



Saraiva

Saraiva S.A. Livreiros Editores

Conference Call - second quarter 2007 Earnings Release



August 16, 2007

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Consolidated Performance

Editora Saraiva

Livraria Saraiva

Consolidated Performance

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Highlights

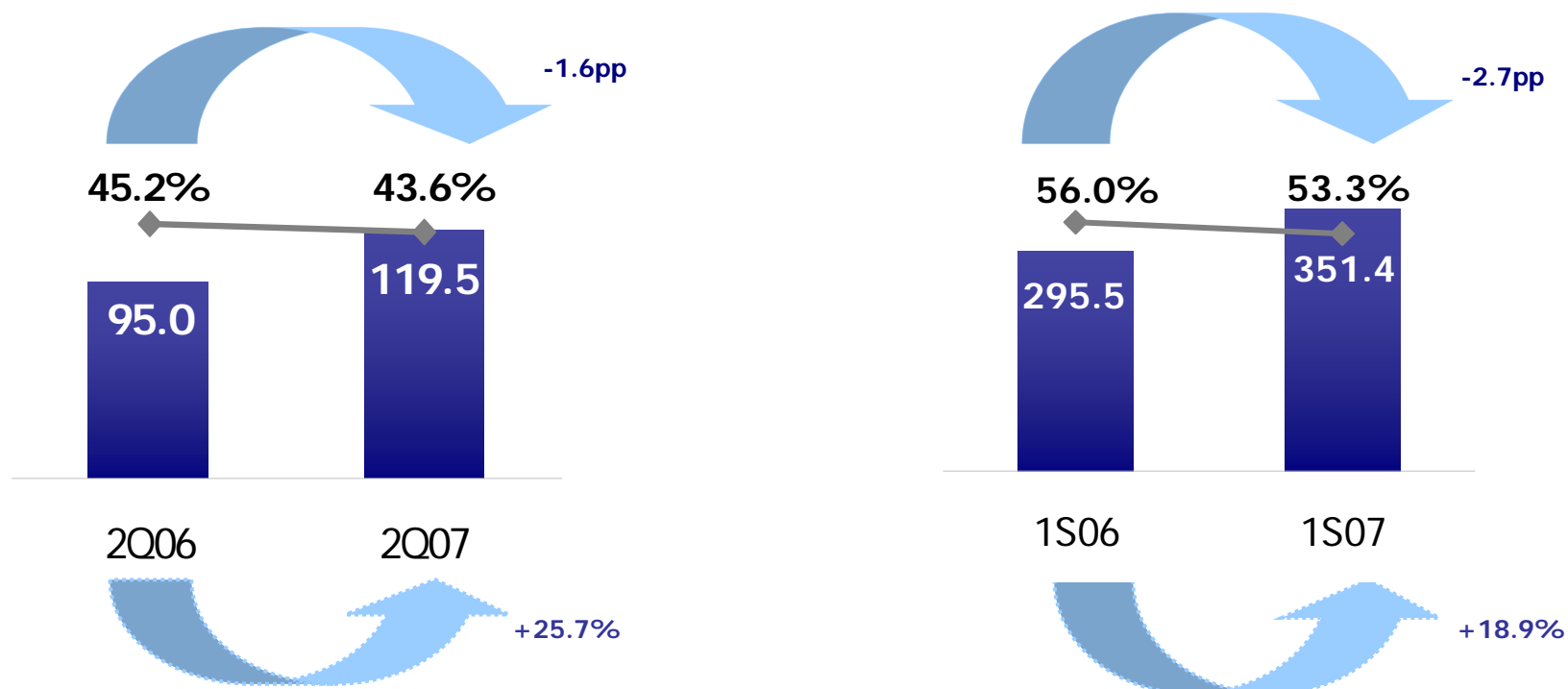
R\$ MM	2006	2007	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
Consolidated Gross Revenues	95.0	119.5	25.7%	295.5	351.4	18.9%
<i>Gross Revenues BooksStores</i>	73.2	102.6	40.1%	171.2	220.9	29.0%
<i>Gross Revenues Publishing House</i> ⁽¹⁾	21.8	16.9	-22.6%	124.3	130.5	5.0%
Net Revenues	86.9	109.6	26.1%	278.7	332.2	19.2%
Gross Margin %	45.2%	43.6%	(1.6)pp	56.0%	53.3%	(2.7)pp
Operating Income	-13.1	-8.1	-38.0%	40.3	55.9	38.7%
Operating Margin %	-15.0%	-7.4%	(7.6)pp	14.5%	16.8%	2.3pp
Net Income	-8.7	-6.4	-26.5%	25.5	34.5	35.2%
Adjusted EBITDA ⁽²⁾	-9.4	-7.6	-19.2%	48.3	58.0	20.1%
EBITDA Margin %	-10.8%	-6.9%	(3.9)pp	17.3%	17.5%	0.2pp
SGA / Net Revenues %	60.2%	51.0%	(9.2)pp	41.5%	36.4%	(5.1)pp
Investment	0.9	4.9	453.8%	1.7	9.5	463.5%
Employees - n°	-	-	-	2,243	2,211	-1.4%

⁽¹⁾ Excludes Inter Company Sales.

⁽²⁾ Adjusted EBITDA: Does not include provision for redemption of bonus from the Saraiva Plus program (R\$ 0.2MM in 2007 and R\$ 1.3MM in 2006).

Consolidated Performance

Gross Revenues (R\$ MM) and Gross Margin (%)

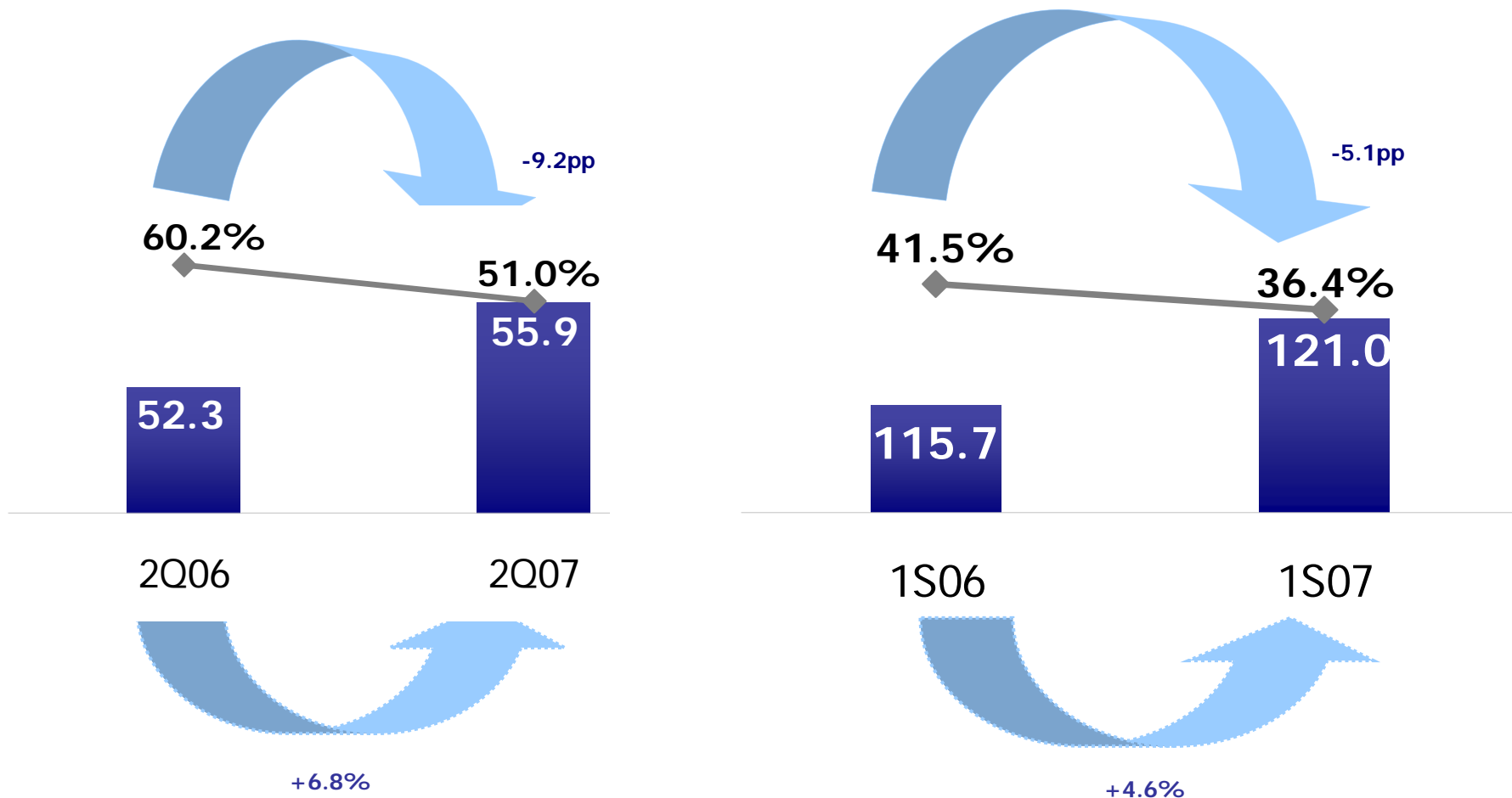


Gross Revenues (R\$ MM)	2Q06	V.A.	2Q07	V.A.	1S06	V.A.	1S07	V.A.
Editora	21.8	22.9%	16.9	14.1%	124.3	42.1%	130.5	37.1%
Livraria	73.2	77.1%	102.6	85.9%	171.2	57.9%	220.9	62.9%

Consolidated Performance

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SGA (R\$ MM) and
SGA / Net Revenues (%)



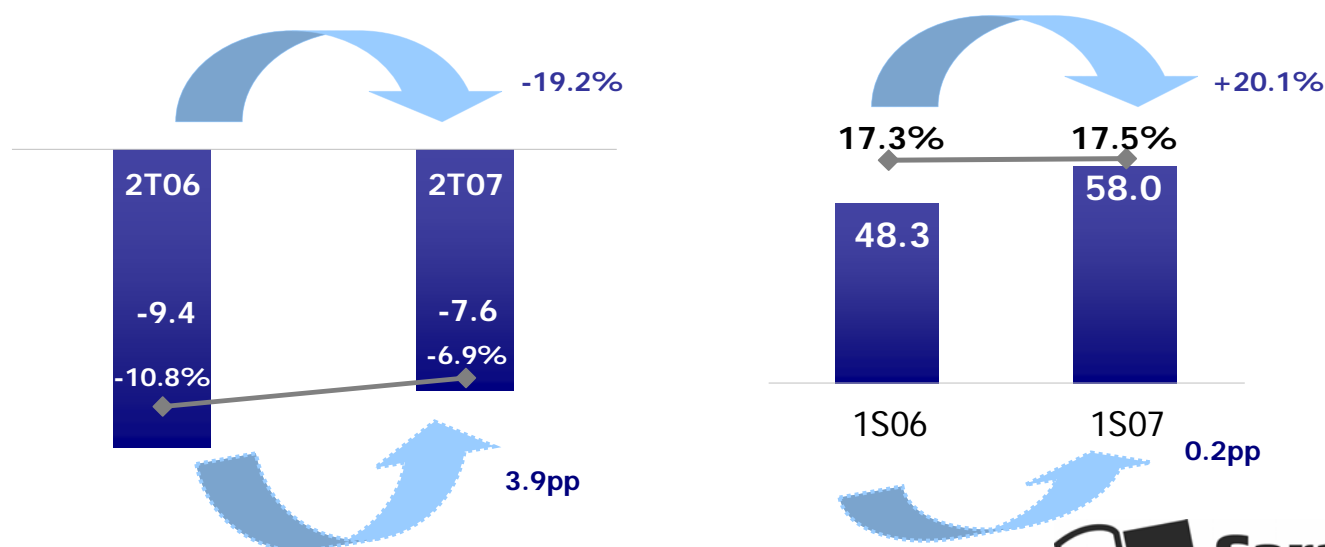
Consolidated Performance

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EBITDA (em R\$ MM)	2Q06	2Q07	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
Net Income	-8.7	-6.4	-26.5%	25.5	34.5	35.2%
(+) Income Tax & Social Contribution and Management	-3.7	-1.7	-54.7%	15.5	21.5	39.1%
(+) Non-Operating Income	-0.7	0.0	-	-0.6	0.0	-
(+) Net Financial Expense	0.8	-1.8	-	1.5	-3.0	-
(+) Depreciation and Amortization	2.5	2.5	0.1%	5.1	5.0	-2.9%
EBITDA	-9.7	-7.4	-24.4%	47.0	57.9	23.1%

Adjusted EBITDA ⁽¹⁾	2Q06	2Q07	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
(+) Provision for Saraiva Plus Bonus Points Redemption	0.3	-0.2	-1.7	1.3	0.2	-0.9
Adjusted EBITDA	-9.4	-7.6	-19.2%	48.3	58.0	20.1%
EBITDA Margin %	-10.8%	-6.9%	(3.9)pp	17.3%	17.5%	0.2pp

Ajusted EBITDA (R\$ MM) and EBITDA Margin (%)



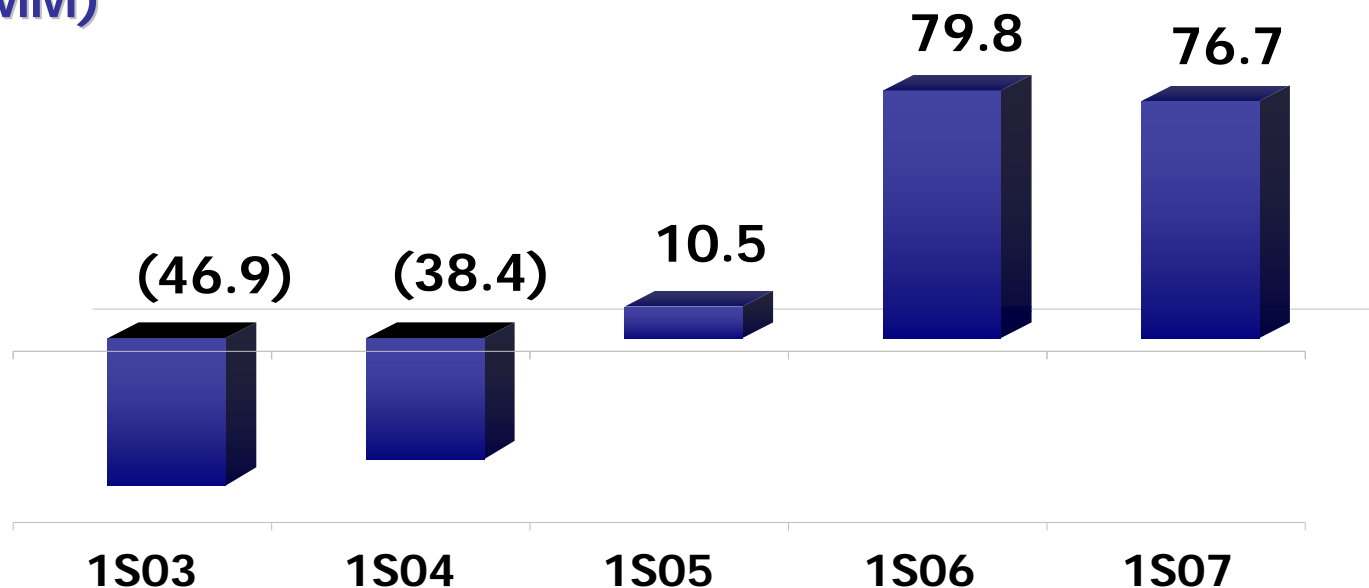
(1) Adjusted EBITDA: added back "Saraiva Plus" bonus redemptions provisions.

Consolidated Performance

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Net Cash Position ⁽¹⁾

(R\$ MM)



Loans from the BNDES (R\$MM)	Contracted	Disbursed	Funds to be Disbursed
Editora	32.5	21.9	10.6
Livraria	22.1	13.8	8.3
Total	54.6	35.7	18.8

(1) Net Cash Position = Cash & Banks – Loans and financing

Capital Raise April-2006 = R\$ 63.6 MM

Consolidated Performance

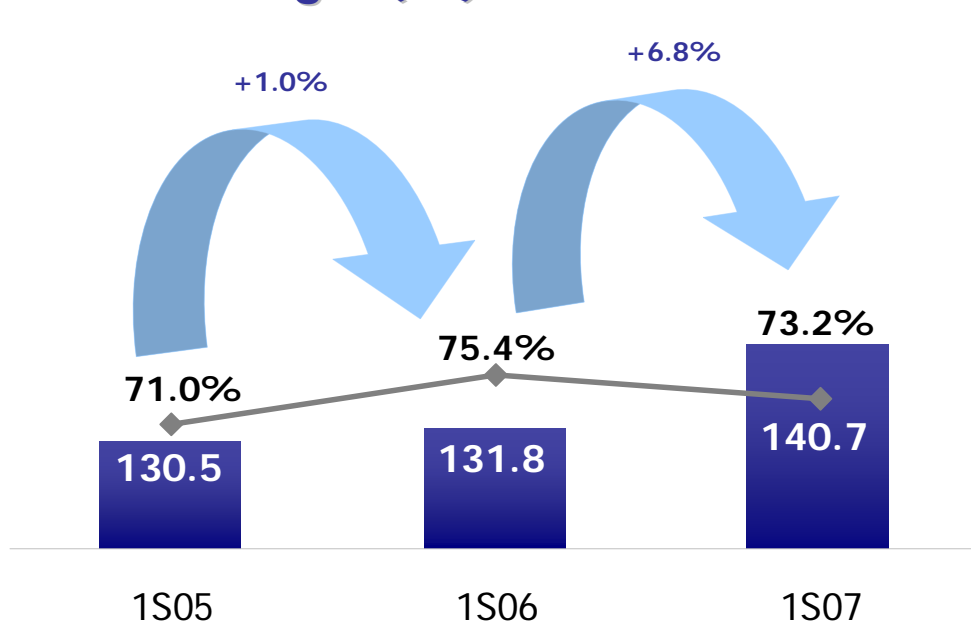
Editora Saraiva

Livraria Saraiva

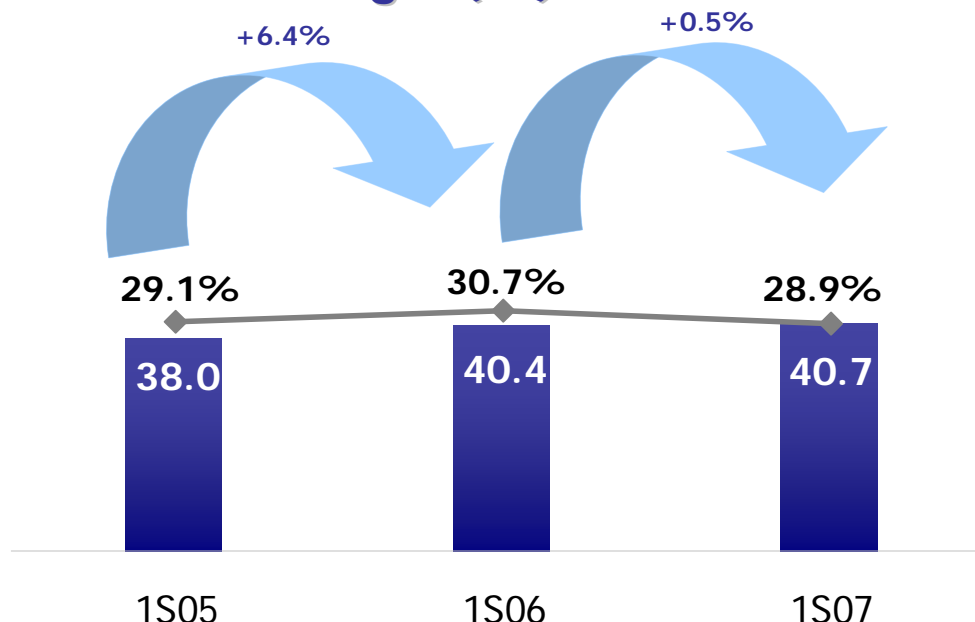
Highlights

R\$ MM	1S06	1S07	Y.O.Y.(%)
Gross Revenues	131.8	140.7	6.8%
<i>Private Market</i>	<i>109.1</i>	<i>120.3</i>	<i>10.3%</i>
<i>Government</i>	<i>22.8</i>	<i>20.4</i>	<i>-10.3%</i>
Net Revenues	131.7	140.7	6.8%
Gross Margin %	75.4%	73.2%	(2.2)pp
Net Income	25.5	34.5	35.2%
EBITDA	40.4	40.7	0.5%
EBITDA Margin %	30.7%	28.9%	(1.8)pp
SGA / Net Revenues %	45.4%	37.1%	(8.3)pp
Investment	0.6	0.9	54.5%
Employees - n°	906	784	-13.5%

Gross Revenues (R\$ MM) and Gross Margin (%)



EBITDA (R\$ MM) and EBITDA Margin (%)



Gross Revenues (R\$ MM)	1S05		1S06		1S07	
	V.A.	V.A.	V.A.	V.A.	V.A.	V.A.
Private Market	105.7	81.0%	109.1	82.7%	120.3	85.5%
Government	24.8	19.0%	22.8	17.3%	20.4	14.5%

Consolidated Performance

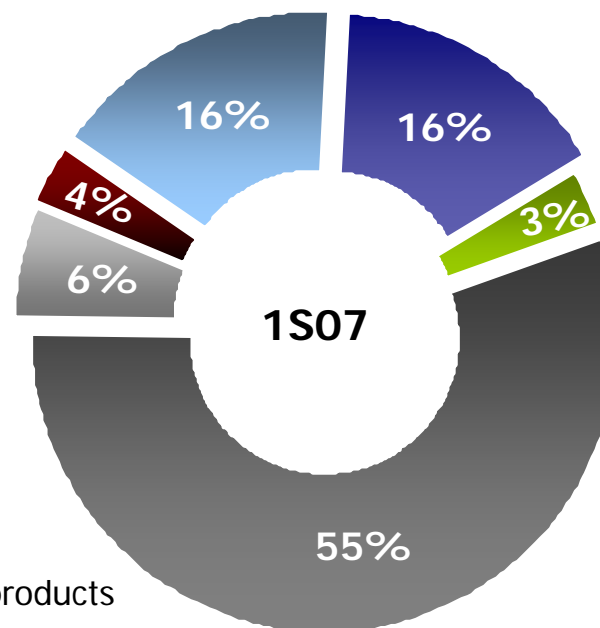
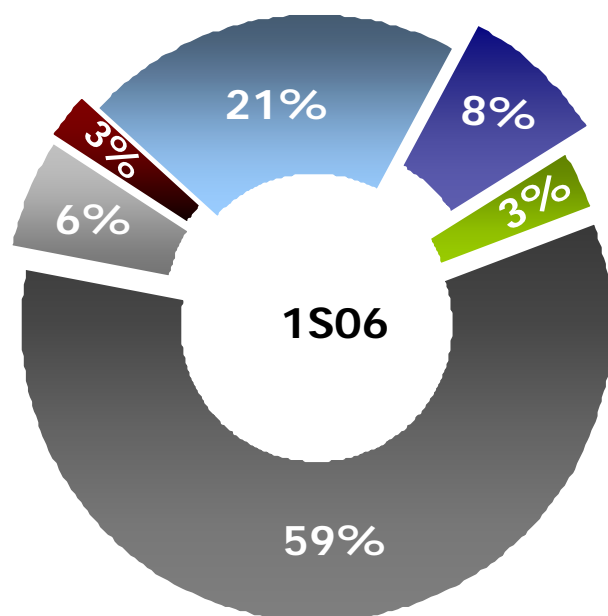
Editora Saraiva

Livraria Saraiva

Livraria Saraiva – Evolution of Revenues

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(R\$ MM)	2006	2007	Y.O.Y.	1S06	1S07	Y.O.Y.
Gross Revenues	73.2	102.6	40.1%	171.2	220.9	29.0%
Comparable Sales (Physical Stores + Saraiva.com)	72.9	95.9	31.5%	170.2	212.1	24.6%
Saraiva.com	22.3	34.8	55.7%	49.3	72.2	46.4%
Physical Stores	50.9	67.8	33.3%	121.9	148.7	22.0%
Same Store Sales (Physical Stores)	50.6	61.1	20.9%	120.9	139.9	15.7%



- Books
- Stationery
- Multimedia products
- Music / DVD
- Electronics / IT
- Others

Highlights

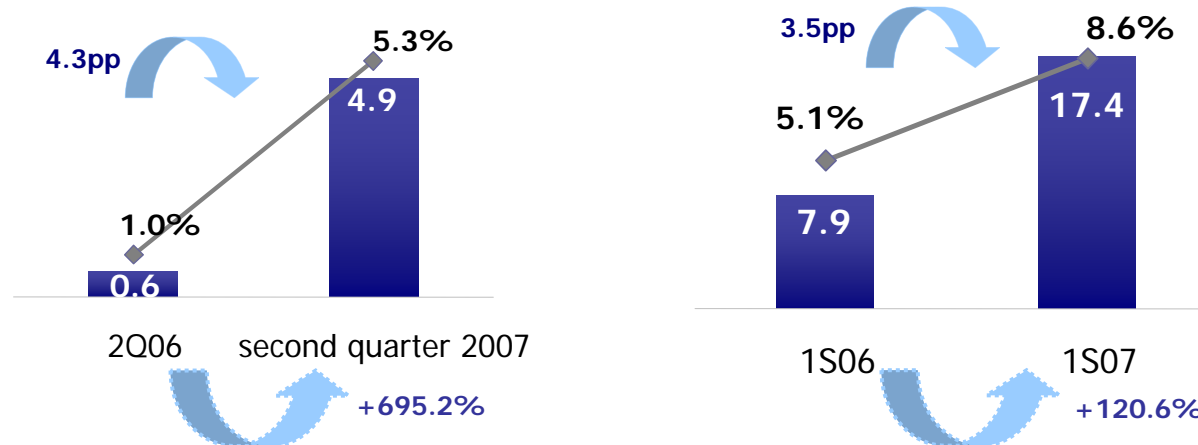
R\$ MM	2Q06	2Q07	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
Gross Revenues	73.2	102.6	40.1%	171.2	220.9	29.0%
Net Revenues	65.1	92.7	42.4%	154.6	201.8	30.5%
Gross Margin %	37.0%	36.8%	(0.2)pp	36.7%	36.6%	(0.1)pp
Net Income	(1.0)	1.4	-	2.0	7.5	283.4%
Ajusted EBITDA (*)	0.6	4.9	695.2%	7.9	17.4	120.6%
EBITDA Margin %	1.0%	5.3%	4.3pp	5.1%	8.6%	3.5pp
SGA / Net Revenues %	39.4%	34.0%	(5.4)pp	34.5%	30.4%	(4.1)pp
Working Capital	33.7	64.0	89.9%	33.7	64.0	89.9%
Average Working Capital/Gross Revenues %	-	-	-	10.5%	15.9%	5.4pp
Investment	0.5	4.4	789.7%	1.1	8.6	685.8%
Employees (n°)	-	-	-	1,337	1,427	6.7%

(*) Adjusted EBITDA: added back provision for redemption of bonus of "Saraiva Plus" (R\$ 0.2MM em 2007 e R\$ 1.3MM em 2006).

EBITDA (em R\$ MM)	2Q06	2Q07	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
Net Income	-1.0	1.4	-	2.0	7.5	283.4%
(+) Income Tax & Social Contribution and Management	-0.6	1.3	-	1.3	5.0	274.8%
(+) Non-Operating Income	0.0	0.0	-139.3%	0.1	0.0	-96.3%
(+) Net Financial Expense	0.6	1.1	77.1%	0.7	1.9	183.3%
(+) Depreciation and Amortization	1.2	1.4	14.4%	2.5	2.7	10.8%
EBITDA	0.3	5.2	1742.9%	6.6	17.2	162.6%

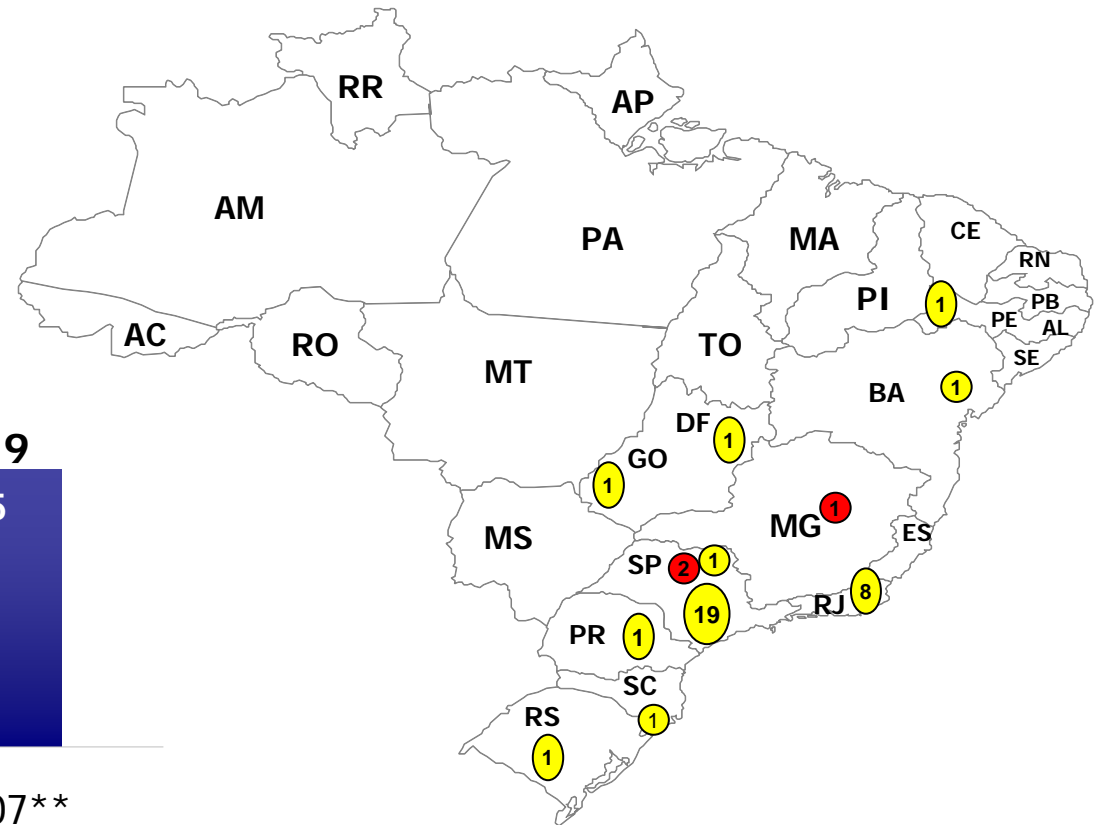
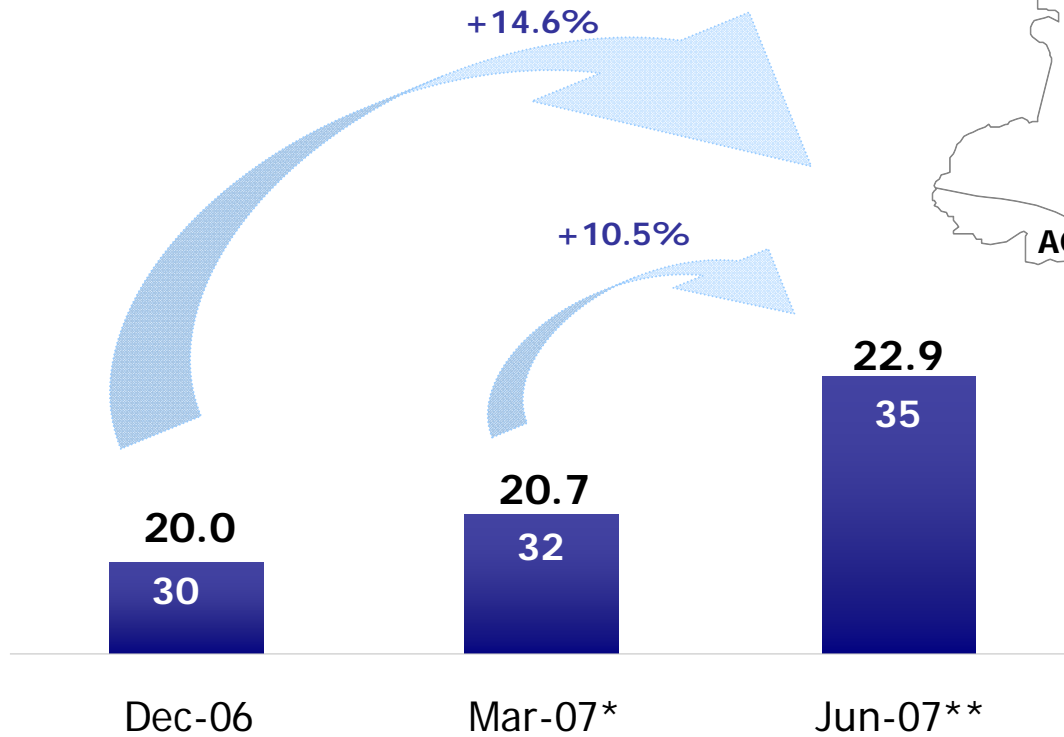
Adjusted EBITDA	2Q06	2Q07	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
(+) Provision for Saraiva Plus Bonus Points Redemption	0.3	-0.2	-	1.3	0.2	-87.9%
Adjusted EBITDA⁽¹⁾	0.6	4.9	695.2%	7.9	17.4	120.6%
EBITDA Margin %	1.0%	5.3%	4.3pp	5.1%	8.6%	3.5pp

EBITDA (R\$ MM) and EBITDA Margin (%)



(1) Adjusted EBITDA: added back "Saraiva Plus" bonus redemptions provisions.

Selling Area (Thousand m²) and Number of Stores



 35 Stores

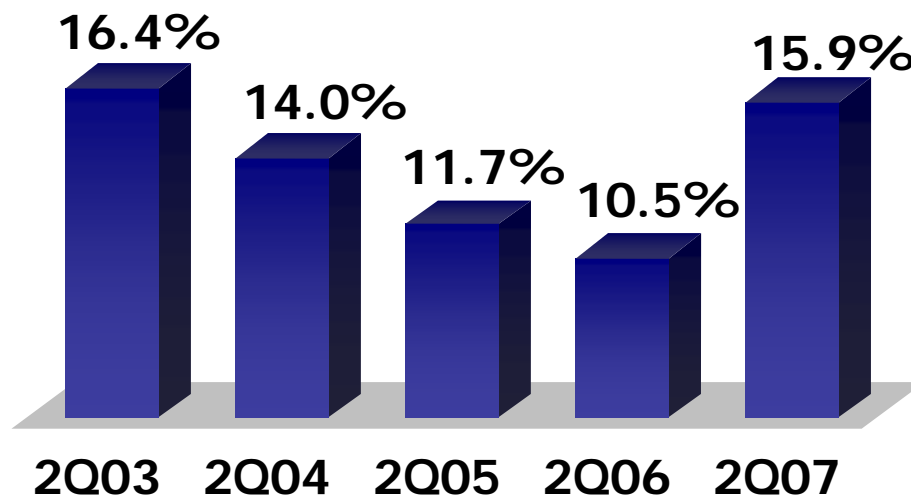
 3 New Stores

* Mar-07 – Opening of 2 stores in Rio de Janeiro.

** Jun-07 – Opening of 3 stores: Florianópolis, Salvador and Ribeirão Preto.

(R\$ MM)	2S06	Turnover	2S07	Turnover	Y.O.Y.
Inventories	37.9	77	53.0	83	39.8%
Costumers	31.8	36	56.5	51	77.6%
Suppliers	36.0	65	45.5	61	26.3%
Working Capital	33.7	47	64.0	73	89.9%

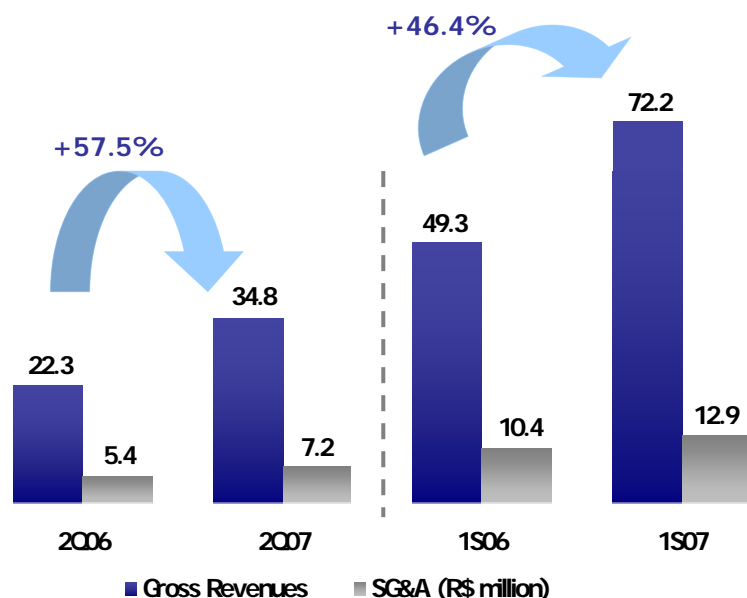
Working Capital ⁽¹⁾ / Gross Revenues ⁽²⁾ (%)



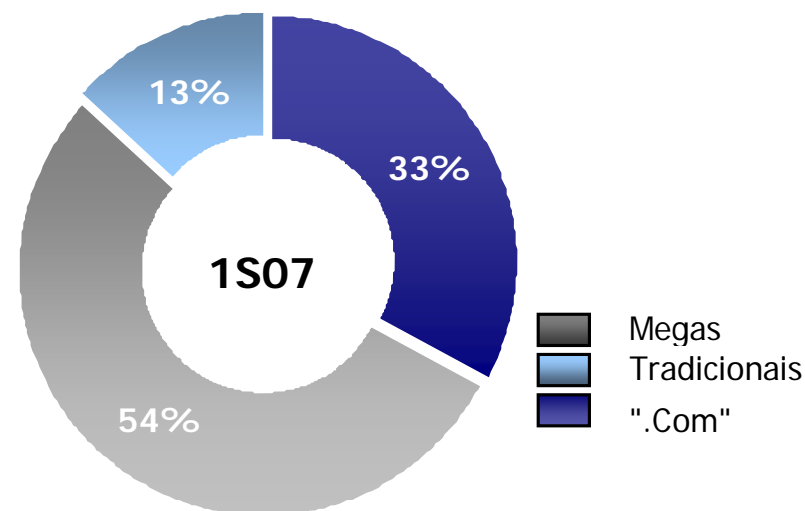
(1) Inventory + Costumers – Suppliers (average last 12 months)

(2) Gross Revenues last 12 months

R\$ MM	2Q06	2Q07	Y.O.Y.(%)	1S06	1S07	Y.O.Y.(%)
Gross Revenues	22.3	34.8	55.7%	49.3	72.2	46.4%
Net Revenues	19.8	30.9	55.9%	44.6	65.5	46.8%
Ajusted EBITDA ⁽¹⁾	2.5	3.3	30.3%	5.8	9.7	67.1%
EBITDA Margin %	12.7%	10.6%	(2.1)pp	13.0%	14.8%	1.8pp
Active Customers (000) ⁽²⁾	924	1,079	16.8%	924	1,079	16.8%
% of Gross Revenues - Livraria	30.5%	33.9%	3.4pp	28.8%	32.7%	3.9pp
Average Ticket (R\$)	112.7	126.9	12.6%	110.2	126.8	15.0%



Participation on the Gross Revenues



⁽¹⁾ Ajusted EBITDA: Does not include provision for redemption of bonus from the "Saraiva Plus program (R\$ 0.1MM in 2007 and R\$ 0.4MM in 2006), which does not represent cash outflow.

⁽²⁾ Active Customers : clients who have bought at least once a year in the last two years.

Indicators	1S06	1S07	Chg.
Number of Trades ⁽¹⁾	14,842	10,223	-31.1%
Participation in Trading Sessions - % ⁽¹⁾	100.0	100.0	-
Quantity Traded - thousand shares ⁽¹⁾	8,890	11,333	27.5%
Volume Traded - R\$ 000 ⁽¹⁾	179,906	287,133	59.6%
Share Price - R\$ ⁽¹⁾	20.30	29.50	45.3%
Total Shares Outstanding - 000	28,230	28,230	-
Market Cap - R\$ MM	573.1	832.8	45.3%

Source: Bovespa

⁽¹⁾ Referring to preferred shares (SLED4)



Editora Saraiva

■ PNLD and PNLEM 2008 Results.

Government's textbook purchase programs for both elementary and high schools

• Expectations:

- 15% of market share in PNLD market
- 20% of market share in PNLEM market (only history)

Livraria Saraiva

- Maintenance of real growth in comparable stores
- Strong growth in Saraiva.com sales
- Opening of 3 to 4 new stores

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