

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

October 31, 2014

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 October, 2014

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

***Companhia Brasileira
de Distribuição***

*Individual and Consolidated Interim
Financial Information for the
Quarter Ended September 30, 2014 and
Report on Review of Interim Financial Information*

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte Touche Tohmatsu

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of

Companhia Brasileira de Distribuição

São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Brasileira de Distribuição (the “Company”), identified as Company and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2014, which comprises the balance sheet as of September 30, 2014 and the related statements of income and comprehensive income for the three and nine-month periods then ended and statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Company’s Management is responsible for the preparation of the individual interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Information and the consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the Interim Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1), applicable to the preparation of the Interim Financial Information (ITR), and presented in accordance with the standards established by CVM.

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Deloitte Touche Tohmatsu

Conclusion on consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the Interim Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by CVM.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added (DVA) for the nine-month period ended September 30, 2014, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards - IFRS, which do not require the presentation of these statements. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil

São Paulo, October 30, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
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Edimar Facco
Engagement Partner

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Company Information

| | |
|-------------------|---|
| Capital Breakdown | 2 |
| Cash Dividends | 3 |

Individual Quarterly Financial Information

| | |
|-------------------------------------|---|
| Balance Sheet – Assets | 4 |
| Balance Sheet – Liabilities | 5 |
| Income Statement | 7 |
| Comprehensive Income for the Period | 8 |
| Statement of Cash Flows | 9 |

Statement of Changes in Shareholders' Equity

| | |
|--------------------------|----|
| 1/1/2014 to 9/30/2014 | 10 |
| 1/1/2013 to 9/30/2013 | 11 |
| Statement of Value Added | 12 |

Consolidated Quarterly Financial Information

| | |
|-------------------------------------|----|
| Balance Sheet - Assets | 13 |
| Balance Sheet - Liabilities | 14 |
| Income Statement | 16 |
| Comprehensive Income for the Period | 17 |
| Statement of Cash Flows | 18 |

Statement of Changes in Shareholders' Equity

| | |
|--------------------------|----|
| 1/1/2014 to 9/30/2014 | 19 |
| 1/1/2013 to 9/30/2013 | 20 |
| Statement of Value Added | 21 |

| | |
|--|-----|
| Comments on the Company's Performance | 22 |
| Notes to the Quarterly Financial Information | 43 |
| Other Information Deemed Relevant by the Company | 103 |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Company Information / Capital Breakdown

| Number of Shares | Current Quarter |
|-------------------------|------------------------|
| (thousand) | 09/30/2014 |
| Paid in Capital | |
| Common | 99,680 |
| Preferred | 165,539 |
| Total | 265,219 |
| Treasury Shares | |
| Common | 0 |
| Preferred | 233 |
| Total | 233 |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Company Information / Cash Dividends**

| Event | Approval | Type | Date of Payment | Type of Share | Class of Share | Amount per share (Reais/share) |
|--|-----------------|-------------|------------------------|----------------------|-----------------------|---------------------------------------|
| Board of Directors' Meeting | 04/24/2014 | Dividend | 05/15/2014 | Common | - | 0.12727 |
| Board of Directors' Meeting | 04/24/2014 | Dividend | 05/15/2014 | Preferred | - | 0.14000 |
| Extraordinary and Ordinary Shareholders' Meeting | 04/16/2014 | Dividend | 06/13/2014 | Common | - | 0.53539 |
| Extraordinary and Ordinary Shareholders' Meeting | 04/16/2014 | Dividend | 06/13/2014 | Preferred | - | 0.58893 |
| Board of Directors' Meeting | 07/16/2014 | Dividend | 08/13/2014 | Common | - | 0.12727 |
| Board of Directors' Meeting | 07/16/2014 | Dividend | 08/13/2014 | Preferred | - | 0.14000 |
| Board of Directors' Meeting | 10/30/2014 | Dividend | 11/21/2014 | Common | - | 0.12727 |
| Board of Directors' Meeting | 10/30/2014 | Dividend | 11/21/2014 | Preferred | - | 0.14000 |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Individual Quarterly Financial Information / Balance Sheet - Assets****R\$ (in thousands)**

| Code | Description | Current Quarter 09.30.2014 | Previous Year 12.31.2013 |
|---------------|---|---------------------------------------|-------------------------------------|
| 1 | Total Assets | 21,568,947 | 22,214,075 |
| 1.01 | Current Assets | 4,272,570 | 5,623,474 |
| 1.01.01 | Cash and Cash Equivalents | 1,503,231 | 2,851,220 |
| 1.01.03 | Accounts Receivable | 230,578 | 360,361 |
| 1.01.03.01 | Trade Accounts Receivable | 182,395 | 312,471 |
| 1.01.03.02 | Other Accounts Receivable | 48,183 | 47,890 |
| 1.01.04 | Inventories | 2,292,585 | 2,165,609 |
| 1.01.06 | Recoverable Taxes | 100,295 | 148,034 |
| 1.01.06.01 | Current Recoverable Taxes | 100,295 | 148,034 |
| 1.01.07 | Prepaid Expenses | 73,508 | 27,497 |
| 1.01.08 | Other Current Assets | 72,373 | 70,753 |
| 1.01.08.01 | Noncurrent Assets Held for Sales | 2,418 | 4,355 |
| 1.01.08.03 | Other | 69,955 | 66,398 |
| 1.02 | Noncurrent Assets | 17,296,377 | 16,590,601 |
| 1.02.01 | Long-term Assets | 1,871,829 | 1,614,381 |
| 1.02.01.03 | Accounts Receivable | 32,111 | 31,338 |
| 1.02.01.03.02 | Other Accounts Receivable | 32,111 | 31,338 |
| 1.02.01.06 | Deferred Taxes | 71,299 | 120,869 |
| 1.02.01.06.01 | Deferred Income and Social Contribution Taxes | 71,299 | 120,869 |
| 1.02.01.07 | Prepaid Expenses | 26,585 | 37,803 |
| 1.02.01.08 | Receivables from Related Parties | 974,505 | 646,478 |
| 1.02.01.08.02 | Receivables from Subsidiaries | 935,044 | 608,573 |
| 1.02.01.08.03 | Receivables from Controlling Shareholders | 1,181 | 2,738 |
| 1.02.01.08.04 | Receivables from Other Related Parties | 38,280 | 35,167 |
| 1.02.01.09 | Other Noncurrent Assets | 767,329 | 777,893 |
| 1.02.01.09.04 | Recoverable Taxes | 350,701 | 350,880 |
| 1.02.01.09.05 | Restricted Deposits for Legal Proceeding | 416,628 | 427,013 |
| 1.02.02 | Investments | 8,210,476 | 7,774,250 |
| 1.02.02.01 | Investments in Associates | 8,210,476 | 7,774,250 |
| 1.02.02.01.02 | Investments in Associates | 8,210,476 | 7,774,250 |
| 1.02.03 | Property and Equipment, net | 6,061,342 | 6,074,815 |
| 1.02.03.01 | Property and Equipment in Use | 5,974,134 | 5,911,544 |
| 1.02.03.02 | Leased properties | 27,077 | 32,210 |
| 1.02.03.03 | In Progress | 60,131 | 131,061 |
| 1.02.04 | Intangible Assets | 1,152,730 | 1,127,155 |
| 1.02.04.01 | Intangible Assets | 1,152,730 | 1,127,155 |
| 1.02.04.01.02 | Intangible Assets | 1,152,730 | 1,127,155 |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Individual Quarterly Financial Information / Balance Sheet - Liabilities****R\$ (in thousands)**

| Code | Description | Current Quarter 09.30.2014 | Previous Year 12.31.2013 |
|---------------|---|---------------------------------------|-------------------------------------|
| 2 | Total Liabilities | 21,568,947 | 22,214,075 |
| 2.01 | Current Liabilities | 6,542,293 | 8,022,610 |
| 2.01.01 | Payroll and Related Charges | 372,826 | 368,584 |
| 2.01.01.01 | Payroll Liabilities | 50,190 | 67,385 |
| 2.01.01.02 | Social Security Liabilities | 322,636 | 301,199 |
| 2.01.02 | Trade Accounts Payable | 1,884,066 | 2,631,704 |
| 2.01.02.01 | Local Trade Accounts Payable | 1,806,142 | 2,529,066 |
| 2.01.02.02 | Foreign Trade Accounts Payable | 77,924 | 102,638 |
| 2.01.03 | Taxes and Contributions Payable | 192,815 | 365,382 |
| 2.01.03.01 | Federal Tax Liabilities | 180,765 | 335,395 |
| 2.01.03.01.01 | Income and Social Contribution Tax Payable | 20,365 | 132,077 |
| 2.01.03.01.02 | Other (PIS, COFINS, IOF, INSS, Funrural) | 17,782 | 67,524 |
| 2.01.03.01.03 | Taxes Payable in Installments | 142,618 | 135,794 |
| 2.01.03.02 | State Tax Liabilities | 12,050 | 29,987 |
| 2.01.04 | Loans and Financing | 1,806,752 | 1,973,889 |
| 2.01.04.01 | Loans and Financing | 750,009 | 917,290 |
| 2.01.04.01.01 | In Local Currency | 749,013 | 754,137 |
| 2.01.04.01.02 | In Foreign Currency | 996 | 163,153 |
| 2.01.04.02 | Debentures | 1,030,657 | 1,028,475 |
| 2.01.04.03 | Financing by Leasing | 26,086 | 28,124 |
| 2.01.05 | Other Liabilities | 2,282,517 | 2,661,800 |
| 2.01.05.01 | Related Parties | 2,091,733 | 2,224,015 |
| 2.01.05.01.01 | Debts with Associated Companies | 59 | 6,180 |
| 2.01.05.01.02 | Debts with Subsidiaries | 2,091,463 | 2,217,835 |
| 2.01.05.01.03 | Debts with Controlling Shareholders | 209 | - |
| 2.01.05.01.04 | Debts with Others Related Parties | 2 | - |
| 2.01.05.02 | Other | 190,784 | 437,785 |
| 2.01.05.02.01 | Dividends and Interest on Equity Payable | 630 | 151,480 |
| 2.01.05.02.04 | Utilities | 1,624 | 6,667 |
| 2.01.05.02.05 | Rent Payable | 44,708 | 53,027 |
| 2.01.05.02.06 | Advertisement Payable | 23,370 | 39,723 |
| 2.01.05.02.07 | Pass-through to Third Parties | 6,997 | 8,799 |
| 2.01.05.02.08 | Financing Related to Acquisition of Real Estate | 24,351 | 36,161 |
| 2.01.05.02.09 | Deferred revenue | 10,014 | - |
| 2.01.05.02.11 | Other Accounts Payable | 79,090 | 141,928 |
| 2.01.06 | Provisions | 3,317 | 21,251 |
| 2.01.06.02 | Other Provisions | 3,317 | 21,251 |

| | | | |
|---------------|------------------------------|-------|--------|
| 2.01.06.02.02 | Provisions for Restructuring | 3,317 | 21,251 |
|---------------|------------------------------|-------|--------|

Individual Quarterly Financial Information / Balance Sheet - Liabilities

R\$ (in thousands)

| Code | Description | Current Quarter 09.30.2014 | Previous Year 12.31.2013 |
|---------------|--|---------------------------------------|-------------------------------------|
| 2.02 | Noncurrent Liabilities | 4,791,376 | 4,708,275 |
| 2.02.01 | Loans and Financing | 3,497,107 | 3,142,472 |
| 2.02.01.01 | Loans and Financing | 1,263,349 | 1,018,920 |
| 2.02.01.01.01 | In Local Currency | 961,437 | 1,018,920 |
| 2.02.01.01.02 | In Foreign Currency | 301,912 | - |
| 2.02.01.02 | Debentures | 2,097,207 | 1,998,705 |
| 2.02.01.03 | Financing by Leasing | 136,551 | 124,847 |
| 2.02.02 | Other Liabilities | 898,134 | 1,039,851 |
| 2.02.02.02 | Other | 898,134 | 1,039,851 |
| 2.02.02.02.03 | Taxes Payable by Installments | 875,486 | 991,717 |
| 2.02.02.02.05 | Financing related to acquisition of real estate | 8,000 | 12,000 |
| 2.02.02.02.06 | Other Accounts Payable | 14,648 | 36,134 |
| 2.02.04 | Provision for Contingencies | 355,580 | 495,952 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 355,580 | 495,952 |
| 2.02.04.01.01 | Tax Provisions | 108,743 | 276,031 |
| 2.02.04.01.02 | Social Security and Labor Provisions | 161,417 | 149,196 |
| 2.02.04.01.04 | Civil Provisions | 85,420 | 70,725 |
| 2.02.06 | Deferred revenue | 40,555 | 30,000 |
| 2.02.06.02 | Deferred revenue | 40,555 | 30,000 |
| 2.03 | Shareholders' Equity | 10,235,278 | 9,483,190 |
| 2.03.01 | Paid-in Capital Stock | 6,789,085 | 6,764,300 |
| 2.03.02 | Capital Reserves | 264,842 | 233,149 |
| 2.03.02.04 | Granted Options | 257,444 | 225,751 |
| 2.03.02.07 | Capital Reserve | 7,398 | 7,398 |
| 2.03.04 | Profit Reserves | 2,468,884 | 2,485,741 |
| 2.03.04.01 | Legal Reserve | 353,433 | 353,433 |
| 2.03.04.05 | Retention of Profits Reserve | 1,029,567 | 1,709,083 |
| 2.03.04.10 | Expansion Reserve | 1,134,627 | 460,557 |
| 2.03.04.12 | Transactions with non-controlling interest | (48,743) | (37,332) |
| 2.03.05 | Retained Earnings/ Accumulated Losses | 712,822 | - |
| 2.03.07 | Cumulated Translation Adjustment | 164 | - |
| 2.03.08 | Other Comprehensive Income | (519) | - |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Individual Quarterly Financial Information / Statement of Income****R\$ (in thousands)**

| Code | Description | Year To | Year To | Year To |
|------------|--|-------------|--------------|-------------|
| | | Date | Date | Date |
| | | Current | Current | Previous |
| | | Period | Period | Period |
| | | 07/01/2014 | 01/01/2014 | 07/01/2013 |
| | | to | to | |
| | | 09/30/2014 | 09/30/2014 | 09/30/2013 |
| 3.01 | Net Sales from Goods and/or Services | 5,207,696 | 16,060,121 | 5,274,600 |
| 3.02 | Cost of Goods Sold and/or Services Sold | (3,698,292) | (11,635,950) | (3,875,000) |
| 3.03 | Gross Profit | 1,509,404 | 4,424,171 | 1,399,600 |
| 3.04 | Operating Income/Expenses | (1,040,299) | (3,079,250) | (935,250) |
| 3.04.01 | Selling Costs | (885,256) | (2,650,076) | (810,700) |
| 3.04.02 | General and Administrative | (142,593) | (399,452) | (158,620) |
| 3.04.05 | Other Operating Expenses | (189,774) | (473,603) | (119,990) |
| 3.04.05.01 | Depreciation/Amortization | (109,369) | (320,923) | (105,870) |
| 3.04.05.03 | Other Operating Expenses | (73,829) | (136,245) | (19,150) |
| 3.04.05.04 | Income Related to Fixed Assets | (6,576) | (16,435) | 5,000 |
| 3.04.06 | Equity Pickup | 177,324 | 443,881 | 154,000 |
| 3.05 | Profit before Net Financial Expenses and Social Contribution Taxes | 469,105 | 1,344,921 | 464,300 |
| 3.06 | Net Financial Expenses | (173,523) | (451,959) | (142,450) |
| 3.06.01 | Financial Revenue | 37,894 | 141,806 | 49,700 |
| 3.06.02 | Financial Expenses | (211,417) | (593,765) | (192,220) |
| 3.07 | Earnings Before Income and Social Contribution Taxes | 295,582 | 892,962 | 321,900 |
| 3.08 | Income and Social Contribution Taxes | (19,405) | (108,529) | (39,800) |
| 3.08.01 | Current | 41,630 | (58,958) | (52,000) |
| 3.08.02 | Deferred | (61,035) | (49,571) | 12,100 |
| 3.09 | Net Income from Continued Operations | 276,177 | 784,433 | 282,100 |
| 3.11 | Net Income for the Period | 276,177 | 784,433 | 282,100 |
| 3.99 | Earnings per Share - (Reais/Share) | | | |
| 3.99.01 | Earnings Basic per Share | | | |
| 3.99.01.01 | Common | 0.98210 | 2.78951 | 1.00600 |
| 3.99.01.02 | Preferred | 1.08031 | 3.06846 | 1.10000 |
| 3.99.02 | Earnings Diluted per Share | | | |
| 3.99.02.01 | Common | 0.9821 | 2.78951 | 1.00600 |
| 3.99.02.02 | Preferred | 1.07787 | 3.06152 | 1.10200 |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Quarterly Financial Information / Comprehensive Income for the Period

R\$ (in thousands)

| Code | Description | Year To Date | Year To Date | Year To Date | Year To Date |
|---------|---------------------------------------|---|---|--|--|
| | | Current Period 07/01/2014 to 09/30/2014 | Current Period 01/01/2014 to 09/30/2014 | Previous Period 07/01/2013 to 09/30/2013 | Previous Period 01/01/2013 to 09/30/2013 |
| 4.01 | Net income for the Period | 276,177 | 784,433 | 282,109 | 560,774 |
| 4.02 | Other Comprehensive Income | (355) | (355) | - | - |
| 4.02.01 | Translation Adjustment for the period | 164 | 164 | - | - |
| 4.02.02 | Defined benefit contribution plan | (519) | (519) | - | - |
| 4.03 | Comprehensive Income for the Period | 275,822 | 784,078 | 282,109 | 560,774 |

Individual Quarterly Financial Information / Statement of Cash Flows - Indirect Method

R\$ (in thousands)

| Code | Description | Year To | Year To |
|------------|--|-------------|-------------|
| | | Date | Date |
| | | Current | Previous |
| | | Period | Period |
| | | 01/01/2014 | 01/01/2013 |
| | | to | to |
| | | 09/30/2014 | 09/30/2013 |
| 6.01 | Net Cash Flow Operating Activities | (585,268) | 398,985 |
| 6.01.01 | Cash Provided by the Operations | 1,290,776 | 1,309,938 |
| 6.01.01.01 | Net Income for the Period | 784,433 | 560,774 |
| 6.01.01.02 | Deferred Income and Social Contribution Taxes (note 21e) | 49,571 | (26,057) |
| 6.01.01.03 | Results from Disposal of Fixed Assets | 16,435 | (817) |
| 6.01.01.04 | Depreciation/Amortization | 351,023 | 333,056 |
| 6.01.01.05 | Net Financial Results | 423,697 | 420,104 |
| 6.01.01.06 | Adjustment to Present Value | (365) | 808 |
| 6.01.01.07 | Equity Pickup (note 13) | (443,881) | (285,857) |
| 6.01.01.08 | Provision for Contingencies (note 23) | (7,808) | 197,162 |
| 6.01.01.09 | Provision for Disposals and Impairment of Property and Equipment | - | 2,706 |
| 6.01.01.10 | Share-based Payment | 31,693 | 29,658 |
| 6.01.01.11 | Allowance for doubtful accounts | (2,195) | (43) |
| 6.01.01.13 | Provision for Obsolescence/breakage (note 10) | (6,729) | (3,556) |
| 6.01.01.14 | Other Operating Expenses | 104,333 | 82,000 |
| 6.01.01.15 | Deferred Revenue (note 23) | (9,431) | - |
| 6.01.02 | Changes in Assets and Liabilities | (1,876,044) | (910,953) |
| 6.01.02.01 | Accounts Receivable | 132,271 | 267,401 |
| 6.01.02.02 | Inventories | (120,247) | 65,943 |
| 6.01.02.03 | Recoverable Taxes | 48,283 | (70,852) |
| 6.01.02.04 | Other Assets | (39,044) | (40,394) |
| 6.01.02.05 | Related Parties | (547,026) | (367,945) |
| 6.01.02.06 | Restricted Deposits for Legal Proceeding | 12,210 | (77,463) |
| 6.01.02.07 | Trade Accounts Payable | (747,638) | (542,587) |
| 6.01.02.08 | Payroll Charges | 4,242 | 62,411 |
| 6.01.02.09 | Taxes and Social Contributions Payable | (334,630) | (153,500) |
| 6.01.02.10 | Other Accounts Payable | (149,175) | (31,404) |
| 6.01.02.11 | Contingencies | (165,290) | (22,563) |
| 6.01.02.12 | Deferred Revenue | 30,000 | - |
| 6.02 | Net Cash Flow Investment Activities | (389,815) | (536,741) |
| 6.02.01 | Capital Increase/Decrease on Subsidiaries (note 13) | (241) | - |
| 6.02.02 | Acquisition of Property and Equipment (note 15) | (311,934) | (491,173) |
| 6.02.03 | Increase Intangible Assets (note 16) | (92,075) | (68,239) |
| 6.02.04 | Sales of Property and Equipment | 14,435 | 22,671 |
| 6.03 | Net Cash Flow Financing Activities | (372,906) | (1,466,298) |
| 6.03.01 | Capital Increase/Decrease | 24,785 | 11,749 |
| 6.03.02 | Loans Obtained | 1,279,202 | - |
| 6.03.03 | Payments (note 18) | (1,447,548) | (1,246,182) |
| 6.03.05 | Payment of Dividends | (222,161) | (231,865) |

| | | | |
|---------|--|-------------|-------------|
| 6.03.06 | Acquisition of Subsidiary | (7,184) | - |
| 6.05 | Net Increase (Decrease) in Cash and Cash Equivalents | (1,347,989) | (1,604,054) |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of Period | 2,851,220 | 2,890,331 |
| 6.05.02 | Cash and Cash Equivalents at the End of Period | 1,503,231 | 1,286,277 |

Individual Quarterly Financial Information / Statement of Changes in Shareholders' Equity 01/01/2014 to 09/30/2014

R\$ (in thousands)

| Code | Description | Paid-in Capital | Capital Reserves, Options Granted and Treasury Shares | Profit Accumulated Reserves Profit / Loss | Other Comprehensive Income |
|------------|--|--------------------|---|--|-------------------------------|
| 5.01 | Opening Balance | 6,764,300 | 233,149 | 2,485,741 | - |
| 5.03 | Restated Opening Balance | 6,764,300 | 233,149 | 2,485,741 | - |
| 5.04 | Capital Transactions with Shareholders | 24,785 | 31,693 | 300 | (71,611) |
| 5.04.01 | Capital Increases | 24,785 | - | - | - |
| 5.04.03 | Granted Options | - | 29,274 | - | - |
| 5.04.06 | Dividends | - | - | 300 | (71,611) |
| 5.04.08 | Capitalization of reserve | - | - | - | - |
| 5.04.09 | Granted Options recognized in subsidiaries | - | 2,419 | - | - |
| 5.05 | Total Comprehensive Income | - | - | - | 784,433 |
| 5.05.01 | Net Income for the Period | - | - | - | 784,433 |
| 5.05.02 | Other Comprehensive Income | - | - | - | - |
| 5.05.02.04 | Accumulated Translation Adjustment | - | - | - | - |
| 5.05.02.06 | Defined benefit plan | - | - | - | - |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (17,157) | - |
| 5.06.04 | Gain (Loss) in Equity Interest | - | - | (5,745) | - |
| 5.06.06 | Transactions With Non-controlling Interest | - | - | (11,412) | - |
| | | 6,789,085 | 264,842 | 2,468,884 | 712,822 |

Individual Quarterly Financial Information / Statement of Changes in Shareholders' Equity 01/01/2013 to 09/30/2013

R\$ (in thousands)

| Code | Description | Paid-in Capital | Capital Reserves, Options Granted and Treasury Shares | Profit Reserves | Accumulated Profit / Loss | Other comprehensive income |
|------------|--|--------------------|---|--------------------|------------------------------|----------------------------------|
| 5.01 | Opening Balance | 6,710,035 | 228,459 | 1,556,231 | - | - |
| 5.03 | Restated Opening Balance | 6,710,035 | 228,459 | 1,556,231 | - | - |
| 5.04 | Capital Transactions with Shareholders | 49,774 | (8,367) | - | (66,260) | - |
| 5.04.01 | Capital Increases | 11,749 | - | - | - | - |
| 5.04.03 | Granted Options | - | 29,658 | - | - | - |
| 5.04.06 | Dividends | - | - | - | (66,260) | - |
| 5.04.08 | Capitalization of reserve | 38,025 | (38,025) | - | - | - |
| 5.05 | Total Comprehensive Income | - | - | - | 560,774 | - |
| 5.05.01 | Net Income for the Period | - | - | - | 560,774 | - |
| 5.05.02 | Other Comprehensive Income | - | - | - | - | - |
| 5.05.02.04 | Accumulated Translation Adjustment | - | - | - | - | - |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (744) | - | - |
| 5.06.04 | Gain (Loss) in Equity Interest | - | - | (744) | - | - |
| 5.07 | Closing Balance | 6,759,809 | 220,092 | 1,555,487 | 494,514 | - |

11

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Individual Quarterly Financial Information / Statement of Value Added****R\$ (in thousands)**

| Code | Description | Year To Date | |
|------------|--|--|--|
| | | Current Period 01/01/2014 to 09/30/2014 | Current Period 01/01/2013 to 09/30/2013 |
| 7.01 | Revenues | 17,449,169 | 16,888,061 |
| 7.01.01 | Sales of Goods, Products and Services | 17,420,502 | 16,859,968 |
| 7.01.02 | Other Revenues | 26,472 | 28,050 |
| 7.01.04 | Allowance for/Reversal of Doubtful Accounts | 2,195 | 43 |
| 7.02 | Raw Materials Acquired from Third Parties | (13,512,657) | (13,299,084) |
| 7.02.01 | Costs of Products, Goods and Services Sold | (12,004,674) | (11,871,472) |
| 7.02.02 | Materials, Energy, Outsourced Services and Other | (1,507,983) | (1,427,612) |
| 7.03 | Gross Added Value | 3,936,512 | 3,588,977 |
| 7.04 | Retention | (351,023) | (333,056) |
| 7.04.01 | Depreciation and Amortization | (351,023) | (333,056) |
| 7.05 | Net Added Value Produced | 3,585,489 | 3,255,921 |
| 7.06 | Added Value Received in Transfer | 585,687 | 446,105 |
| 7.06.01 | Equity Pickup | 443,881 | 285,857 |
| 7.06.02 | Financial Revenue | 141,806 | 160,248 |
| 7.07 | Total Added Value to Distribute | 4,171,176 | 3,702,026 |
| 7.08 | Distribution of Added Value | 4,171,176 | 3,702,026 |
| 7.08.01 | Personnel | 1,712,164 | 1,581,774 |
| 7.08.01.01 | Direct Compensation | 1,184,753 | 1,077,817 |
| 7.08.01.02 | Benefits | 349,393 | 397,220 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 106,695 | 95,167 |
| 7.08.01.04 | Other | 71,323 | 11,570 |
| 7.08.02 | Taxes, Fees and Contributions | 729,251 | 682,048 |
| 7.08.02.01 | Federal | 539,187 | 453,227 |
| 7.08.02.02 | State | 131,738 | 155,742 |
| 7.08.02.03 | Municipal | 58,326 | 73,079 |
| 7.08.03 | Value Distributed to Providers of Capital | 945,328 | 877,430 |
| 7.08.03.01 | Interest | 593,765 | 545,242 |
| 7.08.03.02 | Rentals | 351,563 | 332,188 |
| 7.08.04 | Value Distributed to Shareholders | 784,433 | 560,774 |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | 784,433 | 560,774 |

12

Consolidated Quarterly Financial Information /Balance Sheet - Assets

R\$ (in thousands)

| Code | Description | Current Quarter 09.30.2014 | Previous Year 12.31.2013 |
|---------------|---|---------------------------------------|-------------------------------------|
| 1 | Total Assets | 39,228,113 | 38,008,352 |
| 1.01 | Current Assets | 18,329,165 | 18,609,735 |
| 1.01.01 | Cash and Cash Equivalents | 6,601,101 | 8,367,176 |
| 1.01.02 | Financial Investments | - | 24,453 |
| 1.01.02.01 | Financial Investments Measured Fair Value | - | 24,453 |
| 1.01.02.01.02 | Marketable Securities | - | 24,453 |
| 1.01.03 | Accounts Receivable | 3,161,616 | 2,743,033 |
| 1.01.03.01 | Trade Accounts Receivable | 2,931,351 | 2,515,666 |
| 1.01.03.02 | Other Accounts Receivable | 230,265 | 227,367 |
| 1.01.04 | Inventories | 7,454,993 | 6,381,544 |
| 1.01.06 | Recoverable Taxes | 750,042 | 907,983 |
| 1.01.06.01 | Current Recoverable Taxes | 750,042 | 907,983 |
| 1.01.07 | Prepaid Expenses | 230,951 | 92,279 |
| 1.01.08 | Other Current Assets | 130,462 | 93,267 |
| 1.01.08.01 | Noncurrent Assets Held for Sales | 21,574 | 39,133 |
| 1.01.08.03 | Other | 108,888 | 54,134 |
| 1.02 | Noncurrent Assets | 20,898,948 | 19,398,617 |
| 1.02.01 | Long-term Assets | 4,690,307 | 4,334,832 |
| 1.02.01.03 | Accounts Receivable | 779,464 | 744,834 |
| 1.02.01.03.01 | Trade Accounts Receivable | 95,792 | 114,899 |
| 1.02.01.03.02 | Other Accounts Receivable | 683,672 | 629,935 |
| 1.02.01.04 | Inventories | 171,757 | 172,280 |
| 1.02.01.06 | Deferred Taxes | 860,581 | 950,757 |
| 1.02.01.06.01 | Deferred Income and Social Contribution Taxes | 860,581 | 950,757 |
| 1.02.01.07 | Prepaid Expenses | 39,714 | 49,914 |
| 1.02.01.08 | Receivables from Related Parties | 263,810 | 172,836 |
| 1.02.01.08.01 | Receivables from Associated Parties | 12,395 | 683 |
| 1.02.01.08.03 | Receivables from Controlling Shareholders | 20,639 | 3,404 |
| 1.02.01.08.04 | Receivables from Other Related Parties | 230,776 | 168,749 |
| 1.02.01.09 | Other Noncurrent Assets | 2,574,981 | 2,244,211 |
| 1.02.01.09.04 | Recoverable Taxes | 1,662,811 | 1,429,021 |
| 1.02.01.09.05 | Restricted Deposits for Legal Proceeding | 912,170 | 815,190 |
| 1.02.02 | Investments | 393,433 | 309,528 |
| 1.02.02.01 | Investments in Associates | 393,433 | 309,528 |
| 1.02.02.01.01 | Investments in Associates | 393,433 | 309,528 |
| 1.02.03 | Property and Equipment, net | 9,396,080 | 9,053,600 |
| 1.02.03.01 | Property and Equipment in Use | 9,129,051 | 8,747,479 |
| 1.02.03.02 | Leased properties | 80,317 | 97,161 |
| 1.02.03.03 | In Progress | 186,712 | 208,960 |
| 1.02.04 | Intangible Assets | 6,419,128 | 5,700,657 |
| 1.02.04.01 | Intangible Assets | 6,419,128 | 5,700,657 |
| 1.02.04.01.02 | Intangible Assets | 6,419,128 | 5,700,657 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Consolidated Quarterly Financial Information / Balance Sheet - Liabilities****R\$ (in thousands)**

| Code | Description | Current Quarter 09.30.2014 | Previous Year 12.31.2013 |
|---------------|--|---|-------------------------------------|
| 2 | Total Liabilities | 39,228,113 | 38,008,352 |
| 2.01 | Current Liabilities | 17,284,624 | 17,012,754 |
| 2.01.01 | Payroll and Related Charges | 1,009,915 | 796,188 |
| 2.01.01.01 | Payroll Liabilities | 148,258 | 166,087 |
| 2.01.01.02 | Social Security Liabilities | 861,657 | 630,101 |
| 2.01.02 | Trade Accounts Payable | 8,261,429 | 8,547,544 |
| 2.01.02.01 | Local Trade Accounts Payable | 8,160,296 | 8,406,225 |
| 2.01.02.02 | Foreign Trade Accounts Payable | 101,133 | 141,319 |
| 2.01.03 | Taxes and Contributions Payable | 733,175 | 968,462 |
| 2.01.03.01 | Federal Tax Liabilities | 584,204 | 737,422 |
| 2.01.03.01.01 | Income and Social Contribution Tax Payable | 44,407 | 166,535 |
| 2.01.03.01.02 | Other (PIS, COFINS, IOF, INSS, Funrural) | 388,658 | 426,589 |
| 2.01.03.01.03 | Taxes Payable in Installments | 151,139 | 144,298 |
| 2.01.03.02 | State Tax Liabilities | 142,368 | 226,644 |
| 2.01.03.03 | Municipal Tax Liabilities | 6,603 | 4,396 |
| 2.01.04 | Loans and Financing | 5,625,151 | 5,171,418 |
| 2.01.04.01 | Loans and Financing | 3,736,961 | 3,870,195 |
| 2.01.04.01.01 | In Local Currency | 3,735,965 | 3,665,660 |
| 2.01.04.01.02 | In Foreign Currency | 996 | 204,535 |
| 2.01.04.02 | Debentures | 1,849,963 | 1,244,893 |
| 2.01.04.03 | Financing by Leasing | 38,227 | 56,330 |
| 2.01.05 | Other Liabilities | 1,651,637 | 1,507,891 |
| 2.01.05.01 | Related Parties | 317,582 | 32,621 |
| 2.01.05.01.01 | Debts with Associated Companies | - | 9,012 |
| 2.01.05.01.03 | Debts with Controlling Shareholders | 295,269 | - |
| 2.01.05.01.04 | Debts with Others Related Parties | 22,313 | 23,609 |
| 2.01.05.02 | Other | 1,334,055 | 1,475,270 |
| 2.01.05.02.01 | Dividends and Interest on Equity Payable | 687 | 151,835 |
| 2.01.05.02.04 | Utilities | 9,383 | 22,314 |
| 2.01.05.02.05 | Rent Payable | 64,510 | 112,439 |
| 2.01.05.02.06 | Advertisement Payable | 62,831 | 89,050 |
| 2.01.05.02.07 | Pass-through to Third Parties | 414,025 | 226,008 |
| 2.01.05.02.08 | Financing Related to Acquisition of Real Estate | 31,158 | 36,161 |
| 2.01.05.02.09 | Deferred revenue | 138,966 | 114,749 |
| 2.01.05.02.11 | Accounts Payable Related to Acquisition of Companies | 72,015 | 69,014 |
| 2.01.05.02.12 | Other Accounts Payable | 540,480 | 653,700 |

| | | | |
|---------------|------------------------------|-------|--------|
| 2.01.06 | Provisions | 3,317 | 21,251 |
| 2.01.06.02 | Other Provisions | 3,317 | 21,251 |
| 2.01.06.02.02 | Provisions for Restructuring | 3,317 | 21,251 |

Consolidated Quarterly Financial Information / Balance Sheet - Liabilities

R\$ (in thousands)

| Code | Description | Current Quarter 09.30.2014 | Previous Year 12.31.2013 |
|---------------|--|---|-------------------------------------|
| 2.02 | Noncurrent Liabilities | 8,142,700 | 8,283,634 |
| 2.02.01 | Loans and Financing | 3,936,609 | 4,321,850 |
| 2.02.01.01 | Loans and Financing | 1,603,125 | 1,524,795 |
| 2.02.01.01.01 | In Local Currency | 1,301,213 | 1,524,795 |
| 2.02.01.01.02 | In Foreign Currency | 301,912 | - |
| 2.02.01.02 | Debentures | 2,097,207 | 2,598,544 |
| 2.02.01.03 | Financing by Leasing | 236,277 | 198,511 |
| 2.02.02 | Other Liabilities | 1,113,301 | 1,297,773 |
| 2.02.02.02 | Other | 1,113,301 | 1,297,773 |
| 2.02.02.02.03 | Taxes Payable by Installments | 953,793 | 1,072,849 |
| 2.02.02.02.04 | Accounts Payable Related to Acquisition of Companies | 53,705 | 107,790 |
| 2.02.02.02.05 | Financing related to acquisition of real estate | 8,000 | 12,000 |
| 2.02.02.02.06 | Pension Plan | 6,761 | - |
| 2.02.02.02.07 | Other Accounts Payable | 91,042 | 105,134 |
| 2.02.03 | Deferred taxes | 1,128,864 | 1,060,852 |
| 2.02.03.01 | Income and social taxes, deferred | 1,128,864 | 1,060,852 |
| 2.02.04 | Provision for Contingencies | 1,153,436 | 1,147,522 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 1,153,436 | 1,147,522 |
| 2.02.04.01.01 | Tax Provisions | 452,266 | 674,898 |
| 2.02.04.01.02 | Social Security and Labor Provisions | 468,524 | 297,464 |
| 2.02.04.01.04 | Civil Provisions | 232,646 | 175,160 |
| 2.02.06 | Deferred revenue | 810,490 | 455,637 |
| 2.02.06.02 | Deferred revenue | 810,490 | 455,637 |
| 2.03 | Shareholders' Equity | 13,800,789 | 12,711,964 |
| 2.03.01 | Paid-in Capital Stock | 6,789,085 | 6,764,300 |
| 2.03.02 | Capital Reserves | 264,842 | 233,149 |
| 2.03.02.04 | Granted Options | 257,444 | 225,751 |
| 2.03.02.07 | Capital Reserve | 7,398 | 7,398 |
| 2.03.04 | Profit Reserves | 2,468,884 | 2,485,741 |
| 2.03.04.01 | Legal Reserve | 353,433 | 353,433 |
| 2.03.04.05 | Retention of Profits Reserve | 1,029,567 | 1,709,083 |
| 2.03.04.10 | Expansion Reserve | 1,134,627 | 460,557 |
| 2.03.04.12 | Transactions with non-controlling interest | (48,743) | (37,332) |
| 2.03.05 | Retained Earnings/ Accumulated Losses | 712,822 | - |
| 2.03.07 | Cumulated Translation Adjustment | 164 | - |
| 2.03.08 | Other Comprehensive Income | (519) | - |
| 2.03.09 | Non-Controlling Interest | 3,565,511 | 3,228,774 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Consolidated Quarterly Financial Information / Statement of Income****R\$ (in thousands)**

| Code | Description | Year To | Year To | Year |
|------------|--|--------------|--------------|----------|
| | | Date | Date | To |
| | | Current | Current | Previ |
| | | Period | Period | Pe |
| | | 07/01/2014 | 01/01/2014 | 07/01/2 |
| | | to | to | |
| | | 09/30/2014 | 09/30/2014 | 09/30/2 |
| 3.01 | Net Sales from Goods and/or Services | 15,648,672 | 45,860,212 | 14,106 |
| 3.02 | Cost of Goods Sold and/or Services Sold | (11,621,474) | (34,125,163) | (10,417, |
| 3.03 | Gross Profit | 4,027,198 | 11,735,049 | 3,689 |
| 3.04 | Operating Income/Expenses | (3,092,577) | (9,093,862) | (2,874, |
| 3.04.01 | Selling Costs | (2,525,218) | (7,431,324) | (2,298, |
| 3.04.02 | General and Administrative | (369,694) | (1,038,946) | (374, |
| 3.04.05 | Other Operating Expenses | (224,680) | (699,759) | (217, |
| 3.04.05.01 | Depreciation/Amortization | (206,807) | (589,388) | (200, |
| 3.04.05.02 | Income Related to Fixed Assets | (12,831) | (36,492) | 7 |
| 3.04.05.03 | Other Operating Expenses | (5,042) | (73,879) | (23, |
| 3.04.06 | Equity Pickup | 27,015 | 76,167 | 15 |
| 3.05 | Profit before Net Financial Expenses and Social Contribution Taxes | 934,621 | 2,641,187 | 814 |
| 3.06 | Net Financial Expenses | (377,504) | (1,077,663) | (311, |
| 3.06.01 | Financial Revenue | 158,515 | 491,466 | 145 |
| 3.06.02 | Financial Expenses | (536,019) | (1,569,129) | (457, |
| 3.07 | Earnings Before Income and Social Contribution Taxes | 557,117 | 1,563,524 | 503 |
| 3.08 | Income and Social Contribution Taxes | (167,430) | (476,965) | (146, |
| 3.08.01 | Current | (54,089) | (300,229) | (135, |
| 3.08.02 | Deferred | (113,341) | (176,736) | (11, |
| 3.09 | Net Income from Continued Operations | 389,687 | 1,086,559 | 356 |
| 3.11 | Net Income for the Period | 389,687 | 1,086,559 | 356 |
| 3.11.01 | Attributed to Partners of Parent Company | 276,177 | 784,433 | 282 |
| 3.11.02 | Attributed to Noncontrolling Shareholders | 113,510 | 302,126 | 74 |
| 3.99 | Earnings per Share - (Reais/Share) | | | |
| 3.99.01 | Earnings Basic per Share | | | |
| 3.99.01.01 | Common | 0.98210 | 2.78951 | 1.00 |
| 3.99.01.02 | Preferred | 1.08031 | 3.06846 | 1.1 |
| 3.99.02 | Earnings Diluted per Share | | | |
| 3.99.02.01 | Common | 0.9821 | 2.78951 | 1.00 |
| 3.99.02.02 | Preferred | 1.07787 | 3.06152 | 1.10 |

Consolidated Quarterly Financial Information / Comprehensive Income for the Period

R\$ (in thousands)

| Code | Description | Year To | Year To | Year To | Year To |
|---------|--|------------|------------|------------|------------|
| | | Date | Date | Date | Date |
| | | Current | Current | Previous | Previous |
| | | Period | Period | Period | Period |
| | | 07/01/2014 | 01/01/2014 | 07/01/2013 | 01/01/2013 |
| | | to | to | to | to |
| | | 09/30/2014 | 09/30/2014 | 09/30/2013 | 09/30/2013 |
| 4.01 | Net Income for the Period | 389,687 | 1,086,559 | 356,532 | 708,767 |
| 4.02 | Other Comprehensive Income | (780) | (780) | - | - |
| 4.02.01 | Accumulated Translation adjustment | 580 | 580 | - | - |
| 4.02.02 | Defined Benefit Plan | (1,360) | (1,360) | - | - |
| 4.03 | Comprehensive Income for the Period | 388,907 | 1,085,779 | 356,532 | 708,767 |
| 4.03.01 | Attributed to Controlling Shareholders | 275,822 | 784,078 | 282,109 | 560,774 |
| 4.03.02 | Attributed to Non-Controlling Shareholders | 113,085 | 301,701 | 74,423 | 147,993 |

17

Consolidated Quarterly Financial Information / Statement of Cash Flows - Indirect Method

R\$ (in thousands)

| Code | Description | Year To | Year To |
|------------|--|-------------|-------------|
| | | Date | Date |
| | | Current | Previous |
| | | Period | Period |
| | | 01/01/2014 | 01/01/2013 |
| | | to | to |
| | | 09/30/2014 | 09/30/2013 |
| 6.01 | Net Cash Flow Operating Activities | 48,110 | 809,999 |
| 6.01.01 | Cash Provided by the Operations | 3,236,340 | 2,878,149 |
| 6.01.01.01 | Net Income for the Period | 1,086,559 | 708,767 |
| 6.01.01.02 | Deferred Income and Social Contribution Taxes (note 21) | 176,736 | 6,443 |
| 6.01.01.03 | Results from Disposal of Fixed Assets | 36,492 | 6,308 |
| 6.01.01.04 | Depreciation/Amortization | 667,362 | 648,175 |
| 6.01.01.05 | Net Finance Results | 847,465 | 700,274 |
| 6.01.01.06 | Adjustment to Present Value | (1,589) | 6,871 |
| 6.01.01.07 | Equity Pickup (note 13) | (76,167) | (28,350) |
| 6.01.01.08 | Provision for Contingencies (note 23) | 118,159 | 310,076 |
| 6.01.01.09 | Provision for Disposals and Impairment of Property and Equipment | - | 2,809 |
| 6.01.01.10 | Share-based Payment | 31,693 | 29,658 |
| 6.01.01.11 | Allowance for doubtful accounts | 359,216 | 350,729 |
| 6.01.01.13 | Provision for Obsolescence/breakage | (1,133) | (10,055) |
| 6.01.01.15 | Deferred revenue (note 25) | (24,680) | (41,494) |
| 6.01.01.16 | Other operation expenses (note 29) | 16,045 | 187,938 |
| 6.01.01.17 | Pension Plan (note 32) | 182 | - |
| 6.01.02 | Changes in Assets and Liabilities | (3,188,230) | (2,068,150) |
| 6.01.02.01 | Accounts Receivable | (478,437) | (77,123) |
| 6.01.02.02 | Inventories | (550,059) | (497,140) |
| 6.01.02.03 | Recoverable Taxes | 53,480 | (153,420) |
| 6.01.02.04 | Other Assets | (203,567) | (91,213) |
| 6.01.02.05 | Related Parties | (96,387) | (93,899) |
| 6.01.02.06 | Restricted Deposits for Legal Proceeding | (70,376) | (194,162) |
| 6.01.02.07 | Trade Accounts Payable | (1,407,477) | (548,913) |
| 6.01.02.08 | Payroll Charges | 213,426 | 210,249 |
| 6.01.02.09 | Taxes and Social Contributions Payable | (501,648) | (184,126) |
| 6.01.02.10 | Contingencies | (222,533) | (43,244) |
| 6.01.02.11 | Deferred revenue | 201,211 | - |
| 6.01.02.12 | Other Accounts Payable | (150,316) | (372,023) |
| 6.01.02.16 | Financial Investments | 24,453 | (23,136) |
| 6.02 | Net Cash Flow Investment Activities | (868,805) | (1,226,159) |
| 6.02.01 | Acquisition of Subsidiary | - | - |
| 6.02.02 | Capital Increase/Decrease on Subsidiaries (note 16) | (150) | - |
| 6.02.03 | Acquisition of Property and Equipment (note 15) | (897,960) | (1,157,971) |
| 6.02.04 | Increase Intangible Assets (note 16) | (221,822) | (139,562) |
| 6.02.05 | Sales of Property and Equipment | 47,261 | 71,374 |
| 6.02.06 | Net cash of Corporate reorganization (Note 13) | 203,866 | - |
| 6.03 | Net Cash Flow Financing Activities | (945,831) | (1,890,072) |

| | | | |
|---------|--|-------------|-------------|
| 6.03.01 | Capital Increase/Decrease | 24,785 | 11,749 |
| 6.03.02 | Loans Obtained | 4,960,259 | 3,877,056 |
| 6.03.03 | Payments (note 18) | (5,633,787) | (5,481,539) |
| 6.03.05 | Payment of Dividends | (222,456) | (234,095) |
| 6.03.06 | Acquisition of Subsidiary (note 22) | (67,441) | (63,243) |
| 6.03.07 | Transactions with non-controlling interest | (7,191) | - |
| 6.04 | Exchange rate in Cash and equivalents | 451 | - |
| 6.05 | Net Increase (Decrease) in Cash and Cash Equivalents | (1,766,075) | (2,306,232) |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of Period | 8,367,176 | 7,086,251 |
| 6.05.02 | Cash and Cash Equivalents at the End of Period | 6,601,101 | 4,780,019 |

Consolidated Quarterly Financial Information / Statement of Changes in Shareholders' Equity 01/01/2014 to

R\$ (in thousands)

| Code | Description | Paid-in Capital | Capital Reserves, Options Granted and Treasury Shares | Profit Accumulated Reserves Profit / Loss | comprehen inc |
|------------|---|--------------------|---|--|------------------|
| 5.01 | Opening Balance | 6,764,300 | 233,149 | 2,485,741 | - |
| 5.03 | Restated Opening Balance | 6,764,300 | 233,149 | 2,485,741 | - |
| 5.04 | Capital Transactions with Shareholders | 24,785 | 31,693 | 300 | (71,611) |
| 5.04.01 | Capital Increases | 24,785 | - | - | - |
| 5.04.03 | Granted Options | - | 29,274 | - | - |
| 5.04.06 | Dividends | - | - | 300 | (71,611) |
| 5.04.09 | Granted Options recognized in subsidiaries | - | 2,419 | - | - |
| 5.05 | Total Comprehensive Income | - | - | - | 784,433 |
| 5.05.01 | Net Income for the Period | - | - | - | 784,433 |
| 5.05.02 | Other Comprehensive Income | - | - | - | - |
| 5.05.02.04 | Accumulated Translation Adjustment | - | - | - | - |
| 5.05.02.06 | Defined Benefit Plan | - | - | - | - |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (17,157) | - |
| 5.06.04 | Gain (Loss) in Equity Interest Transactions With Non-controlling | - | - | (5,745) | - |
| 5.06.06 | interest | - | - | (11,412) | - |
| 5.07 | Closing Balance | 6,789,085 | 264,842 | 2,468,884 | 712,822 |

Consolidated Quarterly Financial Information / Statement of Changes in Shareholders' Equity 01/01/2014 to**R\$ (in thousands)**

| Code | Description | Paid-in Capital | Capital Reserves, Options Granted and Treasury Shares | Profit Accumulated Reserves Profit / Loss | 0 |
|-------------|--|----------------------------|--|--|----------|
| 5.01 | Opening Balance | 6,710,035 | 228,459 | 1,556,231 | - |
| 5.03 | Restated Opening Balance | 6,710,035 | 228,459 | 1,556,231 | - |
| 5.04 | Capital Transactions with Shareholders | 49,774 | (8,367) | - | (66,260) |
| 5.04.01 | Capital Increases | 11,749 | - | - | - |
| 5.04.03 | Granted Options | - | 29,658 | - | - |
| 5.04.06 | Dividends | - | - | - | (66,260) |
| 5.04.08 | Capitalization of reserve | 38,025 | (38,025) | - | - |
| 5.05 | Total Comprehensive Income | - | - | - | 560,774 |
| 5.05.01 | Net Income for the Period | - | - | - | 560,774 |
| 5.05.02 | Other Comprehensive Income | - | - | - | - |
| 5.05.02.04 | Cumulated Translation Adjustment | - | - | - | - |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (744) | - |
| 5.06.04 | Transactions With Non-controlling Interest | - | - | - | - |
| 5.06.05 | Gain (Loss) in Equity Interest | - | - | (744) | - |
| 5.07 | Closing Balance | 6,759,809 | 220,092 | 1,555,487 | 494,514 |

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ITR – Quarterly Financial Information – September 30, 2014 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1**Consolidated Quarterly Financial Information / Statement of Value Added****R\$ (in thousands)**

| Code | Description | Year To | Year To |
|---------------|--|--------------|--------------|
| | | Date Current | Date Current |
| | | Period | Period |
| | | 01/01/2014 | 01/01/2013 |
| | | to | to |
| | | 09/30/2014 | 09/30/2013 |
| 7.01 | Revenues | 50,518,916 | 45,435,188 |
| 7.01.01 | Sales of Goods, Products and Services | 50,862,198 | 45,717,075 |
| 7.01.02 | Other Revenues | 15,934 | 68,842 |
| 7.01.04 | Allowance for/Reversal of Doubtful Accounts | (359,216) | (350,729) |
| 7.02 | Raw Materials Acquired from Third Parties | (39,043,184) | (34,595,030) |
| 7.02.01 | Costs of Products, Goods and Services Sold | (34,867,364) | (30,729,890) |
| 7.02.02 | Materials, Energy, Outsourced Services and Other | (4,175,820) | (3,865,140) |
| 7.03 | Gross Added Value | 11,475,732 | 10,840,158 |
| 7.04 | Retention | (667,362) | (648,175) |
| 7.04.01 | Depreciation and Amortization | (667,362) | (648,175) |
| 7.05 | Net Added Value Produced | 10,808,370 | 10,191,983 |
| 7.06 | Added Value Received in Transfer | 574,279 | 444,528 |
| 7.06.01 | Equity Pickup | 76,167 | 28,350 |
| 7.06.02 | Financial Revenue | 491,466 | 416,178 |
| 7.06.03 | Others | 6,646 | - |
| 7.07 | Total Added Value to Distribute | 11,382,649 | 10,636,511 |
| 7.08 | Distribution of Added Value | 11,382,649 | 10,636,511 |
| 7.08.01 | Personnel | 4,612,723 | 4,215,072 |
| 7.08.01.01 | Direct Compensation | 3,337,958 | 3,055,279 |
| 7.08.01.02 | Benefits | 798,585 | 780,667 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 298,541 | 270,787 |
| 7.08.01.04 | Other | 177,639 | 108,339 |
| 7.08.01.04.01 | Interest | 161,648 | 108,339 |
| 7.08.02 | Taxes, Fees and Contributions | 3,003,525 | 3,417,684 |
| 7.08.02.01 | Federal | 1,934,777 | 2,101,497 |
| 7.08.02.02 | State | 893,569 | 1,152,184 |
| 7.08.02.03 | Municipal | 175,179 | 164,003 |
| 7.08.03 | Value Distributed to Providers of Capital | 2,679,842 | 2,294,988 |
| 7.08.03.01 | Interest | 1,569,129 | 1,281,754 |
| 7.08.03.02 | Rentals | 1,110,713 | 1,013,234 |
| 7.08.04 | Value Distributed to Shareholders | 1,086,559 | 708,767 |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | 784,433 | 560,774 |
| 7.08.04.04 | Noncontrolling Interest in Retained Earnings | 302,126 | 147,993 |

3Q14 Earnings Release

São Paulo, Brazil, October 30, 2014 - GPA [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] announces its results for the third quarter of 2014. The comments refer to the consolidated results of the Group or of its business units.

Consolidated

EBITDA advances 12.7% due to higher operating efficiency in all business, with EBITDA margin expanding 20 basis points

Net income of R\$390 million, increasing 9.3% from 3Q13

- ◆ Net sales grows 10.9% to R\$15.6 billion;
- ◆ Organic growth accelerates, with 50 new stores opened in the quarter and 146 in the last 12 months..

Food Business (Multivarejo + Assaí)

EBITDA growth of 8.5%, with EBITDA margin expanding 20 basis points resulting from the growth of Assaí as well as margin expansion of Multivarejo

- ◆ Gross margin reaches 25.1%, 40 basis points above the previous year ;
- ◆ Net income of R\$185 million, growth of 4.9% compared to 3Q13.

Via Varejo

EBITDA Margin improves 130 basis points to 10.0% due to productivity and efficiency initiatives, favorable mix and good performance of the financial services

- ◆ Gross margin of 32.9%, improving 150 basis points;
- ◆ Net income of R\$224 million, advancing 21.9% higher than 3Q13.

| (R\$ million) ⁽²⁾ | Consolidated ⁽¹⁾ | | | Food Businesses | | | Via Varejo | | |
|-------------------------------------|-----------------------------|--------------|----------------|-----------------|--------------|----------------|--------------|--------------|----------------|
| | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 | Δ |
| Gross Revenue ⁽³⁾ | 17,356 | 15,753 | 10.2% | 8,941 | 8,481 | 5.4% | 5,964 | 6,062 | -1.6% |
| Net Revenue ⁽³⁾ | 15,649 | 14,107 | 10.9% | 8,253 | 7,774 | 6.2% | 5,280 | 5,258 | 0.4% |
| Gross Profit | 4,027 | 3,690 | 9.2% | 2,071 | 1,919 | 7.9% | 1,738 | 1,649 | 5.4% |
| Gross Margin | 25.7% | 26.2% | -50 bps | 25.1% | 24.7% | 40 bps | 32.9% | 31.4% | 150 bps |
| Total Operating Expenses | (2,886) | (2,674) | 7.9% | (1,490) | (1,384) | 7.7% | (1,219) | (1,201) | 1.5% |
| % of Net Revenue | 18.4% | 19.0% | -60 bps | 18.1% | 17.8% | 30 bps | 23.1% | 22.8% | 30 bps |
| EBITDA ⁽⁴⁾ | 1,168 | 1,036 | 12.7% | 593 | 546 | 8.5% | 529 | 456 | 16.1% |
| EBITDA Margin | 7.5% | 7.3% | 20 bps | 7.2% | 7.0% | 20 bps | 10.0% | 8.7% | 130 bps |
| Adjusted EBITDA ⁽⁵⁾ | 1,186 | 1,052 | 12.7% | 608 | 564 | 7.7% | 544 | 454 | 19.9% |
| Adjusted EBITDA Margin | 7.6% | 7.5% | 10 bps | 7.4% | 7.3% | 10 bps | 10.3% | 8.6% | 170 bps |
| Net Financial Revenue (Expenses) | (378) | (312) | 21.2% | (171) | (132) | 29.3% | (147) | (144) | 2.3% |
| % of Net Revenue | 2.4% | 2.2% | 20 bps | 2.1% | 1.7% | 40 bps | 2.8% | 2.7% | 10 bps |
| Company's Net Profit | 390 | 357 | 9.3% | 185 | 176 | 4.9% | 224 | 184 | 21.9% |
| Net Margin | 2.5% | 2.5% | 0 bps | 2.2% | 2.3% | -10 bps | 4.3% | 3.5% | 80 bps |

(1) Includes results of Cnova: Cnova Brasil + Cdiscount Group. For further details please refer to page 3.
(2) Sums and percentages may present discrepancies due to rounding. All margins were calculated as a percentage of net revenues; **(3)** Includes revenue from the leasing of commercial galleries. Figures for prior periods were reclassified for comparison purposes. **(4)** Earnings before interest, tax, depreciation and amortization; **(5)** Adjusted EBITDA by excluding the Other Operating Revenue (Expenses), thereby eliminating nonrecurring income, expenses and other nonrecurring items.

Sales Performance

| (R\$ million) | Net Sales | | | | | |
|------------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|
| | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ |
| Consolidated ⁽¹⁾ | 15,649 | 14,107 | 10.9% | 45,860 | 40,928 | 12.1% |
| Food Businesses | 8,253 | 7,774 | 6.2% | 24,923 | 22,533 | 10.6% |
| Multivarejo ⁽²⁾ | 6,156 | 6,176 | -0.3% | 19,048 | 18,197 | 4.7% |
| Assaí | 2,097 | 1,598 | 31.2% | 5,874 | 4,336 | 35.5% |
| Non-Food Businesses | 7,413 | 6,335 | 17.0% | 20,977 | 18,404 | 14.0% |
| Cnova ⁽³⁾ | 2,116 | 1,075 | 96.9% | 4,707 | 2,882 | 63.3% |
| Via Varejo ⁽⁴⁾ | 5,297 | 5,260 | 0.7% | 16,270 | 15,523 | 4.8% |

Net 'Same-Store' Sales

| | 3Q14 | 9M14 |
|------------------------------------|-------|-------|
| Consolidated ⁽¹⁾ | 3.0% | 6.5% |
| By category | | |
| Food ⁽⁵⁾ | 2.3% | 5.3% |
| Non-Food ⁽⁶⁾ | 3.6% | 7.5% |
| By business | | |
| Multivarejo + Assaí | 0.6% | 4.5% |
| Cnova ⁽³⁾ | 22.8% | 33.3% |
| Via Varejo ⁽⁴⁾ | 0.2% | 3.6% |

(1) Excludes revenue from intercompany transactions; (2) Pão de Açúcar and Extra banners, including revenue from the leasing of commercial galleries. Figures for prior periods were reclassified for comparison purposes. (3) Cnova: Cnova Brasil + Cdiscount Group. For Cdiscount, there was consolidation of sales in August and September only. Includes revenue from commissions in the marketplace, not considering merchandise volume; (4) Includes revenue from intercompany transactions; (5) Includes the food categories of Multivarejo and Assaí and excludes the non-food categories of Multivarejo; (6) Includes the non-food categories of Multivarejo, Cnova and Via Varejo.

Sales Performance – Consolidated

The multiformat structure, intra-group synergies and multi-channel initiatives have allowed the GPA to provide sales growth despite a more challenging scenario. In the Food segment, there was an increase of 6.2% and in the Non-Food which comprises Via Varejo and *e-commerce* there was a 17.0% growth.

Net sales amounted to R\$15.7 billion, increasing 10.9%, driven by the 146 new stores opened in the last 12 months and the same-store sales growth of 3.0%. Excluding the effect of Cdiscount consolidation, for comparison purpose, total net sales would have grown by 5.7% in 3Q14. The quarter was impacted by the strong comparison base in 3Q13 which posted same store sales growth of 11.8% and by macroeconomic scenario, which mainly affected the performance of non-food categories.

The Company accelerated its organic growth in the quarter, mainly in the Assaí, Pão de Açúcar and convenience stores formats. In the quarter were inaugurated 50 new stores, bringing to 96 the total number of new stores opened in the year to date.

ü **Food:** same-store sales growth of 2.3%, positively impacted by meat, poultry and beverage categories. The strong comparison base in the previous year of 9.5% impacted the quarter performance;

ü **Non-food:** same-store sales increased 3.6%. The highlights were the smartphones and white line categories, which improved along the last months of the quarter. The period was negatively affected by the anticipation of television sales in June due to World Cup. Additionally, it is important to highlight the strong comparison base of non-food category that posted 13.5% growth in the same quarter of the previous year.

Food Businesses (Multivarejo + Assaí)

ü Net sales grew 6.2%, with 35 new stores opened in the period, of which 33 were convenience stores (33 Minimercado Extra and 2 Minuto Pão de Açúcar) and 2 were Assaí stores. On a same-store basis, sales growth was 0.6%, mainly impacted by durable goods sales at hypermarkets;

ü At **Multivarejo**, the best-performing banners in the quarter were Pão de Açúcar and Minimercado Extra, continuing the trend observed in recent quarters. Private-label brands continued to register robust growth and maintained their contribution to sales at over 10%;

ü **Assaí** maintained its trend of strong gross sales growth (31.2%), driven by solid same-store sales performance and the significant contribution from new store openings. Two new stores were opened in the quarter, one of which was in a new state, bringing the total number of stores in the banner to 80 and expanding the banner's footprint to 50% of the country's states. A total of 11 stores were opened in the last 12 months. Assaí plans to accelerate its pace of expansion over the coming quarters. The new store openings will be concentrated in the Northeast, a region that already has 13 stores (over 15% of total stores).

Via Varejo

ü Net sales amounted to R\$5.3 billion, increasing by 0.7% and by 0.2% on a same-store basis. Excluding the impact from the 32 stores closed in 2Q14 to comply with Brazil's antitrust authority CADE, net sales growth on a total-store basis would be 2.3%;

ü Sales were impacted by the negative performance in July due to the shorter business hours at stores during the World Cup and by the slowdown in consumption in the weeks following the event;

ü Note that sales gradually recovered in August and especially in September, led by the smartphone and white line categories;

ü A total of 15 new stores were opened in the quarter, of which 11 were under the Casas Bahia banner and 4 under the Ponto Frio banner. Twenty-nine new stores were opened in the year to date and 55 were opened in the last 12 months.

Cnova

As announced on July 24, the corporate reorganization required for the implementation of the e-commerce Business Combination (Cnova) was completed. Cnova is indirectly owned by CBD, Via Varejo and certain founding shareholders of Nova Pontocom, which hold participation of 53.5%.

The following tables reflect the operation of Cnova in the third quarter of 2013 and 2014. It is important to mention that these figures differ from the table on page 1, which reflects the GPA vision: consolidation of Cdiscount into Cnova in August and September of 2014.

ü The e-commerce segment, Cnova, is formed by the operations of Cnova Brasil and Cdiscount in France, including its specialized websites and international websites.

(1) GMV: Gross Merchandise Volume TTC (business volume, including direct sales, merchandise volume in the marketplace and other revenues, after returns, including taxes); (2) Proforma includes all the international websites of Cdiscount to reflect in advance the consolidation to be carried out in the fourth quarter of 2014; (3) Active customers at the end of September who made at least 1 purchase in the last 12 months; (4) Total orders placed by customers prior to cancelation due to fraud, payment incidents and cut-off; (5) Share of sales in the marketplace through the website www.cdiscount.com; (6) Share of sales in the marketplace through the website www.extra.com.br.

Operating Performance

Consolidated (*)

| (R\$ million) | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ |
|---------------------------------------|---------|---------|---------|---------|---------|----------|
| Gross Revenue ⁽¹⁾ | 17,356 | 15,753 | 10.2% | 50,862 | 45,717 | 11.3% |
| Net Revenue ⁽¹⁾ | 15,649 | 14,107 | 10.9% | 45,860 | 40,928 | 12.1% |
| Gross Profit | 4,027 | 3,690 | 9.2% | 11,735 | 10,731 | 9.4% |
| Gross Margin | 25.7% | 26.2% | -50 bps | 25.6% | 26.2% | -60 bps |
| Selling Expenses | (2,525) | (2,299) | 9.8% | (7,431) | (6,792) | 9.4% |
| General and Administrative Expenses | (370) | (375) | -1.3% | (1,039) | (1,142) | -9.0% |
| Equity Income | 27 | 16 | 73.5% | 76 | 28 | 168.7% |
| Other Operating Revenue (Expenses) | (18) | (16) | 11.3% | (110) | (374) | -70.5% |
| Total Operating Expenses | (2,886) | (2,674) | 7.9% | (8,504) | (8,281) | 2.7% |
| % of Net Revenue | 18.4% | 19.0% | -60 bps | 18.5% | 20.2% | -170 bps |
| Depreciation (Logistic) | 27 | 21 | -31.1% | 77 | 57 | -34.8% |
| EBITDA | 1,168 | 1,036 | 12.7% | 3,308 | 2,507 | 31.9% |
| EBITDA Margin | 7.5% | 7.3% | 20 bps | 7.2% | 6.1% | 110 bps |
| Adjusted EBITDA ⁽²⁾ | 1,186 | 1,052 | 12.7% | 3,418 | 2,882 | 18.6% |
| Adjusted EBITDA Margin | 7.6% | 7.5% | 10 bps | 7.5% | 7.0% | 50 bps |

(1) Includes leasing revenue from commercial galleries. Prior periods have been reclassified for comparative purposes; (2) EBITDA adjusted by Other Operating Income and Expenses to eliminate nonrecurring income and expenses.

The Company's gross margin in the quarter contracted by 50 basis points, reflecting the higher contribution from Assaí and Cnova (*).

Selling, general and administrative expenses as a percentage of net revenue fell 50 basis points, from 19.0% in 3Q13 to 18.5% in 3Q14, reflecting the efficiency gains and greater discipline in controlling expenses.

EBITDA amounted to R\$1.168 billion, increasing 12.7% from 3Q13, with EBITDA margin expanding 20 basis points. EBITDA adjusted by the line Other Operating Income and Expenses came to R\$1.186 billion, with margin of 7.6%, driven by margin gains at Via Varejo, Multivarejo and Assaí.

In 9M14, EBITDA stood at R\$3.308 billion, with EBITDA margin of 7.2%. EBITDA adjusted by the line Other Operating Income and Expenses came to R\$3.418 billion, growing 18.6%, with margin expansion of 50 basis points.

(*) As mentioned on page 3, the reorganization required for implementing the Combination of the E-Commerce Businesses (Cnova) was concluded on July 24. Therefore, the consolidation of Cdiscount into GPA corresponds only to the months of August and September 2014.

All tables and commentary below include results of Cnova Consolidated, except where indicated.

Multivarejo

| (R\$ million) | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ |
|-------------------------------------|---------|---------|---------|---------|---------|----------|
| Gross Revenue (1) | 6,675 | 6,743 | -1.0% | 20,671 | 19,951 | 3.6% |
| Net Revenue (1) | 6,156 | 6,176 | -0.3% | 19,048 | 18,197 | 4.7% |
| Gross Profit | 1,779 | 1,698 | 4.8% | 5,319 | 5,058 | 5.1% |
| Gross Margin | 28.9% | 27.5% | 140 bps | 27.9% | 27.8% | 10 bps |
| Selling Expenses | (1,111) | (1,025) | 8.4% | (3,340) | (3,067) | 8.9% |
| General and Administrative Expenses | (163) | (183) | -10.6% | (467) | (562) | -17.0% |
| Equity Income | 20 | 10 | 100.1% | 55 | 20 | 175.8% |
| Other Operating Revenue (Expenses) | (15) | (18) | -16.5% | (106) | (302) | -64.7% |
| Total Operating Expenses | (1,268) | (1,215) | 4.4% | (3,858) | (3,911) | -1.3% |
| % of Net Revenue | 20.6% | 19.7% | 90 bps | 20.3% | 21.5% | -120 bps |
| Depreciation (Logistic) | 12 | 11 | -7.0% | 34 | 32 | -9.1% |
| EBITDA | 522 | 494 | 5.7% | 1,495 | 1,179 | 26.8% |
| EBITDA Margin | 8.5% | 8.0% | 50 bps | 7.9% | 6.5% | 140 bps |
| Adjusted EBITDA (2) | 537 | 512 | 4.9% | 1,602 | 1,481 | 8.2% |
| Adjusted EBITDA Margin | 8.7% | 8.3% | 40 bps | 8.4% | 8.1% | 30 bps |

(1) Includes leasing revenue from commercial galleries. Prior periods have been reclassified for comparative purposes; (2) EBITDA adjusted by the line Other Operating Income and Expenses to eliminate nonrecurring income and expenses.

Commercial initiatives focused on price competitiveness remained a part of the strategy at Multivarejo in 3Q14. Among the factors that contributed to the gross margin expansion of 140 basis points include:

- (i) revenue growth at leasing of commercial galleries;
- (ii) increased participation of formats that operates with higher-margin (i.e. Pão de Açúcar and Minimercado Extra) in the sales mix of Multivarejo; and
- (iii) lower share of non-food categories in total sales, reflecting the macroeconomic scenario.

Selling, general and administrative expenses came to R\$1.274 billion, growing by 5.5% compared to 3Q13, which is below the rate of inflation in the last 12 months. For yet another quarter, the disciplined control of corporate and operating expenses supported continued reinvestment in price competitiveness, as mentioned above.

EBITDA amounted to R\$522 million, with EBITDA margin expanding 50 basis points compared to 3Q13. EBITDA adjusted by the line Other Operating Income and Expenses came to R\$537 million, with adjusted EBITDA margin expanding 40 basis points.

In 9M14, EBITDA amounted to R\$1.495 billion, with EBITDA margin of 7.9%. Adjusted for the line Other Operating Income and Expenses, EBITDA amounted to R\$1.602 billion, increasing 8.2% on the prior-year period to outpace revenue growth in the period. Adjusted EBITDA margin improved by 30 basis points from 9M13.

| (R\$ million) | Assaí | | | | | |
|-------------------------------------|-------|-------|--------|-------|-------|---------|
| | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ |
| Gross Revenue | 2,266 | 1,738 | 30.4% | 6,336 | 4,723 | 34.2% |
| Net Revenue | 2,097 | 1,598 | 31.2% | 5,874 | 4,336 | 35.5% |
| Gross Profit | 291 | 221 | 31.7% | 804 | 597 | 34.8% |
| Gross Margin | 13.9% | 13.8% | 10 bps | 13.7% | 13.8% | -10 bps |
| Selling Expenses | (194) | (148) | 31.1% | (549) | (407) | 34.8% |
| General and Administrative Expenses | (27) | (21) | 30.4% | (67) | (54) | 25.2% |
| Other Operating Revenue (Expenses) | (0) | (0) | N/A | (0) | 1 | - |
| Total Operating Expenses | (222) | (169) | 30.9% | (616) | (460) | 34.0% |
| % of Net Revenue | 10.6% | 10.6% | 0 bps | 10.5% | 10.6% | -10 bps |
| Depreciation (Logistic) | 1 | 0 | N/A | 2 | 0 | N/A |
| EBITDA | 71 | 52 | 35.4% | 190 | 137 | 38.5% |
| EBITDA Margin | 3.4% | 3.3% | 10 bps | 3.2% | 3.2% | 0 bps |
| Adjusted EBITDA (1) | 71 | 52 | 35.4% | 190 | 136 | 39.7% |
| Adjusted EBITDA Margin | 3.4% | 3.3% | 10 bps | 3.2% | 3.1% | 10 bps |

(1) EBITDA adjusted by the line Other Operating Income and Expenses to eliminate nonrecurring income and expenses.

Assaí maintained its pace of sales growth in the quarter, with net sales revenue advancing 31.2% to R\$2.097 billion. This performance is explained by the result of the performance of the new stores which have exceeded expectations and the consistent same-store growth registered by the banner. A total of 11 stores were opened in the last 12 months. This quarter, Assaí reached a total of 80 stores and expanded its footprint to 50% of Brazilian states. The expansion plan will be intensified over the coming quarters.

Despite the significant expansion in stores, expenses as a ratio of net sales revenue have remained in line with last year. As a result, EBITDA reached R\$71 million in the quarter, or 35.4% more than in 3Q13, and outpaced revenue growth in the period. EBITDA margin was 3.4%, expanding by 10 basis points from 3Q13.

In 9M14, EBITDA came to R\$190 million, increasing 38.5% from 9M13. Adjusted for Other Operating Income and Expenses, EBITDA amounted to R\$190 billion, increasing 39.7% on the prior-year period to

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outpace revenue growth in the period. Adjusted EBITDA margin improved by 10 basis points compared to 9M13.

| (R\$ million) | Via Varejo (1) | | | | | |
|-------------------------------------|----------------|---------|---------|---------|---------|----------|
| | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ |
| Gross Revenue | 5,964 | 6,062 | -1.6% | 18,474 | 17,820 | 3.7% |
| Net Revenue | 5,280 | 5,258 | 0.4% | 16,230 | 15,513 | 4.6% |
| Gross Profit | 1,738 | 1,649 | 5.4% | 5,143 | 4,802 | 7.1% |
| Gross Margin | 32.9% | 31.4% | 150 bps | 31.7% | 31.0% | 70 bps |
| Selling Expenses | (1,089) | (1,088) | 0.1% | (3,280) | (3,207) | 2.3% |
| General and Administrative Expenses | (124) | (120) | 3.2% | (376) | (413) | -9.0% |
| Equity Income | 8 | 6 | 50.6% | 23 | 8 | 168.7% |
| Other Operating Revenue (Expenses) | (15) | 2 | - | (15) | (76) | -80.1% |
| Total Operating Expenses | (1,219) | (1,201) | 1.5% | (3,649) | (3,689) | -1.1% |
| % of Net Revenue | 23.1% | 22.8% | 30 bps | 22.5% | 23.8% | -130 bps |
| Depreciation (Logistic) | 11 | 7 | -49.5% | 31 | 19 | -64.4% |
| EBITDA | 529 | 456 | 16.1% | 1,526 | 1,133 | 34.7% |
| EBITDA Margin | 10.0% | 8.7% | 130 bps | 9.4% | 7.3% | 210 bps |
| Adjusted EBITDA (2) | 544 | 454 | 19.9% | 1,541 | 1,209 | 27.5% |
| Adjusted EBITDA Margin | 10.3% | 8.6% | 170 bps | 9.5% | 7.8% | 170 bps |

(1) Some numbers presented in this release differ from those in the Via Varejo release due to effects of intercompany transactions.

(2) EBITDA adjusted by the line Other Operating Income and Expenses to eliminate nonrecurring income and expenses.

Gross margin expanded by 150 basis points, which is basically explained by (i) the ongoing productivity initiatives, such as capturing efficiency gains in logistics and assembly; (ii) the good performance of financial services and other services; and (iii) the favorable product mix, led by smartphones.

The plan to capture efficiency gains in expenses continued to be implemented in various areas of the company during the quarter. The highlights were the improvements in delivery logistics, higher efficiency gains in store processes and the streamlining of general expenses. These gains helped keep the increase in selling, general and administrative expenses in line with net sales revenue, mitigating the effects of higher costs driven by inflation.

As a result, EBITDA amounted to R\$529 million in the quarter, increasing 16.1% from 3Q13. Adjusted for the line Other Operating Income and Expenses, EBITDA amounted to R\$544 million, increasing 19.9% on 3Q13, with this figure more accurately reflecting the Company's operating performance. Adjusted EBITDA margin stood at 10.3% in the quarter, expanding 170 basis points.

In 9M14, adjusted EBITDA amounted to R\$1.541 billion, increasing 27.5% compared to 9M13. Adjusted EBITDA margin stood at 9.5%, expanding 170 basis points from 9M13.

Indebtedness

| (R\$ million) | Consolidated | |
|--|----------------|----------------|
| | 09.30.2014 | 09.30.2013 |
| Short Term Debt | (2,999) | (2,228) |
| Loans and Financing | (1,149) | (1,124) |
| Debentures | (1,850) | (1,104) |
| Long Term Debt | (3,817) | (4,621) |
| Loans and Financing | (1,719) | (1,724) |
| Debentures | (2,097) | (2,897) |
| Total Gross Debt | (6,815) | (6,849) |
| Cash and Financial investments | 6,601 | 4,803 |
| Net Cash (Debt) | (214) | (2,046) |
| EBITDA ⁽¹⁾ | 4,615 | 3,839 |
| Net Debt / EBITDA⁽¹⁾ | 0.05x | 0.53x |
| Payment Book - Short Term | (2,627) | (2,521) |
| Payment Book - Long Term | (120) | (120) |
| Net Debt with payment book | (2,961) | (4,687) |
| Net Debt with Payment Book / EBITDA⁽¹⁾ | 0.64x | 1.22x |

(1) EBITDA in the last 12 months.

Net debt stood at R\$214 million at the end of September of 2014, decreasing by R\$1.832 billion from a year earlier. The reduction in net debt volume is explained by the higher cash generation in the period and improvement in working capital, as well the cash inflow of the public offering by Via Varejo . As a result, the Net Debt/EBITDA ratio decreased from 0.53x to 0.05x, in line with the level of the previous quarter.

Net debt, including Via Varejo's payment book operation, stood at R\$2.961 billion, decreasing R\$1.726 billion from September 2013. The ratio of Net Debt with payment book/EBITDA stood at 0.64x at the end of 3Q14.



Financial Result

| (R\$ million) | Consolidated | | | | | |
|---|--------------|--------------|---------------|----------------|--------------|---------------|
| | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ |
| Financial Revenue | 159 | 146 | 8.9% | 491 | 416 | 18.1% |
| Financial Expenses | (536) | (457) | 17.3% | (1,569) | (1,282) | 22.4% |
| Net Financial Revenue (Expenses) | (378) | (312) | 21.2% | (1,078) | (866) | 24.5% |
| % of Net Revenue | 2.4% | 2.2% | 20 bps | 2.3% | 2.1% | 20 bps |
| Charges on Net Bank Debt | (84) | (61) | 38.9% | (192) | (170) | 12.7% |
| Cost of Discount of Receivables of Payment Book | (86) | (68) | 26.1% | (251) | (192) | 30.8% |
| Cost of Sale of Receivables of Credit Card | (171) | (157) | 8.9% | (536) | (417) | 28.5% |
| Restatement of Other Assets and Liabilities | (36) | (25) | 41.7% | (100) | (87) | 14.7% |
| Net Financial Revenue (Expenses) | (378) | (312) | 21.2% | (1,078) | (866) | 24.5% |

The net financial result was an expense of R\$378 million, increasing 21.2% from 3Q13, though lagging the cumulative increase of 29% in the interest rate (CDI) in the period. As a ratio of net revenue, the net financial expense increased from 2.2% in 3Q13 to 2.4% in 3Q14.

The main variations in net financial (income) expenses were:

- Increase of R\$ 23 million in bank debt charges, primarily due to the higher interest rate (CDI), which was partially offset by the higher yields earned on the cash in the period;
- Increase of R\$18 million in the cost of discount of receivables from payment books, which rose 26.1%, lagging the increase in the CDI rate. As a ratio of net revenue, this cost remained at 0.5% compared to 3Q13 ;

- Growth of R\$14 million in the cost of sale of credit card receivables, with variation of 8.9%, significantly below the increase in the interest rate due to the lower frequency of sales receivable.

Sales of receivables volume (cards and payment books) amounted to R\$8.3 billion in the period.

Net Income

| (R\$ million) | Consolidated | | | | | |
|---|--------------|--------------|----------------|--------------|--------------|---------------|
| | 3Q14 | 3Q13 | Δ% | 9M14 | 9M13 | Δ% |
| EBITDA | 1,168 | 1,036 | 12.7% | 3,308 | 2,507 | 31.9% |
| Depreciation (Logistic) | (27) | (21) | 31.1% | (77) | (57) | 34.8% |
| Depreciation and Amortization | (207) | (201) | 2.9% | (589) | (591) | -0.3% |
| Net Financial Revenue (Expenses) | (378) | (312) | 21.2% | (1,078) | (866) | 24.5% |
| Income Before Income Tax | 557 | 503 | 10.7% | 1,564 | 993 | 57.4% |
| Income Tax | (167) | (147) | 14.1% | (477) | (285) | 67.6% |
| Company's net income | 390 | 357 | 9.3% | 1,087 | 709 | 53.3% |
| Net Margin | 2.5% | 2.5% | 0 bps | 2.4% | 1.7% | 70 bps |
| Net Income - Controlling Shareholders | 276 | 282 | -2.1% | 784 | 561 | 39.9% |
| Net Margin - Controllings Shareholders | 1.8% | 2.0% | -20 bps | 1.7% | 1.4% | 30 bps |
| Total Nonrecurring | (18) | (16) | 11.3% | (110) | (374) | -70.5% |
| Income Tax from Nonrecurring | 12 | 5 | 134.9% | 32 | 106 | -70.0% |
| Adjusted Net Income ⁽¹⁾ | 396 | 367 | 7.6% | 1,165 | 978 | 19.2% |
| Adjusted Net Margin | 2.5% | 2.6% | -10 bps | 2.5% | 2.4% | 10 bps |

(1) Net Income adjusted by Other Operating Income and Expenses, thus eliminating non-recurring income and expenses as well as the respective effects of income tax

The Company net income amounted to R\$390 million, growing 9.3% on the prior-year period, with net margin of 2.5%. The net income was driven mainly by the higher profitability at Assaí, Multivarejo and Via Varejo. The net income adjusted by Other Operating Income and Expenses totaled R\$ 396 million.

Net income attributable to controlling shareholders decreased 2.1% in the period, reflecting the change in the equity interest in Via Varejo, from 52.4% in 3Q13 to 43.3% in 3Q14.

In 9M14 net income totaled R\$ 1.087 billion, with a margin of 2.4%. Adjusted for Other Operating Income and Expenses, net income totaled R \$ 1.165 billion, an increase of 19.2% compared to 9M13.

Simplified Cash Flow Statement

| (R\$ million) | Consolidated | | | |
|---|--------------|----------------|----------------|----------------|
| | 3Q14 | 3Q13 | 9M14 | 9M13 |
| Cash Balance at beginning of period | 5,356 | 5,037 | 8,367 | 7,086 |
| Cash Flow from operating activities | 769 | 208 | 48 | 810 |
| EBITDA | 1,168 | 1,036 | 3,308 | 2,507 |
| Cost of Sale of Receivables | (257) | (226) | (786) | (608) |
| Working Capital | (382) | (539) | (2,436) | (1,123) |
| Assets and Liabilities Variation | 240 | (64) | (37) | 35 |
| Cash flow from investment activities | (308) | (452) | (869) | (1,226) |
| Net Investment | 590 | 715 | 29 | (68) |
| Aquisition and Others | (898) | (1,166) | (898) | (1,158) |
| Change on net cash after investments | 462 | (244) | (821) | (416) |
| Cash Flow from financing activities | 783 | (13) | (946) | (1,890) |
| Dividends payments and others | (36) | (33) | (222) | (234) |
| Net Proceeds | 819 | 20 | (723) | (1,656) |
| Change on net cash | 1,245 | (257) | (1,766) | (2,306) |
| Cash Balance at end of period | 6,601 | 4,780 | 6,601 | 4,780 |
| Net debt | (214) | (2,046) | (214) | (2,046) |

The cash balance in the end of 3Q14 was R\$6.601 billion, growth of R\$ 1.245 billion compared to the beginning of the quarter, arising mainly due to the following factors:

- (i) Increase in cash generation from higher operating efficiency of the business;
- (ii) Improvement of 3 days⁽¹⁾ in working capital
- (iii) Inflow of approximately R\$900 million due to issuance Debentures in the quarter.

(1)In days of COGS

Capital Expenditure

| (R\$ million) | Consolidated | | | | | | Food Businesses | | | Via Varejo | | |
|-----------------------------------|--------------|------------|--------------|--------------|--------------|---------------|-----------------|------------|--------------|------------|-----------|--------------|
| | 3Q14 | 3Q13 | Δ | 9M14 | 9M13 | Δ | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 | " |
| New stores and land acquisition | 132 | 169 | -21.8% | 354 | 570 | -37.9% | 104 | 155 | -32.9% | 29 | 14 | 101.1% |
| Store renovations and conversions | 88 | 120 | -27.0% | 218 | 359 | -39.2% | 53 | 81 | -34.4% | 36 | 40 | -9.7% |
| Infrastructure and Others | 297 | 149 | 99.4% | 539 | 351 | 53.4% | 177 | 85 | 107.0% | 79 | 38 | 107.4% |
| Non-cash Effect | | | | | | | | | | | | |
| Financing Assets | 15 | 32 | -52.6% | 9 | 17 | -47.6% | 15 | 32 | -52.6% | - | - | - |
| Total | 532 | 471 | 13.1% | 1,120 | 1,298 | -13.7% | 349 | 353 | -1.1% | 144 | 93 | 56.0% |

The Group's investments amounted to R\$532 million in the quarter. Multivarejo and Assaí accounted for 66% of total investment, followed by Via Varejo with 27%.

In the third quarter, the Group opened 50 new stores: 31 Minimercado Extra, 2 Minuto Pão de Açúcar, 2 Assaí, 11 Casas Bahia and 4 Pontofrio.

In the year to September, the Group opened 52 Minimercado Extra, 3 Minuto Pão de Açúcar, 1 Pão de Açúcar, 3 Extra Hiper, 5 Assaí, 25 Casas Bahia and 4 Pontofrio, as well as 3 drugstores, for a total of 96 store openings.

During the year, the greater discipline exercised in allocating investments to new stores and renovations is explained by the better negotiations for new store openings and the review of construction methods, as well as other initiatives that optimized CAPEX per square meter.

For the coming quarters, the Company will continue to focus on organic growth, with acceleration in the pace of store openings compared to prior quarters.

Dividends

The meeting of the Board of Directors held on October 30, 2014 approved the distribution of interim dividends based on the net income recorded on the balance sheet of September 30, 2014, in the amount of R\$35.8 million, which corresponds to R\$0.14 per preferred share and R\$0.127272 per common share. Shareholders of record on November 10, 2014 will be entitled to the payment. As of November 11, 2014, the shares will trade ex-dividends. Payment will be effected on November 21, 2014.

Appendix I - Definitions used in this document

Company's Business Units: The Company's business is divided into four units - food retail, cash and carry, electronics and home appliance retail (brick and mortar) and e-commerce – grouped as follows

Same-store sales: The basis for calculating same-store sales is defined by the sales registered in stores open for at least 12 consecutive months. Acquisitions in their first 12 months of operation are not included in the same-store calculation base.

Growth and changes: The growth and changes presented in this document refer to variations in comparison with the same period of the previous year, except where stated otherwise.

EBITDA: As of 4Q12, the results of Equity Income and Other Operating Income (Expenses) were included together with Total Operating Expenses in the calculation of EBITDA. This means that the calculation of EBITDA complies with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012. As from 1Q13, the depreciation recognized in the cost of goods sold, which essentially consists of the depreciation of distribution centers, began to be specified in the calculation of EBITDA.

Adjusted EBITDA: Measure of profitability calculated by excluding Other Operating Income and Expenses from EBITDA. Management uses this measure because it believes it eliminates nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

Adjusted net income: Measure of profitability calculated as net income excluding Other Operating Income and Expenses and discounting the effects from Income and Social Contribution Taxes. Management uses this measure because it believes it eliminates nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

| | BALANCE SHEET | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | ASSETS | | | Food | | |
| | Consolidated | | | Businesses | | |
| (R\$ million) | 09.30.2014 | 06.30.2014 | 09.30.2013 | 09.30.2014 | 06.30.2014 | 09.30.2013 |
| Current Assets | 18,329 | 15,669 | 14,849 | 6,998 | 6,407 | 6,336 |
| Cash and Marketable Securities | 6,601 | 5,379 | 4,803 | 2,884 | 2,307 | 2,492 |
| Accounts Receivable | 2,931 | 2,497 | 2,365 | 147 | 158 | 207 |
| Credit Cards | 317 | 273 | 235 | 47 | 58 | 108 |
| Payment book | 2,208 | 2,259 | 2,149 | - | - | - |
| Sales Vouchers and Others | 571 | 174 | 200 | 85 | 79 | 84 |
| Allowance for Doubtful Accounts | (325) | (231) | (233) | (1) | (1) | (0) |
| Resulting from Commercial Agreements | 160 | 22 | 15 | 15 | 22 | 15 |
| Inventories | 7,455 | 6,464 | 6,252 | 3,569 | 3,468 | 3,158 |
| Recoverable Taxes | 750 | 760 | 976 | 146 | 174 | 273 |
| Noncurrent Assets for Sale | 22 | 26 | 52 | 8 | 8 | 25 |
| Expenses in Advance and Other Accounts Receivables | 570 | 544 | 401 | 245 | 292 | 180 |
| Noncurrent Assets | 20,899 | 19,793 | 18,726 | 15,663 | 15,373 | 15,516 |
| Long-Term Assets | 4,690 | 4,549 | 4,741 | 2,531 | 2,483 | 2,852 |
| Accounts Receivables | 96 | 97 | 113 | - | - | - |
| Payment Book | 105 | 106 | 107 | - | - | - |
| Others | - | - | 16 | - | - | - |
| Allowance for Doubtful Accounts | (9) | (9) | (9) | - | - | - |
| Inventories | 172 | 172 | 172 | 172 | 172 | 172 |
| Recoverable Taxes | 1,663 | 1,583 | 1,244 | 386 | 371 | 292 |
| Financial Instruments | - | - | 362 | - | - | 362 |
| Deferred Income Tax and Social Contribution | 861 | 870 | 1,025 | 339 | 351 | 379 |
| Amounts Receivable from Related Parties | 264 | 204 | 200 | 445 | 395 | 308 |
| Judicial Deposits | 912 | 883 | 998 | 522 | 528 | 732 |
| Expenses in Advance and Others | 723 | 738 | 626 | 667 | 666 | 606 |
| Investments | 393 | 359 | 390 | 339 | 243 | 290 |
| Property and Equipment | 9,396 | 9,187 | 8,660 | 8,028 | 7,913 | 7,589 |
| Intangible Assets | 6,419 | 5,699 | 4,936 | 4,766 | 4,735 | 4,786 |
| TOTAL ASSETS | 39,228 | 35,462 | 33,576 | 22,661 | 21,780 | 21,852 |

| | LIABILITIES | | | | | |
|---|---------------|---------------|---------------|-----------------|---------------|---------------|
| | Consolidated | | | Food Businesses | | |
| | 09.30.2014 | 06.30.2014 | 09.30.2013 | 09.30.2014 | 06.30.2014 | 09.30.2013 |
| Current Liabilities | 17,285 | 14,597 | 13,235 | 6,455 | 6,499 | 6,453 |
| Suppliers | 8,261 | 6,753 | 5,682 | 2,910 | 2,936 | 2,638 |
| Loans and Financing | 1,149 | 1,054 | 1,124 | 1,052 | 997 | 1,028 |
| Payment Book (CDCI) | 2,627 | 2,624 | 2,521 | - | - | - |
| Debentures | 1,850 | 1,380 | 1,104 | 1,031 | 962 | 1,089 |
| Payroll and Related Charges | 1,010 | 850 | 939 | 500 | 412 | 496 |
| Taxes and Social Contribution Payable | 733 | 769 | 744 | 222 | 326 | 307 |
| Dividends Proposed | 1 | 1 | 100 | 1 | 1 | 1 |
| Financing for Purchase of Fixed Assets | 31 | 46 | 54 | 31 | 46 | 54 |
| Rents | 65 | 66 | 50 | 65 | 66 | 50 |
| Acquisition of Companies | 72 | 72 | 68 | 72 | 72 | 68 |
| Debt with Related Parties | 318 | 23 | 35 | 363 | 395 | 426 |
| Advertisement | 63 | 71 | 69 | 24 | 32 | 34 |
| Provision for Restructuring | 3 | 4 | 1 | 3 | 4 | 1 |
| Tax Payments | - | - | - | - | - | - |
| Advanced Revenue | 139 | 141 | 83 | 34 | 35 | 7 |
| Others | 964 | 741 | 660 | 148 | 215 | 253 |
| Long-Term Liabilities | 8,143 | 7,452 | 8,688 | 6,533 | 5,842 | 7,019 |
| Loans and Financing | 1,719 | 1,673 | 1,724 | 1,550 | 1,517 | 1,621 |
| Payment Book (CDCI) | 120 | 122 | 120 | - | - | - |
| Debentures | 2,097 | 1,600 | 2,897 | 2,097 | 1,200 | 2,098 |
| Financing for Purchase of Assets | 8 | 8 | - | 8 | 8 | - |
| Acquisition of Companies | 54 | 118 | 106 | 54 | 118 | 106 |
| Related Parties | - | (0) | - | - | - | - |
| Deferred Income Tax and Social Contribution | 1,129 | 1,042 | 1,090 | 1,127 | 1,039 | 1,086 |
| Tax Installments | 954 | 974 | 1,091 | 915 | 936 | 1,051 |
| Provision for Contingencies | 1,153 | 1,346 | 1,101 | 580 | 831 | 885 |
| Advanced Revenue | 810 | 483 | 430 | 111 | 108 | 45 |
| Others | 98 | 85 | 129 | 91 | 85 | 127 |
| Shareholders' Equity | 13,801 | 13,413 | 11,652 | 9,673 | 9,439 | 8,380 |
| Capital | 6,789 | 6,786 | 6,760 | 5,062 | 5,059 | 4,983 |
| Capital Reserves | 265 | 257 | 220 | 265 | 257 | 220 |
| Profit Reserves | 3,181 | 2,952 | 2,050 | 3,181 | 2,952 | 2,050 |
| Minority Interest | 3,566 | 3,418 | 2,623 | 1,165 | 1,171 | 1,126 |
| TOTAL LIABILITIES | 39,228 | 35,462 | 33,576 | 22,661 | 21,780 | 21,852 |



INCOME STATEMENT

| | Consolidated | | | Food Businesses | | | Multivarejo | | | Assaí | | | Via Varejo | |
|--|--------------|----------|-------|-----------------|---------|--------|-------------|---------|--------|---------|---------|--------|------------|---------|
| | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 | Δ | 3Q14 | 3Q13 |
| R\$ - Million | | | | | | | | | | | | | | |
| Gross Revenue (1) | 17,356 | 15,753 | 10.2% | 8,941 | 8,481 | 5.4% | 6,675 | 6,743 | -1.0% | 2,266 | 1,738 | 30.4% | 5,964 | 6,062 |
| Net Revenue (1) | 15,649 | 14,107 | 10.9% | 8,253 | 7,774 | 6.2% | 6,156 | 6,176 | -0.3% | 2,097 | 1,598 | 31.2% | 5,280 | 5,258 |
| Cost of Goods Sold | (11,595) | (10,397) | 11.5% | (6,170) | (5,844) | 5.6% | (4,365) | (4,468) | -2.3% | (1,805) | (1,376) | 31.1% | (3,531) | (3,601) |
| Depreciation (Logistic) | (27) | (21) | 31.1% | (12) | (11) | 12.9% | (12) | (11) | 7.0% | (1) | (0) | N/A | (11) | (7) |
| Gross Profit | 4,027 | 3,690 | 9.2% | 2,071 | 1,919 | 7.9% | 1,779 | 1,698 | 4.8% | 291 | 221 | 31.7% | 1,738 | 1,649 |
| Selling Expenses | (2,525) | (2,299) | 9.8% | (1,305) | (1,173) | 11.3% | (1,111) | (1,025) | 8.4% | (194) | (148) | 31.1% | (1,089) | (1,088) |
| General and Administrative Expenses | (370) | (375) | -1.3% | (190) | (203) | -6.4% | (163) | (183) | -10.6% | (27) | (21) | 30.4% | (124) | (120) |
| Equity Income | 27 | 16 | 73.5% | 20 | 10 | 100.1% | 20 | 10 | 100.1% | - | - | - | 8 | 6 |
| Other Operating Revenue (Expenses) | (18) | (16) | 11.3% | (15) | (18) | -17.0% | (15) | (18) | -16.5% | (0) | (0) | N/A | (15) | 2 |
| Total Operating Expenses | (2,886) | (2,674) | 7.9% | (1,490) | (1,384) | 7.7% | (1,268) | (1,215) | 4.4% | (222) | (169) | 30.9% | (1,219) | (1,201) |
| Depreciation and Amortization | (207) | (201) | 2.9% | (157) | (170) | -7.2% | (138) | (155) | -11.3% | (20) | (14) | 37.5% | (35) | (30) |
| Earnings before interest and Taxes - EBIT | 935 | 815 | 14.7% | 423 | 366 | 15.6% | 373 | 328 | 13.7% | 50 | 38 | 33.0% | 483 | 419 |
| Financial Revenue | 159 | 146 | 8.9% | 73 | 90 | -18.2% | 69 | 84 | -18.1% | 4 | 5 | -19.3% | 99 | 62 |
| Financial Expenses | (536) | (457) | 17.3% | (244) | (222) | 10.1% | (225) | (210) | 7.2% | (19) | (12) | 61.1% | (247) | (206) |
| Net Financial Revenue (Expenses) | (378) | (312) | 21.2% | (171) | (132) | 29.3% | (156) | (125) | 24.2% | (15) | (7) | 121.6% | (147) | (144) |
| Income Before Income Tax | 557 | 503 | 10.7% | 252 | 234 | 7.9% | 217 | 203 | 7.2% | 35 | 31 | 13.1% | 336 | 275 |
| Income Tax | (167) | (147) | 14.1% | (67) | (58) | 17.3% | (55) | (47) | 17.2% | (12) | (10) | 17.6% | (112) | (90) |
| Net Income - Company | 390 | 357 | 9.3% | 185 | 176 | 4.9% | 162 | 156 | 4.1% | 22 | 20 | 10.7% | 224 | 184 |
| Minority Interest - Noncontrolling | 114 | 74 | 52.5% | (5) | (12) | -57.3% | (5) | (12) | -57.3% | - | - | - | 127 | 88 |
| | 276 | 282 | -2.1% | 190 | 188 | 0.9% | 167 | 168 | -0.3% | 22 | 20 | 10.7% | 97 | 97 |

| | | | | | | | | | | | | | | |
|---|-------|-------|-------|-----|-----|------|-----|-----|------|----|----|-------|-----|-----|
| Net Income - Controlling Shareholders (2) | | | | | | | | | | | | | | |
| Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA | 1,168 | 1,036 | 12.7% | 593 | 546 | 8.5% | 522 | 494 | 5.7% | 71 | 52 | 35.4% | 529 | 456 |
| Adjusted EBITDA (3) | 1,186 | 1,052 | 12.7% | 608 | 564 | 7.7% | 537 | 512 | 4.9% | 71 | 52 | 35.4% | 544 | 454 |

| % of Net Revenue | Consolidated | | Food Businesses | | Multivarejo | | Assai | | Via Varejo | |
|---|--------------|-------|-----------------|-------|-------------|-------|-------|-------|------------|-------|
| | 3Q14 | 3Q13 | 3Q14 | 3Q13 | 3Q14 | 3Q13 | 3Q14 | 3Q13 | 3Q14 | 3Q13 |
| Gross Profit | 25.7% | 26.2% | 25.1% | 24.7% | 28.9% | 27.5% | 13.9% | 13.8% | 32.9% | 31.4% |
| Selling Expenses | 16.1% | 16.3% | 15.8% | 15.1% | 18.0% | 16.6% | 9.3% | 9.3% | 20.6% | 20.7% |
| General and Administrative Expenses | 2.4% | 2.7% | 2.3% | 2.6% | 2.7% | 3.0% | 1.3% | 1.3% | 2.4% | 2.3% |
| Equity Income | 0.2% | 0.1% | 0.2% | 0.1% | 0.3% | 0.2% | 0.0% | 0.0% | 0.2% | 0.1% |
| Other Operating Revenue (Expenses) | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.3% | 0.0% | 0.0% | 0.3% | 0.0% |
| Total Operating Expenses | 18.4% | 19.0% | 18.1% | 17.8% | 20.6% | 19.7% | 10.6% | 10.6% | 23.1% | 22.8% |
| Depreciation and Amortization | 1.3% | 1.4% | 1.9% | 2.2% | 2.2% | 2.5% | 0.9% | 0.9% | 0.7% | 0.6% |
| EBIT | 6.0% | 5.8% | 5.1% | 4.7% | 6.1% | 5.3% | 2.4% | 2.3% | 9.2% | 8.0% |
| Net Financial Revenue (Expenses) | 2.4% | 2.2% | 2.1% | 1.7% | 2.5% | 2.0% | 0.7% | 0.4% | 2.8% | 2.7% |
| Income Before Income Tax | 3.6% | 3.6% | 3.1% | 3.0% | 3.5% | 3.3% | 1.7% | 1.9% | 6.4% | 5.2% |
| Income Tax | 1.1% | 1.0% | 0.8% | 0.7% | 0.9% | 0.8% | 0.6% | 0.7% | 2.1% | 1.7% |
| Net Income - Company | 2.5% | 2.5% | 2.2% | 2.3% | 2.6% | 2.5% | 1.1% | 1.3% | 4.3% | 3.5% |
| Minority Interest - noncontrolling | 0.7% | 0.5% | 0.1% | 0.2% | 0.1% | 0.2% | 0.0% | 0.0% | 2.4% | 1.7% |
| Net Income - Controlling Shareholders(2) | 1.8% | 2.0% | 2.3% | 2.4% | 2.7% | 2.7% | 1.1% | 1.3% | 1.8% | 1.8% |
| EBITDA | 7.5% | 7.3% | 7.2% | 7.0% | 8.5% | 8.0% | 3.4% | 3.3% | 10.0% | 8.7% |
| Adjusted EBITDA (3) | 7.6% | 7.5% | 7.4% | 7.3% | 8.7% | 8.3% | 3.4% | 3.3% | 10.3% | 8.6% |

(1) Includes revenue from the leasing of commercial galleries. Figures for prior periods were reclassified for comparison purposes.

(2) Net Income after noncontrolling shareholders

(3) Adjusted EBITDA by excluding the Other Operating Revenue (Expenses), thereby eliminating nonrecurring income, expenses and other nonrecurring items.

INCOME STATEMENT

| R\$ - Million | Consolidated | | | Food Businesses | | | Multivarejo | | | Assaí | | | V |
|--|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|----------------|----------------|---------------|-----------------|
| | 9M14 | 9M13 | Δ | 9M14 | 9M13 | Δ | 9M14 | 9M13 | Δ | 9M14 | 9M13 | Δ | |
| Gross Revenue (1) | 50,862 | 45,717 | 11.3% | 27,007 | 24,674 | 9.5% | 20,671 | 19,951 | 3.6% | 6,336 | 4,723 | 34.2% | 18,474 |
| Net Revenue (1) | 45,860 | 40,928 | 12.1% | 24,923 | 22,533 | 10.6% | 19,048 | 18,197 | 4.7% | 5,874 | 4,336 | 35.5% | 16,230 |
| Cost of Goods Sold | (34,048) | (30,140) | 13.0% | (18,764) | (16,846) | 11.4% | (13,695) | (13,107) | 4.5% | (5,069) | (3,739) | 35.6% | (11,056) |
| Depreciation (Logistic) | (77) | (57) | 34.8% | (36) | (32) | 14.1% | (34) | (32) | 9.1% | (2) | (0) | N/A | (31) |
| Gross Profit | 11,735 | 10,731 | 9.4% | 6,123 | 5,655 | 8.3% | 5,319 | 5,058 | 5.1% | 804 | 597 | 34.8% | 5,143 |
| Selling Expenses General and Administrative Expenses | (7,431) | (6,792) | 9.4% | (3,888) | (3,474) | 11.9% | (3,340) | (3,067) | 8.9% | (549) | (407) | 34.8% | (3,280) |
| Equity Income | 76 | 28 | 168.7% | 55 | 20 | 175.8% | 55 | 20 | 175.8% | - | - | - | 23 |
| Other Operating Revenue (Expenses) | (110) | (374) | -70.5% | (107) | (301) | -64.5% | (106) | (302) | -64.7% | (0) | 1 | - | (15) |
| Total Operating Expenses | (8,504) | (8,281) | 2.7% | (4,474) | (4,370) | 2.4% | (3,858) | (3,911) | -1.3% | (616) | (460) | 34.0% | (3,649) |
| Depreciation and Amortization | (589) | (591) | -0.3% | (466) | (491) | -5.1% | (409) | (451) | -9.4% | (57) | (40) | 42.7% | (103) |
| Earnings before interest and Taxes - EBIT | 2,641 | 1,859 | 42.1% | 1,183 | 794 | 49.1% | 1,052 | 697 | 51.0% | 131 | 97 | 35.1% | 1,392 |
| Financial Revenue | 491 | 416 | 18.1% | 255 | 267 | -4.3% | 243 | 250 | -3.0% | 13 | 17 | -22.7% | 269 |
| Financial Expenses | (1,569) | (1,282) | 22.4% | (701) | (636) | 10.1% | (647) | (605) | 7.1% | (53) | (32) | 68.1% | (743) |
| Net Financial Revenue (Expenses) | (1,078) | (866) | 24.5% | (445) | (370) | 20.5% | (405) | (355) | 14.2% | (41) | (15) | 166.8% | (474) |
| Income Before Income Tax | 1,564 | 993 | 57.4% | 738 | 424 | 74.0% | 647 | 342 | 89.2% | 90 | 82 | 10.6% | 918 |
| Income Tax | (477) | (285) | 67.6% | (199) | (90) | 120.3% | (168) | (62) | 171.0% | (31) | (28) | 10.0% | (310) |
| Net Income - Company | 1,087 | 709 | 53.3% | 539 | 334 | 61.5% | 480 | 280 | 71.1% | 59 | 53 | 10.9% | 608 |
| Minority Interest - Noncontrolling | 302 | 148 | 104.2% | (22) | (36) | -38.4% | (22) | (36) | -38.4% | - | - | - | 344 |
| Net Income - Controlling Shareholders(2) | 784 | 561 | 39.9% | 561 | 369 | 51.8% | 502 | 316 | 58.6% | 59 | 53 | 10.9% | 263 |

| | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|--------------|--------------|
| Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA | 3,308 | 2,507 | 31.9% | 1,685 | 1,316 | 28.0% | 1,495 | 1,179 | 26.8% | 190 | 137 | 38.5% | 1,526 |
| Adjusted EBITDA (3) | 3,418 | 2,882 | 18.6% | 1,792 | 1,617 | 10.8% | 1,602 | 1,481 | 8.2% | 190 | 136 | 39.7% | 1,541 |

| % Net Sales Revenue | Consolidated | | Food Businesses | | Multivarejo | | Assaí | | Via Vareja |
|---|--------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 9M14 | 9M13 | 9M14 | 9M13 | 9M14 | 9M13 | 9M14 | 9M13 | 9M14 |
| Gross Profit | 25.6% | 26.2% | 24.6% | 25.1% | 27.9% | 27.8% | 13.7% | 13.8% | 31.7% |
| Selling Expenses | 16.2% | 16.6% | 15.6% | 15.4% | 17.5% | 16.9% | 9.3% | 9.4% | 20.2% |
| General and Administrative Expenses | 2.3% | 2.8% | 2.1% | 2.7% | 2.5% | 3.1% | 1.1% | 1.2% | 2.3% |
| Equity Income | 0.2% | 0.1% | 0.2% | 0.1% | 0.3% | 0.1% | 0.0% | 0.0% | 0.1% |
| Other Operating Revenue (Expenses) | 0.2% | 0.9% | 0.4% | 1.3% | 0.6% | 1.7% | 0.0% | 0.0% | 0.1% |
| Total Operating Expenses | 18.5% | 20.2% | 18.0% | 19.4% | 20.3% | 21.5% | 10.5% | 10.6% | 22.5% |
| Depreciation and Amortization | 1.3% | 1.4% | 1.9% | 2.2% | 2.1% | 2.5% | 1.0% | 0.9% | 0.6% |
| EBIT | 5.8% | 4.5% | 4.7% | 3.5% | 5.5% | 3.8% | 2.2% | 2.2% | 8.6% |
| Net Financial Revenue (Expenses) | 2.3% | 2.1% | 1.8% | 1.6% | 2.1% | 1.9% | 0.7% | 0.4% | 2.9% |
| Income Before Income Tax | 3.4% | 2.4% | 3.0% | 1.9% | 3.4% | 1.9% | 1.5% | 1.9% | 5.7% |
| Income Tax | 1.0% | 0.7% | 0.8% | 0.4% | 0.9% | 0.3% | 0.5% | 0.7% | 1.9% |
| Net Income - Company | 2.4% | 1.7% | 2.2% | 1.5% | 2.5% | 1.5% | 1.0% | 1.2% | 3.7% |
| Minority Interest - noncontrolling | 0.7% | 0.4% | 0.1% | 0.2% | 0.1% | 0.2% | 0.0% | 0.0% | 2.1% |
| Net Income - Controlling Shareholders(2) | 1.7% | 1.4% | 2.2% | 1.6% | 2.6% | 1.7% | 1.0% | 1.2% | 1.6% |
| EBITDA | 7.2% | 6.1% | 6.8% | 5.8% | 7.9% | 6.5% | 3.2% | 3.2% | 9.4% |
| Adjusted EBITDA (3) | 7.5% | 7.0% | 7.2% | 7.2% | 8.4% | 8.1% | 3.2% | 3.1% | 9.5% |

(1) Includes revenue from the leasing of commercial galleries. Figures for prior periods were reclassified for comparison purposes.

(2) Net Income after noncontrolling shareholders

(3) Adjusted EBITDA by excluding the Other Operating Revenue (Expenses), thereby eliminating nonrecurring income, expenses and other nonrecurring items.

| STATEMENT OF CASH FLOW | | |
|--|---------------------|-------------------|
| (R\$ million) | Consolidated | |
| | 09.30.2014 | 09.30.2013 |
| Net Income for the period | 1,087 | 709 |
| Adjustment for reconciliation of net income | | |
| Deferred income tax | 177 | 6 |
| Gain on disposal of fixed assets | 36 | 6 |
| Depreciation and amortization | 667 | 648 |
| Interests and exchange variation | 847 | 700 |
| Adjustment to present value | (2) | 7 |
| Equity pickup | (76) | (28) |
| Provision for contingencies | 118 | 310 |
| Provision for disposals and impairment of property and equipment | - | 3 |
| Share-Based Compensation | 32 | 30 |
| Allowance for doubtful accounts | 359 | 351 |
| Provision for obsolescence/breakage | (1) | (10) |
| Deferred revenue | (25) | (41) |
| Other Operating Expenses | 16 | 188 |
| Pension Plan | 0 | - |
| | 3,236 | 2,878 |
| Asset (Increase) decreases | | |
| Financial Investments | 24 | (23) |
| Accounts receivable | (478) | (77) |
| Inventories | (550) | (497) |
| Taxes recoverable | 53 | (153) |
| Other Assets | (204) | (91) |
| Related parties | (96) | (94) |
| Restricted deposits for legal proceeding | (70) | (194) |
| | (1,321) | (1,130) |
| Liability (Increase) decrease | | |
| Suppliers | (1,407) | (549) |
| Payroll and charges | 213 | 210 |
| Taxes and Social contributions payable | (502) | (184) |
| Other Accounts Payable | (150) | (372) |
| Contingencies | (223) | (43) |

| | | |
|---|-----------|------------|
| Deferred revenue | 201 | - |
| | (1,867) | (938) |
| Net cash generated from (used in) operating activities | 48 | 810 |

CASH FLOW FROM INVESTMENT AND FINANCING ACTIVITIES

| (R\$ million) | Consolidated | |
|---|----------------|----------------|
| | 09.30.2014 | 09.30.2013 |
| Increase of capital in subsidiaries | (0) | - |
| Acquisition of property and equipment | (898) | (1,158) |
| Increase Intangible assets | (222) | (140) |
| Sales of property and equipment | 47 | 71 |
| Net cash of corporate reorganization | 204 | - |
| Net cash flow investment activities | (869) | (1,226) |
| Cash flow from financing activities | | |
| Increase (decrease) of capital | 25 | 12 |
| Funding and refinancing | 4,960 | 3,877 |
| Payments | (5,634) | (5,482) |
| Dividend payments | (222) | (234) |
| Accounts payable related to acquisition of Companies | (67) | (63) |
| Acquisition of subsidiary | (7) | - |
| Net cash generated from (used in) financing activities | (946) | (1,890) |
| Monetary variation over cash and cash equivalents | 0 | - |
| Increase (decrease) in cash and cash equivalents | (1,766) | (2,306) |
| Cash and cash equivalents at the beginning of the year | 8,367 | 7,086 |
| Cash and cash equivalents at the end of the year | 6,601 | 4,780 |
| Change in cash and cash equivalents | (1,766) | (2,306) |

BREAKDOWN OF GROSS SALES BY BUSINESS

| (R\$ million) | 3Q14 | % | 3Q13 | % | Δ | 9M14 | % | 9M13 | % | Δ |
|---------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Pão de Açúcar | 1,610 | 9.3% | 1,526 | 9.7% | 5.6% | 4,838 | 9.5% | 4,435 | 9.7% | 9.1% |
| Extra Supermercado | 1,173 | 6.8% | 1,194 | 7.6% | -1.8% | 3,677 | 7.2% | 3,599 | 7.9% | 2.2% |
| Extra Hiper | 3,229 | 18.6% | 3,421 | 21.7% | -5.6% | 10,224 | 20.1% | 10,225 | 22.4% | 0.0% |
| Proximity Stores ⁽¹⁾ | 173 | 1.0% | 127 | 0.8% | 36.2% | 480 | 0.9% | 327 | 0.7% | 46.7% |
| Assaí | 2,266 | 13.1% | 1,738 | 11.0% | 30.4% | 6,336 | 12.5% | 4,723 | 10.3% | 34.2% |
| Other Businesses ⁽²⁾ | 491 | 2.8% | 476 | 3.0% | 3.1% | 1,451 | 2.9% | 1,366 | 3.0% | 6.3% |
| Food Businesses | 8,941 | 51.5% | 8,481 | 53.8% | 5.4% | 27,007 | 53.1% | 24,674 | 54.0% | 9.5% |
| Pontofrio | 1,332 | 7.7% | 1,472 | 9.3% | -9.5% | 4,262 | 8.4% | 4,388 | 9.6% | -2.9% |
| Casas Bahia | 4,633 | 26.7% | 4,590 | 29.1% | 0.9% | 14,211 | 27.9% | 13,432 | 29.4% | 5.8% |
| Cnova | 2,451 | 14.1% | 1,210 | 7.7% | 102.6% | 5,381 | 10.6% | 3,224 | 7.1% | 66.9% |
| Non-Food Businesses | 8,415 | 48.5% | 7,272 | 46.2% | 15.7% | 23,855 | 46.9% | 21,043 | 46.0% | 13.4% |
| Consolidated | 17,356 | 100.0% | 15,753 | 100.0% | 10.2% | 50,862 | 100.0% | 45,717 | 100.0% | 11.3% |

(1) Includes M inmercado Extra and M inuto Pão de Açúcar sales.

(2) Includes Gas Station, Drugstores, Delivery sales and revenues from the leasing of commercial galleries.

BREAKDOWN OF NET SALES BY BUSINESS

| (R\$ million) | 3Q14 | % | 3Q13 | % | Δ | 9M14 | % | 9M13 | % | Δ |
|---------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Pão de Açúcar | 1,478 | 9.4% | 1,393 | 9.9% | 6.1% | 4,441 | 9.7% | 4,032 | 9.9% | 10.1% |
| Extra Supermercado | 1,104 | 7.1% | 1,109 | 7.9% | -0.4% | 3,460 | 7.5% | 3,330 | 8.1% | 3.9% |
| Extra Hiper | 2,932 | 18.7% | 3,089 | 21.9% | -5.1% | 9,275 | 20.2% | 9,190 | 22.5% | 0.9% |
| Proximity Stores ⁽¹⁾ | 162 | 1.0% | 119 | 0.8% | 35.7% | 452 | 1.0% | 307 | 0.8% | 47.1% |
| Assaí | 2,097 | 13.4% | 1,598 | 11.3% | 31.2% | 5,874 | 12.8% | 4,336 | 10.6% | 35.5% |
| Other Businesses ⁽²⁾ | 480 | 3.1% | 466 | 3.3% | 2.9% | 1,421 | 3.1% | 1,338 | 3.3% | 6.2% |
| Food Businesses | 8,253 | 52.7% | 7,774 | 55.1% | 6.2% | 24,923 | 54.3% | 22,533 | 55.1% | 10.6% |
| Pontofrio | 1,189 | 7.6% | 1,275 | 9.0% | -6.7% | 3,756 | 8.2% | 3,810 | 9.3% | -1.4% |
| Casas Bahia | 4,091 | 26.1% | 3,983 | 28.2% | 2.7% | 12,474 | 27.2% | 11,703 | 28.6% | 6.6% |
| Cnova | 2,116 | 13.5% | 1,075 | 7.6% | 96.9% | 4,707 | 10.3% | 2,882 | 7.0% | 63.3% |
| Non-Food Businesses | 7,396 | 47.3% | 6,333 | 44.9% | 16.8% | 20,937 | 45.7% | 18,395 | 44.9% | 13.8% |
| Consolidated | 15,649 | 100.0% | 14,107 | 100.0% | 10.9% | 45,860 | 100.0% | 40,928 | 100.0% | 12.1% |

(1) Includes M inmercado Extra and M inuto Pão de Açúcar sales.

(2) Includes Gas Station, Drugstores, Delivery sales and revenues from the leasing of commercial galleries.

| SALES BREAKDOWN (% of Net Sales) | | | | | | | | |
|----------------------------------|------------------|-------|-------|-------|-----------------|-------|-------|-------|
| | Consolidated (1) | | | | Food Businesses | | | |
| | 3Q14 | 3Q13 | 9M14 | 9M13 | 3Q14 | 3Q13 | 9M14 | 9M13 |
| Cash | 41.0% | 42.5% | 41.6% | 42.4% | 52.2% | 53.1% | 52.6% | 53.2% |
| Credit Card | 48.7% | 47.2% | 48.5% | 47.5% | 38.7% | 38.4% | 38.6% | 38.4% |
| Food Voucher | 5.1% | 4.7% | 4.9% | 4.5% | 9.1% | 8.5% | 8.8% | 8.5% |
| Credit | 5.2% | 5.7% | 5.1% | 5.6% | 0.0% | 0.1% | 0.0% | 0.1% |
| Post-Dated | | | | | | | | |
| Checks | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.1% |
| Payment Book | 5.2% | 5.6% | 5.1% | 5.6% | - | - | - | - |

(1) Does not include Cdiscount.

| | STORE OPENINGS/CLOSINGS BY BANNER | | | | 09/30/2014 |
|---|-----------------------------------|-----------|------------|-----------|--------------|
| | 06/30/2014 | Opened | Closed | Converted | |
| Pão de Açúcar | 166 | - | - | 5 | 171 |
| Extra Hiper | 137 | - | - | - | 137 |
| Extra Supermercado | 213 | - | - | (5) | 208 |
| Minimercado Extra | 183 | 31 | (4) | - | 210 |
| Minuto Pão de Açúcar | 1 | 2 | - | - | 3 |
| Assaí | 78 | 2 | - | - | 80 |
| Other Business | 242 | - | - | - | 242 |
| <i>Gas Station</i> | <i>83</i> | - | - | - | <i>83</i> |
| <i>Drugstores</i> | <i>159</i> | - | - | - | <i>159</i> |
| Food Businesses | 1,020 | 35 | (4) | - | 1,051 |
| Pontofrio | 361 | 4 | (1) | - | 364 |
| Casas Bahia | 611 | 11 | - | - | 622 |
| Consolidated | 1,992 | 50 | (5) | - | 2,037 |
| Sales Area ('000 m²) | | | | | |
| Food Businesses | 1,697 | | | | 1,715 |
| Consolidated | 2,765 | | | | 2,792 |
| # of employees ('000) (1) | | | | | |
| | 154 | | | | 154 |

(1) Does not include Cdiscount employees.

(1) Does not include Cdiscount employees.

3Q14 Results Conference Call and Webcast

Friday, October 31, 2014

11:00 a.m. (Brasília) | 8:00 a.m. (New York) | 1:00 p.m. (London)

Conference call in Portuguese (original language)

+55 (11) 2188-0155

Conference call in English (simultaneous translation)

+1 (646) 843-6054

Webcast: <http://www.gpari.com.br>

Replay

+55 (11) 2188-0155

Access code for Portuguese audio: GPA

Access code for English audio: GPA

<http://www.gpari.com.br>

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The individual and parent company financial statements are presented in accordance with IFRS and the accounting practices adopted in Brazil and refer to the third quarter of 2014 (3Q14), except where stated otherwise, with comparisons in relation to the prior-year period.

Any and all non-accounting information or information based on non-accounting figures have not been reviewed by the independent auditors.

The calculation of "EBITDA" is based on earnings before interest, taxes, depreciation and amortization. The base used to calculate "same-store" gross sales revenue is determined by the sales made in stores open for at least 12 consecutive months and that did not remain closed for seven or more consecutive days in the period. Acquisitions in their first 12 months of operation are not included in the same-store calculation base.

GPA adopts the IPCA consumer price index as its benchmark inflation index, which is also used by the Brazilian Supermarkets Association (ABRAS), since it more accurately reflects the mix of products and brands sold by the Company. The IPCA in the 12 months ended September 2014 was 6.75%.

Disclaimer: Statements contained in this release relating to the business outlook of the Company, projections of operating/financial results, the growth potential of the Company and the market and macroeconomic estimates are mere forecasts and were based on the expectations of Management in relation to the Company's future. These expectations are highly dependent on changes in the market, Brazil's general economic performance, the industry and international markets, and are thus subject to change.

About GPA: GPA is Brazil's largest retailer, with a distribution network comprising over 2,000 points of sale as well as electronic channels. Established in 1948 in São Paulo, it maintains a head office in the city and operations in 19 Brazilian states and the Federal District of Brasília. With a strategy of focusing its decisions on the customer and better serving them based on their consumer profile in the wide variety of shopping experiences it offers, GPA adopts a multi-business and multi-channel platform with brick-and-mortar stores and e-commerce operations divided into five business units: Multivarejo, which operates the supermarket, hypermarket and neighborhood store formats, as well as fuel stations and drugstores, under the Pão de Açúcar and Extra banners; Assaí, which operates in the cash and carry store segment; Via Varejo, with brick and mortar electronics and home appliance stores under the Casas Bahia and Pontofrio banners; GPA Malls, which is responsible for managing the Group's real estate assets, expansion projects and new store openings; and the e-commerce segment Cnova, which is formed by the operations of Cnova Brasil and Cdiscount in France, including their international websites.

1. Corporate information

Companhia Brasileira de Distribuição ("Company", "CBD" or "GPA"), directly or by its subsidiaries ("Group") operates in the food retailer, clothing, home appliances, electronics and other products segment through its chain of hypermarkets, supermarkets, specialized and department stores principally under the trade names "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai", "Ponto Frio" and "Casas Bahia", in addition the e-commerce platforms "CasasBahia.com", "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com", "Cdiscount.com" and "Conviva" which is the neighborhood's mall brand. Its headquarter is located at São Paulo, SP, Brazil.

Founded in 1948, in Brazil, the Company has 154 thousand employees, 2.037 stores in 19 Brazilian states and in the Federal District and a logistics infrastructure comprised of 56 distribution centers and commercial warehouses located in 15 states and Federal District on September 30, 2014. The Company's shares are listed in Level 1 of Corporate Governance trading segment of the São Paulo Stock Exchange ("BM&FBovespa"), under the code "PCAR4" and its shares are also listed on the New York Stock Exchange (ADR level III), under the code "CBD". The Company is also listed on the Luxembourg Stock Exchange; however, with no shares traded.

The Company is controlled by Wilkes Participações S.A. ("Wilkes") that is controlled by Casino Guichard Perrachon ("Casino").

Corporate information about Morzan Empreendimentos e Participações Ltda ("Morzan") arbitration did not have any modification in comparison with the information presented in the annual financial statements of 2013, in note 1.

a) Performance Commitment Agreement

The Company, its subsidiary Via Varejo and Casa Bahia Comercial Ltda. ("CB"), jointly "Promisees", and the Brazilian Antitrust Agency ("CADE") entered into a Performance Commitment Statement ("PCS") to approve the Partnership Agreement signed between CBD and CB on December 4, 2009 and amended on July 1, 2010. As the main purpose of PCS, Via Varejo had the major obligation of selling 74 stores located in 54 municipalities distributed in six states and the Federal District.

In relation to the "PCS", between December 2013 and January 2014, the subsidiary Via Varejo signed Sales and Purchase agreements with third parties of 42 stores, which were already approved by the CADE in September 5 and 19, 2014 and October 16, 2014. The Company awaits for the attainment of preceding conditions set forth in the Sales and Purchase agreements, which can influence the final sales price of such stores. The income related to the sale of such 42 stores will be recognized when such conditions are satisfied.

For the remaining 32 stores, between May and June of 2014, the Company has terminated its activities, paying a penalty of R\$11,645, as established in the "PCS".

The Company understands that met the obligation described in the "PCS" and awaits the formal ruling of CADE.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

2. Basis of preparation

The consolidated quarterly financial information (“Interim Financial Information”) of the Company were prepared according to technical pronouncement IAS 34 - Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”) and CPC 21(R1) - Interim Financial Reporting, issued by Comitê de Pronunciamentos Contábeis (“CPC”) and, approved by Brazilian Securities and Exchange Commission (“CVM”).

The individual quarterly financial information of the Parent Company was prepared according to technical pronouncement CPC 21 (R1) approved by CVM and is presented in conjunction with consolidated quarterly financial information.

The quarterly financial information, individual and consolidated is also being presented in accordance with regulations issued by the CVM, applicable to the preparation of quarterly information.

The quarterly financial information, individual and consolidated, were prepared considering historical cost as basis for the amounts recorded and adjusted to fair value of financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss.

In cases when did not occur significant changes in the nature of the balances or Company’s accounting policies, the details disclosed in the annual financial statements as of December 31, 2013, were not fully disclosed in this quarterly financial information. Therefore, this quarterly financial information should be read in conjunction with the annual financial statements disclosed on February 14, 2014.

The quarterly financial information for the nine-month period ended September 30, 2014 was approved by the Board of Directors on October 30, 2014.

The Company made certain reclassifications in the statements of income and value added statement, for the nine-month period ended September 30, 2013, presented for comparative purposes, in order to adapt them to the presentation criteria adopted in the current quarter. The reclassifications performed were:

| | Parent Company | | | Consolidated | | |
|-------------------|------------------|---------------------|-----------------|------------------|-----------|---------------|
| | Previous balance | GPA Malls galleries | Current balance | Previous balance | Freight | GPA Malls gal |
| and/or Services | 15,407,167 | 62,465 | 15,469,633 | 40,842,869 | | 8 |
| /or Services Sold | (11,277,615) | - | (11,277,615) | (30,037,937) | (158,963) | 8 |
| | 4,129,552 | 62,465 | 4,192,018 | 10,804,932 | (158,963) | 8 |
| | (2,346,958) | (62,465) | (2,409,423) | (6,866,612) | 158,963 | (8 |

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

2. Basis of preparation – Continued

a) Reclassification of commercial galleries revenues, mainly related to rental of stores, which was recorded as a reduction of selling expenses, amounting R\$ 84,777. Due to the increase of this activity in the retail segment and considering the release expectation of new ventures "Conviva", this revenue was reclassified to "sales from goods and / or services" to better presentation of this activity in the interim financial information and because of the increase in expectation of future operations, the Company's management understands it is best to proceed with the current classification for comparison and final classification of this revenue.;

b) Statement of income: reclassification of freight expenses of the subsidiary Nova Pontocom to cost of goods sold, in the amount of R\$158,963(consolidated);

3. Basis for consolidation

The Information regarding the basis for consolidation, except for the business restructuring explained on note 13, did not have any modification and was presented in the annual financial statements of 2013, in note 3.

a) Interest in subsidiaries and associated companies.

| <u>Companies</u> | Investment interest | | Comp |
|---|---------------------|-------------------|------|
| | 09.30.2014 | 12.31.2013 | |
| | Company | Indirect interest | Comp |
| <u>Subsidiaries</u> | | | |
| Novasoc Comercial Ltda. ("Novasoc") | 10 | - | |
| Sé Supermercado Ltda. ("Sé") | 100 | - | |
| Sendas Distribuidora S.A. ("Sendas") | 100 | - | |
| PA Publicidade Ltda. ("PA Publicidade") | 100 | - | |
| Bellamar Empreend. e Participações Ltda. | 100 | - | |
| Vancouver Empreend. e Participações Ltda. | 100 | - | |
| GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P") | 100 | - | |
| CBD Holland B.V. | 100 | - | |
| CBD Panamá Trading Corp. | - | 100 | |
| Xantocarpa Participações Ltda. ("Xantocarpa") | - | 100 | |
| Barcelona Comércio Varejista e Atacadista S.A. ("Barcelona") | 82.75 | 17.25 | 8 |
| Vedra Empreend. e Participações S.A. | 99.99 | 0.01 | 9 |
| Monte Tardeli Empreendimentos e Participações S.A. | 99.91 | 0.09 | 9 |
| GPA 2 Empreend. e Participações Ltda. | 99.99 | 0.01 | 9 |
| GPA 4 Empreend. e Participações S.A. | 99.91 | 0.09 | 9 |
| GPA 5 Empreend. e Participações S.A. | 99.91 | 0.09 | 9 |
| GPA 6 Empreend. e Participações Ltda. (GPA Logística e Transporte Ltda.) | 100 | - | 9 |
| ECQD Participações Ltda. | 100 | - | |
| API SPE Planej. e Desenv. de Empreend. Imobiliários Ltda. | 100 | - | |
| Posto Ciara Ltda | - | 100 | |
| Auto Posto Império Ltda. | - | 100 | |
| Auto Posto Duque Salim Maluf Ltda. | - | 100 | |
| Auto Posto GPA Santo André Ltda. | - | 100 | |
| Auto Posto Duque Lapa Ltda. | - | 100 | |
| Duque Conveniências Ltda. | - | 100 | |
| Nova Pontocom Comércio Eletrônico S.A ("Nova Pontocom") | 47.52 | 23.92 | 4 |
| CNova Comércio Eletrônico S/A (Bruxellas Empreend. e Participações S.A.) | - | 38.22 | 9 |
| Cnova N.V | - | 38.22 | |
| E-Hub Consult. Particip. e Com. S.A. | - | 71.45 | |
| CDiscount Group S.A.S. (Nota 13) | - | 38.15 | |
| CDiscount Colombia S.A. | - | 19.47 | |
| Jaipur Financial Markets B.V | - | 71.45 | |

| | | |
|--|--------------|--------------|
| Jaipur Financial Markets S.A.R.L | - | 71.45 |
| Via Varejo S.A. ("Via Varejo") | 43.35 | - |
| Nova Extra Eletro Comercial Ltda. (Átino Comunicação Ltda) | - | - |
| Sabara S.A. | - | - |
| Indústria de Móveis Bartira Ltda. ("Bartira") | - | 43.35 |
| Ponto Frio Adm e Importação de Bens Ltda. | - | 43.35 |
| PontoCred Negócio de Varejo Ltda. | - | 43.35 |
| Globex Adm e Serviços Ltda. ("GAS") | - | 43.35 |
| Rio Expresso Com. Atacad. de Eletrodoméstico Ltda. | - | 43.35 |
| Lake Niassa Empreend. e Participações Ltda. | - | 43.35 |
| Globex Adm. Consórcio Ltda. | - | 43.35 |
| Nova Experiência PontoCom S.A. | - | 71.45 |
| Casas Bahia Contact Center Ltda. | - | 43.35 |

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

3. Basis for consolidation – Continued

| <u>Companies</u> | Investment interest - % | | | |
|--|-------------------------|------------|-------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| | Company | Company | Indirect interest | Indirect interest |
| <u>Associates</u> | | | | |
| Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento ("FIC") | - | - | 41.93 | 41.93 |
| Banco Investcred Unibanco S.A. ("BINV") | - | - | 21.67 | 21.67 |
| FIC Promotora de Vendas Ltda. | - | - | 41.93 | 41.93 |
| Financière MSR S.A.S. | - | - | 38.15 | - |
| E-Trend S.A.S. | - | - | 38.15 | - |
| CDiscout International B.V. | - | - | 38.15 | - |
| C Distribution Asia Pte. Ltd | - | - | 11.44 | - |
| C Distribution (Thaïland) Ltd | - | - | 8.01 | - |
| C-Discout Vietnam Co Ltd | - | - | 9.15 | - |
| C-Discout Afrique | - | - | 38.22 | - |
| C-Discout Voyages | - | - | 38.06 | - |
| (*)Excluding Treasury shares | | | | |

In the individual quarterly financial statements, all interests are calculated considering the percentages held by GPA or its subsidiaries. In the consolidated quarterly financial statements, the Company fully consolidates all its subsidiaries, keeping the non-controlling interest in a specific line in equity.

b) Associates – BINV, FIC, Cdistribution Thaïland, CDiscout Vietnam and CDiscout Asia.

The Company's investments FIC and BINV are accounted under the equity method because they are entities over which the Company exercises significant influence, but not control, since (a) it is a part of shareholders' agreement, indicating a portion of the directors and having the right to veto certain relevant decisions, (b) the operation and financial decisions of BINV and FIC belongs to Banco Itaú Unibanco S.A ("Itaú Unibanco").

Cdistribution Thaïland, CDiscout Vietnam, CDiscout Asia and FIC's summarized interim financial information is as follows:

| | FIC - Consolidated | | Cdistribution | Cdiscount | Cdiscount |
|------------------------------|---------------------------|-------------------|----------------------|-------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | Thailand (*) | Vietnam(*) | Asia (*) |
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 09.30.2014 | 09.30.2014 |
| Current assets | 3,588,146 | 3,521,684 | 14,927 | 5,765 | 1,014 |
| Noncurrent assets | 23,458 | 32,209 | 6,486 | 1,696 | 26,568 |
| Total assets | 3,611,604 | 3,553,893 | 21,413 | 7,461 | 27,582 |
| Current liabilities | 2,733,386 | 2,826,367 | 26,386 | 1,979 | 13,848 |
| Noncurrent liabilities | 13,241 | 23,192 | - | - | - |
| Shareholders | 864,977 | 704,334 | (4,973) | 5,482 | 13,734 |
| Total liabilities and equity | 3,611,604 | 3,553,893 | 21,413 | 7,461 | 27,582 |
| <u>Income statement:</u> | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2014 | 09.30.2014 |
| Revenues | 755,277 | 652,150 | 6,040 | 647 | - |
| Operating income | 285,030 | 98,780 | (4,705) | (3,827) | (25) |
| Profit (Loss) for the year | 160,644 | 54,827 | (4,705) | (3,827) | (136) |

(*) Subsidiaries consolidated as of July 31, 2014, as per note 13 (b)

For the purposes of calculating the investment on summarized interim financial information of FIC , the investee's equity should be deducted from the special goodwill reserve, which is exclusive right of Itaú Unibanco.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

4. Significant accounting policies

The main accounting policies adopted by the Company in the preparation of individual and consolidated quarterly financial information are consistent with those adopted and disclosed in Note 4 of the financial statements for the year ended December 31, 2013, disclosed on February 14, 2014 and therefore should be read together. At September 30, 2014 the following accounting policies are applicable to the Company, after E-commerce business restructuring, as per note 13.

a) Accounting for equity investments at cost

Company accounts at historical cost, with impact in shareholders' equity, all the interest acquired from companies under common control. Such transactions do not qualify as business combination in the terms of IFRS 3.

b) Foreign currency translation

The quarterly financial information is presented in Reais, the functional currency of the Group's Parent Company. Each entity determines its own functional currency and all their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from the Parent Company are translated according to the closing rate method:

- Assets and liabilities, including goodwill and fair value adjustments, are translated into reais at the closing date ;
- Income statement and cash flow items are translated into reais using the average rate of the period unless significant variances occurs, when is used the rate of the transaction date

Exchange differences are recognized within a separate component of equity. When a foreign operation is sold, the accumulated value of exchange differences on the equity is reclassified to profit or loss.

The resulting exchange differences are recognised directly within a separate component of equity. When a foreign operation is disposed of, the cumulative amount of the exchange differences in equity relating to that operation is reclassified to profit or loss.

Foreign currency transactions (i.e transactions that use currency different from functional currency of entity) are translated using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting exchange differences are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the transaction date.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

4. Significant accounting policies - Continued

c) Pension plan

The pension plan is funded through payments to insurance companies, which are classified as a defined contribution plan according to CPC 33(IAS 19). A defined contribution plan is a pension plan whereby the Company pays fixed contributions to a separate legal entity. The Company has no legal or constructive obligation to pay additional contributions in relation to the plan's assets.

In relation to the defined benefit plan, only French entities are affected by this obligation, since its employees are eligible to a compensation to be paid in retirement. The French entities obligation is measured using the projected unit credit method based on the agreements effective in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted to the present value. The obligation is measured by independent actuaries annually for the employment termination benefit. Assumptions include expected rate of future salary increases, estimated average working life of employees, life expectancy and staff turnover rates.

Actuarial gains and losses arise from the effects of changes in actuarial assumptions and historical adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All gains and losses arising on defined benefit plans are recognised in equity.

The past service cost related to an increase in the obligation resulting from the introduction of, or changes to, benefit plans, is recognized as an expense on the period.

Expenses related to defined benefit plans are recognized in operating expenses (service cost) or other financial income and expense (interest cost and expected return on plan assets).

Curtailments, settlements and past service costs are recognized in operating expenses or other financial income and expense depending on their nature. The liability recognized in the balance sheet is measured as the net present value of the obligation, less the fair value of plan assets and unrecognised past service cost.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

5. New standards issued but not yet effective

a) General legislation

Provisional Presidential Decree 627/13 – in November 2013, the Provisional Presidential Decree MP 627 was issued, changing the tax legislation and eliminating the Transitory Tax Regimen – RTT. In May 2014, the Law 12,973 was issued, resulted from the conversion of the MP 627 in law. The Company, together with its external advisors, analyzed the Law 12,973 and Normative Instruction - IN 1,492, to assess the implications of its anticipated application and the possible impact on the parent company and consolidated interim financial information for the nine-month period ended September 30, 2014. Until the date of approval of this interim financial information, the Company has not identified any significant effects to be recognized as consequence of enactment of the Law 12,973.

b) Accounting Standards

Changes to IAS 27 – Consolidated and separated financial statements – The review of IAS 27 allows the entities to utilize the equity pickup method to recognize investments on subsidiaries, joint ventures and associates in the preparation of individual financial statements, according to the IFRS standards and IAS 34. This review was issued in August 2014, and will be in force on January 1, 2016. The Company believes that this standard, when adopted, will allow that its individual financial statements prepared in accordance with IFRS will be the same as those already prepared in accordance with accounting practices adopted in Brazil.

IFRS 9 – Financial Instruments – This technical standard substitutes Financial Instruments: Recognition and Measurement. It includes requirements about classification and measurement of financial assets and liabilities. It also establishes rules to the recognition of amounts not recoverable based on the expected loss model. This standard was issued in July 2014 and will be in force on January 1, 2018. The Company is evaluating the impacts of the new standard on the financial statements.

IFRS 15 - Revenue from contracts with customers – replaces the International Accounting Standards (IAS)18, International Accounting Standards Committee(IFRIC) 13 and Standard Interpretations Committee (SIC) 31 (CPC30 R1), IAS11 (CPC17 R1), IFRIC15 (Comitê de Pronunciamentos Contábeis Interpretation - ICPC 02) and IFRIC18 (ICPC 11). IFRS 15 specifies how and when an entity will recognize the revenue from contracts or relationship with customers as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides, in a single document, principles for revenue recognition applicable to all contracts and/or relationship with customers. IFRS 15 was issued in May 2014 and shall be in force for annual reporting period beginning on or after January 1, 2017. The Company is evaluating the impacts of the new standard on its annual financial statements.

In addition to the disclosed above, it does not exist other standards and interpretations issued by IASB and CPC but not yet effective that could have, in management's opinion, significant impact in the income statement for the period or in the shareholders' equity disclosed by the Company. Additionally, there are no significant impacts in the quarterly financial information in relation to the adoption of new standards, changes or interpretations of standards issued by IASB with mandatory application after January 1, 2014, as disclosed in the note 5 of the financial statements for the year ended December 31, 2013.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

6. Significant accounting judgments, estimates and assumptions

Judgments, estimates and assumptions

The preparation of the individual and consolidated quarterly financial information of the Company requires Management to make judgments, estimates and assumptions that impact the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the period; however, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability impacted in future periods.

The significant assumptions and estimates for quarterly financial information for the nine-month period ended September 30, 2014 were the same as those adopted in the consolidated and individual financial statements for the year ended December 31, 2013, presented on February 14, 2014, and therefore, should be read together, except for the impairment test, which is tested annually only observing indicators during the year as described in notes 15 and 16.

7. Cash and cash equivalents

The detailed information on cash and cash equivalents was presented in the annual financial statements of 2013, in note 7.

| | Parent Company | | Consolidated | |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| Cash on hand and bank accounts | 41,612 | 115,112 | 283,611 | 343,114 |
| <u>Financial investments:</u> | | | | |
| Itaú BBA | 229 | 527,521 | 141,927 | 778,881 |
| Itaú – Delta Fund | 747 | 5,115 | 191,865 | 181,384 |
| Banco do Brasil | 444,129 | 206,246 | 2,336,204 | 1,425,957 |

| | | | | |
|-----------------|------------------|-----------|------------------|-----------|
| Bradesco | 200,743 | 824,736 | 242,742 | 2,051,130 |
| Santander | 152,817 | 322,548 | 999,911 | 995,568 |
| CEF | 83,037 | 99,031 | 1,000,396 | 732,424 |
| Votorantim | 3,256 | 101,436 | 418,497 | 439,082 |
| Safra | 566,558 | 356,477 | 748,426 | 645,197 |
| Credit Agricole | - | 127,731 | 195,112 | 362,996 |
| BNP | 4 | 105,100 | 182 | 279,469 |
| Other | 10,099 | 60,167 | 42,228 | 131,974 |
| | 1,503,231 | 2,851,220 | 6,601,101 | 8,367,176 |

Financial investments on September 30, 2014 are substantially buy-back agreements and earned interest by the average corresponding to 101.2% of the Interbank Deposit Certificate (“CDI”) and redeemable in terms of less than 90 days.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

8. Trade accounts receivable

The detailed information of trade accounts receivable was presented in the annual financial statements of 2013, in note 8.

| | Parent Company | | Consolidated | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| Credit card companies (a) | 29,277 | 82,554 | 316,786 | 276,262 |
| Sales vouchers | 39,643 | 98,849 | 127,101 | 148,101 |
| Consumer finance – CDCI | - | - | 2,208,219 | 2,249,407 |
| Trade accounts receivable from wholesale customers | - | - | 198,665 | 18,394 |
| Credit sales | 1,431 | 2,076 | 1,979 | 3,018 |
| Private label credit card | 11,806 | 13,545 | 11,800 | 13,539 |
| Accounts receivable from related parties (Note 12 a) | 87,435 | 105,047 | 23,310 | - |
| Present value adjustment (b) | - | - | (6,331) | (7,264) |
| Loss in allowance for doubtful accounts (c) | (405) | (2,600) | (324,649) | (228,733) |
| Rebates | 13,208 | 13,000 | 160,223 | 18,205 |
| Other trade accounts receivable | - | - | 214,248 | 24,737 |
| Current | 182,395 | 312,471 | 2,931,351 | 2,515,666 |
| Consumer finance – CDCI | - | - | 105,155 | 125,219 |
| Loss in allowance for doubtful accounts (c) | - | - | (9,363) | (10,320) |
| Noncurrent | - | - | 95,792 | 114,899 |
| | 182,395 | 312,471 | 3,027,143 | 2,630,565 |

(a) Credit card companies

During the nine-month period ended on September 30, 2014 the Company and its subsidiaries sold credit card receivables to banks or credit card companies in the amount of R\$22,038,297 (R\$21,067,913 on September 30, 2013) without recourse or obligation related.

(b) Present value adjustment

The credit sales with the same cash value were carried to their present value on the transactions dates. In the nine-month period ended September 30, 2014 these rates averaged 0.91% per month (0.72% per month on December 31, 2013).

8. Trade accounts receivable - Continued

(c) Loss in allowance for doubtful accounts

The allowance for doubtful accounts is based on average historical losses complemented by estimated probable future losses:

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| At the beginning of the period | (2,600) | (81) | (239,053) | (198,480) |
| Loss /reversal in the period | 2,195 | (2,729) | (359,216) | (475,857) |
| Allowance write-off | - | 210 | 348,407 | 435,284 |
| Corporate restructuring | - | - | (82,317) | - |
| Exchange variation | - | - | (1,833) | - |
| At the end of the period | (405) | (2,600) | (334,012) | (239,053) |
| Current | (405) | (2,600) | (324,649) | (228,733) |
| Noncurrent | - | - | (9,363) | (10,320) |

Below is presented, the breakdown of consolidated trade accounts receivable by gross amount and maturity period:

| | Total | Falling due | Past-due receivables | | | |
|-------------------|------------------|------------------|----------------------|---------------|---------------|----------------|
| | | | <30 days | 30-60 days | 61-90 days | >90 days |
| 09.30.2014 | 3,361,155 | 2,920,460 | 163,207 | 61,760 | 40,352 | 175,376 |
| 12.31.2013 | 2,869,618 | 2,565,483 | 162,755 | 56,635 | 36,265 | 48,480 |

9. Other accounts receivable

The detailed information of other accounts receivable was presented in the annual financial statements of 2013, in note 10.

| | Parent Company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Accounts receivable related to sale of fixed assets | 14,079 | 16,609 | 50,095 | 55,320 |
| Rebates | - | - | 19,209 | 20,556 |
| Advances to suppliers | - | - | 11,220 | 28,965 |
| Rental advances | 12,031 | 12,521 | 12,161 | 12,651 |
| Accounts receivable – Audax | 8,297 | 7,491 | 14,059 | 13,028 |
| Amounts to be reimbursed | 20,197 | 25,871 | 139,214 | 108,635 |
| Rental receivable | 23,771 | 15,455 | 33,033 | 22,346 |
| Accounts receivable - Paes Mendonça | - | - | 531,885 | 514,615 |
| Accounts receivable from companies sale | - | - | 53,001 | 49,255 |
| Others | 1,919 | 1,281 | 50,060 | 31,931 |
| | 80,294 | 79,228 | 913,937 | 857,302 |
| Current | 48,183 | 47,890 | 230,265 | 227,367 |
| Noncurrent | 32,111 | 31,338 | 683,672 | 629,935 |

10. Inventories

The detailed information of inventories was presented in the annual financial statements of 2013, in note 11.

| | Parent Company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Stores | 1,423,975 | 1,425,069 | 3,755,886 | 3,597,410 |
| Distribution centers | 874,271 | 752,930 | 3,757,499 | 2,836,150 |
| Inventories under construction | - | - | 171,757 | 172,280 |
| Loss with obsolescence and breakage (a) | (5,661) | (12,390) | (58,392) | (52,016) |
| | 2,292,585 | 2,165,609 | 7,626,750 | 6,553,824 |
| Current | 2,292,585 | 2,165,609 | 7,454,993 | 6,381,544 |
| Noncurrent | - | - | 171,757 | 172,280 |

(a) Loss with obsolescence and breakage

| | Parent Company | | Consolidated | |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| At the beginning of the period | (12,390) | (8,141) | (52,016) | (53,126) |
| Additions | (3,487) | (11,219) | (17,051) | (64,898) |
| Write-offs / reversal | 10,216 | 6,970 | 18,184 | 66,008 |
| Corporate restructuring | - | - | (7,343) | - |
| Exchange variation | | | (166) | |
| At the end of the period | (5,661) | (12,390) | (58,392) | (52,016) |

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

11. Recoverable taxes

The detailed information of recoverable taxes was presented in the annual financial statements of 2013, in note 12.

| | Parent Company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| Current | | | | |
| State value-added tax on sales and services – ICMS recoverable (a) | 95,868 | 98,360 | 575,161 | 769,086 |
| Social Integration Program/ Tax for Social Security Financing -PIS/COFINS recoverable | 2,362 | 4,142 | 39,679 | 20,242 |
| Income tax on financial investments | 1,562 | 43,112 | 21,497 | 50,864 |
| Income and Social Contribution taxes | 503 | 2,420 | 20,202 | 31,031 |
| Social Security Contribution - INSS | - | - | - | 30,796 |
| Value-added tax receivable - France (b) | - | - | 73,776 | - |
| Other | - | - | 19,727 | 5,964 |
| Total current | 100,295 | 148,034 | 750,042 | 907,983 |
| Noncurrent | | | | |
| ICMS recoverable (a) | 279,278 | 279,457 | 1,263,575 | 1,088,787 |
| PIS/COFINS recoverable | - | - | 279,901 | 254,228 |
| Social Security Contribution- INSS | 71,423 | 71,423 | 19,727 | 86,006 |
| Total noncurrent | 350,701 | 350,880 | 1,662,811 | 1,429,021 |
| Total | 450,996 | 498,914 | 2,412,853 | 2,337,004 |

(a) The full ICMS realization will occur as follows:

| <u>In</u> | <u>Parent Company</u> | <u>Consolidated</u> |
|------------------|------------------------------|----------------------------|
|------------------|------------------------------|----------------------------|

| | | |
|----------------|----------------|------------------|
| Up to one year | 95,868 | 575,161 |
| 2015 | 84,721 | 402,431 |
| 2016 | 84,256 | 482,733 |
| 2017 | 46,497 | 219,691 |
| 2018 | 34,588 | 110,844 |
| 2019 | 29,216 | 41,305 |
| 2020 | - | 6,571 |
| | 375,146 | 1,838,736 |

(b) Recoverable Added Value Tax (IVA) – France:

Added value tax in France is related to tax credits taken over purchase of products and services, net of tax paid on the sales. The offset will be done by other sales or by a refund request done to the Public Treasury in France.

12. Related parties

The detailed information of related parties was presented in the annual financial statements of 2013, in note 13.

a) Sales, purchases of goods, services and other operations

| | Parent Company | | Consolidated | |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| <u>Customers</u> | | | | |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 95 | 36,386 | - | - |
| Sé Supermercados | 40,509 | 13,166 | - | - |
| Sendas Distribuidora | 39,250 | 49,856 | - | - |
| Barcelona | 6,918 | 2,577 | - | - |
| Via Varejo | 300 | 2,197 | - | - |
| Nova Pontocom | 358 | 865 | - | - |
| Xantocarpa | 3 | - | - | - |
| GPA Logística | 2 | - | - | - |
| Others (a) | - | - | 23,310 | - |
| | 87,435 | 105,047 | 23,310 | - |
| <u>Suppliers</u> | | | | |
| <i>Controlling shareholder:</i> | | | | |
| Casino | 280 | 1,450 | 283 | 1,450 |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 171 | 20,234 | - | - |
| Sé Supermercados | 1,293 | 2,235 | - | - |
| Sendas Distribuidora | 21,651 | 44,417 | - | - |
| Barcelona | 1,026 | 2,957 | - | - |
| Xantocarpa | 352 | 1,356 | - | - |
| Via Varejo | 316 | 3,151 | - | - |
| Nova Pontocom | 3 | 928 | - | - |
| GPA Logística | 14,731 | - | - | - |
| <i>Associated Companies:</i> | | | | |
| FIC | 3,977 | 10,904 | 4,933 | 12,897 |
| <i>Other related parties:</i> | | | | |
| Diniz Group (*) | - | 1,706 | - | 1,811 |
| Globalbev Bebidas e Alimentos (*) | - | 101 | - | 285 |
| Globalfruit (*) | - | 44 | - | 44 |
| Bravo Café (*) | - | 224 | - | 225 |
| Fazenda da Toca Ltda. (*) | - | 185 | - | 205 |
| Indigo Distribuidora | - | 120 | - | 406 |
| Others (b) | - | - | 131,606 | - |
| | 43,800 | 90,012 | 136,822 | 17,323 |

(*) Balances were presented until the date of settlement, September 7, 2013, considering that they are no longer considered as related parties as per note 1(a) in the consolidated financial statements presented in December 31, 2013

a) CD Thailand, Vietna, Colombia, Exito, DCF, Cchez Vous and others

b) Banque Casino, Easydis, Cchez Vous, EMC, DCF, Serca, Banque Casino and others.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

12. Related parties – Continued

a) Sales, purchases of goods, services and other operations – Continued

| | Parent Company | | Consolidated | |
|--------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Sales | | | | |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 113,983 | 262,685 | - | - |
| Sé Supermercados | 215,005 | 40,112 | - | - |
| Sendas Distribuidora | 261,131 | 263,695 | - | - |
| Via Varejo S.A. | - | 384 | - | - |
| Nova Pontocom | - | 287 | - | - |
| Barcelona | - | 259 | - | - |
| Distribution Casino France | - | - | 9,951 | - |
| C'est chez vous | - | - | 3,317 | - |
| Exito | - | - | 10,855 | - |
| Thailand e Vitnam | - | - | 5,428 | - |
| CD to CASINO S.A. | - | - | 13,871 | - |
| Others | 93 | 29 | 2,111 | - |
| | 590,212 | 567,451 | 45,533 | - |
| Purchases | | | | |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 1,629 | 4,146 | - | - |
| Sé Supermercados | 2,454 | 247 | - | - |
| Sendas Distribuidora | 187,796 | 166,198 | - | - |
| E-Hub Consult. Particip. e Com. S.A. | - | 1,992 | - | - |
| Indústria de Móveis Bartira Ltda. | - | - | - | 397,095 |
| Distribution Casino France | - | - | 67,847 | - |
| Easydis | - | - | 67,243 | - |
| C'est chez vous | - | - | 39,200 | - |
| Casino France | - | - | 16,283 | - |
| Casino Information Technology | - | - | 1,809 | - |

| | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Others | 5 | - | 9,649 | - |
| <i>Other related parties:</i> | | | | |
| Globalbev Bebidas e Alimentos (*) | - | 7,022 | - | 8,452 |
| Globalfruit (*) | - | 4,171 | - | 4,298 |
| Bravo Café (*) | - | 1,224 | - | 1,224 |
| Sykué Geração de Energia (*) | - | 10,273 | - | 21,249 |
| Fazenda da Toca Ltda. (*) | - | 4,536 | - | 5,617 |
| Indigo Distribuidora | - | 3,171 | - | 4,152 |
| | 191,884 | 202,980 | 202,032 | 442,087 |

(*) Balances were presented until the date of settlement, September 7, 2013, considering that they are no longer considered as related parties as per note 1(a) in the consolidated financial statements presented in December 31, 2013.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

12. Related parties – Continued

a) Sales, purchases of goods, services and other operations – Continued

| | Parent Company | | Consolidated | |
|---------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| <u>Assets</u> | | | | |
| <i>Controlling shareholder:</i> | | | | |
| Casino | 1,181 | 2,738 | 1,181 | 3,404 |
| Casino France – Cash Pool | - | - | 10,479 | - |
| Others | - | - | 8,979 | - |
| <i>Subsidiaries:</i> | | | | |
| Novasoc | 60,835 | 80,890 | - | - |
| Sendas Distribuidora | 259,127 | 82,485 | - | - |
| Xantocarpa | 20,125 | 21,873 | - | - |
| Nova Pontocom | 404,678 | 259,553 | - | - |
| GPA M&P | 25,857 | 25,808 | - | - |
| GPA Logística & Transportes | 22,454 | - | - | - |
| Vancouver | 30,088 | 28,229 | - | - |
| Posto Duque - Salim Maluf | 1,395 | 980 | - | - |
| Posto GPA - Santo André | 1,007 | 503 | - | - |
| Posto GPA - Império | 2,045 | 1,416 | - | - |
| Posto Duque - Lapa | 860 | 651 | - | - |
| Posto GPA - Ciara | 1,110 | 816 | - | - |
| Vedra | 20 | 20 | - | - |
| Bellamar | 50 | - | - | - |
| Barcelona | 105,000 | 105,000 | - | - |
| Others | 393 | 349 | - | - |
| <i>Associated Companies:</i> | | | | |
| FIC | - | - | 12,395 | 683 |
| <i>Other related parties:</i> | | | | |
| Casa Bahia Comercial Ltda.(*) | - | - | 192,316 | 134,112 |
| Management of Nova Pontocom | 37,391 | 34,307 | 37,391 | 34,307 |
| Rede Duque | - | - | 180 | 158 |

| | | | | |
|---------------------------------|------------------|-----------|----------------|---------|
| Instituto GPA | - | 3 | - | - |
| Others | 889 | 857 | 889 | 172 |
| | 974,505 | 646,478 | 263,810 | 172,836 |
| Liabilities | | | | |
| <i>Controlling shareholder:</i> | | | | |
| Wilkes Participações | 209 | - | 209 | - |
| Casino France - Cash Pool | - | - | 122,051 | - |
| BGC Emprestimos | - | - | 8,266 | - |
| BGC Ducroire | - | - | 46,232 | - |
| Polca Emprestimos | - | - | 106,949 | - |
| Others | - | - | 11,562 | - |
| <i>Subsidiaries:</i> | | | | |
| Sé Supermercados | 1,379,767 | 1,410,685 | - | - |
| Novasoc | 166 | - | - | - |
| Barcelona | 327,862 | 430,549 | - | - |
| Via Varejo | 333,880 | 338,371 | - | - |
| Pontocred Negócios | 741 | 1,491 | - | - |
| Bellamar | 25,527 | 16,867 | - | - |
| P.A Publicidade | 23,507 | 19,863 | - | - |
| Posto Duque – Loja Conveniência | 13 | 9 | - | - |
| <i>Associated companies:</i> | | | | |
| FIC | 59 | 6,180 | - | 9,012 |
| <i>Other related parties:</i> | | | | |
| Casa Bahia Comercial Ltda | - | - | 22,307 | 23,609 |
| Instituto GPA | 2 | - | 6 | - |
| | 2,091,733 | 2,224,015 | 317,582 | 32,621 |
| | 58 | | | |

(*) GPA received in 2014, approximately R\$ 100,000 from existing balances in 2013.

12. Related parties – Continued

a) Sales, purchases of goods, services and other operations – Continued

| <u>Revenues (Expenses)</u> | <u>Parent Company</u> | | <u>Consolidated</u> | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | <u>09.30.2014</u> | <u>09.30.2013</u> | <u>09.30.2014</u> | <u>09.30.2013</u> |
| <i>Controlling shareholder:</i> | | | | |
| Casino | (17,832) | (15,512) | (17,948) | (15,512) |
| Wilkes Participações | (2,632) | (2,124) | (2,632) | (2,124) |
| <i>Subsidiaries:</i> | | | | |
| Novasoc | 3,037 | 6,728 | - | - |
| Sé Supermercados | 5,611 | 1,762 | - | - |
| Sendas Distribuidora | 31,048 | 38,368 | - | - |
| Via Varejo | (119,102) | (49,329) | - | - |
| PontoCred Negócios | 750 | (13) | - | - |
| Nova Pontocom | 31,601 | 19,153 | - | - |
| <i>Associates:</i> | | | | |
| FIC | 17,302 | 13,107 | 8,554 | 13,109 |
| Dunnhumby | - | (885) | - | (885) |
| Banque Casino | - | - | (17,489) | - |
| <i>Other related parties:</i> | | | | |
| Fundo Península | - | (112,377) | - | (117,887) |
| Diniz Group (*) | - | (14,878) | - | (15,825) |
| Sykué Consultoria em Energia Ltda. (*) | - | (464) | - | (1,018) |
| Casa Bahia Comercial Ltda. | - | - | (191,138) | (158,878) |
| Management of Nova Pontocom | 3,084 | 2,148 | 3,084 | 2,148 |
| Axialent Consultoria | - | (4) | - | (4) |
| Habile Segurança e Vigilância Ltda. | - | - | - | (7,031) |
| Pão de Açúcar S.A. Indústria e Comércio | - | (516) | - | (516) |
| Audax SP | - | (10,328) | - | (10,329) |
| Audax Rio | - | (2,268) | - | (7,200) |
| Instituto Grupo Pão de Açúcar | (4,301) | (5,343) | (4,285) | (5,339) |
| Assoc. Rec. Cul. Emp. P.A | (857) | (11) | (857) | (11) |
| Viaw Consultoria Ltda (a) | (236) | - | (3,229) | - |
| | (52,527) | (132,786) | (225,940) | (327,302) |

(*) Balances were presented until the date of settlement, September 7, 2013, considering that they are no longer considered as related parties as per note 1(a) in the consolidated financial statements presented in December 31, 2013.

a) Consulting services

The Company hired Viaw Consultoria Ltda. to render services in the managerial consulting area, as well as information technology area, in market conditions. The partners of Viaw are members of Management of the Company.

b) Management, Fiscal Council and Audit Committee's compensation

The expenses related to the compensation of senior management (officers appointed pursuant to the Bylaws, the Board of Directors and its advisory committees) and Fiscal Council, recorded in the Company statement of income for the nine-month period ended September 30, 2014 and 2013, were as follows:

12. Related parties – Continued

| | In relation to total compensation at September 30, 2014 | | | |
|-------------------------|--|----------------------------------|--------------------------|---------------|
| | Base salary | Variable compensation | Stock option plan | Total |
| Board of directors (**) | 3,214 | - | - | 3,214 |
| Executive officers | 43,622 | 14,705 | 3,956 | 62,283 |
| Fiscal council | 168 | - | - | 168 |
| | 47,004 | 14,705 | 3,956 | 65,665 |

b) Management, Fiscal Council and Audit Committee's compensation - Continued

| | In relation to total compensation at September 30, 2013 | | | |
|------------------------|--|----------------------------------|--------------------------|--------------|
| | Base salary | Variable compensation | Stock option plan | Total |
| Board of directors (*) | 5,345 | - | - | 5,345 |
| Executive officers | 9,772 | 14,868 | 9,126 | 33,766 |
| Fiscal council | 378 | - | - | 378 |
| | 15,495 | 14,868 | 9,126 | 39,489 |

(*) Compensation according to the number of attendances at meetings.

(**) The remuneration of the advisory committees of the Board of Directors (Human Resources and Compensation, Audit, Finance, Sustainable Development and Corporate Governance) is included in this line.

c) Balances with Companies of Casino Group

The Companies that started to be consolidated on July 31, 2014, making the e-commerce business of CDiscount, have intercompany balances with other entities of Casino Group in the amount payable of R\$292,245, and receivable of R\$16,643, made mainly of:

i) Banque Du Groupe Casino ("BGC"): CDiscount has loans payable to BGC loans in the amount of R\$8,266, and an amount related to clients of Cdiscount financed by BGC in the amount of R\$46,232, over which credit risk is retained by CDiscount. CDiscount has an accounts receivable amounting R\$10,479 related to checking account;

ii) Casino France: CDiscount has an account payable of R\$122,051 related to loans with this entity that is controlled by Casino Group

iii) Polca: CDiscount has an account payable of R\$106,949 related to loans with this entity that is controlled by Casino Group.

CDiscount has on its accounts payable balance the amount of R\$131,606 related to transactions with entities of Casino Group not consolidated in GPA, as following: Easydis – Logistics(R\$32,265), Distribution Casino France – purchase of products (R\$31,059), C'est Chez Vous – Delivery (R\$19,902), EMC – Purchase centralization (R\$20,505), BGC (R\$18,997) and other (R\$8,478).

The expenses with related parties incurred with in CDiscount amounts R\$202,031, and refers to centralized purchases with EMC (R\$67,847), Logistics services with EasyDis (R\$67,243), Freights with C'est Chez Vous (R\$39,200), Logistics cost with Distribution Casino France (R\$16,283), Bank expenses with BGC (R\$17,489) and others (R\$11,458).

The revenues with related parties incurred in CDiscount amounts R\$45,533, and are related to IT services rendered to other entities of Casino Group in amount of R\$16,283, Sales of products to Distribution Casino France R\$9,951, Bonus in the subscription of shares reimbursed by Casino S.A. R\$13,871 and others R\$5,428.

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

13. Investments

The detailed information of investments was presented in the annual financial statements of 2013, in note 14.

a) Breakdown of investments

| | Parent Company | | | | | | | | |
|-------------------------------|-----------------------|------------------|----------------|-------------------|-------------|-----------------|----------------|------------------|-------------------|
| | Sé | Sendas | Novasoc | Via Varejo | Nova | Pontocom | NCB (a) | Barcelona | Bellamar C |
| Balances at 12.31.2013 | 2,784,948 | 1,550,658 | 126,546 | 1,560,398 | | 25,840 | 474,751 | 740,852 | 232,744 |
| Additions | - | - | - | - | - | - | - | - | - |
| Write-off | - | - | - | - | - | - | - | - | - |
| Equity accounting | 6,210 | 75,883 | 4,495 | 252,789 | | (26,383) | 36,860 | 38,802 | 54,921 |
| Dividends receivable | - | - | - | - | - | - | - | (335) | - |
| Stock option | - | - | 315 | 486 | | 26 | - | 1,511 | - |
| Others (b) | - | - | - | (2,317) | | (6,943) | - | - | - |
| Balances at 09.30.2014 | 2,791,158 | 1,626,541 | 131,356 | 1,811,356 | | (7,460) | 511,611 | 780,830 | 287,665 |

(a) In the case of NCB, the investment amount refers to the effects of fair value measurements recorded in connection with the business combination. For Via Varejo, the effects of fair value were considered together with the accounting investments held in this subsidiary.

(b) Effects in this line are related by additional acquisition of 0.22% of the subsidiary Nova Pontocom's noncontrolling interest and by corporate restructuring involving e-commerce operations as per note 13 and 26.

13. Investments –Continued

a) Breakdown of investments – Continued

| | Consolidated | | | | |
|-------------------------------|---------------------|---------------|--------------|--|----------------|
| | FIC | BINV | Other | International operations(*) | Total |
| Balances at 12.31.2013 | 289,805 | 19,260 | 463 | - | 309,528 |
| Additions | - | - | 150 | - | 150 |
| Share of profit in associate | 76,764 | 821 | - | (1,418) | 76,167 |
| Dividends receivable | - | (255) | - | - | (255) |
| Corporate restructuring | | | | 9,053 | 9,053 |
| Exchange variation | - | - | - | 137 | 137 |
| Others | - | - | - | (1,347) | (1,347) |
| Balances at 09.30.2014 | 366,569 | 19,826 | 613 | 6,425 | 393,433 |

b) E-commerce transaction – Accounting of equity interests at cost

On June 4, 2014 the Boards of Directors of the Company and Via Varejo approved the project of association of the e-commerce businesses developed by the Companies through Nova Pontocom Comércio Eletrônico S.A. (“Nova”) with the e-commerce business developed by the controlling shareholder Casino, Guichard-Perrachon, S.A. (“Casino”) through CDiscount S.A. and its affiliates (“CDiscount”).

Special Committees implemented by the Boards to evaluate the transactions, delivered a favorable recommendation of implementation of the operation considering the following elements: (a) the commercial interests of the Companies in the eCommerce activities will be preserved; and (b) the potential for value generation for the Companies and their shareholders through the integration of the e-Commerce activities currently developed by Nova and CDiscount into a new company named Cnova N.V. (“Cnova”) organized under the Holland laws.

Based on the opinions issued by the financial consultants, the exchange of net assets between Nova and CDiscount in Cnova are represented by 53.5% (Company and Via Varejo) and 46.5% (CDiscount).

On July 24, 2014, the corporate transaction was concluded at Cnova level in Holand, resulting in the subsidiary Nova Pontocom giving 46.5% of the operational net assets of Cnova Comércio Eletrônico, in exchange for 53.5% of interest in CDiscount Group.

The operational entities with important operations that the Company started consolidating as a result of this transaction are(*):

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

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Companhia Brasileira de Distribuição

Notes to the interim financial statements

September 30, 2014

(In thousands of Brazilian reais, except when otherwise stated)

13. Investments -Continued

The exchange of shares remained registered at historical cost, by Management understanding that this transaction is not the scope of CPC15/IFRS 3 (R) “Business Combinations”, by involving entities under common control. The date of the first consolidation of these entities, whose control was acquired by the Company, was July 31, 2014.

The impact accounted in shareholders’ equity of the Company on July 31, 2014 as a result of the transaction is broken down as follow:

| | 07.31.2014 |
|--|-------------------|
| Investment at Cnova given | 23,140 |
| Investment received | (16,324) |
| Impact in the Shareholders’ Equity of NPC | 6,816 |
| Impact in the Shareholders’ Equity of the Parent Company | 4,869 |

The main assets and liabilities initially consolidate on July 31, 2014, were the following:

| | Cdiscount 07.31.2014 |
|---------------------------|---------------------------------|
| Assets | |
| Current assets | |
| Cash and cash equivalents | 203,866 |
| Trade accounts receivable | 272,462 |
| Recoverable taxes | 92,398 |
| Inventories | 509,670 |
| Other | 16,410 |
| Total current | 1,094,806 |
| Noncurrent | |
| Tax payable | 40,641 |

| | |
|-----------------------------|------------------|
| Other | 5,437 |
| Investments | 9,053 |
| Property, plant & equipment | 29,857 |
| Intangible assets | 446,622 |
| Total non current | 531,610 |
| Total assets | 1,626,416 |

| | |
|--|-------------------|
| Liabilities | 07.31.2014 |
| Current liabilities | |
| Trade accounts payable | 1,096,781 |
| Taxes and contributions payable | 78,016 |
| Related parties | 312,060 |
| Other accounts payable | 77,873 |
| Total current liabilities | 1,564,730 |
| Noncurrent liabilities | |
| Pension plan | 5,108 |
| Provisions | 8,800 |
| Other accounts payable | 8,435 |
| Total noncurrent liabilities | 22,343 |
| Shareholders' equity | 30,511 |
| Transactions with Non-controlling interest | 8,833 |
| Total shareholders' equity | 39,344 |
| Total liabilities and shareholders' equity | 1,626,416 |

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial statements

September 30, 2014

(In thousands of Brazilian reais, except when otherwise stated)

14. Business combinations

The detailed information of business combinations was presented in the annual financial statements of 2013, in note 15. There were no business combination for the nine-month period ended September 30, 2014.

15. Property and equipment

The detailed information of property and equipment was presented in the annual financial statements of 2013, in note 16.

a) Parent Company

| | Balance at : | | | | | Balance at: |
|--------------------------|---------------------|------------------|---------------------|-------------------|------------------|--------------------|
| | 12.31.2013 | Additions | Depreciation | Write-offs | Transfers | 09.30.2014 |
| Land | 1,198,468 | - | - | - | 570 | 1,199,038 |
| Buildings | 1,928,702 | 1,964 | (44,568) | (1,013) | - | 1,885,085 |
| Leasehold improvements | 1,513,578 | 2,697 | (82,343) | (6,915) | 189,662 | 1,616,679 |
| Machinery and equipment | 765,647 | 119,320 | (102,803) | (10,688) | 2,258 | 773,734 |
| Facilities | 155,906 | 8,416 | (12,115) | (1,835) | 8,071 | 158,443 |
| Furniture and fixtures | 293,472 | 32,399 | (30,338) | (3,586) | (389) | 291,558 |
| Vehicles | 17,916 | 6,146 | (3,568) | (3,580) | - | 16,914 |
| Construction in progress | 131,061 | 127,775 | - | (631) | (198,074) | 60,131 |
| Others | 37,855 | 6,267 | (9,098) | (243) | (2,098) | 32,683 |
| | 6,042,605 | 304,984 | (284,833) | (28,491) | - | 6,034,265 |

Financial lease

| | | | | | | |
|-----------|-----------|---------|-----------|----------|---|-----------|
| Hardware | 12,617 | - | (4,268) | - | - | 8,349 |
| Buildings | 19,593 | - | (803) | (62) | - | 18,728 |
| | 32,210 | - | (5,071) | (62) | - | 27,077 |
| Total | 6,074,815 | 304,984 | (289,904) | (28,553) | - | 6,061,342 |

15. Property and equipment - Continued

| | Balance at 09.30.2014 | | | Balance at 12.31.2013 | | |
|--------------------------|-----------------------|--------------------------|-----------|-----------------------|--------------------------|-----------|
| | Cost | Accumulated depreciation | Net | Cost | Accumulated depreciation | Net |
| Land | 1,199,038 | - | 1,199,038 | 1,198,468 | - | 1,198,468 |
| Buildings | 2,771,385 | (886,300) | 1,885,085 | 2,770,650 | (841,948) | 1,928,702 |
| Leasehold improvements | 2,830,717 | (1,214,038) | 1,616,679 | 2,649,493 | (1,135,915) | 1,513,578 |
| Machinery and equipment | 1,782,712 | (1,008,978) | 773,734 | 1,701,269 | (935,622) | 765,647 |
| Facilities | 378,133 | (219,690) | 158,443 | 364,411 | (208,505) | 155,906 |
| Furniture and fixtures | 691,703 | (400,145) | 291,558 | 668,947 | (375,475) | 293,472 |
| Vehicles | 26,631 | (9,717) | 16,914 | 27,157 | (9,241) | 17,916 |
| Construction in progress | 60,131 | - | 60,131 | 131,061 | - | 131,061 |
| Other | 96,681 | (63,998) | 32,683 | 92,988 | (55,133) | 37,855 |
| | 9,837,131 | (3,802,866) | 6,034,265 | 9,604,444 | (3,561,839) | 6,042,605 |
| <u>Financial lease</u> | | | | | | |
| Hardware | 31,687 | (23,338) | 8,349 | 31,687 | (19,070) | 12,617 |
| Buildings | 34,318 | (15,590) | 18,728 | 34,448 | (14,855) | 19,593 |
| | 66,005 | (38,928) | 27,077 | 66,135 | (33,925) | 32,210 |
| Total | 9,903,136 | (3,841,794) | 6,061,342 | 9,670,579 | (3,595,764) | 6,074,815 |

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial statements

September 30, 2014

(In thousands of Brazilian reais, except when otherwise stated)

b) Consolidated

| | Balance at: | | | | | | | Balance at: | |
|--------------------------|--------------------|------------------|---------------------------|-------------------|------------------|----------------------|------------------|--------------------|--|
| | | | Corporate Exchange | | | | | | |
| | 12.31.2013 | Additions | Depreciation | Write-offs | Transfers | restructuring | variation | 09.30.2014 | |
| Land | 1,411,882 | 30,969 | - | - | 207 | - | - | 1,443,058 | |
| Buildings | 2,016,452 | 17,034 | (48,637) | (1,049) | 63,228 | 563 | 7 | 2,047,598 | |
| Leasehold improvements | 2,787,342 | 165,984 | (146,216) | (8,578) | 212,792 | 166 | 3 | 3,011,493 | |
| Machinery and equipment | 1,444,434 | 228,447 | (202,884) | (16,458) | 54,844 | 1,870 | 58 | 1,510,311 | |
| Facilities | 325,871 | 45,318 | (27,302) | (1,923) | 11,726 | 14,421 | 332 | 368,443 | |
| Furniture and fixtures | 527,510 | 72,371 | (53,352) | (4,189) | (714) | 10,747 | 244 | 552,617 | |
| Vehicles | 166,581 | 10,118 | (12,751) | (31,336) | (95) | - | - | 132,517 | |
| Construction in progress | 208,960 | 317,448 | - | (1,377) | (340,476) | 2,090 | 67 | 186,712 | |
| Other | 67,407 | 14,461 | (17,268) | (279) | (1,307) | - | - | 63,014 | |
| | 8,956,439 | 902,150 | (508,410) | (65,189) | 205 | 29,857 | 711 | 9,315,763 | |
| <u>Financial lease</u> | | | | | | | | | |
| Equipment | 19,618 | - | (2,425) | (1) | (1) | - | - | 17,191 | |

| | | | | | | | | |
|------------------------|-----------|---------|-----------|----------|-------|--------|-----|-----------|
| Hardware | 43,643 | 7 | (13,523) | (2) | 1,626 | - | - | 31,751 |
| Facilities | 934 | - | (83) | - | - | - | - | 851 |
| Furniture and fixtures | 7,720 | 17 | (860) | (3) | (24) | - | - | 6,850 |
| Vehicles | 1,103 | 306 | (212) | (520) | 7 | - | - | 684 |
| Buildings | 24,143 | - | (1,092) | (61) | - | - | - | 22,990 |
| | 97,161 | 330 | (18,195) | (587) | 1,608 | - | - | 80,317 |
| Total | 9,053,600 | 902,480 | (526,605) | (65,776) | 1,813 | 29,857 | 711 | 9,396,080 |

The column “transfers” is mainly impacted by transfers to intangible assets.

15. Property and equipment –Continued

b) Consolidated – Continued

| | Balance at 09.30.2014 | | | Balance at 12.31.2013 | | |
|--------------------------|-----------------------|--------------------------|-----------|-----------------------|--------------------------|-----------|
| | Cost | Accumulated depreciation | Net | Cost | Accumulated depreciation | Net |
| Land | 1,443,058 | - | 1,443,058 | 1,411,882 | - | 1,411,882 |
| Buildings | 3,000,722 | (953,124) | 2,047,598 | 2,921,600 | (905,148) | 2,016,452 |
| Leasehold improvements | 4,722,391 | (1,710,898) | 3,011,493 | 4,396,106 | (1,608,764) | 2,787,342 |
| Machinery and equipment | 3,043,953 | (1,533,642) | 1,510,311 | 2,809,446 | (1,365,012) | 1,444,434 |
| Facilities | 703,630 | (335,187) | 368,443 | 630,753 | (304,882) | 325,871 |
| Furniture and fixtures | 1,108,966 | (556,349) | 552,617 | 1,033,295 | (505,785) | 527,510 |
| Vehicles | 192,012 | (59,495) | 132,517 | 231,440 | (64,859) | 166,581 |
| Construction in progress | 186,712 | - | 186,712 | 208,960 | - | 208,960 |
| Other | 169,968 | (106,954) | 63,014 | 158,512 | (91,105) | 67,407 |
| | 14,571,412 | (5,255,649) | 9,315,763 | 13,801,994 | (4,845,555) | 8,956,439 |
| <u>Financial lease</u> | | | | | | |
| Equipment | 36,469 | (19,278) | 17,191 | 36,473 | (16,855) | 19,618 |
| Hardware | 184,051 | (152,300) | 31,751 | 182,516 | (138,873) | 43,643 |
| Facilities | 1,858 | (1,007) | 851 | 1,858 | (924) | 934 |
| Furniture and fixtures | 15,128 | (8,278) | 6,850 | 15,147 | (7,427) | 7,720 |
| Vehicles | 1,246 | (562) | 684 | 1,746 | (643) | 1,103 |
| Buildings | 43,275 | (20,285) | 22,990 | 43,403 | (19,260) | 24,143 |
| | 282,027 | (201,710) | 80,317 | 281,143 | (183,982) | 97,161 |
| Total | 14,853,439 | (5,457,359) | 9,396,080 | 14,083,137 | (5,029,537) | 9,053,600 |

c) Capitalized borrowing costs

The consolidated amount of the capitalized borrowing costs for the nine-month ended of September 30, 2014 was R\$8,517 (R\$17,285 for the nine-month period ended September 30, 2013). The rate used to determine the borrowing costs eligible for capitalization was 105% of Interbank Deposit Rate – CDI (105% for the nine-month period ended September 30, 2013) , corresponding to the effective interest rate of the Company's borrowings.

15. Property and equipment –Continued

d) Additions to the property and equipment

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------|------------|-----------------|------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Additions | 304,984 | 453,513 | 902,480 | 1,141,067 |
| Capitalized interest | (3,859) | (12,028) | (8,517) | (17,285) |
| Real estate financing - Additions (i) | (34,911) | (66,251) | (57,750) | (121,945) |
| Real estate financing - Payments (ii) | 45,720 | 115,939 | 61,747 | 156,134 |
| Total | 311,934 | 491,173 | 897,960 | 1,157,971 |

(i) The additions to property and equipment above are presented to demonstrate the amount paid during the period, in order to demonstrate the acquisitions shown as in the statement of cash flows.

e) Other information

At September 30, 2014, the Company and its subsidiaries recorded in the cost of goods sold and services rendered the amount of R\$30,101 (R\$27,437 at September 30, 2013) in the Parent Company and R\$77,073 (R\$57,172 at September 30, 2013) in consolidated referring to the depreciation of its fleet of trucks, equipment, buildings and facilities related to the distribution centers.

The Company has not identified evidence of loss in the amount of the items of its property and equipment, which require a new measurement of recoverable amount of assets at September 30, 2014.

16. Intangible assets

The detailed information of intangible assets was presented in the annual financial statements of 2013, in note 17.

a) Parent company

| | Balance at: 12.31.2013 | Additions | Amortization | Write-offs | Balance at: 09.30.2014 |
|-----------------------------|-----------------------------------|------------------|---------------------|-------------------|-----------------------------------|
| Goodwill – home appliances | 179,064 | - | - | - | 179,064 |
| Goodwill – retail | 355,412 | - | - | - | 355,412 |
| Commercial rights – retail | 41,512 | 830 | - | - | 42,342 |
| Software and implementation | 551,167 | 86,245 | (61,119) | (381) | 575,912 |
| | 1,127,155 | 87,075 | (61,119) | (381) | 1,152,730 |

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial statements

September 30, 2014

(In thousands of Brazilian reais, except when otherwise stated)

| | Balance at 09.30.2014 | | | Balance at 12.31.2013 | | |
|-----------------------------|-----------------------|--------------------------|-----------|-----------------------|--------------------------|-----------|
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill – home appliances | 179,064 | - | 179,064 | 179,064 | - | 179,064 |
| Goodwill – retail | 1,073,990 | (718,578) | 355,412 | 1,073,990 | (718,578) | 355,412 |
| Commercial rights – retail | 42,342 | - | 42,342 | 41,512 | - | 41,512 |
| Software and implementation | 917,891 | (341,979) | 575,912 | 832,123 | (280,956) | 551,167 |
| | 2,213,287 | (1,060,557) | 1,152,730 | 2,126,689 | (999,534) | 1,127,155 |

b) Consolidated

| | Balance at | | | | Corporate restructuring | Exchange variation | Balance at 09.30.2014 |
|----------------------------|------------|-----------|--------------|------------|-------------------------|--------------------|-----------------------|
| | 12.31.2013 | Additions | Amortization | Write-offs | | | |
| Goodwill – cash and carry | 361,567 | - | - | - | - | - | 361,567 |
| Goodwill – home appliances | 895,582 | - | - | - | - | - | 895,582 |
| Goodwill – retail | 746,965 | - | - | - | - | - | 746,965 |
| Goodwill – e-commerce | - | - | - | - | 235,971 | 5,203 | 241,174 |
| Brand– cash and carry | 38,639 | - | - | - | - | - | 38,639 |
| Brand– home appliances | 2,061,077 | - | - | - | - | - | 2,061,077 |
| | - | - | - | - | 11,423 | 252 | 11,675 |

| | | | | | | | | |
|--|-----------|---------|-----------|---------|-------|---------|-------|-----------|
| Brand – e-commerce | | | | | | | | |
| Commercial rights – home appliances | 577,141 | 359 | (4,952) | (107) | (18) | - | - | 572,423 |
| Commercial rights – retail | 43,002 | 830 | - | - | 1,490 | - | - | 45,322 |
| Commercial rights - cash and carry | 28,842 | 5,410 | - | - | - | - | - | 34,252 |
| Customer relationship – home appliances | 5,998 | - | (3,498) | - | - | - | - | 2,500 |
| Lease agreement –stores under advantageous condition | 137,930 | - | (30,767) | - | - | - | - | 107,163 |
| Contractual Rights | | 185,952 | - | - | - | - | - | 185,952 |
| Software | 727,163 | 184,490 | (92,987) | (2,165) | 1,045 | 196,952 | 4,428 | 1,018,926 |
| Software CL | 76,751 | 25,733 | (8,553) | - | - | - | - | 93,931 |
| Others | - | - | - | - | (332) | 2,277 | 35 | 1,980 |
| Total intangible assets | 5,700,657 | 402,774 | (140,757) | (2,272) | 2,185 | 446,623 | 9,918 | 6,419,128 |

16. Intangible assets – Continued

| | Balance at 09.30.2014 | | | Balance at 12.31.2013 | | |
|---|-----------------------|-----------------------------|-----------|-----------------------|-----------------------------|-----------|
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill – cash and carry | 371,008 | (9,441) | 361,567 | 371,008 | (9,441) | 361,567 |
| Goodwill – home appliances | 895,582 | - | 895,582 | 895,582 | - | 895,582 |
| Goodwill – retail | 1,848,403 | (1,101,438) | 746,965 | 1,848,403 | (1,101,438) | 746,965 |
| Goodwill – e-commerce | 241,174 | - | 241,174 | - | - | - |
| Brand– cash and carry | 38,639 | - | 38,639 | 38,639 | - | 38,639 |
| Brand – home appliances | 2,061,077 | - | 2,061,077 | 2,061,077 | - | 2,061,077 |
| Brand – e-commerce | 11,675 | - | 11,675 | - | - | - |
| Commercial rights – home appliances | 635,128 | (62,705) | 572,423 | 635,557 | (58,416) | 577,141 |
| Commercial rights – retail | 45,322 | - | 45,322 | 43,002 | - | 43,002 |
| Commercial rights - cash and carry | 34,252 | - | 34,252 | 28,842 | - | 28,842 |
| Customer relationship– home appliances | 34,268 | (31,768) | 2,500 | 34,268 | (28,270) | 5,998 |

| | | | | | | |
|--|------------------|--------------------|------------------|-----------|-------------|-----------|
| Lease agreement –stores under advantageous condition | 292,040 | (184,877) | 107,163 | 292,040 | (154,110) | 137,930 |
| Contractual Rights | 185,952 | - | 185,952 | - | - | - |
| Software | 1,553,203 | (534,277) | 1,018,926 | 1,093,451 | (366,288) | 727,163 |
| Software CL | 106,999 | (13,068) | 93,931 | 81,265 | (4,514) | 76,751 |
| Other | 1,980 | - | 1,980 | - | - | - |
| Total intangible assets | 8,356,702 | (1,937,574) | 6,419,128 | 7,423,134 | (1,722,477) | 5,700,657 |

68

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**Companhia Brasileira de Distribuição**

Notes to the interim financial statements

September 30, 2014

(In thousands of Brazilian reais, except when otherwise stated)

c) Impairment test of goodwill and intangible assets

Goodwill and intangible assets were tested for impairment as of December 31, 2013 according to the method described in note 4 - Significant accounting policies, in the financial statements of December 31, 2013, released on February 14, 2014.

As a result of the impairment test conducted in 2013 and because there is no evidence of loss in this value on September 30, 2014, the Company concluded not necessary to perform a new measurement of recoverable amount of these assets. For the year ending December 31, 2014, Company's Management will perform new impairment tests for all goodwill and intangible assets recognized until this date.

d) Additions to intangible assets

| | Parent Company | | Consolidated | |
|-------------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | <u>09.30.2014</u> | <u>3.31.2013</u> | <u>09.30.2014</u> | <u>3.31.2013</u> |
| Additions | 87,075 | 85,239 | 402,774 | 156,562 |
| Contractual rights | - | - | (185,952) | - |
| Intangible financing - Payments (i) | 5,000 | - | 5,000 | - |
| Other accounts payables | - | (17,000) | - | (17,000) |
| Total | 92,075 | 68,239 | 221,822 | 139,562 |

The addition related to "Contractual Rights" in the amount of R\$185,892 refers to the right of explore the client database Casas Bahia e Ponto Frio stores, reacquired in connection with the new extended warranties agreement, as per note 25. This addition was considered non cash on the cash flow statement.

17. Trade accounts payable

| | Parent Company | | Consolidated | |
|-------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Trade suppliers | 2,181,048 | 2,878,804 | 8,405,502 | 8,833,380 |
| Service suppliers | 72,073 | 189,216 | 516,964 | 489,671 |
| Rebates (a) | (369,055) | (436,316) | (661,037) | (775,507) |
| | 1,884,066 | 2,631,704 | 8,261,429 | 8,547,544 |

(a) Rebates

Includes rebates obtained from trade suppliers registered as a reduction of the amounts payable to them, as established in the agreements between both parts.

18. Loans and financing

The detailed information of loans and financing was presented in the annual financial statements of 2013, in note 19.

a) Debt breakdown

| | <u>Average rate</u> | <u>Parent Company</u> | | <u>Consolidated</u> | |
|----------------------------|-----------------------|-----------------------|-------------------|---------------------|-------------------|
| | | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| <u>Current</u> | | | | | |
| <u>Debentures</u> | | | | | |
| Debentures | (d) | 1,033,660 | 1,033,189 | 1,853,277 | 1,250,205 |
| Borrowing cost | | (3,004) | (4,714) | (3,315) | (5,312) |
| | | 1,030,657 | 1,028,475 | 1,849,963 | 1,244,893 |
| <u>Loans and financing</u> | | | | | |
| <u>Local currency</u> | | | | | |
| <u>BNDES (e)</u> | | | | | |
| a. BNDES | TJLP + 3.49 per year. | 82,387 | 82,642 | 91,701 | 82,180 |
| b. BNDES | 4.09% per year. | 8,110 | 7,945 | 10,270 | 28,730 |
| IBM | CDI - 0.71% per year | - | - | 31,264 | 23,818 |
| Working capital (*) | 102.89% of CDI | 673,567 | 679,517 | 3,618,445 | 3,548,495 |
| Financial lease (Note 24) | | 26,086 | 28,124 | 38,227 | 56,330 |
| Swap contracts (f) | 102.00% of CDI | (12,666) | (12,384) | (12,666) | (12,384) |
| Borrowing cost | | (2,385) | (3,583) | (3,049) | (5,179) |
| | | 775,099 | 782,261 | 3,774,192 | 3,721,990 |
| <u>Foreign currency</u> | | | | | |
| Working capital (*) | USD + 1.45% per year. | 996 | 238,955 | 996 | 293,949 |
| Swap contracts (f) | 100.0% of CDI | - | (75,802) | - | (89,414) |
| | | 996 | 163,153 | 996 | 204,535 |
| Total current | | 1,806,752 | 1,973,889 | 5,625,151 | 5,171,418 |

18. Loans and financing – Continued

a) Debt breakdown – Continued

| <u>Noncurrent</u> | <u>Average rate</u> | <u>Parent Company</u> | | <u>Consolidated</u> | |
|------------------------------|----------------------|-----------------------|-------------------|---------------------|-------------------|
| | | <u>09.30.2014</u> | <u>12.31.2013</u> | <u>09.30.2014</u> | <u>12.31.2013</u> |
| <u>Debentures</u> | | | | | |
| Debentures | (d) | 2,100,000 | 2,000,000 | 2,100,000 | 2,600,000 |
| Borrowing cost | | (2,793) | (1,295) | (2,793) | (1,456) |
| | | 2,097,207 | 1,998,705 | 2,097,207 | 2,598,544 |
| <u>Loans and financing</u> | | | | | |
| <u>Local currency</u> | | | | | |
| a. BNDES | TJLP + 3.60 per year | 102,190 | 163,460 | 102,190 | 190,636 |
| b. BNDES | 3.22% per year | 13,455 | 15,933 | 39,954 | 9,888 |
| IBM | CDI - 0.71% per year | - | - | 74,528 | 95,822 |
| Working capital (*) | 107.36% of CDI | 850,221 | 855,398 | 1,090,316 | 1,246,001 |
| Financial lease (Note 24) | 102.00% of CDI | 136,551 | 124,847 | 236,277 | 198,511 |
| Swap contracts (f) | | - | (11,741) | - | (11,742) |
| Borrowing cost | | (4,429) | (4,130) | (5,775) | (5,810) |
| | | 1,097,988 | 1,143,767 | 1,537,490 | 1,723,306 |
| <u>Foreign currency</u> | | | | | |
| Working capital (*) | USD + 1.99% per year | 304,432 | - | 304,432 | - |
| Swap contracts (f) | 103.91% of CDI | (2,520) | - | (2,520) | - |
| | | 301,912 | - | 301,912 | - |
| Total noncurrent | | 3,497,107 | 3,142,472 | 3,936,609 | 4,321,850 |

70

(*) These balances include the amount R\$ 2,746,681 of direct consumer credit (CDCI)

b) Changes in loans

| | Parent Company | Consolidated |
|---------------------------------|-----------------------|---------------------|
| | 09.30.2014 | 09.30.2014 |
| At December 31, 2013 | 5,116,361 | 9,493,268 |
| Additions | 1,279,202 | 4,960,259 |
| Accrued interest | 326,905 | 665,138 |
| Swap | 19,190 | 18,015 |
| Mark to Market | (917) | (917) |
| Monetary and exchange variation | 3,622 | 6,892 |
| Borrowing cost | 7,044 | 8,023 |
| Corporate restructuring | - | 44,689 |
| Interest paid | (479,646) | (783,846) |
| Payments | (1,032,790) | (4,914,829) |
| Swap paid | 64,888 | 64,888 |
| At September 30, 2014 | 5,303,859 | 9,561,760 |

c) Maturity schedule of loans and financing recorded in noncurrent liabilities

| <u>Year</u> | Parent Company Consolidated | |
|----------------|------------------------------------|-----------|
| 2015 | 1,311,743 | 1,406,528 |
| 2016 | 308,279 | 371,769 |
| 2017 | 819,143 | 973,289 |
| After 2017 | 1,065,164 | 1,193,591 |
| Subtotal | 3,504,329 | 3,945,177 |
| Borrowing cost | (7,222) | (8,568) |
| Total | 3,497,107 | 3,936,609 |

71

18. Loans and financing – Continued

d) Debentures

| | | | | Date | | |
|--|---------------|--------------|------------------------|----------|----------|-----|
| | Type | Issue Amount | Outstanding debentures | Issue | Maturity | |
| <u>Parent Company</u> | | | | | | |
| 8th Issue – Single series - GPA | No preference | 500,000 | 500 | 12/15/09 | 12/15/14 | 109 |
| 9th Issue – Single series - GPA | No preference | 610,000 | - | 1/5/11 | 1/5/14 | 107 |
| 10th Issue – Single series - GPA | No preference | 800,000 | 80,000 | 12/29/11 | 6/29/15 | 108 |
| 11th Issue – Single series - GPA | No preference | 1,200,000 | 120,000 | 5/2/12 | 11/2/15 | (|
| 12th Issue – Single series - GPA | No preference | 900,000 | 900,000 | 9/12/14 | 12/9/19 | 107 |
| <u>Subsidiaries</u> | | | | | | |
| 3rd Issue - Single series - Via Varejo | No preference | 400,000 | 40,000 | 1/30/12 | 7/30/15 | (|
| 1st Issue - 1st Series – NCB | No preference | 200,000 | 20,000 | 6/29/12 | 12/29/14 | CL |
| 1st Issue - 2nd Series – NCB | No preference | 200,000 | 20,000 | 6/29/12 | 1/29/15 | CL |

Borrowing cost
 Parent Company and Consolidated – short and long term
 Current liabilities
 Noncurrent liabilities

18. Loans and financing – Continued

d) Debentures – Continued

GPA assumed the obligation to maintain certain debt financial covenants in connection with the issuance of debentures. At September 30, 2014, GPA complied with these ratios. The main ratio is consolidated net debt/EBITDA which should be equal to, or less than 3.25 and the effective ratio at September 30, 2014 was 0.014.

At September 12, 2014 the 12th debenture was issued, amounting R\$ 900,000 (banks Banco Bradesco and Safra) with a rate of 107% of CDI on unit price of R\$ 1,000.00, due in 60 months, paid in 2 installments (09/12/2018 and 09/12/2019) and the interest will be paid semiannually (March and September).

d) Warranties

The Company signed promissory notes and guarantee letters with banks with and loans with BNDES.

e) Swap agreements

The Company uses the swap operations for 100% of loans of U.S. dollars and fixed interest rates, in order to exchange these obligations by the Real pegged to the interest rate of CDI (variable). These swaps cover the whole period of the debt and protects principal and interest. The annual weighted average interest rate of the CDI in 2014 was 10.33% (8.06% in 2013).

f) Credit line

The Company and its subsidiary Sé signed an agreement with Itaú bank for the opening of a credit line in the amount of R\$400,000 and R\$250,000, respectively. The agreement was done in accordance with the market conditions and is due until 2016 and 2017.

The Company signed an agreement with Bradesco and Santander bank for the opening of credit line in the amount of R\$500,000 and R\$200,000, respectively. The agreement was made in accordance with the market conditions and is due until 2016.

19. Financial instruments

The detailed information of financial instruments was presented in the annual financial statements of 2013, in note 20.

The main financial instruments and their amounts recorded in the financial statements, by category, are as follows:

| | Parent Company | | | |
|---|------------------------|-------------------|--------------------|-------------------|
| | Carrying amount | | Fair value | |
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| <u>Financial assets:</u> | | | | |
| <u>Loans and receivables (including cash)</u> | | | | |
| Cash and cash equivalents | 1,503,231 | 2,851,220 | 1,503,231 | 2,851,220 |
| Accounts receivable and other accounts receivable | 262,689 | 391,699 | 262,689 | 391,699 |
| Related parties - assets | 974,505 | 646,478 | 974,505 | 646,478 |
| <u>Financial liabilities:</u> | | | | |
| <u>Other financial liabilities – amortized cost</u> | | | | |
| Related parties -liabilities | (2,091,733) | (2,224,015) | (2,091,733) | (2,224,015) |
| Trade accounts payable | (1,884,066) | (2,631,704) | (1,884,066) | (2,631,704) |
| Financing for purchase of assets | (32,351) | (48,161) | (32,351) | (48,161) |
| Debentures | (3,127,864) | (3,027,180) | (3,127,864) | (3,025,684) |
| Loans and financing | (1,678,499) | (1,571,396) | (1,694,734) | (1,641,991) |
| <u>Fair value through profit or loss</u> | | | | |
| Loans and financing, including derivatives | (497,496) | (517,785) | (497,496) | (517,785) |
| <u>Net exposure</u> | (6,571,584) | (6,130,844) | (6,587,819) | (6,199,943) |

| | Consolidated | | | |
|---|------------------------|-------------------|--------------------|-------------------|
| | Carrying amount | | Fair value | |
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| <u>Financial assets:</u> | | | | |
| <u>Loans and receivables (including cash)</u> | | | | |
| Cash and cash equivalents | 6,601,101 | 8,367,176 | 6,601,101 | 8,367,176 |
| Accounts receivable and other | 3,941,080 | 3,487,867 | 3,941,080 | 3,487,867 |
| Related parties - assets | 263,810 | 172,836 | 263,810 | 172,836 |
| <u>Fair value through profit or loss</u> | | | | |
| Financial investments measured at fair value | - | 24,453 | - | 24,453 |
| <u>Financial liabilities:</u> | | | | |
| <u>Other financial liabilities - amortized cost</u> | | | | |
| Related parties -liabilities | (317,582) | (32,621) | (317,582) | (32,621) |
| Trade accounts payable | (8,261,430) | (8,547,544) | (8,261,430) | (8,547,544) |
| Financing for purchase of assets | (39,158) | (48,161) | (39,158) | (48,161) |
| Debentures | (3,947,170) | (3,843,437) | (3,947,170) | (3,839,608) |
| Loans and financing | (5,117,094) | (5,091,922) | (5,190,787) | (5,205,890) |
| <u>Fair value through profit or loss</u> | | | | |
| Loans and financing, including derivatives | (497,496) | (557,909) | (497,496) | (557,909) |

| | | | | |
|---------------------|--------------------|-------------|--------------------|-------------|
| <u>Net exposure</u> | (7,373,939) | (6,069,262) | (7,447,632) | (6,179,401) |
|---------------------|--------------------|-------------|--------------------|-------------|

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

19. Financial instruments – Continued

a) Considerations on risk factors that may affect the business of the Company and its subsidiaries:

(i) Capital management risk

The main objective of the Company's capital management is to ensure that the Company sustains its credit rating and a well-defined equity ratio, in order to support businesses and maximize shareholder value. The Company manages the capital structure and makes adjustments considering account changes in the economic conditions.

There were no changes as to objectives, policies or processes during the nine-month period ended September 30, 2014.

| | Parent Company | | Consolidated | |
|-------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Loans and financing | 5,303,859 | 5,116,361 | 9,561,760 | 9,493,268 |
| (-) Cash and cash equivalents | (1,503,231) | (2,851,220) | (6,601,101) | (8,367,176) |
| Net debt | 3,800,628 | 2,265,141 | 2,960,659 | 1,126,092 |
| | - | | - | |
| Equity | 10,235,278 | 9,483,190 | 13,800,791 | 12,711,964 |
| Equity and net debt | 14,035,906 | 11,748,331 | 16,761,450 | 13,838,056 |
| Net debt index | <u>0.37</u> | <u>0.24</u> | <u>0.22</u> | <u>0.09</u> |

(ii) Liquidity management risk

The Company manages liquidity risk through the daily follow-up of cash flows, control of financial assets and liabilities maturities and a close relationship with main financial institutions.

The table below summarizes the aging profile of financial liabilities of the Company at September 30, 2014 and December 31, 2013.

a) Parent Company

Parent Company

| | Up to 1 year | 1 – 5 years | More than 5 years | Total |
|------------------------------|------------------|------------------|----------------------|------------------|
| Loans and financing | 818,380 | 1,584,045 | 6,166 | 2,408,591 |
| Debentures | 1,285,850 | 2,569,724 | - | 3,855,574 |
| Derivatives | 14,056 | (2,110) | - | 11,946 |
| Finance lease | 29,441 | 102,384 | 46,992 | 178,817 |
| At September 30, 2014 | 2,147,727 | 4,254,043 | 53,158 | 6,454,928 |

Parent Company

| | Up to 1 year | 1 – 5 years | More than 5 years | Total |
|-----------------------------|------------------|------------------|----------------------|------------------|
| Loans and financing | 1,051,970 | 1,239,219 | - | 2,291,189 |
| Debentures | 1,253,784 | 2,188,397 | - | 3,442,181 |
| Derivatives | (84,218) | (13,612) | - | (97,830) |
| Finance lease | 33,930 | 110,852 | 22,502 | 167,284 |
| At December 31, 2013 | 2,255,466 | 3,524,856 | 22,502 | 5,802,824 |

19. Financial instruments – Continued

a) Considerations on risk factors that may affect the business of the Company and its subsidiaries - Continued

(v) Liquidity management risk – Continued

b) Consolidated

| | Consolidated | | | Total |
|------------------------------|---------------------|--------------------|--------------------------|-------------------|
| | Up to 1 year | 1 – 5 years | More than 5 years | |
| Loans and financing | 3,881,786 | 2,000,389 | 18,613 | 5,900,788 |
| Debentures | 2,158,319 | 2,569,724 | - | 4,728,043 |
| Derivatives | 14,056 | (2,110) | - | 11,946 |
| Finance lease | 51,532 | 175,310 | 110,532 | 337,374 |
| At September 30, 2014 | 6,105,693 | 4,743,313 | 129,145 | 10,978,151 |

| | Consolidated | | | Total |
|-----------------------------|---------------------|--------------------|--------------------------|-------------------|
| | Up to 1 year | 1 – 5 years | More than 5 years | |
| Loans and financing | 4,045,687 | 1,783,679 | 18,889 | 5,848,255 |
| Debentures | 1,539,388 | 2,837,356 | - | 4,376,744 |
| Derivatives | (96,763) | (13,613) | - | (110,376) |
| Finance lease | 75,042 | 175,729 | 51,901 | 302,672 |
| At December 31, 2013 | 5,563,354 | 4,783,151 | 70,790 | 10,417,295 |

(iii) Derivative financial instruments

| | Consolidated | | | |
|-------------------------|-----------------------|-------------------|-------------------|-------------------|
| | Notional value | | Fair value | |
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Fair value hedge | | | | |
| Purpose of hedge (debt) | 427,698 | 460,300 | 513,315 | 679,662 |
| <u>Long position</u> | - | | - | |

| | | | | |
|-----------------|------------------|-----------|------------------|-----------|
| <u>(buy)</u> | | | | |
| Prefixed | | | | |
| rate11.58% p.a. | 130,000 | 260,000 | 207,533 | 385,104 |
| US\$ | | | | |
| + | | | 308,104 | |
| fixed1.78% p.a. | 297,698 | 200,300 | | 293,768 |
| | 427,698 | 460,300 | 515,637 | 678,872 |
| <u>Short</u> | | | | |
| <u>position</u> | | | | |
| <u>(sell)</u> | | | | |
| 102.53% of CDI | (427,698) | (460,300) | (500,451) | (565,332) |
| Net | | | | |
| hedge | | | 15,186 | |
| position | - | - | | 113,540 |

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

19. Financial instruments – Continued

a) Considerations on risk factors that may affect the business of the Company and its subsidiaries – Continued

(ii) Derivative financial instruments - Continued

Realized and unrealized gains and losses over these contracts during the nine-month period ended September 30, 2014 are recorded in the net financial result and balance payable by fair value is R\$15,186 (R\$113,540 at December 31, 2013) and is recorded under “Loans and financing”.

Fair value hedge effects through profit or loss for the nine-month period ended September 30, 2014 resulted in a loss of R\$19,524 (loss of R\$33,271 at September 30, 2013).

b) Sensitivity analysis of financial instruments

The Company disclosed the net exposure of the derivatives financial instruments, the corresponding financial instruments and certain financial instruments in the sensitivity analysis chart below, for each of the scenarios mentioned.

For the probable scenario, exchange rate weighted was R\$2.94 on the due date, and the interest rate weighted was 12.18% per year. The sources used are the same as the annual financial statements of 2013.

(i) Fair value “hedge” (at maturity dates)

| Operations | Risk | Market projection | | |
|------------------------------------|--------------|-------------------|-------------|--------------|
| | | Scenario I | Scenario II | Scenario III |
| Debt at fixed rate | Fixed rate | (224,831) | (224,831) | (224,831) |
| Swap (long position in fixed rate) | Fixed rate | 224,831 | 224,831 | 224,831 |
| | Net effect | - | - | - |
| Swap (short position in CDI) | CDI increase | (208,828) | (212,334) | (215,811) |

| | | | |
|--------------------------|-----------------|-----------------|-----------------|
| Net effect profit (Loss) | (13,811) | (17,316) | (20,794) |
|--------------------------|-----------------|-----------------|-----------------|

(ii) Derivatives recorded at fair value through profit or loss

| Operations | Risk | Market projection | | |
|------------------------------|---------------|-------------------|------------------|------------------|
| | | Scenario I | Scenario II | Scenario III |
| Debt - US\$ | US\$ increase | (386,451) | (483,063) | (579,676) |
| Swap (long position in US\$) | US\$ decrease | 389,376 | 486,720 | 584,064 |
| | Net effect | 2,925 | 3,657 | 4,388 |
| Swap (short position in CDI) | CDI increase | (400,465) | (422,480) | (445,162) |
| Estimated financial expenses | | (397,540) | (418,823) | (440,774) |
| Net effect profit (Loss) | | (94,429) | (115,712) | (137,663) |

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

19. Financial instruments – Continued

b) Sensitivity analysis of financial instruments - Continued

(iii) Other financial instruments

| Operations | Risk (CDI increase) | Market projection | | |
|------------------------------------|--------------------------|-------------------|--------------|--------------|
| | | Scenario I | Scenario II | Scenario III |
| Debentures | CDI + 1% | (1,408,138) | (1,442,481) | (1,476,823) |
| Debentures | 107.83% of CDI | (2,240,988) | (2,295,643) | (2,350,298) |
| Debentures - Via Varejo | CDI + 0.8% | (915,137) | (937,458) | (959,777) |
| Bank loan – CDB | 106.25% of CDI | (1,549,285) | (1,587,069) | (1,624,854) |
| Leasing | 100.09% of CDI | (238,365) | (244,179) | (249,992) |
| Leasing | IGP-DI (**)+ 6% per year | (35,751) | (36,622) | (37,494) |
| Leasing | 95% of CDI | (30,684) | (28,458) | (32,181) |
| Bank loan- Via Varejo | 109.43% of CDI | (3,456,794) | (3,541,100) | (3,625,406) |
| Total loans and financing exposure | | (9,875,142) | (10,113,010) | (10,356,825) |
| Cash and cash equivalents (*) | 101.2% do CDI | 7,046,614 | 7,218,471 | 7,390,328 |
| Net exposure | | (2,828,528) | (2,894,539) | (2,966,497) |
| Total net effect (loss) | | (751,903) | (817,914) | (889,872) |
| <i>(*) weighted average</i> | | | | |

*(**)Prices General Index – Internal Availability*

c) Fair value measurements

The Company discloses its financial assets and liabilities at fair value, in accordance with CPC 46/ IFRS 13, which refers to evaluation concepts and requirements of disclosure.

CPC 39 (“IAS 32”) defines fair value as an amount that an asset may be exchanged, or a liability settled, between knowledgeable parties, in a transaction with no favored parties. CPC 40 (“IFRS 7”) establishes a hierarchy for fair value in three levels:

- i. Level 1 – Negotiated prices (without adjustments) on active markets for identical assets or liabilities;
- ii. Level 2 – Different inputs from negotiated prices on active markets included on level 1; that are observable for the asset or liability, directly (as price) or indirectly (as price derivatives); and
- iii. Level 3 – inputs to assets and liabilities that are not based on observable data on market (non observable inputs).

The fair value amount of cash and cash equivalents, short-term debt and trade suppliers accounts payable are the same as the amount recorded.

The table below represents the hierarchy of fair value amounts of financial assets and liabilities recorded at fair value:

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

19. Financial instruments – Continued

| | 09.30.2014 | Fair value measurement at the end of the reporting period adopting other observable relevant assumptions (Level 2) |
|------------------------------------|-------------------|---|
| Cross-currency interest rate swaps | 2,520 | 2,520 |
| Interest rate swaps | 12,666 | 12,666 |
| Loans and financing | (512,682) | (512,682) |
| | (497,496) | (497,496) |

There were no changes between the fair value measurement levels for the nine-month period ended September 30,2014.

- Foreign exchange and interest rate swaps and loans and financing are classified on level 2, since are utilized readily observable market inputs are utilized, as for example, expected interest rates, current and future foreign exchange rates.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

19. Financial instruments – Continued

d) Consolidated position of operations with derivatives financial instruments

The consolidated position of outstanding derivative financial instruments operations as as follows:

| Outstanding Description | Counterparties | Notional value | Contracting date | Maturity | (Amount payable) / receivable | | Fair value | |
|---|-----------------|-------------------|---------------------|-----------|----------------------------------|------------|---------------|------------|
| | | | | | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Exchange swaps registered at CETIP (US\$ x CDI) | Citibank | US\$ 40,000 | 2/13/2012 | 2/13/2014 | - | 13,362 | - | 13,611 |
| | Banco Tokyo | US\$ 75,000 | 1/14/2014 | 1/10/2017 | 858 | - | (219) | - |
| | Itaú Unibanco | US\$ 100,000 | 5/5/2011 | 4/16/2014 | - | 73,007 | - | 75,803 |
| | JP Morgan | US\$ 50,000 | 3/19/2014 | 3/21/2016 | 4,096 | - | 2,739 | - |
| Interest rate swap registered at CETIP | Banco do Brasil | R\$ 130,000 | 6/28/2010 | 6/6/2014 | - | 11,545 | - | 12,384 |
| (fixed rate x CDI) | Banco do Brasil | R\$ 130,000 | 6/28/2010 | 6/2/2015 | 12,836 | 10,943 | 12,666 | 11,742 |
| | | | | | 17,790 | 108,857 | 15,186 | 113,540 |

20. Taxes payable and taxes payable in installments

The detailed information of income and social contribution taxes payable and taxes payable in installments was presented in the annual financial statements of 2013, in note 21.

a) Taxes, contributions and taxes installments payable.

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| PIS and COFINS | 15,386 | 62,011 | 307,804 | 368,386 |
| Provision for income and social contribution taxes | 20,365 | 132,077 | 44,407 | 166,535 |
| ICMS | 12,050 | 29,987 | 142,368 | 226,644 |
| Others | 2,396 | 5,513 | 87,457 | 62,599 |
| | 50,197 | 229,588 | 582,036 | 824,164 |
| Taxes payable in installments - Law 11941/09 | 1,005,744 | 1,112,780 | 1,079,198 | 1,188,312 |
| INSS | - | - | 12,769 | 13,323 |
| Other | 12,360 | 14,731 | 12,965 | 15,512 |
| | 1,018,104 | 1,127,511 | 1,104,932 | 1,217,147 |
| Current | 192,815 | 365,382 | 733,175 | 968,462 |
| Noncurrent | 875,486 | 991,717 | 953,793 | 1,072,849 |

b) Maturity structure of taxes in the noncurrent liabilities will occur as follows

| <u>In</u> | <u>Parent Company</u> | <u>Consolidated</u> |
|------------|-----------------------|---------------------|
| 2015 | 35,702 | 41,463 |
| 2016 | 142,344 | 152,463 |
| 2017 | 141,794 | 151,702 |
| 2018 | 137,770 | 147,678 |
| 2019 | 88,081 | 97,990 |
| After 2019 | 329,795 | 362,497 |
| | 875,486 | 953,793 |

21. Income and social contribution taxes

The detailed information of income and social contribution taxes was presented in the annual financial statements of 2013, in note 22.

a) Income and social contribution tax expense reconciliation

| | Parent Company | | Consolidated | |
|--|------------------|------------|------------------|------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Profit before income and social contribution taxes | 892,962 | 633,435 | 1,563,524 | 993,334 |
| Income and social contribution taxes at the notional rate of 25% for the Parent Company and 34% for subsidiaries | (223,241) | (158,359) | (469,057) | (298,000) |
| Tax penalties | (2,472) | (2,388) | (6,447) | (6,185) |
| Equity interest | 110,970 | 71,464 | 22,850 | 8,505 |
| Extemporaneous credits | - | 16,845 | - | 16,845 |
| Other permanent differences (nondeductible) | 6,214 | (223) | (24,311) | (5,732) |
| Effective income and social contribution taxes | 108,529 | (72,661) | (479,965) | (284,567) |
| Income and social contribution taxes for the period: | | | | |
| Current | (58,959) | (98,178) | (300,229) | (278,124) |
| Deferred | (49,570) | 26,057 | (176,736) | (6,443) |
| Deferred income and social contribution taxes expenses | (108,529) | (72,661) | (476,965) | (284,567) |
| Effective rate | 12.15% | 11.47% | 30.51% | 28.65% |

CBD does not pay social contribution tax based on final and unappealable court decision in the past.

b) Breakdown of deferred income and social contribution taxes

| | Parent Company | | Consolidated | |
|---|-----------------|------------|------------------|------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Tax losses | - | 28,016 | 690,917 | 793,633 |
| Provision for contingencies | 154,263 | 151,125 | 306,847 | 301,686 |
| Provision for derivative operations taxed on a cash basis | 5,195 | 1,793 | 1,102 | 5,997 |
| Allowance for doubtful accounts | 1,456 | 2,004 | 86,759 | 81,731 |
| Provision for current expenses | 1,415 | - | 54,099 | 63,576 |
| Goodwill tax amortization | 11,006 | 24,801 | (453,599) | (395,564) |
| Present value adjustment (PVA) | 870 | 779 | 1,116 | (929) |
| Lease adjustment | 6,292 | 5,331 | (82,945) | (75,110) |
| Mark-to-market adjustment | (1,157) | 534 | (1,157) | 534 |
| Fair value of assets acquired in business combination | - | - | (793,072) | (808,318) |
| Technological innovation – future realization | (21,821) | (20,708) | (21,821) | (20,708) |
| Depreciation as per tax rates | (96,540) | (87,442) | (110,508) | (89,577) |
| Other | 10,320 | 14,636 | 53,979 | 32,954 |
| Deferred income and social contribution tax, net | 71,299 | 120,869 | (268,283) | (110,095) |

| | | | | |
|--|---------------|---------|--------------------|-------------|
| Noncurrent assets | 71,299 | 120,869 | 860,581 | 950,757 |
| Noncurrent liabilities | - | - | (1,128,864) | (1,060,852) |
| Deferred income and social contribution taxes, net | 71,299 | 120,869 | (268,283) | (110,095) |

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

21. Income and social contribution taxes –Continued

b) Breakdown of deferred income and social contribution taxes –Continued

The Company estimates to recover these tax credits as follows:

| <u>Year</u> | Parent Company Consolidated | |
|-------------|------------------------------------|----------------|
| 2014 | 6,154 | 320,408 |
| 2015 | 5,927 | 231,075 |
| 2016 | 7,550 | 103,270 |
| 2017 | 6,387 | 90,707 |
| After 2018 | 45,281 | 115,121 |
| | 71,299 | 860,581 |

c) Changes in deferred income and social contribution taxes.

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| At the beginning of the period | 120,869 | 185,491 | (110,095) | (58,534) |
| Expense in the period | (49,570) | (64,622) | (176,736) | (89,090) |
| Bartira (acquisition) | - | - | - | 29,534 |
| Public offering of share - Via Varejo | - | - | - | 8,288 |
| Payment of installment with tax loss | - | - | (26,685) | - |
| Corporate restructuring | - | - | 41,537 | - |
| Exchange variation | - | - | (3) | - |
| Other | - | - | 3,699 | (293) |
| At the end of the period | 71,299 | 120,869 | (268,283) | (110,095) |

22. Acquisition of non-controlling interest

The detailed information of acquisition of non-controlling was presented in the annual financial statements of 2013, in note 23.

Consolidated
09.30.2014 12.31.2013

| | | |
|------------------------------------|----------------|---------|
| Interest acquisition in Assai | 5,760 | 5,339 |
| Interest acquisition in Sendas (i) | 119,960 | 171,465 |
| | 125,720 | 176,804 |
| Current liabilities | 72,015 | 69,014 |
| Noncurrent liabilities | 53,705 | 107,790 |

(i) At July 01, 2014 a payment amounting R\$ 67,441, was made to Sendas referring acquisition of 42.57% of Sendas Paid-in Capital

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies

The provision for contingencies is estimated by the Company and supported by its legal counsels and was set up in an amount considered sufficient to cover probable losses.

a) Parent Company

| | PIS/ COFINS | Taxes and other | Social security and labor | Civil | Total |
|--------------------------------------|------------------------|----------------------------|--|---------------|----------------|
| Balance at December 31, 2013 | 209,126 | 66,905 | 149,196 | 70,725 | 495,952 |
| Additions | 34,774 | 5,778 | 21,962 | 18,575 | 81,089 |
| Payments | - | (4,088) | (17,483) | (4,176) | (25,747) |
| Reversals | (6,841) | (1,757) | (3,518) | (10,426) | (22,542) |
| Monetary restatement | 6,764 | 3,978 | 11,260 | 10,722 | 32,724 |
| Payment of installments | (205,896) | - | - | - | (205,896) |
| Balance at September 30, 2014 | 37,927 | 70,816 | 161,417 | 85,420 | 355,580 |

b) Consolidated

| | PIS/ COFINS | Taxes and other | Social security and labor | Civil | Total |
|-------------------------------------|------------------------|----------------------------|--|----------------|----------------|
| Balance at December 31, 2013 | 272,198 | 402,700 | 297,464 | 175,160 | 1,147,522 |
| Additions | 48,212 | 10,393 | 237,466 | 125,205 | 421,276 |
| Payments | - | (4,281) | (50,831) | (27,847) | (82,959) |
| Reversals | (6,841) | (1,963) | (57,291) | (80,715) | (146,810) |
| Monetary restatement | 9,675 | 12,359 | 41,240 | 36,084 | 99,358 |
| Transfers | - | - | 476 | 1,426 | 1,902 |
| Payment of installments | (210,985) | (84,863) | - | - | (295,848) |
| Corporate restructuring | - | 5,540 | - | 3,260 | 8,800 |
| Exchange variation | - | 122 | - | 73 | 195 |

Balance at September 30, 2014

112,259 340,007 468,524 232,646 1,153,436

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies –Continued

c) Taxes

Tax claims are indexed, by law, by monthly restatement, which refers to an adjustment in the amount of provisions for legal claims in accordance with the indexation rates used by each tax jurisdiction. In all cases, both interest charges and fines, when applicable, were computed and fully provisioned with respect to unpaid amounts.

The main provisioned tax claims are as follows:

PIS and COFINS

With the non-cumulativeness system when calculating PIS and COFINS, the Company and its subsidiaries are discussing at court the right to exclude ICMS from the calculation basis of these two contributions. In addition, the Company offset tax debts related to PIS and COFINS against Taxes on Industrial Products - IPI - credits inputs subject to a zero rate or exempt - acquired from third parties (transferred based on final and unappealable court decision). The amount for PIS and COFINS claims at September 30, 2014 is R\$105,142(R\$91,898 at December 31, 2013).

In addition, in 2013 there were progresses in the claims related to the offset of Social Investment Fund - Finsocial, COFINS and PIS, which lead our legal counsel to change their estimation of losses from possible to probable. At September 30, 2014, the remaining balance was added to the installment mentioned below (R\$173,184 at December 3, 2013).

Taxes and other

Taxes

The Company and its subsidiaries have other tax claims, which after analysis of its legal counsels, were deemed as probable losses and accrued. These are: (i) tax assessment notices related to purchase, industrialization and exportation soybean and byproducts exports (PIS, COFINS and IRPJ); (ii) disagreement on the non-application of Accident Prevention Factor (FAP) for the year 2011; (iii) disagreement on the “Fundo de Combate à Pobreza” (State Government Fund Against Poverty), enacted by the Rio de Janeiro State government; (iv) disagreement on suppliers contracted considered disqualified before the registration of the State Internal Revenue Service, error when applying rate and ancillary obligations by State tax authorities; and (v) other less relevant issues.

The amount recorded for these subjects at September 30, 2014 is R\$103,674 (R\$100,094 at December 31, 2013).

During the second quarter of 2013, procedural events occurred that led to change in the likelihood of loss from probable to possible of a claim related to income taxes in the amount of R\$45.902 at September 30, 2014 (R\$ 44,060 at December 31,2013).

In addition, the Company discusses in court the eligibility to not pay the contributions provided for by Supplementary Law 110/2001, regarding to the FGTS (Government Severance Indemnity Fund for Employees) costs. The amount of this provision at September 30, 2014 is R\$46,211 (R\$38,509 at December 31, 2013).

85

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies –Continued

c) Taxes –Continued

Other

Provisions for tax contingent liabilities were recorded at the time of business combination with Via Varejo, under technical pronouncement CPC 15 (IFRS 3R). At September 30, 2014, the amount recorded was R\$85,645 (R\$165,282 at December 31, 2013) in tax contingent liabilities, part the remaining balance was added to the installment mentioned below.

Other main tax contingent liabilities recorded refer to administrative proceedings related to the offset of PIS contribution, under the protection of Decrees 2.445/88 and 2.449/88, generated in view of credits deriving from legal proceedings and the offset of tax debts with contribution credits levied on coffee exports.

Tax Amnesty Program — REFIS

Tax Amnesty Program –REFIS da Copa – Law 12.996/14 modified by MP 651, introduced the benefits of reduction of interest and penalties for payments at once and in installments over federal debts. Company was part in some claims, and used the law above to reduce its tax exposure, having the reduction of interest and penalties as benefit for a down payment. It is important to mention that the law allows the use of operating losses to offset tax debts.

After evaluation made by legal counsel, Company included in the REFIS program debts related to PIS, COFINS, Finsocial and Income Tax, reducing its provision for contingencies in the amount of R\$295,848 which is net of non-accrued claims amounting R\$ 27,878. The net gain related to REFIS is disclosed on note 29.

Bartira contingencies

In relation to the business combination of Bartira occurred in 2013 (detailed information was presented in the annual financial statements of 2013, in note 15), contingencies were evaluated at fair value, as described by CPC 15 (IFRS 3R), which evaluation differs from CPC 25 (IAS 37). Provisions, Contingent Liabilities and Contingent Assets (IAS 37) used for the evaluation of other contingencies. The main issue is the possible lack of support documentation for the operations, amounting R\$105,935 for Social Contribution, Income Tax, PIS, COFINS and ICMS. The total contingencies amount R\$117,644 (R\$105,935 of taxes claims and R\$11,712 of labor claims).

d) Labor

The Company is party of numerous lawsuits involving disputes with its employees, primarily arising from layoffs in the ordinary course of business, At September 30, 2014, the Company had a provision of R\$468,525 (R\$297,463 at December 31, 2013) referring to lawsuits whose risk of loss was considered probable. Management, assisted by its legal counsels, evaluates these claims recording provision for losses when reasonably estimable, considering previous experiences in relation to the amounts claimed. Labor claims are indexed to the benchmark interest rate ("TR"), 0,60% accumulated at September 30, 2014 (0.19% at September 30 2013) plus 1% monthly interest rates.

23. Provision for contingencies –Continued

e) Civil and others

The Company is defendant in civil actions (indemnifications and collections, among others), at several court levels and at different courthouses. The Company's Management sets up provisions in amounts considered sufficient to cover unfavorable court decisions when its internal and external legal advisors consider losses as probable.

Among these lawsuits, we point out the following:

- The Company files and answers various lawsuits in which it requests the renewals of lease agreements and the review of the lease currently paid. The Company recognizes a provision for the difference between the amount originally paid by the stores and the amounts pleaded by the adverse party in the lawsuit, when internal and external legal advisors agree on the likelihood of changing the lease paid by the Company. At September 30, 2014, the provision for these lawsuits is R\$56,935 (R\$42,791 at December 31, 2013), for which there are no restricted deposits.
- The subsidiary Via Varejo is part in lawsuits involving the consumer relations rights (civil actions and assessments from PROCONs) and few lawsuits involving contracts terminated with suppliers and the amount referred to in these lawsuits is R\$87,543 at September 30, 2014 (R\$68,694 at December 31, 2013).

The total amount of civil actions and other at September 30, 2014 is R\$229,280 (R\$175,160 at December 31, 2013).

f) Other non-accrued contingent liabilities

The Company has other litigations, which have been analyzed by the legal counsels and deemed as possible and; therefore, they have not been accrued, amounting to R\$ 8,225,054 at September 30, 2014(R\$7,630,694 at December 31, 2013), and are mainly related to:

- INSS (Social Security Tax) – the Company was assessed regarding the non-levy of payroll charges on benefits granted to its employees, among other matters, and possible loss, considered possible, corresponds to R\$292,268 at September 30, 2014 (R\$282,853 at December 31, 2013). The proceedings are under administrative and court discussion.
- IRPJ, withholding income tax - IRRF, CSLL, tax on financial transactions - IOF, withholding income tax on net income ILL – the Company has several assessment notices regarding offsetting proceedings, rules on the deductibility of provisions and payment discrepancies of payments and overpayments; fine due to failure to comply with ancillary obligation, among other less significant taxes.

The Company received a delinquency notice drawn up by Internal Revenue Agency to collect the differences in the payment of income tax, allegedly due in respect of the calendar years 2007 to 2011, under the allegation that there was improper deduction of goodwill amortization duly payable and arising from transactions between shareholders Casino and Abilio Diniz. The Company filed defense at the administrative level and is awaiting a decision. No provision was made for this case, since in the evaluation

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of the Company's legal advisors the chances of loss are classified partly as possible, in the amount of R\$682,221 at September 30, 2014 (R\$636,787 at December 31, 2013) and partly as remote.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies –Continued

f) Other non-accrued contingent liabilities –Continued

These proceedings await decision in the administrative and court level. The amount involved in these assessments corresponds to R\$1,366,513 at September 30, 2014 (R\$1,296,578 at December 31, 2013).

- COFINS, PIS, provisional contribution on financial transactions - CPMF and IPI– the Company has been challenged for offsetting, collection of taxes on soybean export operations, tax payment discrepancies and overpayments; fine due to failure to comply with ancillary obligation, among other less significant taxes. These proceedings await decision in the administrative and court level. The amount involved in these assessments is R\$1.052.482 at September 30, 2014 (R\$982,419 at December 31, 2013).
- ICMS – the Company was served notice by the State tax authorities regarding the appropriation of credits of: (i) electricity; (ii) acquisitions from vendors considered to be in arrears/default according to the Internal Revenue Service of State; (iii) refund of tax replacement without due compliance of ancillary obligations brought by Coordinator of Tax Administration ordinance –CAT 17 of the State of São Paulo; (iv) resulting from the sale of extended warranty, (v) financed sales; and (viii) among others. The total amount of these assessments is R\$4,577,406 at September 30, 2014 (R\$4,032,307 at December 31, 2013), which await a final decision in the administrative and court levels.
- Municipal service tax - ISS, Municipal Real Estate Tax - IPTU, Property Transfer Tax - ITBI and others – these are related to assessments on third parties retention, IPTU payment discrepancies, fines due to failure to comply with ancillary obligations and sundry taxes, which amounts R\$388,960 at September 30, 2014 (R\$339,363 at December 31, 2013) and await administrative and court decisions.
- Other litigations – related to administrative lawsuits and real estate lease claims that the Company pleads the renewal of leases and setting rents according to the values prevailing in the market and the claims initiated against the Company and its subsidiaries under the civil court scope, special civil court, Consumer Protection Agency (“PROCON”), in several States, Weight and Measure Institute (“IPEM”), National Institute of Metrology, Standardization and Industrial Quality (“INMETRO”) and National Health Surveillance Agency (“ANVISA”), amounting to R\$547,425 at September 30, 2014 (R\$697,174 at December 31, 2013).

Occasional adverse changes in the expectation of risk of the referred lawsuits may require that additional provision for litigations be set up.

Company hires external legal advisors to defend the tax assessments received, which remuneration is linked to a percentage over the amount won in case of final decision, recording the expenses in the moment of the final decision. This percentage may vary according to qualitative and quantitative factors of each claim, and on September 30, 2014, the estimated amount, in case of finalization of all claims with success, is approximately R\$114,229 (R\$109,000 at December 31,2013)

g) Restricted deposits from legal proceedings

The Company is challenging the payment of certain taxes, contributions and labor-related obligations and has made court escrow deposits (restricted deposits) of corresponding amounts pending final court decisions, in addition to collateral deposits related to provisions for lawsuits.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies – Continued

The Company has recorded in its assets amounts related to restricted deposits.

| | Parent Company | | Consolidated | |
|------------------|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Tax | 60,092 | 59,410 | 157,338 | 145,271 |
| Labor | 333,848 | 321,769 | 674,709 | 567,924 |
| Civil and others | 22,688 | 45,834 | 80,123 | 101,995 |
| Total | 416,628 | 427,013 | 912,170 | 815,190 |

h) Guarantees

| <u>Lawsuits</u> | Real estate | Equipment | Guarantee | Total |
|------------------|--------------------|------------------|------------------|------------------|
| Tax | 840,013 | 15 | 6,401,875 | 7,241,903 |
| Labor | 7,195 | 2,655 | 64,456 | 74,306 |
| Civil and others | 10,272 | 906 | 452,585 | 463,763 |
| Total | 857,480 | 3,576 | 6,918,916 | 7,779,972 |

The cost of guarantees is approximately 0.5% of value on lawsuits and is recorded as an expense by the passage of time.

i) Tax audits

According to current tax laws, municipal, federal, state taxes and social security contributions are subject to auditing in periods varying between 5 and 30 years.

24. Leasing transactions

a) Operating lease

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |

Gross commitments from operating lease

Minimum rental payment:

| | | | | |
|--------------|------------------|-----------|------------------|------------|
| Up to 1 year | 426,871 | 404,944 | 1,466,480 | 1,270,330 |
| 1 - 5 years | 1,382,984 | 1,315,029 | 4,473,925 | 3,873,476 |
| Over 5 years | 1,218,258 | 1,318,415 | 2,600,966 | 5,085,869 |
| | 3,028,113 | 3,038,388 | 8,541,370 | 10,229,675 |

| | | | | |
|-----------------------------|------------------|----------|------------------|-----------|
| Future sublease rentals (*) | (105,861) | (85,507) | (124,223) | (105,930) |
|-----------------------------|------------------|----------|------------------|-----------|

| | | | | |
|-------|------------------|-----------|------------------|------------|
| Total | 2,922,252 | 2,952,881 | 8,417,147 | 10,123,745 |
|-------|------------------|-----------|------------------|------------|

(*) Refers to lease agreements receivable from commercial shop malls.

The non-cancellable minimum operating lease payments refers to the period of contract in normal course of operation.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

24. Leasing transactions - Continued

All contracts have termination clauses in the event of breach to contract, ranging from one to six months of rent. If the Company had terminated these contracts at September 30, 2014, the fine amount would be R\$333,008 (R\$631,515 at December 31, 2013).

(i) Payments

The Management considers additional rental payments as contingent payments, which vary between 0.5% and 3.3% of sales.

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------|------------|------------------|------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Expenses(income) in the period | | | | |
| Contingent payments | 266,335 | 252,328 | 450,428 | 389,353 |
| Non contingent payments | 107,021 | 98,516 | 685,651 | 554,710 |
| Sublease rentals (*) | (95,067) | (90,848) | (121,220) | (119,194) |

(*) Refers to lease agreements receivable from commercial shop malls.

(ii) Clauses with renewal or adjustment option

The terms of the agreements vary between 5 and 25 years and the agreements may be renewed according to the Rental Law 12,122/10. The agreements have periodic adjustment clauses according to inflation indexes.

b) Financial lease

Financial lease agreements amounted to R\$489,711 at September 30, 2014 (R\$482,543 at December 31, 2013), according to the chart below:

| | Parent Company | | Consolidated | |
|--|----------------|------------|---------------|------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Financial lease liability –minimum lease payments: | | | | |
| Up to 1 year | 26,086 | 28,124 | 38,227 | 56,330 |

| | | | | |
|---|----------------|---------|----------------|---------|
| 1 - 5 years | 80,128 | 97,587 | 124,202 | 142,857 |
| Over 5 years | 56,423 | 27,260 | 112,075 | 55,654 |
| Present value of financial lease agreements | 162,637 | 152,971 | 274,504 | 254,841 |
| Future financing charges | 149,927 | 152,074 | 215,207 | 227,702 |
| Gross amount of financial lease agreements | 312,564 | 305,045 | 489,711 | 482,543 |

| | Parent Company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Contingent payments recognized as expense in the period | 2,122 | 1,743 | 2,122 | 1,743 |

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

25. Deferred revenues

The Company and the subsidiary Via Varejo received in advance values of trading partners over exclusivity in the intermediation services or additional/extended warranties and the subsidiary Barcelona received in advance values for the rental of shelves and light panel (back lights) for exhibition of products from its suppliers.

| | Parent Company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 09.30.2014 | 12.31.2013 | 09.30.2014 | 12.31.2013 |
| Additional or extended warranties (a) | 27,222 | 30,000 | 761,522 | 471,586 |
| Bradesco agreement | - | - | 25,732 | 11,395 |
| Swap agreement | - | - | 65,164 | 50,378 |
| Investments in media | 23,347 | - | 53,347 | - |
| Back lights | - | - | 28,944 | 37,027 |
| Spread BCA - Customers base exclusivity (5 years) | - | - | 9,709 | - |
| Others | - | - | 5,038 | - |
| | 50,569 | 30,000 | 949,456 | 570,386 |
| Current | 10,014 | - | 138,966 | 114,749 |
| Noncurrent | 40,555 | 30,000 | 810,490 | 455,637 |

(a) Agreement entered into with Zurich Minas Brasil Seguros S.A. ("Zurich")

On August 29, 2014, the subsidiary Via Varejo entered into new agreements with Zurich for the sale of extended warranty at Casas Bahia and Ponto Frio stores. The agreement is effective for eight years. On October 1, 2014, the Company was compliant with the condition precedent contained in the agreements.

The subsidiary Via Varejo will receive R\$ 850,000 as advance for sale of warranty, of which R\$ 150,000 was received in September 2014 and R\$ 700,000 in October 2014. As the condition precedent was complied with only in October 2014, the advance portion of R\$ 700,000 was considered as an event subsequent to this interim financial information.

Also in September 2014, the former provider of the warranty at the Casas Bahia and Ponto Frio stores was notified of the advance termination of the agreements, and the subsidiary Via Varejo agreed to pay R\$ 584,291 as a result of the (i) repurchase of the right granted to the former provider to operate its customer

base over the agreement term, properly recognized in the Via Varejo's intangible assets R\$(185,952); and (ii) return of the advances made upon the contract execution due to its early termination R\$(398,339).

The amounts owed to the former provider of extended warranty remained recorded in non-current liabilities since it is a joint operation and will be settled concurrently with the receipt of the amounts from Zurich, without affecting the Via Varejo's net cash.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

26. Equity

The detailed information of equity was presented in the annual financial statements of 2013, in note 27.

a) Capital stock

The subscribed and paid-up capital is represented by 265,219 (264,453 at December 31, 2013) thousands of registered shares with no par value at September 30, 2014, of which 99,680 in thousands of common shares at September 30, 2014 and December 31, 2013, and 165,539 in thousands of preferred shares at September 30, 2014 (164,773 at December 31, 2013).

The Company is authorized to increase its capital stock up until to the limit of 400,000 (in thousands of shares), regardless of the amendment to the Company's Bylaws, by resolution of the Board of Directors, which will establish the issue conditions.

- At the Board of Director's meeting held at February 13, 2014 the capital was increased by R\$ 15,523, by means of the issue of 470 (in thousands of shares) preferred shares.
- At the Board of Director's meeting held at April 24, 2014 the capital was increased by R\$ 1,075, by means of the issue of 32 (in thousands of shares) preferred shares.
- At the Board of Director's meeting held at June 26, 2014 the capital was increased by R\$ 5,273, by means of the issue of 183 (in thousands of shares) preferred shares.
- At the Board of Director's meeting held at September 04, 2014 the capital was increased by R\$ 2,914, by means of the issue of 81 (in thousands of shares) preferred shares.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

26. Equity – Continued

b) Share-based payment plans

Information on the stock option plans is summarized below:

| Series granted | Grant date | 1 st date of exercise | Price | | End of the year | Number of options granted (in thousands) | Lot of shares | | Total in effect |
|--------------------------------------|------------|----------------------------------|---|-------------------|-----------------|--|---------------|----------------------------|-----------------|
| | | | 2 nd date of exercise and expiration | On the grant date | | | Exercised | Not exercised by dismissal | |
| Balance at December 31 , 2013 | | | | | | | | | |
| Series A4 - | | | | | | | | | |
| <i>Gold</i> | 5/24/2010 | 5/31/2013 | 5/31/2014 | 0.01 | 0.01 | 514 | (512) | (2) | - |
| Series A4 - | | | | | | | | | |
| <i>Silver</i> | 5/24/2010 | 5/31/2013 | 5/31/2014 | 46.49 | 46.49 | 182 | (181) | (1) | - |
| Series A5 - | | | | | | | | | |
| <i>Gold</i> | 5/31/2011 | 5/31/2014 | 5/31/2015 | 0.01 | 0.01 | 299 | (140) | (14) | 145 |
| Series A5 - | | | | | | | | | |
| <i>Silver</i> | 5/31/2011 | 5/31/2014 | 5/31/2015 | 54.69 | 54.69 | 299 | (140) | (14) | 145 |
| Series A6 - | | | | | | | | | |
| <i>Gold</i> | 3/15/2012 | 3/31/2015 | 3/31/2016 | 0.01 | 0.01 | 526 | (171) | (25) | 330 |
| Series A6 - | | | | | | | | | |
| <i>Silver</i> | 3/15/2012 | 3/31/2015 | 3/31/2016 | 64.13 | 64.13 | 526 | (171) | (25) | 330 |
| Series A7 - | | | | | | | | | |
| <i>Gold</i> | 3/15/2013 | 3/31/2016 | 3/31/2017 | 0.01 | 0.01 | 358 | (26) | (16) | 315 |
| Series A7 - | | | | | | | | | |
| <i>Silver</i> | 3/15/2013 | 3/31/2016 | 3/31/2017 | 80.00 | 80.00 | 358 | (26) | (16) | 315 |
| | | | | | | 3,062 | (1,367) | (113) | 1,580 |

thousands)

Balance at June 30, 2014

| | | | | | | | | | |
|-------------|-----------|-----------|------------|-------|-------|-------|---------|-------|-------|
| Series A4 – | | | | 0.01 | 0.01 | 514 | (512) | (2) | - |
| Gold | 5/24/2010 | 5/31/2013 | 5/31/2014 | | | | | | |
| Series A4 – | | | | 46.49 | 46.49 | 182 | (181) | (1) | - |
| Silver | 5/24/2010 | 5/31/2013 | 5/31/2014 | | | | | | |
| Series A5 – | | | | 0.01 | 0.01 | 299 | (282) | (14) | 3 |
| Gold | 5/31/2011 | 5/31/2014 | 5/31/2015 | | | | | | |
| Series A5 – | | | | 54.69 | 54.69 | 299 | (282) | (14) | 3 |
| Silver | 5/31/2011 | 5/31/2014 | 5/31/2015 | | | | | | |
| Series A6 – | | | | 0.01 | 0.01 | 526 | (315) | (30) | 181 |
| Gold | 3/15/2012 | 3/15/2015 | 3/15/2016 | | | | | | |
| Series A6 – | | | | 64.13 | 64.13 | 526 | (315) | (30) | 181 |
| Silver | 3/15/2012 | 3/15/2015 | 3/15/2016 | | | | | | |
| Series A7 – | | | | 0.01 | 0.01 | 358 | (124) | (25) | 209 |
| Gold | 3/15/2013 | 3/31/2016 | 3/31/2017 | | | | | | |
| Series A7 – | | | | 80.00 | 80.00 | 358 | (124) | (25) | 209 |
| Silver | 3/15/2013 | 3/31/2016 | 3/31/2017 | | | | | | |
| Series B1 | 5/30/2014 | 5/30/2017 | 11/30/2017 | 0.01 | 0.01 | 239 | - | - | 239 |
| Series C1 | 5/30/2014 | 5/30/2017 | 11/30/2017 | 83.22 | 83.22 | 239 | - | - | 239 |
| | | | | | | 3,540 | (2,135) | (141) | 1,264 |

(i) Consolidated information of share-based payment plans - GPA

The chart below shows the maximum percentage of interest dilution to which current shareholders will eventually be subject to in the event of exercise, until 2014, of all options granted:

| | 09.30.2014 | 12.31.2013 |
|-------------------------------------|------------|------------|
| Number of shares | 265,219 | 264,453 |
| Balance of granted series in effect | 1,264 | 1,580 |
| Maximum percentage of dilution | 0.48% | 0.60% |

The fair value of each option granted is estimated on the granting date, by using the options pricing model “Black&Scholes” taking into account the following assumptions for the series B1 and C1: (a) expectation of dividends of 0.96%, (b) expectation of volatility of nearly 22.09% and (c) the risk-free weighted average interest rate of 11.70%. The expectation of remaining average life of the series outstanding at September 30, 2014 was 1.82 year (1.46 year at December 31, 2013). The weighted average fair value of options granted at September 30, 2014 was R\$69,77 (R\$62.59 at December 31, 2013).

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

26. Equity – Continued

| | Shares | Weighted average of exercise price | Weighted average of remaining contractual term | Intrinsic value added |
|--|--------------|--|--|--------------------------|
| At December 31, 2013 | | | | |
| Outstanding at the beginning of the year | 1,658 | 26.40 | | |
| Granted during the year | 716 | 40.02 | | |
| Cancelled during the year | (51) | 36.43 | | |
| Exercised during the year | (743) | 21.86 | | |
| Outstanding at the end of the year | 1,580 | 34.39 | 1.46 | 112,091 |
| Total to be exercised at December 31, 2013 | 1,580 | 34.39 | 1.46 | 112,091 |
| At September 30, 2014 | | | | |
| Granted during the year | 477 | 41.61 | | |
| Cancelled during the period | (28) | 36.88 | | |
| Exercised during the period | (765) | 32.36 | | |
| Outstanding at the end of the period | 1,264 | 58.01 | 1.81 | 86,024 |
| Total to be exercised at September 30, 2014 | 1,264 | 58.01 | 1.81 | 86,024 |

At September 30, 2014 there were options from series A5 to be exercised .

The amounts recorded in the statement of income of the Parent Company and Consolidated at September 30, 2014 were R\$31,693 (R\$29,658 at September 30, 2013).(ii) Consolidated information stock option plan – GPA – New series B1 and C1

The Company implemented two new-shared based plans approved by the shareholders meeting on May 09, 2014.

According to the terms of the plans, each option offers to the beneficiary the right to acquire a preferred share of the Company. On both plans, there is a vesting period of 36 months from the date that the Board

of Directors approved the issuance of the series. The plans will be exercisable in until 36 months from the grant date. The condition for the exercise of the options is the beneficiary to stay as an employee in the Company. The plans differs, exclusively, in the exercise price of the options and in the existence of a restriction of selling after vesting.

According to the plans, the options granted in each of the series may represent maximum 0.7% of the total shares issued by the Company. For these new series were granted 477,458 options of shares.

The fair value of each option granted is estimated in the grant date using the Black & Scholes model, considering the following assumptions in series B1 and C1: (a) Dividends expectations of 0.96%; (b) volatility expectation of 22.09%; (c) interest rate of 11.70% and (d) fair value of the share on grant date of R\$101.84

c) Exchange variation reserve

The exchange variation reserve corresponds to the accumulative effect of gain or loss of exchange variation on translation assets, liabilities and results in reais, corresponding to the investment of GPA in the subsidiary CDiscount. The effect in the Parent Company was R\$ 164 and R\$ 416 to the non-controlling shareholders.

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

26. Equity – Continued

d) Dividends

On the Annual and Extraordinary Shareholders' Meeting (AGOE) held at April 16, 2014 the shareholders approved the proposal of dividends payment for the fiscal year ended December 31, 2013, in the amount of R\$249,968 (R\$249,655 at December 31, 2012), which includes the anticipated dividends already declared, amounting R\$ 99,419. This amount corresponds to R\$0.888957268 per common share and R\$0.977852995 per preferred share.

The Company paid, except for the quarterly anticipated dividends paid during 2013, dividends during the nine-month period, in the amount of R\$ 150,549, corresponding to remaining dividends for the year 2013. This amount corresponds to R\$ 0.535395 per one common share and R\$ 0.588935 per one preferred share. All the shares were entitled to dividends on April 16, 2014 base date. As of April 17, 2014, the shares were negotiated "ex-rights" to the dividends payment date: occurred on June 13, 2014.

(i) Anticipated Dividends

The Board of Directors' meeting held at April 24, 2014 approved the payment of anticipated dividends in the total amount of R\$35,793, R\$0.14 per preferred share and R\$0.127270 per common share.

The dividends were paid at May 15, 2014. All the shares were entitled to dividends on May 05, 2014 base date. As of May 06, 2014, the shares were negotiated "ex-rights" to the dividends payment date.

The Board of Directors' meeting held at July 22, 2014 approved the payment of anticipated dividends in the total amount of R\$35,818, R\$0.14 per preferred share and R\$0.127270 per common share.

The dividends were paid at August 13, 2014. All the shares were entitled to dividends on August 01, 2014 base date. As of August 04, 2014, the shares were negotiated "ex-rights" to the dividends payment date.

e) Equity reconciliation

Amounts recorded directly in the changes in the shareholders equity in the lines "Gain or Loss in Equity Interest" and "Transaction with Non-controlling shareholders" in the amounts of R\$ 5,745 and R\$ 11,412 (Parent Company) and R\$10,329 and R\$ 44,001 (Consolidated), respectively, refer to:

i) Gain or Loss in Equity Interest:

- Effects of the transaction with non-controlling shareholders of the subsidiary CDiscount amounting R\$ 5,745 (Parent company) and R\$10,329 (Consolidated);
- ii) Transactions with Non-Controlling shareholders;
- Effects of the accounting of corporate restructuring of the e-commerce operations mentioned in the note 13 (R\$ 11,412 in the Parent company and R\$2,160 Consolidated);
 - Effect of the non-controlling interest of the Company of the e-commerce segment in the amount of R\$ 46,161.

27. Net operating revenue

| | Parent Company | | Consolidated | |
|-------------------------------|--------------------|-------------|--------------------|-------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Gross sales | | | | |
| Goods | 17,506,703 | 16,930,747 | 49,999,282 | 45,155,421 |
| Rendering of services | 189,787 | 158,046 | 1,217,256 | 1,199,100 |
| Financial services | - | - | 1,062,634 | 736,544 |
| Sales return and cancellation | (275,988) | (228,825) | (1,416,974) | (1,373,990) |
| | 17,420,502 | 16,859,968 | 50,862,198 | 45,717,075 |
| Sales taxes | (1,360,381) | (1,390,335) | (5,001,986) | (4,789,429) |
| Net sales | 16,060,121 | 15,469,633 | 45,860,212 | 40,927,646 |

28. Expenses by nature

| | Parent Company | | onsolidated | |
|---|---------------------|---------------------|---------------------|--------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Cost of goods sold | (11,635,950) | (11,277,615) | (34,125,163) | (30,196,900) |
| Personnel expenses | (1,611,793) | (1,586,407) | (3,981,181) | (3,812,603) |
| Outsourced services | (255,618) | (241,875) | (2,120,323) | (2,245,741) |
| Functional expenses | (770,758) | (723,324) | (1,178,167) | (1,077,040) |
| Selling expenses | (286,674) | (266,346) | (645,226) | (395,791) |
| Other expenses | (124,685) | (77,882) | (545,373) | (403,561) |
| | (14,685,478) | (14,173,449) | (42,595,433) | (38,131,636) |
| Cost of goods sold and/or services sold | (11,635,950) | (11,277,615) | (34,125,163) | (30,196,900) |
| Selling expenses | (2,650,076) | (2,409,423) | (7,431,324) | (6,792,426) |
| General and administrative expenses | (399,452) | (486,411) | (1,038,946) | (1,142,310) |
| | (14,685,478) | (14,173,449) | (42,595,433) | (38,131,636) |

29. Other operating revenue (expenses), net

| | Parent Company | | Consolidated | |
|---|-----------------|------------|-----------------|------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Provision for tax legal claims | - | (163,291) | - | (163,291) |
| Indemnified amounts | (39,539) | (50,760) | (39,539) | (89,418) |
| Federal tax liabilities payable in installments | (37,701) | (2,649) | 30,596 | (2,649) |
| Integration/restructuring expenses | (58,164) | (30,324) | (79,407) | (42,196) |

| | | | | |
|-------------------------------|------------------|-----------|------------------|-----------|
| Property and equipment result | (16,435) | 817 | (36,492) | (6,308) |
| Others | (841) | (11,785) | 14,471 | (70,585) |
| | (152,680) | (257,992) | (110,371) | (374,447) |

96

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

30. Financial result, net

| | Parent Company | | Consolidated | |
|--|------------------|------------|--------------------|-------------|
| | 09.30.2014 | 09.30.2013 | 09.30.2014 | 09.30.2013 |
| Financial expenses: | | | | |
| Cost of banking debt | (357,698) | (346,299) | (476,720) | (434,669) |
| Cost of sales of receivables sales | (74,326) | (65,095) | (789,960) | (614,498) |
| Monetary restatement | (99,215) | (87,380) | (186,828) | (161,292) |
| Other finance expenses | (62,526) | (46,468) | (115,621) | (71,295) |
| Total finance expenses | (593,765) | (545,242) | (1,569,129) | (1,281,754) |
| Financial income: | | | | |
| Profitability in cash and cash equivalents | 63,345 | 89,013 | 284,746 | 264,417 |
| Monetary restatement | 75,291 | 65,919 | 189,292 | 146,588 |
| Other finance income | 3,170 | 5,316 | 17,428 | 5,173 |
| Total finance income | 141,806 | 160,248 | 491,466 | 416,178 |
| Total | (451,959) | (384,994) | (1,077,663) | (865,576) |

The hedge effects in nine-month period ended at September 30, 2014 and September 30, 2013 are disclosed in Note 19(a).

31. Earnings per share

The information of earnings per share was presented in the annual financial statements of 2013, in note 32.

The following table presents the calculation of profit available to common and preferred shareholders and the weighted average of outstanding common and preferred shares used to calculate basic and diluted earnings per share for each reported period:

| | 09.30.2014 | | | 09.30.2013 | | |
|--|----------------|----------------|----------------|------------|---------|---------|
| | Preferred | Common | Total | Preferred | Common | Total |
| Basic numerator | | | | | | |
| Basic earnings allocated | 506,375 | 278,058 | 784,433 | 361,352 | 199,422 | 560,774 |
| Net income allocated available for common and preferred shareholders | 506,375 | 278,058 | 784,433 | 361,352 | 199,422 | 560,774 |

Basic denominator (thousands of shares)

| | | | | | | |
|--|----------------|----------------|----------------|---------|---------|---------|
| Weighted average of shares | 165,026 | 99,680 | 264,706 | 164,200 | 99,680 | 263,880 |
| Basic earnings per thousands of shares (R\$) | 3.06846 | 2.78951 | | 2.20068 | 2.00062 | |

Diluted denominator

| | | | | | | |
|---|----------------|----------------|----------------|---------|---------|---------|
| Weighted average of shares | 165,026 | 99,680 | 264,706 | 164,200 | 99,680 | 263,880 |
| (in thousands) | | | | | | |
| Stock call option | 374 | - | 374 | 738 | - | 738 |
| Diluted weighted average of shares (in thousands) | 165,400 | 99,680 | 265,080 | 164,938 | 99,680 | 264,618 |
| Diluted earnings per thousands of shares (R\$) | 3.06152 | 2.78951 | | 2.19084 | 2.00062 | |

Companhia Brasileira de Distribuição

Notes to the financial statements

September 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

32. Benefit plans

a) Pension plan

In France, an industry-specific agreement between employers and employees determines the payment of allowances to employees at the date of retirement depending on the years of service rendered and their salary at the age of retirement. [\[MSP1\]](#)

Main assumptions used in determining total obligations related to defined benefit plans:

| | Cdiscount |
|---|------------------|
| | 2014 |
| Discount rate | 2.2% |
| Expected rate of future salary increase | 2.5% |
| Retirement age | 64 |

The discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

Reconciliation of liabilities in the balance sheet

| | | |
|-------------------|------------------|-------|
| | Cdiscount | |
| | 2014 | |
| At August 1, 2014 | | 5,221 |
| Version: 1 | | 189 |

| | |
|---|--------------|
| Cost for the period | 180 |
| Actuarial gain or losses recognized in equity | 1,360 |
| At September 30, 2014 | 6,761 |

b) Defined contribution private pension plan

In July 2007, the Company established a supplementary defined contribution private pension plan on behalf of its employees to be managed by the financial institution BrasilPrev Seguros e Previdência S.A. The Company pays monthly contributions on behalf of its employees, and the amount paid referring to the nine-month period ended September 30, 2014 is R\$2,178 (R\$2,833 at September 30, 2013), and employees contributions is R\$4,420 (R\$3,854 at September 30, 2013); the plan had 941 participants at September 30, 2014 (1,012 at September 31, 2013).

33. Insurance coverage

The insurance coverage at September 30, 2014 is summarized as follows:

| Insured assets | Covered risks | Parent Company Amount insured | Consolidated Amount insured |
|-------------------------------------|----------------------|--|--|
| Property, equipment and inventories | Assigning profit | 8,603,157 | 21,926,780 |
| Profit | Loss of profits | 4,507,444 | 8,645,474 |
| Cars and others (*) | Damages | 408,517 | |