

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

April 06, 2016

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of April, 2016

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio,
3142 São Paulo, SP 01402-901

Brazil

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F)

Form 20-F Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b) (1)):

Yes No

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b) (7)):

Yes No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

CNPJ/MF: 47.508.411/0001-56

COMPANY REGISTRY (NIRE): 35.300.089.901

São Paulo, 28 March 2016.

**MANAGEMENT PROPOSALS FOR THE EXTRAORDINARY AND ANNUAL SHAREHOLDERS'
MEETING TO BE HELD ON 27 APRIL 2016**

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AT THE ANNUAL SHAREHOLDERS' MEETING

Proposal for Allocation of Net Profit for the Year

(Art. 9 Of ICVM 481/2009)

Dear Shareholders: the Board of Executive Officers of **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO** (“Company”) proposes hereby to the Extraordinary and Annual Shareholders’ Meeting of 2016, in conformity with EXHIBIT 9-1-II of the Instruction CVM 481, of December 7, 2009 (“ICVM 481/2009”), the following:

1. Net profit for the year

The Company’s Net Profit on December 31, 2015 was R\$ 250,637,121.91. Of this total, R\$ 12,531,856.10 will be allocated to the Legal Reserve.

2. Overall amount and amount per share of dividends, including interim dividends and interest on net equity already declared

	Interim Dividends	Dividend Distribution Proposal	TOTAL
Total Gross Value	R\$ 115,371,548.34	R\$ 3,865,003.30	R\$ 119,236,551.64
Value per Common Share	R\$ 0.409037480112	R\$ 0.013703	R\$ 0.4227404801
Value per Preferred Share¹	R\$ 0.449941228123	R\$ 0.015073	R\$ 0.4650142281

3. Percentage of distributed net profit for the year

Management proposes the distribution of 25% (twenty-five percent) of the Company’s net profit, as set forth in art. 36 of the Company’s Bylaws.

4. Overall amount and amount per share of dividends distributed based on prior-year net profit

There is no dividend distribution proposal based on prior-year net profit.

5. Inform, less interim dividends and interest on net equity already declared

a. Gross profit of dividends and interest on net equity, on individual basis, per share of each type and class

The amount of proposed dividends is R\$ 0.013703 per common share and R\$ 0.015073 per preferred share, less the amount of interim dividends already distributed. There was no declaration of interest on net equity.

b. The form and term of payment of the dividends and interest on net equity

¹For such calculation, the number of outstanding preferred shares on the date hereof was taken into consideration.

Management, as prescribed by the Bylaws, proposes the payment of dividends within up to 60 (sixty) days after approved at the meeting.

c. Possible application of adjustment and interest on dividends and interest on net equity

Dividends will be paid within the term stipulated above, without any interest between the declaration date and the effective payment date.

d. Date of declaration of payment of dividends and interest on net equity considered for purposes of identification of shareholders that will be entitled to receive them

	Anticipated Distribution ref. 1st quarter	Anticipated Distribution ref. 2nd quarter	Anticipated Distribution ref. 3rd quarter	Dividend Distribution Proposal
Distribution Ownership Commencement Date of Negotiations Ex-Right	265,429,579	265,464,060	265,467,193	265,476,512
	05/19/2015	07/29/2015	11/30/2015	1st business day subsequent to the payment of dividends that shall occur within 60 days from the AGM

6. Declaration of dividends or interest on net equity based on profits assessed in half-yearly balance sheets or in shorter periods

There was no declaration of dividends or interest on net equity based on profits assessed in half-yearly balance sheets or in shorter periods.

7. Comparative table indicating the following amounts per share of each type and class:

	2013	2014	2015
Net profit for the year	R\$ 1,052,495,220.41	R\$ 1,269,384,047.65	R\$ 250,637,121.91
Total Distributed	R\$ 249,967,614.85	R\$ 301,478,711.32	R\$ 119,236,551.64
Dividend			
Dividend regarding Preferred Shares	R\$ 0.977852995	R\$ 1.177555957	R\$ 0.4650142281
Dividend regarding Common Shares	R\$ 0.888957268	R\$ 1.070505415	R\$ 0.4227404801

8. Allocation of profits to the legal reserve

a. Identify the amount allocated to the legal reserve

Under Law nº 6.404/76, management will allocate R\$ 12,531,856.10 to the legal reserve.

b. Describe the method of calculation of the legal reserve

Net Profit	R\$ 250,637,121.91
Legal Reserve (5% of Net Profit)	R\$ 12,531,856.10

9. If the company has preferred shares with the right to fixed or minimum dividends

a. Describe the method of calculation of fixed or minimum dividends

The holders of the Company's preferred shares have priority in the receipt of a non-cumulative annual minimum dividend in the amount of R\$ 0.464607 per 1 (one) share. Moreover, each preferred share is entitled to receive dividend 10% (ten percent) higher than the dividend

attributed to each common share, in conformity with the provisions set forth in art. 17, § 1, of Law nº 6.404/76, as amended, including, for purposes of this calculation, in the sum of the total dividend paid to the preferred shares, the amount paid as annual minimum dividend.

b. Inform if the profit of the fiscal year is enough to pay in full the fixed or minimum dividends

Yes, it is enough.

c. Inform whether a potential unpaid portion is cumulative

There is no unpaid portion of fixed or minimum dividends.

d. Identify the global amount of fixed or minimum dividends to be paid to each class of preferred shares

	Preferred Shares
Global dividend amount paid <u>in advance</u> to the holders of preferred shares	R\$ 74,598,753.27
Global dividend amount <u>to be paid</u> to the holders of preferred shares	R\$ 2,499,094.72
Global dividend amount to the holders of preferred shares	R\$ 77,097,847.99

e. Identify the fixed or minimum dividends to be paid per preferred share of each class

	Preferred Shares
Dividend amount paid <u>in advance</u> to each preferred share	R\$ 0.449941228123
Dividend amount <u>to be paid</u> to each preferred share	R\$ 0.01507325120006
Dividend amount to each preferred share	R\$ 0.4650144793231

10. In relation to the mandatory dividend

a. Describe the method of calculation set forth in the Bylaws

Under Article 36, §1 of the Company's Bylaws, shareholders will be entitled to receive, in each fiscal year, as dividends, a mandatory percentage rate of 25% (twenty-five percent) on the net profit for the year, including the following adjustments: (a) the decrease of the sums allocated, in the year, to the recognition of the legal reserve and contingency reserve; and (b) the increase of the sums resulting from reversal, in the year, of the contingency reserves, previously recognized.

The payment of the dividend determined as set forth in the preceding paragraph can be limited to the amount of the net profit for the year that is realized as prescribed in the law, provided that the difference is recorded as unrealized profit reserve.

Profits recorded under the unrealized profit reserve, if realized and not absorbed by losses in subsequent years, must be added to the next mandatory dividend distributed after the realization.

b. Inform if it is being paid in full

The mandatory dividend will be paid in full.

c. Inform the amount possibly withheld

Not applicable.

11. Withholding of the mandatory dividend due to the Company's financial standing

Not applicable.

12. b. Allocation of income to contingency reserve

There is no allocation of income to the contingency reserve.

13. Allocation of income to the profit reserve to be realized

Not applicable.

14. Allocation of income to the statutory reserve

a. Describe the statutory clauses that establish the reserve

The expansion reserve is set forth in article 36, §2 of the Company's Bylaws, as follows:

"Article 36 – (...) Paragraph 2 – The Expansion Reserve is hereby created to raise funds to finance additional fixed and current capital investments and will be comprised of up to 100% (one hundred percent) of the net profit remaining after the allocations set forth in items "a" [legal reserve], "b" [contingency reserve], and "c"

[mandatory dividend] of item IV, the total of such reserve cannot exceed the amount of the Company's capital stock."

b. Identify the amount allocated to the reserve

Management proposes the retention of profit for the Expansion Reserve in the amount of R\$ 12,531,856.10, that is, 5% of the balance of the net profit after dividends.

c. Describe how the amount was calculated

The amount allocated to the Expansion Reserve corresponds to 90% of the Net Adjusted Profit for the year ended 12.31.2015. The Adjusted Profit is calculated as follows:

Net profit for the year	R\$ 250,637,121.91
Legal Reserve (5%)	(R\$ 12,531,856.10)
Dividend Calculation Basis	R\$ 238,473,103.27
Dividends	(R\$ 119,236,551.64)
Adjusted Net Profit	R\$ 119,236,551.63
Expansion Reserve (90%)	R\$ 107,312,896.47

15. Profit Retention set forth in capital budget

a. Inform the withholding amount

Management proposes the retention of profit of R\$ 119,236,551.63, of which R\$ 107,312,896.47 to the Expansion Reserve (as set forth in article 36, §2 of the Company's Bylaws) and R\$ 11,923,655.16 based on capital budget (as set forth in article 196, paragraph 2 of Law n. 6.404/76).

b. Provide a copy of the capital budget

See proposal of Capital Budget on page 9.

16. Allocation of profit to the tax incentive reserve

Not applicable.

São Paulo, 28 March 2016.

BOARD OF EXECUTIVE OFFICERS

Capital budget

Dear Shareholders: As set forth in article 196 of Law n.º 6.404/76, the Board of Executive Officers of **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO** hereby:

1. Informs the allocation of the Profit Retention for 2015 (Expansion Reserve and Capital budget) approved at the Extraordinary and Annual Shareholders' Meeting for 2015, as follows:

(i) The Investment Plan for 2015 of Multivarejo, GPA Malls and Assaí was up to R\$ 1,350,000,000.00. However, the investment made by the Company was R\$ 1,383,359,800.13, of which R\$ 497,303,175.34 for the opening of new stores and acquisition of land, R\$ 521,758,278.47 for renovation of stores and R\$ 364,298,346.32 for infrastructure (IT, Logistics and others); and

(ii) To support the amount invested, the total amount of the Expansion Reserve, in the amount of R\$ 813,992,520.55, and of the Capital budget, in the amount of R\$ 90,443,613.40, established at the Extraordinary and Annual Shareholders' Meeting for 2015, was used. The additional amount was supported using own funds arising from the operating activities of the Company, as well as the obtaining of financial resources raised from third parties.

2. Propose to the Board of Directors and the Extraordinary and Annual Shareholders' Meeting the Investment Plan for Multivarejo, GPA Malls, and Assaí for 2016, in the amount of up to R\$ 927,378,997.45, with scope of (i) opening of stores, acquisition of land and conversion of stores; (ii) renovation of stores; and (iii) IT, logistics and other infrastructure.

This is the proposal to be presented.

São Paulo, 28 March 2016.

BOARD OF EXECUTIVE OFFICERS

COMMENTS FROM THE MANAGEMENT ABOUT THE COMPANY'S FINANCIAL STANDING

Item 10 of the Reference Form, CVM Instruction No. 480, of December 7, 2009 ("ICVM 480")

10.1 - General Financial and Equity Conditions

Introduction

The comments below must be read together with our individual and consolidated financial statements for the year ended December 31, 2015, filed with the CVM on February 24, 2016, including the Explanatory Notes related thereto, and other financial information contained in other parts hereof.

(a) general financial and equity conditions

2015 was a year of considerable challenges for Brazil and a period in which focus and self-control were even more determining to achieve results and overcome obstacles. In this manner, GPA, through its multi-format, multi-channel and multi-region operations, has ensured the implementation of its strategy and, coupled with important adjustments to the Company's processes for adjustment to the economic environment, has attained its goals.

In 2015, GPA has invested in the integration of business and a solid synergy plan, in particular in the back office areas, so that each business unit could focus even more on its business objectives, growing its operations and strengthening its competitive differences.

It was also a year in which, in spite of a challenging scenario, GPA continued with its organic growth plan and opened 118 stores, specially focused on higher-return, such as self-service retail, through Assaí, and proximity models, in particular Minuto Pão de Açúcar and it has also progressed with governance practices in all business.

GPA is much more prepared for 2016 and will continue to be fully focused on the customer, while maintaining the severity and discipline in terms of investments and actions that will ensure the Company's sustainable growth, generating value for shareholders.

The international operations of Cnova started to be consolidated in GPA beginning August 2014 and, therefore, the result for 2014 reflect 5 months of such operations only. For purposes of better comparability between periods, the comments below relating to the gross profit, operating costs and profit before interest,

taxes, depreciation and amortization (EBITDA) do not take into consideration Cnova's results (Cnova Brasil and international operations) in 2015 and 2014.

In 2015:

- gross revenue reached R\$ 76,933 billion and net revenue totaled R\$ 69,115 billion, which represented growth by 5.7% and 5.5%, respectively, when compared to 2014, boosted by the expansion of the higher return formats upon the inauguration of 118 new stores, of which 91 stores in the food segment and 27 Casas Bahia. 2015 was marked by the slowdown of consumption from families arising from the deterioration of the economic scenario and has mainly affected sales in the non-food segment. The food category has posted a solid performance over the year, without any significant changes, even with the changes in the consumer behavior, which seeks even more first-price or promotion products. Therefore, the growth in the food segment was 7.1%;
 - Multi-retail: net revenue grew by 1.2%, upon the inauguration of 80 stores in the year (46 Minimercado Extra, 27 Minuto Pão de Açúcar, 5 Pão de Açúcar, 1 Extra Super and 1 gas station). It must be highlighted the continuing market share gain of the Pão de Açúcar brand as a result of the focus on the monitoring and improvement of the service level, differentiated services and variety of products, as well as in Proximity stores (Minimercado Extra and Minuto Pão de Açúcar), as a result of the growth in "clusterization" and adequacy of the varied products in stores. With respect to the Extra brand, it is important to point out the best trend of the customer flow compared to 2014 as a result of the competitiveness, renovation of stores and development of labor specialized in perishable products.
 - Assaí: solid growth by 25.5% of the net revenue of Assaí compared to 2014, reaching R\$ 10,453 million. The brand has increased its share in the Food GPA portfolio to 28% (compared to 24% in 2014) and consolidated its second position in the cash & carry segment in the country;
 - Via Varejo: the net revenue dropped by 15.1%, to R\$ 19,196 million. The year was marked by the slowdown in the consumption of furniture and electric and electronic products as from the second quarter. The smartphone category was the highlight in the year and the Sale for January 2015 and the Black Friday were the major seasonal highlights. 27 new stores were opened and 50 were closed, of which 11 are related to the compliance with CADE's decision.
- gross profit totaled R\$ 15,219 billion and margin of 27.0% (compared to 28.1% in 2014). The lowest level of gross profit and gross margin compared to 2014 reflects mainly the lowest contribution of Via Varejo to the Company's gross profit;
 - Multi-retail: gross profit reached R\$ 7,508 billion, a drop by 0.5% compared to 2014, as a result of the price competitive strategy during the year, mainly at Extra brand, which was partially offset by the increase in the market share of the formats with higher margin (Pão de Açúcar, Minimercado Extra and Minuto Pão de Açúcar), in addition to the growth in the revenue from the lease of store walkways;
 - Assaí: gross profit grew by 27.2% compared to 2014, mainly as a result of the growth of the brand (11 new stores), besides the maturation of new stores;
 - Via Varejo: drop by 16.0% in gross profit mainly arising from investments in competitiveness, in particular in the fourth quarter. Such strategy was enabled and partially offset by the increase in profitability from financial services and products, and decrease in logistics expenses, that enabled recovering the sales volume.

- total operating expenses accounted for 21.2% of the net revenue and totaled in absolute terms R\$ 11,965 billion, which accounts for a growth by 4.8% compared to 2014, substantially below the inflation in the period. The efforts to optimize expenses and improve efficiency implemented during the year in all business resulted in a nominal growth of selling, general and administrative expenses by only 4.4% in 2015, even in view of the higher electric power expenses and costs related to the inauguration of 118 stores in the year. Selling, general and administrative expenses grew from R\$11,137 billion in 2014 to R\$11,628 billion in 2015.
 - Multi-retail: since the beginning of the year, the Company has implemented initiatives to adjust the level of expenses, both in the operational and administrative areas, in order to mitigate the effects from the inflation and higher expenses on electric power during the year. Consequently, selling, general and administrative expenses posted a growth by 7.4% in 2015 compared to 2014, below the inflation in the period;
 - Assaí: selling, general and administrative expenses posted a growth by 27.4% in 2015 as a result of the pressure over the inflation-related expenses and mainly electric power-related expenses, in addition to the higher expenses related to the strong organic growth;
 - Via Varejo: decrease of selling, general and administrative expenses by 2.6% compared to 2014 as a result of the efficiency measures implemented, in particular the closing of deficit stores, optimization of the logistics network and spaces in distribution centers, adequacy of headcount and renegotiation of lease and other service agreements and expenses.
-

- EBITDA Adjusted by line item “Other expenses and operational revenues” totaled R\$ 3,818 billion, with a margin of 6.8%, compared to R\$ 5,168 billion in 2014 and margin of 9.0%. the lowest level in 2015 reflects mainly the lowest contribution of Via Varejo to the Company’s EBITDA.
 - Multi-retail: Adjusted EBITDA reached R\$ 2,055 billion, with a margin of 7.7% in the year, which shows a solid margin level for the segment. The difference in the EBITDA margin compared to 2014 reflects mainly the growth in inflation-related expenses, the higher expenses on electric power and expenses related to the expansion of stores (80 new stores in the year).
 - Assaí: EBITDA grew by 40.2% and it reached R\$ 441 million in the adjusted concept, a growth by 27.5%, above the sales growth. Despite the relevant expansion of stores in the year and pressure on inflation-related expenses and mainly electric power, the EBITDA margin remained stable at 4.2%, as a result of the gain of operating efficiency.
 - Via Varejo: Adjusted EBITDA totaled R\$ 1,321 billion, with a margin of 6.9%. The lowest level compared to 2014 reflects mainly the slowdown of the sales environment for the durable goods sector.

 - The net financial income was negative by R\$ 1,648 billion, a growth by 9.3%, significantly below the growth of the interest rate by 26.8% in the period. The ratio between the net financial income and the net revenue grew from 2.3% in 2014 to 2.4% in 2015, a growth by only 0.1 percentage point, which is virtually stable compared to the prior year, even in a more challenging macroeconomic environment. Such performance was possible as a result of the cash management strategy adopted by the Company during the year, which resulted in an important cash optimization. The main impacts on the financial result were: (i) decrease of the cost of sale of receivables from card and discount of receivables from booklet primarily as a result of the lowest level of sales of the non-food categories in the quarter; and (ii) increase in the cost of debt and others, with variation close to the growth of the interest rate in the period.
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(R\$ million)	Consolidated		
	2015	2014	Δ
Financial Revenue	778	687	13.2
Financial Expenses	(2,426)	(2,195)	10.5
Cost of Sale of Receivables of Credit Card	(721)	(764)	-5.7%
Cost of Discount of Receivables of Payment Book	(325)	(341)	-4.6%
Cost of Debt and Others	(1,380)	(1,090)	26.7
Net Financial Revenue (Expenses)	(1,648)	(1,508)	9.3%
% of Net Revenue	2.4	2.3	0.1 p.p.

- the net profit of the Company's controlling shareholders, as adjusted by Other expenses and Operational Revenues, totaled R\$ 595 million in 2015. It must be pointed out the strength of the Food segment, which totaled Adjusted Net Profit of R\$ 731 million. In view of the challenges of the macroeconomic scenario mentioned above, the Company's results were primarily affected by the result of Via Varejo and Cnova. It must be mentioned that the international operations of Cnova started to be consolidated in GPA beginning August 2014, and, therefore, they were not fully reflected in 2014, which influences the comparison basis. The highlights per business were:
 - Multi-retail: Adjusted Net Profit of R\$ 559 million. The lowest level compared to 2014 results from the lower gross margin arising from the investments in price competitiveness; sales scenario impacted by the deterioration of the economic environment; pressure of expenses arising from the inflation and increase in expenses on electric power;
 - Assaí: Adjusted Net Profit of R\$ 172 million as a result of the strength of the format and discipline in terms of control of expenses, coupled with store maturation;
 - Via Varejo: Adjusted Net Profit of R\$ 149 million. The lowest profit level compared to 2014 is due to the drop in sales in light of the adverse economic scenario for the durable goods sector, coupled with the growth in inflation on fixed costs.
- The Company has been posting over the past years a continuous drop in the leverage level to strengthen even further its financial capacity. Even in a year with unfavorable and challenging macroeconomic environment, the Company has reduced the gross debt by R\$ 1,348 billion and ended the year with a high level of cash reserves of approximately R\$ 11,0 billion, resulting in a net cash position of R\$ 5,511 billion, higher by R\$ 1,214 billion compared to the prior year. Consequently, net cash / EBITDA ratio grew from 0.87x on December 31, 2014 to 2.06x on December 31, 2015. Including the booklets operation (consumer financing) of Via Varejo, the net cash position reached R\$ 3,036 billion on December 31, 2015, an amount 2.1x higher than the prior year. The extension of the debt term, including the booklets operation, was higher by 181 days when compared to December 31, 2014.

- net equity totaled R\$ 13,655 billion, a drop by R\$ 827 million as a result mainly of the result from the non-food segment (Via Varejo and Cnova).
-

For more information, see item 10.1.h.

(b) *capital structure and possibility to redeem shares*

Below is the breakdown of GPA's capital structure for the periods indicated, considering as a percentage rate of own capital the amount resulting from the total shareholders' equity divided by total liabilities (current and non-current) and shareholders' equity, and as a percentage rate of third-party capital the amount resulting from the sum of current and non-current liabilities divided by total liabilities (current and non-current) and shareholders' equity:

(R\$ million)	CONSOLIDATED GPA					
	12.31.2015	AV	12.31.2014	AV	12.31.2013	AV
Liabilities (Current and Non-Current)	33,847	71.3%	31,018	68.2%	25,296	66.6%
Total Net Equity	13,655	28.7%	14,482	31.8%	12,712	33.4%
Total Liabilities and Net Equity	47,502	100.0%	45,500	100.0%	38,008	100.0%

GPA understands that the current capital structure, primarily measured by the Net cash/EBITDA ratio, which was positive in 2015, posted an important decrease in the unleveraged level when compared to the amounts posted in 2014 and 2013, in order to strengthen even further its financial capacity. Even in a year with unfavorable and challenging macroeconomic environment, the Company has ended the year with a decrease in the gross debt by R\$ 1,348 billion and high level of cash reserves of approximately R\$ 11,0 billion.

Including the booklets operation of Via Varejo, the net cash position reached R\$ 3,036 billion on December 31, 2015, an amount 2.1x higher than the prior year. It is important to stress the strong contribution of Via Varejo to the net cash, representing approximately 77% of the Company's net cash with R\$ 2,3 billion. Therefore, the Net cash/EBITDA ratio of the Company posted an important growth in terms of unleveraged, being 3.9x higher when compared to 2014.

The extension of the debt term, including the booklets⁽¹⁾ operation, was higher by 181 days when compared to December 31, 2014.

(1) Booklets operation of Via Varejo – CDCI

The direct consumer credit transactions correspond to the customer installment sales financing activities, through one financial institution under the CDCI category. In CDCI transactions, the Company assumes the ultimate responsibility for the settlement of the financing and the credit risk of the transaction.

(R\$ Million)	Consolidated GPA		
	12.31.2015	12.31.2014	12.31.2013
Short-Term Debt	(1.506)	(3.854)	(2.446)
Loans and Financings	(1.469)	(1.182)	(1.201)
Debentures	(38)	(2.672)	(1.245)
Long-Term Debt	(3.997)	(2.998)	(4.182)
Loans and Financings	(3.100)	(2.102)	(1.583)
Debentures	(897)	(896)	(2.599)
Total Gross Debt	(5.504)	(6.852)	(6.628)
Cash and Financial Investments	11.015	11.149	8.391
Net Cash (Debt)	5.511	4.297	1.763
EBITDA (1)	2.680	4.930	3.814
Net Cash / EBITDA (1)	2,06x	0,87x	0,46x
Booklets - Consumer Financing short term	(2.308)	(2.740)	(2.726)
Booklets Consumer Financing long term	(167)	(136)	(141)
Net Cash with Booklets Consumer Financing	3.036	1.421	(1.104)
Net Cash / EBITDA (1)	1,13	0,29	(0,29)

(1) EBITDA Adjusted by line item "Other expenses and Operational Revenues", thus eliminating extraordinary income and expenses.

There are no events of redemption of shares issued by us.

(c) *ability to make payment in relation to the financial commitments*

GPA's Officers believe that the cash flow, as well as the currently available funds, ensure to GPA full ability to pay all short and long term financial commitments.

It is important to stress that, due to the Group's solid cash position, GPA has been showing a trend of decrease, both of the gross and net debt level.

These results show GPA's capacity to continue to maintain its financial commitments in the short and long term.

(d) *sources of financing for working capital and for investments in noncurrent assets used by GPA*

The raising of funds in 2015, 2014 and 2013 was made through: (A) financial agreements that represent: (i) financing denominated in Brazilian reais with obligation to pay the principal and interest rate pegged to the DI rate; (ii) financing denominated in foreign currency, which are immediately “swapped” in full for payment obligations denominated in Brazilian reais and interest rate pegged to the DI rate, through swap transactions; and (iii) financing obtained from the National Bank for Economic and Social Development (“BNDES”), denominated in Brazilian and increased by annual interest; (B) funds raised in the capital market, through issuances of debentures; (C) generation of cash through its operation; and (D) prepayment of receivables;

There are also suppliers that become parties to agreements with financial institutions, through transfer of the cost incurred with the extension of maturities, still within acceptable business parameters. Due to specific characteristics of this transaction, the balance of R\$1,055 was reclassified to an agreement suppliers account.

In 2015, 2014 and 2013 there were no problems to obtain financing or refinance the existing debt. For more information on the agreements entered into between GPA and BNDES, see “Significant borrowings and financing agreements”, in letter “f” below.

(e) sources of financing for working capital and for investments in noncurrent assets that GPA intends to use to cover deficiencies in liquidity:

In the opinion of the Group’s Officers, the sources of financing used in the fiscal years ended on December 31, 2015, 2014 and 2013 are appropriate and will continue to be used by GPA as sources of financing, if necessary.

(f) indebtedness levels and characteristics of such debts as well as whether the issuer has been compliant with these restrictions

i. material loan and financing agreements

The tables below show GPA’s debt with financial institutions and the funds raised in the capital market on December 31, 2015, 2014 and 2013.

Debt breakdown (including Loans and Financing, Debentures and Booklets – Consumer financing - CDCI).

In R\$ million

	Average Rate	12.31.2015	12.31.2014	12.31.2013
<u>Debentures</u>				
Debentures		935	3.568	3.844
		935	3.568	3.844
<u>Borrowings and Financings</u>				
<u>In local currency</u>				
a. BNDES	TJLP + 3.60 p.a	82	89	82
b. BNDES	3.61% p.a.	16	14	29
c. BNDES	TJLP + 3.60% p.a.	-	82	191
d. BNDES	2.87% p.a.	51	57	10
IBM	CDI 0.71% p.a.	95	108	120
Working capital	106.69% of CDI	1.131	1.006	1.105
Working capital	TR+9.98% p.a.	131	21	-
Working capital	103.75% of CDI	111	753	631
Working capital (i)	15.57% p.a.	-	213	191
Advancement of receivables	109% of CDI	4	-	-
Finance leases		264	263	255
Swap agreements	102.00% of CDI	2	(12)	(24)
Cost of funding		(9)	(9)	(11)
		1.878	2.585	2.579
Foreign currency				
Working capital	USD + 1.88% p.a.	1.756	669	-
Working capital	USD + 1.22% p.a.	1.656	56	294
Swap agreements	103.88% of CDI	(247)	(30)	-
Swap agreements	101.34% of CDI	(475)	4	(89)
		2.690	699	205
Total of debt		5.503	6.852	6.628
CDCI				
CDCI	15,57% p.a.	2.475	2.876	2.867
Total of debt with CDCI		7.978	9.728	9.495

Maturity schedule of loans and financing recognized in non-current liabilities.

<u>Year</u>	<u>Consolidated</u>
2017	2,444
2018	957
2019	523
After 2020	250
Subtotal	4,174
Borrowing costs	(10)
Total	4,164

Direct consumer credit through intervenience – CDCI

Corresponds to the financing through direct consumer credit through intervenience (CDCI) that can be paid in installments in up to 24 months. However, the most used term is below 12 months.

Working capital financing, swap and consumer financing through intervenience

Working capital financing

GPA and its subsidiaries obtain borrowings and financings from the main financial institutions to cover cash requirements for investments.

For these transactions, GPA is required to maintain financial ratios. Such ratios are calculated based on the Company's consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil, in the respective issuance Company, being: (i) the net debt (debt less cash and cash

equivalents and accounts receivable) not exceeding the shareholders' equity; and (ii) consolidated net debt/EBITDA ratio below or equal to 3.25. On December 31, 2015, GPA had met such ratios

Swaps

In relation to foreign currency-denominated transactions, GPA carries out swap transactions to swap obligations denominated in US dollars and fixed interest rates for the Brazilian real pegged to the CDI interest rate (floating rate). The annual average CDI rate in 2015 was 13.23% (10.81 in 2014 and 8.06% in 2013).

BNDES

The credit facility raised by GPA from BNDES is indexed based on the TJLP (long term interest rate), plus spread, resulting in the final interest rate or fixed interest rate.

Financing is paid in monthly installments after a Lock-up Period, as mentioned below.

GPA cannot offer any asset as collateral for loans to other parties without the prior authorization of BNDES.

Debentures

GPA is required to maintain financial ratios in connection with the issuances made. Such ratios are calculated based on the Company's consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil, in the respective issuance Company, being: (i) the net debt (debt less cash and cash equivalents and accounts receivable) not exceeding the shareholders' equity; and (ii) consolidated net debt/EBITDA ratio below or equal to 3.25. On December 31, 2015, GPA had met such ratios.

In R\$ million

	Type	Issuance Value	Outstanding Debentures	Date		Annual Financial Charges	Unit Price	Consolidated		
				Issuance	Maturity			12.31.2015	12.31.2014	12.31.2013
Parent										
6th issuance 1st series - GPA	No preference	540,000	-	03/01/2007	03/01/2013	CDI + 0.5%	-	-	-	-
6th issuance 2nd series - GPA	No preference	239,650	-	03/01/2007	03/01/2013	CDI + 0.5%	-	-	-	-
8th issuance 1st series - GPA	No preference	500,000	-	12/15/2009	12/15/2014	109.50% of CDI	-	-	-	201
9th issuance - 1st series - GPA	No preference	610,000	-	01/05/2011	01/05/2014	107.75% of CDI	-	-	-	813
10th issuance - 1st series - GPA	No preference	800,000	80,000	12/29/2011	06/29/2015	108.50% of CDI	11	-	801	800
11th issuance of Debentures - GPA	No preference	1,200,000	120,000	05/02/2012	11/02/2015	1.00% of CDI	10	-	1,223	1,219

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12th issuance of Debentures - GPA	No preference	900,000	900,000	09/12/2014	09/12/2019	107.00% of CDI	1	939	930	-
Subsidiaries										
3rd issuance - 1st series - Via Varejo	No preference	400,000	40,000	01/30/2012	07/30/2015	CDI + 1.00%	10		420	417
1st issuance - 1st series - Via Varejo	No preference	200,000	-	06/29/2012	12/29/2014	CDI + 0.72%	-		-	200
1st issuance - 2nd series - Via Varejo	No preference	200,000	20,000	06/29/2012	01/29/2015	CDI + 0.72%	10		200	200
1st issuance - 1st series - Nova Ponto.com	No preference	100,104	-	04/25/2012	04/25/2013	105.35% do CDI	-		-	-
Funding Cost								-4	-6	-6
Parent/Consolidated Short and long term								935	3,568	3,844
Current Liabilities								38	2,672	1,245
Non-Current Liabilities								897	896	2,599

Financial lease obligations

The financial and capital lease agreements, which transfer to the Group substantially all risks and benefits arising from the ownership of the leased asset, are capitalized at the inception of the capital lease at the fair value of the leased asset or at the present value of minimum capital lease payments, whichever the lower. Capital lease payments are allocated between financial charges and reduction of capital lease liabilities, so as to obtain a constant interest rate in the balance of liabilities. Financial charges are recognized in the income statement for the year. Leased assets are depreciated during their estimated useful or the capital lease term, whichever the shorter.

The total amount recorded relating to capital lease agreements that are classified as financial are shown in the table below:

	12.31.2015	Consolidated 12.31.2014	12.31.2013
Liabilities from financial and capital lease - minimum rent payments			
Up to 1 year	44	34	56
From 1 to 5 years	157	133	143
Over 5 years	63	96	56
Present value of financial leasing agreements	264	263	255
Future financing charges	238	60	48
Net value of financial leasing agreements	502	323	303

ii Other long term relationships with financial institutions

We currently do not maintain any significant long term relationships with financial institutions, for the fiscal years ended on December 31, 2015, 2014 and 2013, in addition to those described in item 10.1 (f) of this Reference Form.

iii. Level of subordination between our debts

The Officers inform that the level of subordination between GPA's debts is determined in accordance with the provisions of the prevailing legislation.

iv. Any restrictions imposed on us, especially with respect to the limits of indebtedness and contracting of new debts, dividend payouts, disposal of assets, issuance of new securities and disposal of corporate control.

BNDES

The agreements entered into with BNDES are subject to the "Provisions Applicable to BNDES Agreements", whose borrowers from BNDES, including GPA, cannot, without the prior authorization of BNDES: (i) give preference to other credits; (ii) amortize shares; (iii) issue debentures above the limit established; (iv) issue founder's shares; (v) assume new debts; and (vi) dispose of or encumber permanent asset items, subject to the exceptions expressly set forth in the "Provisions Applicable to BNDES Agreements".

Debentures

The debentures issued are not convertible into shares and not collateralized.

The amortization method of these debentures varies according to the issuance. The following types of amortization provide for annual installments (12th issuance of the CBD) beginning the 4th anniversary of the issuance and semiannual interest payments. For more information on the issuance of debentures conducted by GPA, please see item 18 of this Reference Form.

The 12th issuance is entitled to early redemption on any time based on the conditions set out in the issuance instrument. GPA is required to maintain financial ratios in connection with the issuances conducted. Such ratios are calculated based on GPA's consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil, being: (i) the net debt (debt less cash and cash equivalents and accounts receivable) not exceeding the shareholders' equity; and (ii) consolidated net debt/EBITDA ratio below or equal to 3.25. On December 31, 2015, GPA had met such ratios.

Other restrictive covenants

There are loan and financing agreements of CBD and its subsidiaries that provide for the accelerated maturity of the debt in case of transfer of the corporate control, including:

- The loan and financing agreements in national and foreign currency;
- The issuance of CBD's debentures
- The financing agreements for machinery and equipment (FINAME);
- The Agreement for Adhesion to the Hedge System Against Financial Risks – Derivatives (swap, forward and options).

Moreover, the "Provisions Applicable to BNDES Agreements" also prohibit any change in the effective control, direct or indirect, after contracting of the transaction, without prior and express authorization of BNDES.

(g) *limits of use of financing already contracted, percentage already used*

Although it has no fixed financing already contracted, the Company has entered into, on December 31, 2015, credit facility agreements in the amount of R\$ 1,350 billion.

As set out in the financial statement disclosed by the Company in 2015, the agreements were entered into based on the terms and conditions adopted by the market and are effective through 2016 and 2017.

(h) *significant changes in each item of the financial statements*

There are no items that significantly changed the financial statements for 2013, 2014 and 2015.

Income Statement

Fiscal Years Ended on December 31, 2015, 2014 and 2013

GPA Consolidated						
Income Statement - Consolidated	HA 2015		HA 2014		HA 2013	
	12M15	x 2014	12M14	x 2013	12M13	x 2012
R\$ - Million						
Sales Gross Revenue	76.933	5,7%	72.804	12,8%	64.542	12,5%
Sales Net Revenue	69.115	5,5%	65.525	13,3%	57.854	13,4%
Cost of Goods Sold	(52.861)	9,0%	(48.474)	13,6%	(42.672)	14,9%
Depreciation and Amortization - Custo	(141)	33,6%	(105)	35,1%	(78)	-5,5%
Gross Profit	16.113	-4,9%	16.945	12,2%	15.104	9,4%
Selling expenses	(11.291)	9,6%	(10.303)	11,3%	(9.257)	10,1%
General and Administrative Expenses	(1.711)	15,3%	(1.484)	-0,1%	(1.485)	-15,3%
Result of Equity Adjustment	112	4,4%	108	127,4%	47	337,3%
Other Operational Expenses and Revenues	(684)	54,9%	(441)	-34,4%	(673)	1938,9%
Total of Operational Expenses	(13.573)	12,0%	(12.121)	6,6%	(11.368)	11,6%
Operational Profit Before depr. and Financial revenues (expenses) - Ebitda	2.680	-45,6%	4.930	29,3%	3.814	3,0%
Depreciation and Amortization	(963)	17,4%	(821)	4,2%	(787)	4,8%
Operational Profit before taxes and Financial Revenues (Expenses) -ebit	1.576	-60,6%	4.004	35,8%	2.949	2,8%
Financial revenues	778	13,2%	687	7,0%	643	8,3%
Financial expenses	(2.426)	10,5%	(2.195)	19,6%	(1.836)	2,8%
Net financial income	(1.648)	9,3%	(1.508)	26,3%	(1.193)	0,0%
Operational Profit Before Income Tax	(72)	-102,9%	2.496	42,1%	1.756	4,8%
Income Tax	(242)	-67,1%	(736)	104,5%	(360)	-30,8%
Company Net Profit	(314)	-117,8%	1.760	26,0%	1.396	20,7%
Non-Controlling Interest	(565)	-215,4%	490	42,5%	344	226,6%
Profit/Loss of Controlling Shareholders	251	-80,2%	1.270	20,7%	1.052	0,1%
ADJUSTED EBITDA	3.364	-37,4%	5.371	19,7%	4.487	20,1%
<i>% of Sales Net Revenue</i>						
Gross Profit	23,3%	-2,6 p.p.	25,9%	-0,2 p.p.	26,1%	-1,0 p.p.

Expenses with Sales	16,3%	0,6 p.p.	15,7%	-0,3 p.p.	16,0%	-0,5 p.p.
General and Administrative Expenses	2,5%	0,2 p.p.	2,3%	-0,3 p.p.	2,6%	-0,8 p.p.
Result of Equity Adjustment	0,2%	0,0 p.p.	0,2%	0,1 p.p.	0,1%	0,1 p.p.
Other Operational Expenses and Revenues	1,0%	0,3 p.p.	0,7%	-0,5 p.p.	1,2%	1,1 p.p.
Total Operational Expenses	19,6%	1,1 p.p.	18,5%	-1,1 p.p.	19,6%	-0,4 p.p.
Depreciation	1,4%	0,1 p.p.	1,3%	-0,1 p.p.	1,4%	-0,1 p.p.
EBIT	2,3%	-3,8 p.p.	6,1%	1,0 p.p.	5,1%	-0,5 p.p.
Net Financial Revenues (Expenses)	2,4%	0,1 p.p.	2,3%	0,2 p.p.	2,1%	-0,2 p.p.
Profit before Income Tax	-0,1%	-3,9 p.p.	3,8%	0,8 p.p.	3,0%	-0,3 p.p.
Income Tax	0,4%	-0,7 p.p.	1,1%	0,5 p.p.	0,6%	-0,4 p.p.
Company s Net Profit	-0,5%	-3,2 p.p.	2,7%	0,3 p.p.	2,4%	0,1 p.p.
Non-Controlling Interest	-0,8%	-1,5 p.p.	0,7%	0,1 p.p.	0,6%	0,4 p.p.
Net profit	0,4%	-1,5 p.p.	1,9%	0,1 p.p.	1,8%	-0,3 p.p.
EBITDA	3,9%	-3,6 p.p.	7,5%	0,9 p.p.	6,6%	-0,7 p.p.
Adjusted EBITDA	4,9%	-3,3 p.p.	8,2%	0,4 p.p.	7,8%	0,5 p.p.

HA = Horizontal Analysis

(1) The sums and percentages may not confer due to leases

ADJUSTED EBITDA

Operational profit before depreciation and financial income and expenses - Ebitda2.680			-45,6%	4.930	29,3%	3.814	3,0%
Other operating income and expenses	684	54,9%	441	-34,4%	673	1938,9%	
Adjusted Ebitda	3.364	-37,4%	5.371	19,7%	4.487	20,1%	

Cnova Investigation

As disclosed by the Company and subsidiary Cnova NV on December 18, 2015, the Board of Directors of CNova has hired legal advisors and independent accountants to conduct a review of matters related to irregularities in the conduct of employees related to the management of inventories. The matters identified involve mainly the treatment of products returned and damaged in the distribution centers of its Brazilian subsidiary Cnova Comércio Eletrônico S.A. (Cnova Brazil). The investigation will also assess potential accounting impacts on the financial statements related to the conduct under analysis.

Concurrently, the Company's Board of Directors authorized on the same date its Audit Committee to monitor and advise the Board of Directors and the Audit Committee of Cnova, whenever appropriate, in connection with the investigation in progress with respect to such matter.

As reported by CNova and reproduced in the Notice to the market disclosed by the Company on January 12, 2016:

a) The investigations up to the date of the notice to the market indicated a potential overestimation of Cnova in net sales of approximately R\$ 110 million accumulated on December 31, 2015 (preliminarily adjusted in the amounts for the 4Q15).

b) A comprehensive inventory on December 31, 2015 in all seven distribution centers in Brazil was completed with the support of external advisors. The results indicate that no significant adjustment is necessary based on the inventory counting. However, they indicate that a write-off related to the measurement of the amount of damaged/returned items, that account for approximately 10% of total inventories, will be necessary. Moreover, a material discrepancy in the accounts receivable related to the damaged/returned items was also identified. The combined impact, based on preliminary estimates, would result in provisions without cash effects between R\$ 110 million and R\$ 130 million that would reduce the EBIT of Cnova.

c) Accounts payable in Cnova Brazil. CNova identified additional balances of accounts payable from suppliers and providers in the approximate amount of R\$ 70 million. The accounting for a corresponding provision is also expected, which would reduce the EBIT of Cnova.

d) Benchmark of the inventory valuation method. As a result of a benchmark work of methods to measure the inventory amount of e-commerce companies, the costs for the receipt and storage in the distribution centers will cease to be incorporated to the amount of inventories as a retail sector practice, being directly charged against results as fully adopted in the e-commerce sector. The non-recurring cumulative impact is € 10 million. *** CNova stresses the analysis of the impact of the abovementioned adjustments in 2015 and potentially preceding periods (annual consolidated financial statements and quarterly financial communications) is in progress.

Net revenue

2015 x 2014

GPA's consolidated net revenue grew by 5.5% in 2015, from R\$ 65,525 billion in 2014 to R\$ 69,115 billion in 2015.

The Group's main revenues derive from GPA Food operations, comprised of Multi-retail and Assaí; electric and electronic operations (physical stores of Via Varejo) and e-commerce (Cnova). The net revenues are shown in the table below in relation to the fiscal years ended on December 31, 2015, 2014 and 2013:

Net Revenue

(R\$ millions)

	2015	2014	2013
Consolidated⁽¹⁾	69,115	65,525	57,854
Food	37,198	34,741	31,811
Multivarejo⁽²⁾	26,744	26,415	25,538
Assaí	10,453	8,326	6,273
Non-Food	31,988	30,846	26,053
Cnova⁽³⁾	12,721	8,172	4,297
Via Varejo⁽⁴⁾	19,267	22,674	21,756

(1) Not including the revenue arising from intercompany transactions; **(2)** Extra and Pão de Açúcar brands. Including the revenue arising from store walkways; **(3)** Cnova: Cnova Brazil + Cdiscount Group. Includes only the revenue from marketplace commissions, without considering the total revenue from goods; **(4)** Includes the revenue arising from intercompany transactions

The growth in 2015 was boosted by the expansion of the higher return formats upon the inauguration of 118 new stores, of which 91 stores in the food segment (46 Minimercado Extra, 27 Minuto Pão de Açúcar, 11 Assaí, 5 Pão de Açúcar, 1 Extra Super and 1 gas station) and 27 Casas Bahia. 2015 was marked by the slowdown of consumption from families arising from the deterioration of the economic scenario and has mainly affected sales in the non-food segment.

Highlights of GPA Food

It must be highlighted the solid performance of the food category in 2015, without any significant changes, even with the changes in the consumer behavior, which seeks even more first-price or promotion products. Therefore, the growth in the food segment was 7.1%, due to the following factors:

- (i) Solid growth by 25.5% of the net revenue of Assaí, reaching R\$ 10,453 billion. The brand has increased its share in the Food GPA portfolio to 28% (compared to 24% in 2014) and consolidated its second position in the cash & carry segment in the country;

 - (ii) Continuing market share gain of the Pão de Açúcar brand as a result of the focus on the monitoring and improvement of the service level, differentiated services and variety of products, as well as in Proximity stores (Minimercado Extra and Minuto Pão de Açúcar), as a result of the growth in “clusterization” and adequacy of the varied products in stores. With respect to the Extra brand, it is important to point out the best trend of the customer flow compared to 2014 as a result of the competitiveness, renovation of stores and development of labor specialized in perishable products.
-

Highlights of CNova

In 2015, the participation of the marketplace in total GMV grew 916 base points in 2015 reaching 20.5% compared to 11.3% in 2014. The participation of the marketplace in the GMV of Cnova Brazil reached 10.8% (+725 pb). The number of active sellers in the marketplace grew by 43.6%, reaching almost 10,200, while the number of offers of products in the marketplace grew from 12 million to 28 million (+137%). The net sales of Cnova Brazil grew by 5.1% (at constant exchange rate) and the marketplace commission grew by +252%.

Highlights of Via Varejo

2015 was very challenging for the durable goods sector, and in view of such scenario, Via Varejo has worked with focus and discipline to make the necessary adjustments and continue to implement its strategic plan, ensuring its leading position in the market and strengthening the competitive differences. Via Varejo has accelerated operating efficiency initiatives, such as optimization of the logistics network and backoffice synergies with companies of the Group, and adopted process optimization and expense rationalization measures. Among the measures are the review of the store portfolio, upon the closing of 39 low-performance stores, review of the logistics network and spaces in the distribution centers, adequacy of the number of employees with reduction of about 13 thousand positions and renegotiation of lease agreements.

2014 x 2013

The consolidated net revenue of GPA grew by 13.3% in 2014, from R\$ 57,854 billion in 2013 to R\$ 65,525 billion in 2014.

The highlight in 2014 was the substantial organic growth upon the opening of 212 new stores, of which 124 were inaugurated by GPA Food (Multi-retail and Assaí) and 88 by Via Varejo. The consolidation of Cdiscount which was made as from August 1, 2014 has also boosted the growth in sales, as disclosed below in item "Highlights of CNova".

Highlights of GPA Food

The organic growth was significantly reflected on GPA Food. There were 97 new stores in the proximity format, including units of Minimercado Extra and Minuto Pão de Açúcar. In the premium supermarket sector with the Pão de Açúcar brand, the growth in revenues was boosted by the differences in the format, with an even more innovative assortment, besides the opening and conversion of units, totaling 17 new sales points of the chain.

In the Extra brand, a series of measures were adopted to recover the sales of the hiper format, mainly after the second semester, which includes the improvement in the store operation, adequacy of variety of products, communication and continuing strengthening of the competitiveness strategy. Consequently, there was a better trend in the flow of customers at the stores and recovery of *market share*.

In the Assaí brand, nine new stores were inaugurated, besides the expansion of operation in the Northeast region, strengthening the growth strategy of the Cash and Carry operation. Such growth in operation has been strongly contributing to the expansion of sales of Assaí, which posted a growth by 32.7% in the year.

Highlights of CNova

In 2014, CNova was created, as a result of the combination of business between Nova Pontocom, already operated by GPA, and Cdiscount, operating in France and ten more countries. In November 2014, CNova has listed its shares at Nasdaq and, in January 2015, it has listed its shares at Euronext Paris.

In 2014, the net revenue of CNova grew by 90.2%, since it included, as from August 1, 2014, the results of CDiscount. On comparable basis, the growth was 28.1%, a level above the market rate. The strategy adopted in the year was the search for the balance between competitiveness and growth, with efficiency gains and market share.

Highlights of Via Varejo

In 2014, the company was focused on the expansion, with the opening of 88 stores and launching of pioneering initiatives, such as the opening of 20 mobile stores¹, including the Casas Bahia and Pontofrio brands and expansion of the furniture segment with the opening of units focused on the sale of planned environments, a growing segment.

Gross Profit

The international operations of Cnova started to be consolidated in the GPA as from August 2014, therefore, the results of 2014 reflect only 5 months of these operations. For better comparability between periods, the comments relating to the gross profit and operating expenses did not consider the results of Cnova (Cnova Brasil and international operations) in 2015 and 2014.

(R\$ million)	Consolidated			Consolidated (Ex Cnova) ⁽²⁾		
	2015	2014	Δ	2015	2014	Δ
Gross Revenue	76,933	72,804	5.7%	61,978	63,343	-2.2%

Net Revenue	69,115	65,525	5.5%	56,394	57,353	-1.7%
Gross Profit	16,113	16,945	-4.9%	15,219	16,103	-5.5%
Gross Margin	23.3%	25.9%	-2.6 p.p.	27.0%	28.1%	-1.1 p.p.
Selling expenses	(11,291)	(10,303)	9.6%	(10,361)	(9,858)	5.1%
General and Administrative Expenses	(1,711)	(1,484)	15.3	(1,267)	(1,280)	-1.0%
Result of Equity Adjustment	112	108	4.4%	112	110	2.0%
Other Operational Expenses and Revenues	(684)	(441)	54.9%	(449)	(386)	16.2%
Total Operational Expenses	(13,573)	(12,121)	12.0%	(11,965)	(11,413)	4.8%
% of Net Revenue	19.6	18.5	1,1 p.p.	21.2%	19.9%	1.3 p.p.
Depreciation (Logistics)	141	105	33.6%	115	92	25.1%
EBITDA	2,680	4,929	-45,6%	3,369	4,782	-29.5%
EBITDA Margin	3.9%	7.5%	-3.6 p.p.	6.0%	8.3%	-2.3 p.p.
Adjusted EBITDA⁽¹⁾	3,364	5,371	-37,4%	3,818	5,168	-26.1%
Adjusted EBITDA Margin	4.9%	8.2%	-3.3 p.p.	6.8%	9.0%	-2.2 p.p.

(1) EBITDA adjusted by total of line item Other expenses and Operational Revenues , thus eliminating extraordinary income and expenses

(2) For better comparability between periods, the results of Cnova for 2014 and 2015 were excluded, considering that the international operations started to be consolidated in GPA as from August 2014.

In 2015, the Company conducted a work of adequacy to the consumer needs through the strengthening of competitiveness of prices, strengthening of offers and assortment adjustments. The gross profit totaled R\$ 15,219 billion and margin of 23.3%, the lowest level when compared to 2014, mainly reflecting the lower contribution of Via Varejo and Cnova to the Company's gross profit. The highlights by business were:

- ü Multi-retail: The gross margin reached 28.1% in the year, a level slightly below 2014, as a result of the price competitiveness strategy during the year, mainly at Extra brand, which was partially offset by the growth in the market share of the formats with higher margin (Pão de Açúcar, Minimercado Extra and Minuto Pão de Açúcar), besides the growth in the revenue from lease of store walkways;

- ü Assaí: The gross margin grew by 0.2 percentage point, from 14.5% to 14.7%, mainly as a result of the growth in brand (11 new stores) and maturation of new stores;

- ü Via Varejo: The gross margin reached 32.2% due to the higher participation of services in total sales and operating efficiency gains. Accordingly, the Company was able to strengthen the pricing policy and strengthen offers, which contributed to increase the company's competitiveness and accelerate the market share gains.

In 2014, the gross profit grew from R\$ 15,104 billion in 2013 to R\$ 16,945 billion in 2014, a growth by 12.2%. The gross margin totaled 25.9% in 2014, while it was 26.1% in 2013, as a result of the continuing price competitiveness strategy, in addition to the higher participation of the formats that operate with lower margin. The highlights by business were:

- ü Multi-retail: growth in the margin by 0.8 p.p. in the year, primarily as a result of the growth in revenues from lease of store walkways; higher participation in the mix of sales of Pão de Açúcar and Minimercado Extra formats, that operate with higher margin; and lower participation of the electronic products sales in the mix, impacted by the macroeconomic scenario in the year;

- ü Assaí: maintenance of the gross margin in 2014 when compared to 2013 (14.5% and 14.6%, respectively);

- ü Via Varejo: improvement of margin by 9.8%, primarily as a result of the logistics and assembling efficiency improvement initiatives, growth of services and also of financial services and synergies with the group.

In 2013, the gross profit reached R\$ 15,104 billion compared to R\$ 13,807 billion in 2012, a growth by 9.4%. Such growth in gross profit was in line with the growth in sales in the same period. The gross margin was 26.1% in 2013, a drop by 1.0 percentage point compared to 2012.

Operating Income (Expenses)

The comments below did not consider the result of Cnova (Cnova Brazil and international operations in 2015 and 2014, as mentioned in item "Gross profit".

In 2015, the efforts to optimize expenses and improve efficiency implemented during the year in all business resulted in a nominal growth of selling, general and administrative expenses of only 4.4%, below the inflation, even in view of the higher expenses on electric power and costs related to the inauguration of 118 stores in the year. The selling, general and administrative expenses grew from R\$11,137 billion in 2014 to R\$11,628 billion in 2015.

ü Multivarejo: In terms of operating efficiency, the highlight was the growth in operating expenses (selling, general and administrative expenses) of only 3.6%, significantly below the inflation for the period. Such result reflects the initiatives focused on the reduction of expenses implemented since the beginning of the year, primarily related to the optimization of expenses on advertising, renegotiation of leases and operating improvement in stores (review of logistics processes and efficiencies), which permitted adjusting the staff without impacting the quality of the service offered at the stores;

ü Assaí: Even in view of the opening of 11 stores during the year, selling, general and administrative expenses on net revenue (10.5% in 2015 compared to 10.4% in 2014) posted a slight growth by 0.1 p.p, as a result of the expenses related to inflation and mainly electric power

ü Via Varejo: Via Varejo has accelerated operating efficiency initiatives, such as optimization of the logistics network and backoffice synergies with companies of the Group, and adopted process optimization and expense rationalization measures. Among the measures are the review of the store portfolio, upon the closing of 39 low-performance stores, review of the logistics network and spaces in the distribution centers, adequacy of the number of employees with reduction of about 13 thousand positions and renegotiation of lease agreements. Such measures adopted during the year contributed to reduce SG&A by 2.6%, even in view of the inflation rate (IPCA) of 10.67% in the year.

In 2014, total operating expenses reached R\$ 12,121 billion in 2014, a growth by 6.6% when compared to operating expenses in 2013, in the amount of R\$ 11,368 billion. Selling, general and administrative expenses totaled R\$ 11,787 billion, a growth by 9.7% compared to 2013. As a percentage rate of net sales, selling, general and administrative expenses dropped from 18.6% in 2013 to 18.0% in 2014. The main effects were:

ü Multivarejo: growth by 0.7 p.p. of selling, general and administrative expenses on net revenue (19.7% in 2014 compared to 19.0% in 2013), mainly as a result of the impact of the bargaining agreement in 2014; higher expenses with healthcare benefits, that were subject to adjustments higher than inflation rate; higher marketing expenses, so as to expand the disclosure of sales initiatives; and expenses related to the opening an renovation of stores;

ü Assaí: drop by 0.2 p.p. in selling, general and administrative expenses on net revenue (10.4% in 2014 compared to 10.6% in 2013) arising from operating efficiency gains, even with the aggressive store opening plan;

ü Via Varejo: drop by 0.3 p.p. in selling, general and administrative expenses on net revenue (22.4% in 2014 compared to 22.7% in 2013) mainly related to the efficiency gain of store processes, optimization of the hiring of third-party services, higher logistics efficiency and rationalization of administrative, IT and marketing expenses.

In 2013, total operating expenses reached R\$ 11,368 billion, a growth by 11.6% when compared to 2012, which totaled R\$ 10,186 billion, a growth below the growth of the net revenue. Selling, general and administrative expenses totaled R\$ 10,742 billion. As percentage of net revenue, selling, administrative and general expenses reduced from 19.9% in 2012 to 18.6% in 2013.

Other Expenses and Operational Revenues

In 2015, other expenses and operational revenues totaled an expense of R\$ 684 million, a growth by 54.9% when compared to 2014. The growth was mainly due to the expenses with severance amounts paid to the Group executives and employees as a result of the restructuring and write-off of fixed assets.

In 2014 other expenses and operational revenues totaled an expense of R\$ 441 million, a drop by 34.4% when compared to 2013, in the amount of R\$ 673 million. The drop was due to lower expenses with lawsuits in 2014 when compared to 2013.

Depreciation and Amortization

In 2015, depreciations and amortizations totaled R\$ 963 million, representing a growth by 17.3% compared to depreciations and amortizations of R\$ 821 million in 2014. Such growth was mainly due to the depreciation and amortization of new investments made during 2015.

In 2014, depreciations and amortizations totaled R\$ 821 million, representing a growth by 4.2% compared to depreciations and amortizations of R\$ 787 million in 2013. Such growth was mainly due to the depreciation and amortization of new investments made during 2014.

In 2013, depreciations and amortizations totaled R\$ 787 million, representing a growth by 4.8% compared to depreciations and amortizations of R\$ 752 million in 2012. Such growth was mainly due to the depreciation and amortization of new investments made during 2013.

Net Financial Income

In 2015, the net financial income totaled an expense of R\$1,648 billion, a growth by 9.3% compared to 2014, significantly lower than the growth in interest rate of 26.8% in the period. The ratio between net financial income and net revenue grew from 2.3% in 2014 to 2.4% in 2015, a growth by only 0.1 percentage point, which remained practically stable compared to the prior year, even in a more challenging macroeconomic environment. Such result is due to the cash management strategy conducted by the Company during the year, which generated important cash optimization.

The Company has been posting in the past years a continuing drop in the leverage level, in order to strengthen even further its financial capacity. Even in a year with unfavorable and challenging macroeconomic environment, the Company ended the year with high level of cash reserves of approximately R\$ 11.0 billion. The extension of the debt term, including the booklets operations was higher by 181 days when compared to December 31, 2014.

In 2014, the net financial income in 2014 totaled an expense of R\$1,508 billion compared to R\$1,193 billion in 2013, a growth by 26.3% compared to 2013, below the growth in the CDI rate in the period (33.9%). The main impacts on the financial result were: (i) growth by 12.0% of charges on the net bank debt, below the growth in the CDI rate, reflecting the improvement of working capital in the period; (ii) growth in the cost of prepayment of receivables from booklet and sale of receivables from credit card by R\$ 220 million, in line with the growth in the net revenue, besides the growth in interest rate; and (iii) growth in the adjustment of other assets and liabilities of R\$ 68 million, primarily related to the variation in cash profitability, offset by the higher adjustment of provisions for contingencies.

GPA ended 2014 with a net cash position of R\$1,421 billion, compared to a net debt position of R\$1,104 billion in 2013, arising mainly from the higher cash generation in the period, improvement of working capital. GPA has posted cash reserves of approximately R\$11,1 billion at the end of December 2014 compared to R\$8,4 billion in 2013, which demonstrates an important strengthening of the capital structure of GPA, mainly during higher volatility period of the economic scenario.

In 2013, the net financial income totaled R\$1,193 billion, the same amount as 2012 (R\$1,193 billion). As a percentage of net sales, the net financial income dropped from 2.3% to 2.1%, due to the following reasons: (i) drop of the effect of interest on net debt of R\$ 14 million, mainly related to the slow reduction of the debt during 2013; (ii) increase in the cost of prepayment of receivables from booklet and sale of receivables from credit card by R\$106 million, in line with the growth in net revenue, besides the growth in interest rate; and (iii) gain in the adjustment of other assets and liabilities of R\$92 million, mainly caused by the prepayment of REFIS during the year, besides the higher prepayment of suppliers, generating a higher financial income in 2013 when compared to 2012.

The net debt totaled R\$1,104 billion in 2013, a drop by R\$2,302 billion compared to 2012, mainly due to the higher cash generation in the period, which was specifically boosted by the efforts to improve working capital. Moreover, the public offer of distribution of Units comprised of one (1) common share and two (2) preferred shares issued by Via Varejo, which represented a cash inflow in the gross amount of R\$896 million, has also contributed to the reduction of the debt position.

Net Profit

In 2015, as a result of the challenges of the macroeconomic scenario, the Company's result was mainly affected by the result of Via Varejo and Cnova. It must be mentioned that the international operations of Cnova started to be consolidated in the GPA as from August 2014, therefore, they were not fully reflected in 2014, which influences the comparison basis.

Consolidated			
(R\$ million)	2015	2014	Δ
EBITDA	2,680	4,929	-45.6%
Depreciation (Logistics)	(141)	(105)	33.6%
Depreciation and Amortization	(963)	(821)	17.4%
Financial Income	(1,648)	(1,508)	9.3%
Operational Profit (Loss) before Income Tax	(72)	2,496	n.a.
Income Tax	(242)	(736)	-67.1%
Company's Net Profit (Loss)	(314)	1,760	n.a.
Net Margin	-0.5%	2.7%	-3.2 p.p.
Net Profit of the Controlling Shareholders	251	1,270	-80.2%
Net Margin - Controlling Shareholders	0.4%	1.9%	-1.5 p.p.
Other Operational Expenses and Revenues	(684)	(441)	54.9%
Income Tax on Other Operational Expenses and Revenues and Non-Recurring Income Tax	134	117	14.6%
Company's Net Adjusted Profit (Loss) ⁽¹⁾	236	2,085	-88.7%
Adjusted Net Margin - Company	0.3%	3.2%	-2.9 p.p.
Controlling Shareholders' Adjusted Net Profit ⁽¹⁾	595	1,546	-61.5%
Adjusted Net Margin – Controlling Shareholders	0.9%	2.4%	-1.5 p.p.

(1) Adjusted Net Profit by the line item "Other expenses and Operational Revenues", thus eliminating extraordinary income and expenses

The Company has ended 2015 with net profit of controlling shareholders, adjusted by Other expenses and Operational Revenues, of R\$ 595 million. It must be highlighted the strength of the Food segment, which totaled Adjusted Net Profit of R\$ 731 million. The highlights by business were:

ü Multivarejo: The lower level compared to 2014 results from the lower gross margin arising from the investments in price competitiveness, sales scenario impacted by the deterioration of the economic environment and pressure of expenses arising from the inflation rate and growth in the expenses with electric power. Hence, the Adjusted Net Profit totaled R\$ \$ 559 million in 2015.

ü Assaí: the assertivity of the format and discipline in the control of expenses, coupled with the store maturation resulted in an Adjusted Net Profit of R\$ 172 million.

ü Via Varejo: The lower level of profit compared to 2014 is due to the drop in sales in view of the adverse economic scenario for the durable goods sector which, coupled with the increase in inflation rates on fixed costs, resulted in an Adjusted Net Profit of R\$ 149 million.

Balance Sheet

Fiscal Years Ended on December 31, 2015, 2014 and 2013

Consolidated Balance Sheet - Assets

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**BALANCE SHEET
ASSETS**

CONSOLIDATED GPA

(R\$ million)	AH 2015 x			AH 2014 x			AH 2013 x		
	<u>31.12.2015</u>	AV	2014	<u>31.12.2014</u>	AV	2013	<u>31.12.2013</u>	AV	2012
Current Assets	24,998	52.6%	3.6%	24,133	53.0%	29.7%	18,609	49.0%	11.6%
Cash and Cash Equivalents	11,015	23.2%	-1.2%	11,149	24.5%	33.2%	8,367	22.0%	18.1%
Financial Investment	-	0.0%	<i>na</i>	-	0.0%	<i>na</i>	24	0.00	-
Accounts Receivable	3,218	6.8%	0.2%	3,210	7.1%	27.6%	2,516	6.6%	-4.9%
Receivable funds (FIDC)	-	-	-	-	-	-	-	-	-
Inventories	8,989	18.9%	7.0%	8,405	18.5%	31.7%	6,382	16.8%	10.8%
Recoverable taxes	1,102	2.3%	36.4%	808	1.8%	-11.0%	908	2.4%	4.2%
Assets available for sale	15	0.0%	-31.3%	22	0.0%	-43.8%	39.13	-	<i>na</i>
Prepaid expenses and other accounts receivable	659	1.4%	22.2%	539	1.2%	44.5%	373	1.0%	17.6%
Non-Current Assets	22,504	47.4%	5.3%	21,367	47.0%	10.1%	19,398	51.0%	6.9%
Accounts Receivable	98	0.2%	-6.7%	105	0.2%	-8.6%	115	0.3%	5.9%
Inventories	-	0.0%	<i>na</i>	172	0.4%	-0.2%	172	0.5%	0.0%
Recoverable taxes	2,445	5.1%	14.5%	2,136	4.7%	49.5%	1,429	3.8%	16.0%
Deferred income tax and social contribution	564	1.2%	14.8%	491	1.1%	-48.4%	951	2.5%	-11.9%
Related parties	309	0.7%	-1.3%	313	0.7%	82.0%	172	0.5%	-3.6%
Deposits for judicial appeals	999	2.1%	16.6%	857	1.9%	5.1%	815	2.1%	-14.4%
Prepaid expenses and others	676	1.4%	0.5%	673	1.5%	-1.2%	681	1.8%	10.1%
Investments	407	0.9%	-4.5%	426	0.9%	37.6%	310	0.8%	-14.6%
Fixed Assets	10,398	21.9%	7.2%	9,699	21.3%	7.1%	9,053	23.8%	11.6%
Intangible Assets	6,609	13.9%	1.8%	6,495	14.3%	13.9%	5,701	15.0%	14.6%
TOTAL ASSETS	47,502	100.0%	4.4%	45,500	100.0%	19.7%	38,007	100.0%	9.1%

Consolidated Balance Sheet - Liabilities

LIABILITY									
GPA CONSOLIDATED									
(R\$ million)	HA 2015 x			HA 2014 x			HA 2013 x		
	<u>12.31.2015</u>	AV	2014	<u>12.31.2014</u>	AV	<u>2013</u> <u>12.31.</u>	2013	AV	2012
Current liabilities	25,231	53.1%	5.8%	23,848	52.4%	40.2%	17,010	44.8%	27.0%
Suppliers	15,484	32.6%	16.2%	13,322	29.3%	55.8%	8,548	22.5%	37.0%
Suppliers Agreement	1,055	2.2%	0.0%	-	0.0%	0.0%	-	0.0%	0.0%
Borrowings and financing	3,777	8.0%	-3.7%	3,922	8.6%	-0.1%	3,927	10.3%	10.8%
Debentures	38	0.1%	-98.6%	2,672	5.9%	114.6%	1,245	3.3%	86.3%
Salaries and social charges	1,023	2.2%	18.4%	864	1.9%	8.5%	796	2.1%	9.2%
Taxes and contributions payable	829	1.7%	-4.3%	867	1.9%	5.1%	825	2.2%	26.8%
Proposed dividends	2	0.0%	-99.4%	321	0.7%	111.2%	152	0.4%	-10.0%
Financing by purchase of assets	113	0.2%	15.3%	98	0.2%	172.2%	36	0.1%	-59.2%
Payable rents	151	0.3%	31.3%	115	0.3%	2.7%	112	0.3%	34.4%
Acquisition of interest from non-controlling shareholders	76	0.2%	4.3%	73	0.2%	5.8%	69	0.2%	9.5%
Related parties	563	1.2%	115.6%	261	0.6%	690.9%	33	0.1%	-59.0%
Advertisement	121	0.3%	28.9%	94	0.2%	5.6%	89	0.2%	-21.2%
Provision for restructuring	6	0.0%	483.5%	1	0.0%	-95.2%	21	0.1%	-14.5%
Tax installments	-	0.0%	na	-	0.0%	na	144	0.4%	-7.3%
Prepaid revenues	420	0.9%	96.4%	214	0.5%	86.1%	115	0.3%	24.8%
Other	1,573	3.3%	53.6%	1,024	2.3%	14.0%	898	2.4%	29.9%
Non-current liabilities	8,616	18.1%	20.2%	7,170	15.8%	-13.5%	8,285	21.8%	-20.1%
Borrowings and financings	3,267	6.9%	46.0%	2,238	4.9%	29.8%	1,724	4.5%	-32.1%
Debentures	897	1.9%	0.1%	896	2.0%	-65.5%	2,599	6.8%	-30.5%
Financing by purchase of assets	4	0.0%	-50.0%	8	0.0%	-33.3%	12	0.00	na
Acquisition of interest from non-controlling shareholders	28	0%	-50.8%	57	0.1%	-47.2%	108	0.3%	-31.7%
Deferred income tax and social contribution	1,184	2.5%	4.5%	1,133	2.5%	6.8%	1,061	2.8%	-6.7%
Tax installments	572	1.2%	-7.3%	617	1.4%	-42.5%	1,073	2.8%	-10.9%
Provision for judicial demands	1,396	2.9%	3.9%	1,344	3.0%	17.2%	1,147	3.0%	48.1%

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Prepaid revenues	1,223	2.6%	46.7%	834	1.8%	82.9%	456	1.2%	-3.3%
Other	45	0.1%	4.1%	43	0.1%	-59.0%	105	0.3%	-69.6%
Net Worth	13,655	28.7%	-5.7%	14,482	31.8%	13.9%	12,712	33.4%	14.9%
Subscribed capital	6,806	14.3%	0.2%	6,792	14.9%	0.4%	6,764	17.8%	0.8%
Capital reserves	302	0.6%	7.0%	282	0.6%	21.0%	233	0.6%	2.1%
Profit reserves	3,356	7.1%	-4.3%	3,506	7.7%	41.0%	2,486	6.5%	59.7%
Interest of non-controlling shareholders	3,191	6.7%	-18.2%	3,902	8.6%	20.9%	3,229	8.5%	25.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	47,502	100.0%	4.4%	45,00	100.0%	19.7%	38,007	100.0%	9.1%

Assets

Current

Cash and cash equivalents

In 2015, cash and cash equivalents remained similar to 2014, from R\$ 11,149 billion in 2014 to R\$ 11,015 billion. The main variations were: cash flow from operating activities lower by R\$ 369 million, besides the growth by R\$ 217 million in investment activities and R\$ 2,370 billion in financing activities compared to 2014. Cash and cash equivalents represented 23.2% of total assets compared to 24.5% on December 31, 2014.

In 2014, cash and cash equivalents grew by 33.2%, from R\$ 8,367 billion in 2013 to R\$ 11,149 billion, whose variation is explained by the cash flow from operating activities higher by R\$ 124 million, besides the reduction by R\$ 377 million in investment activities and R\$ 948 million in financing activities when compared to 2013. Cash and cash equivalents represented 24.5% of total assets compared to 22.0% on December 31, 2013.

In 2013, cash and cash equivalents grew by 18.1%, from R\$ 7,086 billion in 2012 to R\$ 8,367 billion. Cash and cash equivalents represented 22.0% of total assets compared to 20.3% on December 31, 2012.

Accounts receivable

On December 31, 2015, accounts receivable remained virtually stable, from R\$ 3,210 billion in 2014 to R\$ 3,218 billion. The main variations were: i) growth by R\$ 444 million in accounts receivable from credit card, as a result of the lower frequency of prepayment of receivables; and ii) drop by R\$ 598 million in the balance of receivables from CDCI, as a result of the lower level of sales of non-food categories.

On December 31, 2014, accounts receivable grew by 7.1%, from R\$ 2,516 billion in 2013 to R\$ 3,210 billion, whose variation of R\$ 694 million is mainly related to: i) R\$ 300 million of accounts receivable

related to consolidated balances of CDiscount; ii) growth in the balance of receivables from CDCI by R\$ 226 million, partially reduced by the increase in the allowance for doubtful accounts, reducing the balance by R\$ 111 million, besides other effects of R\$ 42 million.

On December 31, 2013, accounts receivable dropped by 4.9%, from R\$ 2,646 billion in 2012 to R\$ 2,516 billion, arising mainly from: i) decrease in the balance of accounts receivable from credit cards and tickets of about R\$ 180 million, related mainly to the higher sale of receivables from credit cards in the last 5 days of 2013 (in 2012 such effect was impaired, because the last three days of the year were a weekend); ii) growth in the balance of booklets of around R\$ 170 million, or 8%, related to the growth in sales of Via Varejo; iii) growth in the allowance for doubtful accounts, mainly related to the growth in the balance of booklets of about R\$ 40 million; iv) decrease in the balance of debit card customers receivable by approximately R\$ 70 million relating to the calendar effect.

Recoverable taxes

As at December 31, 2015, short-term recoverable taxes increased by 36.4%, from R\$ 808 million in 2014 to R\$ 1.102 billion, mainly due to the merger of Nova Holding in CBD and Via Varejo, which resulted in the reclassification of approximately R\$280 million from long term to short term.

As at December 31, 2014, short-term recoverable taxes decreased by 11.0%, from R\$ 908 million in 2013 to R\$ 808 million, mainly due to the review of GPA monetization study.

As at December 31, 2013, the taxes increased by 4.2%, from R\$ 871 million in 2012 to R\$ 908 million. This variation is mainly related to: i) increase in the ICMS balance of R\$ 80 million; ii) PIS/COFINS reduction of R\$ 14 million; iii) IRRF reduction of R\$ 20 million; and iv) reduction of R\$ 16 million income tax and social contribution.

Prepaid expenses and other accounts receivable

As at December 31, 2015, prepaid expenses and other accounts receivable increased by 22.2%, from R\$ 539 million in 2014 to R\$ 659 million, relating to rentals receivable and other amounts.

As at December 31, 2014, prepaid expenses and other accounts receivable increased by 44.5%, from R\$ 373 million in 2013 to R\$ 539 million, whose increase was mainly related to reimbursements in the total amount of R\$ 37 million; increase of R\$ 38 million in prepaid expenses relating to R\$ 7 million in advanced rentals, R\$ 9 million from new advisory agreements and R\$24 million from the consolidation of CDiscount.; R\$ 15 million from dividends receivable from FIC; R\$ 30 million from rentals receivable; and R\$ 46 million from changes in other accounts receivable.

As at December 31, 2013, prepaid expenses increased by 17.6%, from R\$ 317 million in 2012 to R\$ 373 million, whose increase mainly resulted from the advanced marketing expenses in Via Varejo, in the amount of R\$ 20 million, and the transfer of the purchase option of three gas stations of Rede Duque from financial instruments to line item "Other accounts receivable", in the total of R\$ 49 million, as such option was exercised by the counterparty.

Inventories

In 2015, inventories increased by 7.0%, from R\$ 8.405 billion in 2014 to R\$ 8.989 billion, mainly due to the strategic purchases and accelerated organic expansion in the fourth quarter. As at December 31, 2015, inventories accounted for 18.9% of total assets and 18.5% as at December 31, 2014. The GPA inventory days decreased from 62 to 61 days between 2015 and 2014, whose inventory increase resulted from the inflation for the period.

In 2014, inventories increased by 31.7%, from R\$ 6.382 billion in 2013 to R\$ 8.405 billion, which is higher than the sales increase due to the consolidation of CDiscount and increase of the coverage of the inventory days in 8 days through the Group several businesses, as a result of the strategic purchases and accelerated organic expansion in the fourth quarter.

As at December 31, 2014, inventories accounted for 18.5% of total assets and 16.8% as at December 31, 2013.

In 2013, inventories increased by 10.8%, from R\$ 5.760 billion in 2012 to R\$ 6.382 billion, an increase lower than the sales increase, due to the reduction of two days of the average balance of inventories between 2013 and 2012. This variation mainly resulted from the reduction of 4 days of inventories in the Retail Food segment and 5 days in the Eletro segment. Nova Pontocom remained stable, and Assaí increased the inventory days mainly by virtue of the strong expansion to the states in which Assaí did not operate previously.

As at December 31, 2013, inventories accounted for 16.8% of total assets and 16.5% as at December 31, 2012.

Non-current

In 2015, non-current assets, excluding fixed assets, intangible assets and investments, increased from R\$ 4.747 billion in 2014 to R\$ 5.091 billion. The increase of R\$ 344 million resulted mainly from the increase in recoverable taxes of R\$309 million relating to the increased generation of ICMS credits.

As at December 31, 2015, these line items accounted for 10.7% of total assets and 10.4% as at December 31, 2014.

In 2014, non-current assets, excluding fixed assets, intangible assets and investments, increased from R\$ 4.335 billion in 2013 to R\$ 4.747 billion. The increase of R\$ 412 million is explained by the following: i) increase of R\$ 707 million in recoverable taxes mainly represented by ICMS credits; ii) reduction of R\$ 460 million in deferred income tax relating to the tax losses used in the payment of installments and offset against tax profits in the operations; iii) increase of R\$ 141 million in balance receivable from related parties, mainly related to CDiscout; and vi) other effects in the amount of R\$ 24 million.

As at December 31, 2014, these line items accounted for 10.4% of total assets and 11.4% as at December 31, 2013.

In 2013, non-current assets, excluding fixed assets, intangible assets and investments, decreased by 7.7%, from R\$ 4.699 billion in 2012 to R\$ 4.335 billion. The decrease of R\$ 364 million resulted from the following: i) conversion of the financial instruments totaling R\$ 359 million relating to Rede Duque and

Bartira, in other accounts receivable and intangible assets; ii) increase in recoverable taxes in the amount of R\$ 197 million basically related to the increased generation of ICMS and PIS/COFINS credits; iii) reduction of deferred income tax and social contribution liabilities in the amount of R\$ 128 million, mainly related to the effects from the differences between accounting and tax depreciation; iv) reduction of escrow deposits in the amount of R\$ 137 million relating to labor risks; and v) increase in other costs in the amount of R\$ 62 million.

As at December 31, 2013, these line items accounted for 11.4% in total assets and 13.5% as at December 31, 2012.

Investments

In 2015, investments decreased by 4.5%, from R\$ 426 million in 2014 to R\$ 407 million. This reduction resulted mainly from the offset of investments in Cdiscount operations, of R\$(7) million, and increase in FIC dividends of R\$(8) million.

As at December 31, 2015, investments accounted for 0.9% of total assets.

In 2014, investments increased by 37.6%, from R\$ 310 million in 2013 to R\$ 426 million. This increase resulted mainly from the equity in subsidiaries recorded by FIC, net of distributed dividends of R\$ 83 million, and classifications of certain properties as investment properties as from this year, in the amount of R\$ 25 million. As at December 31, 2014, investments accounted for 0.9% of total assets and 0.8% as at December 31, 2013.

In 2013, investments decreased by 14.6%, from R\$ 362 million in 2012 to R\$ 310 million in 2013. As at December 31, 2013, investments accounted for 0.8% of total assets and 1.0% as at December 31, 2012.

Fixed assets

In 2015, fixed assets increased by 7.2%, from R\$ 9.699 billion in 2014 to R\$ 10.398 billion. This increase resulted from: i) R\$ 1.613 billion of additions due to the opening and conversion of stores; ii) R\$ 781 million from depreciation for the year; and iii) R\$ 148 million from offsets.

As at December 31, 2015, fixed assets accounted for 21.9% of total assets compared to 21.3% as at December 31, 2014.

In 2014, fixed assets increased by 7.1%, from R\$ 9.053 billion in 2013 to R\$ 9.699 billion. This increase mainly resulted from: i) R\$ 1.489 billion from additions due to the opening and conversion of stores; ii) R\$ 714 million from depreciation in the year; iii) R\$ 102 million from offsets; and iv) R\$ 27 million from transfers and other.

As at December 31, 2014, fixed assets accounted for 21.3% of total assets compared to 23.8% as at December 31, 2013.

In 2013, fixed assets increased by 11.6%, from R\$ 8.114 billion in 2012 to R\$ 9.053 billion. This increase is mainly related to: i) R\$ 1.746 billion from additions due to the opening and conversion of stores; ii) R\$ 642 million from depreciation in the year; iii) R\$ 133 million from offsets; and iv) R\$ 31 million from transfers and other.

As at December 31, 2013, fixed assets accounted for 23.8% of total assets compared to 23.3% as at December 31, 2012.

Intangible assets

In 2015, intangible assets increased by 1.8%, from R\$ 6.495 billion in 2014 to R\$ 6.609 billion. This increase is mainly related to: i) R\$ 426 million from additions; ii) R\$ 297 million from amortization in the year; iii) R\$ 62 million from offsets; iv) R\$ 103 million from reorganization offsets; and v) R\$150 million from changes in exchange rates.

As at December 31, 2015, intangible assets accounted for 13.9% of total assets compared to 14.3% as at December 31, 2014.

In 2014, intangible assets increased by 14.3%, from R\$ 5.701 billion in 2013 to R\$ 6.495 billion. This increase is mainly related to: i) R\$ 537 million from additions, mainly composed of R\$ 311 million from software, R\$ 187 million from contractual rights and R\$ 39 million from others; ii) R\$ 217 million from amortization in the year; iii) R\$ 452 million from intangible assets merged as a result of the consolidation of subsidiary CDiscount; and iv) R\$ 22 million from transfers and other.

As at December 31, 2014, intangible assets accounted for 14.3% of total assets compared to 15.0% as at December 31, 2013.

In 2013, intangible assets increased by 14.6%, from R\$ 4.976 billion in 2012 to R\$ 5.701 billion. This increase is mainly related to: i) R\$ 978 million from additions, mainly composed of R\$ 603 million from Bartira goodwill, R\$ 265 million from software and R\$ 82 million from intangible assets allocated to the Bartira business combination; ii) R\$ 223 million from amortization in the year; and iii) R\$ 30 million from transfers and other.

As at December 31, 2013, intangible assets accounted for 15.0% of total assets compared to 14.3% as at December 31, 2012.

Liabilities

Current

Trade payables

In 2015, trade payables increased by 16.2%, from R\$ 13.322 billion in 2014 to R\$ 15.484 billion. This variation resulted from the increase of approximately 10 days in trade payables in 2015.

As at December 31, 2015, trade payables accounted for 32.6% of total liabilities, including shareholders' equity, compared to 29.3% as at December 31, 2014.

In 2014, trade payables increased by 55.8%, from R\$ 8.548 billion in 2013 to R\$ 13.322 billion. This variation resulted from the increase in GPA sales and debt postponement with suppliers, due to the increase in term above 15 days. In addition, the consolidation of the Cdiscount balance contributed to the increase in trade payables.

As at December 31, 2014, trade payables accounted for 29.3% of total liabilities, including shareholders' equity, compared to 22.5% as at December 31, 2013.

In 2013, trade payables increased by 37.0%, from R\$ 6.240 billion in 2012 to R\$ 8.548 billion. This variation resulted from the increase in GPA sales and debt postponement with suppliers, with the increase in term above 15 days, with efforts in all sectors. As at December 31, 2013, trade payables accounted for 22.5% of total liabilities, including shareholders' equity, compared to 17.9% as at December 31, 2012.

Loans and financing – short term

In 2015, short-term loans and financing, excluding debentures, decreased by 3.7%, from R\$ 3.922 billion in 2014 to R\$ 3.777 billion. This variation resulted from the reduction in CDCI liabilities, in the amount of R\$645 million, relating to the reduction of Via Varejo's operations, and the remaining amount from the change in working capital.

As at December 31, 2015, short-term loans and financing, excluding debentures, accounted for 8.0% of total liabilities, including shareholders' equity, compared to 8.6% as at December 31, 2014.

In 2014, short-term loans and financing, excluding debentures, decreased by 0.1%, from R\$ 3.927 billion in 2013 to R\$ 3.922 billion. These line items remained basically stable and are mainly represented by CDCI liabilities.

As at December 31, 2014, short-term loans and financing, excluding debentures, accounted for 8.6% of total liabilities, including shareholders' equity, compared to 10.3% as at December 31, 2013.

In 2013, short-term loans and financing, excluding debentures, increased by 10.8%, from R\$ 3.543 billion in 2012 to R\$ 3.927 billion. This variation resulted from the CDCI increase of 9%, or R\$ 228 million, of Via Varejo, aligned with the increase in related receivables, as well as the working capital, mainly in the transfer of long term to short term. As at December 31, 2013, short-term loans and financing accounted for 10.3% of total liabilities, including shareholders' equity, compared to 10.2% as at December 31, 2012.

Debentures – short term

In 2015, short-term debt represented by debentures issued by the Company decreased by 98.6%, from R\$ 2.672 billion in 2014 to R\$ 38 million. The variation mainly resulted from the settlement of the following debentures: i) 10th and 11th issue of CBD; ii) 1st and 3rd issue of Via Varejo.

As at December 31, 2015, short-term debentures accounted for 0.1% of total liabilities, including shareholders' equity, compared to 5.9% as at December 31, 2014.

In 2014, short-term debt represented by debentures issued by the Company increased by 114.6%, from R\$ 1.245 billion in 2013 to R\$ 2.672 billion. The variation mainly resulted from the settlement of debentures of the 8th and 9th issue of CBD and 1st issue of Via Varejo, as well as transfer to short term of the debentures of the 10th and 11th issue of CBD, and 1st (2nd series) and 3rd issue of Via Varejo falling due in 2015.

As at December 31, 2014, the short-term debentures accounted for 5.9% of total liabilities, including net equity, compared to 3.3% as at December 31, 2013.

In 2013, short-term debt represented by debentures issued by the Company increased by 86.2%, from R\$ 668 million in 2012 to R\$ 1.245 billion. The variation resulted mainly from the transfer of the balances of debentures of the 8th and 9th issue to short term. As at December 31, 2013, short-term debentures accounted for 3.3% of total liabilities, including shareholders' equity, compared to 1.9% as at December 31, 2012.

Payroll and social security contribution

In 2015, payroll and social security contribution increased by 18.4%, from R\$ 864 million in 2014 to R\$ 1.023 billion, mainly by virtue of the collective agreement and related effects on charges and labor provisions.

As at December 31, 2015, payroll and social security contribution accounted for 2.2% of total liabilities, including net equity, compared to 1.9% as at December 31, 2014.

In 2014, payroll and social security contribution increased by 8.5%, from R\$ 796 million in 2013 to R\$ 864 million, mainly due to the collective agreement and related effects on charges and labor provisions.

As at December 31, 2014, payroll and social security contribution accounted for 1.9% of total liabilities, including net equity, compared to 2.1% as at December 31, 2013.

In 2013, payroll and social security contribution increased by 9.2%, from R\$ 729 million in 2012 to R\$ 796 million. The variation is mainly due to the collective agreement and related effects on charges and labor provisions. As at December 31, 2013, payroll and social security contribution accounted for 2.1% of total liabilities, including net equity, at the level as at December 31, 2012.

Taxes and contributions payable

In 2015, taxes and contributions payable decreased by 4.3%, from R\$ 867 million in 2014 to R\$ 830 million. The variation resulted from the decrease in taxes payable, offset by taxes on sales.

As at December 31, 2015, taxes and contributions payable accounted for 1.7% of total liabilities, including shareholders' equity, compared to 1.9% as at December 31, 2014.

In 2014, taxes and contributions payable decreased by 4.0%, from R\$ 825 million in 2013 to R\$ 792 million. The variation mainly resulted from income tax on GPA capital gains in 2013, relating to the public offer for distribution of Units of Via Varejo in the amount of R\$ 134 million, and increase in taxes due to the increase in operations in 2014, mainly in Via Varejo.

As at December 31, 2014, taxes and contributions payable accounted for 1.7% of total liabilities, including shareholders' equity, compared to 2.2% as at December 31, 2013.

In 2013, taxes and contributions payable increased by 26.8%, from R\$ 651 million in 2012 to R\$ 825 million. The variation mainly resulted from income tax on GPA capital gains, relating to the public offer for distribution of Units of Via Varejo in the amount of R\$ 134 million, and increase in taxes due to the increase in operations. As at December 31, 2013, taxes and contributions payable accounted for 2.2% of total liabilities, including shareholders' equity, compared to 1.9% as at December 31, 2012.

Non-current

Loans and financing – long term

In 2015, long-term loans and financing, excluding debentures, increased by 46.0%, from R\$ 2.238 billion in 2014 to R\$ 3.267 billion. This increase mainly resulted from working capital loans in foreign currencies with swap at local rate.

As at December 31, 2015, long-term loans and financing, excluding debentures, accounted for 6.9% of total liabilities, including shareholders' equity, compared to 4.9% as at December 31, 2014.

In 2014, long-term loans and financing, excluding debentures, increased by 29.8%, from R\$ 1.724 billion in 2013 to R\$ 2.238 billion. This increase mainly resulted from working capital loans in foreign currencies with swap at local rate.

As at December 31, 2014, long-term loans and financing, excluding debentures, accounted for 4.9% of total liabilities, including shareholders' equity, compared to 4.5% as at December 31, 2013.

In 2013, long-term loans and financing, excluding debentures, decreased by 32.1%, from R\$ 2.539 billion in 2012 to R\$ 1.724 billion. The variation resulted mainly from the maturities of the working capital loans, as well as the increase in IBM finance leasing agreement with Via Varejo. As at December 31, 2013, long-term borrowings and financing accounted for 4.5% of total liabilities, including shareholders' equity, compared to 7.3% as at December 31, 2012.

Debentures – long term

In 2015, long-term debt represented by debentures issued by the Company remained basically stable, from R\$ 896 million in 2014 to R\$ 897 million.

As at December 31, 2015, long-term debentures accounted for 2.0% of total liabilities, including shareholders' equity, compared to 6.8% as at December 31, 2013.

In 2014, long-term debt represented by debentures issued by the Company decreased by 65.5%, from R\$ 2.599 billion in 2013 to R\$ 896 million. The decrease resulted mainly from the transfer from long term to short term and maturity of the debentures issued, in addition to the 12th debentures of CBD.

As at December 31, 2014, long-term debentures accounted for 2.0% of total liabilities, including net equity, compared to 6.8% as at December 31, 2013.

In 2013, long-term debt represented by debentures issued by the Company decreased by 30.5%, from R\$ 3.741 billion in 2012 to R\$ 2.599 billion, whose reduction resulted mainly from the transfer of long term to short term and maturity of debentures issued. As at December 31, 2013, long-term debentures accounted for 6.8% of total liabilities, including shareholders' equity, compared to 10.7% as at December 31, 2012.

Deferred income tax and social contribution

In 2015, deferred income tax and social contribution increased by 4.5%, from R\$ 1.133 billion in 2014 to R\$ 1.184 billion, due to the decrease in deferred income tax and social contribution on fixed assets in the amount of R\$104 million, offset by other effects.

As at December 31, 2015, deferred income tax and social contribution accounted for 2.5% of total liabilities, including shareholders' equity.

In 2014, deferred income tax and social contribution increased by 6.8%, from R\$ 1.061 billion in 2013 to R\$ 1.133 billion, due to the recognition of deferred income tax and social contribution on goodwill amortization and fixed assets in 2014.

As at December 31, 2014, deferred income tax and social contribution accounted for 2.5% of total liabilities, including shareholders' equity, compared to 2.8% as at December 31, 2013.

In 2013, deferred income tax and social contribution decreased by 6.7%, from R\$ 1.137 billion in 2012 to R\$ 1.061 billion, mainly due to the reversal of deferred taxes in the amount of R\$ 106 million on stock purchase option exercised in the last quarter of 2013. As at December 31, 2013, deferred income tax and social contribution accounted for 2.8% of total liabilities, including shareholders' equity, compared to 3.3% as at December 31, 2012.

Tax installments

In 2015, tax installments, including REFIS, decreased by 7.3%, from R\$ 617 million in 2014 to R\$ 572 million, due to the tax installments paid in the year.

As at December 31, 2015, tax installments accounted for 1.2% of total liabilities, including shareholders' equity, compared to 1.4% as at December 31, 2014.

In 2014, tax installments, including REFIS, decreased by 42.5%, from R\$ 1.073 billion in 2013 to R\$ 617 million, mainly by virtue of the payments in the year using the benefits of Law 12996/14.

As at December 31, 2014, tax installments accounted for 1.4% of total liabilities, including shareholders' equity, compared to 2.8% as at December 31, 2013.

In 2013, tax installments, including REFIS, decreased by 10.9%, from R\$ 1.205 billion in 2012 to R\$ 1.073 billion. The decrease mainly resulted from the transfer from long term to short term. As at December 31, 2013, tax installments accounted for 2.8% of total liabilities, including shareholders' equity, compared to 3.5% as at December 31, 2012.

Provision for lawsuits

In 2015, provision for lawsuits increased by 3.9%, from R\$ 1.344 billion in 2014 to R\$ 1.396 billion. This variation mainly resulted from the additions of R\$768 million, reversals and payments of R\$(896) and inflation adjustment and exchange rate changes of R\$180.

As at December 31, 2015, provision for lawsuits accounted for 2.9% of total liabilities, including shareholders' equity, compared to 3.0% as at December 31, 2014.

In 2014, the provision for lawsuits increased by 17.2%, from R\$ 1.147 billion in 2013 to R\$ 1.344 billion. This variation mainly resulted from: i) additions of R\$ 718 million; ii) reversals and payments of R\$ 372 million; iii) inflation adjustment of R\$ 133 million; iv) provision for risks recorded in Cdiscount of R\$ 11 million; v) payment in installments of R\$ 296 million; and v) R\$ 3 million relating to other costs.

As at December 31, 2014, provision for lawsuits accounted for 3.0% of total liabilities, including shareholders' equity, at the same level of 2013.

In 2013, provision for lawsuits increased by 48.1%, from R\$ 774 million in 2012 to R\$ 1.147 billion. The variation resulted mainly from: i) additions of R\$ 452 million; ii) reversals and payments of R\$ 285 million; iii) inflation adjustments of R\$ 87 million; and iv) provision for contingencies assumed in the acquisition of Bartira in the amount of R\$ 119 million. As at December 31, 2013, provision for lawsuits accounted for 3.0% of total liabilities, including shareholders' equity, compared to 2.2% as at December 31, 2012.

Net equity

In 2015, net equity decreased by 5.7%, from R\$ 14.482 billion in 2014 to R\$ 13.656 billion, mainly due to the following: i) additions of R\$ 14 million of the capital from the exercise of the stock options; ii) recognition of reserve for options granted of R\$ 25 million; iii) net loss of R\$ 314 million; iv) exchange rate changes on investments of (R\$ 211) million; v) dividends of R\$ 115 million.

As at December 31, 2015, net equity accounted for 28.7% of total liabilities, including shareholders' equity, compared to 31.8% as at December 31, 2014.

In 2014, shareholders' equity increased by 13.9%, from R\$ 12.712 billion in 2013 to R\$ 14.482 billion, mainly due to the following: i) additions of R\$ 28 million of the capital from the exercise of the stock options; ii) recognition of reserve for options granted of R\$ 66 million; iii) net profit of R\$ 1.760 billion; iv) dividends of R\$ 428 million; v) non-controlling cash transactions of (R\$ 71) million; vi) R\$ 411 million from the offer of CNova's shares; and vii) R\$ 4 million from valuation adjustments to equity.

As at December 31, 2014, the shareholders' equity accounted for 31.8% of total liabilities, including shareholders' equity, compared to 33.4% as at December 31, 2013.

In 2013, shareholders' equity increased by 14.9%, from R\$ 11.068 billion in 2012 to R\$ 12.712 billion. The variation resulted mainly due to the following: i) additions of R\$ 16 million of the capital from the exercise of the stock options; ii) recognition of reserve for options granted of R\$ 43 million; iii) net profit of R\$ 1.396 billion; iv) dividends of R\$ 436 million; and v) non-controlling cash transactions of R\$ 625 million. As at December 31, 2013, shareholders' equity accounted for 33.4% of total liabilities compared to 31.8% as at December 31, 2012.

Interest of non-controlling shareholders

In 2015, interest of non-controlling shareholders decreased by 18.2%, from R\$ 3.902 billion in 2014 to R\$ 3.191 billion. This reduction resulted from the loss of R\$(565) million and exchange rate changes of R\$(128) million, among other irrelevant effects.

In 2014, the interest of non-controlling shareholders grew by 20.9%, from R\$ 3,229 billion in 2013 to R\$ 3,902 billion. Such growth occurred as a result of the participation in profit for the period, net of proposed dividends, of R\$ 367 million, and R\$ 289 million of corporate reorganizations with CDiscount and offering of shares of CNova.

In 2013, the interest of non-controlling shareholders grew by 25.5%, from R\$ 2,573 billion in 2012 to R\$ 3,229 billion. Such growth was caused by the public offer for distribution of Units comprised of one (1) common share and two (2) preferred shares issued by subsidiary Via Varejo.

Other equity accounts

Equity accounts not discussed above do not show any significant variation when comparing the balances on December 31, 2015, December 31, 2014 and December 31, 2013.

10.2 - Operational and financial results

(a) *Results of our operations, in particular:*

(i) description of any important components of the revenue.

The main revenues of GPA arise from the operations of GPA Food, comprised of retail and self-service wholesale, electric and electronic product operations (physical stores of Via Varejo) and e-commerce (Nova Pontocom). The net revenues of GPA are shown in the table below in relation to fiscal years ended on December 31, 2015, 2014, 2013:

(1) Not including the revenue from intercompany transactions; **(2)** Extra and Pão de Açúcar brands. Including the revenue from the lease of business walkways; **(3)** Cnova: Cnova Brazil + Cdiscount Group. Including only the revenue from marketplace commissions, without considering the total revenue from goods; **(4)** Including the revenue from intercompany transactions

(ii) factors which have materially affected our results of operations

For information on the factors that materially affected our results of operations, see item 10.1 (h) of this Reference Form.

(b) changes in revenues due to prices modification, exchange rates, inflation, volume variations and introduction of new products and services

For information on the variation of revenues, see item 10.1 (h) of this Reference Form.

(c) inflation impact, variation in the main inputs and products prices, exchange and interest rate impact over the Company's operating and financial results

The Officers believe that the depreciation or appreciation of the Brazilian real against the US dollar has exercised and may continue to have effects on the results of operations of GPA, due to a small portion of imported items that are sold by it and the trend of costs linked to foreign currencies in IT components.

10.3 – Events with material effects, occurred and expected, in the financial statements*(a) inclusion or disposal of the operational segment*

Beginning December 31, 2014, as a result of the consolidation of Cdiscount, a French e-commerce company, the Group started to disclose information according to the geographic region (Revenue, assets and liabilities).

Description	Brazil				International				Total	Exclusion (*)		Total				
	Retail		Self-service wholesale		Electronic E-commerce		E-commerce			2014	2013		2014	2013		
	2014	2013	2014	2013	2014	2013	2014	2013								
Revenue from sales	26,415	25,538	8,326	6,273	22,674	21,746	5,747	4,297	2,428	-	65,590	57,854	(65)	-	65,525	57,854
Intangible assets	8,062	7,088	1,709	1,359	10,366	8,753	1,742	1,412	2,350	-	24,229	18,612	(96)	(3)	24,133	18,612
Current assets	13,691	12,717	1,492	2,457	5,283	4,376	851	550	655	-	21,972	20,100	(605)	(702)	21,367	19,398
Intangible liabilities	8,026	5,380	1,832	2,604	9,716	7,830	2,475	1,901	2,498	-	24,547	17,715	(699)	(705)	23,848	17,010
Current liabilities	5,314	6,300	235	279	1,571	1,699	17	7	35	-	7,172	8,285	(2)	-	7,170	8,285
Equity	8,413	8,125	1,134	933	4,362	3,600	101	54	472	-	14,482	12,712	-	-	14,482	12,712

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(b) *constitution, acquisition or disposal of equity interest*

(i) Public offer of shares – Via Varejo

On December 27, 2013, the Secondary Public Offer of Share Deposit Certificates, Units (each Unit is comprised of one common share and two preferred shares), of Via Varejo was closed. Considering the overallotment, a total of 123,697 (one hundred, twenty-three million, six hundred and ninety-six thousand, nine hundred and eighty-four) Units were distributed, totaling R\$2,845 million.

The Company sold a total of 38,991,441 (thirty-eight million, nine hundred and ninety-one thousand, four hundred and forty-one) Units, in the amount of R\$ 897 million, so that its interest in Via Varejo was reduced to 62.25% of the common shares and 43.35% of total capital. The proceeds from the sale of interest were accounted for as a credit in shareholders' equity, since it refers to a transaction with non-controlling interests, it being sold part of the Company's interest and maintained the control of Via Varejo. The effect of the income tax on capital gain, transaction costs and write-off of related investments, was also recorded in shareholders' equity. The amount initially estimated by the Company to cover such requirement is R\$ 200 million recorded in current liabilities under one item "Other accounts payable", resulting in an income tax effect of R\$50 million, and a net effect in "Earnings reserve" of R\$150 million. See more information in Note 25.7 to the financial statements for the fiscal year of 2015. Also, in conformity with Clauses 4.1.3 and 10.1.4.2 of the Shareholders' Agreement, the Sufficient Minimum Widespread was verified, cumulatively considered as the satisfaction of the following conditions: (i) the CB Group (represented by Messrs. Samuel Klein, Michael Klein, Eva Lea Klein, and vehicle companies) sold more than 23.64% of the shares held by them representing the share capital of Via Varejo; and (ii) the total outstanding shares of Via Varejo reached more than % of total capital. In 2013, the CB Group holds 27.31% of the shares representing the share capital of Via Varejo and the free float of Via Varejo reached 29.34% of total capital.

Consequently, the CB Group was no longer entitled to a few rights, such as: (i) the permanence of Michael Klein as Chairman of the Board of Directors of Via Varejo; (ii) the consent of CB Group in a prior meeting for vote of Via Varejo in General Meetings of its associate Nova Pontocom or by the members of the Board of Directors of Nova Pontocom, appointed by Via Varejo, in relation to certain matters; (iii) the Migration Right; (iv) the Call Option of GPA; and (v) the Call Option of the CB Group. Moreover, under Clause 4.1.2 of the Shareholders' Agreement, upon reduction of its interest, the CB Group appoints only 2 members of the Board of Directors of Via Varejo.

The transaction costs, in the total amount of R\$89 million, net of income tax, were fully assumed by Via Varejo, pursuant to the terms of the Shareholders' Agreement and directly recorded in Shareholders' equity.

Additionally, on October 17, 2013, CBD, Via Varejo and certain shareholders of Nova Pontocom contracted the purchase and sale of shares issued by Nova Pontocom, whereby CBD acquired shares (i) held by Via Varejo representing 6.20% of the share capital for R\$80,000,000.00; and (ii) held by noncontrolling shareholders representing 1.96% of the share capital for R\$25,293,909.48. As a result of such transactions, the share capital of Nova Pontocom was comprised as follows: CBD held 52.06%, Via Varejo held 43.90%, the balance of 4.04% being held by noncontrolling shareholders.

It is important to stress that, as informed in the Material Notice disclosed by the Company on February 18, the Company received an official letter challenging certain accounting entries related to corporate transactions carried out by its subsidiary Via Varejo S.A. in the fiscal year of 2013.

One of CVM's challenges was related to the gain on the revaluation of the investment held in Nova Pontocom, arising from the sale by Via Varejo S.A. of equity interest to the Company, as mentioned above.

The Company, together with Via Varejo S.A., continues to analyze the terms of the decision from the CVM's technical area and analyze the measures to be possibly adopted.

Additionally, pursuant to the Material Notice disclosed on March 7, the Company has informed that the request for stay effect in its appeal against the decision in the abovementioned official letter was approved

(ii) E-commerce operation – accounting for corporate interests at cost

On June 4, 2014, the Company's and Via Varejo's Board of Directors approved the e-commerce business combination project developed by Nova Pontocom, to be combined with the e-commerce business of the controlling shareholder Casino, through Cdiscount S.A. and its affiliates (Cdiscount).

The Special Committees created for such purpose presented a recommendation favorable to the implementation of the transaction considering the following elements: (a) the business interests of the companies in the e-commerce activity will be preserved; and (b) the potential for creation of value for the companies and their shareholders through the integration of the e-commerce activities currently performed by Nova Pontocom and Cdiscount in a new company called Cnova N.V. ("Cnova"), created according to the laws of the Netherlands.

Based on the opinions issued by financial advisors, the exchange ratio proposed for the contribution of the e-commerce business of Nova Pontocom and Cdiscount in Cnova was 53.5% (Company and Via Varejo) and 46.5% (Cdiscount).

Hence, July 24, 2014, the corporate reorganization was concluded at the level of Cnova in the Netherlands, whereby subsidiary Nova Pontocom delivered 46.5% of the shareholders' equity of the operating assets of Cnova Comércio Eletrônico, in exchange for 53.5% interest in Cdiscount Group companies.

The operating entities with important transactions that the Company started to consolidate as a result of such transaction were:

- Cdiscount S.A.S;
- Financiere MSR;
- E-trend;
- Cdiscount Colombia;
- Cdiscount Thailand;
- Cdiscount Afrique;
- Cdiscount Voyages;

The exchange of interests continued to be recorded based on historical cost, since Management understands that such transaction is not included in the scope of CPC15/IFRS 3 (R) – Business Combination, because it involves entities under common control. The date of the first consolidation of the entities whose control was obtained by the Company is July 31, 2014.

The effects recorded in net equity of the controlling shareholder on July 31, 2014 as a result of the transaction are as follows (in millions of Brazilian reais):

	07.31.2014
Delivered investment amount in Cnova	(23)
Received investment amount	16
Amount of effect on Nova Pontocom's shareholders' equity	(7)
Amount of effect on Parent's shareholders' equity	(5)

(iii) Public offer of e-commerce shares

In November and December 2014, Cnova N.V., headquartered in the Netherlands, concluded the initial offer of shares (IPO) and supplementary offer of shares, so that the Company's interest in Cnova N.V. was directly and indirectly reduced from 38.22% to 35.73%. The proceeds from the sale of interest were accounted for as shareholders' equity, since it refers to a transaction with noncontrolling shareholders, less the effects of income tax, transaction costs and other effects. The net effect on shareholders' equity arising from such transaction was R\$ 411 million, of which R\$ 132 million in the controlling shareholder and R\$ 279 million in noncontrolling shareholders, the Company having issued 29,182,894 new shares. Despite the Company holding direct and indirect interest of 35.73% in Cnova N.V., the control over such subsidiary is exercised through subsidiary Nova Pontocom which holds 49.96% interest plus 50% of the voting capital of Cnova N.V.

(iv) Corporate reorganization and Nova Pontocom debt

Subsidiary Nova Pontocom, a holding that held 100% of the shares of Marneylectro S.A.R.L., an indirect controlling shareholder of Cnova N.V., paid part of its debt against CBD and Via Varejo upon delivery of shares of its investee Marneylectro S.A.R.L. at market value. Since this transaction was conducted among entities under common control, all related effects were directly recorded in shareholders' equity on December 31, 2014, of which R\$ 53 million in the controlling shareholder and R\$ 14 million in noncontrolling shareholders.

(v) Corporate reorganization of C-Asia

On November 17, 2014, Casino transferred 30% of its indirect interest in C-Distribution Asia Pte. Ltd ("C-Asia"), which controls subsidiaries of Cnova operating in Thailand and Vietnam, for R\$ 52 million. Such transaction resulted in the fact that Cnova N.V. obtained indirect control upon 60% interest in C-Asia.

Since this transaction was conducted among entities under common control, Cnova applied the accounting for equity interest at cost. Therefore, no gain was recognized in relation to the 30% previously held and the difference between the consideration paid and the net accounting assets of the 30% transferred was recorded in shareholders' equity of the controlling and noncontrolling shareholders, in the amounts of R\$ 43 million and R\$ 6 million, respectively.

Cash and cash equivalents on the acquisition date totaled R\$ 18.

(vi) Sale of subsidiary– Casas Bahia Contact Center Ltda.- “CBCC”

On December 30, 2014, subsidiary Via Varejo sold all interest in the share capital of CBCC to Atento Brasil S.A.. After satisfaction of all conditions precedent contained in the purchase and sale agreement, Via Varejo received the amount of R\$ 20 million and obtained a gain of R\$ 16 million which was recognized in the income statement for the year in line item other operating income and expenses. Therefore, the asset and liability balances of CBCC were eliminated in the preparation of the statement of cash flows.

(vii) Acquisition of Bartira

On October 31, 2013, Via Varejo and Casa Bahia Comercial Ltda. (“CB”) were partners in Bartira, holding an ownership interest of 25% and 75%, respectively. Since the association between the Company and CB (November 1, 2010), the Company had a put option of the remaining 75%, exercisable between three and six years from the association.

This put option was calculated based on the Black & Scholes model, using the volatility of 28% and free risk rate of 5.8% p.a., resulting in a fair value on the exercise date of R\$314 million (R\$307 million as at December 31, 2012). Through the exercise date, this option was recorded as a financial instrument in the consolidated financial statements.

On October 31, 2013, the Company’s Shareholders’ Meeting approved the exercise of the put option of the remaining ownership interest in Bartira (“Put Option”) by Via Varejo, followed by the submission of the exercise notice to CB on November 1, 2013. The Bartira’s capital shares were transferred on December 2, 2013. The exercise price of the put option, on November 1, 2013, was R\$212 million. After the transaction, Via Varejo is the holder of Bartira’s total capital.

As from the exercise notice submitted to CB, Via Varejo was the holder of the rights in relation to Bartira, and the business combination date is November 1, 2013.

Immediately before this date, Via Varejo held an ownership interest of 25% in Bartira. The fair value of the ownership interest was measured at its fair value on the acquisition date; according to IFRS 3 (R), CPC 15 (R1), the fair value of the ownership interest was measured based on the discounted cash flow method, totaling R\$176 million. The fair value of the remeasurement of the previously held investment compared to the carrying amount of the investment resulted in a gain of R\$71 million, recorded, in 2013, in line item “Other expenses and operational revenues”.

Accordingly, the portion transferred to the business combination is determined by the (i) the exercise price of the put option in the amount of R\$ 212 million; (ii) the fair value of the put option held by the Company immediately before the business combination in the amount of R\$ 314 million; and (iii) the remeasurement at fair value of the previously held investment in the amount of R\$ 176 million.

The main intangible assets identified in Bartira’s business combination refer to:

- i. Brands - R\$ 46 million – Refers to the “BARTIRA” brand, which was calculated based on the royalties method, whose useful life period is undetermined.
- ii. Contractual relationship (rental under favorable conditions) - R\$ 36 million – refers to the favorable conditions compared to the market in the rental of the property used as the Bartira’s plant. This asset will be amortized over the remaining period of the agreement of seven years.

The goodwill calculated in the acquisition of Bartira’s shareholding control is supported by the strategy of ensuring the continued supply of an important supplier. In addition, the acquisition also qualified Via Varejo to (i) vertically participate in the retail furniture operation; (ii) benefit from Bartira’s low cost structure considered as one of the largest plants in Latin America in terms of production volume; and (iii) maintain the operating efficiencies and synergies (including logistics, sales and administrative costs) developed

through the historical development between the Company and Bartira. The combined effects of this transaction increase the Company's margin in the products sold at Via Varejo's stores.

Finally, it would be difficult to find in the local market another supplier to replace Bartira, which would adversely impact the furniture line currently operated by Via Varejo.

For purposes of the consolidated statement of cash flows, the amount paid must be discounted from the net acquired cash. Accordingly, the amount will amount to R\$ 212 million, less 75% of Bartira's cash equivalents, totaling R\$ 211 million. The total generated in the acquisition was fully allocated to the electronic sector.

Subsequent measurement – final allocation of the purchase price

The acquisition of Bartira's shareholding control was recorded according to the acquisition method, according to CPC 15 (IFRS 3R). As set forth in such pronouncement, the Company concluded the data collection and evaluation of the fair value of the net assets in 2014, and the adjustments performed in the final allocation amounted to R\$ 23 million and, therefore, impacted the goodwill generated in the acquisition. The adjustments refer mainly to the evaluation of the income tax and inventories on the acquisition date.

Bartira's sales results will be eliminated against the cost of products sold, as the sales are 100% performed with Via Varejo. The consolidated remaining effects are immaterial.

As stated in the Material Fact disclosed by the Company in February 18, the Company received an assessment challenging certain accounting records relating to the corporate operations carried out by its subsidiary Via Varejo S.A. in 2013.

CVM challenged, among other issues, the accounting method adopted in the acquisition by Via Varejo S.A. of 75% of Bartira's capital.

The Company, together with Via Varejo S.A., is analyzing the terms of the decision issued by CVM technical area and evaluating the measures to be eventually adopted.

In addition, according to the Material Fact disclosed in March 7, the Company informed that the suspensive effect request in its appeal to the decision was accepted.

(viii) Merger of subsidiary Sé

The Extraordinary Shareholders' Meeting ("AGE"), held on December 22, 2015, approved the merger of subsidiary Sé Supermercados Ltda. ("Sé") into the Company, in order to unify the activities and management. This unification will result in the obtaining of administrative, economic and financial benefits.

The effects in the parent's balance sheet as at December 31, 2015 as a result of the merger of subsidiary Sé are summarized below. As it refers to the merger of a wholly-owned subsidiary, the consolidated financial statements and the income statement of the individual financial statements have not been impacted (in million of reais):

<u>Assets</u>	12.31.2015
Cash and cash equivalents	100
Other accounts receivable	56
Inventories	59
Recoverable taxes	14
Total do current assets	229
Other accounts receivable	4
Recoverable taxes	3
Related parties	2,707
Fixed assets	228
Intangible assets	2
Total non-current assets	2,944
Total assets	3,173
 <u>Liabilities</u>	
Loans and financing	1
Related parties	390
Other accounts payable	45
Total current liabilities	436
Loans and financing	21
Other accounts payable	6
Total non-current liabilities	27
Total liabilities	463
Net assets merged	2,710

(ix) Merger of subsidiary Nova Holding

The AGE, held on December 22, 2015, approved the merger of subsidiary Nova Holding into the Company, in order to unify the activities and management. The purpose of Nova Holding was to act as the holding of the Group's e-commerce business. This unification will result in the obtaining of equity and financial benefits and optimization of the Group's corporate structure.

The effects in the parent's balance sheet as at December 31, 2015 as a result of the merger are summarized below. The consolidated financial statements and the income statement of the individual financial statements have not been impacted (in million of reais):

12.31.2015

Assets

Other accounts receivable	3
Recoverable taxes	29
Total current assets	32
Other accounts receivable	
Recoverable taxes	262
Related parties	2
Investment	(65)
Total non-current assets	199
Total assets	231

Liabilities

Related parties	226
Other accounts payable	5
Total current liabilities	231
Total liabilities	231
Net assets merged	-
	51

(x) Merger of other subsidiaries

The AGE held on December 29, 2014 approved the merger of the wholly-owned subsidiaries Vedra Empreendimento e Participações S.A., ECQD Participações Ltda., APE SPE 06 – Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda., GPA 5 Empreendimentos e Participações S.A., GPA 4 Empreendimentos e Participações S.A., Monte Tardeli Empreendimentos e Participações S.A., P.A. Publicidade Ltda., Vancouver Empreendimentos e Participações Ltda. and Duque Conveniências Ltda. into the Company, in order to unify the activities and management. This unification will result in the obtaining of administrative, economic and financial benefits.

The effects in the parent's balance sheet as at December 31, 2014 as a result of the merger of the abovementioned subsidiaries are summarized below. As it refers to the merger of a wholly-owned subsidiary, the consolidated financial statements and the income statement of the individual financial statements have not been impacted (in million of reais):

<u>Assets</u>	12.31.2014
Cash and cash equivalents	1
Other accounts receivable	2
Recoverable taxes	1
Total current assets	4
Other accounts receivable	54
Deferred income tax and social contribution	3
Related parties	38
Investment	12
Intangible assets	39
Total non-current assets	146
Total assets	150
<u>Liabilities</u>	
Related parties	24
Other accounts payable	3
Total current liabilities	27
Other accounts payable	1
Total non-current liabilities	1
Total liabilities	28
Net assets merged	122
	52

(c) *unusual events or operations*

The Company uses untimely tax credits whenever these credits can be recognized, based on legal evidences, documents and facts, including the estimated performance, recorded as a reduction to line item "Cost of products and services" in the profit or loss for the year.

In 2014, the ICMS credits, in the amount of R\$ 302, were not used by the associated companies, whose elements that support the respective accounting and use were obtained in the fourth quarter of 2014.

As disclosed by the Company and Cnova NV on December 18, 2015, CNova's Board of Directors engaged outside legal advisors and accountants to review the matters associated with the improper actions undertaken by the associates in the management of inventories. The matters identified refer mainly to the treatment of products returned and damaged in the distribution centers of its Brazilian subsidiary, Cnova Comércio Eletrônico S.A. (Cnova Brazil). The investigation will also analyze the potential accounting impacts and the effects in the financial statements relating to the actions being analyzed.

Concurrently, the Company's Board of Directors authorized on the same date its Audit Committee to oversight and support the Cnova's Board of Directors and Audit Committee, if applicable, in the investigation under discussion.

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As informed by CNova and disclosed in the Notice to the Market by the Company on January 12, 2016:

- a) The investigations carried out through the date of the notice to the market indicated the Cnova's potential overstatement of the net sales in the accumulated amount of approximately R\$ 110 million (approximately € 30 million) as at December 31, 2015 (preliminary adjustment in the 4Q15).
- b) The conclusion of the comprehensive inventory as at December 31, 2015 in the seven distribution centers in Brazil was supported by outside advisors. The findings indicate that no significant adjustment is necessary based on the inventory count. However, these findings indicate the necessary derecognition of the value of damaged/returned items, accounting for approximately 10% of the total inventories. In addition, a material difference in the accounts receivable relating to the damaged/returned items was identified. The combined effects, based on preliminary estimates, would result in non-cash provisions between R\$ 110 million and R\$ 130 million (approximately € 30 million and € 35 million), reflecting the reduction of Cnova's EBIT.
- c) *Accounts payable in Cnova Brasil.* CNova identified additional balances of accounts payable from suppliers and service providers in the amount of approximately R\$ 70 million (approximately € 20 million). The accounting of the respective provision is also estimated, which would reduce Cnova's EBIT.
- d) *Benchmark of the evaluation method of Inventories.* As a result of the benchmark of the evaluation method of inventories of e-commerce companies, the costs incurred with the receipt and storage in the distribution centers will no longer be included in the value of inventories as a retail sector practice and will be directly discounted from profit or loss, according to the e-commerce practices. The cumulative non-recurring effect is € 10 million. *** CNova emphasizes that the adjustment effects referred to above in 2015 and in eventually previous periods (annual consolidated financial statements and quarterly financial information) are being analyzed.

10.4 – Significant changes in accounting practices – reservations and emphasis of the Auditor’s report

(a) significant changes in accounting practices

The Company prepared its financial statements according to the pronouncements issued by the Accounting Pronouncements Committee (CPC) and IFRS (International Financial Reporting Standards), and the first financial statements that complied with such rules were those for the year ended December 31, 2010.

There were no significant changes in the accounting practices adopted by the Company in the year ended on December 31, 2015. In 2014, the changes in accounting practices are described below.

(b) significant effects of changes in the accounting practices

In 2014, revenues and costs incurred with rental of commercial galleries, which were previously recorded as recovery of the selling expenses, were reclassified to “net operating revenue” and “cost of products”, respectively, due to the increase of its market share in the retail (Multivarejo) sector, taking into consideration the expected launching of new “Conviva” projects and increase in future operations, which activities are better described in the Company’s financial statements. According to the management’s opinion, the best option is to proceed with current classification for comparison purposes and in order to obtain a final classification of these revenues and costs.

(c) caveats and emphases present in the auditor's report:

There were no exceptions in the opinion issued by the Company’s independent auditors with respect to the Company’s financial statements for the years ended December 31, 2015, 2014 and 2013.

10.5 – Critical accounting policies

Judgements, estimates and assumptions

The preparation of the Company's individual and consolidated financial statements requires management to make judgements and estimates and adopt assumptions that would impact the revenues, expenses, assets and liabilities, and the recording of contingent liabilities in the end of the year; however, the uncertainties relating to these assumptions and estimates may generate results that would require significant adjustments to the carrying amount of assets or liabilities in future years. In the process of application of the Company's accounting policies, management adopted the following judgements, which had more significant effects in the individual and consolidated financial statements:

a) *Financial lease commitments – the Company as lessor*

The Company and its subsidiaries entered into rental agreements involving commercial properties in its leased property portfolio and based on the evaluation of the terms and conditions set forth in the agreements, which provide for all significant risks and rewards in connection with the ownership of these properties, which agreements were recorded as financial lease.

b) *Impairment*

According to the method disclosed in Note 4.9 of the financial statements for the year ended 2015, the Company tested the assets for impairment and, in the year ended December 31, 2015, based on the tests performed, no provision was recorded.

The procedure for verification of non-performance comprised the grouping of operating assets and intangible assets (such as goodwill) directly attributable to the Cash Generating Unit - UGC (stores). The test steps were as follows:

- Step 1: the carrying value of the UGCs was compared to the sales multiple (30% to 35%), representing the transactions carried out by the retail companies. In relation to the UGCs with multiple value lower than the carrying amount, a more detailed method is described in Step 3;

- Step 2: for purposes of selection of the UGCs located in own properties (own stores), the Company obtained an appraisal report prepared by independent specialists and, in the event of impairment, the Company carried out the same procedures adopted for the third-party UGCs, as described in Step 3; and
- Step 3: preparation of the UGC's discounted cash flow, based on the increase in sales between 6.7% and 8% (5.9% and 7.5% as at December 31, 2014) for the next five years. The discount rate used was 12.5% (11.37% as at December 31, 2014).

For purposes of impairment test, the premium from business combinations and licenses with undetermined lives was allocated to the cash generating units, which are also the operating segments that disclose information, such as Retail, Electric, Self-service Wholesale and e-Commerce.

The recoverable value of the segments is determined by the calculation based on the use according to the cash projections arising from the financial budgets approved by the senior management for the next three years. The discount rate before income taxes levied on the cash flow projections is 12.5% (11.37% as at December 31, 2014), and the cash flows exceeding the three-year period are extrapolated using the growth rate of 6.2% for retail and electronic sector, and 8% for retail sector (6.7% as at December 31, 2014). As a result of such analysis, no provision for impairment of these assets has been recorded.

The retail self-service brand refers to “ASSAÍ”, and the electronic brands refer to “PONTO FRIO” and “CASAS BAHIA”. These brands were recorded by virtue of the business combinations carried out with companies owning such brands.

The value was tested for impairment of assets based on the Income Approach – Relief from Royalty, which comprises the determination of the value of the asset stated at present value of future benefits. Due to the undetermined useful life of the brand, the Company considered in the preparation of the discounted cash flow an increase of 6.6% (6.7% as at December 31, 2014). The royalty rate used was 0.4% for the “ASSAÍ” brand, 0.7% for the “PONTO FRIO” brand and 0.9% for the “CASAS BAHIA” brand.

c) *Income tax*

By virtue of the nature and complexity of the Group’s businesses, the differences between the effective results and the adopted assumptions or future changes in these assumptions could result in future adjustments to tax revenues and expenses already recorded. The Company and its subsidiaries record the provisions based on the reasonable estimates in relation to the taxes payable. The value of these provisions is based on several factors, such as the previous inspections and different interpretations of tax regulation by the taxpayer and proper tax authority. These interpretation differences may refer to several matters, depending on the conditions in effect in the domicile location of the respective entity.

Deferred income tax and social contribution assets on unused tax losses and temporary differences are recognized to the extent that it is probable that the taxable income will be recorded, against to which the tax credits are offset. The definition of the value of deferred income tax and social contribution assets that may be recorded depends on a significant judgment level by management, based on the estimates of net profit and future taxable income, according to the strategic planning approved by the Board of Directors.

The tax losses of the Company and its subsidiaries recorded tax benefits in the amount of R\$328 (R\$354 as at December 31, 2014) as at December 31, 2015. In relation to those cases in which the performance cannot be explained, the potential deferred income tax and social contribution credits are offset or recorded and, as at December 31, 2015, the provision for non-performance was recorded in the amount of R\$261. These losses are not subject to prescription, however the respective use, as set forth in applicable law, is limited to 30% of taxable income for each year for the Brazilian legal entities, and refer to the subsidiaries that offer the tax planning opportunities for using these balances. Note 20 to the financial statements for the year ended 2015 provides further tax information.

d) *Derivatives fair value and other financial instruments*

If not obtained in the active markets, the fair value of financial assets and financial liabilities recorded in the financial statements is obtained based on the hierarchy set forth in technical pronouncement CPC 38 (IAS 39), which established certain evaluation techniques, including the discounted cash flow model. The information about these models is obtained, whenever possible, from observable markets, or according to comparable information, operations and transactions available in the market. The judgments include an evaluation of the information, such as liquidity risk, credit risk and volatility. Eventual changes in the assumptions relating to these factors may impact the fair value of the financial instruments.

The fair value of the financial instruments actively traded in the organized markets is determined based on the market quotations and balance sheet dates. In relation to the financial instruments not traded actively, the fair value is based on evaluation techniques established by the Company and compatible with usual market practices. These techniques include the use of recent market operations between independent parties, benchmarking of fair value of similar financial instruments, analysis of discounted cash flow and other evaluation models.

e) *Share-based payments*

The Company measures the transaction costs of the employees eligible to the share-based compensation based on the fair value of the equity instruments on the Granting Date. The estimated fair value of the share-based payment operations requires the definition of the most adequate evaluation model, according to the terms and conditions of the grant. This estimate also requires a definition of the most adequate information for the evaluation method, including the expected useful life of the stock option, volatility and return of dividends, as well as preparation of corresponding assumptions. The assumptions and models adopted in the estimative of fair value relating to the share-payment payment operations are described in Note 25.5 to the financial statements for the year ended 2015.

f) *Provision for lawsuits*

The Company and its subsidiaries are parties to several administrative proceedings and lawsuits (Note 22 to the financial statements for the year ended 2015), and the provisions for lawsuits are recorded for all lawsuits whose likelihood of loss is probable, as reasonably estimated. The likelihood of loss includes the evaluation of the available evidences, hierarchy of laws, available case rulings, most recent decisions issued by the courts and legal relevance, historical events and amounts involved, and opinion of outside legal counsel.

g) *Estimated losses from allowance for doubtful accounts*

Subsidiary Via Varejo has balances receivables from sales through booklets, whose portfolio loss is estimated based on the expected percentage, which is obtained according to the portfolio performance over the last months and adjusted at each balance sheet date.

h) *Recoverable Taxes*

The Company and its subsidiaries have recoverable taxes mainly related to ICMS, ICMS of Tax Replacement – ST, PIS and Cofins. The performance of these taxes is carried out based on the growth projections, operating issues and debt generation for consumption of these credits by the companies of the Group. See Note 11 to the financial statements for the year ended 2015 for further information about the credits and respective offset.

i) *Inventories*

The inventories are stated at the lower of acquisition cost and realization value, stated at weighted average cost. The net realization value is calculated at the average sales price, less: (i) taxes levied on sales; (ii) personnel expenses directly related to sales; (iii) cost of products; and (iv) other necessary costs to put the products in sales condition, except for the e-commerce business, which does not allocate the costs to inventories, whose application is different. The inventories are tested for impairment based on the estimated loss from robbery, theft, slow moving of inventories and estimated loss for products to be sold with negative gross margin, including showcase products.

10.6 - Significant items not evidenced in the financial statements

(a) the assets and liabilities held by the Company, directly or indirectly, which were not disclosed on its Balance Sheet (off-balance sheet items)

(i) operating lease, assets and liabilities;

Operating lease

(A) Non-cancelable minimum payments

	Consolidated	
	12.31.2015	12.31.2014
Less than 1 year	51	18
From 1 to 5 years	203	69
Over 5 years	345	49
Total	599	136

Refers to non-cancelable real estate property lease agreements until their respective expiration dates. The operating lease agreements range from 3 to 20 years and the non-cancelable agreements are shown in the table above. There are other operating lease agreements that in the Management's evaluation are considered as cancelable, whose expense is recorded by the time limit. The annual amount of the expense under the heading "non-contingent payments" with operating lease agreements is shown under item (iii) below.

(B) Minimum payments on termination of lease agreements

The Company evaluated and concluded that the real estate property lease agreements are cancelable throughout their effectiveness, and upon cancellation of the agreement, minimum termination payments owed and payable, which can range from 1 to 12 months of the monthly rent or a fixed percentage over the contractual balance.

	Parent		Consolidated	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Minimum rent payments:				
Minimum payments on termination	245	235	746	769

Total	245	235	746	769
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(C) Contingent payments

The Management considers the payment of additional rents as contingent payments, which range from 0.1% and 4.5% of the sales.

	Parent		Consolidated	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Expenses (revenues) for the year				
Contingent payments	352	348	608	628
Non-contingent payments	137	148	997	916
Sub-leases (*)	(147)	(131)	(215)	(168)
				59

(*) Refers mainly to rent agreements to receive from commercial galleries.

Financial lease

The financial lease agreements totaled R\$264 on December 31, 2015 (R\$263 on December 31, 2014), according to the table below:

	Parent		Consolidated	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Liabilities from financial lease - minimum rent payments:				
Up to 1 year	30	25	44	34
From 1 to 5 years	91	87	157	133
Over 5 years	26	44	63	96
Present value of financial and capital lease agreements	147	156	264	263
Future financing charges	179	15	238	60
Gross value of financial and capital lease agreements	326	171	502	323

(ii) written-off receivables portfolio over which the entity maintains risks and responsibilities, indicating respective liabilities

The Company's Officers explain that there are not any receivables portfolio written-off over which the entity maintains risks and responsibilities that were not disclosed on the balance sheets of the Company of December 31, 2015 or of December 31, 2014.

(iii) future purchase and sale agreements for products or services

The Company's Officers Company explain that there are not any contracts for future purchase and sale of goods and services, which have not been disclosed on the balance sheets of the Company of December 31, 2015 or December 31, 2014.

(iv) uncompleted construction agreement

The Company's Officers explain that there is not any uncompleted construction that were not disclosed on the balance sheets of the Company of December 31, 2015 or of December 31, 2014.

(v) future financing agreements.

The Company's Officers explain that there are no agreements for future receipt from financings that were not disclosed on the balance sheets of the Company of December 31, 2015 or December 31, 2014.

(b) Other non-disclosed items on the financial statements:

No items have been disclosed on the financial statements, other than those already mentioned in item 10.8(a) above.

10.7 - Comments on items not evidenced in the financial statements

(a) how such items change or may change the revenues, expenses, operational results, financial expenses or other items of the Company's financial statements

According to the prevailing accounting rules, the Company discloses in its financial statements all the relevant transactions to which it is a party, or retains any risk because of equity interest or contract. There are not any transactions or operations, which have not been disclosed in the financial statements that could significantly affect the Company.

(b) nature and the purpose of the transaction

Not applicable

(c) Nature and amount of the obligations assumed and of the rights generated on behalf of the Company as a result of the transaction

Not applicable

10.8 - Business Plan

(a) *investments*

(i) quantitative and qualitative description of the investments in progress and expected investments

On March 28, 2016, our management submitted our shareholders a proposal for Investment Plan for Multivarejo, GPA Malls and Assaí for the year of 2016, in the amount of up to R\$ 927,378,997.45, with the scope to (i) open stores, purchase plots of land, and conversion of stores; (ii) remodeling of stores; and (iii) infrastructure in IT, logistics and others. Such proposal will be submitted to the shareholders at the Extraordinary and Annual Shareholders' Meeting to be held on April 27, 2016. Such amount does not cover the Investment Plan for Via Varejo and Cnova.

(ii) source of financing of the investments

We raised funds for our operations and investments, especially through our operating cash flow, Expansion Reserve, capital budget, bank loans, securitization of receivables, financing from BNDES, in addition to raising funds in the capital Market through the issuance of debentures

(iii) relevant divestments in progress and provided divestments

There are no events to disclose.

(b) provided it has already been disclosed, indicate the acquisition of plant, equipment, patents or other assets that should substantially influence the issuer's productive capacity

There are no events to disclose.

(c) new products and services, indicating: (i) description of the researches in progress already disclosed; (ii) total amounts disbursed in researches for development of new products or services; (iii) projects under development already disclosed; (iv) total amounts disbursed in the development of new products or services

Not applicable.

10.9 - Other factors with significant influence

The company is not aware about other factors that materially affected the operating performance and have not been identified or commented in the other items of this Section 10.

Management Proposal - Election of the members of the Board of Directors

(ARTICLE 10 OF ICVM 481/2009)

The management of Companhia Brasileira de Distribuição (“Company”) hereby submits to the analysis of the shareholders at the Extraordinary and Annual Shareholders’ Meeting to be held on April 27, 2016, at 10:00 a.m., at the Company’s head office, at Avenida Brigadeiro Luís Antonio, 3142, in the city of São Paulo, State of São Paulo, the proposal for election of the members of the Board of Directors, for a two-year term.

The proposal provides for the election of two new members, Mr. Ronaldo labrudi dos Santos Pereira and Mr. Carlos Mario Diez Gómez, to replace two members of previous mandate.

As set forth in article 10 of CVM Instruction 481/2009, the management attaches to this proposal the information referred to in items 12.5 to 12.10 of the Company’s Reference Form to occupy the position as Members of the Board of Directors (Exhibit I).

Finally, the management informs that, according to the public information, it is not possible for the shareholders to request the adoption of multiple vote process as the Company’s majority shareholder holds 99.94% of the common shares issued by the Company.

São Paulo, March 28, 2016.

THE MANAGEMENT

Exhibit I – Article 10 of the ICVM 481/2009

Information on persons appointed to take the position of members of the Board of Directors

Items 12.5 to 12.10 of the Company’s Reference Form

12.5 – Information of the managers and members of the fiscal council

(a) Name	Jean-Charles Henri Naouri
(b) Birth date	03/08/1949
(c) Occupation	Business administrator
(d) CPF or Passport Number	French Passport No. 06AZ68039
(e) Elective Position Taken	Chairman of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	Only the Board of Directors
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	No
(l) Number of consecutive mandates	6
(m) Information on main professional background for the past 5 years	He is a member of the Company’s Board of Directors since 2005. He is also Chief Executive Officer and Chairman of Casino Group, chief executive officer of its controller, Euris S.A.S., and chairman of Cnova’s Board of Directors. He also holds the following positions: chairman of Rallye S.A.’s Board of Directors, member of F. Marc de Lacharrière FIMALAC S.A.’s Board of Directors, vice-chief executive officer of Casino Group Corporate Foundation and chief executive officer of Euris Foundation. In June, 2013, Mr. Naouri was appointed by the French Ministry of Foreign Relations to be a special representative for the economic relations with Brazil. In the last 5 years, he was chairman and chief executive officer (until 2013) and member of the Fiscal Council (until 2013) of Monoprix S.A., chief executive officer of Rallye S.A. (until 2013), chief executive officer of Finatis S.A. (until 2010), and member of the Board of Directors and the Audit

Committee of Natixis S.A. (until 2010). From 1982 until 1986, Mr. Naouri was chief of staff of the Social and Solidarity Ministry of France and the Revenue, Finance and Economic Ministry of France. Mr. Naouri is a Finance Inspector for the French Government. Mr. Naouri graduated from Ecole Normale Supérieure and Ecole Nationale d'Administration and has a Ph.D. in Mathematics and attended the University of Harvard.

(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity Not applicable

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<p>(a) Name</p> <p>(b) Birth date</p> <p>(c) Occupation</p> <p>(d) CPF or Passport Number</p> <p>(e) Elective Position Taken</p>	<p>Arnaud Daniel Charles Walter Joachim Strasser</p> <p>07/06/1969</p> <p>Business administrator</p> <p>234.109.258-64</p> <p>Vice-chairman of the Company's Board of Directors since 2012 and as member of the Board of Directors since 2010</p>
<p>(f) Election Date</p> <p>(g) Investiture Date</p> <p>(h) Mandate Term</p> <p>(i) Other Positions or Duties Exercised in the Company</p>	<p>04/27/2016</p> <p>04/27/2016</p> <p>2 years</p> <p>Member of the Board of Directors; Member of the Financial Committee; Member of the Corporate Governance Committee; Member of the Compensation and Human Resources Committee and Member of the Stock Option Plan Management Committee.</p>
<p>(j) Appointment if he/she was elected by controlling shareholder or not</p> <p>(j) Independent member</p> <p>(l) Number of consecutive mandates</p>	<p>Yes</p> <p>No</p> <p>4</p>
<p>(m) Information on main professional background for the past 5 years</p>	<p>Mr. Strasser is the Chairman of the Company's Compensation and Human Resources Committee. He is also a member of the Board of Directors of the following companies of Casino Group: (i) Cnova since 2014; (ii) Éxito since 2010; and (iii) Via Varejo since 2012 (in which he is vice-chairman since 2013). Until 2014, Mr. Strasser also worked as a member of the Board of Directors of Big C Supercenter plc., also a subsidiary of Casino Group. He has been working for Casino Group since 2007, where he currently Works as officer for corporate development and interest in shareholding equity.</p>
<p>(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity</p>	<p>Not applicable</p>
<p>(a) Name</p> <p>(b) Birth date</p> <p>(c) Occupation</p> <p>(d) CPF or Passport Number</p>	<p>Yves Desjacques</p> <p>12/23/1967</p> <p>Human Resources Officer</p> <p>09AH700733</p>

(e) Elective Position Taken	Member of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	Member of the Compensation and Human Resources Committee
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	No
(l) Number of consecutive mandates	6
(m) Information on main professional background for the past 5 years	Mr. Desjacques is a member of the Company's Board of Directors since 2014. He is also a member of the Board of Directors of Êxito, CNova N.V. and Mercialys S.A., a French real estate affiliated company of Casino Group since 2007. From 2001 to 2007, he worked as Co-head of human resources and as a member of the executive committee of Védior France. From 1994 to 1997, Mr. Desjacques held several positions at Generali Assurances, including human resources manager from 1997 to 1997, co-head of human resources for shared corporate functions from 1998 to 2001. From 1992 to 1994, he was the officer for human resources of Commercial Union Assurances. Since 2007, Mr. Dejacques is the chief executive officer of the French Association for Equality of Opportunities in Education.
(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity	Not applicable

<p>(a) Name</p> <p>(b) Birth date</p> <p>(c) Occupation</p> <p>(d) CPF or Passport Number</p> <p>(e) Elective Position Taken</p> <p>(f) Election Date</p> <p>(g) Investiture Date</p> <p>(h) Mandate Term</p> <p>(i) Other Positions or Duties Exercised in the Company</p> <p>(j) Appointment if he/she was elected by controlling shareholder or not</p> <p>(j) Independent member</p>	<p>Eleazar de Carvalho Filho</p> <p>07/26/1957</p> <p>Economist</p> <p>382.478.107-78</p> <p>Member of the Board of Directors</p> <p>04/27/2016</p> <p>04/27/2016</p> <p>2 years</p> <p>Chairman of the Finance Committee; and member of the Audit Committee</p> <p>Yes</p> <p>Yes, given that he is not bound by (i) the Company, its direct or indirect controller, subsidiaries or company under direct or indirect common control; (ii) manager of the Company, its direct or indirect controller or subsidiary; (iii) person authorized to operate in its market; and (iv) shareholder holding 10% or more of the Company's voting capital.</p>
<p>(l) Number of consecutive mandates</p> <p>(m) Information on main professional background for the past 5 years</p>	<p>3</p> <p>Mr. Eleazar de Carvalho Filho is an independent member of the Company's Board of Directors since 2012 and member of Cnova's Board of Directors since October, 2014. Founding partner of Virtus BR Partners – independent financial consultancy company – and of Sinfonia Capital. Currently, Mr. Carvalho Filho is also a member of the Board of Directors of FMC Technologies, Inc. and Brookfield Renewable Energy Partners. Previously, he was Chief Executive Officer of Unibanco Banco de Investimentos, chief executive officer of BNDES and superintendent officer of Banco UBS – Brasil. Mr. Eleazar de Carvalho Filho was the Chairman of BHP Billiton Brasil and member of the Board of Directors of Petrobras, Centrais Elétricas Brasileiras, Vale, Tele Norte Leste Participações, Alpargatas, among others. He is also the chairman of the board of curators of Fundação Orquestra Sinfônica Brasileira.</p>
<p>(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity</p>	<p>Not applicable</p>



<p>(a) Name</p> <p>(b) Birth date</p> <p>(c) Occupation</p> <p>(d) CPF or Passport Number</p> <p>(e) Elective Position Taken</p> <p>(f) Election Date</p> <p>(g) Investiture Date</p> <p>(h) Mandate Term</p> <p>(i) Other Positions or Duties Exercised in the Company</p> <p>(j) Appointment if he/she was elected by controlling shareholder or not</p> <p>(j) Independent member</p>	<p>Luiz Aranha Corrêa do Lago</p> <p>11/27/1950</p> <p>Economist</p> <p>375.703.317-53</p> <p>Member of the Board of Directors</p> <p>04/27/2016</p> <p>04/27/2016</p> <p>2 years</p> <p>Not applicable</p> <p>Yes</p> <p>Yes, given that he is not bound by (i) the Company, its direct or indirect controller, subsidiaries or company under direct or indirect common control; (ii) manager of the Company, its direct or indirect controller or subsidiary; (iii) person authorized to operate in its market; and (iv) shareholder holding 10% or more of the Company's voting capital.</p>
<p>(l) Number of consecutive mandates</p> <p>(m) Information on main professional background for the past 5 years</p>	<p>2</p> <p>Mr. Luiz Aranha Corrêa do Lago is an independent member of our board of directors since 2014. He is a professor of economic studies at Pontifical Catholic University of Rio de Janeiro since 1979, as an assistant professor from 1979 to 1995 and full professor since 1995. Mr. Lago is a consultant of Lorentzen Group and a member of the board of directors of Lorentzen Empreendimentos S.A., for which he was the chairman from 1988 to 2006. He was also the Capital Markets Officer of Brazil Central Bank from 1987 to 1988, technical officer of Primus Corretora de Valores e Câmbios S.A. from 1986 to 1987, economical consultant of National Association of Investment Banks (ANBID), head of International Economy and Monetary Studies Center from 1981 to 1986 and senior economist of Brazilian Economic Institute of Fundação Getúlio Vargas, from 1978 to 1986. Mr. Lago was a member of the board of directors of Aracruz Celulose S.A. from 1988 to 2008, of Veracel S.A. from 2006 to 2008, of Arapar S.A. from 1988 to 2009 and of Companhia de Navegação Norsul from 1988 to 2010. Mr. Lago has a degree in economic studies from Rio de Janeiro's Federal University, with a Masters' degree in economic studies from Duke University and Doctorate's degree</p>

from Harvard University.

(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity Not applicable

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(a) Name	Luiz Augusto de Castro Neves
(b) Birth date	10/29/1943
(c) Occupation	Retired diplomat
(d) CPF or Passport Number	046.432.327-49
(e) Elective Position Taken	Member of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	Chairman of the Committee for Sustainable Development and Member of the Corporate Governance Committee
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	Yes, given that he is not bound by (i) the Company, its direct or indirect controller, subsidiaries or company under direct or indirect common control; (ii) manager of the Company, its direct or indirect controller or subsidiary; (iii) person authorized to operate in its market; and (iv) shareholder holding 10% or more of the Company's voting capital.
(l) Number of consecutive mandates	3
(m) Information on main professional background for the past 5 years	Mr. Luiz Augusto de Castro Neves is an independent member of the Company's Board of Directors since 2012. Currently, Mr. Castro Neves is a founding partner of CN Estudos e Projetos Ltda., Chairman of the Corporate Brazil-China Board, Vice-Chief Executive Officer of the International Relations Brazilian Center and member of the Technical Board of the National Trade Confederation.
(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity	Not applicable

<p>(a) Name</p> <p>(b) Birth date</p> <p>(c) Occupation</p> <p>(d) CPF or Passport Number</p> <p>(e) Elective Position Taken</p> <p>(f) Election Date</p> <p>(g) Investiture Date</p> <p>(h) Mandate Term</p> <p>(i) Other Positions or Duties Exercised in the Company</p> <p>(j) Appointment if he/she was elected by controlling shareholder or not</p> <p>(j) Independent member</p>	<p>Maria Helena dos Santos Fernandes Santana</p> <p>06/23/1959</p> <p>Economist</p> <p>036.221.618-50</p> <p>Member of the Board of Directors</p> <p>04/27/2016</p> <p>04/27/2016</p> <p>2 years</p> <p>Chairman of the Corporate Governance Committee.</p> <p>Yes</p> <p>Yes, given that he is not bound by (i) the Company, its direct or indirect controller, subsidiaries or company under direct or indirect common control; (ii) manager of the Company, its direct or indirect controller or subsidiary; (iii) person authorized to operate in its market; and (iv) shareholder holding 10% or more of the Company's voting capital.</p>
<p>(l) Number of consecutive mandates</p> <p>(m) Information on main professional background for the past 5 years</p>	<p>3</p> <p>Mrs. Santana is an independent member of the Company's Board of Directors since 2013. She is also an independent director and coordinator of the audit committee of Itaú Unibanco Holding S.A. and curator of Fundação IFRS. She was an independent director of CPFL Energia S.A. Mrs. Santana was previously Chairman of the Brazilian Securities and Exchange Commission, or CVM, from July, 2007 to July 2012 and officer of CVM from July, 2006 to July, 2007. Mrs. Santana was chairman of the executive committee of the International Organization of Securities Commissions (IOSCO) from 2011 to 2012.</p>
<p>(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity</p>	<p>Not applicable</p>

<p>(a) Name</p> <p>(b) Birth date</p> <p>(c) Occupation</p> <p>(d) CPF or Passport Number</p>	<p>Carlos Mario Giraldo Moreno</p> <p>09/21/1960</p> <p>Lawyer</p> <p>PE085281</p>
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(e) Elective Position Taken	Member of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	Member of the Compensation and Human Resources Committee and the Corporate Governance Committee
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	No
(l) Number of consecutive mandates	1
(m) Information on main professional background for the past 5 years	Mr. Carlos is the Chief Executive Officer of Éxito Group since March, 2013, after holding the position of Chief Operational Officer for five years. Currently, he is member of Casino's Executive Committee. In 2003, he was appointed as Chairman of the Board of the National Trade Association ANDI, main association of the private sector in Colombia. Currently, he is member of the board of the following entities: Solla, ISA and Copa Airlines Colombia.
(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity	Not applicable

(a) Name	Jose Gabriel Loaiza Herrera
(b) Birth date	19/03/1975
(c) Occupation	Business administrator
(d) CPF or Passport Number	PE079042
(e) Elective Position Taken	Member of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	Member of the Compensation and Human Resources Committee
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	No
(l) Number of consecutive mandates	1
(m) Information on main professional background for the past 5 years	Mr. José Gabriel is Co-Head of International Business. Mr. José Gabriel Works as Commercial Co-Head of Êxito Group since 2011, he started to work for the Company in 1996. Before taking his current position as Commercial Co-Head, he had worked as Financial Planning Officer from 2008 to 2009, and in 2010 he took the position of Entertainment Officer.
(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity	Not applicable

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(a) Name	Ronaldo labrudi dos Santos Pereira
(b) Birth date	05/14/1955
(c) Occupation	Psychologist
(d) CPF or Passport Number	223.184.456-72
(e) Elective Position Taken	Member of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	Chief Executive Officer and Member of the Stock Option Plan Management Committee
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	No
(l) Number of consecutive mandates	0
(m) Information on main professional background for the past 5 years	Company's Chief Executive Officer and Chairman of the Board of Directors of Via Varejo since 2014, where he was elected as member of the Board of Directors in 2013. Previously, he was the Chairman of Lupatech's and Contax's Board of Directors. He also worked as member of the board of officers of Oi / Telemar and Cemar. labrudi also worked as Magnesita's CEO between 2007 and 2001. Between 1999 and 2006, he worked for Telemar Group, where he held various positions, including chairman and CEO of Telemar Operadora and chairman of Contax. From 1997 to 1999, he had worked as CEO of FCA "Ferrovia Centro-Atlântica". From 1984 to 1997, he had held the positions of Financial and Administrative Officer and General Manager of Human Resources of Group Gerdau. He holds a bachelor degree in psychology from PUC-MG, with masters' degree in adult education and in change management by Paris' Dauphine University.
(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity	Not applicable

(a) Name	Carlos Mario Diez Gómez
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(b) Birth date	
(c) Occupation	Business administrator
(d) CPF or Passport Number	
(e) Elective Position Taken	Member of the Board of Directors
(f) Election Date	04/27/2016
(g) Investiture Date	04/27/2016
(h) Mandate Term	2 years
(i) Other Positions or Duties Exercised in the Company	No
(j) Appointment if he/she was elected by controlling shareholder or not	Yes
(j) Independent member	No
(l) Number of consecutive mandates	0
(m) Information on main professional background for the past 5 years	Mr. Carlos Mario Diez Gómez has been worked for Almacenes Éxito S.A. since 1992, holding positions such as store officer, food trade officer, integration manager Medellín-Bogotá-Éxito, supermarket management manager, commercial co-head, operations co-head and currently as retail business co-head. He is experienced in areas of management of distribution channels, productivity and strategy, leadership, mergers and acquisitions and marketing and mass consumption. Mr. Gómez holds a bachelor's degree in business management from EAFIT University.
(n) Description of any of the following events that may have occurred in the last 5 years: (i) criminal conviction; (ii) penalty under an administrative proceeding of CVM; and (iii) judgment final and unappealable that has suspended or disqualified for the exercise of any commercial or professional activity	Not applicable

12.6 – Regarding all the persons that worked as a member of the Board of Directors or Fiscal Council in the last year, inform the percentage of attendance in the meetings held by the relevant body during the same period, which happened after the investiture

Members of the Board of Directors	Total of the meetings held by the relevant body since the member's investiture	% of attendance of the member in the meetings held after the investiture
JEAN-CHARLES HENRI NAOURI	32	100%
ARNAUD STRASSER	32	100%
CARLOS MARIO GIRALDO MORENO	3	100%
ELEAZAR DE CARVALHO FILHO	32	100%
FILIPPE DA SILVA NOGUEIRA	3	100%
JOSÉ GABRIEL LOAIZA HERRERA	3	100%
LUIZ ARANHA CORRÊA DO LAGO	29	100%
LUIZ AUGUSTO DE CASTRO NEVES	32	100%
MARIA HELENA DOS SANTOS	32	100%
FERNANDES SANTANA		
ROBERTO OLIVEIRA DE LIMA	32	94%
YVES DESJACQUES	29	91%

12.9 – Inform the existence of marital relationship, steady union, or relationship up to the second degree regarding administrators of the issuer, subsidiaries and controlling shareholders

There is no marital relationship, steady union, or relationship up to the second degree regarding managers of the issuer, subsidiaries and controlling shareholders.

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12.10 - Relationships of subordination, provision of service or control between members of management and subsidiaries, controlling shareholders and others

Mr. Jean-Charles Henri Naouri is the Chairman of the Company's Board of Directors and member of the Board of Directors of Wilkes Participações S.A., Company's direct parent company. He is also Chairman of the Board of Directors and Chief Executive Officer of Casino Guichard Perrachon, Company's indirect parent company.

Mr. Arnaud Strasser is the Vice-Chairman of the Company's Board of Directors. He is also a member of the Board of Directors of Wilkes Participações S.A., Company's direct parent company; he holds the position of Equity and Development Officer of Casino Guichard Perrachon and member of the Board of Directors of Almacenes Éxito S.A, both indirect parent companies of the Company; and he exercises the position of Vice-Chairman of the Board of Directors of Via Varejo S.A. and member of the Board of Directors of Cnova NV, both are Company's subsidiaries.

Mr. Yves Desjacques is a member of the Company's Board of Directors. He also holds the position of Human Resources Officer of Casino Guichard Perrachon and he is a member of the Board of Directors of Almacenes Éxito S.A., both are Company's indirect parent companies.

Mr. Carlos Mario Giraldo Moreno is a member of the Company's Board of Directors and a member of the Board of Directors of Wilkes Participações S.A., Company's direct parent company. He also holds the position as Chief Executive Officer of Almacenes Éxito S.A., Company's indirect parent company.

Mr. José Gabriel Loaiza Herrera is a member of the Company's Board of Directors. He also holds the position of Commercial Vice-Chief Executive Officer of Almacenes Éxito S.A., Company's indirect parent company.

Mr. Eleazar de Carvalho Filho is a member of the Board of Directors of the Company and CNova N.V., Company's subsidiary.

Mr. Carlos Mario Diez Gómez, holds the position of Vice-Chief Executive Officer for Business of Varejo do Almacenes Éxito S.A., Company's indirect parent company.

Mr. Ronaldo Iabrudi dos Santos Pereira is the Chairman of the Board of Directors of Via Varejo and member of the Board of Directors of Cnova N.V., both are Company's controlled companies.

**Global compensation Proposal for the
Managers and the Fiscal Council**

Dear Shareholders: The Management of **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO** respectfully submits to offer the Extraordinary and Annual Shareholders' Meeting a Proposal for Managers' Global Compensation, for the fiscal year of 2016, in the total amount of R\$ 77,474,473, distributed as follows:

- (a) Board of Executive Officers: up to R\$ 71,419,486, observing that such value encompasses the expense arising from the Stock Option Plans, which has a non-compensation nature for labor purposes;
- (b) Board of Directors: up to R\$ 5,370,987;
- (c) Fiscal Council, if setup: up to R\$ 684,000.

Furthermore, in compliance with article 12, item II, of ICVM 481/2009, item 13 of the Reference Form is enclosed.

This is the proposal we have to present.

São Paulo, March 28, 2016.

MANAGEMENT



Exhibit to the Global Compensation Proposal for the Managers and the Fiscal Council (Item 13 of the Reference Form, ICVM 480/2009)

13.1. Describe the compensation policy or practice of the Board of Directors, statutory and non-statutory Board of Executive Officers, Fiscal Council, Audit, Risk, Financial and Compensation Committees approaching the following aspects:

(a) purposes of the compensation policy or practice

The purpose of our compensation policies and practice is to remunerate our managers and members of the committees of our Company, as the case may be, according to the market practices, allowing the attraction and retention of skilled professionals and the engagement in our Company.

(b) Composition of the compensation, indicating:

i. description of the compensation elements and purposes of each of them

The members of our Board of Directors and committees, including the external members, as well as the members of the Fiscal Council receive the monthly fixed compensation, disconnected to the actual attendance in meetings. This method of compensation is in line in relation to the market practice in general and to the Company's interests.

The compensation of our Officers is comprised of the following elements: (i) fixed compensation reflected in a base salary, with the purpose of maintaining the balance in relation to the general market practice; (ii) profit sharing, with the purpose of stimulating our professionals to pursue the success of our Company and share

our profits with them; and (iii) a stock option plan, which is an incentive offered to our executives to assure a long-term sustainable business.

ii. proportion of each element in the total compensation

The table below presents the proportion of each element in the composition of the total compensation in the previous fiscal years:

For the fiscal year ended on December 31, 2015:

	% in relation to total compensation			
	Base Salary	Variable Compensation	Stock Option Plans	Total
Board of Directors	100%	0%	0%	100%
Board of Executive Officers	64.7%	25.7%	9.6%	100%
Fiscal Council	100%	0%	0%	100%

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For the fiscal year ended on December 31, 2014:

	% in relation to total compensation			Total
	Base Salary	Variable Compensation	Stock Option Plans	
Board of Directors	100%	0%	0%	100%
Board of Executive Officers	67.68%	25,07%	7.25%	100%
Fiscal Council	100%	0%	0%	100%

For the fiscal year ended on December 31, 2013:

	% in relation to total compensation			Total
	Base Salary	Variable Compensation	Stock Option Plans	
Board of Directors	100%	0%	0%	100%
Board of Executive Officers	38.49%	38%	23.51%	100%
Fiscal Council	100%	0%	0%	100%

iii. methodology of calculation and adjustment of each element of the compensation

To set the compensation of our managers, we conduct market surveys on a regular basis, in order to evaluate whether the criteria and conditions that we adopt to determine the compensation are satisfactory and allow us to retain our professionals, and analyze the need for proposing adjustments to any component of the compensation that may be not in line. Such surveys are conducted annually, by a specialized and reputable consultation recognized in the market hired by us, and use as parameters of comparison large business groups that operate in the country, including particularly the groups that operate in the retail business.

The calculation of the sharing of our Officers in our results, in its turn, is based on indicators aligned with the strategic plan of our Company, whose definition is based on our business plan an on the results to be accomplished.

For further information on our stock option plans and on compensation based on stock options, see item 13.4 below.

iv. reasons that justify the composition of the compensation

Our focus on the results is what justifies the composition of our compensation policy, which depends on the ongoing search for skilled, qualified, devoted and valuable professionals for our Company.

v. the existence of members who are not remunerated by the issuer and the reason for such fact

The Chairman of the Board of Director does not receive any kind of compensation given that he waived his right to receive it.

(c) main performance indicators that are taken into consideration in determining each element of the compensation

To fix the variable portion of the compensation, we observe performance indicators that we consider strategic, such as gross sale, net profit, total expense, *working capital*, personnel turnover, in addition to the level of excellence of our managers in the performance of their functions, considering the degree of individual responsibility and attributions. The performance indicators are not taken into consideration for the determination of the fixed portion of the compensation.

(d) how the compensation is structured to reflect the performance indicators evolution

We structure our compensation by means of programs that monitor the accomplishment of goals previously defined by our Company and the results actually achieved.

(e) how the compensation policy or practice is aligned to the short, medium and long term interests of the Company

In order to align the Board of Executive Officers with the Company's goals in short and medium term perspective, we offer our Officers a fixed compensation (base salary) and, additionally a portion of variable compensation to be paid as sharing in the results. Furthermore, we offer our Officers a stock option plan and a compensation plan based on stock option plan that, because they have certain characteristics such as grace period to exercise the options and lock up of the acquired shares, maintain the Board of Executive Officers aligned with the Company's goals in a long-term perspective. It is relevant to further clarify that the stock option plan, the compensation plan based on stock option plan and on result sharing comprise the variable compensation of the Board of Executive Officers.

The compensation of the members of our Board of Directors, Fiscal Council and committees is readjusted based on the amount usually paid by the market, stimulating such professionals to keep the excellence in the exercise of their functions and the ongoing search for improving our results. In this regard, we understand that our policy and practice of compensation are adequate to our short-, medium- and long-term interests.

(f) existence of compensation borne by subsidiaries, direct or indirect controlling or controlled companies

The compensation of our managers and members of the committees is supported exclusively by our Company.

(g) existence of any compensation or benefit related to the occurrence of a specific corporate event, such as the sale of the Company's controlling interest.

There is no compensation or benefit to our managers or members of our committees related to the occurrence of a specific corporate event to our managers or members of our committees linked to the occurrence of corporate events.

13.2 - Total compensation of the Board of Directors, Statutory Board of Executive Officers and Fiscal Council

Estimated amounts for the year of 2016

<i>(Amounts in R\$, when applicable)</i>	Board of Directors	Board of Executive Officers	Fiscal Council²	Total
Number of members	14	7	3	21
Annual Fixed Compensation	5,310,987	21,311,617	684,000	
	-	4,760,751	-	
Variable compensation	60,000	5,374,336	0	5,434,336
				30,025,356
		30,025,356		
Post-Employment Cessation of position Based on shares	0	-		
Total Compensation		9,947,426		9,947,426
	5,370,987	71,419,486	684,000	77,474,473

Amounts paid in the year of 2015

<i>(Amounts in R\$, when applicable)</i>	Board of Directors	Board of Executive Officers	Fiscal Council	Total
Number of members	12.5	6.75	0	19.25
Annual Fixed Compensation	4,023,312	30,041,266	0	34,067,578

3,662,836

3,662,836

Variable compensation

13,377,018

13,377,018