

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

January 19, 2016

---

## FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### Report of Foreign Private Issuer

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

For the month of January, 2016

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

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

Brazil

(Address of Principal Executive Offices)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No

---

Publication Date: January 18, 2016

Press Release

**Rating ‘brAA+’ assigned to Companhia Brasileira de Distribuição (CBD) placed on negative CreditWatch to reflect the same rating action taken for Casino**

Primary analyst: Wendell Sacramoni, CFA, São Paulo, 55 (11) 3039-9741, [wendell.sacramoni@standardandpoors.com](mailto:wendell.sacramoni@standardandpoors.com)

Additional analyst contact: Luísa Vilhena, São Paulo 55-11-3039-9727, [luisa.vilhena@standardandpoors.com](mailto:luisa.vilhena@standardandpoors.com)

Ratings committee leader: Luísa Vilhena, São Paulo 55-11-3039-9727, [luisa.vilhena@standardandpoors.com](mailto:luisa.vilhena@standardandpoors.com)

**Summary**

- On January 15, 2016, Standard & Poor’s Ratings Services placed the ‘BBB-’ ratings of Casino on CreditWatch negative.
- We placed CBD’s rating on CreditWatch negative because, in accordance with the methodology adopted by the group, a company’s rating may not be higher than that attributed to its parent company.
- The CreditWatch negative listing means that we could affirm or downgrade by one notch CBD's rating if Casino's ratings are affirmed or downgraded by one notch; or that we could downgrade the company’s ratings by one or more notches if Casino’s rating is downgraded by two notches.

**Rating Action**

**São Paulo (Standard & Poor’s), January 18, 2016** – Standard & Poor’s Ratings Services placed today the rating of ‘brAA+’ on the Brazilian National Scale assigned to **Companhia Brasileira de Distribuição (“CBD”)** on the CreditWatch negative list, reflecting the same action taken for the ‘BBB-’ ratings of its controlling group **Casino Guichard-Perrachon & Cie S.A.** (Casino: BBB-/CW Neg./A-3).

**Fundamentals**

The action reflects our belief that the rating of a subsidiary (e.g., CBD) may not be higher than the rating of its parent company, reflecting the risk of the latter interfering negatively in the subsidiary in a stress scenario. Accordingly, a downgrading of Casino’s ratings could lead to a similar move in CBD’s rating.

Based on our group's rating methodology, we consider CBD to be a subsidiary of “strategic importance” to Casino, given our belief that the company is important to the group’s long-term strategy and accounts for a significant portion of its revenue and EBITDA generation, and as such is unlikely to be sold.

**CreditWatch**

CreditWatch negative means that in the next 90 days we may affirm or downgrade by one notch CBD's rating if Casino's ratings are affirmed or downgraded by one notch, or that we could downgrade CBD’s rating by one or more notches if Casino’s ratings are downgraded by two notches, which is in line with our mapping table on the Brazil National Scale.

**Criteria and Related Articles**

**Criteria**

- [Standard & Poor's National and Regional Scales Mapping Tables](#), September 30, 2014.
- [National and Regional Scale Credit Ratings](#), September 22, 2014.
- [General Criteria: Group Ratings Methodology](#), November 19, 2013.
- [Corporate Ratings Methodology](#), November 19, 2013.
- [General Criteria: Use of CreditWatch and Outlook](#), September 14, 2009.

**Articles**

- [Retailer Casino 'BBB-/A-3' Ratings On CreditWatch Negative On Weak Trading In Brazil, In The Context Of High Debt Level](#), January 15, 2016.
- [Companhia Brasileira de Distribuição \(CBD\) ratings reaffirmed at 'brAA+'; outlook remains positive](#), September 18, 2015.

**LIST OF RATINGS**

	<b>CreditWatch Action</b>	
Credit Rating of Issuer	From	To
Brazil National Scale	brAA+/Positive/--	brAA+/CW Neg./--

<b>Issuer</b>	<b>Date Rating was Initially Assigned</b>	<b>Date of Previous Rating Action</b>
<b>Companhia Brasileira de Distribuição</b>		

*Credit Rating of Issuer*

Brazil National Scale, Long Term

July 21, 2009

December 22, 2015

---

### **Additional regulatory information**

#### **Other services rendered to the issuer**

No other services were provided for this issuer, click [here](#) for more information.

#### **Attributes and limitations of credit rating**

Standard & Poor's Ratings Services uses in its credit analyses, information obtained from sources considered reliable, including that provided by issuers. Standard & Poor's Ratings Services does not conduct audits or any due diligence process nor does it independently verify information received from the issuer or third parties in connection with its processes for credit ratings or for monitoring ratings assigned. Standard & Poor's Ratings Services does not check the completeness and accuracy of the information it receives. The information provided to us may in fact contain inaccuracies or omissions that could be relevant to credit rating analysis.

In connection with the analysis for this credit rating(s), Standard & Poor's Ratings Services believes it has sufficient information of a satisfactory quality to enable it to reach its credit rating opinion. Assignment of a credit rating to an issuer or an issue by Standard & Poor's Ratings Services should not be viewed as a guarantee of accuracy, completeness or timeliness of (i) the information that Standard & Poor's Ratings Services relied on in connection with the credit rating or (ii) the results that could be obtained using the credit rating or related information.

#### **Sources of information**

To assign and monitor its ratings, Standard & Poor's, based on the type of issuer/issue, uses information received from the issuers and/or their agents and advisors, including audited financial statements for the Fiscal Year, quarterly financial statements, corporate information, prospectuses and other materials provided, historical and projected data received during meetings with issuers' managements, as well as MD&A reports and similar documents from the evaluated entity and/or its parent company. Moreover, we use information from the public domain, including information published by securities regulators, the banking and insurance sectors, and/or other regulators, stock markets and other public sources, as well as information services in domestic and international markets.

#### **Notice of ratings to issuer**

Standard & Poor's notice to issuers of their assigned rating is covered in the policy on [“Pre-Publication Notice to Issuers.”](#)

#### **Frequency of ratings reviews**

Standard & Poor's monitoring of its credit ratings is addressed in:

- General Description of the Credit Rating Process (Credit Ratings Review section)  
<http://www.standardandpoors.com/ratings/articles/pt/la/?articleType=PDF&assetID=1245338484985>

- Monitoring Policy  
<http://www.standardandpoors.com/ratings/articles/pt/la/?articleType=PDF&assetID=1245319078197>

### **Potential conflicts of interest for S&P Ratings Services**

Standard & Poor's Brazil publishes the list of actual or potential conflicts of interest in the section "Conflicts of Interest — Instruction 521/2012, Article 16 XII" at [www.standardandpoors.com.br](http://www.standardandpoors.com.br)

### **5% limit**

S&P Brazil publishes in its Reference Form, available at [http://www.standardandpoors.com/pt\\_LA/web/guest/regulatory/disclosures](http://www.standardandpoors.com/pt_LA/web/guest/regulatory/disclosures), all entities accounting for more than 5% of its annual revenues.

Copyright© 2016 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form

or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

---

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P Ratings Services may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com/](http://www.standardandpoors.com/) [www.standardandpoors.com.mx](http://www.standardandpoors.com.mx) / [www.standardandpoors.com.ar](http://www.standardandpoors.com.ar) / [www.standardandpoors.com.br](http://www.standardandpoors.com.br) (free of charge), [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

Standard & Poor's (Australia) Pty. Ltd. holds Australian financial services license number 337565 under the Corporations Act 2001. Standard & Poor's credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.



**SIGNATURES**

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Date: January 19, 2016

By: /s/ Ronaldo Iabrudi  
Name: Ronaldo Iabrudi  
Title: Chief Executive Officer

By: /s/ Daniela Sabbag  
Name: Daniela Sabbag  
Title: Investor Relations Officer

**FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

---