

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

May 05, 2009

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 May, 2009

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio,
3126 São Paulo, SP 01402-901

Brazil

(Address of Principal Executive Offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO
Publicly-Held Company
Corporate Taxpayer's ID (CNPJ/MF) 47.508.411/0001 -56

NOTICE TO SHAREHOLDERS

Companhia Brasileira de Distribuição (Company) announces to its shareholders that the Company's capital stock increase for private subscription was approved at the Annual and Extraordinary General Meeting held on April 30, 2009 by means of the capitalization of the portion of the Company's goodwill special reserve at the amount of eighty-eight million, seven hundred and eighty thousand, one hundred and fifty-five reais and seventy-three centavos (R\$88,780,155.73) . Out of the total increase, seventeen million, seven hundred and fifty-six thousand, fifty reais and seventy-seven centavos (R\$17,756,050.77) will be capitalized without the issue of new shares, in benefit, therefore, of all the Company's shareholders, and seventy-one million, twenty-four thousand, one hundred and four reais and ninety-six centavos (R\$71,024,104.96) will be capitalized in benefit of the Company's controlling shareholder, Wilkes Participações S.A., pursuant to Article 7 of CVM Rule 319/99 of the Brazilian Securities and Exchange Commission (CVM) (as amended), by means of the issue of two million, one hundred and ninety-seven thousand, five hundred and twenty-eight (2,197,528) new preferred shares of the Company.

Pursuant to the provision in Article 171 of Law 6,404/76, shareholders will have the preemptive right to subscribe the new shares to be issued as a result of capital stock increase above mentioned, corresponding to the portion of the increase which will be capitalized in benefit of the controlling shareholder, observing the following conditions:

(i) Amount of the increase to be carried out upon the issue of new shares: seventy-one million, twenty-four thousand, one hundred and four reais and ninety-six centavos (R\$71,024,104.96) .

(ii) Number and type of shares to be issued: two million, one hundred and ninety-seven thousand, five hundred and twenty-eight (2,197,528) non-par, registered preferred shares issued by the Company.

(iii) Issue price: The issue price of shares is thirty-two reais and thirty-two centavos (R\$32.32) per preferred share and was established in accordance with the criterion set forth in Article 170, paragraph 1, III of Law 6,404/76, based on the weighted average of the fifteen (15) trading floors prior to the publication of the Call Notice to the Annual and Extraordinary Meeting resolving on said capital increase.

The preemptive right shall be exercised within thirty consecutive days (30), as of the publication of the Notice to Shareholders informing on the start of such a period. The subscription of shares shall be concluded after the end of said period to exercise the preemptive right.

(iv) Characteristics: The new shares issued shall have the same rights and characteristics of the preferred shares currently existing, however they shall not be entitled to receive dividends related to the end of the year ended December 31, 2008.

(v) Form of payment: The shares issued shall be paid by means of the capitalization of a portion of the amounts existing in the special goodwill reserve recorded in the Company, in benefit of the Company's controlling shareholder, Wilkes Participações S.A., as set forth in Article 7 of CVM Rule 319/99.

The shareholders who exercise the preemptive right for the subscription of shares issued in capital increase shall make the payment of the issue price of shares subscribed directly to the Company's controlling shareholder, in domestic currency, as authorized by Article 171, Paragraph 2 of Law 6,404/76 and Article 7, Paragraph 1 of CVM Rule 319/99.

(vi) Preemptive right: (a) Except as described in item (b) below, the shareholders may exercise the preemptive right dealt with in Article 171 of Law 6,404/76, for the preclusive period of thirty (30) days as of May 5, 2009, ending on June 3, 2009, including, and they shall go to the following branches of Banco Itaú S.A.:

| | |
|-------------------|--|
| Brasília/DF | SCS Quadra 3 Edif. D Angela, 30 Bloco A, Sobreloja |
| Belo Horizonte/MG | Av. João Pinheiro, 195 Subsolo |
| Curitiba/PR | R. João Negrão, 65 Sobreloja |
| Porto Alegre/RS | R. Sete de Setembro, 746 Térreo |
| Rio de Janeiro/RJ | R. Sete de Setembro, 99 Subsolo |
| São Paulo/SP | R. Boa Vista, 176 1 Subsolo |

| | |
|-------------------|--|
| Salvador/BA | Av. Estados Unidos, 50, 2° and - (Ed Sesquicentenário) |
| Brasília/DF | SCS Quadra 3 Edif. D Angela, 30 Bloco A, Sobreloja |
| Belo Horizonte/MG | Av. João Pinheiro, 195 Subsolo |
| Curitiba/PR | R. João Negrão, 65 Sobreloja |
| Porto Alegre/RS | R. Sete de Setembro, 746 Térreo |
| Rio de Janeiro/RJ | R. Sete de Setembro, 99 Subsolo |
| São Paulo/SP | R. Boa Vista, 176 1 Subsolo |
| Salvador/BA | Av. Estados Unidos, 50, 2° and - (Ed Sesquicentenário) |

The shareholders shall receive the subscription lists by mail and those who did not receive it should go, within the subscription period established above, to any of the branches of Banco Itaú S.A. indicated above.

(b) Since the preemptive right was not recorded in the U.S. Securities and Exchange Commission (SEC) by means of the Registration Statement, nor is there exemption of registration in the applicable SEC, U.S. persons, as set forth in Regulation S promulgated within the scope of Securities Act of 1933, as amended, shall not exercise the preemptive right in the subscription of shares issued as a result of capital stock increase.

(vii) Preemptive right ratio: The preemptive right of the Company's shareholders shall be exercised at the ration of 0.935280125213% in new preferred shares, pursuant to the caput in Article 171 of Law 6,404/76.

(viii) Trading of subscription rights: Shareholders of shares issued by the Company who wish to trade its subscription rights may do it within the period of exercise of preemptive right, as established above, and they shall proceed within the period necessary to allow the rights granted to be exercised within said period. Shareholders whose shares are held in custody with Banco Itaú S.A. shall request this institution the respective list of transfer of rights, or offer instruction to their preferred brokerage firm for direct trading on stock exchanges.

(ix) Unsubscribed shares: There shall be no unsubscribed shares, in view that the capital increase shall be paid by means of the capitalization of the portion of the special goodwill reserve in the exact amount of the capital stock increase. For this reason, there will be no publication of Notice to Shareholders informing on the conclusion of the increase.

(x) Ex-subscription trading: The shares acquired as of May 4, 2009, including, shall not be entitled to the subscription right.

Occasional clarifications as to the capital stock increase may be obtained by means of phone number 55 (11) 3886-0421 or via e-mail gpa.ri@grupopaodeacucar.com.br.

São Paulo, May 4, 2009

Daniela Sabbag
Investor Relations Officer

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: May 05, 2009

By: /s/ Enéas César Pestana Neto
Name: Enéas César Pestana Neto
Title: Administrative Director

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.
