July 24, 2014

2Q14 AND 1H14 RESULTS

Consolidated: 2Q14 Highlights

- **Net Revenue grows 13.4%, with an increase of 9.5% in same-store sales:**
  - Growth driven by the performance of Food Businesses and Nova Pontocom;
  - 116 stores were opened in the last 12 months.

- **Selling, general and administrative expenses follows with a declining trend:**
  - Reduction of 70 basis points as a percentage of net revenue;
  - Result of efficiency gains in Via Varejo and continuity of the discipline plan on spending and simplification of processes in Multivarejo.

- **Adjusted EBITDA advances 21.1% to R$ 1.155 billion:**
  - Adjusted EBITDA margin reaches 7.6%;
  - Gain of 50 basis points in margin, driven by Via Varejo and Multivarejo operational improvements.

- **Adjusted net income of R$ 407 million, an increase of 26.3%:**
  - Adjusted net margin of 2.7%, an increase of 30 basis points, due to better profitability of major businesses.

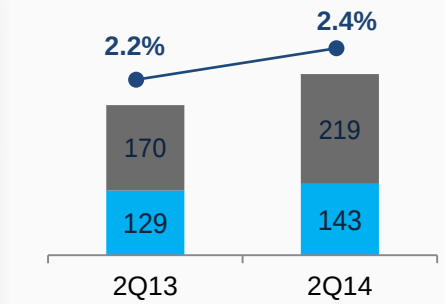
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Consolidated

Results		2Q14	1H14
Net Sales	**R$ million** *2014x2013* Same-store sales growth	**15,203** *+13.4%* SSS +9.5%	**30,212** *+12.6%* SSS +8.5%
Adjusted EBITDA [1]	**R$ million** *2014x2013* *Adjusted* EBITDA margin	**1,155** *+21.1%* 7.6%	**2,232** *+22.0%* 7.4%
Adjusted Net Income [1]	**R$ million** *2014x2013* *Adjusted* Net margin	**407** *+26.3%* 2.7%	**770** *+26.1%* 2.5%

Indebtedness	2Q13	2Q14
Net Debt [2] (R$ billion)	4.17	3.07
Net Debt/EBITDA[3]	1.16x	0.69x

Consolidated Net Financial Expenses (R$ million)



2Q14X2Q13

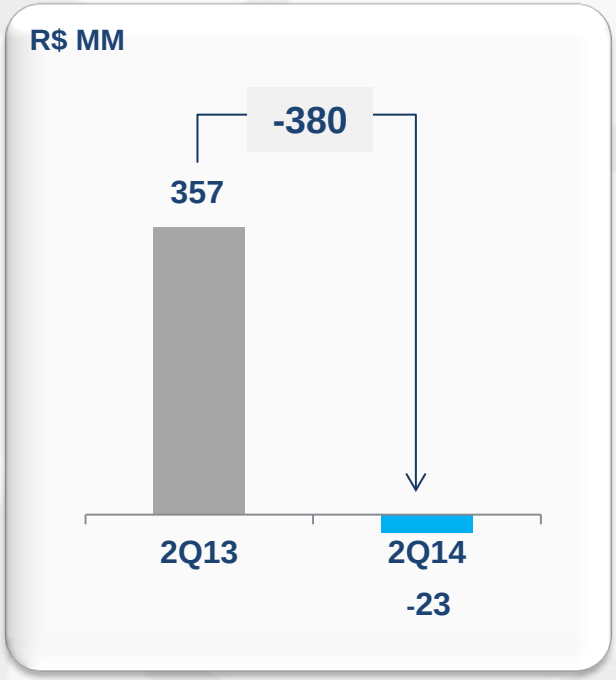
Δ **+20.5%** Net Financ. Expenses

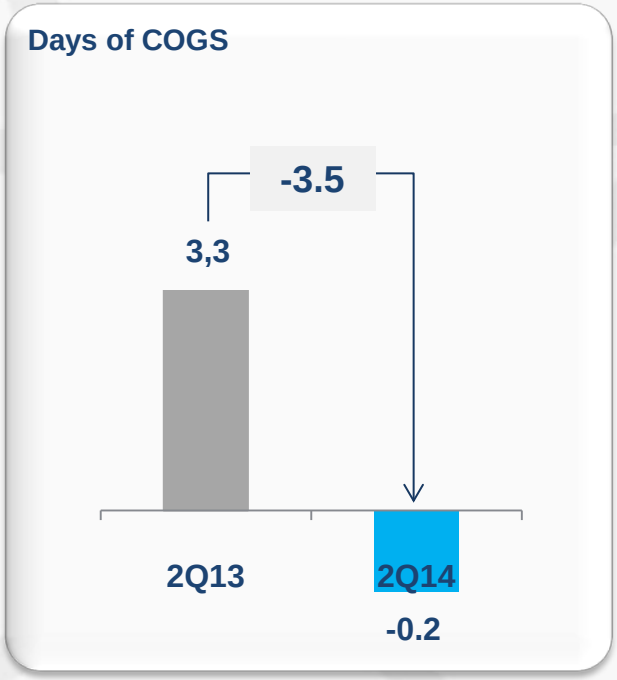
Δ **+40.2%** Interbank Deposit Certificate (CDI)

[1] EBITDA and Net Income adjusted by total Other Operating Income and Expenses, thus eliminating non-recurring income and expenses
[2] Including debt with payment book at Via Varejo.
[3] EBITDA of the last twelve months.

Improvement in Working Capital vs 2Q13

Working Capital Need (gap between inventories and suppliers)





Improvement of 3.5 days in gap between inventories and suppliers, approximately R$380 million of reduction in working capital, primarily due to inventory optimization in Via Varejo.

Store opening in 2Q14

Food Businesses

- ✓ 19 new stores: 15 Minimercado Extra, 1 Assaí, 1 Pão de Açúcar, 1 drugstore and the first unit of Minuto Pão de Açúcar.
- ✓ On June 30, 2014: **1,020 stores and sales area of 1,697 thousand m²**.



Minuto Pão de Açúcar - São Paulo



Assaí - Fernão Dias



Pontofrio - Pelotas - RS



Casas Bahia - Jaboatão Velho - PE

Via Varejo

- ✓ 6 Casas Bahia stores were opened.
- ✓ On June 30, 2014: **972 stores and sales area of 1,068 thousand m²**.

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Multivarejo + Assaí

		2Q14	1H14
Net Sales	R$ million *2014x2013*	8,412 *+14.5%*	16,670 *+13.0%*
Adjusted EBITDA[1]	R$ million *2014x2013* *Adjusted* EBITDA margin	615 *+20.1%* 7.3%	1,184 *+12.5%* 7.1%
Adjusted Net Income[1]	R$ million *2014x2013* *Adjusted* Net margin	224 *+31.0%* 2.7%	425 *+16.2%* 2.5%

Growth of same-store net sales of 8.3% in 2Q14.

Multivarejo

- **Increase of 20 basis points in gross margin** due to the higher share of revenue from commercial centers. Highlight to gross margin which is now comparable between the periods, since the strategy to increase sales competitiveness was begun in 2Q13;
- **Adjusted EBITDA of R$ 549 million, growth of 18.2%**, outpacing sales revenue increase. Adjusted EBITDA margin was 8.5%, up 60 basis points.

Assaí

- **Net Sales: growth of 35.8%**, driven by a solid same-store performance and organic expansion in strategic regions, such as the Northeast;
- **EBITDA of R$ 66 million, up 35.4%, in line with 2T13 sales growth,** despite the investments in price competitiveness, the higher expenses to support the strong expansion plan and the stores still in the maturation phase.

[1]EBITDA and Net Income adjusted by total Other Operating Income and Expenses, thus eliminating non-recurring income and expenses

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Via Varejo + Nova Pontocom

		2Q14	1H14
Net Sales	R$ million *2014x2013*	6,791 *+12.0%*	13,541 *+12.3%*
Adjusted EBITDA[1]	R$ million *2014x2013* *Adjusted* EBITDA margin	540 *+22.3%* 7.9%	1,048 *+34.9%* 7.7%
Adjusted Net Income[1]	R$ million *2014x2013* *Adjusted* Net margin	183 *+20.9%* 2.7%	345 *+41.0%* 2.5%

Growth of same-store net sales of 6.8% and 35.1% for Via Varejo an Nova Pontocom, respectively.

Via Varejo

- **Adjusted EBITDA margin of 9.1%, up 100 basis points over 2Q13**, as a result of operational efficiencies plan, which has generated logistics operations and stores gains, besides reducing corporate costs;
- **Adjusted net margin of 3.5%, up 50 basis points from 2Q13**, reflecting the Company's program to reduce costs and expenses, which underscore the commitment to continuously improve the profitability of its operations.

Nova Pontocom

- **Business volume growth of nearly 41%,** including direct sales and merchandise volumes from the marketplace;
- Growth supported by a significant **increase in the number of access in the sites, better conversion rates and higher contribution of the marketplace.**

[1]EBITDA and Net Income adjusted by total Other Operating Income and Expenses, thus eliminating non-recurring income and expenses

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