

# UNICASA

Móveis

2Q13 Earnings Release





**Market data as of August 6th, 2013**

**Stock price: R\$5.88**

**Market capitalization: R\$388,587,820.32**

### 2Q13 Conference Call

Conference call in Portuguese with simultaneous translation into English:

**August 7, 2013**

Wednesday, 11:00 a.m.  
(Brasília time)

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### Disclaimer

The forward-looking statements in this document related to the business prospects, projections of operating and financial results and growth prospects of Unicasa are merely estimates and as such are based exclusively on Management's expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, industry and international markets, and are subject to known and unknown risks and uncertainties, which can cause such expectations not to materialize or cause actual results to differ materially from those expected and, therefore, are subject to change without prior notice.

Bento Gonçalves (RS), August 6th, 2013. Unicasa Móveis S.A. (BM&FBOVESPA: UCAS3), one of the leading companies in Brazil's customized furniture industry, with a presence in all states and products in all income segments sold under the brands Dell Anno, Favorita, New, Telasul and Casa Brasileira, announces today its results for the second quarter (2Q13). Except where stated otherwise, all variations and comparisons are in relation to the same period of the previous year. The following financial and operating information, except where stated otherwise, is presented in 2Q12/1H12 with data from the Parent Company and in 2Q13/1H13 with consolidated data (with Unicasa Comércio de Móveis S.A.), in thousands of Brazilian reais, in accordance with the International Financial Reporting Standards (IFRS).

### Period highlights

- Net revenue of R\$63.5 million in 2Q13;
- Net income of R\$4.2 million in 2Q13, 6.6% of net margin;
- Opening of the first "Casa Brasileira" franchise store and of one additional own store Dell Anno in São Paulo;
- New Exclusive Stores net revenue of R\$23.9 million in 2Q13, up 9.8% compared to 2Q12.

### Consolidated highlights

Executive Summary	2Q12	2Q13	Δ	1H12	1H13	Δ
Net Revenue	66,130	63,484	-4.0%	132,320	118,465	-10.5%
Gross Profit	25,804	24,950	-3.3%	54,651	47,251	-13.5%
<b>Gross Margin</b>	<b>39.0%</b>	<b>39.3%</b>	<b>0.3 p.p.</b>	<b>41.3%</b>	<b>39.9%</b>	<b>-1.4p.p.</b>
Operating Income	5,874	3,536	-39.8%	25,076	8,688	-65.4%
<b>Operating Margin</b>	<b>8.9%</b>	<b>5.6%</b>	<b>-3.3p.p.</b>	<b>19.0%</b>	<b>7.3%</b>	<b>-11.7p.p.</b>
Net Income	5,720	4,199	-26.6%	19,688	10,424	-47.1%
<b>Net Margin</b>	<b>8.6%</b>	<b>6.6%</b>	<b>-2.0p.p.</b>	<b>14.9%</b>	<b>8.8%</b>	<b>-6.1p.p.</b>
EBITDA	7,905	5,802	-26.6%	29,215	13,128	-55.1%
<b>EBITDA Margin</b>	<b>12.0%</b>	<b>9.1%</b>	<b>-2.9p.p.</b>	<b>22.1%</b>	<b>11.1%</b>	<b>-11.0p.p.</b>

## SALES AND DISTRIBUTION CHANNELS

Unicasa's main distribution channel – its network of **exclusive dealers** – totaled 922 stores in 2Q13, of which 452 were Dell Anno and Favorita stores, 467 were New stores and Casa Brasileira Franchise Store and 4 were Dell Anno's own stores in São Paulo. In 2Q13, we opened one additional **Own Store** at Shopping D&D.

The Telasul brand was marketed through the following channels: i) exclusive, ii) multibrand, and iii) department stores, and its numbers were reported on a consolidated basis. With the launch of the Casa Brasileira brand, the erstwhile Telasul exclusive and multibrand channels were transformed into Casa Brasileira Multibrand. The department store channel continues to be served by the Telasul Modular Furniture brand.

Starting this quarter, we will disclose the number of points of sale of the Multibrand New and Casa Brasileira on a consolidated basis.

Thus, we ended 2Q13 with 594 New and Casa Brasileira multibrand stores, and 2,167 retail chain stores selling the Telasul Modular brand.

During this quarter, we have also launched the first **Casa Brasileira Franchise** operation. Considering that the time period between the initial contact and actual opening of the store is higher for franchise operations, most of the stores that are already under negotiation will be opened only in 2014, thus we revised our Casa Brasileira Franchise opening guidance to 10 stores in 2013.

For the **New** brand, we have revised our guidance for net store openings in 2013 to 15 stores, having already opened 7 stores in 2013.

In the chart below we demonstrate the evolution of our distribution channels:

Period	2012	1Q13	2Q13	Δ
<b>Exclusive, Franchise and Own Stores</b>	<b>922</b>	<b>929</b>	<b>923</b>	<b>-6</b>
Dell Anno and Favorita	463	463	456	-7
New and Casa Brasileira Franchise	459	466	467	1
<b>Multibrand</b>	<b>2,131</b>	<b>2,161</b>	<b>2,761</b>	<b>600</b>
New and Casa Brasileira Multibrand	576	576	594	18
Telasul Modular	1,555	1,585	2,167	582

## SALES PERFORMANCE

## Gross Revenue ex-IPI

Revenue information by brand is presented as gross revenue excluding the IPI tax (gross revenue ex-IPI) since the information has a more accurate comparability in this format. The reduction in IPI from 5% to 0% started on March 26, 2012 and then extended until January 31, 2013. Since February 1<sup>st</sup>, the temporary IPI tax was of 2.5%, increasing to 3% as of July 1<sup>st</sup> and is announced to return to 5% in October 2013. Information about gross revenue, gross revenue ex-IPI and modules sold is available in Annex IV to this release.

## Dell Anno and Favorita

Dell Anno and Favorita – Exclusive and Own Stores	2Q12	2Q13	Δ	1H12	1H13	Δ
Gross Revenue, ex-IPI	45,884	40,562	-11.6%	95,084	76,344	-19.7%
Number of Modules Sold (thousand units)	169.2	130.8	-22.7%	348.6	249.5	-28.4%
Average Unit Price (R\$)	271.2	310.1	14.3%	272.8	306.0	12.2%

The Dell Anno and Favorita brands registered a reduction of 11.6% in Gross revenue ex-IPI and 22.7% in modules sold, and an increase of 14.3% in the average unit price compared to 2Q12.

The decline in revenue from the Dell Anno and Favorita brands in recent quarters is due to the closure of stores that contributed significantly to revenues. These closures were concentrated in 1H12. Hence, the revenue base of 2Q12 includes part of the revenue from those stores. Our Own Stores in São Paulo are currently ramping up, as they replaced mature stores that contributed to revenue during 2Q12.

## New and Casa Brasileira

New Exclusive Dealers and Casa Brasileira Franchise Stores	2Q12	2Q13	Δ	1H12	1H13	Δ
Gross Revenue, ex-IPI	21,752	23,886	9.8%	42,478	44,679	5.2%
Number of Modules Sold (thousand units)	112.7	121.8	8.1%	221.9	232.0	4.6%
Average Unit Price (R\$)	193.0	196.1	1.6%	191.4	192.6	0.6%

New and Casa Brasileira Multibrand	2Q12 <sup>(1)</sup>	2Q13	Δ	1H12 <sup>(1)</sup>	1H13	Δ
Gross Revenue - IPI	8,605	9,341	8.6%	17,721	17,680	-0.2%
Number of Modules Sold (thousand units)	53.3	57.4	7.7%	110.1	110.2	0.1%
Average Unit Price (R\$)	161.4	162.7	0.8%	161.0	160.4	-0.4%

Gross revenue ex-IPI from the New brand exclusive channel grew 9.8%, with increases of 8.1% in modules sold and 1.6% in the average unit price compared to 2Q12.

The Multibrand channel has increased 8,6% in Gross revenue ex-IPI as the number of modules sold increased 7,7%, while the average unit price raised 0,8%.

Besides the Multibrand channel, the Casa Brasileira brand started its first franchise operation in Rio de Janeiro on June 1<sup>st</sup>.

<sup>(1)</sup> Revenues reported in 2Q12/1H12 refer to sales of the Telasul brand in the Exclusive and Multibrand channels added to New Multibrand channel

**Telasul Modular**

This brand was marketed through the following channels i) exclusive, ii) multibrand, and iii) department stores, and the revenue was reported consolidated. With the launch of Casa Brasileira brand in March, the erstwhile Telasul exclusive and multibrand channels were transformed into Casa Brasileira Multibrand. The department store channel continues to be served by the Telasul Modular brand, supplying modular furniture to retail chains.

To enable a comparative analysis, we demonstrate the sales history of Telasul Modular in Annex IV of this release.

Telasul Modular	2Q12	2Q13	Δ	1H12	1H13	Δ
Gross Revenue - IPI	5,832	4,393	-24.7%	9,067	7,602	-16.2%
Number of Modules Sold (thousand units)	50.1	37.7	-24.8%	77.9	64.6	-17.1%
Average Unit Price (R\$)	116.4	116.5	0.1%	116.4	117.7	1.1%

The performance of the Telasul Modular brand declined in the quarter, with gross revenue ex-IPI down 24.7% and volume down 24.8%, while average unit price remained practically unchanged from the same period last year.

**Unicasa Corporate**

This segment registered growth in gross revenue ex-IPI of 76.1%, with the volume of modules sold decreasing by 19.5%, while average unit price increased by 118.8%.

Unicasa Corporate	2Q12	2Q13	Δ	1H12	1H13	Δ
Gross Revenue – IPI	991	1,745	76.1%	2,268	2,557	12.7%
Number of Modules Sold (thousand units)	4.1	3.3	-19.5%	9.7	6.8	-29.9%
Average Unit Price (R\$)	241.7	528.8	118.8%	233.8	376.0	60.8%

**Other Revenues**

Other revenues are derived from sales to employees, suppliers, freight operators and others.

Other Revenues	2Q12	2Q13	Δ	1H12	1H13	Δ
Gross Revenue – IPI	2,000	894	-55.3%	2,996	2,176	-27.4%
Number of Modules Sold (thousand units)	5.9	17.3	193.2%	8.6	27.9	224.4%
Average Unit Price (R\$)	339.0	51.7	-84.7%	348.4	78.0	-77.6%

**Export Market**

Gross revenue ex-IPI from exports declined 20.1%, sales declined 6.5% and average price dropped 14.6%.

Unicasa – Export Market	2Q12	2Q13	Δ	1H12	1H13	Δ
Gross Revenue	1,773	1,416	-20.1%	2,815	2,413	-14.3%
Number of Modules Sold (thousand units)	12.4	11.6	-6.5%	21.8	24.0	10.1%
Average Unit Price (R\$)	143.0	122.1	-14.6%	129.1	100.5	-22.2%



**Consolidated Indicators - Unicasa**

Unicasa Indústria de Móveis	2Q12	2Q13	Δ
Gross Revenue - IPI	86,837	82,237	-5.3%
Number of Modules Sold (thousand units)	407.7	379.9	-6.8%
Average Unit Price (R\$)	213.0	216.5	1.6%

1H12	1H13	Δ
172,429	153,451	-11.0%
798.6	715.0	-10.5%
215.9	214.6	-0.6%

Unicasa – Domestic Market	2Q12	2Q13	Δ
Gross Revenue - IPI	85,064	80,821	-5.0%
Number of Modules Sold (thousand units)	395.3	368.3	-6.8%
Average Unit Price (R\$)	215.2	219.4	2.0%

1H12	1H13	Δ
169,614	151,038	-11.0%
776.8	691.0	-11.0%
218.3	218.6	0.1%

Unicasa – Exports	2Q12	2Q13	Δ
Gross Revenue	1,773	1,416	-20.1%
Number of Modules Sold (thousand units)	12.4	11.6	-6.5%
Average Unit Price (R\$)	143.0	122.1	-14.6%

1H12	1H13	Δ
2,815	2,413	-14.3%
21.8	24.0	10.1%
129.1	100.5	-22.2%

**FINANCIAL PERFORMANCE**

Executive Summary	2Q12	2Q13	Δ	1H12	1H13	Δ
Net Revenue	66,130	63,484	-4.0%	132,320	118,465	-10.5%
Gross Profit	25,804	24,950	-3.3%	54,651	47,251	-13.5%
<b>Gross Margin</b>	<b>39.0%</b>	<b>39.3%</b>	<b>0.3 p.p.</b>	<b>41.3%</b>	<b>39.9%</b>	<b>-1.4p.p.</b>
Operating Income	5,874	3,536	-39.8%	25,076	8,688	-65.4%
<b>Operating Margin</b>	<b>8.9%</b>	<b>5.6%</b>	<b>-3.3p.p.</b>	<b>19.0%</b>	<b>7.3%</b>	<b>-11.7p.p.</b>
Net Income	5,720	4,199	-26.6%	19,688	10,424	-47.1%
<b>Net Margin</b>	<b>8.6%</b>	<b>6.6%</b>	<b>-2.0p.p.</b>	<b>14.9%</b>	<b>8.8%</b>	<b>-6.1p.p.</b>
EBITDA	7,905	5,802	-26.6%	29,215	13,128	-55.1%
<b>EBITDA Margin</b>	<b>12.0%</b>	<b>9.1%</b>	<b>-2.9p.p.</b>	<b>22.1%</b>	<b>11.1%</b>	<b>-11.0p.p.</b>

**Net Revenue**

Net revenue decreased 4.0% in 2Q13 from 2Q12, mainly due to the decline in revenue from the Dell Anno and Favorita brands.

**Cost of Goods Sold (COGS)**

Cost per module sold increased 2.6%, from R\$ 98.90 in 2Q12 to R\$ 101.49 in 2Q13, mainly due to the increase in factory personnel expenses, to the decrease in gross revenue ex-IPI and to depreciation of the new painting process start. The nominal decrease in COGS between 2Q12 and 2Q13 was 4.4% or R\$1.8 million. The key elements that influenced this variation are:

- i) Decline of 4.0% in net income and of 6.8% in sales volume, resulting in a R\$2.2 million decline in COGS;
- ii) Mix consisting of a greater share of materials with lower costs, net of increases in material prices of R\$0.2 million.
- iii) Despite improvements in processes, which enabled us to reduce production staff, personnel expenses increased by R\$ 0.4 million, mainly due to the wage increase of 7.5% in the period;
- iv) Provisions, Outsourced Services, Depreciation and Other Costs decreased by R\$0.2 million;

The chart<sup>(1)</sup> below shows the variation in COGS in relation to 2Q12:



<sup>(1)</sup>In R\$ millions

**Gross Profit and Gross Margin**

Gross Profit in the quarter was R\$24.9 million, with Gross Margin of 39.3%. Margin increased 0.3 p.p. in relation to 2Q12, reflecting the increase in the consolidated average price.

**Selling, General and Administrative Expenses (SG&A)**

Selling, general and administrative expenses totaled R\$22.7 million in 2Q13, up 8.3% on 2Q12 and corresponding to 35.8% of net revenue.

Selling, General and Administrative Expenses	2Q12	2Q13	Δ	1H12	1H13	Δ
<b>Total SG&amp;A</b>	<b>(20,960)</b>	<b>(22,698)</b>	<b>8.3%</b>	<b>(32,253)</b>	<b>(40,800)</b>	<b>26.5%</b>
<b>Selling Expenses</b>	<b>(16,776)</b>	<b>(17,392)</b>	<b>3.7%</b>	<b>(24,118)</b>	<b>(31,416)</b>	<b>30.3%</b>
Payroll, Outsourced Services, Commissions, Provisions and Materials	(9,990)	(8,883)	-11.1%	(14,718)	(16,434)	11.7%
Marketing and Others	(6,786)	(8,509)	25.4%	(9,400)	(14,982)	59.4%
<b>% of Net Revenue</b>	<b>25.4%</b>	<b>27.4%</b>	<b>2.0 p.p.</b>	<b>18.2%</b>	<b>26.5%</b>	<b>8.3 p.p.</b>
<b>Administrative Expenses</b>	<b>(4,184)</b>	<b>(5,306)</b>	<b>26.8%</b>	<b>(8,135)</b>	<b>(9,384)</b>	<b>15.4%</b>
Payroll, Outsourced Services, Depreciation and Materials	(2,872)	(4,525)	57.6%	(5,492)	(7,659)	39.5%
Provisions and Other	(1,312)	(781)	-40.5%	(2,643)	(1,725)	-34.7%
<b>% of Net Revenue</b>	<b>6.3%</b>	<b>8.4%</b>	<b>2.1 p.p.</b>	<b>6.1%</b>	<b>7.9%</b>	<b>1.8p.p.</b>
<b>SG&amp;A % of Net Revenue</b>	<b>31.7%</b>	<b>35.8%</b>	<b>4.1 p.p.</b>	<b>24.4%</b>	<b>34.4%</b>	<b>10.0p.p.</b>

Other provisions, consisting of provision for guarantees and for civil and labor lawsuits, declined R\$3.2 million, mainly due to a non-recurring provision of R\$2.5 million accrued in 2Q12 for a bank liability related to a guarantee given.

Expenses with own stores and shared service center in the quarter totaled R\$3.6 million, mainly related to personnel and rental expenses, of which R\$ 1.0 million were related to non-recurring or variable expenses. In 2Q12 we did not have such expenses.

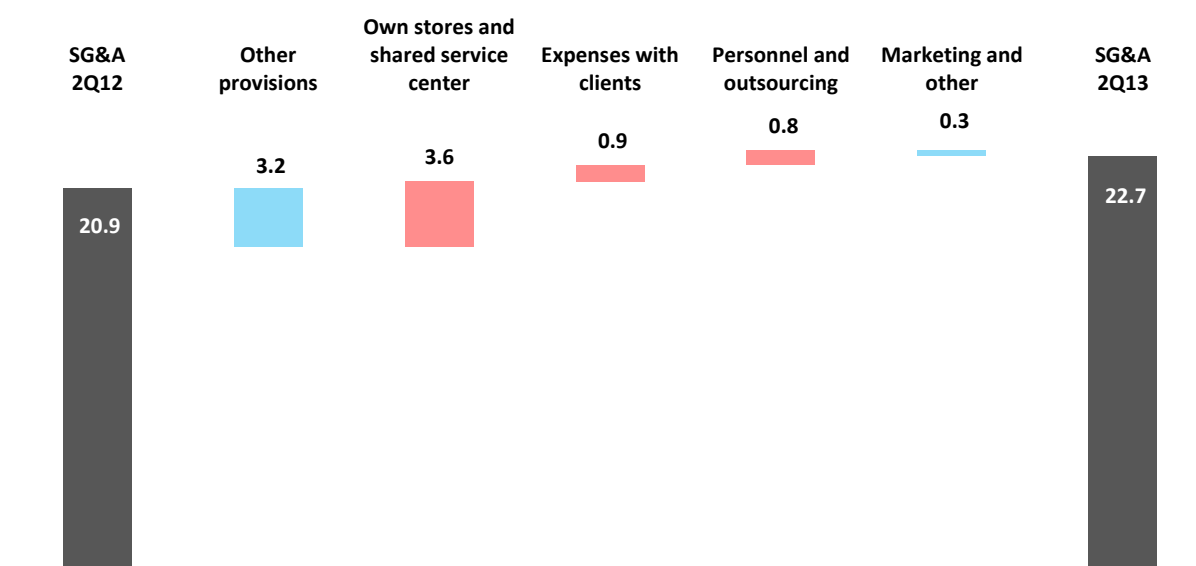
Client expenses increased R\$0.9 million in relation to 2Q12. These expenses are related mainly to serving final consumers of closed stores and could remain at these levels in the short term.

Personnel and Outsourced Services expenses increased by R\$0.8 million, notably due to the R\$0.4 million increase in consulting and legal advisory expenses, which were non-existent in 2Q12.

Marketing and other expenses decreased by R\$0.3 million in relation to 2Q12, due to the annualized deferral in 2013 of the recovery of marketing expenses, and such positive effect shall persist during next 2 quarters.



Following is the reconciliation<sup>(1)</sup> of Selling, General and Administrative expenses:



### Other Operating Income and Expenses

Other operating income increased by 24.7% in relation to 2Q12, largely due to the gain from the sale of assets held for sale, and the increase in bank premium.

Other Operating Income and Expenses	2Q12	2Q13	Δ	1H12	1H13	Δ
<b>Total</b>	<b>1,030</b>	<b>1,284</b>	<b>24.7%</b>	<b>2,678</b>	<b>2,237</b>	<b>-16.5%</b>
<b>Operating Expenses</b>	<b>(12)</b>	<b>(15)</b>	<b>25.0%</b>	<b>(12)</b>	<b>(17)</b>	<b>41.7%</b>
<b>Operating Income</b>	<b>1,042</b>	<b>1,299</b>	<b>24.7%</b>	<b>2,690</b>	<b>2,254</b>	<b>-16.2%</b>
Bank Premium	652	743	14.0%	2,011	1,392	-30.8%
Other Operating Income	390	556	42.6%	679	862	27.0%
<b>% of Net Revenue</b>	<b>1.6%</b>	<b>2.0%</b>	<b>0.4 p.p.</b>	<b>2.0%</b>	<b>1.9%</b>	<b>-0.1 p.p.</b>

<sup>(1)</sup>In R\$ millions

**Net Financial Result**

The net financial result decreased by 71.6% compared to 2Q12. Financial income in 2Q12 was substantially higher than in 2Q13 due to the amount of funds for dividends payment invested in that period. Following is the net financial result:

Net Financial Result	2Q12	2Q13	Δ	1H12	1H13	Δ
<b>Total Financial Result</b>	<b>3,018</b>	<b>857</b>	<b>-71.6%</b>	<b>5,163</b>	<b>3,706</b>	<b>-28.2%</b>
<b>Financial Expenses</b>	<b>(658)</b>	<b>(1,366)</b>	<b>107.6%</b>	<b>(1,110)</b>	<b>(1,793)</b>	<b>61.5%</b>
IOF charge and bank fees	(115)	(200)	73.9%	(326)	(346)	6.1%
Loans and financing expenses	(139)	(102)	-26.6%	(284)	(222)	-21.8%
Foreign exchange variation expenses	(144)	(8)	-94.4%	(222)	(37)	-83.3%
Present value adjustment - AVP	(241)	-	-100.0%	(241)	(112)	-53.5%
Other financial expenses	(19)	(1,056)	5,457.9%	(37)	(1,076)	2,808.1%
<b>Financial Income</b>	<b>3,676</b>	<b>2,223</b>	<b>-39.5%</b>	<b>6,273</b>	<b>5,499</b>	<b>-12.3%</b>
Interest income	731	681	-6.8%	1,459	1,263	-13.4%
Discounts	299	58	-80.6%	354	101	-71.5%
Revenue from short-term investments	1,821	503	-72.4%	1,965	1,008	-48.7%
Foreign exchange variation income	138	119	-13.8%	151	123	-18.5%
Present value adjustment - AVP	558	754	35.1%	2,086	2,786	33.6%
Other financial income	129	108	-16.3%	258	218	-15.5%

**Net Income**

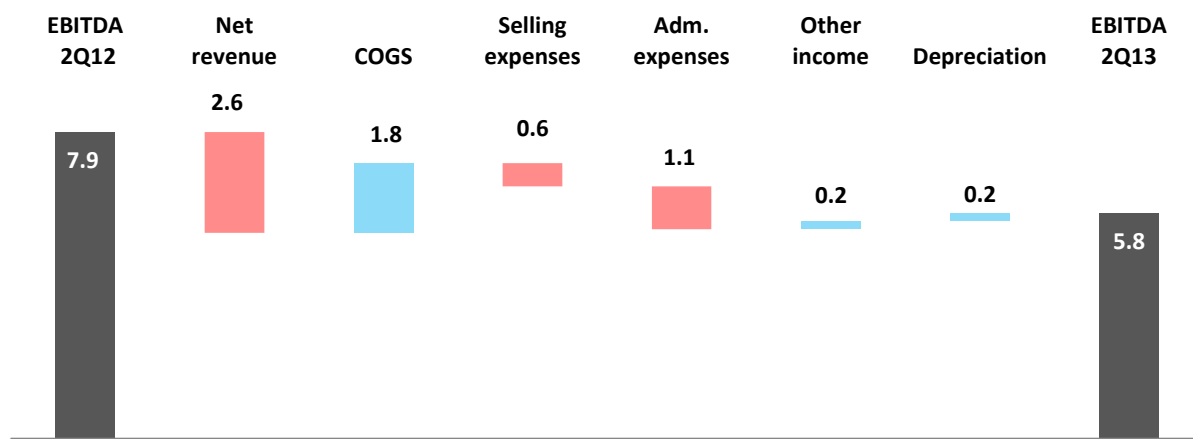
Net Income decreased 26.6% from 2Q12 mainly due to lower revenue, particularly from the Dell Anno and Favorita brands, as well as the increase in expenses with clients, own stores and shared service center.

**EBITDA and EBITDA Margin**

EBITDA in 2Q13 fell by 2.9 percentage points, from R\$7.9 million (2Q12) to R\$5.8 million. EBITDA Margin was 9.1%. The reasons for the decline in EBITDA margin were the same as those for the decline in net income.

EBTDA and EBITDA Margin	2Q12	2Q13	Δ	1H12	1H13	Δ
<b>Net Income for the Period</b>	<b>5,720</b>	<b>4,199</b>	<b>-26.6%</b>	<b>19,688</b>	<b>10,424</b>	<b>-47.1%</b>
(+) Income Tax and Social Contribution	3,172	194	-93.9%	10,551	1,970	-81.3%
<b>(-) Financial Result</b>	<b>(3,018)</b>	<b>(857)</b>	<b>-71.6%</b>	<b>(5,163)</b>	<b>(3,706)</b>	<b>-28.2%</b>
Financial Expenses	(658)	(1,366)	107.6%	(1,110)	(1,793)	61.5%
Financial Income	3,676	2,223	-39.5%	6,273	5,499	-12.3%
<b>EBIT</b>	<b>5,874</b>	<b>3,536</b>	<b>-39.8%</b>	<b>25,076</b>	<b>8,688</b>	<b>-65.4%</b>
(+) Depreciation and Amortization	2,031	2,266	-11.6%	4,139	4,440	7.3%
<b>EBITDA</b>	<b>7,905</b>	<b>5,802</b>	<b>-26.6%</b>	<b>29,215</b>	<b>13,128</b>	<b>-55.1%</b>
<b>EBITDA Margin</b>	<b>12.0%</b>	<b>9.1%</b>	<b>-2.9 p.p.</b>	<b>22.1%</b>	<b>11.1%</b>	<b>-11.0 p.p.</b>

The chart<sup>(1)</sup> below demonstrates EBITDA reconciliation between 2Q12 and 2Q13:



### Net Cash

The Company had a cash balance of R\$14,1 million in 2Q13, having paid during the quarter dividends and interest on equity in the amount of R\$34.0 million, as well as paid up R\$4,0 million of bank debt.

Net Cash	2Q12	2Q13	Δ	2012	Δ <sup>(2)</sup>
Short Term Debt	5,129	1,216	-76.3%	5,128	-76.3%
Long Term Debt	1,115	-	-100.0%	557	-100.0%
<b>Gross Debt</b>	<b>6,244</b>	<b>1,216</b>	<b>-80.5%</b>	<b>5,685</b>	<b>-78.6%</b>
Cash and Cash Equivalents	3,855 <sup>(3)</sup>	14,132	266.6%	28,719	-50.8%
<b>Net Debt</b>	<b>2,389</b>	<b>12,916</b>	<b>440.6%</b>	<b>23,034</b>	<b>-43.9%</b>

<sup>(1)</sup> In R\$ millions

<sup>(2)</sup> Variance between June, 2013 and December, 2012.

<sup>(3)</sup> Excludes the R\$129,683 in cash from the primary offering in the balance of short-term investments.

### Shareholder remuneration

The dividends and interest on equity were paid on May 29, 2013, approved on the Annual Shareholders' Meeting held on April 30, 2013, as follows:

- Twenty-six million, fifty-seven thousand, five hundred thirty-four reais and eighty-eight cents (R\$ 26,057,534.88), equivalent to R\$0.394295 per common share, as dividends, and;
- Seven million, nine hundred eighty-nine thousand, nine hundred sixty-nine reais and ninety-seven cents (R\$7,989,969.97), equivalent to R\$0.120901 per common share, as interest on equity.

### Return on Invested Capital (ROIC)

Net ROIC was 12.8%, down 11.4 p.p. from the same period last year.

Return on Invested Capital (ROIC)	2Q12	2Q13	Δ
EBIT (LTM)	63,987	31,366	-51.0%
Average of Operating Assets	188,514	206,134	9.3%
<b>ROIC</b>	<b>33.9%</b>	<b>15.2%</b>	<b>-18.7 p.p.</b>
Effective IR + CSLL rate (LTM)	28.6%	15.9%	12.7 p.p.
<b>ROIC, Net</b>	<b>24.2%</b>	<b>12.8%</b>	<b>-11.4p.p.</b>

**ANNEX I – FINANCIAL STATEMENTS – INCOME STATEMENT - CONSOLIDATED**

INCOME STATEMENT	2Q12	2Q13	Δ	1H12	1H13	Δ
<b>Gross Revenue from Sales</b>	<b>86,953</b>	<b>84,241</b>	<b>-3.1%</b>	<b>176,126</b>	<b>156,721</b>	<b>-11.0%</b>
Domestic Market	85,180	82,825	-2.8%	173,311	154,308	-11.0%
Dell Anno and Favorita - Exclusive Dealers and Own Stores	45,919	41,569	-9.5%	97,229	78,012	-19.8%
New Exclusive Dealers and Casa Brasileira Franchise Stores	21,762	24,474	12.5%	43,337	45,633	5.3%
New and Casa Brasileira Multibrand Dealers	8,605	9,575	11.3%	18,115	18,062	-0.3%
Telasul Modular	5,835	4,501	-22.9%	9,208	7,768	-15.6%
Unicasa Corporate	992	1,160	16.9%	2,321	1,982	-14.6%
Other Revenues	2,067	1,546	-25.2%	3,101	2,851	-8.0%
Export Market	1,773	1,416	-20.1%	2,815	2,413	-14.3%
Sales Deductions	(20,823)	(20,757)	-0.3%	(43,806)	(38,256)	-12.7%
<b>Net Revenue from Sales</b>	<b>66,130</b>	<b>63,484</b>	<b>-4.0%</b>	<b>132,320</b>	<b>118,465</b>	<b>-10.5%</b>
Cost of Goods Sold	(40,326)	(38,534)	-4.4%	(77,669)	(71,214)	-8.3%
<b>Gross Profit</b>	<b>25,804</b>	<b>24,950</b>	<b>-3.3%</b>	<b>54,651</b>	<b>47,251</b>	<b>-13.5%</b>
Selling Expenses	(16,776)	(17,392)	3.7%	(24,118)	(31,416)	30.3%
General and Administrative Expenses	(4,184)	(5,306)	26.8%	(8,135)	(9,384)	15.4%
Other Operating Income, Net	1,030	1,284	24.7%	2,678	2,237	-16.5%
<b>Income Before Financial (Expenses) Income</b>	<b>5,874</b>	<b>3,536</b>	<b>-39.8%</b>	<b>25,076</b>	<b>8,688</b>	<b>-65.4%</b>
Financial Expenses	(658)	(1,366)	107.6%	(1,110)	(1,793)	61.5%
Financial Income	3,676	2,223	-39.5%	6,273	5,499	-12.3%
<b>Operating Income before Income Tax and Social Contribution</b>	<b>8,892</b>	<b>4,393</b>	<b>-50.6%</b>	<b>30,239</b>	<b>12,394</b>	<b>-59.0%</b>
Income Tax and Social Contribution	(3,172)	(194)	-93.9%	(10,551)	(1,970)	-81.3%
Current	(3,588)	(2,861)	-20.3%	(10,806)	(5,808)	-46.3%
Deferred	416	2,667	541.1%	255	3,838	1405.1%
<b>Net Income for the Period</b>	<b>5,720</b>	<b>4,199</b>	<b>-26.6%</b>	<b>19,688</b>	<b>10,424</b>	<b>-47.1%</b>
Earnings per Share (R\$)	0.09	0.06	-33.3%	0.33	0.16	-51.5%

**ANNEX II - FINANCIAL STATEMENTS – BALANCE SHEET - CONSOLIDATED**

ASSETS	2012	2Q13	Δ
<b>Current Assets</b>	<b>136,105</b>	<b>114,767</b>	<b>-15.7%</b>
Cash and Cash Equivalents	28,719	14,132	-50.8%
Trade accounts receivable	77,732	64,778	-16.7%
Inventories	19,296	22,657	17.4%
Advances to Suppliers	1,038	1,101	6.1%
Loans Granted	1,971	2,511	27.4%
Prepaid Expenses	1,868	4,664	149.7%
Recoverable Taxes	3,104	271	-91.3%
Other Assets	2,377	4,653	95.8%
<b>Non-Current Assets</b>	<b>138,114</b>	<b>139,707</b>	<b>1.2%</b>
Trade Accounts Receivable	15,476	12,504	-19.2%
Loans Granted	5,547	4,971	-10.4%
Assets Held for Sale	8,848	7,357	-16.9%
Deferred Income and Social Contribution Taxes	6,734	10,572	57.0%
Recoverable Taxes	25	14	-44.0%
Prepaid Expenses	251	94	-62.5%
Judicial Deposits	2,140	3,155	47.4%
Other Assets	2,004	2,011	0.3%
Investments	404	82	-79.7%
Property, Plant and Equipment	78,373	77,204	-1.5%
Intangible Assets	18,312	21,743	18.7%
<b>Total Assets</b>	<b>274,219</b>	<b>254,474</b>	<b>-7.2%</b>

LIABILITIES	2012	2Q13	Δ
<b>Current Liabilities</b>	<b>46,367</b>	<b>40,449</b>	<b>-12.8%</b>
Loans and Financing	5,128	1,216	-76.3%
Suppliers	6,698	9,683	44.6%
Tax Liabilities	4,961	4,178	-15.8%
Dividends and interest on Equity Payable	10,014	-	-100.0%
Payroll and Related Charges	4,507	7,046	56.3%
Advances from Customers	14,002	17,377	24.1%
Other Liabilities	1,057	949	-10.2%
<b>Non-Current Liabilities</b>	<b>5,722</b>	<b>5,505</b>	<b>-3.8%</b>
Loans and Financing	557	-	-100.0%
Provision	5,165	5,505	6.6%
<b>Shareholders' equity</b>	<b>222,130</b>	<b>208,520</b>	<b>-6.1%</b>
Capital Stock	187,709	187,709	0.0%
Capital Reserve	(2,658)	(2,658)	0.0%
Retained Profits Reserve	13,045	13,045	0.0%
Additional proposed dividends	24,034	-	-100.0%
Profit Accumulated	-	10,424	100.0%
<b>Total Liabilities and Shareholders' Equity</b>	<b>274,219</b>	<b>254,474</b>	<b>-7.2%</b>



**ANNEX III – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED<sup>(1)</sup>**

CASH FLOW STATEMENT	2Q12	2Q13	Δ	1H12	1H13	Δ
<b>Cash Flows from Operating Activities</b>						
Operating Income Before Income And Social Contribution Taxes	8,892	4,393	-50.6%	30,239	12,394	-59.0%
<b>Adjustment to Reconcile the Net Income to Cash from Operating Activities:</b>						
Depreciation and Amortization	2,031	2,266	11.6%	4,139	4,440	7.3%
Foreign Exchange Variation	97	(35)	-136.1%	143	(77)	-153.8%
Interest Apropriation	138	102	-26.1%	284	222	-21.8%
Provision for Litigation	577	(154)	-126.7%	777	340	-56.2%
Provision for Obsolescence	(53)	(24)	-54.7%	(503)	(115)	-77.1%
Allowance for Doubtful Accounts	1,559	1,678	7.6%	1,747	2,749	57.4%
Provision for Losses with credits receivable	2,468	-	-100.0%	2,468	-	-100.0%
Disposal of Property, Plant and Equipment	91	125	37.4%	93	236	153.8%
	<b>15,800</b>	<b>8,351</b>	<b>-47.1%</b>	<b>39,387</b>	<b>20,189</b>	<b>-48.7%</b>
<b>Changes in Assets and Liabilities</b>						
Trade Accounts Receivable	(4,782)	7,327	-253.2%	(11,244)	10,041	-189.3%
Inventories	143	(950)	-764.3%	(153)	(3,246)	2021.6%
Recoverable Taxes	(1,637)	(75)	-95.4%	(1,213)	2,844	-334.5%
Restricted Short -Term Investiments	-	-	0.0%	323	-	-100.0%
Loans Granted	413	94	-77.2%	1,119	36	-96.8%
Prepaid Expenses	1,399	1,970	40.8%	(367)	(2,639)	619.1%
Other Current ou Non-Current Assets	(1,974)	(2,257)	14.3%	(6,920)	(3,361)	-51.4%
Non-Current Assets Available for Sale	(250)	1,491	-696.4%	(1,350)	1,491	-210.4%
Suppliers	705	1,380	95.7%	3,315	3,356	1.2%
Advance from Customers	4,216	315	-92.5%	2,828	3,375	19.3%
Tax Liabilities	8,908	(1,753)	-119.7%	(1,475)	(1,389)	-5.8%
Other Current ou Non-Current Liabilities	917	1,690	84.3%	1,510	2,431	61.0%
Payment of Income and Social Contribution Taxes	(14,310)	(3,333)	-76.7%	(16,653)	(5,202)	-68.8%
<b>Net Cash from Operating Activities</b>	<b>9,548</b>	<b>14,250</b>	<b>49.2%</b>	<b>9,107</b>	<b>27,926</b>	<b>206.6%</b>
<b>Cash Flows from Investing Activities</b>						
Property, Plant and Equipment	(1,871)	(1,469)	-21.5%	(3,862)	(3,513)	-9.0%
Intangible Assets	(2,217)	(75)	-96.6%	(2,251)	(261)	-88.4%
<b>Net Cash used in Investing Activities</b>	<b>(4,088)</b>	<b>(1,544)</b>	<b>-62.2%</b>	<b>(6,113)</b>	<b>(3,774)</b>	<b>-38.3%</b>
<b>Cash Flows from Financing Activities</b>						
Capital increases	127,909	-	-100.0%	127,909	-	-100.0%
Spending on issue of shares	(4,027)	-	-100.0%	(4,027)	-	-100.0%
Loan and Interest Payments	(419)	(4,380)	945.3%	(843)	(4,691)	456.5%
Payment of Interest on Shareholders' Equity	(1,694)	(7,990)	371.7%	(4,326)	(7,990)	84.7%
Dividends Paid	-	(26,058)	100.0%	(300)	(26,058)	8586.0%
<b>Cash Flows (used in) from Financing Activities</b>	<b>121,769</b>	<b>(38,428)</b>	<b>-131.6%</b>	<b>118,413</b>	<b>(38,739)</b>	<b>-132.7%</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>127,229</b>	<b>(25,722)</b>	<b>-120.2%</b>	<b>121,407</b>	<b>(14,587)</b>	<b>-112.0%</b>
<b>Changes in Cash and Cash Equivalents</b>						
At the Beginning of the Period	6,309	39,854	531.7%	12,131	28,719	136.7%
At the End of the Period	133,538	14,132	-89.4%	133,538	14,132	-89.4%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>127,229</b>	<b>(25,722)</b>	<b>-120.2%</b>	<b>121,407</b>	<b>(14,587)</b>	<b>-112.0%</b>

<sup>(1)</sup> THE STATEMENT OF CASH FLOW WAS PREPARED BY THE INDIRECT METHOD AND IS SHOWN IN ACCORDANCE WITH CPC 3 – STATEMENT OF CASH FLOWS, ISSUED BY BRAZIL'S ACCOUNTING PRONOUNCEMENTS COMMITTEE (CPC). TRANSACTIONS THAT DO NOT AFFECT CASH ARE DESCRIBED IN NOTE 27 TO THE QUARTERLY INFORMATION (ITR) ON JUNE 30, 2013.

**ANNEX IV – GROSS REVENUE, GROSS REVENUE EX-IPI AND MODULES SOLD – CONSOLIDATED**

<b>GROSS REVENUE</b>	<b>1Q13</b>	<b>1Q12</b>	<b>2Q12</b>	<b>2Q13</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1H12</b>	<b>1H13</b>	<b>9M12</b>	<b>2012</b>
<b>Total Gross Revenue</b>	<b>72,481</b>	<b>89,173</b>	<b>86,953</b>	<b>84,241</b>	<b>92,395</b>	<b>98,551</b>	<b>176,126</b>	<b>156,721</b>	<b>268,521</b>	<b>367,072</b>
<b>Domestic Market</b>	<b>71,484</b>	<b>88,131</b>	<b>85,180</b>	<b>82,825</b>	<b>88,901</b>	<b>96,798</b>	<b>173,311</b>	<b>154,308</b>	<b>262,212</b>	<b>359,010</b>
Dell Anno and Favorita - Exclusive Dealers and Own Stores	36,443	51,311	45,919	41,569	47,823	52,234	97,229	78,012	145,053	197,287
New Exclusive Dealers and Casa brasileira Franchise Stores	21,159	21,575	21,762	24,474	23,879	25,445	43,337	45,633	67,216	92,661
New and Casa Brasileira Multibrand <sup>1</sup>	8,487	9,509	8,605	9,575	10,185	10,279	18,115	18,062	28,299	38,578
Telasul Modular	3,267	3,372	5,835	4,501	3,898	5,606	9,208	7,768	13,106	18,712
Unicasa Corporate	822	1,329	992	1,160	1,411	1,189	2,321	1,982	3,732	4,921
Other Revenues	1,305	1,035	2,067	1,546	1,705	2,045	3,101	2,851	4,806	6,851
<b>Export Market</b>	<b>997</b>	<b>1,042</b>	<b>1,773</b>	<b>1,416</b>	<b>3,494</b>	<b>1,753</b>	<b>2,815</b>	<b>2,413</b>	<b>6,310</b>	<b>8,063</b>

<b>GROSS REVENUE FROM SALES EX-IPI</b>	<b>1Q13</b>	<b>1Q12</b>	<b>2Q12</b>	<b>2Q13</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1H12</b>	<b>1H13</b>	<b>9M12</b>	<b>2012</b>
<b>Total Gross Revenue from Sales EX-IPI</b>	<b>71,215</b>	<b>85,592</b>	<b>86,837</b>	<b>82,237</b>	<b>92,278</b>	<b>98,493</b>	<b>172,429</b>	<b>153,451</b>	<b>264,708</b>	<b>363,201</b>
<b>Domestic Market</b>	<b>70,218</b>	<b>84,550</b>	<b>85,064</b>	<b>80,821</b>	<b>88,784</b>	<b>96,740</b>	<b>169,614</b>	<b>151,038</b>	<b>258,398</b>	<b>355,138</b>
Dell Anno and Favorita - Exclusive Dealers and Own Stores	35,782	49,200	45,884	40,562	47,783	52,809	95,084	76,344	142,867	195,676
New Exclusive Dealers and Casa brasileira Franchise Stores	20,793	20,726	21,752	23,886	23,848	25,430	42,478	44,679	66,326	91,756
New and Casa Brasileira Multibrand <sup>1</sup>	8,339	9,116	8,605	9,341	10,167	10,271	17,721	17,680	27,888	38,159
Telasul Modular	3,209	3,235	5,832	4,393	3,895	5,606	9,067	7,602	12,962	18,568
Unicasa Corporate	812	1,277	991	1,745	1,411	1,189	2,268	2,557	3,679	4,868
Other Revenues	1,282	996	2,000	894	1,680	1,435	2,996	2,176	4,676	6,111
<b>Export Market</b>	<b>997</b>	<b>1,042</b>	<b>1,773</b>	<b>1,416</b>	<b>3,494</b>	<b>1,753</b>	<b>2,815</b>	<b>2,413</b>	<b>6,310</b>	<b>8,063</b>

<b>MODULES SOLD</b>	<b>1Q13</b>	<b>1Q12</b>	<b>2Q12</b>	<b>2Q13</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1H12</b>	<b>1H13</b>	<b>9M12</b>	<b>2012</b>
<b>Total Modules Sold</b>	<b>334,924</b>	<b>390,840</b>	<b>407,734</b>	<b>379,979</b>	<b>443,172</b>	<b>455,212</b>	<b>798,574</b>	<b>714,903</b>	<b>1,241,746</b>	<b>1,696,958</b>
<b>Domestic Market</b>	<b>322,513</b>	<b>381,465</b>	<b>395,322</b>	<b>368,366</b>	<b>410,016</b>	<b>444,026</b>	<b>776,788</b>	<b>690,879</b>	<b>1,186,803</b>	<b>1,630,830</b>
Dell Anno and Favorita - Exclusive Dealers and Own Stores	118,665	179,389	169,216	130,811	171,477	178,373	348,605	249,476	520,081	698,454
New Exclusive Dealers and Casa brasileira Franchise Stores	110,189	109,187	112,736	121,807	128,130	137,963	221,924	231,996	350,054	488,017
New and Casa Brasileira Multibrand <sup>1</sup>	52,726	56,822	53,272	57,428	64,704	66,869	110,094	110,154	174,798	241,667
Telasul Modular	26,839	27,719	50,184	37,713	31,329	46,029	77,903	64,552	109,232	155,260
Unicasa Corporate	3,518	5,602	4,062	3,284	7,048	2,944	9,664	6,801	16,712	19,657
Other Revenues	10,576	2,746	5,853	17,324	7,328	11,848	8,599	27,900	15,927	27,774
<b>Export Market</b>	<b>12,411</b>	<b>9,375</b>	<b>12,412</b>	<b>11,613</b>	<b>33,156</b>	<b>11,186</b>	<b>21,787</b>	<b>24,024</b>	<b>54,943</b>	<b>66,128</b>

<sup>1</sup>Revenues reported in 2Q12/1H12 refer to sales of the Telasul brand in the Exclusive and Multibrand channels added to New Multibrand channel.