

FEDERAL PUBLIC SERVICE
 SECURITIES COMMISSION (CVM)
 QUARTERLY INFORMATION
 COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER

IFRS
 Base Period - 06/30/2010

Registration in the CVM does not imply any examination of the Company, and its management is responsible for the veracity of the disclosed information.

01.01- IDENTIFICATION

1-CVM CODE 00813-3	2-COMPANY NAME LOJAS RENNER S.A.	3-Federal Taxpayers' Code 92.754.738/0001-62
4-NIRE 43300004848		

01.02- ADDRESS OF COMPANY HEADQUARTERS

COMPLETE ADDRESS (Street, number, etc.) Av. Joaquim Porto Villanova, 401				2-DISTRICT Jardim Carvalho	
3-ZIP CODE 91410-400	4-CITY Porto Alegre				5-STATE RS
6-AREA CODE 051	7-TELEPHONE 2121-7045	8-TELEPHONE 2121-7149	9-TELEPHONE 3341-2299		10-TELEX
11-AREA CODE 051	12-FAX 2121-7161	13-FAX 3345-1481	14-FAX -		
15-E-MAIL adalberto.santos@lojasrenner.com.br					

01.03 - INVESTOR RELATIONS' OFFICER (Address for Correspondence to Company)

1-NAME Adalberto Pereira dos Santos					
2-COMPLETE ADDRESS (Street, number, etc.) Av. Joaquim Porto Villanova, 401				3-DISTRICT Jardim Carvalho	
4-ZIP CODE 91410-400	5-CITY Porto Alegre				6- STATE RS
7-AREA CODE 051	8-TELEPHONE 3341-2299	9-TELEPHONE 2121-7045	10-TELEPHONE 2121-7149	11-TELEX	
12-AREA CODE 051	13-FAX 3345-1481	14-FAX 2121-7161	15-FAX -		
16-E-Mail adalberto.santos@lojasrenner.com.br					

01.04 - REFERENCE/AUDITOR

CURRENT YEAR		CURRENT QUARTER			PRIOR QUARTER		
1-BEGINNING 01/01/2010	2-END 12/31/2010	3-QUARTER 2 nd	4-BEGINNING 04/01/2010	5-END 06/30/2010	6- QUARTER 1 st	7-BEGINNING 01/01/2010	8-END 03/31/2010
9- AUDITOR NAME PriceWaterhouseCoopers Auditores Independentes					10 -CVM CODE 00287-9		
11 - NAME OF THE ENGAGEMENT PARTNER Carlos Biederman					12 - FEDERAL TAXPAYERS' CODE 220.349.270-87		

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01.05 - COMPOSITION OF CAPITAL STOCK

QUANTITY OF SHARES (In Thousand)	1-CURRENT QUARTER 06/30/2010	2-PRIOR QUARTER 03/31/2010	3-SAME QUARTER OF LAST YEAR – 06/30/2009
PAID-UP CAPITAL			
1 - COMMON – ON	121,901	121,886	121,624
2 - PREFERRED - PN	0	0	0
3 – TOTAL	121,901	121,886	121,624
TREASURY SHARES			
4 - COMMON – ON	0	0	0
5 - PREFERRED – PN	0	0	0
6 – TOTAL	0	0	0

01.06-CHARACTERISTICS OF THE COMPANY

1-TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL COMPANY AND OTHER
2-SITUATION OPERATING
3-NATURE OF OWNERSHIP PRIVATE BRAZILIAN CAPITAL
4-ACTIVITY CODE 1190 – TRADE (RETAIL AND WHOLESALE)
5-MAIN ACTIVITY DEPARTMENT STORE
6-TYPE OF CONSOLIDATION TOTAL
7-TYPE OF ACCOUNTANTS' REVIEW REPORT WITHOUT EXCEPTIONS

01.07 – ENTITIES NOT INCLUDED IN CONSOLIDATED FINANCIAL STATEMENTS

1-ITEM	2-GENERAL TAXPAYERS' REGISTER	3-COMPANY NAME
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01.08 - DIVIDENDS DECLARED AND/OR PAID OUT DURING AND AFTER QUARTER

1-ITEM	2-EVENT	3-DATE OF APPROVAL	4-TYPE	5-DATE OF PAYMENT	6-SHARE' TYPE	7-AMOUNT PER SHARE
01	Board of Directors Meeting	12/17/2009	Interest on Capital	04/30/2010	ON	0.3667000000
01	Shareholders General Meeting	04/22/2010	Dividend	04/30/2010	ON	0.8001000000

01.09 – SUBSCRIBED CAPITAL AND ALTERATIONS IN CURRENT YEAR

1-ITEM	2-DATE OF ALTERATION	3-CAPITAL STOCK (In R\$ THOUSANDS)	4-VALUE OF ALTERATION (In R\$ THOUSANDS)	5-.ORIGIN OF ALTERATION	7-QUANTITY OF ISSUED SHARES	8-ISSUE PRICE OF SHARE R\$
01	01/18/2010	403,092	147	Stock Option Plan	19	7.74
02	01/18/2010	403,216	124	Stock Option Plan	5	24.81
03	05/24/2010	403,433	217	Stock Option Plan	8	25,53
04	05/24/2010	403,629	196	Stock Option Plan	7	29,01

01.10-INVESTOR RELATIONS OFFICER

1-DATE 07/29/2010	2-SIGNATURE
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1-CVM CODE	2-COMPANY NAME	3-Federal Taxpayers' Code
00813-3	LOJAS RENNER S.A.	92.754.738/0001-62

08.01 - CONSOLIDATED BALANCE SHEET - ASSETS (IN THOUSANDS OF REAIS - R\$)

1-CODE	2-DESCRIPTION	3- 06/30/2010	4- 03/31/2010
1	TOTAL ASSETS	1,871,880	1,832,162
1.01	CURRENT ASSETS	1,379,239	1,348,005
1.01.01	CASH AND CASH EQUIVALENTS	359,077	390,846
1.01.01.01	CASH AND CASH EQUIVALENTS	359,077	390,846
1.01.02	CREDITS	690,169	625,256
1.01.02.01	CUSTOMERS	690,169	625,256
1.01.02.01.01	TRADE ACCOUNTS RECEIVABLE	762,070	684,783
1.01.02.01.02	ALLOWANCE FOR DOUBTFUL ACCOUNTS	(71,901)	(59,527)
1.01.02.02	CREDITS - OTHER	-	-
1.01.03	INVENTORIES	285,842	282,976
1.01.03.01	MERCHANDISE FOR RESALE	278,573	272,031
1.01.03.02	IMPORT IN TRANSIT	5,855	9,650
1.01.03.03	AUXILIARY MATERIAL AND OTHER	1,414	1,295
1.01.04	OTHER	44,151	48,927
1.01.04.01	OTHER RECEIVABLES	27,076	25,877
1.01.04.02	RECOVERABLE TAXES	13,757	19,574
1.01.04.03	PREPAID EXPENSES	3,318	3,476
1.02	NONCURRENT ASSETS	492,641	484,157
1.02.01	LONG -TERM ASSETS	90,113	83,775
1.02.01.01	CREDITS	-	-
1.02.01.02	RELATED PARTIES	-	-
1.02.01.02.01	ASSOCIATED COMPANIES	-	-
1.02.01.02.02	SUBSIDIARY COMPANIES	-	-
1.02.01.02.03	OTHER RELATED PARTIES	-	-
1.02.01.03	OTHER	90,113	83,775
1.02.01.03.01	JUDICIAL DEPOSITS	9,332	9,281
1.02.01.03.02	OTHER RECEIVABLES	6,230	6,861
1.02.01.03.03	RECOVERABLE TAXES	10,764	11,042
1.02.01.03.04	DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	63,787	56,591
1.02.02	PERMANENT ASSETS	402,528	400,382
1.02.02.01	INVESTMENTS	63	63
1.02.02.01.01	ASSOCIATED COMPANIES	-	-
1.02.02.01.02	ASSOCIATED COMPANIES - PREMIUM	-	-
1.02.02.01.03	SUBSIDIARIES	-	-
1.02.02.01.04	SUBSIDIARIES – PREMIUM	-	-
1.02.02.01.05	OTHER INVESTMENTS	63	63
1.02.02.02	PROPERTY, PLANT AND EQUIPMENT – NET	360,491	356,790
1.02.02.03	INTANGIBLE – NET	41,974	43,529

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08.02 - CONSOLIDATED BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY (IN THOUSANDS OF REAIS -R\$)

1-CODE	2-DESCRIPTION	3- 06/30/2010	4- 03/31/2010
2	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,871,880	1,832,162
2.01	CURRENT LIABILITIES	862,863	841,103
2.01.01	LOANS AND FINANCING	404,329	381,913
2.01.01.01	LOANS AND FINANCING	118,925	114,584
2.01.01.02	FINANCING – FINANCED SALES AND PERSONAL LOAN	285,404	267,329
2.01.02	DEBENTURES	-	-
2.01.03	SUPPLIERS	243,175	212,523
2.01.04	TAXES AND CONTRIBUTIONS PAYABLE	93,093	61,268
2.01.04.01	TAXES ON SALES	55,775	36,871
2.01.04.02	SOCIAL CHARGES	6,891	7,021
2.01.04.03	TAXES IN INSTALLMENTS	1,165	1,213
2.01.04.04	OTHER TAXES PAYABLE	1,629	1,297
2.01.04.05	PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION	19,954	8,836
2.01.04.06	CHARGES ON ACCRUED VACATION AND 13TH SALARY PAY	7,679	6,030
2.01.05	DIVIDENDS PAYABLE	369	47,649
2.01.05.01	PROPOSED DIVIDENDS	-	8,709
2.01.05.02	INTEREST ON CAPITAL	144	38,801
2.01.05.03	OTHER STATUTORY LIABILITIES	225	139
2.01.06	PROVISIONS	39,170	34,208
2.01.06.01	ACCRUED VACATION AND 13TH SALARY PAY	22,196	17,428
2.01.06.02	LABOR RISKS	5,905	5,945
2.01.06.03	CIVIL RISKS	11,069	10,835
2.01.07	DUE TO RELATED PARTIES	-	-
2.01.08	OTHER	82,727	103,542
2.01.08.01	SALARIES PAYABLE	19,501	32,337
2.01.08.02	RENTS PAYABLE	15,580	14,639
2.01.08.03	STATUTORY PARTICIPATION	-	6,007
2.01.08.04	OTHER LIABILITIES	33,873	37,908
2.01.08.05	CUSTOMER LIABILITIES	13,773	12,651
2.02	NONCURRENT LIABILITIES	93,375	83,057
2.02.01	LONG-TERM LIABILITIES	93,375	83,057
2.02.01.01	LOANS AND FINANCING	30,862	33,067
2.02.01.02	DEBENTURES	-	-
2.02.01.03	PROVISIONS	31,588	28,911
2.02.01.03.01	TAX AND CIVIL RISKS	31,588	28,911
2.02.01.04	DUE TO RELATED PARTIES	-	-
2.02.01.06	OTHER	30,925	21,079
2.02.01.06.01	TAXES AND CONTRIBUTIONS PAYABLE	19,511	13,215
2.02.01.06.02	TAXES IN INSTALLMENTS	2,458	2,738
2.02.01.06.03	OTHER LIABILITIES	8,956	5,126
2.05	SHAREHOLDERS' EQUITY	915,642	908,002
2.05.01	CAPITAL	403,629	403,216
2.05.02	CAPITAL RESERVES	164,643	160,013
2.05.02.01	PREMIUM RESERVE	118,165	118,165
2.05.02.02	STOCK OPTION PLAN	46,478	41,848
2.05.03	REVALUATION RESERVE	-	-
2.05.04	REVENUE RESERVES	220,023	308,819
2.05.04.01	LEGAL RESERVE	1,812	1,812
2.05.04.02	STATUTORY RESERVES	-	-
2.05.04.03	RESERVES FOR CONTINGENCIES	-	-
2.05.04.04	UNREALIZED PROFIT	-	-
2.05.04.06	SPECIAL FOR DIVIDENDS NOT DISTRIBUTED	-	88,796

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2.05.04.07	OTHER REVENUE RESERVES	218,211	218,211
2.05.04.07.01	INVESTMENTS AND EXPANSION	218,211	218,211
2.05.05	CARRYING VALUE ADJUSTMENTS	(514)	(949)
2.05.06	RETAINED EARNINGS/ACCUMULATED DEFICIT	127,861	36,903

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09.01 - CONSOLIDATED STATEMENT OF INCOME (IN THOUSANDS OF REAIS - R\$)

1-CODE	2-DESCRIPTION	3- FROM	4- FROM	5- FROM	6- FROM
		04/01/2010 TO 06/30/2010	01/01/2010 TO 06/30/2010	04/01/2009 TO 06/30/2009	01/01/2009 TO 06/30/2009
3.01	GROSS REVENUE (SALES AND SERVICES)	918,673	1,567,746	803,683	1,341,134
3.01.01	SALE OF GOODS	784,815	1,304,050	689,179	1,114,225
3.01.02	REVERSAL PVA - SALE OF GOODS	57,713	117,896	52,706	105,306
3.01.03	FINANCIAL PRODUCTS/SERVICES	76,145	145,800	61,798	121,603
3.02	DEDUCTIONS FROM GROSS REVENUE	(216,655)	(360,033)	(190,269)	(308,586)
3.02.01	TAXES ON SALES OF GOODS	(212,539)	(351,711)	(187,153)	(302,151)
3.02.02	TAXES ON FINANCIAL PRODUCT/SERVICES	(4,116)	(8,322)	(3,116)	(6,435)
3.03	NET REVENUE (SALES AND SERVICES)	702,018	1,207,713	613,414	1,032,548
3.04	COST OF GOODS AND SERVICES SOLD	(305,918)	(527,580)	(292,101)	(483,777)
3.04.01	COST OF GOODS SOLD	(299,098)	(515,525)	(285,952)	(471,198)
3.04.02	REVERSAL PVA - COST OF GOODS SOLD	(6,820)	(12,055)	(6,149)	(12,579)
3.05	GROSS PROFIT	396,100	680,133	321,313	548,771
3.06	OPERATING (EXPENSES) INCOME	(259,069)	(487,162)	(248,688)	(459,777)
3.06.01	SELLING EXPENSES	(141,752)	(271,245)	(131,652)	(248,124)
3.06.02	GENERAL AND ADMINISTRATIVE	(52,006)	(94,773)	(47,533)	(86,871)
3.06.02.01	GENERAL EXPENSES	(50,098)	(91,064)	(46,199)	(84,202)
3.06.02.02	COMPENSATION OF OFFICERS	(1,908)	(3,709)	(1,334)	(2,669)
3.06.03	FINANCIAL	3,616	5,568	(3,022)	(6,963)
3.06.03.01	FINANCIAL INCOME	49,911	93,485	(40,176)	78,195
3.06.03.02	FINANCIAL EXPENSES	(46,295)	(87,917)	(43,198)	(85,158)
3.06.04	OTHER OPERATING INCOME	533	3,645	2,615	6,416
3.06.04.01	OTHER OPERATING INCOME	533	3,645	2,615	6,416
3.06.05	OTHER OPERATING EXPENSES	(69,460)	(130,357)	(69,096)	(124,235)
3.06.05.01	TAX EXPENSES	(6,429)	(11,587)	(4,247)	(7,636)
3.06.05.02	AMORTIZATION OF GOODWILL	(12)	(25)	(29)	(58)
3.06.05.03	DEPRECIATION AND AMORTIZATION	(17,911)	(36,693)	(18,314)	(36,422)
3.06.05.04	LOSSES ON RECEIVABLES, NET	(28,568)	(52,152)	(32,035)	(54,297)
3.06.05.05	FINANCIAL PRODUCTS/SERVICES	(11,911)	(21,442)	(9,636)	(17,402)
3.06.05.06	STOCK OPTION PLAN	(4,629)	(8,458)	(4,835)	(8,420)
3.06.06	EQUITY IN THE RESULTS OF INVESTEEs	-	-	-	-
3.07	OPERATING INCOME	137,031	192,971	72,625	88,994
3.08	NON OPERATING RESULT	(410)	(787)	(152)	(93)
3.08.01	REVENUES	70	111	8	12
3.08.02	EXPENSES	(480)	(898)	(160)	(105)
3.09	PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	136,621	192,184	72,473	88,901
3.10	INCOME TAX AND SOCIAL CONTRIBUTION	(52,859)	(65,133)	(26,753)	(27,448)
3.11	DEFERRED INCOME TAXES	7,196	810	2,103	(2,770)
3.12	STATUTORY PARTICIPATIONS/CONTRIBUTIONS	-	-	-	-
3.12.01	PARTICIPATIONS	-	-	-	-
3.12.02	CONTRIBUTIONS	-	-	-	-
3.15	NET INCOME (LOSS) FOR THE PERIOD	90,958	127,861	47,823	58,683
	QUANTITY OF SHARES (EXCEPT SHARES IN TREASURY - IN THOUSANDS)	121,901	121,901	121,624	121,624
	EARNINGS PER SHARE (REAIS)	0,74616	1,04889	0,39320	0,48250
	LOSS PER SHARE (REAIS)	-	-	-	-

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10.01 – CONSOLIDATED STATEMENT OF CASH FLOW (IN THOUSANDS OF REAIS - R\$)

1-CODE	2-DESCRIPTION	3- FROM	4- FROM	5- FROM	6- FROM
		04/01/2010 TO 06/30/2010	01/01/2010 TO 06/30/2010	04/01/2009 TO 06/30/2009	01/01/2009 TO 06/30/2009
4.01	NET CASH FROM OPERATING ACTIVITIES	121,575	103,842	147,713	79,663
4.01.01	CASH FLOW FROM OPERATING ACTIVITIES	126,662	188,215	86,002	100,760
4.01.01.01	NET INCOME FOR THE PERIOD	90,958	127,861	47,823	58,683
4.01.01.02	DEPRECIATION AND AMORTIZATION	17,911	36,693	18,313	36,422
4.01.01.03	AMORTIZATION OF GOODWILL	12	25	29	58
4.01.01.04	GAIN (LOSS) ON SALE OR DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	410	838	187	226
4.01.01.05	ACCRUED INTEREST, NET OF INTEREST PAID	(661)	(575)	(597)	(718)
4.01.01.06	STOCK OPTION PLAN	4,629	8,458	4,835	8,420
4.01.01.07	EQUITY IN THE RESULTS OF INVESTEES	-	-	-	-
4.01.01.08	PROVISION FOR TAX, CIVIL AND LABOR RISKS	2,871	5,953	1,819	2,833
4.01.01.09	DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	(7,196)	(810)	(2,103)	2,770
4.01.01.10	PROVISIONS FOR LOSSES ON ASSETS	17,728	9,772	15,696	(7,934)
4.01.02	CHANGES IN ASSETS AND LIABILITIES	(5,087)	(84,373)	61,711	(21,097)
4.01.02.01	TRADE ACCOUNTS RECEIVABLE	(77,288)	67,513	(72,869)	81,611
4.01.02.02	INVENTORIES	(8,219)	(81,190)	33,695	(35,700)
4.01.02.03	CARRYING VALUE ADJUSTMENTS	435	998	-	-
4.01.02.04	OTHER RECEIVABLES	5,685	409	6,075	6,776
4.01.02.05	JUDICIAL DEPOSITS	(51)	111	(527)	(500)
4.01.02.06	FINANCING – FINANCED SALES AND PERSONAL LOAN	18,075	2,485	8,605	(37,325)
4.01.02.07	SUPPLIERS	30,652	(24,897)	36,511	14,152
4.01.02.08	SALARIES AND VACATIONS	(8,068)	(5,698)	5,742	4,687
4.01.02.09	TAXES AND CONTRIBUTIONS PAYABLE	37,841	(39,817)	41,470	(46,329)
4.01.02.10	OTHER PAYABLES	917	2,982	4,633	(3,626)
4.01.02.11	RENTS PAYABLE	941	(1,262)	1,076	(2,143)
4.01.02.12	STATUTORY OBLIGATIONS	(6,007)	(6,007)	(2,700)	(2,700)
4.01.02.13	DUE TO RELATED PARTIES	-	-	-	-
4.01.03	OTHERS	-	-	-	-
4.01.03.01	DIVIDENDS RECEIVED FROM SUBSIDIARIES	-	-	-	-
4.02	NET CASH FROM INVESTING ACTIVITIES	(20,477)	(36,334)	(21,594)	(28,016)
4.02.01	ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(20,547)	(36,445)	(21,602)	(28,028)
4.02.02	PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	70	111	8	12
4.03	NET CASH FROM FINANCING ACTIVITIES	(132,867)	(119,801)	(15,056)	(35,945)
4.03.01	BORROWINGS	5,000	30,000	34,428	54,428
4.03.02	CAPITAL INCREASE	413	684	95	206
4.03.03	REPAYMENT OF LOAN	(2,204)	(14,409)	(9,000)	(50,000)
4.03.04	INTEREST ON CAPITAL AND DIVIDENDS PAID	(136,076)	(136,076)	(40,579)	(40,579)
4.05	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,769)	(52,293)	111,063	15,702
4.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	390,846	411,370	83,339	178,700
4.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	359,077	359,077	194,402	194,402

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11.01 – CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (IN THOUSANDS OF REAIS - R\$)

1-CODE	2-DESCRIPTION	3- CAPITAL	4- CAPITAL RESERVES	6 - REVENUE RESERVES	7 – RETAINED EARNINGS	8 – CARRYING VALUE ADJUSTMENT	9 – TOTAL
5.01	BALANCES AS OF MARCH 31, 2010	403,216	160,013	308,819	36,903	(949)	908,002
5.02	PRIOR YEAR ADJUSTMENTS	-	-	-	-	-	-
5.03	BALANCES ADJUSTED AS OF MARCH 31, 2010	403,216	160,013	308,819	36,903	(949)	908,002
5.04	NET INCOME	-	-	-	90,958	-	90,958
5.05	ALLOCATIONS	-	-	(88,796)	-	-	(88,796)
5.05.01	DIVIDENDS	-	-	(88,796)	-	-	(88,796)
5.07	CARRYING VALUE ADJUSTMENTS	-	-	-	-	435	435
5.07.04	CARRYING VALUE ADJUSTMENTS - HEDGE	-	-	-	-	435	435
5.08	CAPITAL INCREASE	413	-	-	-	-	413
5.09	CAPITAL RESERVE – STOCK OPTION PLAN	-	4,630	-	-	-	4,630
5.13	BALANCES AS OF JUNE 30, 2010	403,629	164,643	220,023	127,861	(514)	915,642

1-CODE	2-DESCRIPTION	3- CAPITAL	4- CAPITAL RESERVES	6 - REVENUE RESERVES	7 – RETAINED EARNINGS	8 – CARRYING VALUE ADJUSTMENT	9 – TOTAL
5.01	BALANCES AS OF DECEMBER 31, 2009	402,945	156,184	308,819	-	(1,512)	866,436
5.02	PRIOR YEAR ADJUSTMENTS	-	-	-	-	-	-
5.03	BALANCES ADJUSTED AS OF DECEMBER 31, 2009	402,945	156,184	308,819	-	(1,512)	866,436
5.04	NET INCOME	-	-	-	127,861	-	127,861
5.05	ALLOCATIONS	-	-	(88,796)	-	-	(88,796)
5.05.01	DIVIDENDS	-	-	(88,796)	-	-	(88,796)
5.07	CARRYING VALUE ADJUSTMENTS	-	-	-	-	998	998
5.07.04	CARRYING VALUE ADJUSTMENTS - HEDGE	-	-	-	-	998	998
5.08	CAPITAL INCREASE	684	-	-	-	-	684
5.09	CAPITAL RESERVE – STOCK OPTION PLAN	-	8,459	-	-	-	8,459
5.13	BALANCES AS OF JUNE 30, 2010	403,629	164,643	220,023	127,861	(514)	915,642

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06.01 - EXPLANATORY NOTES

Balance Sheets - Parent Company (BRGAAP) and Consolidated (IFRS)

As of June 30, 2010 and December 31, 2009

(In thousands of reais)

(A free translation of the original in Portuguese)

Assets	Notes	Company - BRGAAP		Consolidated - IFRS	
		30/06/2010	12/31/2009	30/06/2010	12/31/2009
Current Assets					
Cash and cash equivalents	5	357,206	410,713	359,077	411,370
Trade accounts receivable	6	611,485	696,196	690,169	768,412
Inventories	7	285,842	203,693	285,842	203,693
Recoverable taxes		13,653	15,931	13,757	16,025
Other accounts receivables		27,076	24,812	27,076	24,812
Prepaid expenses		3,318	3,993	3,318	3,993
Total current assets		1,298,580	1,355,338	1,379,239	1,428,305
Noncurrent Assets					
Judicial deposits	15	9,325	9,443	9,332	9,443
Recoverable taxes		10,764	11,726	10,764	11,726
Other receivables	9	6,230	5,245	6,230	4,998
Deferred taxes	8	63,787	62,977	63,787	62,977
Investments	10	12,729	12,926	63	63
Property, plant and equipment - net	11	354,797	351,792	360,491	357,572
Intangible assets - net	11	41,974	46,113	41,974	46,113
Total noncurrent Assets		499,606	500,222	492,641	492,892
TOTAL ASSETS		1,798,186	1,855,560	1,871,880	1,921,197

The accompanying notes are an integral part of these financial statements.

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92.754.738/0001-62

06.01 - EXPLANATORY NOTES

Balance Sheets - Parent Company (BRGAAP) and Consolidated (IFRS)

As of June 30, 2010 and December 31, 2009

(In thousands of reais)

(A free translation of the original in Portuguese)

Liabilities and Shareholders' Equity	Notes	Company - BRGAAP		Consolidated - IFRS	
		30/06/2010	12/31/2009	30/06/2010	12/31/2009
Current Liabilities					
Loans and financing	12	118,923	99,498	118,925	99,498
Financing - Financed sales and personal loans	13	208,537	212,969	285,404	282,919
Suppliers	14	243,133	268,061	243,175	268,072
Taxes and contributions payable		92,138	140,230	93,093	141,159
Accrued salaries and vacation payable		41,693	47,394	41,697	47,395
Rentals payable	31	19,390	22,452	15,580	16,842
Statutory obligations		369	53,656	369	53,656
Provision for civil and labor contingencies	15	16,974	16,332	16,974	16,332
Other payables	16	45,798	47,236	47,646	47,461
Total current liabilities		786,955	907,828	862,863	973,334
Noncurrent Liabilities					
Loans and financing	12	30,862	35,271	30,862	35,271
Taxes and contributions payable	17	21,969	13,720	21,969	13,720
Provision for tax and civil contingencies	15	31,453	26,146	31,588	26,277
Due to related parties		6,911	-	-	-
Other payables	16	4,394	6,159	8,956	6,159
Total noncurrent Liabilities		95,589	81,296	93,375	81,427
Shareholders' equity					
Capital	18	403,629	402,945	403,629	402,945
Capital reserves		164,643	156,184	164,643	156,184
Revenue reserves		220,023	308,819	220,023	308,819
Carrying value adjustments	20	(514)	(1,512)	(514)	(1,512)
Retained earnings/acumulated deficit		127,861	-	127,861	-
Total shareholders' equity		915,642	866,436	915,642	866,436
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,798,186	1,855,560	1,871,880	1,921,197

The accompanying notes are an integral part of these financial statements.

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06.01 - EXPLANATORY NOTES

Statements of Income - Parent Company (BRGAAP) and Consolidated (IFRS)

For the quarters and six-month period ended on June 30, 2010 and 2009

(In thousands of reais, except earnings per share, stated in reais)

(A free translation of the original in Portuguese)

	Notes	Company - BRGAAP				Consolidated - IFRS			
		2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
Net operational revenues		694,352	1,196,188	608,573	1,022,491	702,018	1,207,713	613,414	1,032,548
Net revenues from sales of goods		629,989	1,070,235	554,732	917,380	629,989	1,070,235	554,732	917,380
Net revenues from financial products/services		66,363	125,953	53,841	105,111	72,029	137,478	58,682	115,168
Cost of goods sold		(305,918)	(527,580)	(292,101)	(483,777)	(305,918)	(527,580)	(292,101)	(483,777)
Gross profit		390,434	668,608	316,472	538,714	396,100	680,133	321,313	548,771
Other operating (expenses) income									
Selling		(142,700)	(272,814)	(132,542)	(249,766)	(141,752)	(271,245)	(131,652)	(248,124)
General and administrative		(50,098)	(91,064)	(46,199)	(84,202)	(50,098)	(91,064)	(46,199)	(84,202)
Compensation of officers	22	(1,908)	(3,709)	(1,334)	(2,669)	(1,908)	(3,709)	(1,334)	(2,669)
Taxes		(6,425)	(11,581)	(4,248)	(7,636)	(6,429)	(11,587)	(4,247)	(7,636)
Stock option plan	25	(4,629)	(8,458)	(4,835)	(8,420)	(4,629)	(8,458)	(4,835)	(8,420)
Losses on receivables, net		(28,568)	(52,152)	(32,035)	(54,297)	(28,568)	(52,152)	(32,035)	(54,297)
Financial products/services		(11,705)	(21,112)	(9,632)	(17,341)	(11,911)	(21,442)	(9,636)	(17,402)
Depreciation and amortization		(17,891)	(36,655)	(18,269)	(36,333)	(17,923)	(36,718)	(18,343)	(36,480)
Other operating (expenses) income	28	533	3,645	2,615	6,414	533	3,645	2,615	6,414
Equity in the results of investees	10	5,577	11,130	4,969	10,105	-	-	-	-
Total operating expenses, net		(257,814)	(482,770)	(241,510)	(444,145)	(262,685)	(492,730)	(245,646)	(452,814)
Operating profit before financial income (expenses)		132,620	185,838	74,962	94,569	133,415	187,403	75,667	95,957
Financial income (expenses)	29	3,645	5,606	(3,002)	(6,935)	3,616	5,568	(3,022)	(6,963)
Operating profit after financial income (expenses)		136,265	191,444	71,960	87,634	137,031	192,971	72,625	88,994
Loss (gain) on sale of property, plant and equipment		(410)	(787)	(152)	(93)	(410)	(787)	(152)	(93)
Profit before income tax and social contribution taxes		135,855	190,657	71,808	87,541	136,621	192,184	72,473	88,901
Income tax and social contribution	8	(44,897)	(62,796)	(23,985)	(26,858)	(45,663)	(64,323)	(24,650)	(30,218)
Net income for the period		90,958	127,861	47,823	58,683	90,958	127,861	47,823	58,683
Earnings per share - R\$		0.7462	1.0489	0.3932	0.4825	-	-	-	-
Basic earnings per share - R\$	19	-	-	-	-	0.7463	1.0490	0.3932	0.4825
Diluted earnings per share - R\$	19	-	-	-	-	0.7361	1.0347	0.3913	0.4802
Number of shares outstanding at the end of the period (in thousands)		121,901	121,901	121,624	121,624	121,901	121,901	121,624	121,624

The accompanying notes are an integral part of these financial statements.

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06.01 - EXPLANATORY NOTES

Statements of Cash Flows - Parent Company (BRGAAP) and Consolidated (IFRS)

Indirect Method

For the quarters and six-month period ended on June 30, 2010 and 2009 – Indirect Method

(In thousands of reais)

(A free translation of the origin in Portuguese)

	Notes	Company - BRGAAP				Consolidated - IFRS			
		2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
Cash flows from operating activities									
Net income for the period		90,958	127,861	47,823	58,683	90,958	127,861	47,823	58,683
Adjustments to reconcile net income to cash provided by operating activities:									
Depreciation and amortization	11	17,879	36,630	18,240	36,275	17,911	36,693	18,313	36,422
Amortization of goodwill		12	25	29	88	12	25	29	88
Gain on sale or disposal of property, plant and equipment		410	838	187	226	410	838	187	226
Accrued interest, net of interest paid		(661)	(575)	(597)	(718)	(661)	(575)	(597)	(718)
Stock option plan	25	4,629	8,458	4,835	8,420	4,629	8,458	4,835	8,420
Equity in the results of investees	10	(5,577)	(11,130)	(4,969)	(10,105)	-	-	-	-
Provision for tax, civil and labor contingencies		2,869	5,949	1,819	2,833	2,871	5,953	1,819	2,833
Deferred income tax and social contribution	8	(7,196)	(810)	(2,103)	(2,770)	(7,196)	(810)	(2,103)	(2,770)
Provisions for losses on assets		17,728	9,772	15,696	(7,934)	17,728	9,772	15,696	(7,934)
		121,051	177,018	80,960	90,508	126,662	188,215	86,002	100,760
Dividends received from subsidiaries		11,303	11,303	-	5,936	-	-	-	-
Changes in assets and liabilities									
(Increase) decrease in trade accounts receivable		(74,181)	73,980	(73,044)	84,327	(77,288)	67,513	(72,869)	81,611
(Increase) decrease in inventories		(8,219)	(81,190)	33,695	(35,700)	(8,219)	(81,190)	33,695	(35,700)
Decrease in carrying value adjustments		435	998	-	-	435	998	-	-
Decrease in other assets		5,691	666	6,051	6,754	5,685	409	6,075	6,776
(Increase) decrease in judicial deposits		(50)	118	(527)	(500)	(51)	111	(527)	(500)
Increase (decrease) in Financing - Financed sales and personal loans		14,288	(4,432)	12,533	(36,135)	18,075	2,485	8,605	(37,325)
Increase (decrease) in suppliers		30,610	(24,928)	36,511	14,152	30,652	(24,897)	36,511	14,152
(Decrease) increase in accrued salaries and vacations		(8,070)	(5,701)	5,742	4,694	(8,068)	(5,698)	5,742	4,687
Increase (decrease) in taxes and social contributions payable		37,866	(39,843)	41,503	(46,362)	37,841	(39,817)	41,470	(46,329)
(Decrease) increase in other payables		(5,239)	(3,203)	(2,252)	(10,523)	917	2,982	4,633	(3,626)
(Decrease) increase in rents payables		(1,421)	(3,062)	1,866	(6,595)	941	(1,262)	1,076	(2,143)
(Decrease) in statutory obligations		(6,007)	(6,007)	(2,700)	(2,700)	(6,007)	(6,007)	(2,700)	(2,700)
Increase in due to related parties		2,931	6,911	7,238	12,046	-	-	-	-
Net cash provided by operating activities		120,988	102,428	147,596	79,902	121,575	103,842	147,713	79,663
Cash flows from investing activities									
Acquisitions of property, plant and equipment and intangible assets	11	(20,547)	(36,445)	(21,602)	(28,028)	(20,547)	(36,445)	(21,602)	(28,028)
Proceeds from sale of property, plant and equipment		70	111	8	12	70	111	8	12
Net cash (used in) investing activities		(20,477)	(36,334)	(21,594)	(28,016)	(20,477)	(36,334)	(21,594)	(28,016)
Cash flows from financing activities									
Borrowings		5,000	30,000	34,428	54,428	5,000	30,000	34,428	54,428
Capital increase	18	413	684	95	206	413	684	95	206
Repayment of loans		(2,204)	(14,409)	(9,000)	(50,000)	(2,204)	(14,409)	(9,000)	(50,000)
Interest on capital and dividends paid		(136,076)	(136,076)	(40,579)	(40,579)	(136,076)	(136,076)	(40,579)	(40,579)
Net cash (used in) financing activities		(132,867)	(119,801)	(15,056)	(35,945)	(132,867)	(119,801)	(15,056)	(35,945)
(Decrease) increase in cash and cash equivalents		(32,356)	(53,507)	110,946	15,941	(31,769)	(52,293)	111,063	15,702
Cash and cash equivalents at the beginning of the period		389,562	410,713	82,748	177,753	390,846	411,370	83,339	178,700
Cash and cash equivalents at the end of the period		357,206	357,206	193,694	193,694	359,077	359,077	194,402	194,402
Supplemental cash flow statement information:									
Cash (paid) received during the period:									
Interest and other net financial expenses, net		(10,717)	(20,169)	(9,342)	(18,304)	(10,744)	(20,206)	(9,362)	(18,333)
Financial income (investments and others)		13,701	25,200	5,744	10,652	13,701	25,200	5,744	10,652
Income tax and social contribution on income		(40,980)	(64,792)	(12,539)	(27,436)	(41,741)	(66,287)	(13,234)	(28,770)

The accompanying notes are an integral part of these financial statements.

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06.01 - EXPLANATORY NOTES

Statements of Comprehensive Income - Parent Company (BRGAAP) and Consolidated (IFRS)

For the quarters and six-month period ended on June 30, 2010 and 2009

(In thousands of reais)

(A free translation of the originl in Portuguese)

	Company - BRGAAP				Consolidated - IFRS			
	2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
Net income for the period	90,958	127,861	47,823	58,683	90,958	127,861	47,823	58,683
Other comprehensive income								
Cash flow hedge	435	998	-	-	435	998	-	-
Total comprehensive income for the period	<u>91,393</u>	<u>128,859</u>	<u>47,823</u>	<u>58,683</u>	<u>91,393</u>	<u>128,859</u>	<u>47,823</u>	<u>58,683</u>

The accompanying notes are an integral part of these financial statements.

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06.01 - EXPLANATORY NOTES

Statements of Changes in Shareholders' Equity - Parent Company (BRGAAP) and Consolidated (IFRS)

For the quarters and six-month period ended on June 30, 2010 and 2009

(In thousands of reais, except earnings per share as note 33)

(A free translation of the original in Portuguese)

06/30/2010	Capital Reserves			Revenue Reserves			Retained earnings	Carrying value adjustments	Total
	Capital	Premium reserve	Stock option plan reserve	Legal reserve	Investment and expansion reserve	Additional dividend proposed			
Balances as of January 1, 2010	402,945	118,165	38,819	1,812	218,211	88,796	-	(1,512)	866,436
Capital increase	271	-	-	-	-	-	-	-	271
Net income for the period	-	-	-	-	-	-	36,903	-	36,903
Stock option plan	-	-	3,829	-	-	-	-	-	3,829
Cash flow hedge	-	-	-	-	-	-	-	563	563
Balances as of March 31, 2010	403,216	118,165	41,848	1,812	218,211	88,796	36,903	(849)	908,002
Capital increase (note 18)	413	-	-	-	-	-	-	-	413
Net income for the period	-	-	-	-	-	-	90,958	-	90,958
Stock option plan (note 25)	-	-	4,630	-	-	-	-	-	4,630
Cash flow hedge - net taxes	-	-	-	-	-	-	-	435	435
Additional dividend proposed payment (R\$ 0.7284 per share)	-	-	-	-	-	-	(88,796)	-	(88,796)
Balances as of June 30, 2010	403,629	118,165	46,478	1,812	218,211	-	127,861	(514)	915,642

06/30/2009	Capital Reserves			Revenue Reserves			Retained earnings	Carrying value adjustments	Total
	Capital	Premium reserve	Stock option plan reserve	Legal reserve	Investment and expansion reserve	Additional dividend proposed			
Balances as of January 1, 2009	399,926	118,165	20,776	1,812	170,814	-	-	-	711,493
Capital increase	111	-	-	-	-	-	-	-	111
Net income for the period	-	-	-	-	-	-	10,860	-	10,860
Stock option plan	-	-	3,586	-	-	-	-	-	3,586
Balances as of March 31, 2009	400,037	118,165	24,362	1,812	170,814	-	10,860	-	726,050
Capital increase	95	-	-	-	-	-	-	-	95
Net income for the period	-	-	-	-	-	-	47,823	-	47,823
Stock option plan	-	-	4,835	-	-	-	-	-	4,835
Balances as of June 30, 2009	400,132	118,165	29,197	1,812	170,814	-	58,683	-	778,803

The accompanying notes are an integral part of these financial statements.

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(Amounts in thousands of reais, except dividends and interest on capital per share in note 33)

1 Operations

Lojas Renner S.A. (the "Company") is principally engaged in retail sale of apparel sportswear and other types of department store apparels in the domestic market. The Company is also engaged in the import of goods, holding of investments in other companies, intermediation of financial services, such as intermediation of personal loans, financing of purchases, insurance policies and capitalization certificates, private label credit card, and other activities.

The Company is a corporation with head office in Porto Alegre, State of Rio Grande do Sul, listed on the São Paulo Stock Exchange ("BOVESPA": LREN3).

2 Financial Statement Presentation

The financial statements include:

- The Parent Company's individual interim financial statements prepared and presented in accordance with accounting practices adopted in Brazil ("BRGAAP"), adjusted for the pronouncements issued by the Accounting Pronouncements Committee ("CPC") with effective from January 1, 2010 on, as described in Note 2.1.
- The Company's consolidated interim financial statements prepared and presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as described in Note 2.2.

These consolidated financial statements were authorized for issuance by the Company's Executive Officers on July 9, 2010.

The preparation of interim financial statements, both under IFRS and under BRGAAP, requires the use, by the Company's management, of estimates and assumptions that affect the reported amounts of assets, liabilities and other transactions. As Management judgment involves estimates related to the probability of future events, actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgment or complexity, or areas where

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assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

There are certain differences between the December 31, 2009 financial statements prepared under IFRS and those prepared under BRGAAP, which are presented below:

2.1 Parent Company's financial statements - BRGAAP

The Parent Company's interim financial statements on June 30, 2010 were prepared and are being presented in accordance with accounting practices adopted in Brazil, based on the provisions of Brazilian Corporation Law and the rules of the Brazilian Securities Commission (CVM).

Pursuant to CVM Resolution 610 dated December 22, 2009, beginning with the interim financial statements for the quarter ended March 31, 2010, management of the Company has adopted the CPC pronouncements which must be compulsorily adopted in the financial statements as of and for the year ended December 31, 2010. As a result of the application of these new accounting pronouncements, an impact was identified only regarding the dividend exceeding the compulsory minimum dividend on December 31, 2009, in the amount of R\$ 88,796, which was properly adjusted in these interim financial statements. In applying these new accounting pronouncements, no other impacts on the Parent Company's stockholders' equity and net income on December 31, 2009 and January 1, 2009 were identified.

The table below presents the reconciliation between parent company and consolidated:

	Parent Company - BRGAAP			Consolidated - IFRS		
	12/31/2009 Originally	Adjustment	12/31/2009 Adjusted	12/31/2009 Originally	Adjustment	12/31/2009 Adjusted
Assets	1,855,560	-	1,855,560	1,921,197	-	1,921,197
Liabilities	1,077,920	(88,796)	989,124	1,143,557	(88,796)	1,054,761
Shareholders' equity	777,640	88,796	866,436	777,640	88,796	866,436

2.2 Consolidated financial statements - IFRS

Considering the importance and the need for the convergence of Brazilian accounting practices with international accounting practices, and to improve the transparency and reliability of its financial statements, the management of the Company elected to adopt IFRS in its consolidated interim financial statements, beginning with the quarter ended March 31, 2010, using the prerogatives contained in CVM Instruction 457 dated July 13, 2007, and CVM Resolution 609 dated December 22, 2009, which addresses the first-time adoption of IFRS.

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06.01 - EXPLANATORY NOTES

3 Summary of Significant Accounting Policies

The accounting practices presented below are equally applicable to the Parent Company (BRGAAP) and consolidated (IFRS) financial statements

3.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, which makes strategic decisions.

3.2 Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company and each of its subsidiaries operate ('the functional currency'). The consolidated financial statements are presented in Brazilian reais, which is the functional currency for all companies and the Company's presentation currency.

3.3 Revenue recognition

Revenues are recognized on an accrual basis. Revenue from sale of goods is recognized when goods are delivered to customers. Revenue from financial services is recognized over of the contracts effective periods.

3.4 Cash and cash equivalents

Cash and cash equivalents are measured at fair value and include cash on hand, demand deposits held at banks and short-term highly liquid investments with immaterial risk of change in value.

3.5 Trade accounts receivable

Trade accounts receivable refer to receivables from sale of goods in own credit transactions, and from the granting of personal loans and sales financing by financial institutions, as intermediated by the Company. If collection is expected in one year or less, receivables are classified as current assets, otherwise they are presented in noncurrent assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 3.7), less provision for losses

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(Note 3.6).

3.6 Provision for losses on trade receivables

The provision for losses is recorded based on the analysis of the customer portfolio, in an amount considered sufficient by Management to cover eventual losses on the collection of receivables. Regarding personal loans, the provision for losses is recorded based on the risk rating of the transactions, similar to the criteria for risk rating of credit transactions defined by the Central Bank of Brazil, following the same policy adopted by the financial institutions.

3.7 Discount to present value

Instalment purchases and sales at fixed rates were discounted to their present value on the date of the transactions, according to their terms, based on internal interest rates for receivables and the average daily interest rate published by the National Association of Investment Banks (ANBID) for accounts payable. The internal interest rate used for calculating the discount to present value of trade receivables in the period was 6.9% p.m. and reflects, in Management's assessment, the specific risks of its receivables portfolio. Taxes payable in noncurrent liabilities, which are not subject to financial charges, were also discounted to present value based on the Selic future interest rate obtained from the Commodities and Futures Exchange (BM&F) for the maturity dates of such obligations. Deferred taxes are not discounted to their present value.

The discount of purchases to present value is recorded within trade accounts payables and inventories. The realization of the discount in inventories is recorded in cost of sales as those inventories are sold, and the discount in trade accounts payable is amortized to expense as the payables approach maturity. The discount to present value for credit sales is recorded in trade accounts receivable (Note 6), and its amortization is recorded in revenue from sales as the receivables approach maturity. The discount to present value of noncurrent taxes payable and its reversal are recorded in financial income (expenses).

3.8 Inventories

Inventories are stated at average cost of acquisition, less a provision to adjust them to their probable realizable values, when applicable.

3.9 Property, plant and equipment and intangible assets

Stated at cost of acquisition, formation or installation of the stores, less accumulated depreciation or amortization. Depreciation or amortization is calculated under the straight-line method at rates that take into consideration the estimated economic useful lives of the assets described in Note 11. The Company reviews its property, plant and equipment items to identify evidence of impairment, as described in Note 3.10. The

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Company reviews periodically the economic useful lives of its property, plant and equipment items.

3.10 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units (CGU)).

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions for tax, civil and labor contingencies are recognized based on the best estimates of the risk involved, in amounts considered sufficient by Management to cover probable losses, and are updated through the reporting dates considering the nature of each contingency and based on the opinion of the Company's attorneys.

3.12 Loans and financing

Loans and financing are initially recognized at fair value. At each subsequent balance sheet date, they are measured at their amortized cost, including accrued charges, interest based on the effective rate, and monetary and exchange variations, less contractual amortization, as shown in Note 12.

3.13 Income tax and social contribution

Current and deferred Income tax and social contribution are calculated based on rates established by the income tax and social contribution legislation.

Deferred income tax and social contribution assets, arising from temporary differences, were recognized considering the expected generation of future taxable income, based on a technical study approved by Management.

3.14 Stock option plan

The Company operates share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of share options granted is calculated on the date of the related grant based on the Black&Scholes valuation model. This model uses assumptions such as the fair value of the share on the grant date, the exercise price of the option,

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the volatility of the Company's share price, the risk-free interest rate, and the agreement vesting period. The expense is recorded on a "pro rata temporis" basis, during the period the service is provided, which starts on the grant date and continues to the date on which the option is vested.

3.15 Distribution of dividends and interest on capital

The Company's by-laws and the corporate law establish that at least 25% of the annual adjusted net income be distributed as dividends. Therefore, the Company records a provision, at the end of each fiscal year, in the amount of the compulsory minimum dividend that has not yet been distributed, if this limit has not been reached by interim payments. Dividends exceeding this limit are recorded in a specific shareholders' equity named "Additional Dividend Proposed". When approved by Management, interest on capital is considered part of the dividends for the period.

3.16 Derivative financial instruments transactions

Derivatives are measured at their fair value on the date on which contracts are entered into and subsequently on the financial statement presentation date.

The Company uses derivatives to hedge against currency exposure generated by import orders. These transactions are limited to the actual amount of the import orders not yet paid and represent purchases of future dollar call options. The Company classifies these transactions as cash flow hedges, considering the following assumptions: (i) the derivatives are highly correlated regarding the changes in their fair value in relation to the fair value of the item being hedged, both at inception and over the contract life; (ii) the identification of the transaction, of the hedged risk, of the risk management process, and of the methodology used for assessing the effectiveness are documented; (iii) the hedges are considered effective in reducing the risk associated with the exposure to be hedged.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity as "Comprehensive income" until the settlement of the related instruments, and is realized when the risk for which the derivative was contracted is eliminated.

When financial instruments are settled, gains and losses previously deferred in equity are allocated in the initial measurement of the cost of inventories and charged to cost of sales as these assets are realized.

3.17 Lease transactions

The leases in which a significant portion of the ownership risks and benefits remains with the lessor are classified as operating leases. Operating lease payments (net of all incentives received from the lessor) are charged to results of operations on the straight-

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line basis over the term of the lease. The Company does not have lease agreements classified as finance leases.

3.18 Accounting policies applicable only to consolidated financial statements – IFRS

(a) Subsidiaries and consolidation principles

Subsidiaries are all entities directly and indirectly controlled by the Company. Control is considered existing when Lojas Renner directly or indirectly holds most of the voting rights or power to govern the financial and operating policies of an entity, in order to obtain benefits from its activities. Subsidiaries are fully consolidated as from the date on which the control is transferred to the Company.

Balances and transactions between the Company's subsidiaries, and unrealized gains and losses on these transactions, when applicable, were eliminated. The accounting policies used by the subsidiaries were adjusted to ensure consistency with the accounting policies used by the Company.

The transactions of Dromegon Participações Ltda. are limited to the rental of its property to the Company (Note 22).

Renner Administradora de Cartões de Crédito Ltda. intermediates the granting of personal loans and the sale of capitalization certificates (Note 22).

On June 30, 2010 and December 31, 2009, the Company's consolidated financial statements include the following subsidiaries:

	interest % in total capital
Dromegon Participações Ltda.	99.99%
Renner Adm. de Cartões de Crédito Ltda.	99.99%

(b) Presentation of earnings per share

Under IAS 33, earnings should be presented as basic and diluted, as described in Note 19.

3.19 Accounting policies applicable only to the Parent Company's financial statements – BRGAAP

(a) Investments

Refer to investments in subsidiaries accounted for under the equity method. The transactions between the Company's subsidiaries, including balances, gains and

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unrealized losses on these transactions, when applicable, were eliminated. The accounting practices adopted by the subsidiaries are consistent with those adopted by the Company.

(b) Presentation of earnings per share

On June 30, 2010, the Brazilian corporate law requires the presentation of earnings per share in the statement of income for the year, calculated by dividing the net income for the period by the number of shares outstanding at the reporting date. CPC 41, which amends the form of presentation of earnings per share in the Brazilian legislation in line with IAS 33, is in public hearing on the date of preparation of these interim financial statements.

4 Standards, Amendments and Interpretations to Standards

(a) New pronouncements, amendments and interpretations to IFRS

Amendments and interpretations to existing standards that are not yet effective

Certain new accounting pronouncements and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the International Accounting Standards Board (IASB) were published and must be compulsorily applied for periods after December 31, 2010. There was no early adoption of these standards and amendments by the Company. The Company's management is analyzing the impacts of the changes introduced by these new pronouncements that will be effective as from January 1, 2011, which are as follows:

IFRS 9 – “Financial Instruments” – applicable for years beginning on or after January 1, 2013

IAS 32 (amendment) – “Classification of Rights Issues” - applicable for years beginning on or after February 1, 2010

IAS 24 (amendment) – “Related Party Disclosures” - applicable for years beginning on or after January 1, 2011

IFRIC 14 (amendment) – “Prepayments of a Minimum Funding Requirements” - applicable for years beginning on or after January 1, 2011

IFRIC 19 – “Extinguishing Financial Liabilities with Equity Instruments” – applicable for years beginning on or after July 1, 2010.

(b) New pronouncements, amendments and interpretations to BRGAAP

As described in Note 2.1, beginning with the first quarter of 2010, the Company has adopted the standards effective as from January 1, 2010. Under these new standards, an impact was identified only regarding the dividend exceeding the compulsory

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minimum dividend on December 31, 2009, in the amount of R\$ 88,796, which was properly adjusted in these interim financial statements for comparison purposes. The distribution of dividends in the amount of R\$142,192 (R\$ 44,687 in the form of interest on capital) was approved at the Annual Shareholders' Meeting held on April 22, 2010 (Note 33).

5 Cash and Cash Equivalents

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Cash and banks	22,997	27,286	24,868	27,943
Bank Certificates of Deposit (CDB)	171,580	306,726	171,580	306,726
Debenture-backed repurchase agreements	162,629	75,401	162,629	75,401
Agribusiness letters of credit (LCA)	-	1,300	-	1,300
Total	357,206	410,713	359,077	411,370

The Company's short-term highly liquid investments, mostly fixed-income investments, have their yield linked to the variation of the interbank certificate of deposit (CDI), with low risk of change in value, and may be redeemed according to the Company's needs for funds. These investments refer to: (a) Bank Certificates of Deposit (CDB), which average income tied to CDI was 100.7% (100.5% at December 31, 2009); (b) repurchase commitments, which represent the purchase of a security by the Company with the commitment by the Company to sell and for the seller (bank) to repurchase the security in the future, yielding average income of 100.9% of the CDI (100.5% at December 31, 2009); (c) agribusiness letters of credit (LCA) - credit notes backed by agribusiness receivables, with guarantee of repurchase by the issuer (bank), with average income of 20% p.a. based on the CDI at December 31, 2009.

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6 Trade Accounts Receivable

	<u>06/30/2010</u>	<u>12/31/2009</u>
Trade accounts receivable (nominal amounts)		
To fall due		
To fall due from 1 to 30 days	144,772	131,593
To fall due from 31 to 60 days	127,856	145,570
To fall due from 61 to 90 days	94,421	115,533
To fall due from 91 to 120 days	62,592	86,168
To fall due from 121 to 150 days	37,824	68,821
To fall due from 151 to 180 days	17,425	34,991
To fall due over 180 days	16,396	35,066
Past-due		
Past-due from 1 to 30 days	51,839	29,433
Past-due from 31 to 60 days	13,228	6,272
Past-due from 61 to 90 days	11,808	8,125
Past-due from 91 to 180 days	28,907	24,673
	<u>607,068</u>	<u>686,245</u>
Credit card operators	99,060	109,809
Other receivables	875	822
Commissions and transactions receivable - personal loans	24,098	21,820
Less:		
Discount to present value	(47,715)	(61,329)
Provision for losses on receivables – Retail	(57,916)	(47,882)
Provision for losses on receivables - Personal loans	(13,985)	(13,289)
Total Parent Company - BRGAAP	<u>611,485</u>	<u>696,196</u>
Commissions and transactions receivable - Personal loans	78,648	72,216
Other receivables	36	-
Total Consolidated - IFRS	<u>690,169</u>	<u>768,412</u>

Receivables past-due for over 180 days are written off from trade accounts receivable, with a contra entry to the provision for losses on receivables.

As mentioned in Note 3.5., trade accounts receivable are discounted to present value at the effective interest rate on the transaction date (Note 3.7), in order to present the realizable fair value in the financial statements, net of an impairment provision (Note 3.6).

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7 Inventories

	Parent Company – BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Goods for resale	288,024	195,736	288,024	195,736
Provision for losses	(9,451)	(10,446)	(9,451)	(10,446)
Goods for resale, net of provision for losses	278,573	185,290	278,573	185,290
Imports in transit	5,855	17,467	5,855	17,467
Auxiliary materials and supplies	1,414	936	1,414	936
Total	285,842	203,693	285,842	203,693

8 Deferred Income Tax and Social Contribution

Deferred income tax and social contribution assets are recorded based on future tax effects attributable to temporary differences between the carrying amount and tax basis of assets and liabilities.

The realization of the carrying amount of deferred tax assets is reviewed annually by the Company and the related adjustments have not been material in relation to Management's initial estimate.

Deferred income tax and social contribution are as follows:

	Parent Company – BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Base for deferred taxes:				
Allowance for doubtful accounts	53,437	39,428	53,437	39,428
Discount to present value - net	47,823	60,656	47,823	60,656
Provision for losses on assets	9,819	10,788	9,819	10,788
Provision for tax contingencies	38,055	33,307	38,055	33,307
Provision for civil and labor contingencies	28,050	26,736	28,050	26,736
Carrying value adjustments – Hedge	779	-	779	-
Other provisions	9,646	14,312	9,646	14,312
Total	187,609	185,227	187,609	185,227
Income tax (25%) and social contribution (9%)	63,787	62,977	63,787	62,977

Based on the past realization of the assets and liability which support the deferred income tax and social contribution, we estimate that they will be realized in the following years:

2010	32,139
2011	7,912
2012	7,912
2013	7,912
2014	7,912
Total	63,787

The reconciliation of the expense calculated by applying the combined tax rate to the income tax and social contribution expense charged to the income statement is as follows:

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	Parent Company – BRGAAP				Consolidated - IFRS			
	2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
Profit before income tax and social contribution and after statutory participations	135,855	190,657	71,808	87,541	136,621	192,184	72,473	88,901
Combined tax rate	34%	34%	34%	34%	34%	34%	34%	34%
Calculated taxes	(46,191)	(64,823)	(24,415)	(29,764)	(46,451)	(65,343)	(24,641)	(30,226)
Additions:								
Tax calculated on non-deductible stock option plan expenses	(1,573)	(2,875)	(1,644)	(2,863)	(1,573)	(2,875)	(1,644)	(2,863)
Tax calculated on other non-deductible expenses	34	(31)	(97)	(148)	34	(31)	(97)	(148)
Deductions								
Equity in the results of investees	1,896	3,783	1,690	3,436	-	-	-	-
Income tax of subsidiary (deemed income method)	-	-	-	-	1,390	2,776	1,251	2,538
Tax incentives (Workers' Meal Program - PAT)	931	1,138	469	469	931	1,138	469	469
Tax calculated on the exempt portion of the 10% surtax	6	12	12	12	6	12	12	12
Income tax and social contribution charged to the income statement	(44,897)	(62,796)	(23,985)	(28,858)	(45,663)	(64,323)	(24,650)	(30,218)

9 Other Receivables - Noncurrent

The amounts included within the line item 'other receivables' in noncurrent assets, in the amount of R\$ 6,230 in the Parent Company - BRGAAP and in consolidated - IFRS (R\$ 5,245 in Parent Company and R\$ 4,988 in consolidated on December 31, 2009), refer to advances of rentals made in agreements with the shopping mall managers for the opening of new stores, which will be offset when the stores are inaugurated and start their operations.

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10 Investments

Investments are comprised as follows:

Parent Company – BRGAAP						
06/30/2010						
	Number of shares	Ownership interest - %	Shareholders' equity	Total investment	Net income 2Q10	Equity in the results of investees 2Q10
Renner Adm. de Cartões de Créd. Ltda.	7	99.99%	3,288	3,288	4,764	4,763
Dromegon Participações Ltda.	7,205	99.99%	7,764	7,764	815	814
Goodwill on investments				1,614		
Other investments				63		
				12,729	5,579	5,577

Parent Company – BRGAAP						
12/31/2009			06/30/2009			
	Number of shares	Ownership interest - %	Shareholders' equity	Total investment	Net income 2Q09	Equity in the results of investees 2Q09
Renner Adm. de Cartões de Créd. Ltda.	7	99.99%	1,553	1,553	4,249	4,248
Dromegon Participações Ltda.	7,205	99.99%	9,671	9,671	721	721
Goodwill on investments				1,639		
Other investments				63		
				12,926	4,970	4,969

The changes in investments were as follows:

	Parent Company – BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Opening balance	12,926	17,680	63	63
Equity in the results of investees	11,130	20,197	-	-
Distribution of dividends of subsidiaries	(11,303)	(24,840)	-	-
Amortization of goodwill	(24)	(111)	-	-
Closing balance	12,729	12,926	63	63

The acquisition premium on the investments, amounting to R\$ 1,614 as of June 30, 2010 (R\$ 1,639 on December 31, 2009), is presented within "Investments" in the Parent Company – BRGAAP and in "Property, plant and equipment" in consolidated – IFRS. This premium is related to the difference at the acquisition date between the fair value and the carrying amount of the property, plant and equipment of the subsidiary Dromegon Participações Ltda.. This premium is being amortized as the related assets are realized.

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11 Property, Plant and Equipment and Intangible Assets

Summary of the changes in property, plant and equipment in Parent Company (BRGAAP) and consolidated (IFRS):

a. Property, plant and equipment

Parent Company – BRGAAP

	Land	Buildings	Furniture/ Facilities and Improvements	Vehicles	Computers and Peripherals	Construction in progress	Total
Cost							
Balance on 12/31/09	1,367	14,852	545,878	935	68,069	82	631,183
Additions	-	-	12,273	265	4,464	16,422	33,424
Transfers	-	(1)	9,033	-	(481)	(8,551)	-
Disposals	-	-	(1,791)	(99)	(11)	-	(1,901)
Balance on 06/30/10	1,367	14,851	565,393	1,101	72,041	7,953	662,706
Depreciation							
Balance on 12/31/09	-	(8,016)	(223,500)	(475)	(47,400)	-	(279,391)
Additions	-	(41)	(25,391)	(102)	(3,971)	-	(29,505)
Disposals	-	-	956	23	8	-	987
Balance on 06/30/10	-	(8,057)	(247,935)	(554)	(51,363)	-	(307,909)
Net balance							
Balance on 12/31/09	1,367	6,836	322,378	460	20,669	82	351,792
Balance on 06/30/10	1,367	6,794	317,458	547	20,678	7,953	354,797

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Consolidated – IFRS

	Land	Buildings	Furniture/ Facilities and Improvements	Vehicles	Computers and Peripherals	Construction in progress	Total
Cost							
Balance on 12/31/09	1,367	25,083	545,878	935	68,069	82	641,414
Additions	-	-	12,273	265	4,464	16,422	33,424
Transfers	-	(1)	9,033	-	(481)	(8,551)	-
Disposals	-	-	(1,791)	(99)	(11)	-	(1,901)
Balance on 06/30/10	1,367	25,082	565,393	1,101	72,041	7,953	672,937
Depreciation							
Balance on 12/31/09	-	(12,467)	(223,500)	(475)	(47,400)	-	(283,842)
Additions	-	(127)	(25,391)	(102)	(3,971)	-	(29,591)
Disposals	-	-	956	23	8	-	987
Balance on 06/30/10	-	(12,594)	(247,935)	(554)	(51,363)	-	(312,446)
Net balance							
Balance on 12/31/09	1,367	12,616	322,378	460	20,669	82	357,572
Balance on 06/30/10	1,367	12,488	317,458	547	20,678	7,953	360,491

The table below presents the average depreciation rates for property, plant and equipment:

	Average depreciation rate (p.a. %)
Land	-
Buildings	3
Furniture, facilities and improvements	10
Vehicles	20
Computers and peripherals	20

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b. Intangible assets

Parent Company - BRGAAP and Consolidated - IFRS

	IT Systems	Right to Use Properties	Trademarks and Patents	Total
Cost				
Balance on 12/31/09	82,406	37,386	24	119,816
Additions	2,921	-	100	3,021
Disposals	(35)	-	-	(35)
Balance on 06/30/10	85,292	37,386	124	122,802
Amortization				
Balance on 12/31/09	(47,705)	(25,974)	(24)	(73,703)
Additions	(6,171)	(954)	-	(7,125)
Balance on 06/30/10	(53,876)	(26,928)	(24)	(80,828)
Net balance				
Balance on 12/31/09	34,701	11,412	-	46,113
Balance on 06/30/10	31,416	10,458	100	41,974

The table below presents the average amortization rates for intangible assets:

	Average amortization rate (p.a. %)
IT systems	20
Right to use properties	10
Trademarks and patents	10

12 Loans and Financing

Current liabilities

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Loans and financing				
Local currency:				
Bank loans (a)	110,000	90,552	110,002	90,552
Financing Banco do Nordeste (b)	8,818	8,818	8,818	8,818
Financing charges Banco do Nordeste	105	128	105	128
Total	118,923	99,498	118,925	99,498

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Noncurrent liabilities

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Loans and financing				
Local currency:				
Financing Banco do Nordeste (b)	30,862	35,271	30,862	35,271
Total	30,862	35,271	30,862	35,271

(a) Bank loans are subject to average net charges of 11.12% p.a. (11.12% p.a. on 12/31/2009), with final maturity of up to 180 days, secured by promissory notes issued by the Company.

(b) On December 20, 2007 the Company entered into a financing agreement with Banco do Nordeste, through FNE (Fundo Constitucional de Financiamento do Nordeste), in the amount of R\$ 64,816, to be released in four installments, secured by a letter of guarantee, to finance the expansion of its stores in the Northeast region. Up to June 30, 2010, the first two installments totaling R\$ 44,089 had been released, for which payments of principal have already been made in 2010. The charges are currently 10% p.a., which may be changed by a federal decree. If the Company fully complies with the payment of the charges, it will receive a bonus of 15% on the amount of the charges in each installment. The charges were due quarterly during the grace period of 24 months (December 2007 to December 2009). From January 2010 to December 2014, the Company must pay monthly amortization of the principal plus interest. The payments of principal and interest on this financing agreement fall due in the following calendar years, as from June 30, 2010:

Maturity year	Principal	Interest
2010	4,408	1,841
2011	8,818	3,030
2012	8,818	2,181
2013	8,818	1,318
2014	8,818	463
Total	39,680	8,833

13 Financing - Financed Sales and Personal Loan

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Financing				
Local currency:				
Financing - Financed sales	208,537	212,969	208,537	212,969
Financing - Personal loans	-	-	76,867	69,950
Total	208,537	212,969	285,404	282,919

Financed sales refer to amounts financed to the Company's customers by financial institutions, in purchases made with payments between seven and eight monthly

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installments, with charges of 6.90% p.m. (5.99% p.m. on 12/31/2009), for which the Company is jointly liable for the payment.

The amounts under "Financing - Personal Loans" refer to personal loans granted to customers by an authorized bank and intermediated by the subsidiary Renner Administradora de Cartões de Crédito Ltda., for which the Company is the guarantor.

14 Suppliers

Suppliers are comprised as follows:

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Suppliers				
Trade suppliers	223,972	226,728	223,972	226,728
Suppliers of use and consumption materials	19,161	41,333	19,203	41,344
Total	243,133	268,061	243,175	268,072

On June 30, 2010, the amount of payments advanced to suppliers, the original maturity of which was subsequent to June 30, 2010, totaled R\$ 153,000 (R\$ 165,908 on December 31, 2009). The discounts obtained on these advances, net of premiums that correspond to variation above CDI (recorded in operating income (expenses)), are recorded in financial income (expenses).

15 Provision for Tax, Civil and Labor Contingencies and Contingent Liabilities and Assets

The Company and its subsidiaries are parties to lawsuits in progress, arising from the ordinary course of business, involving tax, labor and civil matters, and are discussing such matters at both the administrative and judicial levels. Judicial deposits were made to proceed with the tax lawsuits, which total on June 30, 2010, R\$ 29,626 in Parent Company - BRGAAP and R\$ 29,633 in consolidated - IFRS (R\$ 29,871 on December 31, 2009). The balances of judicial deposits, for which the lawsuits have a provision for tax contingencies, of R\$ 20,679 on June 30, 2010 (R\$ 20,806 on December 31, 2009), are being presented as a reduction of the amount of the related liability. The other balances of judicial deposits, totaling R\$ 9,325 in Parent Company - BRGAAP and R\$ 9,332 in consolidated - IFRS (R\$ 9,443 on December 31, 2009), are presented in noncurrent assets, of which R\$ 8,947 in Parent Company - BRGAAP and R\$ 8,954 in consolidated - IFRS (R\$ 9,065 on December 31, 2009) refer to tax matters and R\$ 378 (R\$ 378 on December 31, 2009) to civil matters.

Management, based on its legal counsel's information, the analysis of pending lawsuits and, regarding labor lawsuits, past experience related to amounts claimed and actually settled, recognized a provision in an amount considered sufficient to cover expected losses on ongoing lawsuits, as follows:

FEDERAL PUBLIC SERVICE
SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER

IFRS
Base Period - 06/30/2010

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	<u>Balances on</u> <u>12/31/2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reversals</u>	<u>Charges</u>	<u>Balances on</u> <u>06/30/2010</u>
Civil	10,680	389	-	-	-	11,069
Labor	5,652	293	-	(40)	-	5,905
Total current liabilities - Parent Company (BRGAAP) and Consolidated (IFRS)	16,332	682	-	(40)	-	16,974

<u>Parent Company - BRGAAP</u>	<u>Balances on</u> <u>12/31/2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reversals</u>	<u>Charges</u>	<u>Balances on</u> <u>06/30/2010</u>
Value-added Tax on Sales and Services (ICMS) (a);	30,956	681	(121)	(812)	1,490	32,194
Income tax and social contribution (b)	2,025	-	-	(283)	43	1,785
Other taxes and contributions (c)	3,489	3,831	-	(402)	80	6,998
Social Integration Program(PIS)	78	-	-	-	1	79
Civil (d)	10,404	-	-	-	672	11,076
(-) Related judicial deposits	(20,806)	-	127	-	-	(20,679)
Total noncurrent liabilities	26,146	4,512	6	(1,497)	2,286	31,453

<u>Consolidated - IFRS</u>	<u>Balances on</u> <u>12/31/2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reversals</u>	<u>Charges</u>	<u>Balances on</u> <u>06/30/2010</u>
Value-added Tax on Sales and Services (ICMS) (a);	30,956	681	(121)	(812)	1,490	32,194
Income tax and social contribution (b)	2,025	-	-	(283)	43	1,785
Other taxes and contributions (c)	3,620	3,835	-	(402)	80	7,133
Social Integration Program(PIS)	78	-	-	-	1	79
Civil (d)	10,404	-	-	-	672	11,076
(-) Related judicial deposits	(20,806)	-	127	-	-	(20,679)
Total noncurrent liabilities	26,277	4,516	6	(1,497)	2,286	31,588

- a) Refer mainly to challenge regarding the application of Complementary Law 102/200 to the ICMS credit on consumption of electric energy, telecommunications, and acquisitions of property, plant and equipment. This amount includes also challenges by tax authorities, by means of tax assessment notice, of ICMS credit on returns of goods by customers, ICMS surtax for formation of poverty-fighting fund, ICMS credit on purchases from suppliers with canceled state registration, and ICMS credit on acquisitions of property, plant and equipment items used for refurbishments and other items classified by tax authorities as non-essential to the Company's activity;
- b) Refer to challenges regarding the disallowance of the adjustments in the taxable income, arising from the price-level restatement of the balance sheet, offset of tax losses related to income tax and social contribution, among others;
- c) Several lawsuits, involving matters such as social security contributions, severance pay fund, application of fine in voluntary payment of debts and accessory obligations, the losses for which are estimated by our legal counsel, according to the same criteria used for the other items, described in this note;
- d) This line item includes civil lawsuits for which the likelihood of an unfavorable outcome is considered probable by our legal counsel.

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On June 30, 2010, the amount estimated for lawsuits at the judicial and administrative levels, representing contingent liabilities related to tax matters, for which the likelihood of an unfavorable outcome was assessed as possible, was R\$ 68,008 in Parent Company - BRGAAP and R\$ 68,013 in consolidated - IFRS (R\$ 61,935 on December 31, 2009). Of the balance of the provision for tax contingencies recorded in the financial statements on June 30, 2010, R\$ 12,569 in Parent Company - BRGAAP and in consolidated - IFRS (R\$ 9,798 on December 31, 2009) refers to estimate of loss on these lawsuits. For lawsuits classified as possible loss, the Company accrues estimated amounts of court fees on the contingency. Although Management understands that the likelihood of disbursement on these lawsuits is individually low, considering all the lawsuits of the same nature, it may be necessary to disburse the recorded amounts.

16 Other Payables

Other payables, in current and noncurrent liabilities, are comprised as follows:

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Advances from financial institutions (a)	18,229	20,640	19,677	20,640
Payables to customers (b)	13,773	14,744	13,773	14,744
Payables related to insurance and capitalization certificate transactions (c)	6,894	6,012	7,294	6,012
Other payables	6,902	5,840	6,902	6,065
Total other payables - current liabilities	45,798	47,236	47,646	47,461

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
Advances from financial institutions (a)	-	-	4,562	-
Payables related to insurance transactions (c)	4,394	5,859	4,394	5,859
Other payables	-	300	-	300
Total other payables - noncurrent liabilities	4,394	6,159	8,956	6,159

(a) refer basically to advances of revenues from intermediation of financial services, related to financed sales and private label credit card transactions; (b) refer to credits on behalf of the customers, which can be used as payment in purchases at the Company; and (c) advances on insurance transactions related to the exclusivity contract and insurance premiums paid by customers to be transferred to the insurance company, as well as capitalization certificates.

17 Taxes and Contributions Payable - Noncurrent

	Parent Company - BRGAAP		Consolidated - IFRS	
	06/30/2010	12/31/2009	06/30/2010	12/31/2009
PAES	2,458	3,013	2,458	3,013
ICMS payable - "Pró-Emprego"	23,550	13,008	23,550	13,008

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Present Value Adjustments - ICMS payable - "Pró-Emprego"	(4,039)	(2,301)	(4,039)	(2,301)
Total	21,969	13,720	21,969	13,720

On May 30, 2003 Law 10,684 was enacted, addressing, among other matters, the Tax Installment Payment Program (PAES) for promoting the installment payment of debts to the Federal Revenue Service, to the National Finance Attorney's Office, and to the National Institute of Social Security, registered or not as Active Debt, even if in phase of tax execution already decided by the courts, or that have been included in a prior installment payment program, not fully settled, even if canceled due to lack of payment. The Company has included certain debts in such tax installment payment program, on July 31, 2003, which were under discussion at court. The amount is being paid in monthly installments updated based on the Long-term Interest Rate (TJLP), and final maturity is due in 2013.

The Company qualified for the Santa Catarina State "Pró-Emprego" Program, in consideration for investments made in its distribution center in the municipality of Palhoça. The amounts of ICMS payable calculated for that establishment will be paid within 24 months counted from the taxable event date, in monthly calculations made as from June 2007, as authorized by the Santa Catarina State Finance Department. For remaining eligible for the "Pró-Emprego" Program, the Company contributes, on the benefits assured under such program, 2.5% and 2%, respectively, to the "Pró-Emprego" Program and to the *Fundo de Apoio à Manutenção e ao Desenvolvimento da Educação Superior*. The Company started the payment of the deferred ICMS in August 2009.

18 Capital

The Board of Directors' meetings held on January 18 and May 24, 2010 approved a capital increase of R\$ 684 in the Company, in view of the exercise of the share call option, according to the rules established in the stock option plan, from R\$ 402,945 to R\$ 403,629, within the authorized capital limit.

The limit of the Company's authorized capital is two hundred twenty-five million (225,000,000) common shares, all without par value. Within the limits authorized in the by-laws, the Company may, upon approval of the Board of Directors, increase capital irrespective of amendments to its by-laws. The Board of Directors will set the issue conditions, including price and payment term.

The Company's paid-up capital on June 30, 2010 is R\$ 403,629 (R\$ 402,945 on December 31, 2009), represented by one hundred twenty-one million, nine hundred thousand, eight hundred and fifteen (121,900,815) common shares, without par value. Pursuant to article 43 of the Company's by-laws, any stockholder that acquires or becomes the holder of Company shares in a quantity equal to or higher than 20% of the total shares issued shall, within a maximum period of 60 days counted from the acquisition date, carry out a tender offer for acquisition of all the shares, in accordance with the provisions contained in the regulations of the Brazilian Securities Commission (CVM), the regulations of the São Paulo Stock Exchange (BOVESPA) and in the Company's by-laws, under conditions that protect the interest of the other stockholders. On June 30, 2010, no

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stockholder holds individually an ownership interest equal to or higher than 20%.

Each common share entitles the holder to one vote on resolutions at the Stockholders' Meeting and to participate in the distribution of profits in the form of dividends, proposed in conformity with the Company's by-laws and articles 190 and 202 of Law 6404/76, which establish a compulsory minimum dividend equivalent to 25% of the adjusted net income.

19 Earnings per Share

As required by IAS 33, the tables below reconcile the net income to the amounts used to calculate basic earnings per share and diluted earnings per share.

	<u>Consolidated - IFRS</u>	
	<u>06/30/2010</u>	<u>06/30/2009</u>
Basic		
Basic numerator		
Net income allocated to common shares	127,861	58,683
Basic denominator		
Weighted average of common shares	121,886	121,612
BASIC EARNINGS PER SHARE	<u>1.0490</u>	<u>0.4825</u>
Diluted		
Diluted numerator		
Net income allocated to common shares	127,861	58,683
Diluted denominator		
Weighted average of common shares	121,886	121,612
Plus:		
Potential increase in common shares due to the stock option plan	1,780	597
Total	<u>123,666</u>	<u>122,209</u>
DILUTED EARNINGS PER SHARE	<u>1.0339</u>	<u>0.4802</u>

20 Carrying Value Adjustments

As defined in article 182, paragraph 3 of Law 6404/76, with the amendments introduced by Law 11638/07 and Circular OCPC 03, the contra entries of increases or decreases of value attributed to components of assets and liabilities as a result of their valuation at market price are classified as carrying value adjustments in Parent Company, if they are not computed in the income for the year as required by the accrual basis.

The amount of the adjustments recorded was a net loss of R\$ 514 thousand, which will be reversed when such financial instruments are settled, with the effects on income on an accrual basis.

For purposes of the consolidated financial statements, IAS 39 establishes that the effect of this hedge transaction should be presented in the statement of comprehensive income.

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21 Financial Instruments and Capital Management

The estimated realizable values of the Company's financial assets and liabilities were determined based on information available in the market and appropriate valuation methodologies. However, considerable judgment was required in interpreting market data for producing the estimate of the most appropriate realizable value. As a consequence, the following estimates do not necessarily indicate the amounts that could be realized in a current exchange market. The use of market methodologies may produce different effects on the estimated realizable values.

21.1 Financial instruments by category

Financial assets used by the Company include: (i) receivables, comprising receivables from sale of goods and cash equivalents; and (ii) derivatives used for hedge.

The Company's financial liabilities include: (i) Suppliers; and (ii) Loans and financing.

21.2 Criteria, assumptions and limitations used in the market value calculation

Cash and cash equivalents

The interest rates on the Company's cash equivalents at year end approximate the market rates for transactions with similar nature, terms and risks and, therefore, the carrying amounts of cash equivalents approximate the fair values.

Loans and financing

The interest rates on contracted loans at period end approximate the market rates for instruments with similar nature, terms and risks and, therefore, the carrying amounts of loans approximate the fair values.

Derivatives

The criteria for calculating the fair value of derivative instruments is based on the use of the market curves of each derivative on the calculation date.

21.3 Financial risk management

The Company's activities expose it to certain financial risks, such as: market risk, credit risk, liquidity risk, and risk limited to the amount of the premium paid on the derivative intended to hedge the exposure to currency price fluctuations.

Risk management is carried out by the Company's controlling department, under policies approved by the Executive Officers. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

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(a) Market risk

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions, generated mainly by the import of goods denominated in U.S. dollars. The foreign exchange risk management policy defined by the Company's management is to hedge up to 100% of the FOB cost of its imports, through hedge transactions, comprising contracts for purchase of U.S. dollar call options (Note 3.16).

Interest rate risk

Loans at fixed rates expose the Company to the risk of fair value associated with the interest rate. The Company's policy is to maintain 100% of its loans with payment at fixed interest rates. In order to minimize risks, the Company maintains a natural hedge composed of financial assets and receivables also subject to fixed interest rates.

The Company analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and hedging. Based on these scenarios, the Company defines the impact on profit and loss of a defined interest rate shift.

(b) Credit risk

Credit risk arises from cash equivalents, derivative financial instruments, and deposits with banks and financial institutions, as well as credit exposures to customers.

The Company's sales and credit policies are contingent on the credit policies defined by its Management and are intended to minimize any problems arising from the default of its customers. This objective is achieved by the Company's Management by means of a strict selection of the customer portfolio, which considers the ability to pay (credit analysis) and diversification of its operations (risk dispersion). The Company recognized a provision for losses on receivables of R\$ 71,901 on 6/30/2010 (R\$ 61,171 on 12/31/2009), to cover credit risks. The analysis of credit quality and the statement of losses on receivables recognized by the Company are presented in note 6. The cash equivalents, bank deposits and derivatives are contracted with renowned financial institutions and/or are backed by securities guaranteed by these institutions.

(c) Liquidity risk

Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. The overall credit limits committed to the Company have sufficient availability (Notes 12 and 13) to minimize the risk of exceeding such limits or violating loan covenants (when applicable). Such forecasts take into consideration the Company's debt financing plans.

The Company invests surplus cash in interest-bearing financial assets (Notes 5), choosing

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instruments with appropriate maturities or sufficient liquidity to provide sufficient safety margin as determined by the above-mentioned forecasts. On June 30, 2010, the cash equivalents held by the Company have immediate liquidity and are considered in the liquidity risk management.

The financial liability held by the Company on June 30, 2010 is basically represented by loans and financing, for which the expected future cash flow is presented in Note 12.

21.4 Derivative instruments

These instruments are managed by means of operating strategies aimed at liquidity, profitability and security. The control policy consists of ongoing monitoring of the contracted rates against the market rates. The Company and its subsidiaries do not make speculative investments in derivatives or any other risk assets.

The contracting of derivatives is made, as defined in the internal policy approved by the Executive Officers, only to hedge the Company's assets and liabilities that are exposed to the risk of currency price fluctuations.

On June 30, 2010, the Company has contracted the purchase of 24,395 thousand US dollar call options. Each US dollar call option entitles the Company to acquire such currency at a price established for the maturity (exercise price). On June 30, 2010, the average exercise price of the dollar call options acquired was R\$ 1.8698 for each dollar.

The fair value of outstanding derivatives on June 30, 2010 is R\$ 1,675 and was allocated to inventories, as imports in transit. This amount represents the maximum risk of the contracted instrument, since the dollar call option provides an entitlement and does not impose obligations to the buyer.

The table below summarizes the information related to the outstanding US call options on June 30, 2010 and December 31, 2009:

Period	Transaction	Amount paid for outstanding options	Fair value of options - unrealized loss	Maturity
06/30/2010	Dollar call option	2,454	1,675	From 08/31/10 to 02/28/11
12/31/2009	Dollar call option	1,888	376	From 1/29/09 to 6/30/10

The table below summarizes the results of derivatives deferred in equity, considering the application of the cash flow hedge concept:

Period	Deferred losses	Deferred taxes (34%)	Deferred losses - net
06/30/2010	(779)	265	(514)
12/31/2009	(1,512)	-	-

Considering that the contracted instrument is intended to protect the Company against risks of rise in the US currency, below is a sensitivity analysis for three hypothetical

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scenarios, one expected at the time of contracting and two scenarios of increases in the US dollar, on June 30, 2010:

Period	Transaction	Notional amount of US\$ coverage	US\$ quotation for the year	Risk	Hedge result - expected scenario	Hedge result - Scenario I (25% rise)	Hedge result - Scenario II (50% rise)
06/30/2010	Dollar call option	24,395	1.8698	Rise in US\$	(2,454)	8,949	20,353
12/31/2009	Dollar call option	20,856	1.9366	Rise in US\$	(1,888)	8,195	18,294

21.5 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company has in its equity the main source of financing of its activities.

The Company has essentially used own capital to finance its activities, consistently presenting a low indebtedness level when compared to its equity position and cash position.

The Company's solid equity position and its long-lasting relationship with important financial institutions and with the capital market ensure very comfortable conditions for access to funding through indebtedness or even through issuance of new shares for capital increase, if necessary.

22 Related Parties

The Company, subsidiaries and related parties conducted certain intercompany transactions related to the Company's financial and operational aspects. We describe below the most significant transactions:

a) Context - Consolidated

Compensation of the members of the Board of Directors and Executive Officers

In conformity with the Corporation Law and the Company's By-Laws, the stockholders are responsible for setting the overall annual compensation of its officers. The Board of Directors is responsible for distributing the amount among the officers, after considering the report of the Compensation Committee pursuant to article 21 of the By-Laws. In the quarter and six-month period ended June 30, 2010, the compensation of officers totaled R\$ 1,908 and R\$ 3,709, respectively (R\$ 1,334 and R\$ 2,669 in the quarter and six-month period ended June 30, 2009).

The Annual Stockholders' Meeting held on April 22, 2010 approved the limit of overall

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compensation for officers of up to eight million reais (R\$ 8,000) for fiscal year 2010, the same amount established for fiscal year 2009.

b) Context - Parent Company

Rental agreement

In 2009, the Company renewed the rental agreement with the subsidiary Dromegon, related to the downtown Porto Alegre store building. The rental amount of this building is always the higher of (i) the equivalent to 5.5% of the store's monthly sales net of taxes and (ii) R\$ 162 per month. This rental agreement is effective for ten years, subject to renewal.

Service Agreement for Granting of Loans and Intermediation of Sale of Capitalization Certificates

The Company offers personal loan financial services through its subsidiary Renner Administradora de Cartões de Crédito Ltda. (Racc), by means of an agreement for granting loans made with financial institutions, providing conditions for the Renner Card holders to obtain personal loan. Lojas Renner participates in the transaction with its operational infrastructure and as guarantor of the transaction. Racc also offers the sale of capitalization certificates through a commercial cooperation agreement with Icatu Hartford Capitalização S.A.

The main asset and liability balances on June 30, 2010 and the amounts recorded in the statement of income for the year, related to transactions with related parties, arise from transactions carried out under contractual conditions and usual market conditions for the related types of transactions and are summarized below:

	Subsidiaries		Total			
	Dromegon Particip. Ltda.	Renner Adm. De Cartões de Crédito Ltda.	06/30/2010	12/31/2009	Parent Company - BRGAAP	
Assets						
Investments	9,378	3,288	12,666	12,863		
Intercompany loan account	-	-	-	247		
Liabilities						
Rental payable	3,810	-	3,810	5,609		
Intercompany loan account	-	6,911	6,911	-		
					Parent Company - BRGAAP	Parent Company - BRGAAP
Transactions for the period			2Q10	2Q09	6H10	6H09
Rental expenses	(984)	-	(984)	(923)	(1,628)	(1,704)
Equity in the results of investees	815	4,762	5,577	4,969	11,130	10,105

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23 Insurance

The Company and its subsidiaries maintain insurance policies contracted from some of the main Brazilian insurance companies, which were defined based on the advice of specialists and taking into consideration the nature and degree of risk involved. On June 30, 2010, the Company and its subsidiaries had insurance coverage against fire and sundry risks for property, plant and equipment items and inventories, as described below.

	<u>Parent Company (BRGAAP) e Consolidated (IFRS)</u>	
	<u>06/30/2010</u>	<u>12/31/2009</u>
Civil liability	50,600	50,600
Sundry risks - property, plant and equipment and inventories	993,570	925,605
Vehicles	5,970	5,311

24 Agreements or Other Material Obligations between the Company and Its Officers

In conformity with Chapter IV, article 13 of the Company's By-Laws, the management of the Company is the responsibility of the Board of Directors and Executive Officers. The assumption of these Officers will be made through the recording in an appropriate book, signed by the Officer taking office, with any guarantee of management being waived, and through the previous signing of the Term of Consent of the Officers referred to in the New Market Listing Regulation.

The Board of Directors, elected at the Stockholders' Meeting, has a unified term of office of one (1) year, with reelection being permitted. The members of the Board of Directors in office will be considered automatically appointed for reelection by joint proposal of the members of the Board of Directors.

The Executive Officers, whose members are elected and may be removed at any time by the Board of Directors, have a term of office of two years, with reelection permitted, and are engaged under a service agreement, which includes fixed compensation updated annually by the INPC and variable compensation, based on the Company's financial performance. The terms of the service agreement are consistent with the respective elected term of each director, except for service agreement with the CEO.

In March 2009, the Company entered into a new service agreement with its Chief Executive Officer. The Agreement provides for the permanence of the executive for at least five (5) years, with compensation comprising a fixed amount annually adjusted based on the INPC index, and a variable amount reflecting the Company's financial performance.

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25 Stock Option Plan

The Board of Directors' meeting held on January 18, 2010 approved the Compensation Committee's proposal, implementing a new stock option plan (6th grant A), granting 601 thousand Company share call options. The option exercise price was set at thirty-eight reais and sixty-five cents (R\$ 38.65) per share. There will be no price-level restatement of the option exercise price.

The Board of Directors' meeting held on March 15, 2010 approved the Compensation Committee's proposal, implementing a new stock option plan (6th grant B), granting 10 thousand Company share call options. The option exercise price was set at thirty-eight reais and ninety-seven cents (R\$ 38.97) per share. There will be no price-level restatement of the option exercise price.

The programs provide that 50% of the options will become exercisable after three years from their grant date, and the remaining after four years (considering only the options subject of a same grant). The programs also provide the right to exercise, in case of death, retirement or permanent disability of the participant. As from the 3rd grant, in the event of obligation to carry out a public offering pursuant to articles 40, 41, 42 and 43 of the By-Laws, or in the hypothesis of success of the public offering for acquisition of the Company control, if any of these cases results in dismissal without cause of the Plan participant on the Company's initiative, all options granted to the related participant and those not yet liable for exercise will be automatically exercisable. After an option becomes exercisable, the beneficiary (Officers and selected Executives) can exercise it at any time, at his sole discretion, up to the end of the period of six (6) years counted from the option grant date. The 1st and 2nd option Grant programs for the Officers provide the commitment not to sell, transfer, place a lien or negotiate in any other form equivalent to 50% of the shares that are subscribed and paid-up as a result of the exercise of the options granted under the Plan and Program, for a period of one year counted from the share subscription and payment date. The contractual grant of options from Chief Executive Officer, dated on March 30, 2009, provides that the option exercise will be subject to a total vesting period of six years counted from the grant date. As from the second anniversary of the grant date, the early exercise in portions of 20% per year will be permitted, as long as a company appreciation goal is achieved through the indicator Total Shareholder Return (TSR), established by the Board of Directors.

Each option entitles the holder to subscribe one share of the Company. On June 30, 2010, there were 5,627 thousand options (5,125 on December 31, 2009), representing in the aggregate approximately 4.62% of the 121,900,815 of the Company shares.

The expense refers to the fair value of those financial instruments, calculated on the grant date, based on the Black & Scholes valuation model, and is recorded on a "pro rata temporis" basis during the service period, starting on the grant date up to the date on which the option vests. During the the quarter and six-month period ended June 30, 2010, the expense recorded by the Company amounts to R\$ 4,629 and R\$ 8,458, respectively (R\$ 4,835 and R\$ 8,420 in the quarter and six-month period ended June 30, 2009).

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The table below presents the share call option grants, Company share closing price on June 30, 2010, and the option value price-level restated by the IPCA index on the same date:

	1st grant A	1st grant B	2nd grant	3rd grant A	3rd grant B	4th grant	5th grant
Total share call options - thousand -	760	55	815	517	250	1,029	1,094
(-) Exercise of share call options - thousand	(259)	(50)	(123)	(7)	-	-	-
(-) Cancellation of share call options - thousand	(126)	(5)	(216)	(234)	-	(185)	(121)
(=) Current number of share call options on 06/30/2010 - thousand	375	-	476	276	250	844	973
Exercisable option value on 06/30/2010 (1st and 2 nd grants price-level restated by the IPCA index) - R\$	7.98	N/A	25.53	29.01	29.83	34.25	15.15
Share market value on 06/30/2010 - R\$	49.00	49.00	49.00	49.00	49.00	49.00	49.00

	Contractual grant	6th grant A	6th grant B	Total 06/30/2010	Total 12/31/2009
Total share call options - thousand -	1,822	601	10	6,953	6,342
(-) Exercise of share call options - thousand	-	-	-	(439)	(400)
(-) Cancellation of share call options - thousand	-	-	-	(887)	(817)
(=) Current number of share call options on 06/30/2010 - thousand	1,822	601	10	5,627	5,125
Exercisable option value on 06/30/2010 (1st and 2 nd grants price-level restated by the IPCA index) - R\$	14.44	38.65	38.97		
Share market value on 06/30/2010 - R\$	49.00	49.00	49.00		

Considering the exercise of 5,627 thousand options in the money, based on the respective exercise prices presented above, we present below the effects on the share equity value and the related percentage of reduction of ownership interest of the current stockholders on June 30, 2010:

Equity value on 06/30/2010	915,642
Number of shares on 06/30/2010 - thousand	121,901
Share equity value on 06/30/2010 - R\$	7.51
Equity value on 06/30/2010, considering the exercise of options in the money	1,039,827
Number of shares on 06/30/2010, considering the exercise of options in the money	127,528
Equity value on 06/30/2010, considering the exercise of options in the money	8.15
% of reduction of ownership interest of the current stockholders, considering the exercise of options in the money	4.41

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In the calculation of the fair value of share options, the following economic assumptions were used:

	1st grant (A)	1st grant (B)	2nd grant	3rd grant (A)	3rd grant (B)
Grant date	07/29/05	10/17/05	06/01/06	04/30/07	05/15/07
Dividend yield	-	-	1.21%	0.95%	0.89%
Share price volatility	25.97%	59.37%	46.85%	34.46%	36.15%
Risk-free interest rate	14.87%	14.19%	14.92%	10.05%	9.69%
Vesting period	1.08 years	1.29 years	1.92 years	2.82 years	2.86 years
Number of options	760	55	815	517	250
Fair value on grant date	5,022	443	13,484	7,772	4,191
Exercisable option value on 06/30/2010 - (1 st and 2 nd grants price-level restated by the IPCA index) - R\$	7.98	11.37	25.53	29.01	29.83

	4th grant	5th grant	Contractual grant	6th grant (A)	6th grant (B)
Grant date	03/31/08	01/19/09	03/30/09	01/18/10	03/15/10
Dividend yield	2.04%	2.21%	2.65%	3.07%	2.93%
Share price volatility	51.39%	79.74%	57.45%	33.65%	35.38%
Risk-free interest rate	12.51%	11.39%	11.02%	12.12%	11.51%
Vesting period	3.74 years	4.55 years	4.74 years	5.54 years	5.69 years
Number of options	1,029	1,094	1,822	601	10
Fair value on grant date	21,565	14,079	16,296	12,349	218
Exercisable option value on 06/30/2010 - (1 st and 2 nd grants price-level restated by the IPCA index) - R\$	34.25	15.15	14.44	38.65	38.97

26 Pension Plan

The Company does not have a commitment for sponsoring a pension plan to provide a benefit supplementary to the social security benefit for its employees and officers.

27 Lien, Guarantees and Responsibilities

The Company has a lien on twelve of its properties recorded under Property, Plant and Equipment, arising from debts that were under discussion with the National Finance Department, as well as under discussion at court with the Rio Grande do Sul State Finance Department and related civil lawsuit.

On July 31, 2003, the Company opted to include the debts with the National Finance Department and the FNDE, which were subject to lien, amounting to R\$ 1,074 at that date, in the special installment payment program established by Law 10684/2003 (PAES). Such installment payments, as described in Note 17, have been complied with by the Company and mature up to October 2013, when the liens on the properties can be released.

On August 15, 2000, the Company entered into an Agreement for Financing of Card Holders ("Agreement") with the subsidiary Renner Administradora de Cartões de Crédito Ltda. and with Banco Santander, to regulate the procedures related to the loans to be

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granted by Santander to the Company customers, holders of Renner Card ("Customers"), in the terms of the Service Agreement for Issuance, Utilization and Management of Renner Credit Card ("Issuance Agreement"). Under the Agreement, Banco Santander opened a rotating credit line in favor of the Customers. The Company is the guarantor and principal joint payer, and must settle the Customer debts in the event of their default. The financing granted to customers is recorded under loans and financing, in current liabilities, and totals R\$ 110,000 in Parent Company - BRGAAP and R\$ 110,002 in consolidated - IFRS on Jun 30, 2010 (R\$ 90,552 on December 31, 2009), see Note 12.

In August 2005, the Company began to offer to its customers the alternative of installment payment with charges (0 + 8 installments), through of intermediation with financial institutions (CDCI/Vendor), in which the Company is the guarantor and principal payer, being jointly liable for all principal and accessory obligations arising from the transaction. On June 30, 2010, the amount to fall due of financed sales transactions, guaranteed by the Company, totals R\$ 208,537 (R\$ 212,969 on December 31, 2009), see Note 13.

In April 2006, the Company and its subsidiary Renner Administradora de Cartões de Crédito Ltda. entered into an "Agreement for Granting of Personal Loans" to Renner Card holders with Banco Safra S.A., and as from March 2010, these transactions will be carried out only with Banco Alfa. As part of the arrangement, Lojas Renner S.A. assumes with the banks, as guarantor and principal payer, the full and direct liability for all principal and accessory obligations contracted and to be contracted by the Renner Card holders in personal loans granted under the agreement. On June 30, 2010, the amount falling due of such guaranteed personal loans totals R\$ 76,867 (R\$ 69,950 on December 31, 2009); see Note 13.

28 Other Operating (Expenses) Income

We present below the breakdown of other operating income (expenses):

	Parent Company - BRGAAP				Consolidated - IFRS			
	2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
Premium on advance payments to suppliers	5,444	10,257	5,462	9,603	5,444	10,257	5,462	9,603
Other operating income	721	1,763	896	1,966	721	1,763	896	1,968
Other operating expenses	(21)	(56)	(62)	(62)	(21)	(56)	(62)	(62)
Employee profit sharing (a)	(5,611)	(8,319)	(3,681)	(5,093)	(5,611)	(8,319)	(3,681)	(5,093)
Other operating (expenses) income	533	3,645	2,615	6,414	533	3,645	2,615	6,416

(a) Refers to expenses of the Profit Sharing Program, structured in conformity with Law 10101/2000, in which the main assumptions for payment are the achievement of sales targets, gross margin, operating income (expenses), increase in cards issued, among others.

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29 Financial Income (expenses)

The Company's financial incomes (expenses) are comprised as follows:

	Parent Company - BRGAAP				Consolidated - IFRS			
	2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
Financial income	12,026	22,429	5,740	10,361	12,026	22,429	5,740	10,361
Financial expenses	(2,084)	(5,142)	(1,866)	(3,767)	(2,113)	(5,178)	(1,886)	(3,795)
Exchange gains (losses), net	23	324	1,751	1,842	23	322	1,751	1,842
Gains (losses) on hedge transactions	(268)	(270)	4	132	(268)	(270)	4	132
Net effect of discount to present value of noncurrent taxes	759	1,087	(691)	(1,195)	759	1,087	(691)	(1,195)
Cost of financing of default customers - net	(6,811)	(12,822)	(7,940)	(14,308)	(6,811)	(12,822)	(7,940)	(14,308)
Financial income (expenses)	3,645	5,606	(3,002)	(6,935)	3,616	5,568	(3,022)	(6,963)

30 Segment Reporting

Management defined the Company's operating segments, based on reports used for strategic decision-making, reviewed by the Board of Directors. The Board of Directors performs its analysis of the business, segmenting it according to product sold.

The Company's segment reporting is segregated into retail and financial products.

The table below shows this segregation:

	Parent Company - BRGAAP					
	Retail		Financial Products		Total	
	2Q10	2Q09	2Q10	2Q09	2Q10	2Q09
Net revenue from sale of goods	629,989	554,732	-	-	629,989	554,732
Net revenue from financial products/services	-	-	66,363	53,841	66,363	53,841
Cost of goods sold	(305,918)	(292,101)	-	-	(305,918)	(292,101)
(Expenses)						
Selling	(142,700)	(132,542)	-	-	(142,700)	(132,542)
General and administrative	(50,098)	(46,199)	-	-	(50,098)	(46,199)
Compensation of officers	(1,908)	(1,334)	-	-	(1,908)	(1,334)
Tax	(6,425)	(4,248)	-	-	(6,425)	(4,248)
Losses on receivables, net	-	-	(28,568)	(32,035)	(28,568)	(32,035)
Financial products/services	-	-	(11,705)	(9,632)	(11,705)	(9,632)
Other operating income (expenses)	533	2,615	-	-	533	2,615
EBITDA (*)	123,473	80,923	26,090	12,174	149,563	93,097

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QUARTERLY INFORMATION
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	Parent Company - BRGAAP					
	Retail		Financial Products		Total	
	6H10	6H09	6H10	6H09	6H10	6H09
Net revenue from sale of goods	1,070,235	917,380	-	-	1,070,235	917,380
Net revenue from financial products/services	-	-	125,953	105,111	125,953	105,111
Cost of goods sold	(527,580)	(483,777)	-	-	(527,580)	(483,777)
(Expenses)						
Selling	(272,814)	(249,766)	-	-	(272,814)	(249,766)
General and administrative	(91,064)	(84,202)	-	-	(91,064)	(84,202)
Compensation of officers	(3,709)	(2,669)	-	-	(3,709)	(2,669)
Tax	(11,581)	(7,636)	-	-	(11,581)	(7,636)
Losses on receivables, net	-	-	(52,152)	(54,297)	(52,152)	(54,297)
Financial products/services	-	-	(21,112)	(17,341)	(21,112)	(17,341)
Other operating income (expenses)	3,645	6,414	-	-	3,645	6,414
EBITDA (*)	167,132	95,744	52,689	33,473	219,821	129,217

	Consolidated - IFRS					
	Retail		Financial Products		Total	
	2Q10	2Q09	2Q10	2Q09	2Q10	2Q09
Net revenue from sale of goods	629,989	554,732	-	-	629,989	554,732
Net revenue from financial products/services	-	-	72,029	58,682	72,029	58,682
Cost of goods sold	(305,918)	(292,101)	-	-	(305,918)	(292,101)
(Expenses)						
Selling	(141,752)	(131,652)	-	-	(141,752)	(131,652)
General and administrative	(50,098)	(46,199)	-	-	(50,098)	(46,199)
Compensation of officers	(1,908)	(1,334)	-	-	(1,908)	(1,334)
Tax	(6,429)	(4,247)	-	-	(6,429)	(4,247)
Losses on receivables, net	-	-	(28,568)	(32,035)	(28,568)	(32,035)
Financial products/services	-	-	(11,911)	(9,636)	(11,911)	(9,636)
Other operating income (expenses)	533	2,615	-	-	533	2,615
EBITDA (*)	124,417	81,814	31,550	17,011	155,967	98,825

	Consolidated - IFRS					
	Retail		Financial Products		Total	
	6H10	6H09	6H10	6H09	6H10	6H09
Net revenue from sale of goods	1,070,235	917,380	-	-	1,070,235	917,380
Net revenue from financial products/services	-	-	137,478	115,168	137,478	115,168
Cost of goods sold	(527,580)	(483,777)	-	-	(527,580)	(483,777)
(Expenses)						
Selling	(271,245)	(248,124)	-	-	(271,245)	(248,124)
General and administrative	(91,064)	(84,202)	-	-	(91,064)	(84,202)
Compensation of officers	(3,709)	(2,669)	-	-	(3,709)	(2,669)
Tax	(11,587)	(7,635)	-	-	(11,587)	(7,635)
Losses on receivables, net	-	-	(52,152)	(54,297)	(52,152)	(54,297)
Financial products/services	-	-	(21,442)	(17,402)	(21,442)	(17,402)
Other operating income (expenses)	3,645	6,415	-	-	3,645	6,415
EBITDA (*)	168,695	97,388	63,884	43,469	232,579	140,857

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The table below shows the reconciliation between EBITDA and net income:

	Parent Company - BRGAAP				Consolidated - IFRS			
	2Q10	6H10	2Q09	6H09	2Q10	6H10	2Q09	6H09
EBITDA (*)	149,563	219,821	93,097	129,217	155,967	232,579	98,825	140,857
Stock option plan	(4,629)	(8,458)	(4,835)	(8,420)	(4,629)	(8,458)	(4,835)	(8,420)
Depreciation and amortization	(17,891)	(36,655)	(18,269)	(36,333)	(17,923)	(36,718)	(18,343)	(36,480)
Equity in the results of investees	5,577	11,130	4,969	10,105	-	-	-	-
Financial income (expenses)	3,645	5,606	(3,002)	(6,935)	3,616	5,568	(3,022)	(6,963)
Gain (loss) on disposal of fixed assets	(410)	(787)	(152)	(93)	(410)	(787)	(152)	(93)
Income tax and social contribution	(44,897)	(62,796)	(23,985)	(28,858)	(45,663)	(64,323)	(24,650)	(30,218)
Net income for the period	90,958	127,861	47,823	58,683	90,958	127,861	47,823	58,683

(*) EBITDA – Earnings before interest, taxes, depreciation and amortization, expenses on stock option plan, gain (loss) on disposal of fixed assets, and extraordinary expenses.

31 Property Rental Agreements of Units in Operation

On June 30, 2010, the Company had 131 (123 on December 31, 2009) rental agreements for its commercial, logistics and administrative units. Pursuant to CVM Resolution 554/08 and International Accounting Standard (IAS) 17, the Company analyzed such agreements and concluded that they qualify for classification as operating leases.

Most of the rental agreements of the commercial units (stores) provide for the payment of the higher of a variable rental expense, charged on sales, or a minimum amount, which is the Company's monthly obligation. The minimum amounts of the agreements are adjusted annually, according to the variation of the main inflation indexes.

The rental agreements of the logistics and administrative areas have amounts set in the agreements, with annual adjustments based on the variation of the main inflation indexes.

In Parent Company – BRGAAP, in the quarter and six-months period ended on June 30, 2010, rental expenses, net of taxes recoverable, totaled R\$ 25,576 and R\$ 48,280 (R\$ 22,936 and R\$ 43,728 in prior quarter and six-month period). The balance of rentals payable on June 30, 2010 is R\$ 19,390 (R\$ 22,452 on December 31, 2009)

In Consolidated – IFRS, in the quarter and six-months period ended on June 30, 2010, rental expenses, net of taxes recoverable, totaled R\$ 24,627 and R\$ 46,711 (R\$ 22,046 and R\$ 42,086 in prior quarter and six-month period). The balance of rentals payable on June 30, 2010 is R\$ 15,580 (R\$ 16,842 on December 31, 2009).

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Future commitments, arising from these agreements on June 30, 2010 total a minimum amount of R\$ 670,958, distributed as follows:

	<u>Total</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 and thereafter</u>
Rentals	670,958	47,302	91,679	91,021	88,639	87,128	265,189

32 Expenses by Nature

The table below shows selling and administrative expenses by nature:

	<u>Parent Company - BRGAAP</u>				<u>Consolidated - IFRS</u>			
	<u>2Q10</u>	<u>6H10</u>	<u>2Q09</u>	<u>6H09</u>	<u>2Q10</u>	<u>6H10</u>	<u>2Q09</u>	<u>6H09</u>
Other operating (expenses) income								
Selling	(142,700)	(272,814)	(132,542)	(249,766)	(141,752)	(271,245)	(131,652)	(248,124)
Personnel expenses	(60,027)	(111,791)	(53,753)	(100,423)	(60,027)	(111,791)	(53,753)	(100,423)
Third-party service expenses	(17,145)	(36,944)	(19,518)	(39,400)	(17,145)	(36,944)	(19,518)	(39,400)
Occupancy expenses	(36,383)	(68,840)	(32,262)	(61,688)	(35,435)	(67,271)	(31,372)	(60,046)
Other expenses	(29,145)	(55,239)	(27,009)	(48,255)	(29,145)	(55,239)	(27,009)	(48,255)
General and administrative	(50,098)	(91,064)	(46,199)	(84,202)	(50,098)	(91,064)	(46,199)	(84,202)
Personnel expenses	(18,515)	(35,133)	(16,451)	(30,717)	(18,515)	(35,133)	(16,451)	(30,717)
Third-party service expenses	(10,593)	(16,915)	(9,435)	(16,731)	(10,593)	(16,915)	(9,435)	(16,731)
Occupancy expenses	(1,397)	(2,815)	(1,423)	(2,907)	(1,397)	(2,815)	(1,423)	(2,907)
Other expenses	(19,593)	(36,201)	(18,890)	(33,847)	(19,593)	(36,201)	(18,890)	(33,847)
Total expenses	(192,798)	(363,878)	(178,741)	(333,968)	(191,850)	(362,309)	(177,851)	(332,326)

33 Allocation of Income

The Annual Stockholders' Meeting held on April 22, 2010 approved the distribution of dividends in the amount of R\$ 142,192 (R\$ 1.1668 per share, of which R\$ 44,687 in the form of interest on capital). The payment was made as from April 30, 2010.

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12.01 - COMMENTS ON THE CONSOLIDATED PERFORMANCE FOR THE QUARTER

HIGHLIGHTS OF THE PERIOD

- The Company's **Total Net Revenue** reported growth of **14.4%**, increasing from R\$ 613.4 million in 2Q09 to **R\$ 702.0 million** in 2Q10. In 1S10, **Total Net Revenue** was **R\$ 1,207.7 million** versus R\$ 1,032.5 million in 1S09, a growth of **17.0%**.
- **Net Revenue from Merchandise Sales** rose from R\$ 554.7 million in 2Q09 to **R\$ 630.0 million** in 2Q10, a growth of **13.6%**. **Same Store Sales** were **7.4%** up between the months of April and June. In 1S10, **Net Revenue from Merchandise Sales** was **R\$ 1,070.2 million** versus R\$ 917.4 million, while **Same Store Sales** were **+10.5%** against -4.0% in 1S09.
- **Gross Profit from Merchandise Sales** reached **R\$ 324.1 million** in 2Q10 and **Gross Margin from the Retail Operation** was **51.4%** representing an important increase of **4.1** percentage points. In 1S10, **Gross Profit from Merchandise Sales** was R\$ 542.7 million, with **Gross Margin** recording **50.7%**.
- **Operating Expenses (selling, general and administrative)** saw a reduction in relation to Net Revenue from Merchandise Sales, representing **30.5%** of sales in 2Q10 against 32.1% in 2Q09. In the **first semester**, expenses were **33.9%** against 36.2% in 1S09.
- **Results from Financial Services** were **R\$ 31.5 million** in 2Q10, a growth of **85.5%** on the R\$ 17.0 million in 2Q09. In 1S10, **Financial Services** produced a result of **R\$ 63.9 million** versus R\$ 43.5 million in 1S09.
- The **Renner Card** posted a grand total of **16.0 million units** in June 2010 with the **average ticket** increasing by **7.4%** to **R\$ 138.08** in 2Q10. In 1S10, the **average ticket** was **R\$ 128.31**, a year-on-year improvement of **9.1%**.
- In 2Q10, **Losses from Renner Card** business were **3.6%** of merchandise sales against 4.7% in 2Q09. For the accumulated six month period losses represented **3.9%** of Net Revenue from Merchandise Sales versus 4.7% for 1S09.
- **EBITDA** in 2Q10 was **R\$ 156.0 million**, representing a growth of **57.8%** compared with the R\$ 98.8 million for the same period in 2009. The **EBITDA Margin** was **24.8%** against 17.8% in 2Q09, a significant increase of **7.0 percentage points**. In 1S10, **EBITDA** amounted to **R\$ 232.6 million** and the **EBITDA Margin** reached **21.7%**.

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STORE OPERATING PERFORMANCE

OPERATING DATA	2Q10	2Q09	1S10	1S09
Total Company's Net Revenue (R\$ MM)	702.0	613.4	1,207.7	1,032.5
Net Revenue from Merchandise Sales (R\$ MM)	630.0	554.7	1,070.2	917.4
Net Revenue from Merchandise Sales <i>Nominal Growth over Previous Year</i>	+13.6%	+8.7%	+16.7%	+2.7%
Same Stores Sales Growth ¹ <i>Nominal Growth over Previous Year</i>	+7.4%	+2.1%	+10.5%	-4.0%
Number of Stores <i>End of June</i>	125	115	125	115
Sales Area (in thousand m ²) ² <i>End of June</i>	259.4	240.6	259.4	240.6
Net Revenue per m ² (R\$ per m ²) <i>Net Revenue per Average Sales Area</i>	2,455	2,321	4,221	3,915
Number of Employees <i>End of June</i>	11,671	10,077	11,671	10,077

The second quarter of the year is traditionally marked by two dates of commercial importance: Mother's Day in May and the Brazilian version of St. Valentine's Day in June. Additionally, sales in this period are also impacted by lower temperatures with the onset of the fall-winter seasons.

The April-June period 2010 was characterized by a good sales performance in the light of a favorable environment for consumption driven by several macroeconomic variables, such as high levels of consumer confidence, declining unemployment and the increase in the number of jobs in the formal market. As a result, **Net Revenue from Merchandise Sales** grew **13.6%** in **2Q10** and **16.7%** in **1S10**. **Same Store Sales** were up by **7.4%** in **2Q10** and **+10.5%** in the period between January and June 2010.

The Company's businesses continued to report significant improvements in the quarter in line with operational initiatives implemented over the past few years. These involve supply chain developments, the rebalancing of quantities of domestically-made items vis-à-vis imports, improvement in inventory composition and procurement planning, as well as the fine-tuning of processes relating to the development of collections together with a greater understanding of the peculiarities of each region of the country. These initiatives have been instrumental in ensuring important gains in **Gross Margin**, which rose from 47.3% in 2Q09 to **51.4%** in **2Q10**, and from 47.3% in 1S09 to **50.7%** in the first six months of the current year.

¹The stores are included in the comparable sales calculation beginning in the 13th month of their operations. Changes in comparable store sales between two periods are based on net sales of stores, which were in operation during both comparable periods. If a store is included in the calculation of comparative store sales for only a portion of one of the two periods compared, then that store will be included in the calculation for only the comparable portion of the other period. When the square meters of a store that is included in comparable store sales are increased or decreased, that store continues to be included in the comparable store sales calculation. When a store is closed, its sales are excluded from the calculation of comparable store sales for the periods compared.

² Total square meters at the end of a period include only retail selling space, excluding stockroom and back office areas.

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Store **productivity** is also worthy of mention, with **Net Revenue per m²** presenting a growth of **5.8%** from R\$ 2,321 per m² to **R\$ 2,455 per m²** in **2Q10** and from R\$ 3,915 per m² to **R\$ 4,221 per m²** in **1S10**.

In the period from January to June, Lojas Renner unveiled **five stores**, one in the South, another in the Northeast and three in the Southeast region of Brazil with the Company reporting a sales area of **259.4 thousand m²** distributed across **125 stores** at the end of 2Q10. Special mention should be made here of the Avenida Paulista store in the city of São Paulo which has been posting positive results, underlining Renner's continued interest in also expanding the stand-alone model of store. New store roll-outs demanded **investments of R\$ 23.1 million**. The opening of a further nine stores is planned before the year-end, including compact model pilot operations.

RESULTS FROM THE RETAIL OPERATION

Net Revenue

Net Revenue from Merchandise Sales reached **R\$ 630.0 million** in **2Q10**, against R\$ 554.7 million in 2Q09, a growth of **13.6%**. **Same Store Sales** posted an increase of **7.4%** compared with 2Q09. In **1S10**, **Net Revenue from Merchandise Sales** was **R\$ 1,070.2 million** with **Same Store Sales** of **10.5%** higher. This performance was linked to the public acclaim with which our collections were received in addition to improvements in inventory composition as compared with the same period in 2009. Again the macroeconomic scenario proved beneficial during the period reporting positive indicators for formal employment and greater confidence levels.

Gross Profit

GROSS PROFIT FROM MERCHANDISE SALES (R\$ MM)	2Q10	2Q09	1S10	1S09
Gross Revenue from Merchandise Sales	842.5	741.9	1.421.9	1.219.5
Deductions of Goods Sold	(212.5)	(187.2)	(351.7)	(302.1)
Net Revenue from Merchandise Sales	630.0	554.7	1.070.2	917.4
Cost of Goods Sold	(305.9)	(292.1)	(527.5)	(483.8)
Gross Profit from Merchandise Sales	324.1	262.6	542.7	433.6
Gross Margin from Retailing Operation	51.4%	47.3%	50.7%	47.3%

Gross Profit from Merchandise Sales was **R\$ 324.1 million** in **2Q10** against R\$ 262.6 million in 2Q09, translating into growth of **23.4%**. **Gross Margin from the Retailing Operation** was **51.4%** in **2Q10**, representing an important growth of **4.1 percentage points** in relation to 2Q09. In the **first six months of 2010**, the Company reported, **Gross Profit from Merchandise Sales** of **R\$ 542.7 million** versus R\$ 433.6 million in 1S09 while **Gross Margin**, in turn, was **50.7%** against 47.3%.

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Operating improvements in procurement and planning processes as well as further developments in the supply chain, contributed to the margins. These improvements shall be sustainable going forward in terms of margin gains when compared with the same quarters in the previous year. Improvements in inventory composition also helped boost margins in relation to 2009.

Selling Expenses

Selling Expenses were **7.7%** higher rising from R\$ 131.7 million in 2Q09 to **R\$ 141.8 million** in **2Q10**. However, relative to Net Revenue from Merchandise Sales, Selling Expenses fell from 23.7% in 2Q09 to **22.5%** in **2Q10**. In **1S10**, **Selling Expenses** amounted to **R\$ 271.2 million**, a **9.3%** rise, albeit representing **25.3%** of Net Revenue from Merchandise Sales versus 27.0% in 1S09. These improved figures reflect sales performance in the period and the cost structure adopted by the Company as from 2008, both of which contributed to the dilution of expenses shown. Average expenses per store posted a **reduction of 1.5%** in **2Q10** declining from R\$ 1,170.2 thousand in 2Q09 to **R\$ 1,152.5 thousand**. During the first semester, average expenses per store were stable with a slight increase of 0.4% from R\$ 2,205.5 thousand to **R\$ 2,214.2 thousand** in **1S10**.

General and Administrative Expenses

General and Administrative Expenses increased by **8.4%**, totaling **R\$ 50.1 million** in **2Q10** as against R\$ 46.2 million in the same period 2009. This item as a percentage of Net Revenue from Merchandise Sales was **8.0%** in **2Q10** against 8.3% in 2Q09. In **1S10**, **General and Administrative Expenses** were up **8.2%** from R\$ 84.2 million to **R\$ 91.1 million**. General and Administrative Expenses as a percentage of Net Revenues reported **8.5%** in **1S10** versus 9.2% in 1S09. These improvements reflect Management's continuous efforts to cut corporate costs during the course of the year.

In **2Q10**, average expenses per store posted a slight **reduction of 0.8%** from R\$ 410.7 thousand to **R\$ 407.3 thousand** while for the six month period expenses were **cut by 0.7%** from R\$ 748.5 thousand to **R\$ 743.4 thousand** per store in **1S10**.

Profit Sharing Program

In **2Q10**, **Profit Sharing Program (PPR)** overheads were **R\$ 5.6 million** against R\$ 3.7 million in 2Q09 while semi-annual expenses for the same item in 2010 reached **R\$ 8.3 million** versus the R\$ 5.1 million provisioned in 1S09. Again, these increases are a reflection of the Company's good results for the periods under review and expenses are in line with "Other Operating Results".

Results from the Retail Operation

The **Retail Operation** reported significant improvement during the year generating a **Retail Operation EBITDA** of **R\$ 124.5 million** in **2Q10** and **R\$ 168.7 million** in **1S10**, versus R\$ 81.8 million and R\$ 97.4 million in 2Q09 and 1S09, respectively. These results were 52.2% higher quarter-on-quarter and 73.2% on a comparative semi-annual basis, with **EBITDA Margins from the Retail Operation** increasing **5.1 percentage points** in **2Q10** (a rise of 14.7% to **19.8%**), and **5.2 percentage points** in **1S10** (an increase of 10.6% to **15.8%**).

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EBITDA FROM RETAILING OPERATION (R\$ MM)	2Q10	2Q09	1S10	1S09
Gross Revenue from Merchandise Sales	324.1	262.6	542.7	433.6
Operating Expenses from Retail Operation (Selling, G&A, Manag. Remuneration, Taxes e PPR*)	(205.8)	(187.1)	(385.9)	(347.7)
Other Operating Results	6.2	6.3	11.9	11.5
EBITDA from Retailing Operation	124.5	81.8	168.7	97.4
EBITDA Margins from the Retailing Operation (over Net Revenue from Merchandise Sales)	19.8%	14.7%	15.8%	10.6%

* Profit Sharing Program

RESULT FROM FINANCIAL SERVICES

RESULT FROM FINANCIAL SERVICES BREAKDOWN (R\$ MM)	2Q10	2Q09	1S10	1S09
Revenues	72.0	58.6	137.5	115.2
Recovery of Past Due Receivables (Related to Merchandise Sales)	29.8	27.3	53.4	50.3
Additional Revenues Generated by Interest-bearing Plan	23.6	16.7	45.7	35.7
Personal Loans and Other Financial Services	18.6	14.6	38.4	29.2
Credit Losses, Net of Recoveries	(28.6)	(32.0)	(52.2)	(54.3)
Merchandise Sales	(10.9)	(14.5)	(16.6)	(21.1)
Additional Losses Generated by Interest-bearing Plan	(12.1)	(11.4)	(25.3)	(21.8)
Personal Loans	(5.6)	(6.1)	(10.3)	(11.4)
Operating Expenses (Renner Card & Financial Services)	(11.9)	(9.6)	(21.4)	(17.4)
Total	31.5	17.0	63.9	43.5
% of EBITDA	20.2%	17.2%	27.5%	30.9%

The **Results from Financial Services** item was **R\$ 31.5 million** in **2Q10**, **85.5%** higher than reported in the same period in 2009. In **1S10**, **Financial Services** generated a result of **R\$ 63.9 million**, a year-on-year improvement of **47.0%**. These results stem from an improved showing by the

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Personal Loan and Insurance segments combined with enhanced credit performance and the greater refinement of propensity models for offering products through CRM initiatives. The greater proportion of Renner Card sales using the 0+8 interest-bearing installment credit plan combined with lower delinquency rates also contributed to a positive performance.

In **2Q10**, Lojas Renner granted **R\$ 27.7 million** in personal loans, an increase of **21.7%** compared with the preceding year. Year to date, loan volume increased **22.2%** over 1S09, totaling **R\$ 54.8 million** in **1S10**. The portfolio including interest amounted to **R\$ 97.1 million** (R\$ 71.0 million adjusted for present value) in June 2010. The average ticket for these operations amounted to approximately R\$ 589.00 (principal) at an average term of 8.3 months.

Credit Losses on sales effected with the Renner Card, Net of Recoveries, was **3.6%** of Net Revenue from Merchandise Sales for **2Q10**, and below the 4.7% posted in 2Q09. In **1S10**, **Credit Losses** were **3.9%**, also less than the 4.7% posted in 1S09. The conclusion of credit centralization process for all the stores at the end of 2009 together with the activating of payment collection focused on more recently overdue payments contributed to reported results despite the greater predominance of the 0+8 interest-bearing credit plan which increased from 12.1% to **13.4%** in **2Q10** and from 10.8% to **13.0%** in **1S10**.

With respect to **Personal Loans**, the provisions for losses on credits are constituted on the basis of the risk classification of the operations similar to the classification criteria for credit operations established by the Central Bank of Brazil and in line with the same policy adopted by the financial institutions. Provisions are based on a classification of risk which at the highest level of risk, considers the entire amount including the portion still not due, and not merely the amount overdue (Dragging Method, where customer debt with different installments of different contracts, distributed across the portfolio is transferred to a worst case overdue classification, consolidated and provisioned). The percentage provisioned gradually increases as payment delay increases with the outstanding amount in excess of 180 days being 100% accrued.

Expenses with provisions and losses on Personal Loans, Net of Recoveries, reported in **2Q10**, were **R\$ 5.6 million**, against R\$ 6.1 million in 2Q09. In **1S10**, this item totaled **R\$ 10.3 million**, and equally less than the R\$ 11.4 million reported in 1S09. These reductions are linked to the enhanced efficiency of the credit models for personal loan products and the consequent improvement in the portfolio's quality/profile.

Results from Financial Services are made up of the following items:

Revenues: this item reports revenues arising from the collection of delayed credit payments associated to the retailing operation (in up to five installments and partially with respect to sale of merchandise under the 0+8 installment plans), as well as revenues generated from the intermediation of credit sales under the 0+8 installments with interest plan and from Personal Loans net of taxes and cost of funding. Revenues from Capitalization Bonds (annuities) and Insurance Policies fees are also recognized here.

Credit Losses, Net of Recoveries: this item records the provision for losses on credits associated with the retailing operation (in up to five installments and partially with respect to sale of merchandise under the 0+8 installment plan) as well as additional losses arising from the intermediation of credit sales under the 0+8 installments with interest plan. In both cases, losses registered in this way are deducted from recoveries of losses written off in previous periods. Losses generated from the intermediation of Personal Loans are also booked to this item.

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Operating Expenses: this item records expenses related to operations involving the financial services including all the costs incurred from this business, as well as all collection overheads associated to the Financial Services and Renner Card with respect to the 0+5 installment interest free and 0+8 installments with interest plans.

RENNER CARD

The **Renner Card** accounted for **57.8%** of **2Q10** sales against 61.5% in the same period in the preceding year. In **1S10**, the Renner Card represented **57.0%** of sales, and less than the 60.7% recorded in 1S09. This reduced participation of total sales is in large part due to the significant number of store rollouts as from 2005 (63 new stores). This reflects the time the Company requires to ramp up a representative card-holder base in new markets. The greater share of payments effected with traditional credit cards has also been impacting results. The Company believes the launch of credit cards co-branded with Mastercard and Visa in the second half of 2010 will contribute to the recovery of the Renner Card's share of total sales. The **average ticket** for Renner Card sales increased to **R\$ 138.08** in **2Q10** compared with R\$ 128.53 in 2Q09, an increase of **7.4%**. In **1S10**, the **average ticket** was **R\$ 128.31** versus R\$ 117.63 in 1S09, a growth of **9.1%**.

The **0+8 interest-bearing installment credit plan** represented **13.4%** of all sales in **2Q10** with an increase in relation to the 12.1% reported in 2Q09. The **0+5 credit plan** accounted for **44.4%** in **2Q10**, against 49.4% in the period the previous year. In **1S10**, the 0+8 installment credit plan took a **13.0%** share of the total sales while the **0+5** plan represented **44.0%** versus 10.8% and 49.9%, respectively in 2009.

In **2Q10**, Renner issued **435.8 thousand new cards**, in the first six months, accumulating **757.5 thousand** of new plastic in **1S10**, resulting in a grand total of **16.0 million** as at June 2010.

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TOTAL EBITDA

EBITDA = Earnings before Net Financial Expenses, Income Tax and Social Contribution on Profit, Depreciation, Amortization, Stock Option Plan Expenses, Results from Write-off of Fixed Assets and Extraordinary Expenses. EBITDA is not a measure used in Brazilian accounting practices and does not represent cash flow for the periods under review. It should not be considered as an alternative for net income, as an indicator of operating performance or as an alternative for cash flow in the form of an indicator of liquidity. EBITDA does not have a standardized meaning and the Company's definition of EBITDA may not be comparable with the adjusted EBITDA of other companies. While in accordance with accounting practices used in Brazil EBITDA does not provide a measure of operating cash flow, Management uses it to measure operating performance. In addition, the Company understands that certain investors and financial analysts use EBITDA as an indicator of the operating performance of a company and/or its cash flow.

EBITDA RECONCILIATION (R\$ MM)	2Q10	2Q09	1S10	1S09
Net Income	91.0	47.8	127.9	58.7
(+) Income & Social Contribution Taxes	45.7	24.7	64.3	30.2
(+/-) Result from Write-off of Fixed Assets	0.4	0.2	0.8	0.1
(+/-) Financial Result	(3.6)	3.0	(5.6)	7.0
(+) Depreciation and Amortization	17.9	18.3	36.7	36.5
(+) Stock Option Plan	4.6	4.8	8.5	8.4
EBITDA	156.0	98.8	232.6	140.9
EBITDA Margin <i>(over Net Revenue from Merchandise Sales)</i>	24.8%	17.8%	21.7%	15.4%

EBITDA in 2Q10 was **R\$ 156.0 million**, against R\$ 98.8 million in 2Q09, a marked increase of **57.8%**, with an **EBITDA Margin** on Net Revenue from Merchandise Sales reaching **24.8%** in the quarter against 17.8% in 2Q09, (22.2% if calculated on the Company's Total Net Revenue as opposed to 16.1% in 2Q09), with an important increase of **7.0 percentage points**. In **1S10**, **EBITDA** reached **R\$ 232.6 million**, a growth of **65.1%** on the R\$ 140.9 million posted in 1S09. The **EBITDA Margin** for the semi-annual period increased from 15.4% in 1S09 to **21.7%** in **1S10** (19.3% if calculated on Total Net Revenue versus 13,6% in 1S09). Increases in both **EBITDA** and **EBITDA Margin** are due to a combination of four key factors: the more positive retailing environment, the operational initiatives implemented over the years and feeding through to important growth in gross margin, dilution of expenses due to a fixed cost structure adopted over the years and finally a reflection of stronger results from the financial services business.

STOCK OPTION PLAN

In **2Q10**, the Company recognized **R\$ 4.6 million** against R\$ 4.8 million in 2Q09 as expenses on its **Stock Option Plan** while in **1S10** expenses amounted to **R\$ 8.5 million** versus R\$ 8.4 million. These overheads correspond to the fair value of the respective financial instruments, calculated as from the date of the grant of stock options based on the Black&Scholes model. This model is calculated using assumptions such as market value of the share on the date of the options grant, the exercisable price of the option, the volatility of the Company's share price, the risk free interest rate and the duration of the vesting period contract. The expense is registered on a "*pro rata temporis*" basis during the period in which services are rendered by

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the plan member to the Company, beginning on the grant date through to the date on which the beneficiary acquires the right to exercise the option.

FINANCIAL RESULT

FINANCIAL RESULT (R\$ MM)	2Q10	2Q09	1S10	1S09
Financial Revenues	11.8	5.7	22.2	10.5
Financial Expenses	(2.2)	(1.9)	(5.2)	(3.8)
Net Effect of Adjustment of Long-Term Taxes to Present Value	0.8	(0.7)	1.1	(1.2)
Foreign Exchange Variation, Net	0.0	1.8	0.3	1.8
Cost of Financing Delinquent Customers, Net	(6.8)	(7.9)	(12.8)	(14.3)
Financial Result	3.6	(3.0)	5.6	(7.0)

In **2Q10**, the **Financial Result** was a positive **R\$ 3.6 million**, against a negative R\$ 3.0 million in 2Q09. In **1S10**, the Company reported a positive **Financial Result** of **R\$ 5.6 million** versus a negative R\$ 7.0 million in the same period of 2009. These changes are largely due to a stronger position in cash and cash equivalents in relation to the equal periods in 2009.

NET INCOME

In the light of the factors reported above, the Company ended **2Q10** with a growth in **Net Income** of **90.2%**, this item increasing from R\$ 47.8 million in 2Q09 to **R\$ 91.0 million**. The **Net Margin**, calculated on Net Revenue from Merchandise Sales, was **14.4%** in **2Q10** (13.0% if calculated on the Company's Total Net Revenue against 7.8% in 2Q09), outpacing the 2Q09 by **5.8 percentage points**. In **1S10**, Net Income reached **R\$ 127.9 million** versus R\$ 58.7 million in 1S09. First semester **Net Margin** was **11.9%**, a **5.5 percentage points** improvement over the 6.4% reported in 1S09 (10.6% if calculated on Total Net Revenue compared with 5.7% in 1S09).

CASH AND CASH EQUIVALENTS, NET

CASH AND CASH EQUIVALENTS, NET (R\$ MM)	JUN.10	MAR.10	JUN.09
Cash and Cash Equivalents	359.1	390.8	194.4
Total Loans and Financing	(149.8)	(147.7)	(164.2)
Short Term	(118.9)	(114.6)	(124.5)
Long Term	(30.9)	(33.1)	(39.7)
CASH AND CASH EQUIVALENTS, NET	209.3	243.1	30.2

In June 2010, **Cash and Cash Equivalents** amounted to **R\$ 359.1 million**, against R\$ 194.4 million for June 2009. This improved position is related to

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larger gross cash generation during 2009 and the first half of 2010 as well as a lower allocation of working capital to the business.

On June 30 2010, **Loans and Financing** stood at **R\$ 149.8 million**, of which R\$ 110,0 million was in the form of short term credit lines for financing delinquent customers and R\$ 39.8 million in the form of long-term funding from the Banco do Nordeste.

As a result, the Company recorded **Cash and Cash Equivalents, Net** of **R\$ 209.3 million** at the end of the quarter.

INVESTMENTS (CAPEX)

CAPEX Summary (R\$ MM)	2Q10	2Q09	1S10	1S09
New Stores	15.4	14.8	23.1	20.6
Remodeling of Installations	1.1	2.3	1.7	2.9
IT Equipment & Systems	3.6	1.3	5.7	1.3
Others	0.5	3.1	5.9	3.1
Total	20.6	21.5	36.4	27.9

In **2Q10**, Lojas Renner's investments in fixed assets amounted to **R\$ 20.6 million** against R\$ 21.5 million in 2Q09. Of this amount, **R\$ 15.4 million** was spent on the rollout of new stores. In **1S10**, capital expenditures

amounted to **R\$ 36.4 million** as compared with R\$ 27.9 million.

In **1S10**, new stores were opened in the states of Alagoas, Santa Catarina, São Paulo and Rio de Janeiro, the Company's network now totaling **125 units** in operation with a total sales area of **259.4 thousand m²**. A further nine stores are scheduled for rollout in 2S10, including pilot launches of the compact model located in upstate Rio Grande do Sul and São Paulo and in the metropolitan area of Salvador, state of Bahia.

Depreciation and Amortization expenses fell **2.3%** from R\$ 18.3 million in 2Q09 to **R\$ 17.9 million** in 2Q10. In **1S10**, these expenses totaled **R\$ 36.7 million** against R\$ 36.5 million in 1S09.

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20.01 – OTHER INFORMATION CONSIDERED SIGNIFICANT BY THE COMPANY

I - Since our shares were sold in July 2005 to many minority shareholders, we do not have a controlling shareholder.

Shown below are shareholders owning more than a 5% interest in the Company (as of June 30, 2010)

SHAREHOLDER	NUMBER OF SHARES	% OF TOTAL SHARES
Aberdeen Asset Management PLC *	17,858,786	14.65%
Black Rock Inc. *	8,999,153	7.38%
T. Rowe P.A.,Inc e T.Rowe P.I.Inc.*	6,872,800	5.64%
UBS Global AM *	6,143,517	5.04%
Other	82,026,559	67.29%
TOTAL	121,900,815	100.00%

* All the above shareholders that hold more than 5% of Company's capital are investment funds managers, and do not have, the disclosed percentages do not represent their standalone interests but rather, according to the fund managers, the interests held by them on behalf of their clients.

Following are the quantity and the characteristics, on a consolidated basis, of the Company's securities held by members of the Board of Directors, Executive Board and Fiscal Council (as of June 30, 2010):

Board of Directors:

Securities/Derivative	Characteristics	Quantity	Ownership interest	
			Same Kind/Class	Total
Shares	Common	23	0,00%	0,00%

Executive Board:

Securities/Derivative	Characteristics	Quantity	Ownership interest	
			Same Kind/Class	Total
Shares	Common	63,735	0,05%	0,05%

Fiscal Council:

Securities/Derivative	Characteristics	Quantity	Ownership interest	
			Same Kind/Class	Total
Shares	Common	0	0,00%	0,00%

Shown below is the number of shares held by the aforementioned persons for the immediately prior 12 months:

Members	June 2009	June 2010
Board of Directors	28	23
Executive Board	56,578	63,735
Fiscal Council	0	0

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20.01 – OTHER INFORMATION CONSIDERED SIGNIFICANT BY THE COMPANY

Following is the number of shares **outstanding** and the ownership percentage in relation to the total shares of the Company (as of June 30, 2010).

Securities/Derivative	Characteristics	Number	Ownership interest
Shares	Common	121,837,057	99,95%

II –Arbitration Chamber

All and any disputes related to or arising from the New Market Participation Agreement, Listing Regulations for the New Market, Company's Bylaws, shareholders' agreements filed in the Company's headquarters, Brazilian corporate law, rules of the National Monetary Council, Central Bank of Brazil or the Brazilian Securities Commission, regulations of the São Paulo Stock Exchange (BOVESPA) and other rules that are applicable to the capital market in general, will be resolved through arbitration in conformity with the Regulation of the Market Arbitration Chamber established by BOVESPA.

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21.01 – INDEPENDENT ACCOUNTANTS' REVIEW REPORT

(A free translation of the original in Portuguese)

To the Board of Directors and Stockholders
Lojas Renner S.A.
Porto Alegre - RS

1 We have reviewed the accounting information included in the Quarterly Information (ITR) of Lojas Renner S.A. and subsidiaries (parent company and consolidated) for the quarter ended June 30, 2010, comprising the balance sheets and the statements of income, of comprehensive income, of changes in stockholders' equity and of cash flows, explanatory notes and the performance report. This Quarterly Information is the responsibility of the Company's management.

2 Our review was carried out in accordance with specific standards established by IBRACON – the Institute of Independent Auditors of Brazil, in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the Quarterly Information; and (b) a review of information and of subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.

3 Based on our limited review, we are not aware of any material modifications that should be made to the quarterly information of the parent company referred to above in order that it be stated in accordance with accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), , applicable to the preparation of the Quarterly Information, consistent with the standards issued by the Brazilian Securities Commission (CVM).

4 Based on our limited review, we are not aware of any material modifications that should be made to the consolidated accounting information referred to above in order that it be stated in accordance with IAS 34, Interim Financial Reporting,, of the International Accounting Standards Board (IASB), applicable to the preparation of the Quarterly Information, consistent with the standards issued by the CVM.

5 As mentioned in Note 2.1, the CVM has approved several Pronouncements, Interpretations and Technical Guidance issued by the CPC to be effective as from 2010, which altered the accounting practices adopted in Brazil. These alterations were adopted and disclosed by the Company when preparing the Quarterly Information of the parent company for the three-month period ended June 30, 2010. The Quarterly Information for the prior period, which is presented for comparison purposes, has been adjusted to reflect the changes in accounting practices adopted in Brazil effective for 2010 and restated in accordance with accounting

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standard CPC 23, Accounting Policies, Changes in Accounting Estimates and Correction of Errors. Likewise, as mentioned in Note 2.2, and as permitted by CVM Instruction No. 457/07, which provides for the preparation and disclosure of consolidated financial statements based on International Financial Reporting Standards (IFRS) for the year ending December 31, 2010, the Company is presenting its consolidated Quarterly Information in connection with its first annual consolidated financial statements in accordance with IFRS, to be presented at December 31, 2010.

6 The Quarterly Information mentioned in paragraph 1 also includes comparative accounting information related to the net income and cash flow for the three and six-month periods ended June 30, 2009, obtained from the ITR for that quarter, and the balance sheet as of December 31, 2009, obtained from the financial statements at that date. The limited review of the ITR for the quarter ended June 30, 2009 and the audit of the financial statements for the year ended December 31, 2009 were conducted by other independent accountants who issued a review report thereon without exceptions, dated July 13, 2009, and an unqualified opinion thereon, dated January 28, 2010, respectively. This accounting information was used as the basis for the preparation of the accounting information in accordance with International Financial and Reporting Standards (IFRS). In connection with our limited review, described in the first paragraph, we have audited the adjustments necessary to convert the accounting information to IFRS, and, in our opinion, these adjustments are appropriate and have been properly applied, in all material respects. We were engaged to audit only the IFRS conversion adjustments and not to audit, nor review, nor apply any other procedures with respect to the financial information related to the year 2009; accordingly, our review report does not cover that financial information.

Porto Alegre, July 21, 2010

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RS

Carlos Biedermann
Contador CRC 1RS029321/O-4

01.01- IDENTIFICATION

1-CVM CODE 00813-3	2-COMPANY NAME LOJAS RENNER S.A.	3-Federal Taxpayers' Code 92.754.738/0001-62
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