4Q11 AND 2011 EARNINGS RESULTS

Grupo Pão de Açúcar and Viavarejo (Globex)

February 17, 2012



GRUPO PÃO DE AÇÚCAR – 4Q11 AND 2011

Enéas Pestana, Grupo Pão de Açúcar's CEO



4Q11 AND 2011 HIGHLIGHTS

Operational Evolution

- Conclusion of the conversion of 221 stores from CompreBem and Sendas
- Review of Assaí's management model
- Review of management and positioning model of proximity format (Extra Fácil → Mini Mercado Extra)
- Adjustment in all formats' assortment
- Intensification of the integration between Ponto Frio and Casas Bahia

Our People



- Right people in the right place: achievement of objectives
- Continued emphasis on culture and our values - humility, discipline and perseverance, and emotional balance

Searching for excellence: process improvement

- Integrated view of IT, logistics and *back-office*
  - > Advances in technology platform that integrates and optimizes supply and load management
- More efficient inventory management -> increase of productivity and efficiency in stores
- Process consolidation that ensures the implementation of pricing strategy
- Unified systems of Ponto Frio and Casas Bahia

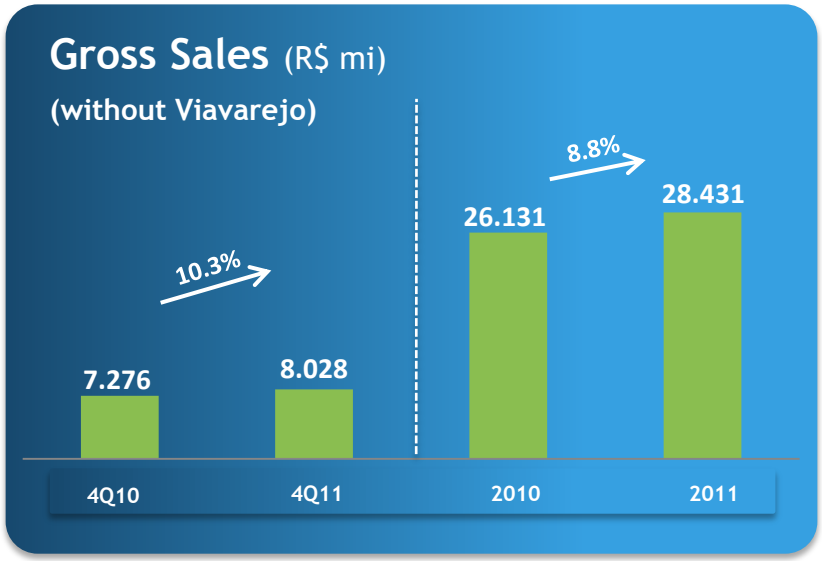
4Q11 GPA FOOD EARNINGS

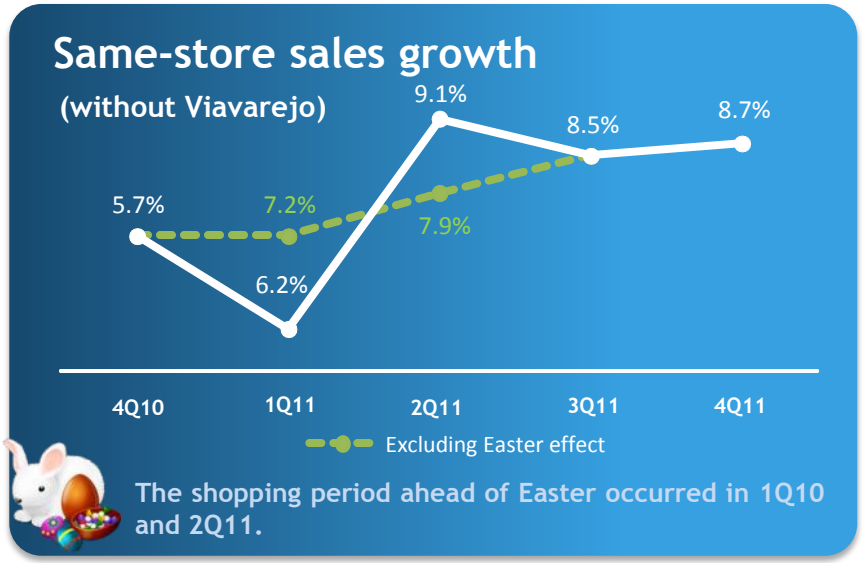
GPA FOOD		
	Supermarkets	Proximity
	Cash-and-Carry	Gas Stations and Drugstores
	Hypermarket	

4Q11 AND 2011 HIGHLIGHTS

	Evolution	Results
extra supermercado	▪ New layout ▪ Greater participation of perishables ▪ Assorment adjusted to the new consumer habits of the middle income class	▪ Growth in customer traffic ▪ Two-digit growth in ‘same-store’ sales
ASSAÍ ATACADISTA	▪ New target: distributors and users ▪ Reduction of services rendered ▪ Reformatting of sales area for inventory optimization (overground)	▪ Accelerated turnover and increased return on capital employed ▪ Two-digit growth in same-store sales ▪ Margin gain from model adequacy
mini mercado extra	▪ Before conversion: focus on groceries ▪ After conversion: more perishable items and more services (bakery, butchery) ▪ Onset of accelerated expansion	▪ Increase in average ticket due to the addition of new categories and better assortment ▪ Increased frequency of purchase ▪ Two-digit growth in same-store sales

GROSS SALES OF R$28.4 BI IN 2011





> Same-store sales in 4Q11

> Up **8.7%**, indicating faster pace vs. previous quarters

> **Real**[1] growth above **2.0%**

> Larger than second player for the **14th consecutive quarter**



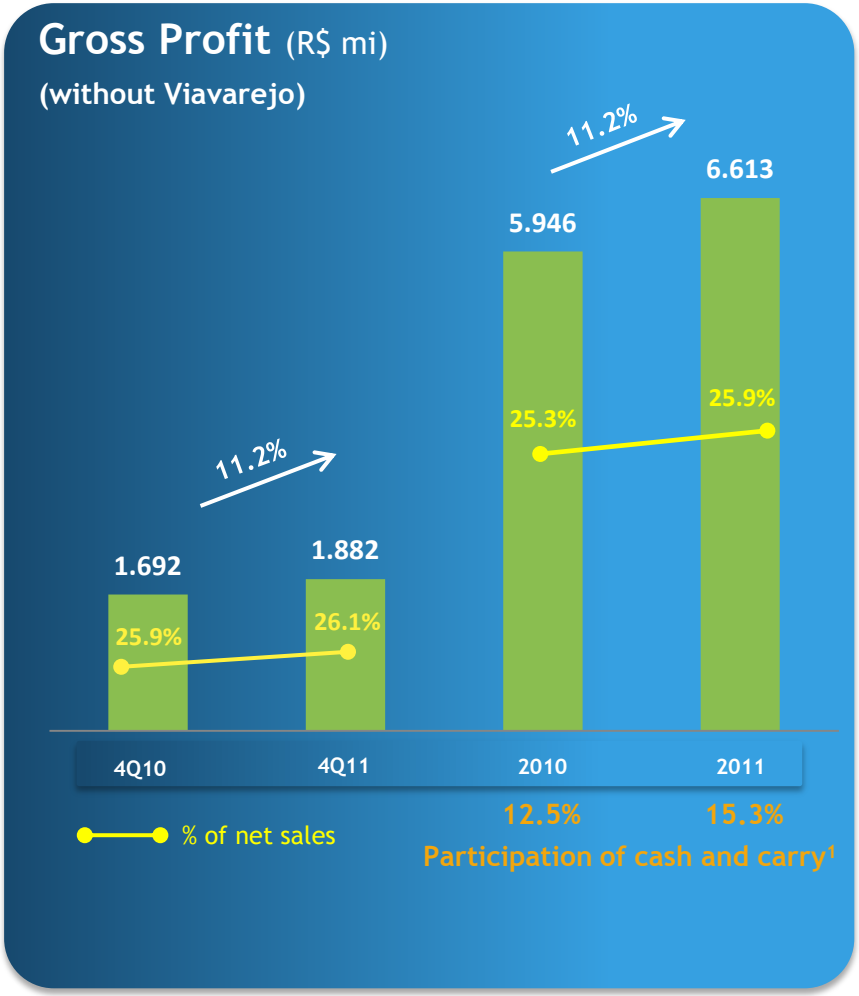
Non-food stands out, up 13.6% in 4Q11 and 9.6% in 2011



Focus on electronics and non-food. 7x growth in electro sales vs same day in 2010

[1] IPCA inflation index 12-month ended Dec: 6.50%

GROSS PROFIT UP 11.2% IN 4Q11



> Gross margin increase coupled with better sales mix

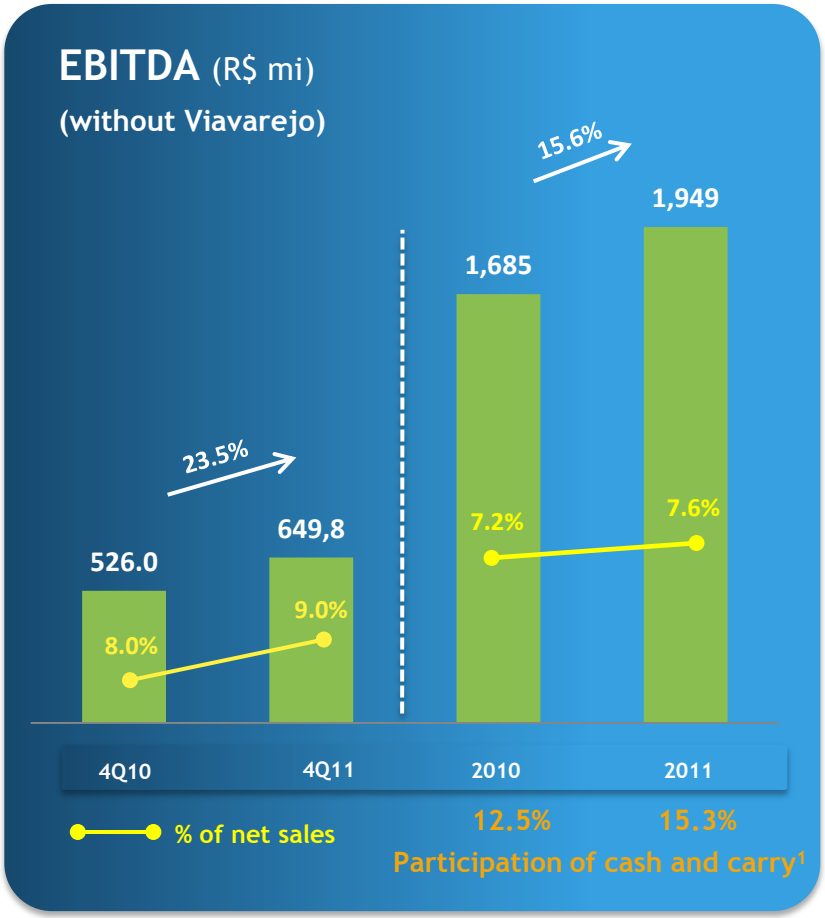
> Higher participation of perishables, with Extra Super standing out

> Assaí's gross margin increase of 0.9 p.p. vs 4Q10, with new focus on distributors and processors, in addition to maturation of stores opened by 2010

In 2011, gross margin increased despite the 2.8 p.p. increase in Assaí's participation in sales

[1] Participation of cash&carry in GPA Food's gross sales

RECORD EBITDA MARGIN AT 9.0% IN 4Q11



> Operating expenses dilution

- > Opex/net revenue ratio down from 17.8% in 4Q10 to 17.1% in 4Q11
- > Sales up 10.3%, while expenses fall 5.7%
- > Opening of stores less concentrated in 4Q11 vs. 4Q10

> EBITDA up 23.5% in 4Q11

> Margin up to 9.0% from 8.0%

[1] Participation of cash&carry in GPA Food's gross sales

4Q11 VIAVAREJO (GLOBEX) EARNINGS



Due to the consolidation of Casas Bahia's results as of November, 2010, we use 3Q11 as a reference for better comparison.

The "profit sharing" expense, which was previously after "operating profit before income tax", is now included in "general and administrative expenses" , as part of the adjustment s to the new accounting standards (IFRS).

4Q11 AND 2011 HIGHLIGHTS



Raphael Klein, Viavarejo's CEO

2011 — Real growth of 11.1% in same-store sales

- **Focus on integration process of the companies**
  - > Growth cycle, prioritizing management and delivery of sustainable results
  - > Expected synergies captured
  - > System unification into a single technological platform
  - > Margin gains from improvement in sales/operational controls and assortment
  - > Gains from logistics consolidation, with optimization of operations and creation of shared service center, among others

- **Lowest possible impact for customers**
  - > New Ponto Frio positioning, focused on A/B classes and strengthening of Casas Bahia among C, D and E income classes
  - > Store expansion - 6 under new Ponto Frio concept and 20 Casas Bahia stores
  - > Higher investment in training for sales team

Approval by EGM held on 02/15/12 of change in corporate legal name from Globex Utilidades S.A. to Via Varejo S.A.

4Q11 AND 2011 HIGHLIGHTS



Raphael Klein, Viavarejo's CEO

CHALLENGES 2012

viavarejo | CASAS BAHIA | pontofrio

Creation of a unique and strong company

"Serve and realize customers' dreams"

- **Viavarejo has a unique culture of realizing customers' dreams.**

- Maintenance of synergies captured in 2011
- New synergies depend on anti-trust authority
- Store adjustments to meet demands of each banner's target public
- Expansion of over 60 stores in total
- Delivery of long-term sustainable growth

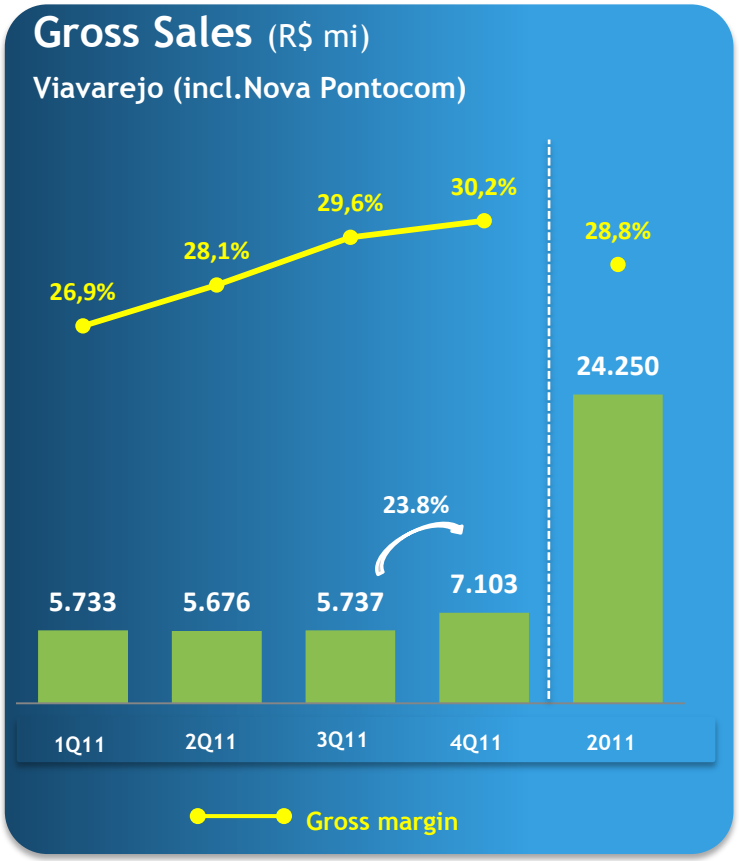
4Q11 AND 2011 HIGHLIGHTS



Quiroga, NovaPontocom's CEO

	Evolution	Results
 Growth	▪ Growth significantly above market ▪ Increase in sales, traffic and conversion rate	▪ New record – Black Friday ▪ Sales mix improvement, with higher margin items – increase in participation of strategic categories
 Profitability	▪ Net profit of R$ 27 million, up 1 p.p. in net margin	▪ All e-commerce guidances reached
 Reputation	▪ Stronger reliability in delivery ▪ Classification Diamond and "Reclame Aqui" award	▪ Incremental sales and customer relationship ▪ Best use of brand in social network – Social Media Week

GROSS SALES OF R$ 7.1 BI IN 4Q11



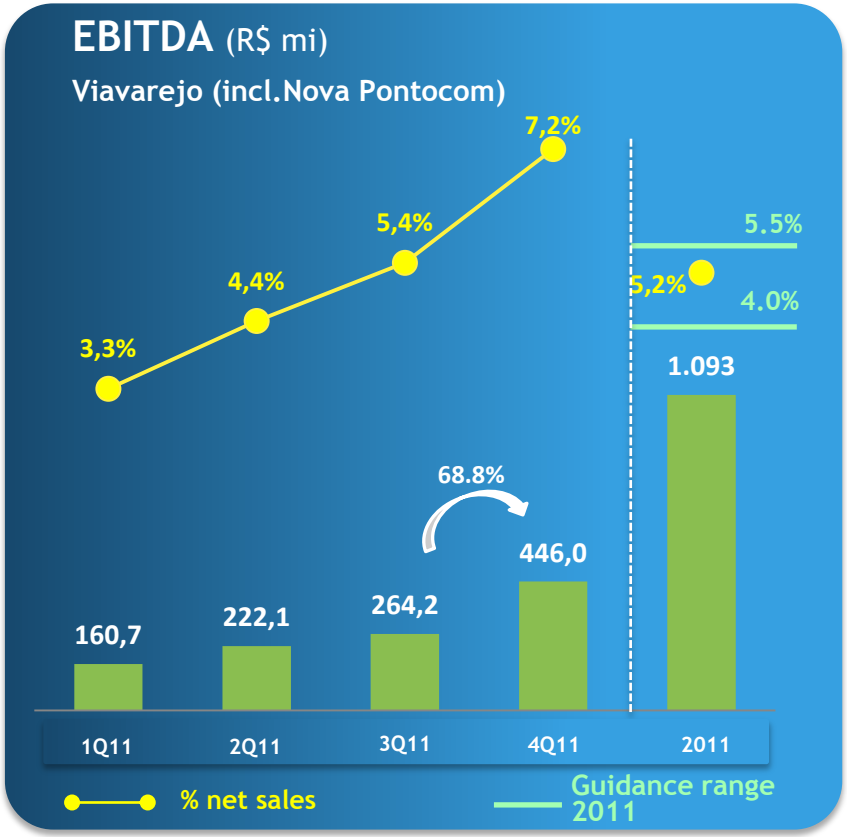
- **Same-store sales growth of 8.4% in 4Q11:**
  - > E-commerce up 40.4%, close to guidance ceiling (of growth between 30%-50% above market)
- **Real growth of 14.8% in 2011**
  - > Considering inflation and deflation indices for electro and furniture and mattress categories

2011 same-store gross sales

	Nominal	Real[1]
Bricks-and-mortar stores	7.0%	11.1%
Nova Pontocom	25.1%	32.3%

[1] Considers IBGE's inflation and deflation indices for the electro and furniture and mattress categories

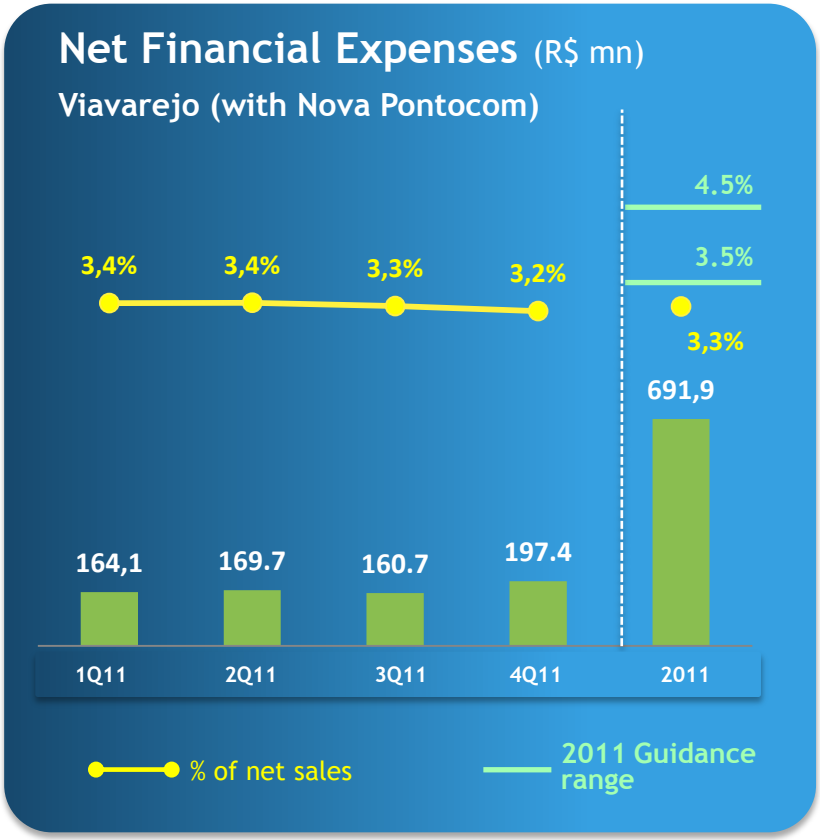
EBITDA OF R$ 446 MI IN 4Q11, MARGIN AT 7.2%



- **Margin at 5.2% in 2011, close to the guidance ceiling**
- **Integration process underway with capture of synergies**
  - > Rationalization of store portfolio, distribution centers and *back-office*
  - > Unification of IT platform and purchases between Ponto Frio and Casas Bahia
  - > Pooling of operational command of stores
  - > Consolidation of marketing intelligence and communication

Synergies captured will continue to be reflected in results

NET FINANCIAL EXPENSE REDUCES REPRESENTATIVENESS

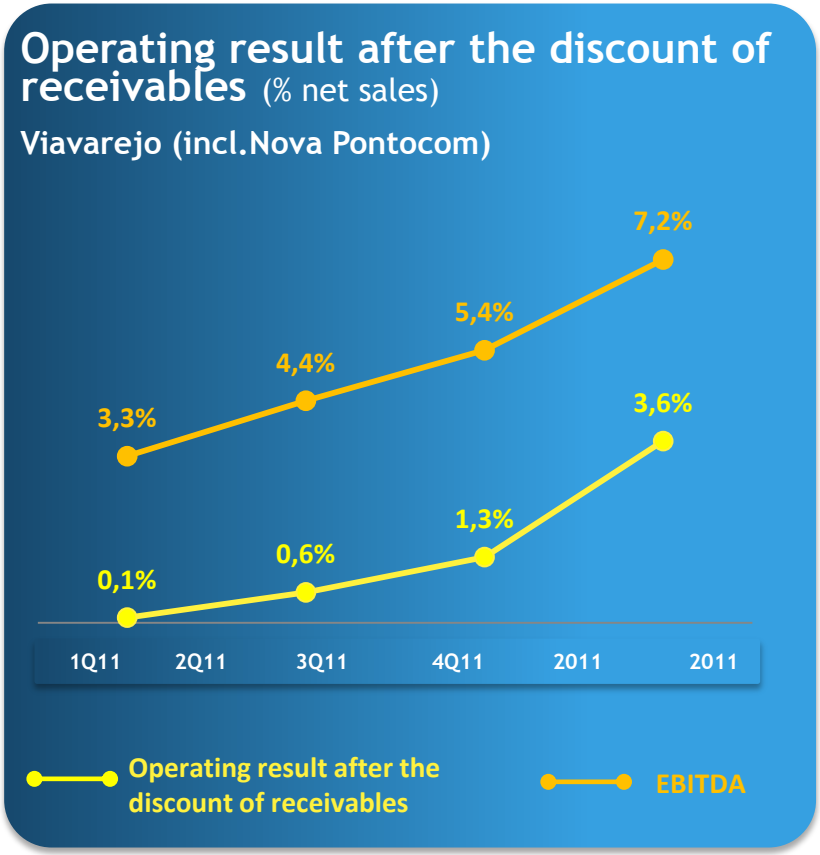


- **Reduction of financial expense of representativeness**
  - > Percentage drops to 5.9% in 3Q10, when the guidance announced was 3.2%
- **Implemented Initiatives**
  - > Reduction of sales without interest and increased sales with interest
  - > Improvement in funding costs

Financial Expense control remains as priority for the Company

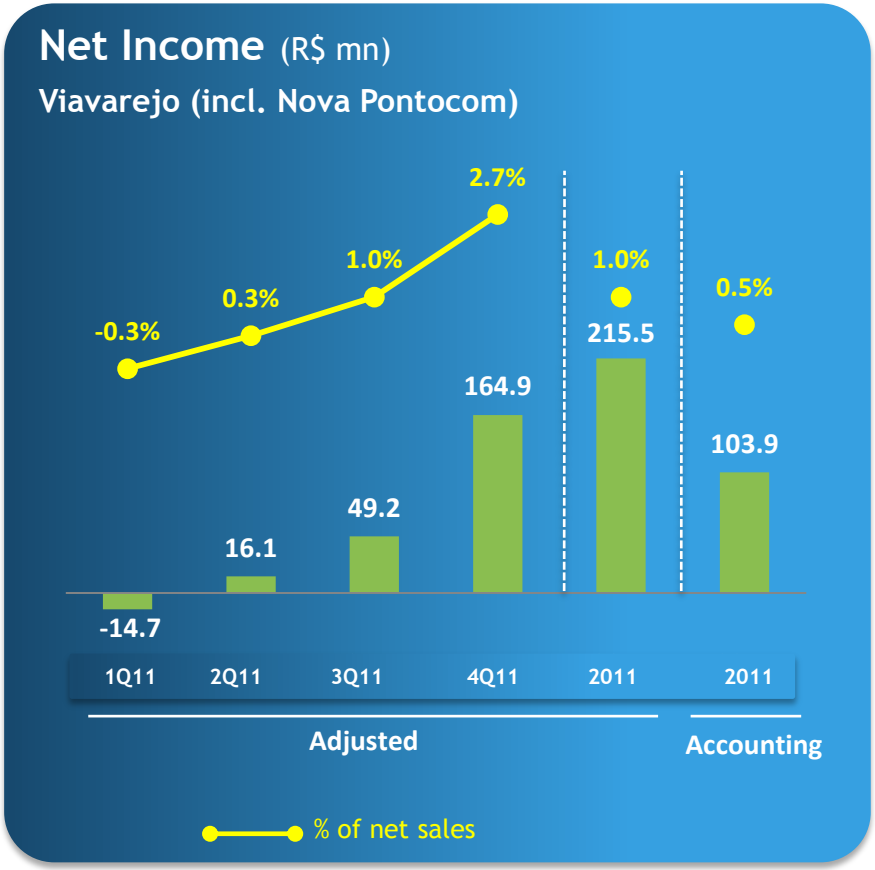


OPERATING RESULT AFTER DISCOUNT OF RECEIVABLES GROWS



- **Increase in the result after the discount of receivables**
  - > This result was equivalent to 0.1% of net sales in 1Q11 and climbed to 3.6% in 4Q11
  - > Reflects the operational efforts throughout the year, which were focused on the Company's integration process.

ADJUSTED NET MARGIN REACHES 1% IN 2011

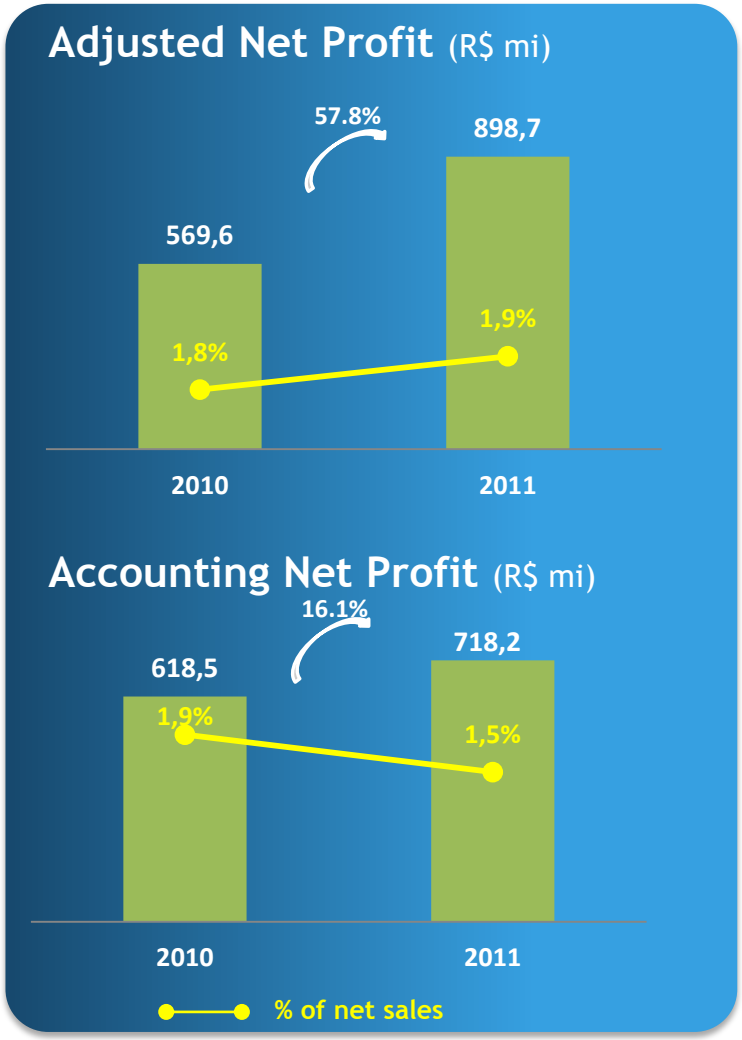


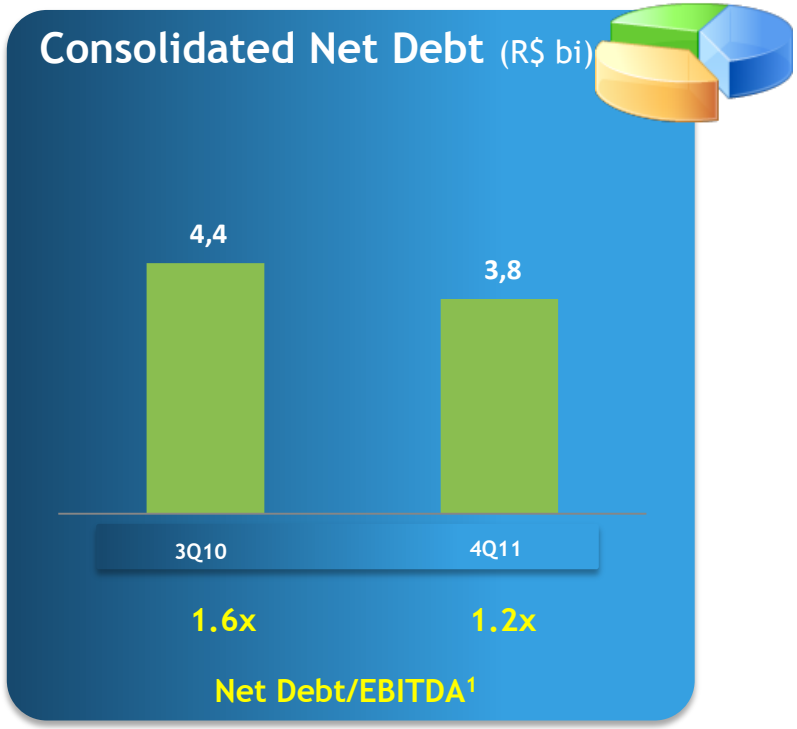
- **Adjusted net income by expenses with integration reaches R$ 164.9 million in 4Q11**
  - > Adjusted net margin of 2.7%
- **Accounting net profit of R$ 103.9 million in 2011**
  - > Accounting net margin of 0.5%
- **Adjusted net income of R$ 215.5 million in 2011**
  - > Adjusted net margin of 1.0%

GPA CONSOLIDATED'S 4Q11 EARNINGS

GPA FOOD	Supermarkets	Pão de Açúcar, extra supermercado	Proximity	mini mercado extra
	Cash-and-Carry	ASSAÍ ATACADISTA	Gas Stations and Drugstores	drogaria extra, posto extra
	Hypermarket	extra hiper		
ELECTRONICS	viavarejo	Specialized Stores	CASAS BAHIA, pontofrio	
	nova PONTOCOM	E-commerce	pontofrio.com, CASAS BAHIA casasbahia.com.br, extra.com.br	B2B: pontofrio atacado, eHub.com.br

NET PROFIT AND DEBT





- **Net debt/EBITDA ratio: 1.2x**
  - > 4Q11 net debt below 3Q11

[1] Debt calculated through adding of debentures, loans and financing and payment book (CDCI). 12 months ended Dec. EBITDA


From January 2008 to December 2011: a period of achievements...
Same team playing together
16
Delivering guidances for 16 consecutive quarters
3x SALES
3x EBITDA
4x NET PROFIT
Acquisitions:
Assaí e Ponto Frio
Association:
Casas Bahia
Conversions:
221 CompreBem and Sendas stores into Extra Super
AND MORE
+50,5%
SAME STORE SALES
20,3 p.p.
ABOVE IPCA
OUTSTANDING
Growth!
Sales area increased by over
350 soccer fields
E-Commerce
26X
Market Cap
PCAR4: 147%
IBOV: 3%
Considers PCAR4 market cap
Updated on 02/16/2012
... but we still have a long way ahead of us!

INVESTOR RELATIONS CONTACTS

Grupo Pão de Açúcar (GPA) | Viavarejo

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**

> 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).