



Saraiva

Saraiva S.A. Livreiros Editores

Conference Call - 1Q07 Earnings Release



May 16, 2007

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Known risks include uncertainties which are not limited to the impact of competition on prices and products, acceptance of products in the market, competitors' behavior, regulatory approval, type and fluctuation of currencies, regularity in the supply of raw material and operation, among others. Saraiva does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Consolidated Performance

Editora Saraiva

Livraria Saraiva

Consolidated Performance

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Highlights

R\$ MM	1Q06	1Q07	Y.O.Y.(%)
Consolidated Gross Revenues	200.5	231.9	15.7%
<i>Gross Revenues BooksStores</i>	<i>98.0</i>	<i>118.3</i>	<i>20.7%</i>
<i>Gross Revenues Publishing House⁽¹⁾</i>	<i>102.5</i>	<i>113.6</i>	<i>10.8%</i>
Net Revenues	191.8	222.6	16.0%
Gross Margin %	60.9%	58.0%	(2,9)pp
Operating Income	53.4	64.0	19.9%
Operating Margin %	27.8%	28.8%	1,0pp
Net Income	34.1	40.8	19.6%
Ajusted EBITDA⁽²⁾	57.7	65.6	13.7%
EBITDA Margin %	30.1%	29.5%	(0,6)pp
Investment	0.8	4.6	474.3%
SGA / Net Revenues %	33.0%	29.3%	(3,7)pp

⁽¹⁾ Excludes Inter Company Sales.

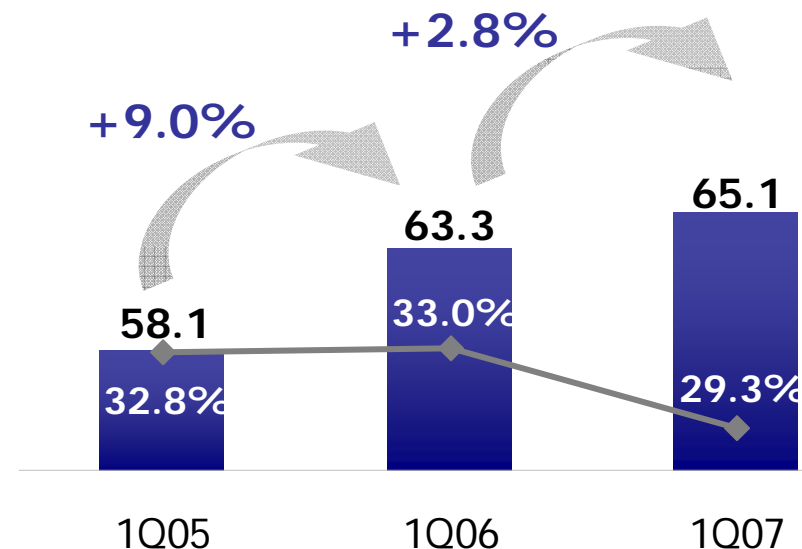
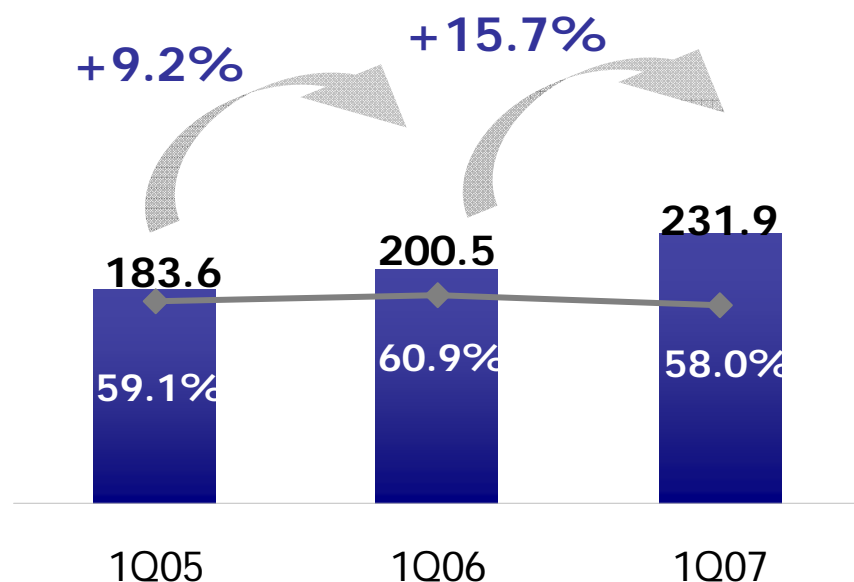
⁽²⁾ Adjusted EBITDA: Does not include provision for redemption of bonus from the Saraiva Plus program (R\$ 390k in 2007 and R\$ 979k in 2006).

Consolidated Performance

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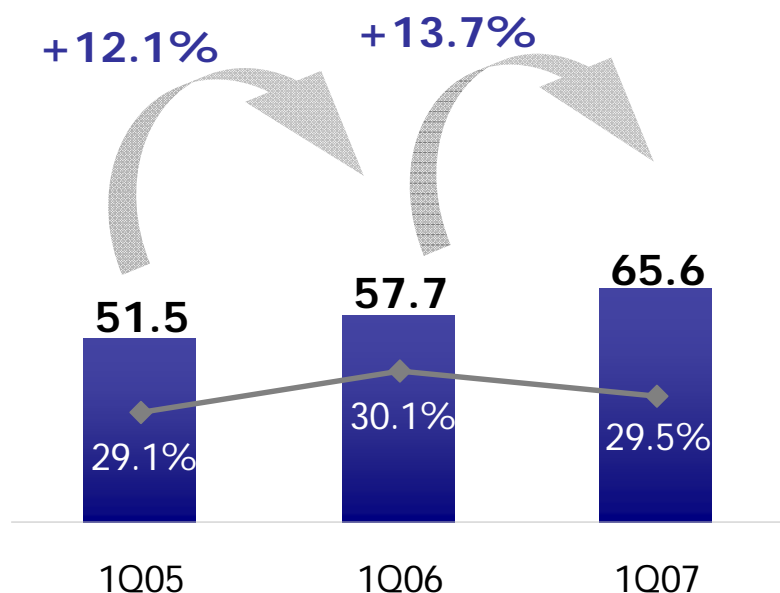
Gross Revenues - R\$ MM and
Gross Margin (%)

SGA – R\$ MM
SGA/Net Revenues (%)



Gross Revenues R\$ MM	1Q05		1Q06		1Q07	
		%		%		%
Editora	108.3	59.0%	102.5	51.1%	113.6	49.0%
Livraria	75.3	41.0%	98.0	48.9%	118.3	51.0%

Ajusted EBITDA⁽¹⁾ - R\$ MM and EBITDA Margin (%)



EBITDA (em R\$ MM)	1Q06	1Q07
Net Income	34.1	40.8
(+) Income Tax & Social Contribution and Participation	19.2	23.2
(+) Non-Operating Income	0.1	0.0
(+) Net Financial Expense	0.7	-1.2
(+) Depreciation and Amortization	2.6	2.4
EBITDA	56.7	65.2

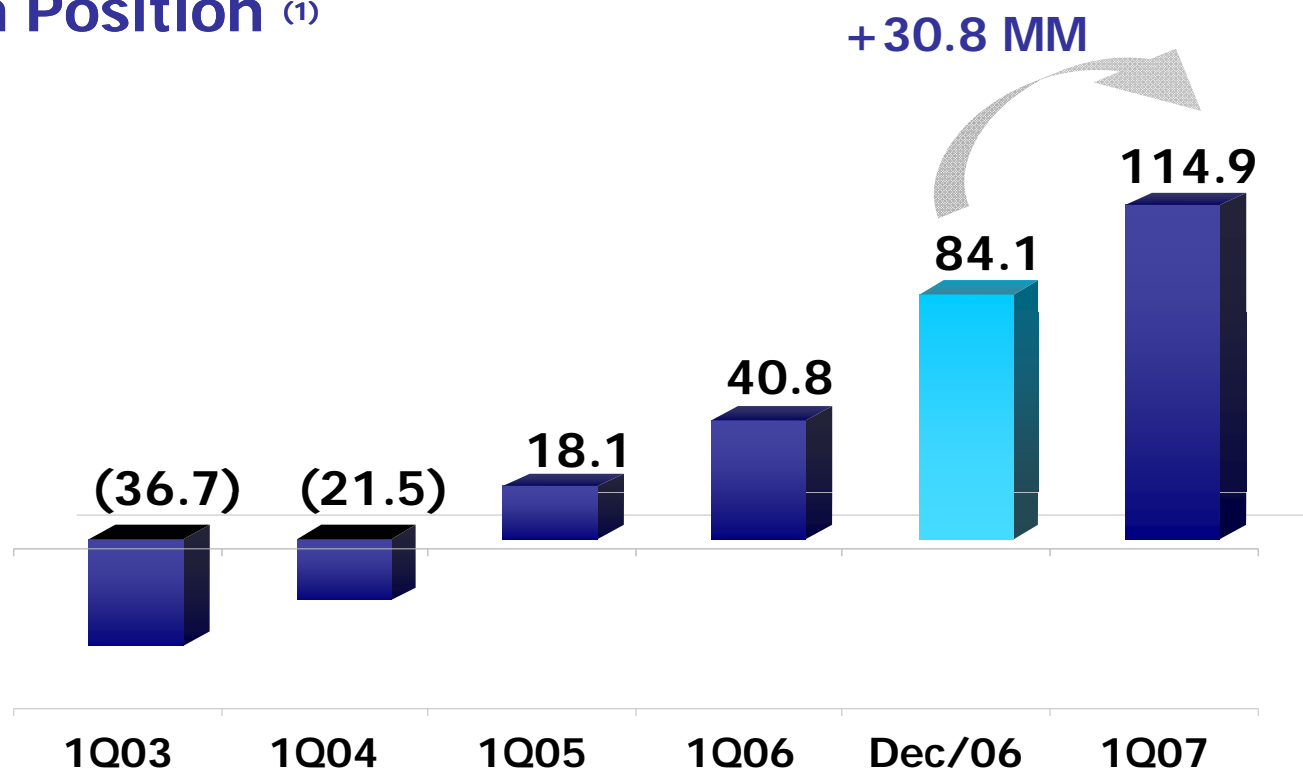
Adjusted EBITDA	1Q06	1Q07
(+) Provision for Saraiva Plus Bonus Points Redemption	1.0	0.4
Adjusted EBITDA	57.7	65.6
EBITDA Margin %	30.1%	29.5%

⁽¹⁾ Adjusted EBITDA: added back "Saraiva Plus" bonus redemptions provisions (R\$ 390K in 2007 and R\$ 979K in 2006).

Consolidated Performance

Net Cash Position ⁽¹⁾

R\$ MM



Indebtedness ⁽²⁾	Contracted		Balance to Disbursed
	Contracted	Disbursed	
Editora	32.5	19.9	12.6
Livraria	22.1	7.1	15.0
Total	54.6	27.0	27.6

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

Capital Raise April/2006 = R\$ 63.6 MM

(2) In R\$ MM - BNDES

Consolidated Performance

Editora Saraiva

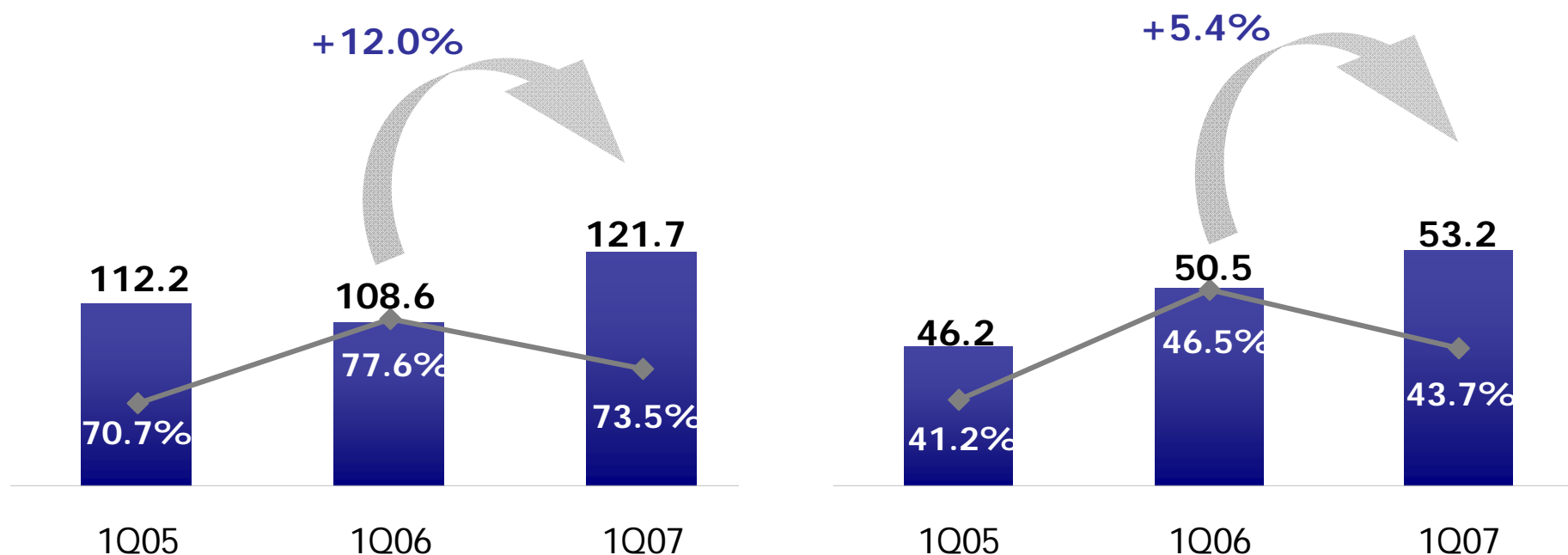
Livraria Saraiva

Highlights

R\$ MM	1Q06	1Q07	Y.O.Y.(%)
Gross Revenues	108.6	121.7	12.0%
<i>Private Market</i>	<i>93.8</i>	<i>102.6</i>	<i>9.4%</i>
<i>Government</i>	<i>14.8</i>	<i>19.1</i>	<i>29.1%</i>
Net Revenues	108.5	121.6	12.1%
Gross Margin %	77.6%	73.5%	(4,1)pp
Net Income	34.1	40.8	19.6%
EBITDA	50.5	53.2	5.4%
EBITDA Margin %	46.5%	43.7%	(2,8)pp
Investment	0.2	0.4	97.0%
SGA / Net Revenues %	30.2%	24.0%	(6,2)pp

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

EBITDA – R\$ MM and EBITDA Margin (%)



Gross Revenues R\$ MM	1Q05	1Q06	1Q07
Private Market	87.4	93.8	102.6
Government	24.8	14.8	19.1

Consolidated Performance

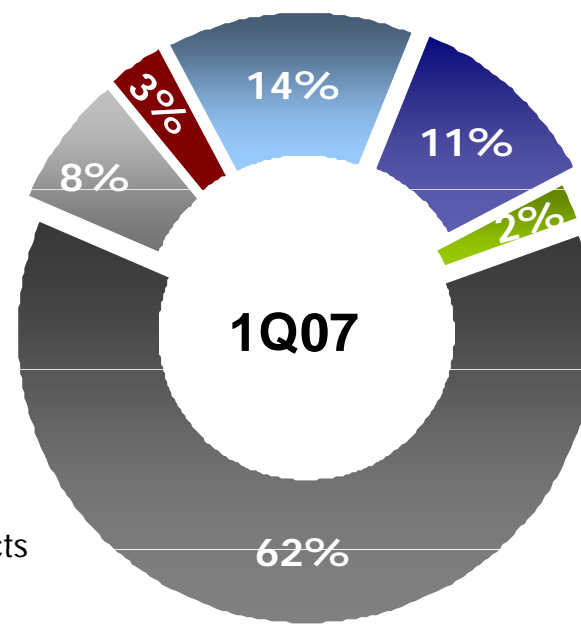
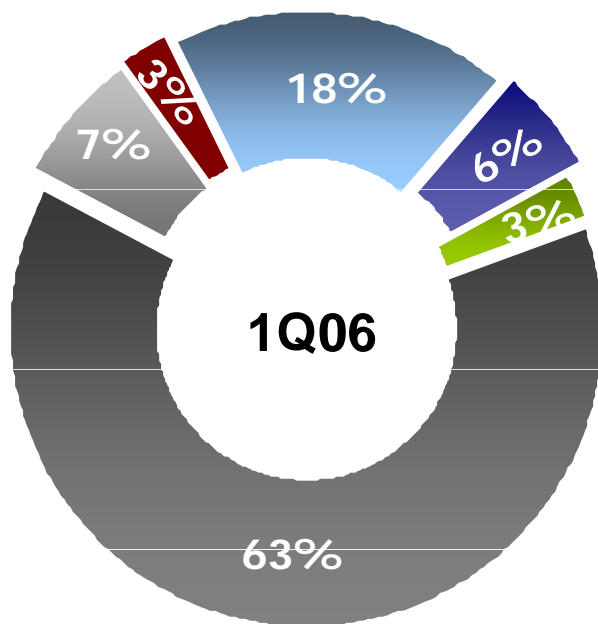
Editora Saraiva

Livraria Saraiva

Livraria Saraiva – Evolution of Revenues

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R\$ MM	1Q06	1Q07	Y.O.Y.(%)
Gross Revenues	98.0	118.3	20.7%
Comparable Sales (Physical Stores + Saraiva.com)	97.3	116.2	19.4%
Saraiva.com	27.0	37.5	38.7%
Physical Stores	71.0	80.8	13.9%
Same Store Sales (Physical Stores)	70.3	78.7	12.0%



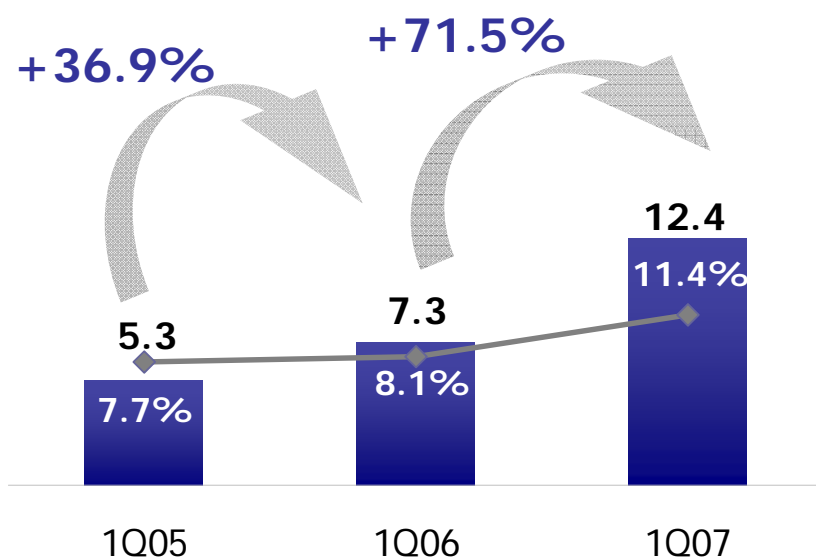
- Books
- Stationery
- Multimedia products
- Music / DVD
- Electronics / IT
- Others

Highlights

R\$ MM	1Q06	1Q07	Y.O.Y.(%)
Gross Revenues	98.0	118.3	20.7%
Net Revenues	89.5	109.0	21.9%
Gross Margin %	36.5%	36.5%	(0,0)pp
Net Income	2.9	6.1	109.4%
Ajusted EBITDA ^(*)	7.3	12.4	71.5%
EBITDA Margin %	8.1%	11.4%	3,3pp
Investment	0.6	4.2	600.0%
SGA / Net Revenues %	30.9%	27.4%	(3,5)pp
Working Capital	28.5	56.4	97.8%
Average Working Capital/Gross Revenues %	9.4%	15.1%	5,7pp

(*) Adjusted EBITDA: added back provision for redemption of bonus of "Saraiva Plus" (R\$ 390K in 2007 and R\$ 979K in 2006).

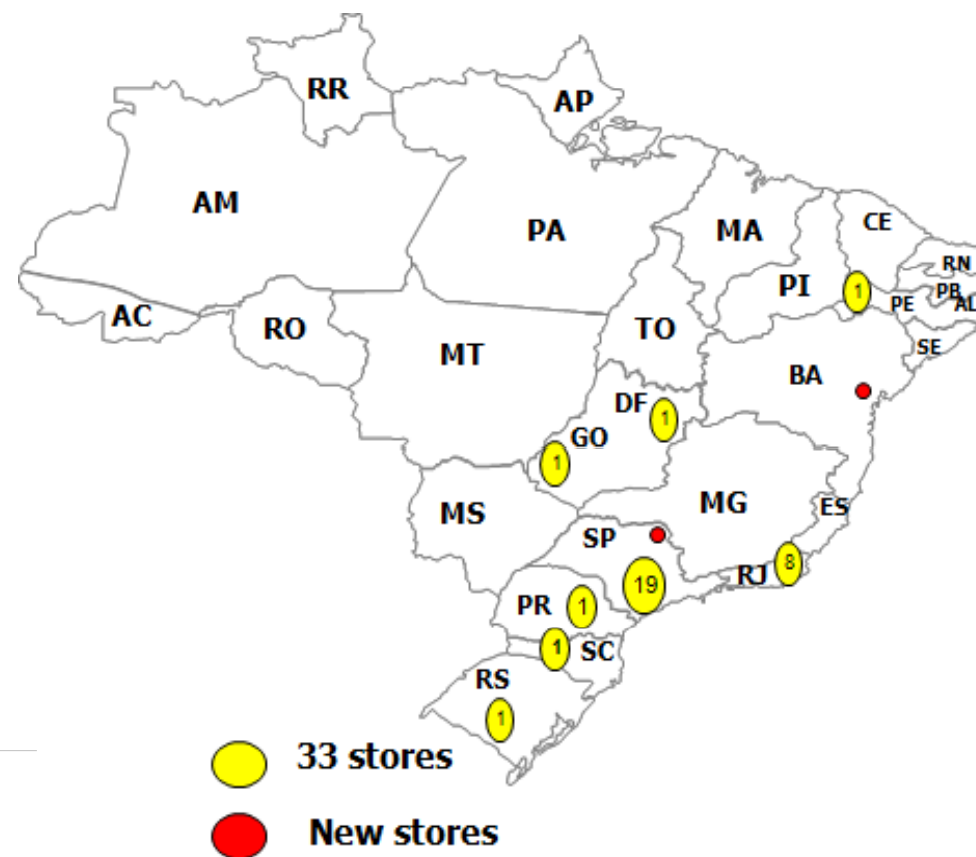
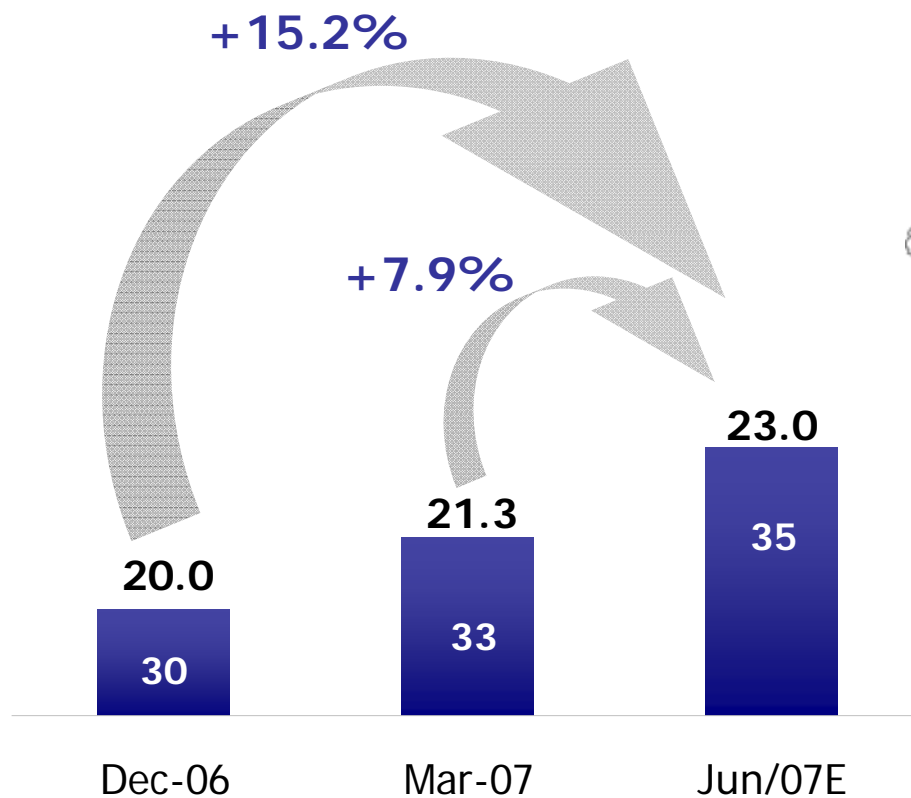
EBITDA – Em R\$ MM and EBITDA Margin (%)



EBITDA (em R\$ MM)	1Q06	1Q07
Net Income	2.9	6.1
(+) Income Tax & Social Contribution and Participation	2.0	3.8
(+) Non-Operating Income	0.1	0.0
(+) Net Financial Expense	0.0	0.8
(+) Depreciation and Amortization	1.2	1.3
EBITDA	6.3	12.1

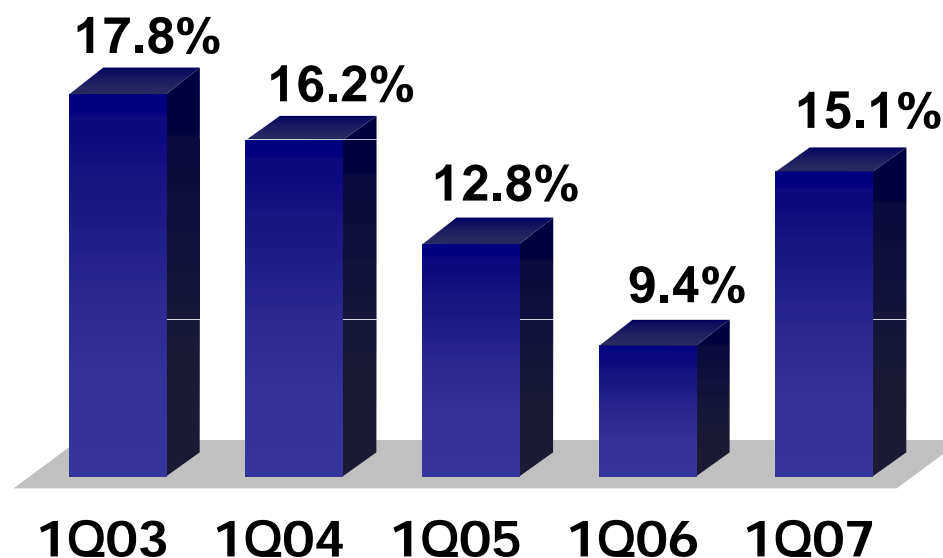
Adjusted EBITDA	1Q06	1Q07
(+) Provision for Saraiva Plus Bonus Points Redemption	1.0	0.4
Adjusted EBITDA	7.3	12.4
EBITDA Margin %	8.1%	11.4%

Sales area (thousands of m²)
& number of stores



R\$ MM	1Q06	Turnover	1Q07	Turnover	Y.O.Y.(%)
Inventories	35.8	77	47.7	80	33.2%
Costumers	25.7	30	50.7	49	97.3%
Suppliers	32.9	66	41.9	62	27.3%
Working Capital	28.5	41	56.4	68	97.8%

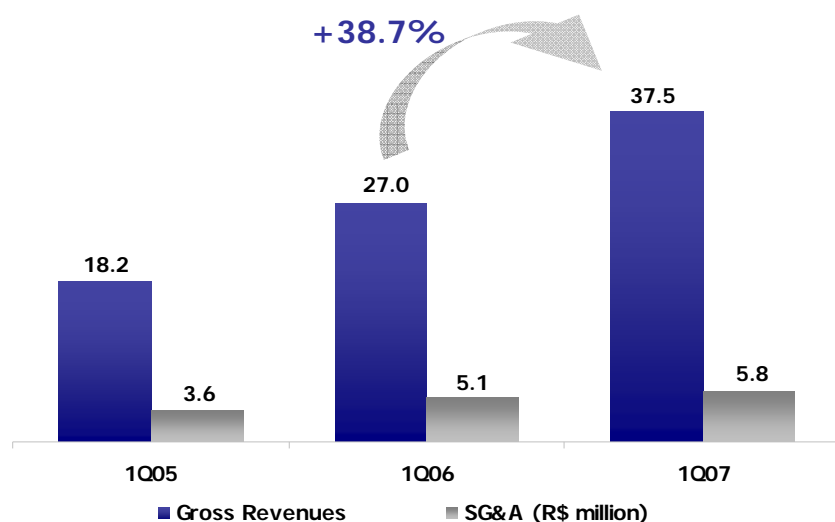
Working Capital ⁽¹⁾ / Gross Revenues ⁽²⁾ (%)



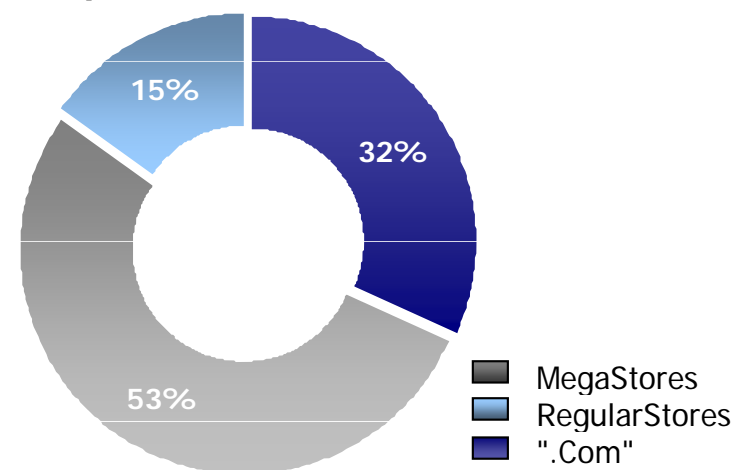
⁽¹⁾ Inventory + Costumers – Suppliers (average last 12 months)

⁽²⁾ Gross Revenues last 12 months

R\$ MM	1Q06	1Q07	Y.O.Y.(%)
Gross Revenues	27.0	37.5	38.7%
Net Revenues	24.8	34.6	39.5%
Ajusted EBITDA ⁽¹⁾	3.3	6.4	95.3%
EBITDA Margin %	13.2%	18.5%	5,3pp
Active Customers (000) ⁽²⁾	896	1015	13.3%
% of Gross Revenues - Livraria	27.6%	31.7%	4,1pp
Average Ticket (R\$)	108.2	126.6	17.0%



% Participation on the Gross Sales



⁽¹⁾ Ajusted EBITDA: Does not include provision for redemption of bonus from the "Saraiva Plus program" (R\$ 445K in 2006 and R\$ 432K in 2005), which does not represent cash outflow.

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

INDICATORS	1Q07	1Q06	Chg.
Number of Trades ⁽¹⁾	5,764	2,497	130.8%
Participation in Trading Sessions - % ⁽¹⁾	100.0	100.0	0.0%
Quantity Traded - thousand shares ⁽¹⁾	6,399	2,381	168.8%
Volume Traded - R\$ 000 ⁽¹⁾	158,638	47,490	234.0%
Share Price - R\$ ⁽¹⁾ ⁽²⁾	24.95	23.18	7.6%
Total Shares Outstanding - 000 ⁽²⁾ ⁽³⁾	28,230	25,230	11.9%
Market Cap - R\$ MM ⁽²⁾	704.3	584.8	20.4%

Source: Bovespa

⁽¹⁾ Referring to preferred shares (SLED4)

⁽²⁾ At end of year

⁽³⁾ The EGM of January 6 2006 announced a stock dividend of 2,326,920 preferred shares. In April/06 the Company issued 3,000,000 preferred shares.

- **ITAG** – Special Tag Along Stock Index
- **IGC** – Special Corporate Governance Stock Index
- **IBrX** – Brazil Index September/2006 – (100 stocks selected among BOVESPA's most traded shares)

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