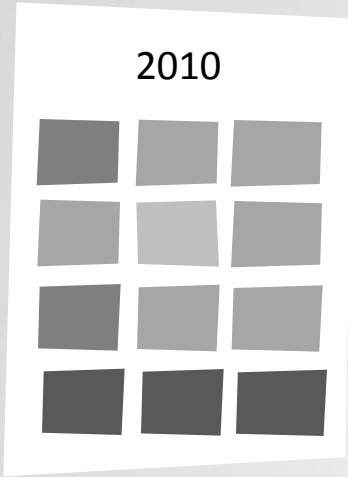


4Q10 and 2010 Results

Investor Relations
February 24, 2011

Grupo Pão de Açúcar

2010 Challenges



The year started with important challenges:


Enéas Pestana

- ✓ Replacement of the President
- ✓ Management of a multiformat company evolving into a multibusiness company
- ✓ Team's ability to keep achieving good results

Reopening of negotiations with the Klein family

- ✓ Delay of a half year in the negotiation of the association with Casas Bahia
- ✓ Interruption of the Ponto Frio turnaround process
- ✓ Doubts about the ability to work together to capture synergies following the conclusion of the agreement



2010 Achievements

- ✓ Renegotiated agreement with the Klein Family on the same initial basis with “governance”
- ✓ Beginning of the integration synergy of Globex with Nova Casas Bahia:
  - ✓ capture of commercial and operational gains
  - ✓ excellent integration and cooperation between teams
- ✓ Largest EBITDA since the IPO
- ✓ Conversion of 93 Sendas and CompreBem stores
- ✓ Opening of 47 stores in GPA Food



Enéas Pestana

Right people in the correct places

- ✓ Specialized professionals in each business

PRESERVED VALUES:

- ✓Humbleness
- ✓Determination and grit
- ✓Discipline
- ✓Emotional balance



What lies ahead


Enéas Pestana

A multibusiness company with sales over R$50 billion

Right people in the correct places with processes and systems

Integration with capture of synergy of Ponto Frio and Nova Casas Bahia reaching guidance

Consolidation and expansion of cash-and- carry, supermarkets, hypermarkets, proximity stores, specialized businesses, electronics stores and e-commerce formats taking advantage of the Brazilian middle class growth.



R$36.1 bn of gross sales in 2010

Gross Sales



- 4Q10: R$12.6 bn
  - **'Same-store' sales increased by 11.5%**
- 2010: R$ 36.1 bn
  - **'Same-store' sales moved up by 12.1%**
- **Nova Casas Bahia consolidation as of Nov, 2010.**



Gross Margin

- 4Q10: 25.4%
  - **GPA Food[1]: 26.0%**
  - **Globex[2]: 24.5%**
- 2010: 24.5%

[1] Refers to GPA consolidated excluding Globex
[2] Includes Nova Casas Bahia as of November, 2010.

EBITDA of R$2.1 bn in 2010



EBITDA

- 4Q10: R$769.3 mn ⬆ **54.9% (margin of 7.0%)**
  - **GPA Food**[1]:R$567.1 mn (**margin of 8.7%**, the highest of the last 15 years)
  - **Globex**[2]: R$202.2 mn (**margin of 4.5%**)
- 2010: R$2.1 bn ⬆ 37.5% (margin of 6.4%)



Net Income

- **4Q10: R$447.0 mn (margin of 4.0%)**
- 2010: R$722.4 mn (margin of 2.3%)
- Dividends[3] of R$171.6 mi, R$0.69 per preferred share

[1] Refers to GPA consolidated excluding Globex
[2] Nova Casas Bahia is included as of November, 2010.
[3] Proposal to be ratified in the Annual Shareholders' Meeting

GPA overcomes the main guidances for 2010

		Guidances	2010	
TOTAL GROSS SALES	GPA Food	Above R$ 26 bn	R$ **26.1** bn	OK
	GPA+ Ponto Frio[1]	Above R$ 33 bn	R$ **33.1** bn	OK
REAL GROWTH OF 'SAME-STORE' GROSS SALES	GPA+ Ponto Frio	Between 4.0% and 5.0%	**6.4%**	OK
EBITDA	GPA+ Ponto Frio[2]	Above R$ 1.8 bn	R$ **2.0** bn	OK
CAPEX	GPA + Ponto Frio	Around R$ 1.6 bn	R$ **1.2** bn	OK
NET DEBT/ EBITDA	GPA+ Ponto Frio	Less than 1x	0.6 x	OK



[1] GPA Consolidated with Nova Casas Bahia: R$36.1 bn
[2] GPA Consolidated with Nova Casas Bahia: R$2.1 bn

Agenda - 4Q10 Results

Grupo Pão de Açúcar

GPA Food

- Supermarkets
- Cash-and-carry
- Hypermarkets
- Proximity
- Gas stations and Drugstores

GLOBEX

- Specialized Stores
- E-commerce





Agenda - 4Q10 Results

GPA Food

- Supermarkets
- Cash-and-carry
- Hypermarkets
- Proximity
- Gas stations and Drugstores



Gross sales of R$7.3 bn in the 4Q10, 7.9% up year-on-year

GPA FOOD



In 2010:

R$ 26.1bn = +12.0%

✓'Same-store' grew by 9.5%

✓Growing higher than the 2nd player for the 10th consecutive quarter

'Same-store' highlights in the 4Q10:

By banner

+15.5%

ASSAÍ ATACADISTA

+18.5%

extra supermercado

By category

+8.4%
Food

Beverage
Perishables



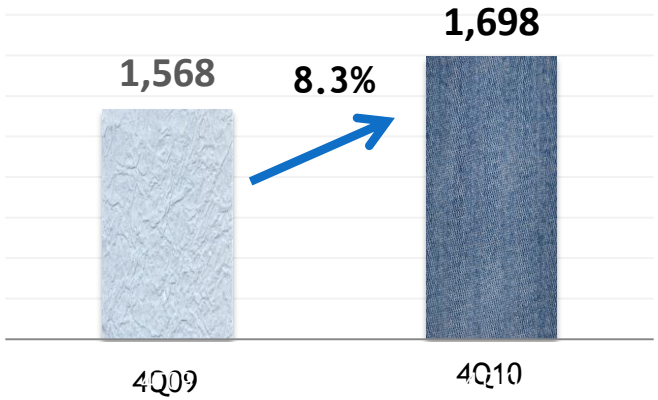
'SAME-STORE' SALES MOVED UP BY 7.2% IN THE 4Q10

Gross profit increased 8.3% to R$1.7 bn in the 4Q10

GPA FOOD

Gross Profit (R$ mn)

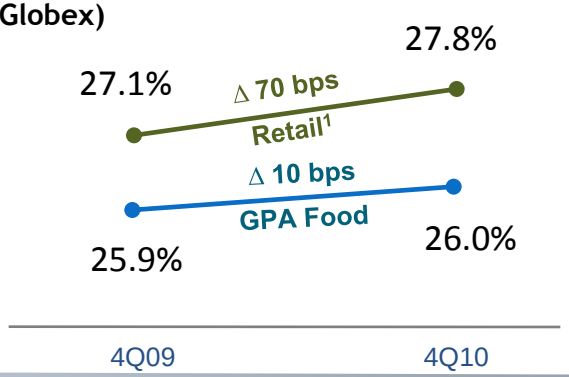
(ex-Globex)





Gross Margin (R$ mn)

(ex-Globex)



	4Q09	4Q10
Cash-and-Carry[2]	10%	14%

In 2010, gross profit of R$ 5.9 bn, growth of 12.2%

The result increase was achieved by:

- ✓ a qualified team that seeks a win-win relationship with suppliers
- ✓ use of the intelligence of a pricing tool in 60% of sales
- ✓ reduction of the informal market

[1] GPA Food excluding cash-and-carry operation (Assaí)
[2] Cash-and-carry operation share in GPA Food net sales

Operating Expenses of R$ 1.1 bn in 4Q10 account for 17.3% of net sales

GPA FOOD

GPA Management and Control Executive Office was created in 4Q10



In 2010, operating expenses represented 18.0% of net sales (18.1% in 2009) in spite of:

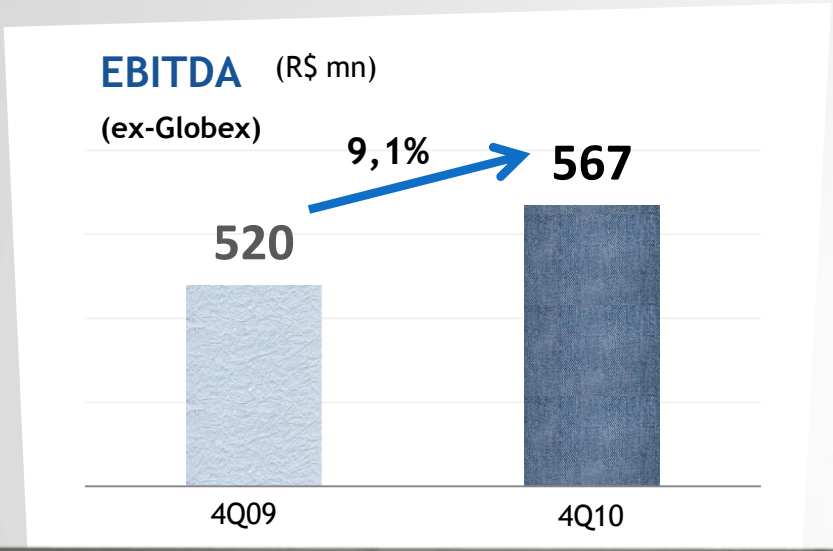
- ✓IT growth to support expansion
- ✓ Expenses with the opening of 47 stores and with the conversion of 93 Sendas and CompreBem stores

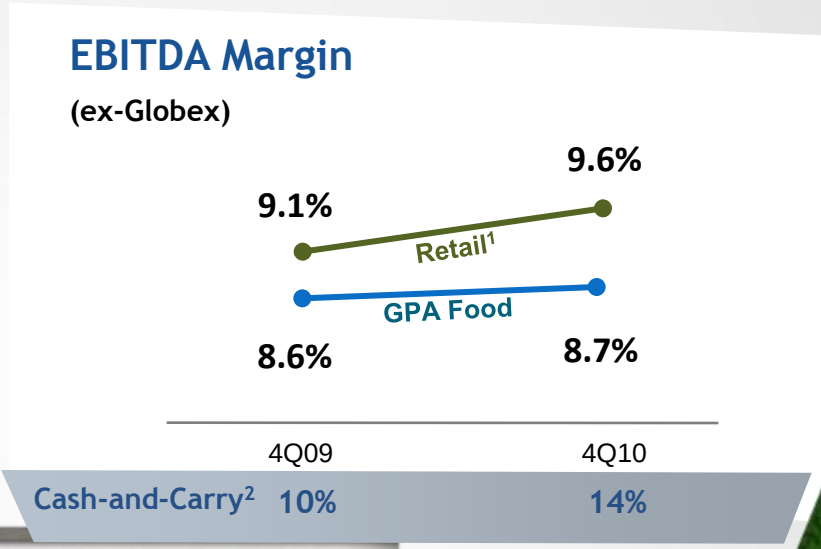
INITIATIVES:

- ✓ Resumption of expenses groups
- ✓ Implementation of matrix expenses management
- ✓ Zero-based budget in the second half of 2010

EBITDA margin of 8.7% in 4Q10 is the highest since 1995

GPA FOOD

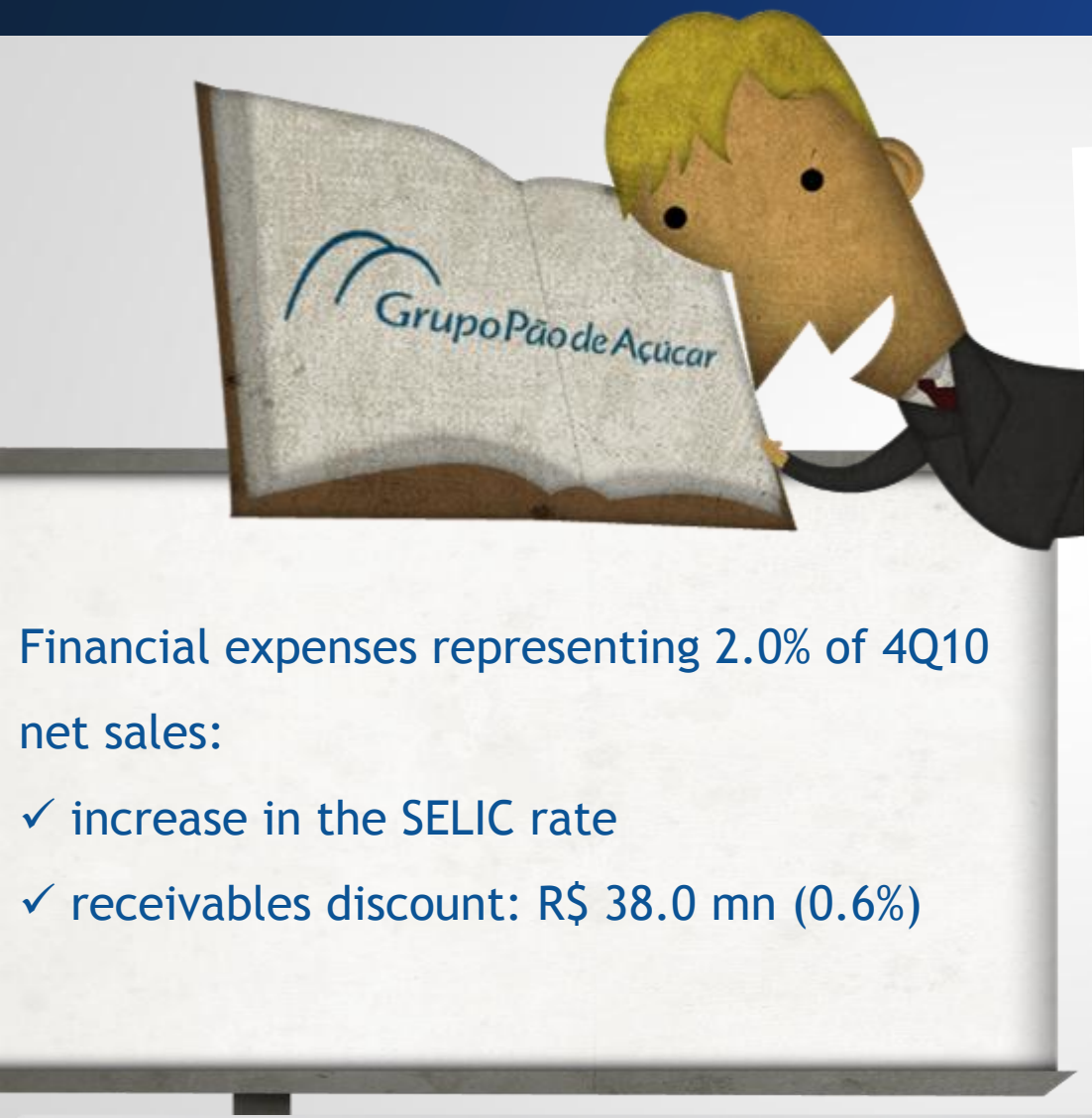




- ✓2010 EBITDA: R$ 1.7 bn = +12.2%
- ✓Retail[1] operational margin of 9.6% in the period

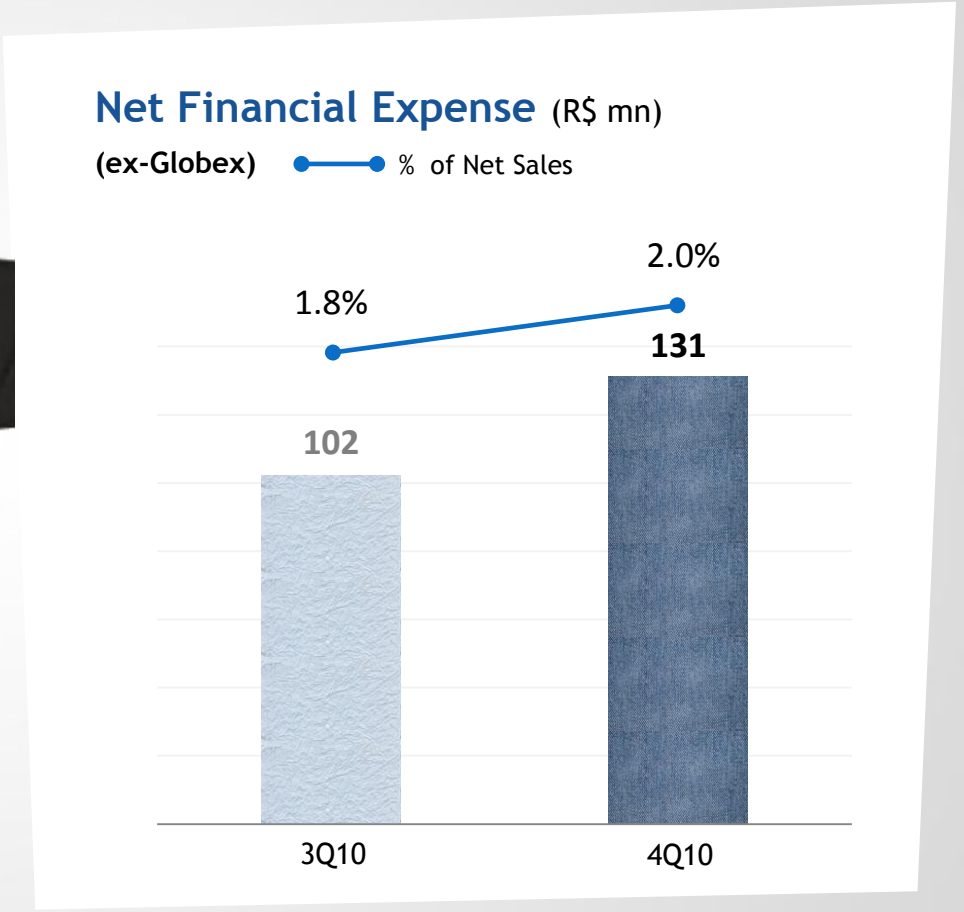
[1] GPA Food excluding cash-and-carry operation (Assaí)
[2] Cash-and-carry operation share in GPA Food net sales

Financial Result



Financial expenses representing 2.0% of 4Q10 net sales:

- ✓ increase in the SELIC rate
- ✓ receivables discount: R$ 38.0 mn (0.6%)



Investments in 2010

GPA FOOD

	4Q10	2010
Amount Invested	R$ 495.4 mn New stores and lands R$132.6 mn Renovations and conversions: R$ 185.4 mn Infrastructure R$177.4 mn	R$ 1,151.4 mn New stores and lands R$ 295.4 mn Renovations and conversions: R$ 466.2 mn Infrastructure R$ 389.8 mn
Stores and Area	15 new stores 9 Assaí 5 Extra Hiper 1 Extra Fácil 3.6% of area expansion (+49.3 thousand m²) [1]	47 new stores 13 Assaí 8 Extra Hiper 3 Extra Super 23 Extra Fácil 93 conversions of CompreBem and Sendas 6.1% of area expansion (+84.9 thousand m²) [1]



[1] Compared to December, 2009.

Agenda – 4Q10 Results



2010 Main Achievements

GLOBEX

Raphael Klein



FOCUS: OPERATION AND RESULT, CUSTOMER COMES FIRST

1) Unification of negotiations with suppliers, (complying with the APRO)

2) Centralization of the operational command of nearly 1,000 stores

PONTO FRIO

CASAS BAHIA



Consolidation of marketing intelligence

Strengthening the brands' positioning

PMO creation

Management of:

- Logistics - Booz & Co.
- Systems (front/back) - PwC
- Operations SSC - Accenture
- Special projects - Galeazzi

2010 Main Achievements

GLOBEX

Raphael Klein



Consolidation of the association with Grupo Pão de Açúcar

Creation of the 10th largest electronics company in the world

Conversion of 44 Extra Eletro stores into Ponto Frio

Beginning of the integration and synergy capture with Ponto Frio

FIDC capture of R$1.4 bi, rating AAA



Globex – Results Consolidation

GLOBEX

GLOBEX [1]

- Ponto Frio stores (12 months)
- Wholesale (10 months)

NOVA PONTOCOM

- PontoFrio.com.br (12 months)
- E-Hub (12 months)
- Extra.com.br (9 months)
- CasasBahia.com.br (2 months)
- Wholesale (2 months)

NOVA CASAS BAHIA (NCB)

- Casas Bahia stores (2 months)
- Bartira (2 months)
- CBCC (2 months)

NOVA CASAS BAHIA RESULTS CONTEMPLATE LAST 2 MONTHS OF 4Q10

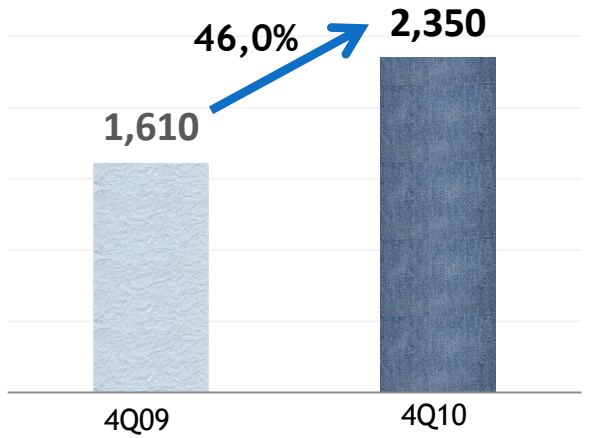
[1] Considers the results consolidation in the end of the 4Q10.

Gross sales of R$ 2.3 bn in the 4Q10 (ex-Nova Casas Bahia)

GLOBEX

Gross Sales[1] (R$ mn)

(Ponto Frio and e-commerce)





In 2010:

✓Globex (ex-NCB): R$ 7.0 bn, +47.0%
'Same store' sales growth of 42.1%

✓Globex (with NCB[2]): R$10.0 bn

'Same store' highlights in 4Q10:



e-commerce:

+63.0%

Guidance achievement of R$ 7 bn[1] in 2010

[1] Nova Casas Bahia is excluded for comparison purposes.

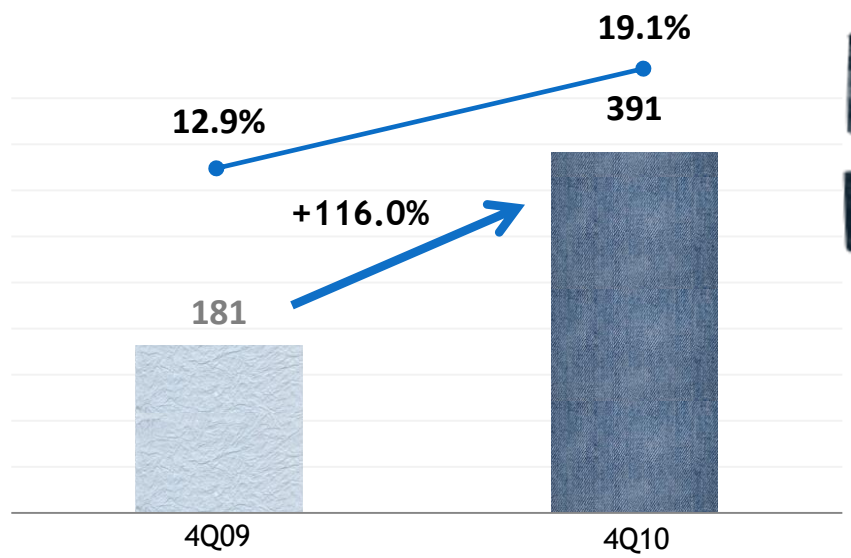
[2] Nova Casas Bahia is included as of November, 2010.

Gross profit of R$391 mn in the 4Q10, with a margin of 19.1% (ex-Nova Casas Bahia)

GLOBEX

Gross Profit[1] (R$ mn)

(Ponto Frio and e-commerce)



In 2010:

✓Globex (ex-NCB): R$ 1.2 bn with a margin of 19.4%

✓Globex (with NCB[2]): R$ 1.9 bn with a margin of 22.1%



Adjusted Gross Profit[1] of R$419 mn, with a margin of 20.4% if the effects of R$27.3 mn related to the ICMS tax substitution are excluded.

The improvement in the result was achieved by:

- ✓ Beginning of the integration process with NCB and synergies capture

[1] Nova Casas Bahia is excluded for comparison purposes.

[2] Nova Casas Bahia is included as of November, 2010.

Expenses represent 13.9% of net sales in the 4Q10 (ex-Nova Casas Bahia)

GLOBEX

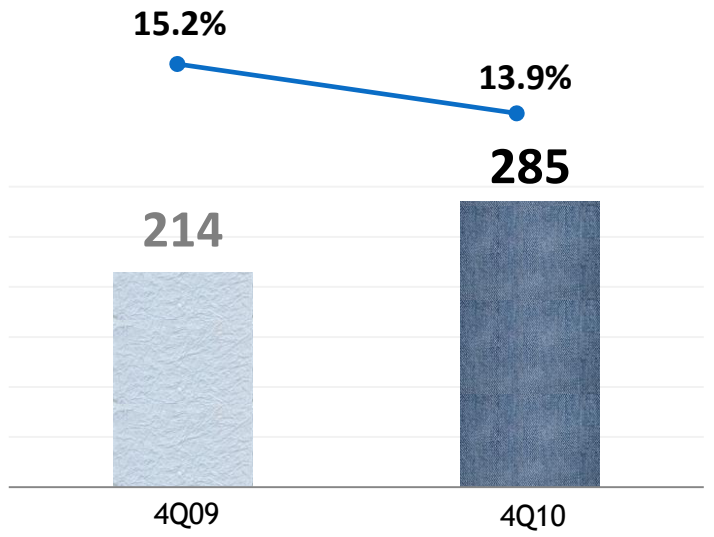
In the 4Q10[1]: 13.9% of net sales, 130 bps down on 4Q09.

The process continues in 2011.



Operating expenses[1] (R$ mn)

(Ponto Frio and e-commerce) % of Net Seles



In 2010:

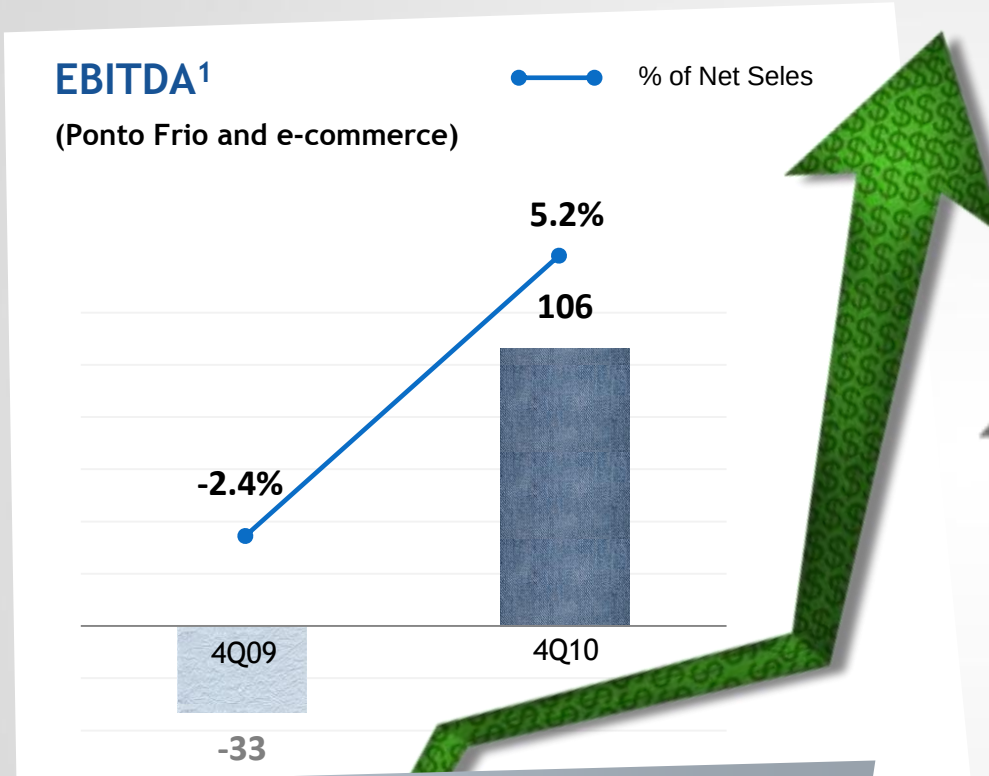
- ✓Globex (ex-NCB): R$ 943 mn (15.3% of net sales) vs R$ 920 mn (23.2%) in 2009
- ✓Globex (with NCB[2]): R$ 1.6 bn

[1] Nova Casas Bahia is excluded for comparison purposes·

[2] Nova Casas Bahia is included as of November, 2010.

EBITDA of R$106 mn in the 4Q10, with a margin of 5.2% (ex- Nova Casas Bahia)

GLOBEX



Ponto Frio: the best margin since the acquisition

Adjusted EBITDA[3] of R$133.5 mn and margin of 6.5%

Highlights:

- ✓ Significant sales increase in the period;
- ✓ Gross margin improvement through the beginning of the integration with NCB
- ✓ Ongoing expense management and control

In 2010:

- ✓Globex (ex-NCB): R$ 252 mn
- ✓Globex (with NCB[2]): R$ 348 mn

[1] Nova Casas Bahia is excluded for comparison purposes.

[2] Nova Casas Bahia is included as of November, 2010.

[3] Adjusted by non-recurring events of R$27.3 mn.

Financial Result

GLOBEX



Financial Expenses[1] of R$105 mn, representing 5.1% of net sales

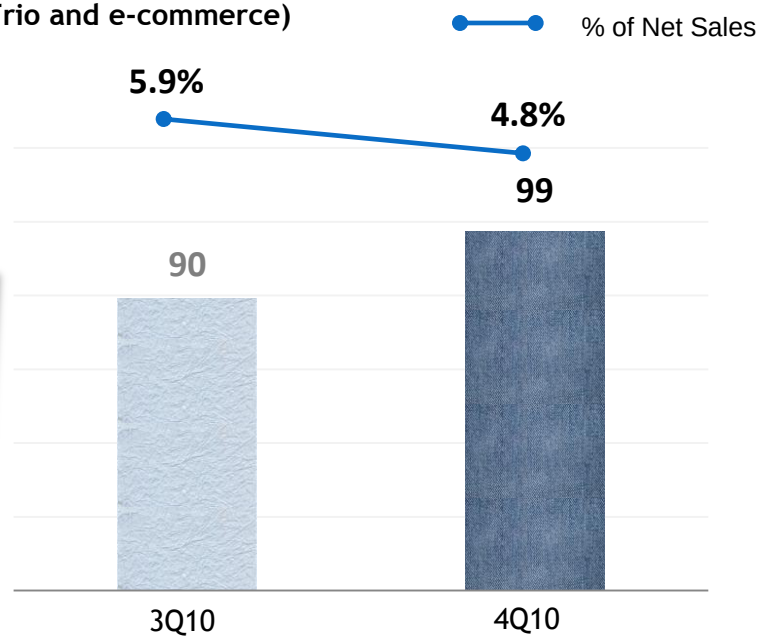
- **R$ 80.7 mn excluding non-recurring effects of R$18.0 mn, equivalent to 3.9% of net sales**

Receivables discount of R$ 61.2 mn, equivalent to 3.0% of net sales, a 50 bps reduction compared to the 3Q10

Even with the increase in the SELIC rate

Net Financial Expenses[1] (R$ mn)

(Ponto Frio and e-commerce)



In 2010:

✓Globex (ex-NCB) R$ 293 mn

✓Globex (with NCB[2]): R$ 415 mn

[1] Nova Casas Bahia is excluded for comparison purposes.

[2] Nova Casas Bahia is included as of November, 2010.

Consolidated Data

Grupo Pão de Açúcar

Supermarkets

Pão de Açúcar

extra supermercado

Cash-and-carry

ASSAÍ ATACADISTA

Hypermarkets

extra hiper

Proximity

extra Fácil

Gas stations and Drugstores

posto extra

drogaria extra

Specialized Stores

PONTO FRIO

CASAS BAHIA DEDICAÇÃO TOTAL A VOCÊ

E-commerce

PONTOFRIO.com

CASAS BAHIA DEDICAÇÃO TOTAL A VOCÊ

www.casasbahia.com.br

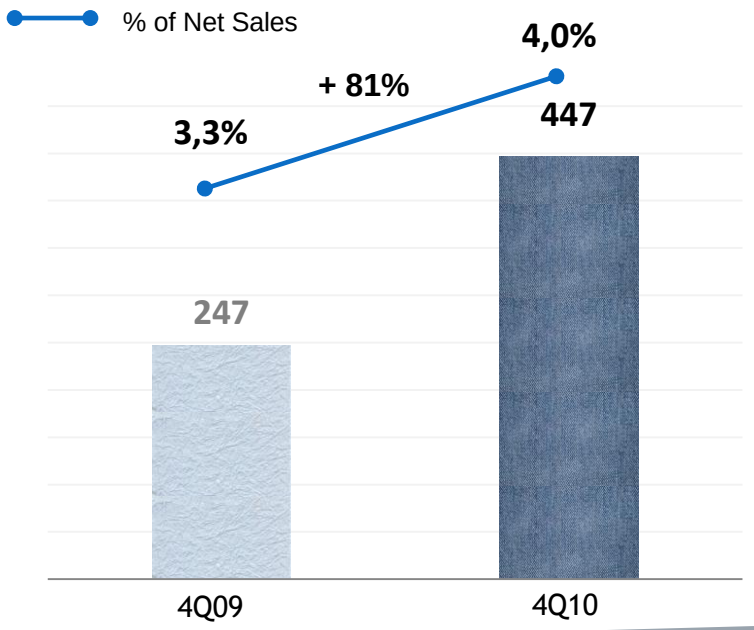
extra.com.br





Net Result (Consolidated)

Net Income[1] (R$ mn)



In 2010

✓Consolidated net income: R$ 722 mn, 2.3% of net sales

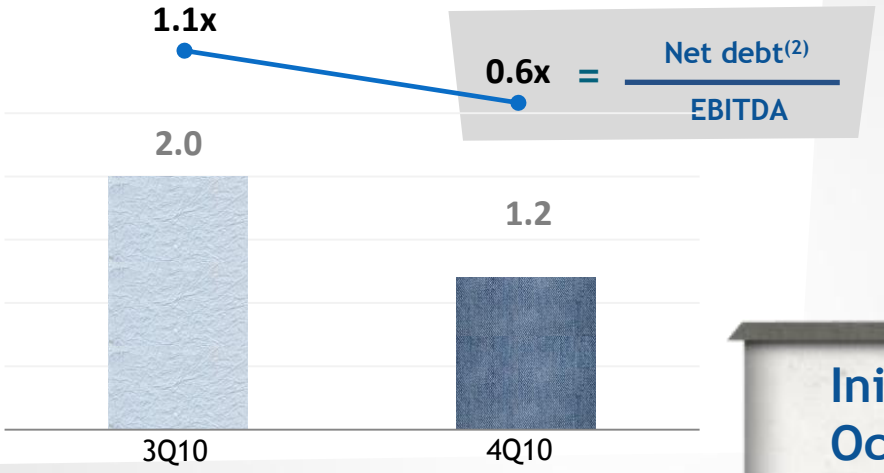
Adjusted net income of R$254.7 mn, with margin of 2.3%

Adjusted net result of Globex ex-NCB is positive: R$ 40 mn, with margin of 2.0%, compared to a net loss of R$112 mn and margin of -8.0% in the 4Q09

[1] Exclui-se NCB para efeitos de comparação
[2] Inclui NCB a partir de novembro2010

Net debt (GPA Consolidated)

Consolidated Net debt evolution(1)



✓Investments of R$ 509 mn in the 4Q10

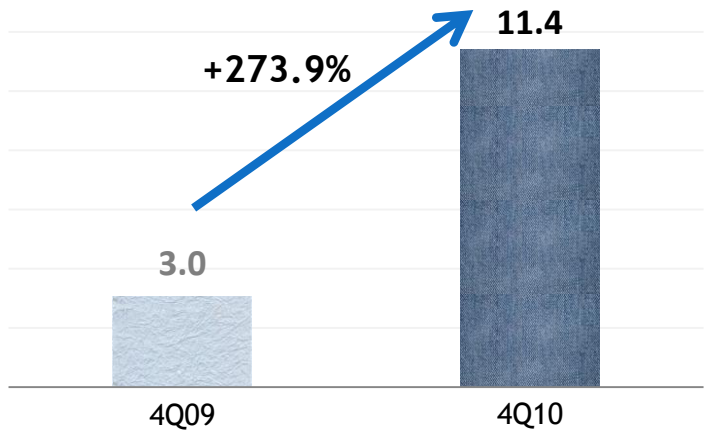
Initiatives underway as of October 2010 to reduce working capital:

- ✓ Increase the sales with interest
- ✓ Interest-free payment term reduction

(1) Net debt in the end of the period
(2) Net debt does not consider receivables discount.

FIC in 4Q10

Adjusted Equity Income (R$ mn)



- ✓ 14% share in the Group's total sales
- ✓ GPA Food corresponds to R$8.2 mn and R$3.2 mn relates to Globex (Ponto Frio)



FIC 2010 in figures:

Result of R$47.4 mn, R$34.6 mn relates to GPA and R$12.8 mn to Globex:

- ✓ 50% of the current clients have hired services (insurance, etc.)
- ✓ 50% of the use of the cards is out of GPA
- ✓ 7.8 million active clients

* Approximated amounts.

2010 and 2011 Dividends

2010

Proposed amount[1]: R$171.6 mn

- Quarterly interim dividends

  R$0.08 per preferred share, R$58.4 mn

- Residual

  R$0.45 per preferred share, R$113.2 mn

- Total

  R$ 0.69 per preferred share, R$ 171.6 mn

+12,5%

2011

- Quarterly interim dividends

  R$0.09 per preferred share



1 Proposal to be ratified at Shareholders' Meeting
2 Note: approximated amounts. Please check results destination proposal for exact figures

Acknowledgements

On behalf of the Executive Officers we wish to thank all the staff of Grupo Pão de Açúcar for the efforts expended and the results achieved in 2010. We already want to rely on the same dynamism, humbleness, determination and grit, discipline and emotional balance.

Thank you!

