



B2W – COMPANHIA GLOBAL DO VAREJO

**Corporate Taxpayers' ID (CNPJ/MF) 08.538.351/0001-62
Companies Registry (NIRE) 35300337638**

MATERIAL FACT

B2W – Companhia Global do Varejo (“B2W”), in compliance with the provisions of CVM Instruction 358/2002 and 319/1999, publicly informs the following:

It will be submitted to B2W's shareholders, in the Company's Extraordinary Shareholders Meeting to be held on March 31, 2007, the merger of the Company by its wholly-owned subsidiary TV Sky Shop S.A. (Corporate Taxpayers' ID (CNPJ/MF) 00.776.574/0001-56) (“TV Sky Shop” and, together with B2W, the “Companies”), upon the conveyance, to TV Sky Shop, of B2W's shareholders equity, net of the B2W's share interest in TV Sky Shop (the “Merger”), as follows:

1. Objectives of the Transaction

1.1. The purpose of the merger is to rationalize the Companies' activities and make flexible and more efficient the management of their assets as part of the organization process of the Group these Companies belong to. This process includes, among other measures, the simplification of the ownership structure, which shall provide advantages to shareholders and significant benefits to the Companies as far as managing, financial and economic aspects are concerned, with a better use of resources and an expansion perspective for their social business.

1.2. With the merger, TV Sky Shop will include in its Bylaws the same corporate purpose included in B2W's Bylaws, dedicating its operations to: (i) general retail and wholesale commerce in Brazil and abroad of any goods and products, being allowed to import or export from and to any country and use electronic means to announce and/or sell its products, in particular, the Internet, with no restrictions to other means (telemarketing, telesales, TV, usual sale channels, catalogs, etc); (ii) rendering of financial, managing, marketing and logistics services, as well as, marketing promotion relate to companies operating in both related and non related areas; (iii) intermediation and distribution of admission tickets; transportation tickets and other tickets to public attractions, theme parks, theaters, shows and

other events addressed to the public, either or not of cultural nature, either or not of transportation nature, and other natures, whether similar or not, excluding gambling pools, game tickets or similar tickets, either national or not; (iv) the promotion, intermediation, lease and distribution of products from the movie industry, either national or international, as well as the sale of songs, through electronic files, of Brazilian and foreign artists; (v) representation of companies that owns software for visualization of images, sounds and other features through the intermediation of paid download (copies); and (vi) act as sales representative of various companies, making use of the technological channel developed for the e-commerce or any other commonly used.

2. Previous Acts

2.1. As steps towards the implementation of the transaction, the following corporate acts have been performed up to the present date:

- (a) On 03/13/2007, the Protocol and Justification of the Merger were entered into by the managements of B2W and TV Sky Shop (the "Protocol and Justification");
- (b) On 03/13/2007, the Board of Directors of B2W held a meeting and decided to summon a B2W's extraordinary shareholders meeting in order to resolve on the merger which is the object of the Protocol and Justification; and
- (c) On 03/13/2007, the Board of Directors of TV Sky Shop held a meeting to discuss the proposal related to the merger to be submitted to the approval of TV Sky Shop's wholly-controlling shareholder in the extraordinary shareholders meeting.

3. Criteria for valuing B2W's assets and treating equity variations

3.1. B2W's shareholder's equity will be merged at carrying value, taking into consideration the elements included in the balance sheet as of December 31, 2006 (the "Record Date"), duly audited.

3.2. The Merger will be based on B2W's shareholders' equity supported by the appraisal report made by the specialized company APSIS Consultoria Empresarial Ltda., headquartered in the city and state of Rio de Janeiro, at Rua São José, 90, grupo 1.802, Corporate Taxpayers' ID (CNPJ/MF) 27.281.922/0001-70 ("Appraisal Report"), whose nomination shall be ratified by the TV Sky Shop's Extraordinary Shareholders Meeting, which will resolve on the transaction, pursuant to the provisions of paragraph 1 of article 227 of Law 6,404/76, which has declared that (i) there is any conflict or communion of interests, current or potential, with the controlling shareholder of the Companies, or their respective minority shareholders, or, even related to the Merger; and (ii) the Companies' controlling shareholders or management have not oriented, limited, obstructed or performed any act that jeopardized or may have jeopardized the access, utilization or

knowledge of information, assets, documents or work methodology which are relevant for the quality of respective conclusions.

3.3. Equity variations verified by B2W from the Record Date to the date on which the Merger is effective will be appropriated by TV Sky Shop.

4. Exchange ratio, number and type of shares to be assigned to B2W's shareholders, share rights, TV Sky Shop capital stock increase and capital stock composition and shares after the Merger.

4.1. The number of shares to be issued by TV Sky Shop was calculated taking into consideration the fact that the acquiring company is a wholly-subsiary of B2W, as number of shares of TV Sky Shop to be issued in favor of B2W's shareholders will correspond to the number of shares issued by B2W, which will be replaced by the shares currently shareholders of B2W, which will extinct as a result of the Merger.

4.2. As the Merger involves a controlling company and its subsidiary, the provisions of paragraph 1 of article 226 of the Brazilian Corporate Law are applicable, requiring the cancellation of all shares representing the capital stock of TV Sky Shop held by B2W.

4.3. Considering that, prior and after the merger, the shareholders of B2W (and, indirectly, of B2W's wholly-owned subsidiary) will hold exactly the same share in the consolidate results and assets of B2W and TV Sky Shop, having no need to confront the parameters of the exchange ratio adopted (i.e., 1:1) with other ratio based on any other economic or accounting criterion, due to the impossibility of any other form of share distribution in the merger among the shareholders of B2W, as there are no third parties that do not equally participate, directly or indirectly, in the assets and results of two companies, except for the shareholders of B2W, the company to be merged.

4.4. For this reason, having no additional information to be provided to the shareholders of the Companies which would help them evaluate the suggest exchange ratio, the hiring of companies to prepare appraisal reports at market value, referred to in article 264 of Law 6,404/76, is not justified.

4.5. Therefore, TV Sky Shop's shareholders' equity will be increased in R\$342,621,030.85, amount that corresponds to the carrying net assets of B2W, net of the investment in TV Sky Shop, deducting from this amount R\$200,000,000.00 which will be allocated to the constitution of capital reserve, and the remaining amount, or R\$142,621,030.85, to the capital stock account of TV Sky Shop.

4.6. The shares issued by TV Sky Shop to be assigned to the shareholders of B2W, replacing the common shares currently held by them, which will be extinguished, will have the same rights attributed to B2W's outstanding shares, fully participating in the results of the current fiscal year.

4.7. The goodwill originally recorded by Americanas.com S.A. – Comércio

Eletrônico and, afterwards, by legal succession, by B2W, and attributed to the expectation of future result of TV Sky Shop, deriving from the acquisition, directly contracted on 08/18/2005 by Americanas.com S.A. – Comércio Eletrônico, related to the shares issued by TV Sky Shop, in the total amount of R\$135,305,219.85, will be, after the Merger, fiscally amortized in up to ten (10) years by TV Sky Shop, pursuant to the fiscal legislation in force, not involving issue of new shares and with no impact on the dividend flow of TV Sky Shop.

5. Refund of B2W's dissenting shareholders

5.1. Due to the lack of exchange rate, the provisions of paragraph 3 of article 264 of Law 6,404/76 are not applicable for the purpose of calculating the amount to be refunded to dissenting shareholders.

5.2. The amount to be refunded to eventual dissenting shareholders of B2W will be calculated based on the shareholders' equity included in the balance sheet as of 12/31/2006 to be submitted to the Ordinary Shareholders Meeting to be held on 03/31/2007, which corresponds to R\$3.2790 per share of B2W (considering that each share of B2W is currently represented by one share of Submarino S.A., as B2W is the successor of Submarino S.A.), excluding the possibility of elaborating a special balance sheet and not affecting the provisions of paragraph 3 of article 137 of Law 6,404/76. Then, and excluding above mentioned special balance sheet, the holder of each share of B2W (corresponding to 1 share of Submarino S.A.) will be entitled to receive R\$3.2790, in case of withdrawal right exercise. As of 03/15/2007, inclusively, the shares of Submarino S.A. will be traded ex-withdrawal right referred to in this item.

6. Costs.

6.1. Costs of the Merger are estimated at R\$300,000.00, including expenses with publications, auditors, valuations, lawyers and other technical professionals to be hired in order to assist the transaction.

7. Other information on the transaction

7.1. The effectiveness of the Merger will imply the extinguishment of B2W, which will be succeeded by TV Sky Shop in all its assets, rights and obligations.

7.2. It is proposed that after the Merger, TV Sky Shop is renamed as "B2W – Companhia Global do Varejo".

7.3. After the Merger, the management of TV Sky Shop will request the company's registration at the Brazilian Securities and Exchange Commission (CVM) as well as will submit to the São Paulo Stock Exchange (Bovespa) the request to be listed under the Novo Mercado Listing Rules.

7.4. It will be submitted to the analysis of the TV Sky Shop's shareholders meeting which will resolve on the merger, the proposal of the Board of Directors for the

maintenance of the B2W Stock Option Plan (“B2W Plan”), and under the same terms and conditions of B2W Plan, the replacement of previously granted option for new options, to be taken over by TV Sky Shop, with proper adjustments as the case may be, maintaining, however, the total amount of the stock option.

8. Availability of documents.

8.1. The Protocol and Justification, the financial statements that were the basis for calculating B2W’s shareholders’ equity on the Record Date, the financial statements of TV Sky Shop as of the Record Date (the latter audited in compliance with article 12 of CVM Instruction 319), as well as other documents referred to in article 3 of the same instruction, will be sent to CVM and the São Paulo Stock Exchange and will be available for consultation at B2W’s headquarters, located in the city of Osasco, state of São Paulo, at Rua Henry Ford, 643.

São Paulo, March 15, 2007

B2W – Companhia Global do Varejo
José Timotheo de Barros
Investor Relations Officer