Grupo Pão de Açúcar

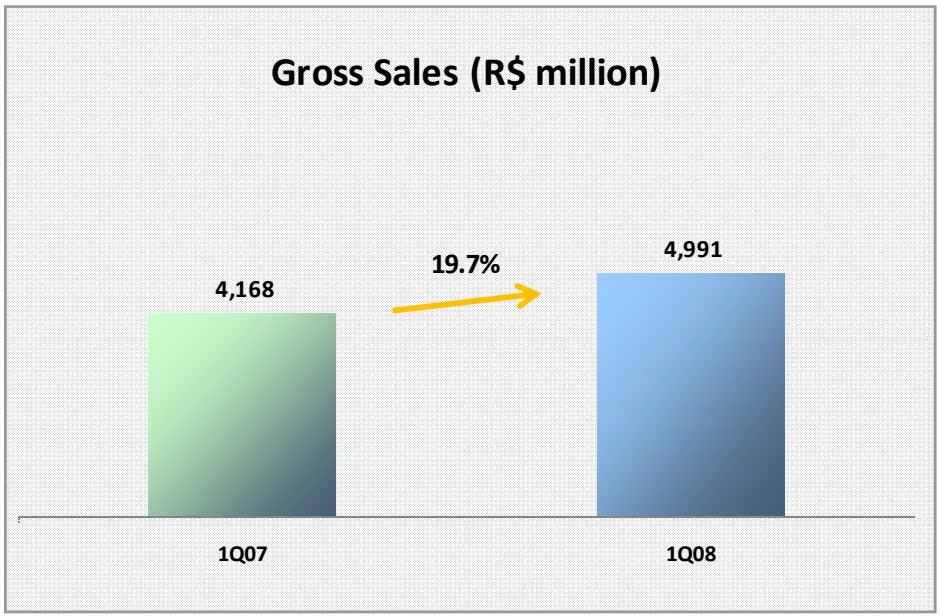
1Q08 Results Conference Call

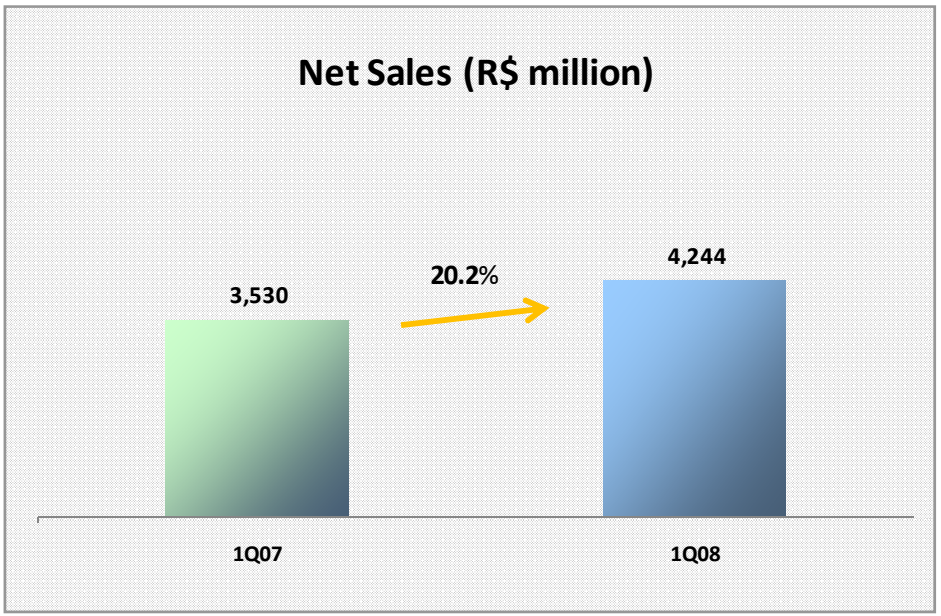
May 8, 2008

1Q08 Highlights

- **Gross Sales totaled R$ 5.0 billion and Net Sales came to R$ 4.2 billion** in 1Q08, respective year-on-year growth of 19.7% and 20.2%;
- **In the same store concept, gross sales moved up by 8.5% and net sales by 8.9%, fueled by the non-food items performance and the positive Easter effect;**
- **Pro-forma Operating Expenses** (which exclude the administrative overhaul effects) **reduction of 210 basis points**, as a percentage of net sales;
- First-quarter pro-forma EBITDA stood at R$ 300.7 million, 27.7% up on 1Q07, with a margin of 7.1%. **Excluding the impact of Assai, pro-forma EBITDA margin would have come to 7.4%;**
- **FIC (Financeira Itaú CBD) recorded its first quarterly profit** since the start up of operations;
- **Consolidation of Sendas Distribuidora performance**, with EBITDA margin of 7.1%;
- **First-quarter pro-forma net income totaled R$ 53.4 million, 43.3% up on 1Q07.**

Sales Performance

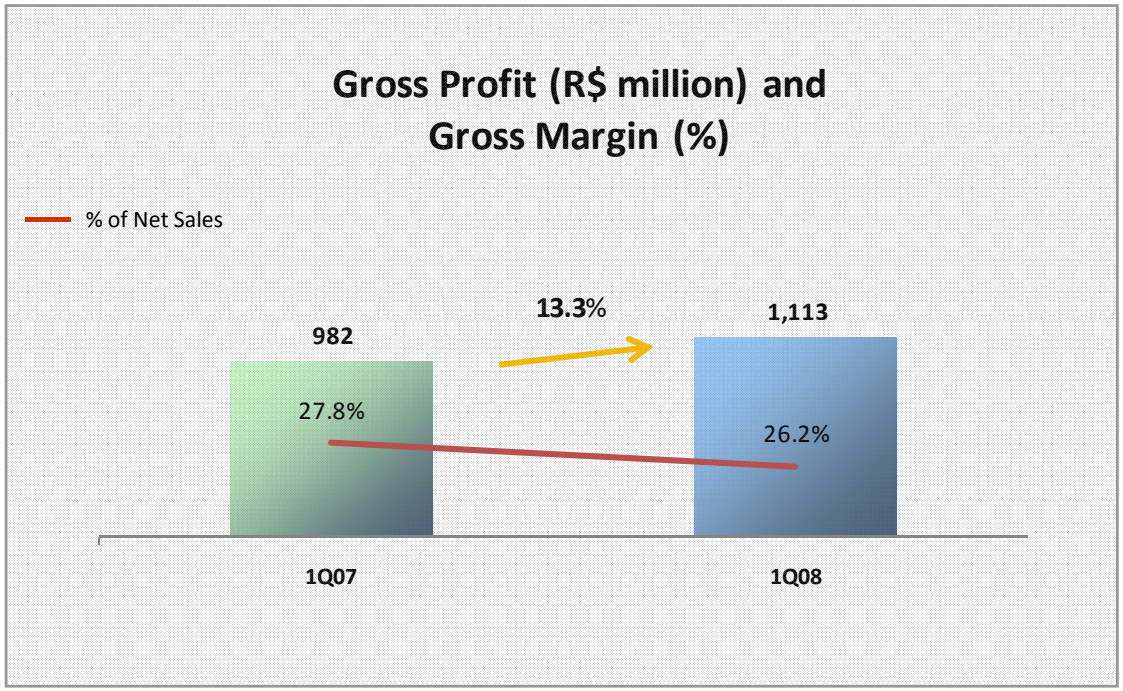




Highlights:

- **Gross and Net Sales growth of 19.7% and 20,2%,** respectively;
- Sales **in the same-store concept** came to 8.5% and 8.9% (gross and net sales, respectively);
  - **Food** products: same-store growth of 7.6%, benefiting from Easter sales;
  - **Non-food** items: same-store growth of 11.4%, led by the sub-categories “Mundo Casa” (general merchandise) and “Mundo Entretenimento” (entertainment);
  - **Extra banner:** sales growth above the Company average;
  - **Pão de Açúcar and CompreBem** continue to post good performances, while **Sendas** recorded growth very close to the Company average;

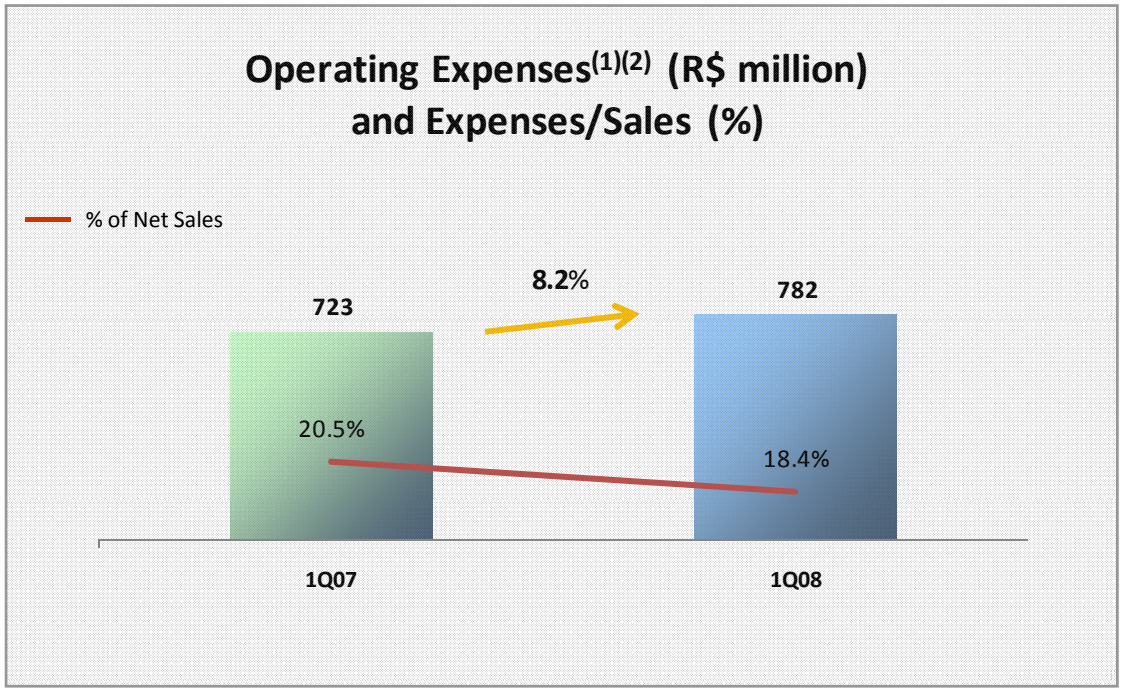
Gross Profit and Gross Margin



Highlights:

- 13.3% year-on-year increase in Gross Profit ;
- **Gross margin without Assai would have come to 27.1%**, lower than 1Q07 gross margin of 27.8%, wich reflects the impact of the Easter promotional offers;
- The reduction in the gross margin leveraged sales growth.

Pro-forma Operating Expenses

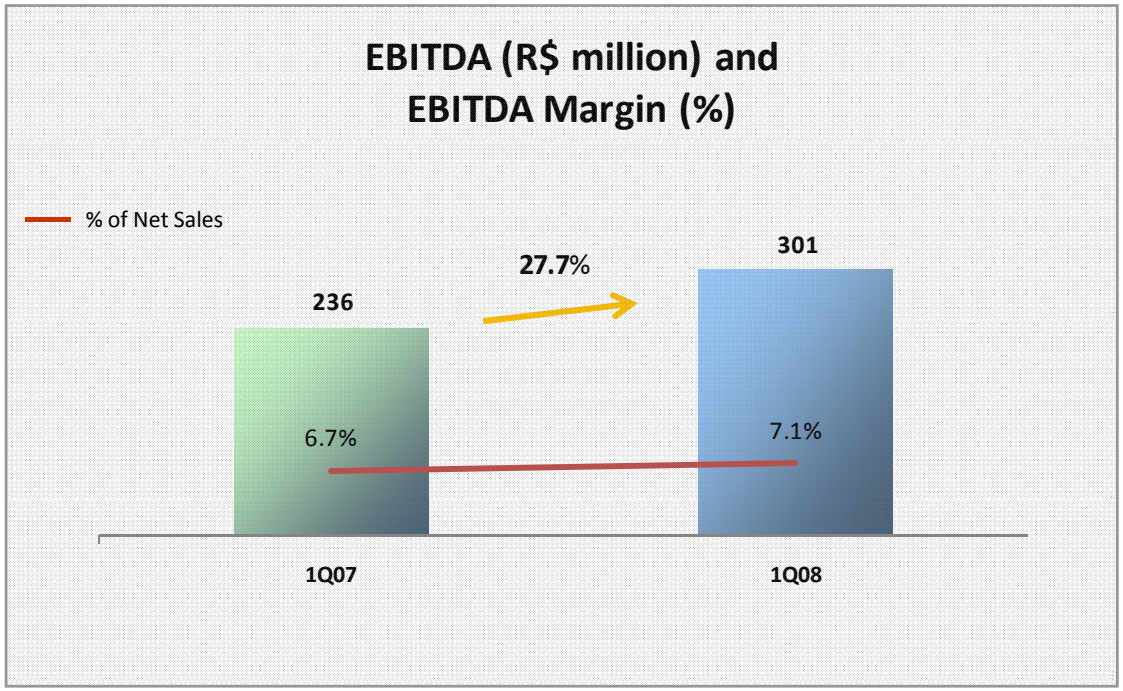


Highlights:

- **In 1Q08, pro-forma operating expenses dropped by 210 bps over 1Q07, as a percentage of net sales**;
- The consolidation of Assai accounted for an expense reduction of around 50bps;
- All expenses related to the administrative restructuring were booked in the 1Q08.

(1) Expenses figures refer to negative numbers
(2) Operating Expenses before taxes and charges

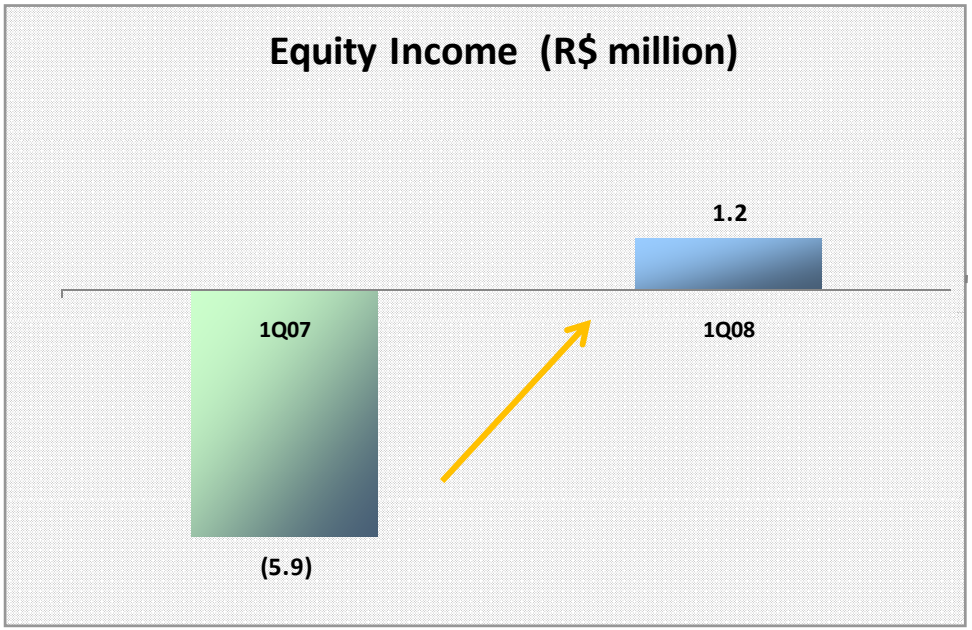
Pro-forma EBITDA and EBITDA Margin



Highlights:

- Pro-forma EBITDA posted a 27.7% year-on-year upturn;
- Pro-forma EBITDA margin increased 40 bps versus 1Q07;
- Even facing a gross margin reduction in the quarter, the stricter expenses control led to EBITDA margin improvement;
- **Excluding the impact of Assai, pro-forma EBITDA margin would have come to 7.4%.**

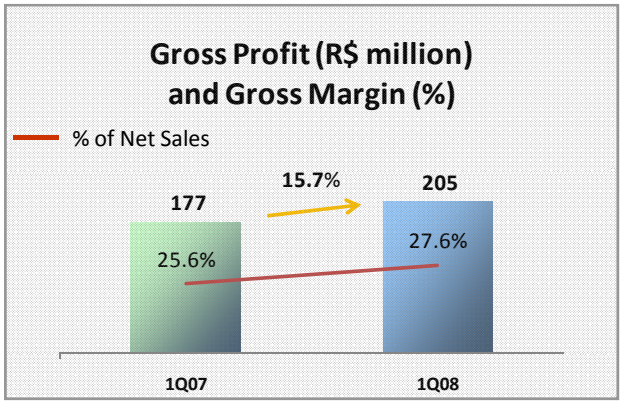
FIC (Financeira Itaú CBD)

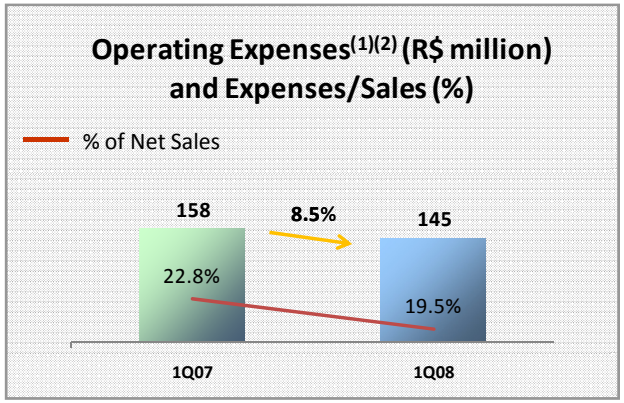


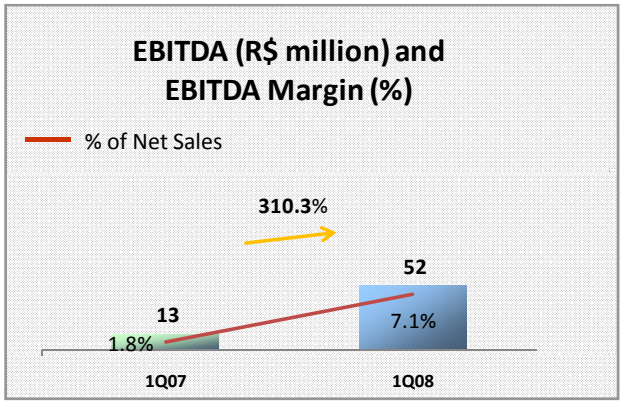
Highlights:

- **Equity income result was positive,** following a negative result of R$ 2.3 million in the last quarter and of R$ 5.9 million in 1Q07;
- **The number of clients closed the quarter at 5.6 million**, 7.6% up year-on-year;
- The receivables portfolio grew by 48.2% to R$ 1.3 billion;
- The performance is the result of:
  - (i) Growth in card activation;
  - (ii) Expansion of credit through installment payment.

Sendas Distribuidora





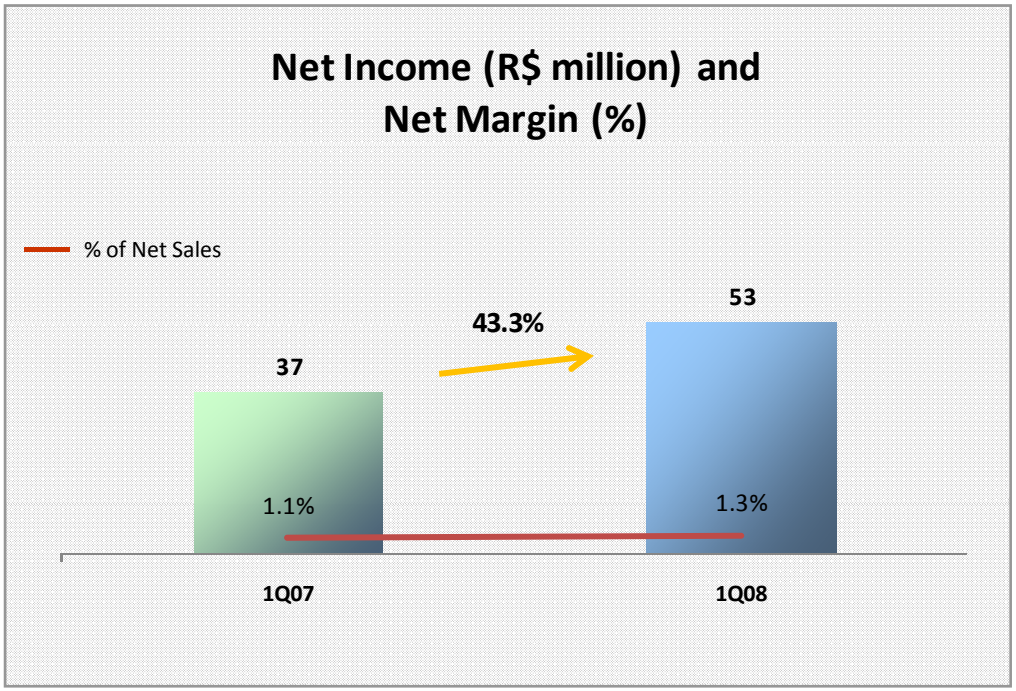


Highlights:

- Gross Profit jumped 15.7% and the Gross margin moved up 200 bps;
- Operating expenses fell by a hefty 330 bps over 1Q07;
- **EBITDA margin of 7.1% is the highest ever figure;**
- EBITDA growth of 310.3%.

(1) Expenses figures refer to negative numbers
(2) Operating Expenses before taxes and charges

Pro-forma Net Income and Net Margin

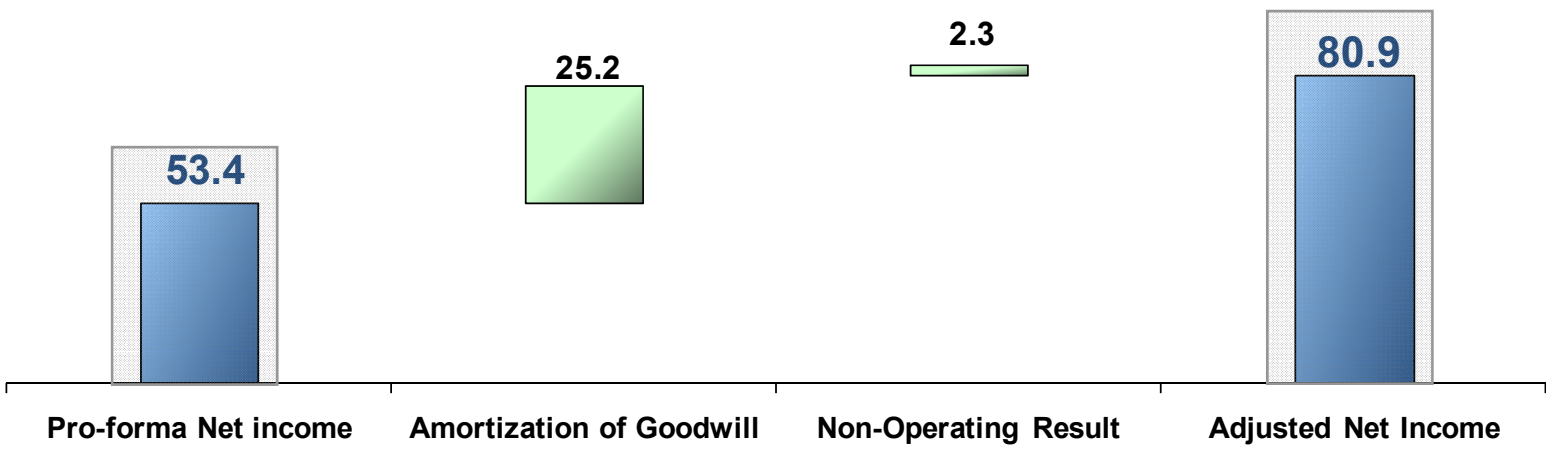


Highlights:

- **First-quarter pro-forma net income totaled R$ 53.4 million**, 43.3% up on 1Q07.

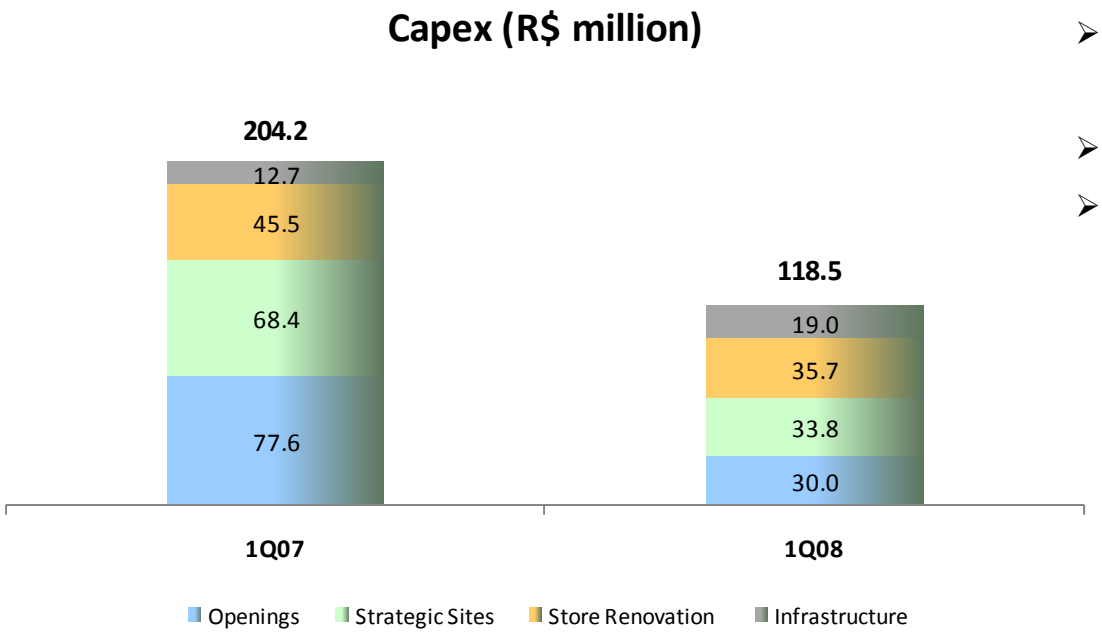
Adjusted Net Income

Pro-forma Adjusted Net Income (R$ million)



- **Adjusted net income amounted to R$ 80.9 million in 1Q08,** a 51.5% increase as compared to the pro-forma net income.

1Q08 Capex



- Acquisition of 4 strategic sites
- Construction of 1 Pão de Açúcar store, 1 Extra Hypermarket, 3 Extra Fácil
- Opening of 2 new Extra Fácil stores
- Conversion of 1 CompreBem outlet to the Assai format

Stores by Format

	Pão de Açúcar	extra Hipermercados	CompreBem	Sendas	extra eletro	extra Fácil	extra Perto	Assai Atacadista	Grupo Pão de Açúcar
Mar 2008	153	91	175	62	42	21	15	16	575
									1,331,275 m²

Forward-looking Statements

The forward-looking statements contained herein are based on our management's current assumptions and estimates, which may result in material differences regarding future results, performance and events. Actual results, performance and events may differ substantially from those expressed or implied in these forward-looking statements due to a variety of factors, such as general economic conditions in Brazil and other countries, interest and exchange rate levels, legal and regulatory changes and general competitive factors (whether global, regional, or national).

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