

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

March 02, 2011

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 March, 2011

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

Financial Statements

Companhia Brasileira de Distribuição

December 31, 2010 and 2009

Companhia Brasileira de Distribuição

Consolidated Financial Statements

December 31, 2010 and 2009

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A free translation from Portuguese into English of Independent Auditor's Report on individual financial statements in accordance with accounting practices adopted in Brazil and on consolidated financial statements prepared in accordance with IFRS and also with accounting practices adopted in Brazil

INDEPENDENT AUDITOR S REPORT ON FINANCIAL STATEMENTS

To the Board of Directors and Executive Officers of

Companhia Brasileira de Distribuição

São Paulo, SP

We have audited the individual and consolidated financial statements of **Companhia Brasileira de Distribuição** (the Company), which are identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010 and the statements of income, statements of comprehensive income, statements of changes in shareholders' equity, and statements of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with the accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in accordance with the accounting practices adopted in Brazil, and for internal control as management determines is necessary to enable the preparation of such financial statements that are free from material misstatement, whether due to fraud or error.

Auditor s responsibility

Companhia Brasileira de Distribuição

Our responsibility is to express an opinion on these financial statements based on our audit, which was conducted in conformity with Brazilian and international auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of Companhia Brasileira de Distribuição as at December 31, 2010, and its financial performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Companhia Brasileira de Distribuição as at December 31, 2010, and its financial and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and with accounting practices adopted in Brazil.

Emphasis

As described in Note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Companhia Brasileira de Distribuição, these practices differ from IFRS in the presentation of separate financial statements only with regard to the valuation of investments in subsidiaries, affiliated companies and jointly controlled subsidiaries. For accounting practices adopted in Brazil, such investments are accounted for by the equity method, while for the purposes of IFRS these are accounted for at cost or fair value.

Other matters

Statements of added value

We also applied audit procedures to the individual and consolidated statements of added value (DVA) for the year ended December 31, 2010, the presentation of which is required for publicly held companies according to the Brazilian corporation law and as additional information under IFRS which do not require the presentation of DVA. These statements were submitted to the same previously described audit procedures and in our opinion they are fairly presented in all their material respects, in relation to the financial statements taken as a whole.

Audit of balances corresponding to the prior year

The balances corresponding to the year ended December 31, 2009, presented for comparison purposes, were previously audited by us according to the audit standards effective when the report was issued at February 26, 2010, which did not contain any modification. The audit standards previously effective allowed the division of responsibility. The individual and consolidated financial statements of subsidiary Globex Utilidades S.A. for the six-month period ended December 31, 2009, were audited by other auditors. In our opinion, referring to investments, equity pickup, assets and liabilities, sales net revenues and net income for the period and other information included in the notes to the individual and consolidated financial statements of the Company deriving from this subsidiary, these are exclusively based on the opinion of those independent auditors.

São Paulo, February 23, 2011.

Ernst & Young Terco Auditores Independentes S.S.

CRC 2SP015199/O-6

Sergio Citeroni - Partner

Accountant CRC 1SP170652/O-1

Companhia Brasileira de Distribuição

Balance Sheets

At December 31, 2010, December 31, 2009 and January 1, 2009

(In thousands of Reais) - A free translation from Portuguese into English of individual financial statements in accordance with accounting practices adopted in Brazil and of consolidated financial statements in accordance with IFRS and also with accounting practices adopted in Brazil

		Parent Company			Consolidated	
	Note	12.31.2010	12.31.2009	01.01.2009	12.31.2010	12.31.2009
Assets						
Current assets						
Cash and cash equivalents	8	1,757,576	1,927,480	1,251,631	3,817,994	2,343,243
Marketable securities	9	-	-	-	608,002	-
Accounts receivable	10	630,373	810,577	858,774	3,797,237	2,365,284
Inventories	12	1,573,254	1,521,613	1,128,730	4,823,768	2,827,463
Recoverable taxes	13	363,762	230,581	292,292	888,355	416,583
Other receivables		62,548	100,249	75,566	488,045	324,880
Total current assets		4,387,513	4,590,500	3,606,993	14,423,401	8,277,453
Non-current liabilities						
Receivables securitization fund	11	117,613	106,129	87,380	-	-
Accounts receivable	10	52,786	33,761	-	611,630	419,191
Recoverable taxes	13	119,802	134,213	177,066	213,506	255,194
Fair value of Bartira option	17	143,898	-	-	416,004	-
Deferred income and social contribution taxes	25	649,222	476,864	588,669	672,037	1,390,540
Amounts receivable from related parties	22	786,730	486,515	522,097	158,417	66,102
Judicial deposits	20	269,316	208,216	154,896	534,389	428,255
Other receivables		36,540	14,859	18,945	47,048	19,911
Investments	16	4,143,645	2,534,423	1,536,482	370,349	200,447
Property and equipment	14	4,801,999	4,297,290	4,247,947	6,703,594	5,356,774
Intangible assets	15	586,260	405,710	201,443	4,554,518	2,025,735
Total non-current assets		11,707,811	8,697,980	7,534,925	14,281,492	10,162,149
Total assets		16,095,324	13,288,480	11,141,918	28,704,893	18,439,602

Companhia Brasileira de Distribuição

Balance Sheets

At December 31, 2010, December 31, 2009 and January 1, 2009

(In thousands of Reais)

		Parent Company			Consolidated	
	Note	12.31.2010	12.31.2009	01.01.2009	12.31.2010	12.31.2009
Liabilities						
Current liabilities						
Suppliers		2,219,699	2,327,444	1,834,286	5,306,349	4,004,397
Loans and financing	18	457,358	124,069	281,186	2,206,832	510,322
Debentures	18	520,675	19,386	36,861	520,675	19,386
Payroll and related charges		264,606	225,550	176,717	595,558	428,318
Taxes and social contributions payable	24	195,366	154,089	87,394	353,894	313,672
Accounts payable to related parties	22	189,468	20,188	12,279	274,291	31,734
Proposed dividends	26	114,654	94,491	61,851	116,287	98,052
Financing due to purchase of property		14,211	14,211	45,747	14,211	14,212
Rentals payable		22,887	21,523	21,902	68,226	47,424
Other accounts payable		287,187	232,198	186,010	1,008,912	453,653
Total current liabilities		4,286,111	3,233,149	2,744,233	10,465,235	5,921,170
Non-current liabilities						
Loans and financing	18	1,456,488	769,010	906,521	4,524,464	2,101,243
Debentures	18	1,067,472	1,481,356	777,868	1,067,472	1,481,356
Deferred income and social contribution taxes	25	462,453	2,321	-	479,893	265,175
Taxes payable in installments	24	1,269,246	1,140,644	192,585	1,376,788	1,205,579
Provision for lawsuits	20	326,858	106,497	1,169,755	697,806	578,343
Other accounts payable		207,537	18,422	19,430	608,634	330,464