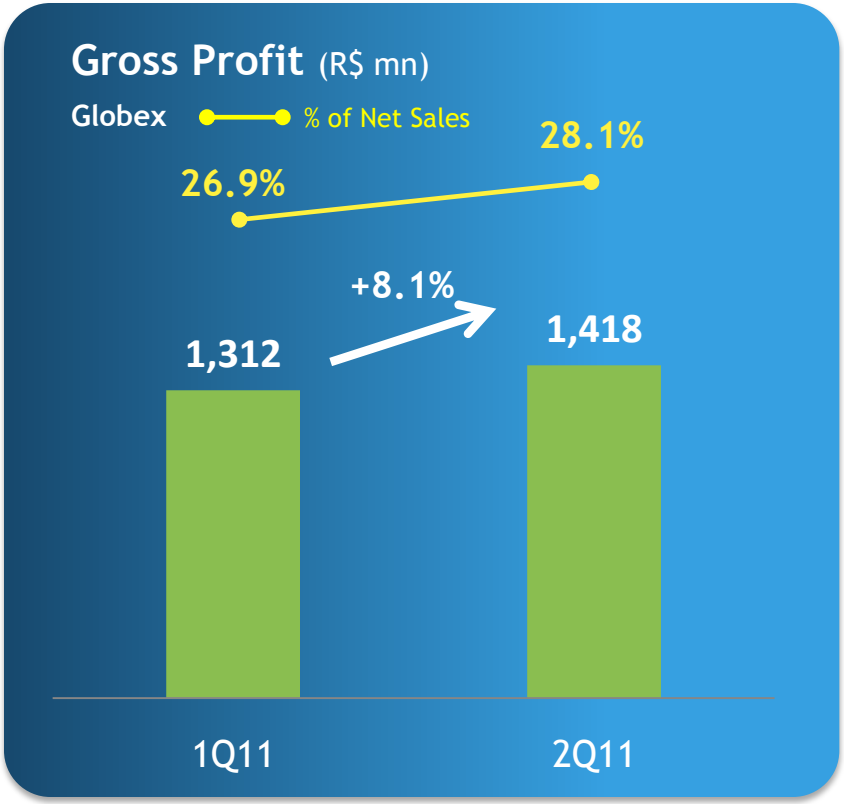


e-commerce [1]:

+39.4%

[1] Comparable basis (Casasbahia.com.br and wholesale are not included)

GROSS PROFIT OF R$ 1.4 BN IN THE 2Q11, MARGIN OF 28.1%



> **Gains in commercial efficiency:**
  > Better price policy
  > Better commercial conditions associated with a better product mix



Reduction of logistics expenses : Result of the combination of two operations under a single structure

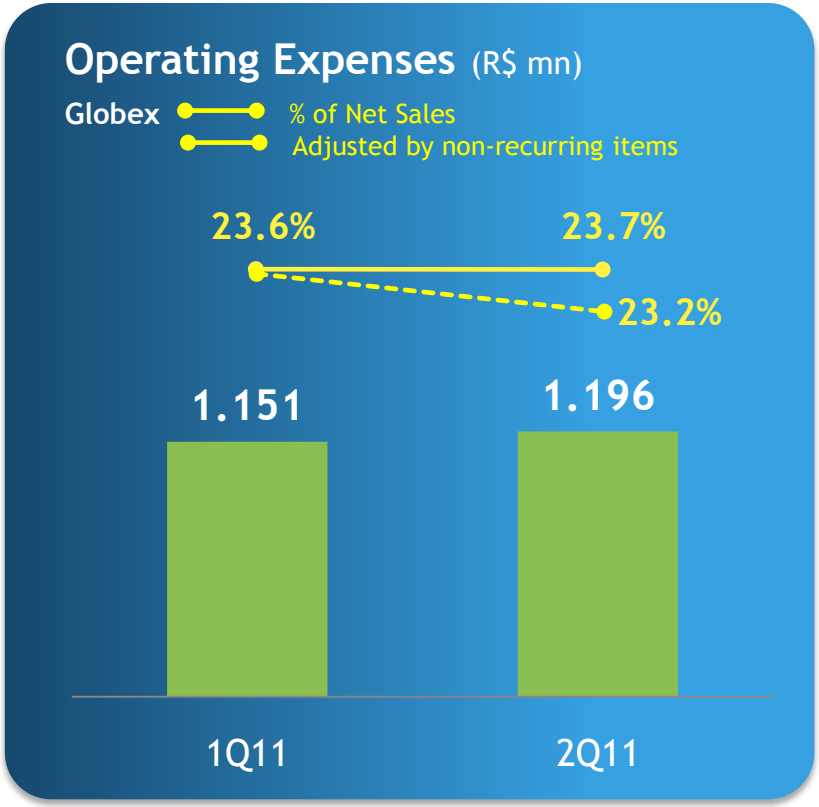
OPERATING EXPENSES REPRESENTED 23.7% OF NET SALES IN THE 2Q11

> Maintenance of the expenses level

> Impact of non-recurring items (R$ 25.7 mn):
  - Software maintenance agreement, R$11.5 mn
  - Adjustment of benefits and charges R$10,0 mn
  - Adjustment of provisions for profit sharing, R$4.2 mn

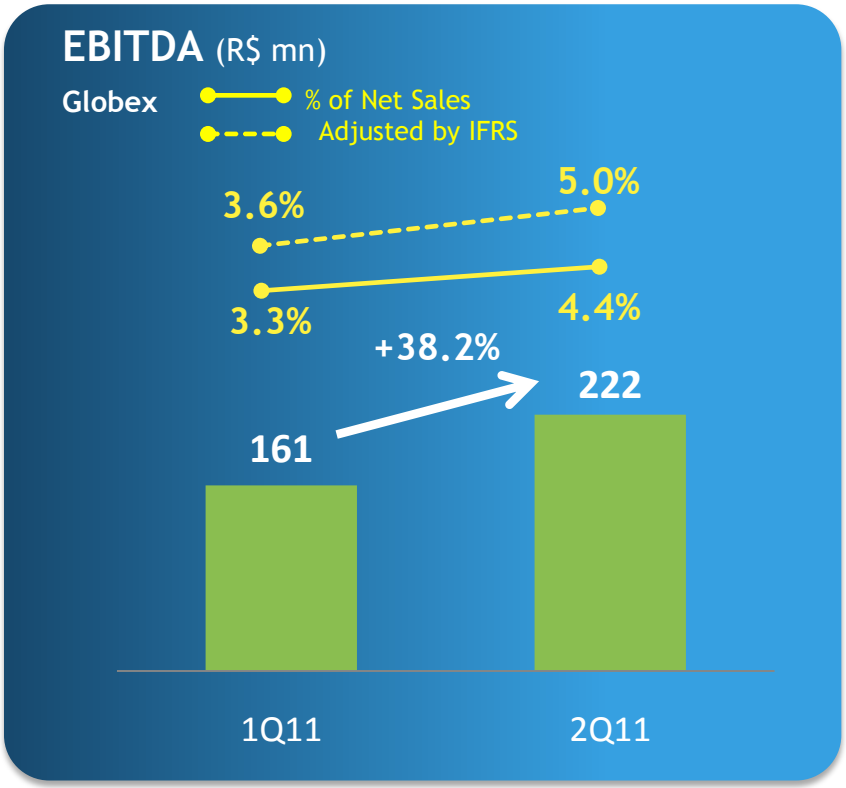
> Excluding the items above, expenses would have come to 23.2% of net sales

‘Profit sharing’ is now considered Operating Expense under IFRS



> The process of synergies gains in expenses advances in the 2H11

EBITDA OF R$ 222 MN IN THE 2Q11, WITH MARGIN OF 4.4%



- **Advance in EBITDA margin**
  - Gross margin increase



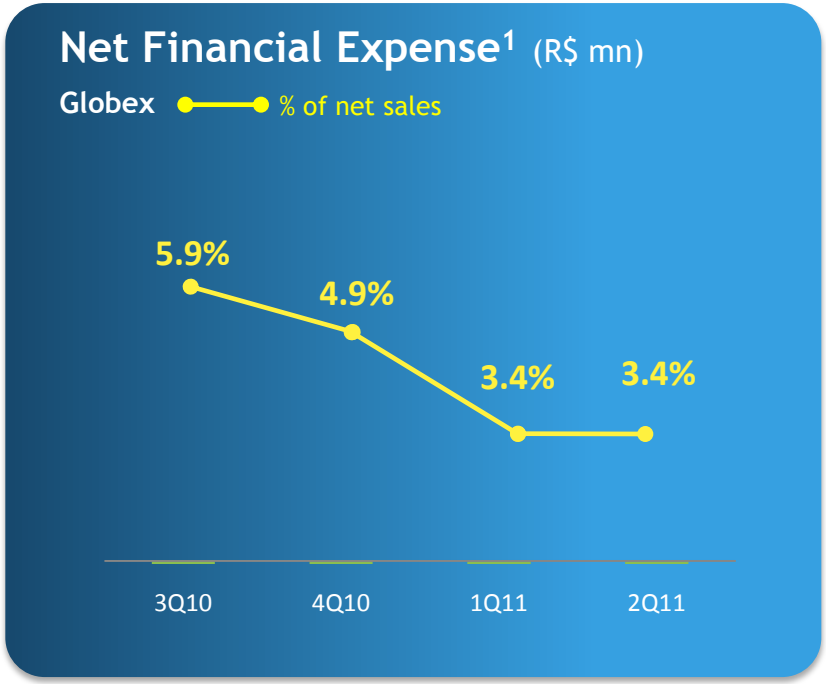
EBITDA in 2011:

We reaffirm the margin guidance

Reclassification of 'profit sharing', which starts to impact EBITDA, represents 0.6% of the margin

2011 EBITDA Margin guidance, now in IFRS basis, is equivalent to margin between 4.0% and 5.5%

NET FINANCIAL EXPENSE REPRESENTED 3.4% OF NET SALES



- **Maintenance of financial expenses level, even with the Selic increase in the period**
  - Maintenance in the average payment period
  - Greater use of FIDC (Nova Pontocom)
  - Increase in the share of interest-bearing sales



The financial expense as net sales percentage remains below the guidance for 2011 (between 3.5% and 4.5%)

1 NCB is included as of November, 2010.

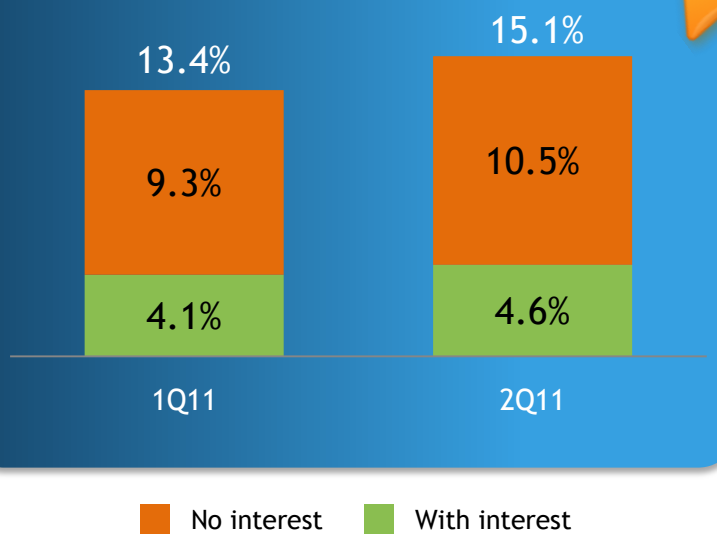
AGENDA – 2Q11 RESULTS



FIC IN 2Q11

Private label share in sales

Globex % of net sales



THE BEST PAYMENT MEAN[1]

> **Equity income result: R$ 2.7 mn in 2Q11**
>
> > GPA Food: R$ (1.0) mn
> >
> > Globex (Ponto Frio): R$ 3.7 mn
> >
> > The change into cards with chip generated R$9.2 mn (non-recurring)

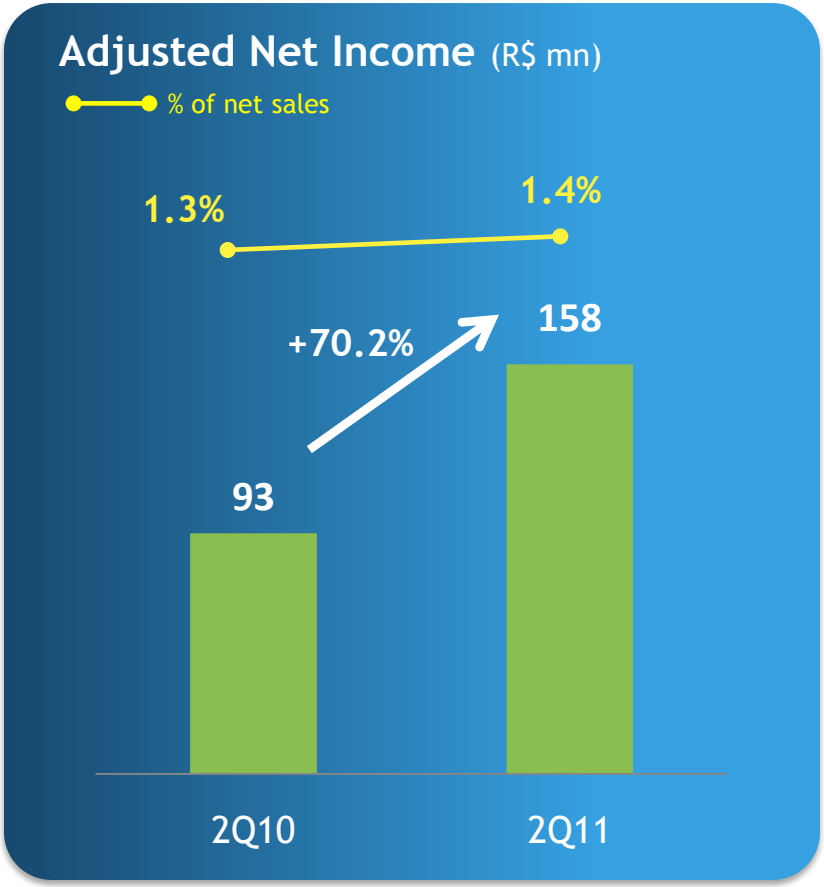


Globex interest-free sales represented in the 2Q11 less than 50% of sales

[1] The best credit tool:

> Longer term
>
> Lower comission cost
>
> Discount of receivables at FIDC cost

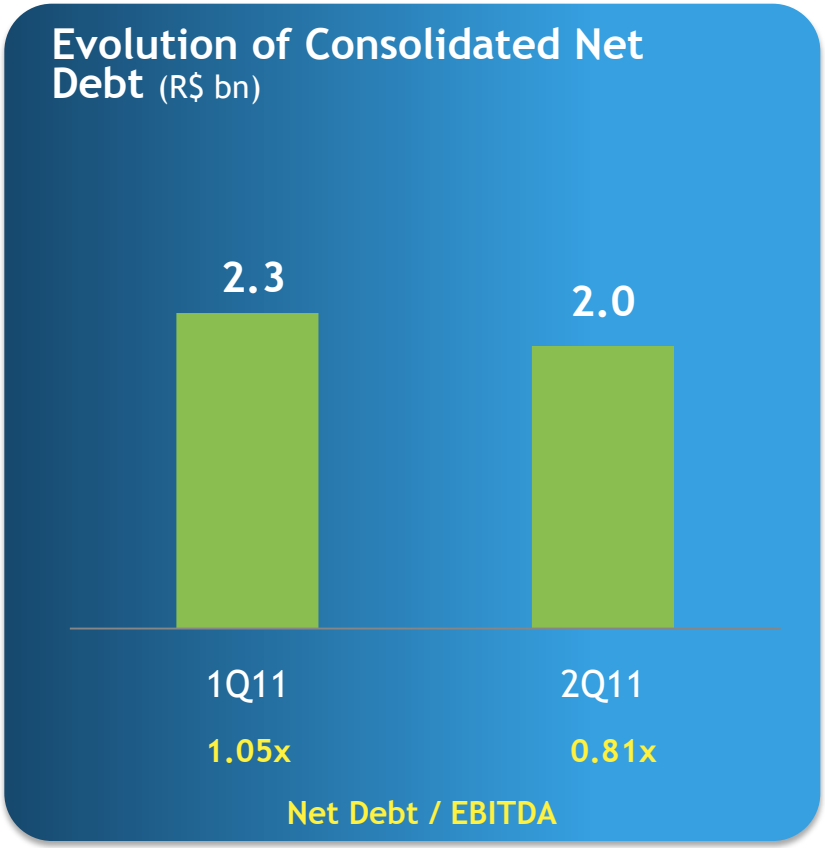
2Q11 CONSOLIDATED NET RESULT



- **Adjusted net income grows by 70.2%, totaling R$158 mn**
  - Considering non-recurring effects with REFIS, adoption of IFRS and integration expenses
  - Operational strengthening and EBITDA margin advance in Food
  - Recovery of the Globex's operation, which comes close to break-even
- **Accounting net income climbs by 64% (R$56 mn in the 2Q10 to R$91 mn)**
- **Growth despite the increase in financial expenses (Selic advances from 10.25% to 12.25% p.a.[1])**

1 End of period.

CONSOLIDATED NET DEBT



- **The reduction on net debt is associated with:**
  - Reduction of debt in Globex's operation
  - Debt level maintenance in GPA Food

GRUPO PÃO DE AÇÚCAR

2Q11 INVESTMENTS

	AMOUNT INVESTED	STORES
GPA FOOD	R$ 205.7 mn **New stores and lands** R$ 21.7 mn **Renovations and conversions** R$ 88.6 mn **Infrastructure** R$ 95.4 mn	12 conversions > 10 CompreBem to Extra Supermercado > 1 CompreBem to Extra Hipermercado > 1 Sendas to Extra Supermercado
	1H11: R$455.0 mn invested	1H11: +03 stores, 35 conversions
ELECTRONICS	R$ 84.1 mn **New stores and lands: R$ 10.5 mn** **Renovations and conversions: R$ 17.9 mn** **Infrastructure:** **> Fleet: R$ 15.9 mn** **> Technology: R$ 24.5 mn** **Other: R$ 15.3 mn**	12 new stores > 9 Casas Bahia > 3 Ponto Frio
	1H11: R$118.0 mn invested	1H11: +10 traditional stores

CONTACT – INVESTOR RELATIONS

Grupo Pão de Açúcar (GPA)
Globex Utilidades S.A.

Investor Relations Team
Phone: +55 (11) 3886-0421
Fax: +55 (11) 3884-2677

gpa.ri@grupopaodeacucar.com.br
www.gpari.com.br

> FORWARD –LOOKING STATEMENTS

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