



Conference Call about the 3Q07 Results

November 14, 2007





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Agenda

Consolidated Performance

Editora Saraiva

Livraria Saraiva

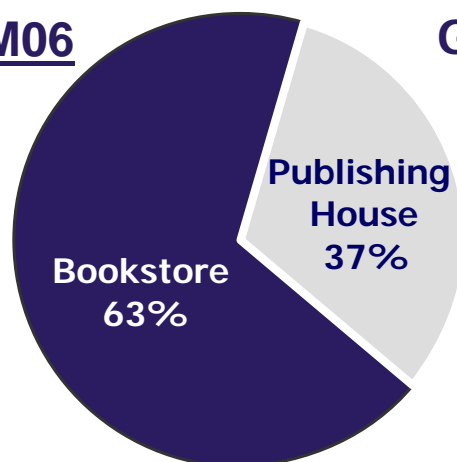




Highlights Consolidated

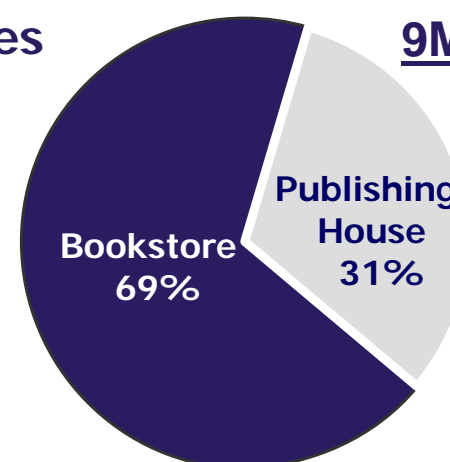
(R\$ MM)		9M06	9M07	Y.O.Y.
Gross Revenues	Consolidated	397.3	495.5	24.7%
	Publishing House	146.3	155.6	6.3%
	Bookstore	251.0	340.0	35.5%
EBITDA	Consolidated	47.6	64.2	34.8%
	Publishing House	34.3	37.0	7.9%
	Bookstore	13.3	27.2	103.8%
EBITDA Margin %	Consolidated	12.8%	13.8%	1,0pp
	Publishing House	21.9%	21.8%	(0,1)pp
	Bookstore	5.9%	8.8%	2,9pp

9M06



Gross Revenues

9M07





Consolidated – Highlights

(R\$ MM)	3Q06	3Q07	Y.O.Y.	9M06	9M07	Y.O.Y.
Consolidated Gross Revenues	101.8	144.2	41.6%	397.3	495.5	24.7%
Net Revenues	93.7	133.7	42.7%	372.5	465.9	25.1%
Gross Margin %	45.4%	44.0%	(1.4)pp	53.3%	50.6%	(2.7)pp
Operating Income	-2.2	4.5	-302.5%	38.1	60.4	58.3%
Operating Margin %	-2.3%	3.3%	1.0pp	10.2%	13.0%	2.8pp
Net Income	-2.3	1.8	-177.4%	23.2	36.3	56.5%
Net Margin %	-2.5%	1.3%	(1.2)pp	6.2%	7.8%	1.6pp
Ajusted EBITDA (²)	-0.7	6.1	-955.0%	47.6	64.2	34.8%
EBITDA Margin %	-0.8%	4.6%	3.8pp	12.8%	13.8%	1.0pp
SGA / Net Revenues %	48.9%	40.9%	(8.0)pp	42.7%	38.5%	(4.2)pp
Investment	1.2	4.6	289.0%	2.9	14.1	391.5%
Employees - n ^o	-	-	-	2,218	2,367	6.7%

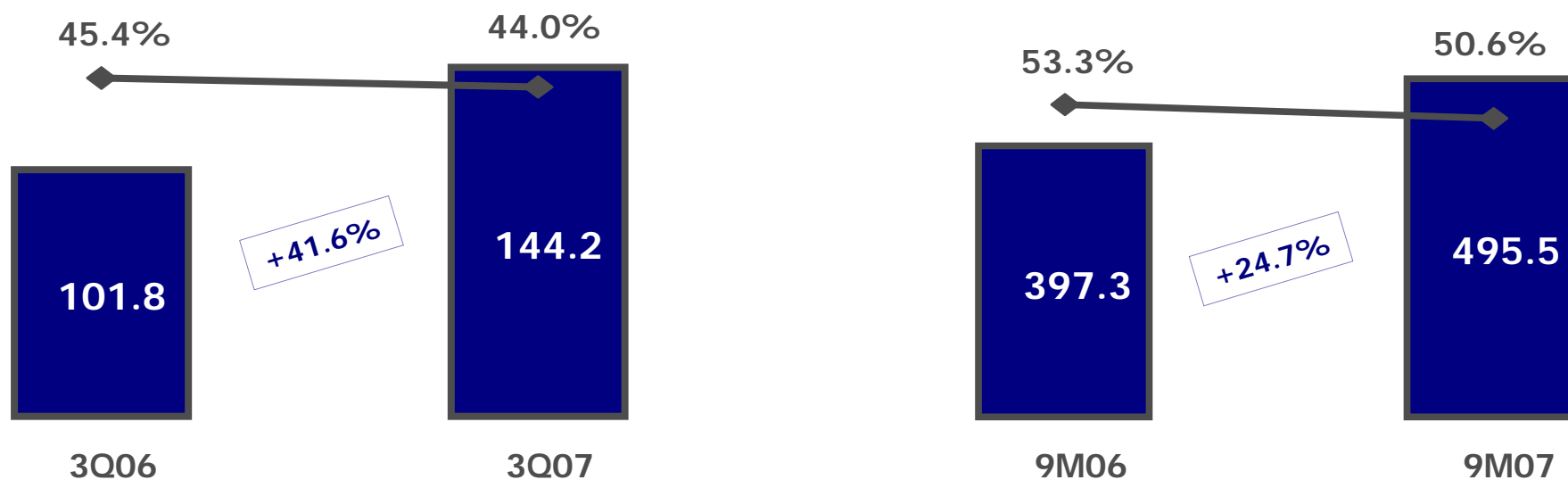
(1) Excludes Inter Company Sales.

(²) Adjusted EBITDA: Does not include provision for redemption of bonus from the Saraiva Plus program (R\$ -0.3MM in 2007 and R\$ 1.6MM in 2006).



Consolidated Performance

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

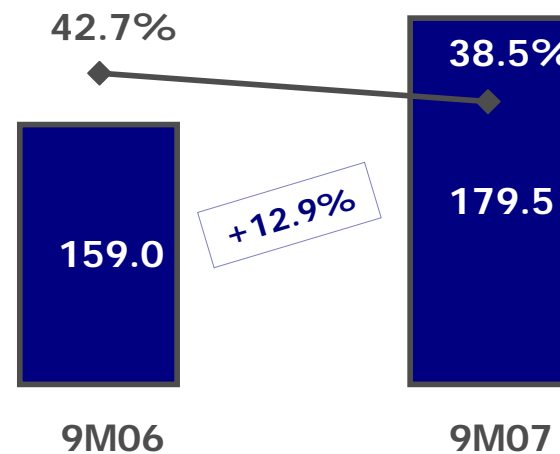
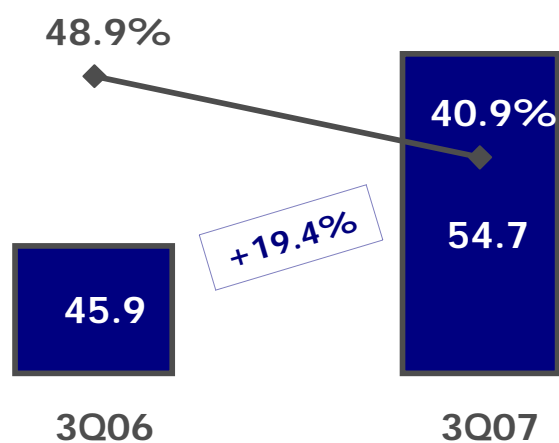


Gross Revenues (R\$ MM)	3Q06	V.A.	3Q07	V.A.	9M06	V.A.	9M07	V.A.
Publishing House	22.0	21.7%	25.1	17.4%	146.3	36.8%	155.6	31.4%
Bookstore	79.8	78.3%	119.1	82.6%	251.0	63.2%	340.0	68.6%

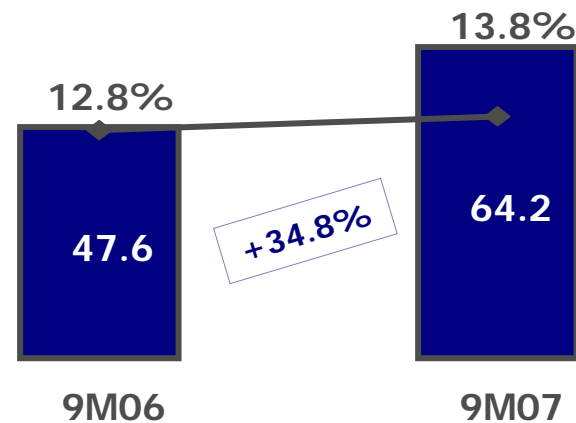
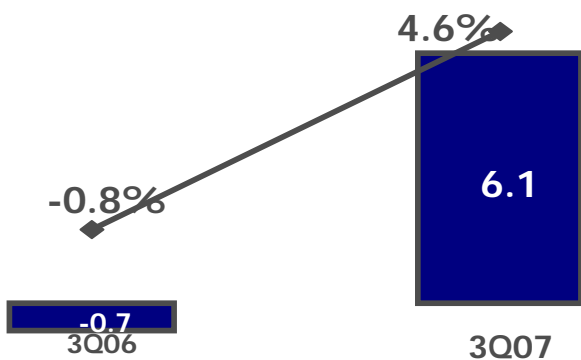


Consolidated

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



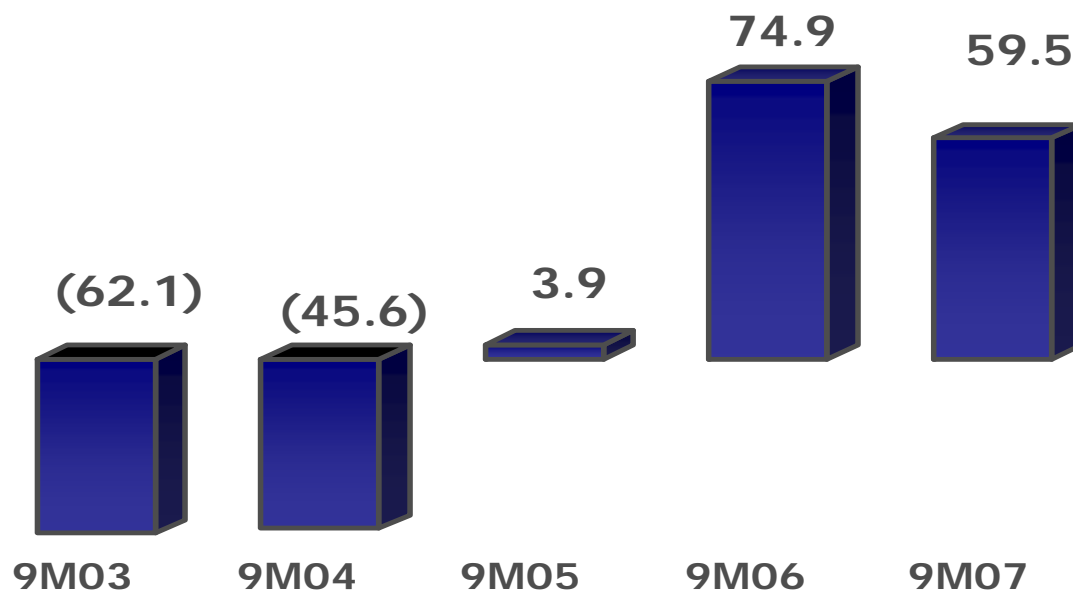
Ajusted EBITDA (R\$MM) and EBITDA Margin (%)





Consolidated Performance

Net Cash Position¹ (R\$ MM)



Loans from the BNDES (R\$MM)	Contracted	Disbursed	Funds to be Disbursed
Publishing House	32.5	27.9	4.6
Bookstore	22.1	14.9	7.1
Total	54.6	42.9	11.7

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

Capital Raise April-2006 = R\$ 63.6 MM

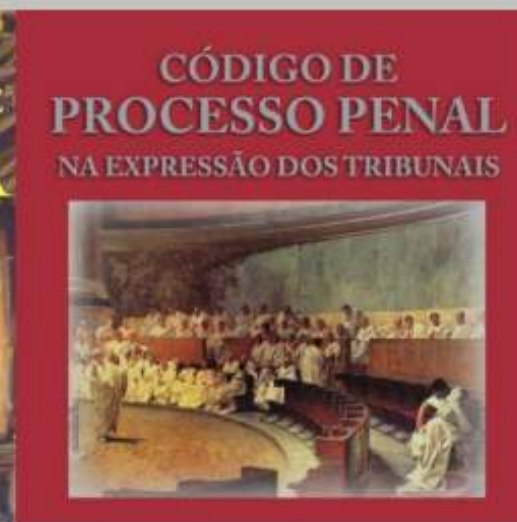
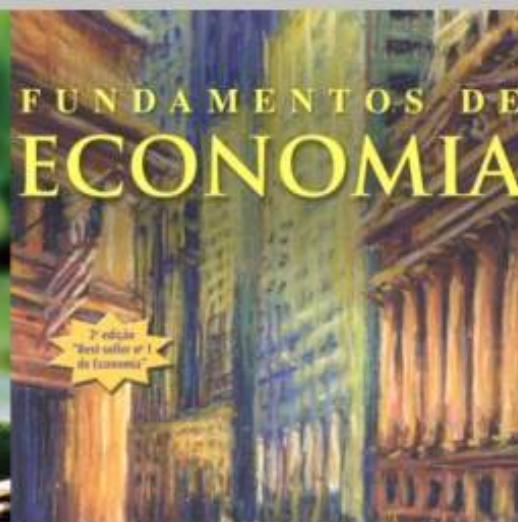
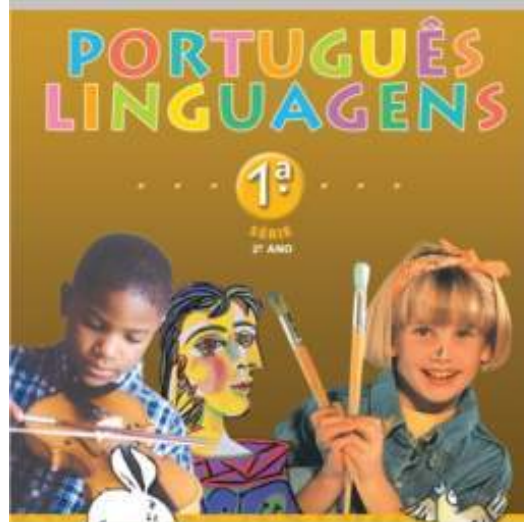


Agenda

Consolidated Performance

Editora Saraiva

Livraria Saraiva





Editora Saraiva highlights

Editora undergoes seasonal changes in its operations and delivers the best results in 1Q and 4Q.

Growth in private market sales up to the 3Q07: +8.8%

✓ Law textbooks: +13.1%

✓ Economy, Administration, Accounting and Business literature: +42.4%

Government sales: R\$ 99.5 million

Elementary Schools (PNLD):	<u>R\$ 67.4 million</u>	4 th place
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High Schools (PNLEM) :	<u>R\$ 31.1 million</u>	2 nd place
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Library at School (PNBE).	<u>R\$ 1.0 million</u>	
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Launch of Saraiva Multimedia Education business line:

✓ Digital content to be used in classrooms.



Editora Saraiva – Highlights

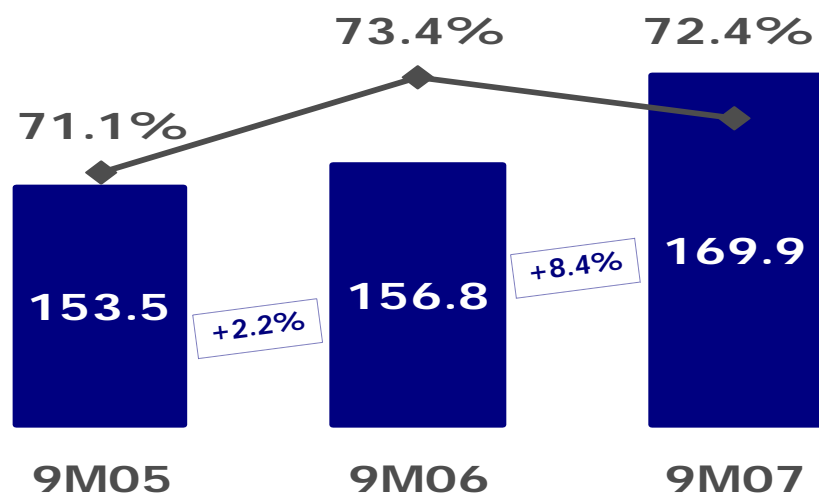
(R\$ MM)	3Q06	3Q07	Y.O.Y.	9M06	9M07	Y.O.Y.
Gross Revenues	25.0	29.2	16.8%	156.8	169.9	8.4%
Private Market	25.0	25.6	2.3%	134.1	145.9	8.8%
Government	0.0	3.6	0.0%	22.8	24.0	5.5%
Net Revenues	25.0	29.2	16.8%	156.6	169.8	8.4%
Gross Margin %	62.4%	68.1%	5.7pp	73.4%	72.4%	(1.0)pp
Operating Income ^(*)	-3.4	1.7	-148.5%	36.1	52.6	45.5%
Operating Margin %	-13.8%	5.7%	(8.1)pp	23.1%	31.0%	7.9pp
Net Income	-2.3	1.8	-177.4%	23.2	36.3	56.5%
Net Margin %	-9.3%	6.1%	(3.2)pp	14.8%	21.4%	6.6pp
EBITDA	-6.2	-3.7	-40.6%	34.3	37.0	7.9%
EBITDA Margin %	-24.7%	-12.6%	(12.1)pp	21.9%	21.8%	(0.1)pp
SGA / Net Revenues %	92.5%	84.5%	(8.0)pp	54.1%	52.8%	(1.3)pp
Investment	0.5	0.7	42.4%	1.1	1.6	49.1%
Employees - n ^o	-	-	-	939	898	-4.4%

(*) Includes equity income from the Livraria Saraiva subsidiary.

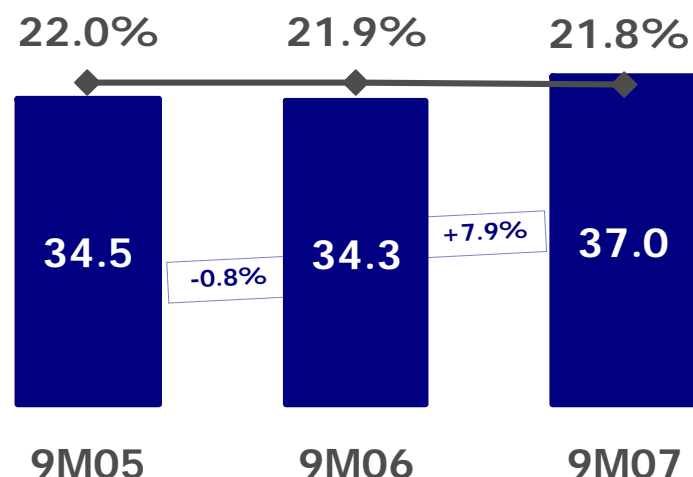


Editora Saraiva

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



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



Gross Revenues (R\$ MM)	9M05	V.A.	9M06	V.A.	9M07	V.A.
Private Market	128.7	83.9%	134.1	85.5%	145.9	85.9%
Government	24.8	16.1%	22.8	14.5%	24.0	14.1%



Agenda

Consolidated Performance

Editora Saraiva

Livraria Saraiva





Livraria Saraiva - Highlights

“Saraiva Plus” customer loyalty program:

- ✓ 1.6 million associates
- ✓ 41% growth over December 2006.

Launch of another product category at Saraiva.com:

- ✓ Mobile phones.

Launch of “Saraiva Credit Card”:

- ✓ Partnership with Banco do Brasil and VISA

Physical Stores:

- ✓ Better product offering and investments in services

Opening of 5 new stores during 1S07.

3Q07: remodeling of the SuperStore at Iguatemi Campinas shopping mall (SP).

In October 2007, new store at the Santana Shopping mall (SP)

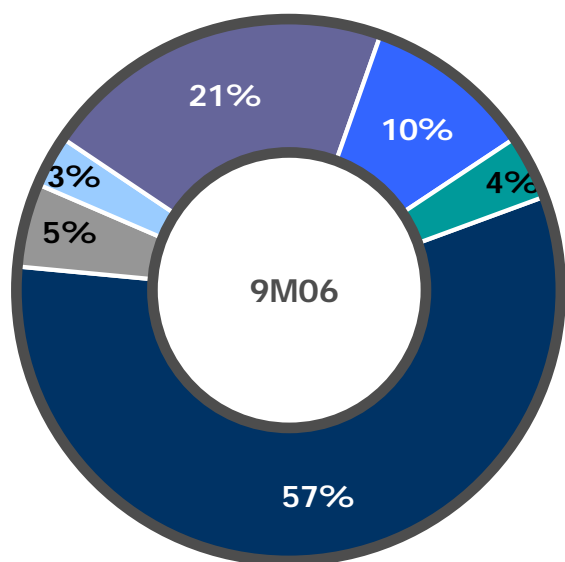
- ✓ sales area of 450 m².



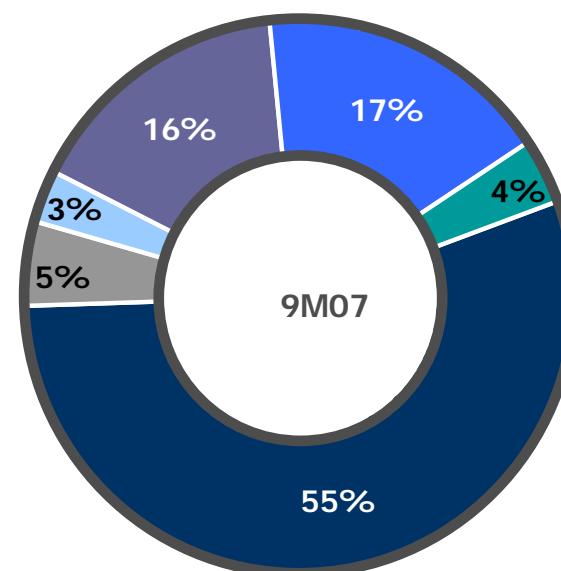
Livraria Saraiva – Evolution of Revenues

(R\$ MM)	3Q06	3Q07	Y.O.Y.	9M06	9M07	Y.O.Y.
Gross Revenues	79.8	119.1	49.2%	251.0	340.0	35.5%
Comparable Sales (Physical Stores + Saraiva.com)	79.8	107.5	34.8%	250.0	319.6	27.9%
Saraiva.com	22.1	40.1	81.9%	71.4	112.4	57.4%
Physical Stores	57.7	78.9	36.8%	179.6	227.6	26.7%
Same Store Sales (Physical Stores)	57.7	67.4	16.8%	178.6	207.3	16.1%

Book category: up 29.7% in 9M07



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





Livraria Saraiva - Highlights

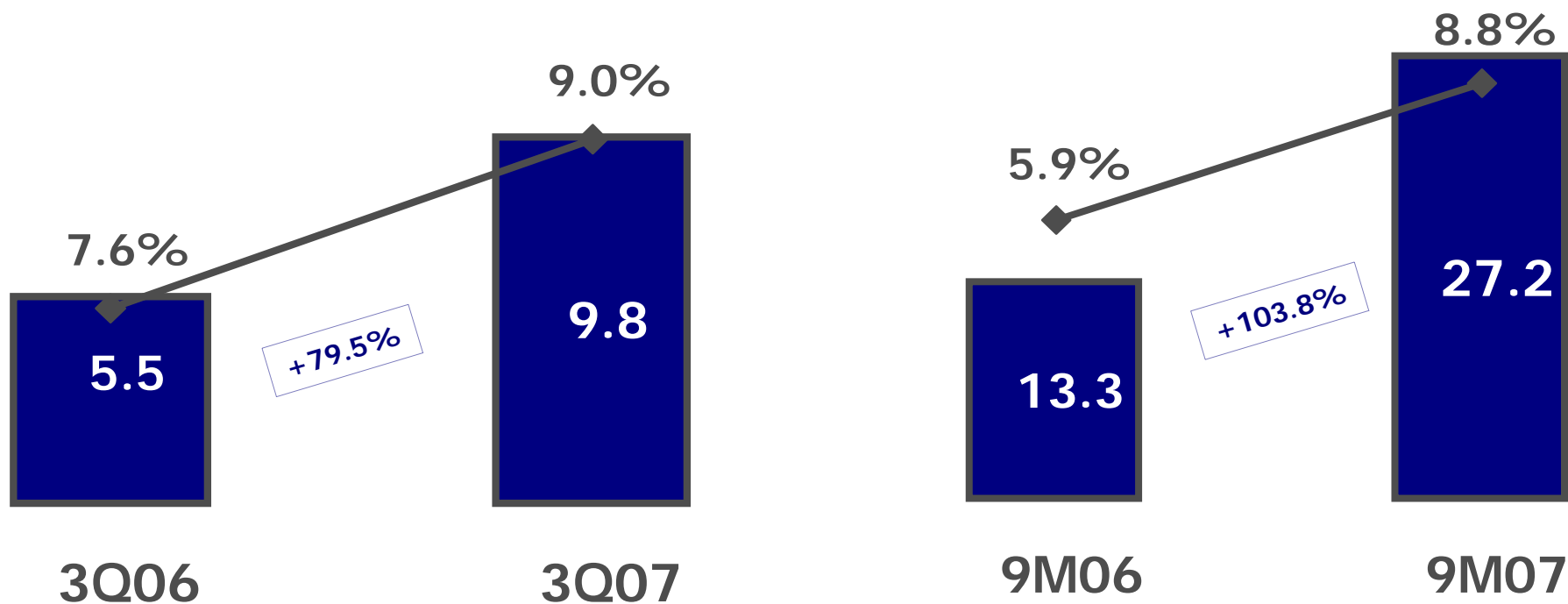
(R\$ MM)	3Q06	3Q07	Y.O.Y.	9M06	9M07	Y.O.Y.
Gross Revenues	79.8	119.1	49.2%	251.0	340.0	35.5%
Net Revenues	71.7	108.6	51.4%	226.3	310.4	37.2%
Gross Margin %	37.6%	35.9%	(1.7)pp	37.0%	36.4%	(0.6)pp
Operating Income	3.1	7.1	131.7%	6.5	19.7	203.5%
Operating Margin %	4.3%	6.5%	2.2pp	2.9%	6.3%	3.4pp
Net Income	1.8	4.3	137.4%	3.8	11.8	213.2%
Net Margin %	2.5%	4.0%	1.5pp	1.7%	3.8%	2.1pp
Ajusted EBITDA (*)	5.5	9.8	79.5%	13.3	27.2	103.8%
EBITDA Margin %	7.6%	9.0%	1.4pp	5.9%	8.8%	2.9pp
SGA / Net Revenues %	31.8%	27.7%	(4.1)pp	32.8%	28.9%	(3.9)pp
Investment	0.7	3.9	453.0%	1.8	12.5	594.0%
Employees - n ^o	-	-	-	1279	1469	14.9%

(*) Adjusted EBITDA: added back provision for redemption of bonus of "Saraiva Plus" (R\$ -0.3MM em 2007 e R\$ 1.6MM em 2006).



Livraria Saraiva - Highlights

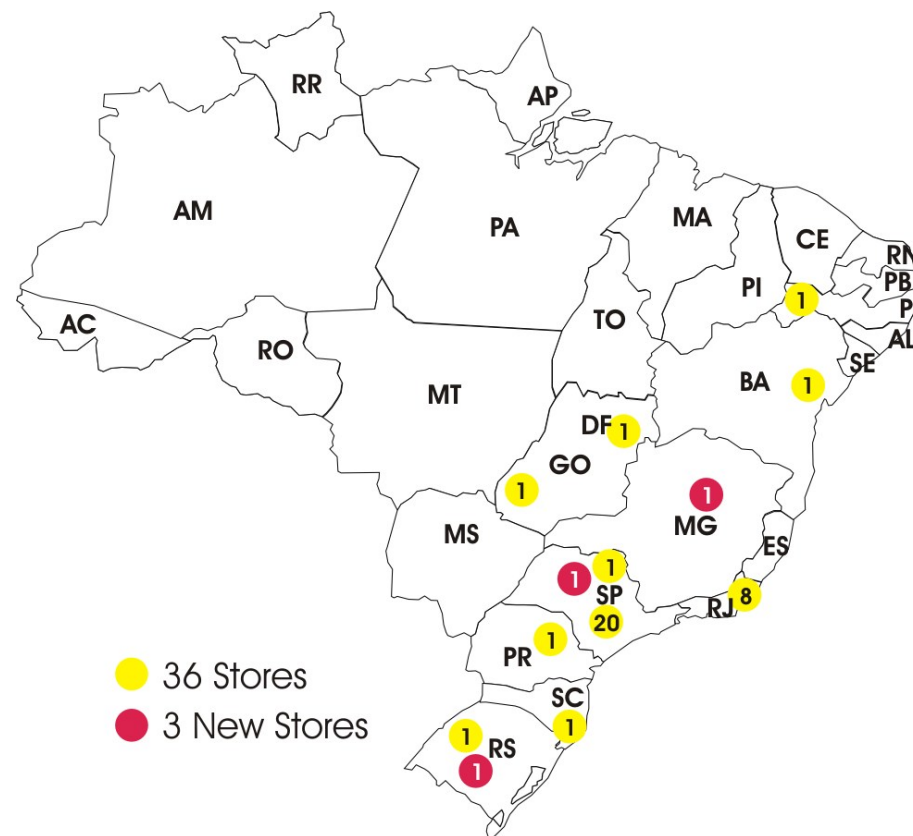
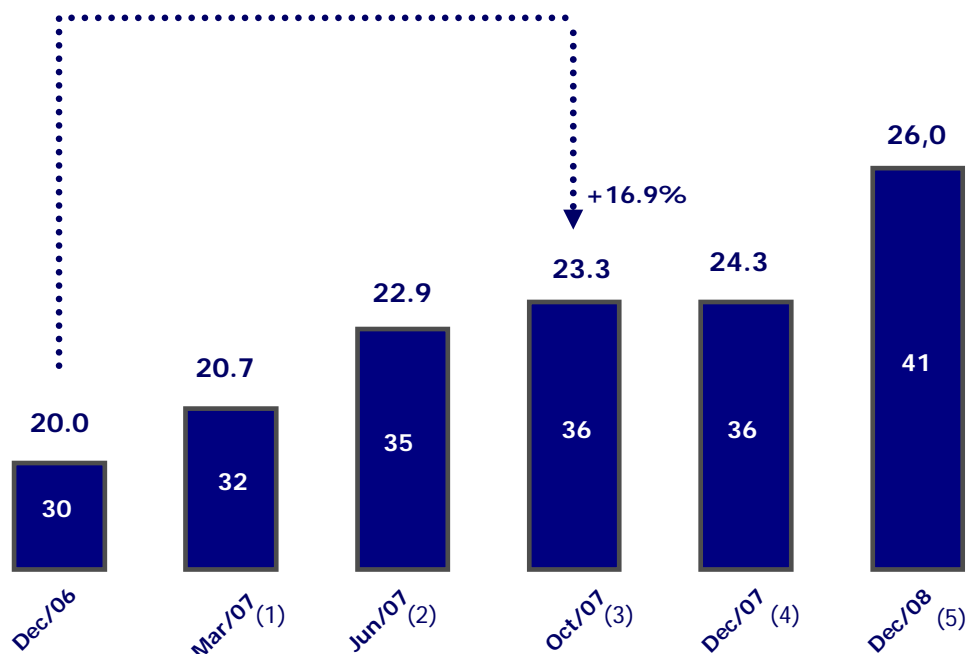
Ajusted EBITDA (R\$ MM) and EBITDA Margin (%)





Livraria Saraiva

Selling Area (Thousand m²) and Number of Stores



- (1) Mar/07 – Opening of 2 stores in Rio de Janeiro (capital).
- (2) Jun/07 – Opening of 3 stores in: Florianópolis, Salvador e Ribeirão Preto.
- (3) Oct/07 – Opening of 1 stores in São Paulo (capital).
- (4) Dec/07 – Opening of 1 stores in São Paulo (capital).
- (5) Forecast of expansion project



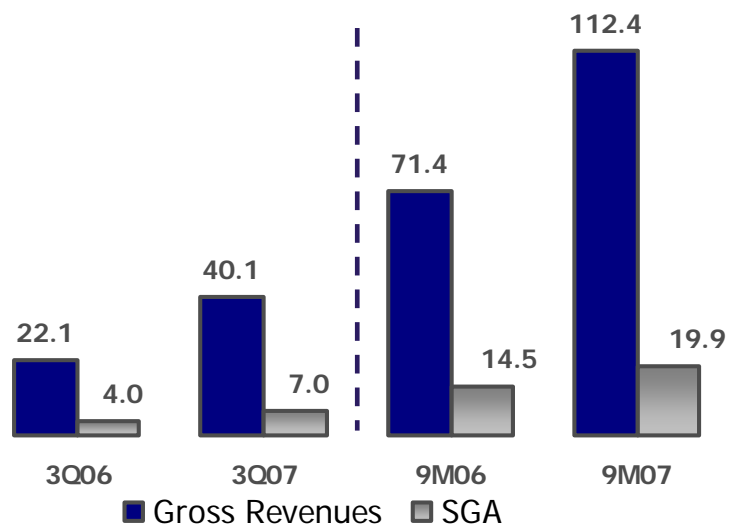
Livraria Saraiva - Saraiva.com

(R\$ MM)	3Q06	3Q07	Y.O.Y.	9M06	9M07	Y.O.Y.
Gross Revenues	22.1	40.1	81.9%	71.4	112.4	57.4%
Net Revenues	19.7	36.1	83.3%	64.4	101.7	58.0%
Ajusted EBITDA ⁽¹⁾	3.1	4.3	38.2%	8.9	14.0	57.0%
EBITDA Margin %	15.9%	12.0%	(3.9)pp	13.9%	13.8%	(0.1)pp
Active Customers (000) ⁽²⁾	-	-	-	989	1,131	14.4%
% of Gross Revenues - Livraria	27.7%	33.7%	6.0pp	28.5%	33.1%	4.6pp
Average Ticket (R\$)	115.6	146.9	27.1%	111.8	133.3	19.2%

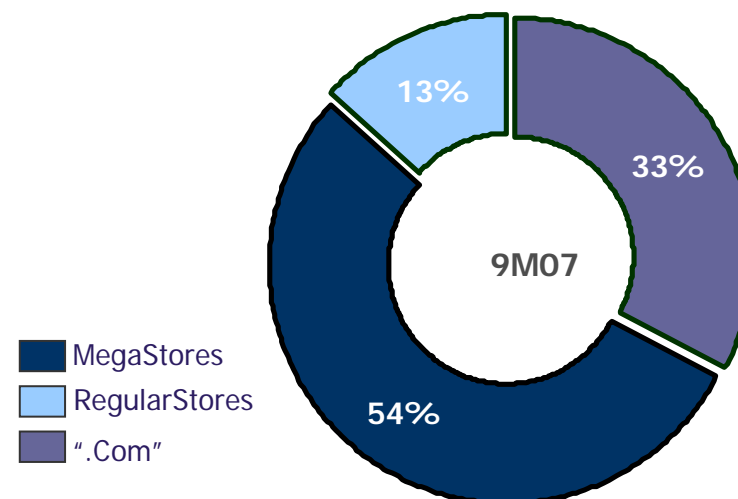
⁽¹⁾ Ajusted EBITDA: Does not include provision for redemption of bonus from the "Saraiva Plus program"

(R\$ 0.0MM in 2007 and R\$ 0.5MM 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.



% Participation on the Gross Sales



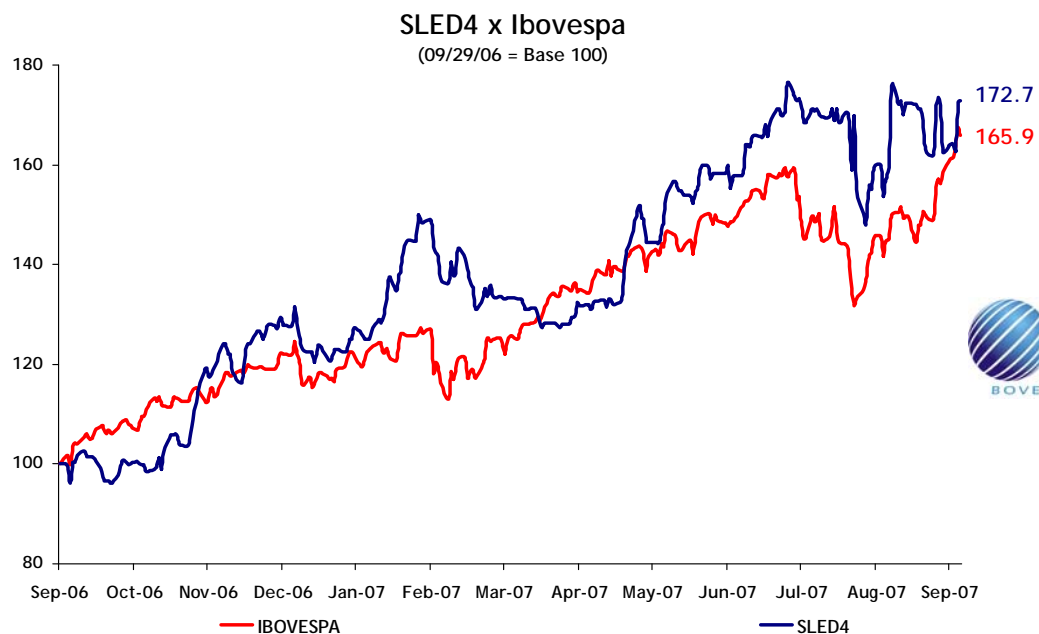


Capital Market

Indicators	9M06	9M07	Chg.
Number of Trades (1)	20,187	12,584	-37.7%
Participation in Trading Sessions - % (1)	100.0	100.0	-
Quantity Traded - thousand shares (1)	13,460	14,618	8.6%
Volume Traded - R\$ 000 (1)	270,322	387,959	43.5%
Share Price - R\$ (1)	18.70	32.30	72.7%
Total Shares Outstanding - 000	28,230	28,230	0.0%
Market Cap - R\$ MM	527.9	911.8	72.7%

Source: Bovespa

(1) Referring to preferred shares (SLED4)





Outlook

Livraria Saraiva

Expansion of chain of Physical Stores:

- ❑ By December 2008 our sales area should reach 26 thousand m²

Saraiva.com:

- ❑ Introduction of new product categories
- ❑ Investments to enhance even further the services offered to our customers

Strategic acquisitions:

- ❑ The negotiations to acquire 100% of Siciliano's capital equity are underway.



Editora Saraiva

More government purchases for the high school segment:

- Adoption of 5 new subjects for the 2009 school year. (contracting will occur in 2008);
- Addition of one more year in the elementary school curriculum and possible acquisition of new content for 4.5MM students, starting in the PNLD/2010 (*) program;
- Possible acquisition of new content for teaching foreign languages to students enrolled in the elementary school from 6th to 9th grades (English and Spanish), starting in the PNLD/2011 (*) program
- We continue to prospect opportunities of acquisitions in our line of business.

(*) Programs to be officially announced by the Government.



Contacts

João Luís Ramos Hopp

CFO and Investor Relations Director

Phone: (55 11) 3613 3263

e-mail: jlhopp@saraiva.com.br

Mauricio Fanganiello

Planning Director

Phone: (55 11) 3613 3302

e-mail: mpfanganiello@saraiva.com.br

IR website: www.saraivair.com

Ligia Montagnani

Investor Relations Consultant

FIRB – Financial Investor Relations Brasil

Phone: (55 11) 3897 6405

e-mail: ligia.montagnani@firb.com