1st Quarter 2015 Results






May 8, 2015

Net sales: **+14.8%**

Same-store sales: **+4.0%**

EBITDA[(1)]: **R$ 1,057 billion**

EBITDA margin[(1)]: **7.6%**

Cash flow: **R$ 771 million**

Number of stores: **2,159**



Net sales grows 14.8%, with solid organic growth

Cnova

- Strong growth in net revenue and GMV, outperforming the market, with greater participation of the marketplace
- Investments for future growth
- Cash flow improvement

Via Varejo

- Continued market share gains
- Profitability improvement boosted by efficiency and “Crescer Mais” Project (furniture, mobile stores, Pontofrio strengthening)

Multivarejo

- Sequential improvement in same-store sales and customer traffic (vs. Q4)
- Continued efforts to improve competitiveness, especially in the Extra banner
- Investments to drive sales increase and temporary increase in expenses
- Multi-format structure has shown its capacity to maintain gross margin, with the Malls segment contributing to the increase

Assaí

- One more quarter of strong organic growth and same-store sales
- Significant EBITDA growth despite openings
- Format has highly contributed to higher returns for the Company

(1) The international operations of Cnova have been consolidated in GPA since 3Q14, and are not reflected in 1Q14 figures. Therefore, for comparison purposes, Cnova consolidated results (Cnova Brasil and International operations) were excluded from 1Q14 and 1Q15.

Key Figures 1Q15

Consolidated on comparable basis[(1)]

(R$ '000)	1Q15	Change vs. 1Q14
Net Sales	**14,287**	**+4.3%**
Gross Profit	**3,878**	**+6.5%**
Gross Margin	27.1%	+50bps
EBITDA	**1,079**	**+2.1%**
EBITDA Margin	7.6%	-100bps
Adjusted Net Income	387	+7.3%
Net Income Margin	2.7%	+10bps

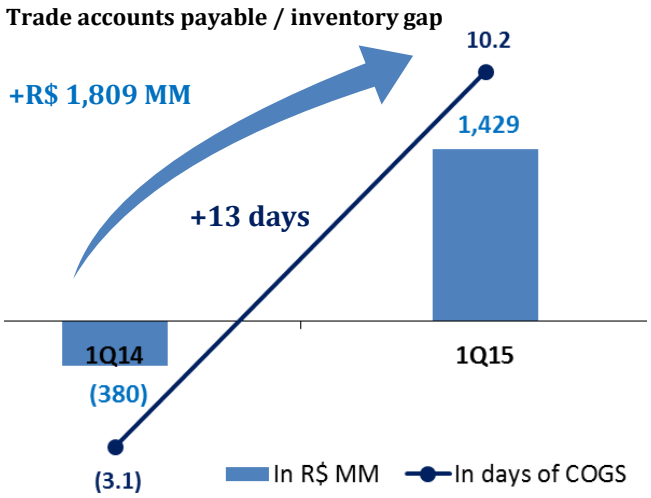
- **50 bps gross margin improvement, from 26.6% to 27;1%;**
- **Increase of 2.1% in Adjusted EBITDA on comparable basis, with margin of 7.6%, virtually stable compared to 1Q14;**
- **Net income growth of 7.3% on comparable basis, for net margin of 2.7%, higher than in the year-ago period.**

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Higher cash flows and lower working capital needs positive affect financial result

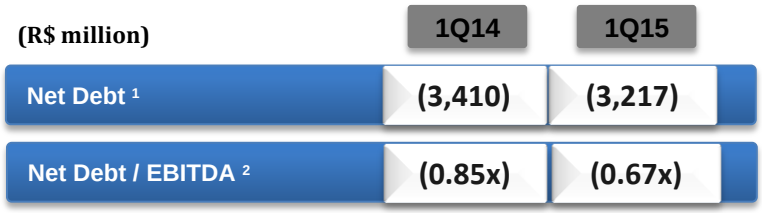
Working Capital

- Improvement in terms across all business segments, especially at Via Varejo and Cnova;
- Gap between trade accounts payable and inventories was optimized at 13 days or R$ 1.8 billion in comparison with 1Q14.



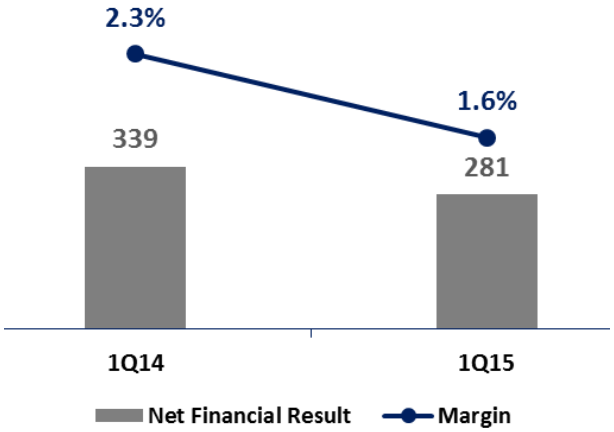
Indebtedness

- Cash position R$ 771 million higher than in 1Q14.



Financial Result

- Reduction of 17.0% in the quarter, while average CDI rose 17.0%



[1] Includes debt related to Via Varejo's payment book operation. [2] LTM EBITDA.

Food Businesses

Net sales: **+8.0%**

Same-store sales: **+3.7%**

EBITDA[(1)]: **R$ 538 million**

EBITDA margin[(1)]: **6.0%**

Number of stores: **1,122**



(1) Adjusted EBITDA and adjusted EBITDA margin

Customer flow evolution in Extra banner and continuous strong growth of Assaí

- Recovery in food category performance with same-store sales growth of 4.9% (vs. 2.1% in 4Q14);
- Assaí's resilient and appropriate positioning translate into EBITDA growth of 30.4%;
- Multivarejo's EBITDA reflects, mainly, efforts to drive sales;
- Expansion of higher-return banners, with 9 Minimercado Extra, 5 Minuto Pão de Açúcar and 3 Assaí stores opened in the quarter. 122 stores were opened in the last 12 months;
- Renovation of Extra and Pão de Açúcar stores to improve customers' shopping experience.

Pão de Açúcar

Net sales: **+7.0%**

Number of stores: **181**

Consecutive market share gains in the last 23 months

- Continuation of Store Renovation Plan;
- Differentiation and innovation: new product lines, strengthening in customer service and competitiveness in the premium segment;
- 8 new stores in the last 12 months, with entry into new markets;







Hipermercados e Supermercados

Net sales: **-0.7% (vs. -2% in 4Q14)**

Number of stores: **137 Hypermarkets e 206 Supermarkets**

Sequential improvement, with significant recovery in same-store sales, especially in the food category

- Positive same-store sales level in Extra banner;
- Recovery in volume and customer traffic: unbeatable competitiveness, commercial dynamics and robust communication;
- Start of modernization work at at hypermarkets and suprmarkets in March: 9 stores already opened in the first week of May.







Net sales: **+41.1%**

Number of stores: **270**

Dedicated distribution center is the competitive differential

- Increase in promotion dynamics;
- Improvement in store environment, emphasising communication, service and pricing;
- Conversion of Minimercado Extra stores into Minuto Pão de Açúcar;
- 21 Minuto Pão de Açúcar stores (none in 1Q14).









GPA Malls

GLA (Gross Leasable Area): **328 m²**

Number of Contracts
(Fixed, ATM and Casual): **4,6 thousand**





Revenues growth of 20% and EBITDA growth of more than 25%

- Focus on efficiency gains through the strengthening of management controls;
- Improvement in services level;
- Uplift of assets, following the renovations of Extra banner stores;
- Management model progress, through the clustering galleries (operation at the site).

ASSAÍ ATACADISTA
DESDE 1974

Net sales: **+26.2%**

EBITDA: **R$ 69 million**

EBITDA margin: **3.0%**

Number of stores: **87**





Strong organic expansion coupled with same-store sales growth, significantly above inflation

- Result shows format's adaptation to a scenario of reduced consumption;
- Gross margin increased 30 bps: 13.6% in 1Q15, due to maturation of stores;
- EBITDA increased 30.4%, with margin expansion of 10 bps;
- 10 stores opened in the last 12 months, of which 3 in the quarter;
- Excellent performance by new stores contributed to higher return on capital of the group.

viavarejo

Net sales[(1)]: **+0.1%**

EBITDA: **R$ 546 million**

EBITDA margin[(1)]: **10.2%**

Number of stores: **1,037**





Net income grows 42.5% to R$269 million

- Consolidation of market leadership, with market share gains in the quarter despite the challenging macroeconomic scenario;
- Gross margin reaches 33.1%, up 230 bps: greater sales competitiveness and new sources of revenues;
- EBITDA margin 110 bps higher;
- Finance discipline, active working capital management and solid cash position;
- Investments grow 34%: R$75 million in 1Q15;
- 3 Casas Bahia stores were opened in the quarter. 83 new stores were opened in the last 12 months.

(1) Includes revenue from intercompany transactions. Do not consider CADE's stores closing impact.

Strong growth in net revenue and GMV, with better gross margin and cash flows

Cnova

CDISCOUNT & NOVA PONTOCOM

GMV: **+28.2%**

Orders: **+38.2%**

Active Clients: **+27.6%**

Net Sales: **+17.8%**

Gross Margin: **+18 bps**

Net Cash Position: **+ € 71 million**

Free Cash Flow: **+ € 28 million**

extra.com.br | Casas Bahia (casasbahia.com.br) | pontofrio.com | Cdiscount | partiu VIAGENS | barateiro.com | eHub.com.br | pontofrio atacado



- Higher share of Marketplace in total sales, from 8.5% in 1Q14 to 15.4% in 1Q15;
- Significant growth in sales through mobile devices, reaching 34% (25% in Brazil);
- Accelerated expansion of Click & Collect, doubling the number of collection points in Brazil;
- Stable price positioning, improving gross margin;
- Investments in infrastructure and higher efficiency in supply chain and customer service to drive future growth;
- Improvement in financial expenses, with important € 75 million growth in cash flows in the last 12 months compared to the same period of the previous year.

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Forward-looking statements

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