

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

July 24, 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 July, 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

*Companhia Brasileira
de Distribuição*

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

Deloitte Touche Tohmatsu Auditores Independentes

(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 three-month period ended June 30, 2014, which comprises the balance sheet as of June 30, 2014 and the related statements of income and comprehensive income for the three and six-month periods then ended and of changes in equity and cash flows for the six-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 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 established 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.

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 established by CVM.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the six-month period ended June 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, in relation to 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, July 22, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Edimar Facco
Engagement Partner

© 2014 Deloitte Touche Tohmatsu. All rights reserved.

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

ITR – Quarterly Financial Information – June 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 6/30/2014 | 10 |
| 1/1/2013 to 6/30/2013 | 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 6/30/2014 | 19 |
| 1/1/2013 to 6/30/2013 | 20 |
| Statement of Value Added | 21 |

| | |
|--|----|
| Comments on the Company's Performance | 22 |
| Notes to the Quarterly Financial Information | 42 |
| Other Information Deemed Relevant by the Company | 98 |

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

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

Version: 1

Company Information / Capital Breakdown

| Number of Shares | Current Quarter |
|-------------------------|------------------------|
| (thousand) | 06/30/2014 |
| Paid in Capital | |
| Common | 99,680 |
| Preferred | 165,458 |
| Total | 265,138 |
| Treasury Shares | |
| Common | - |
| Preferred | 233 |
| Total | 233 |

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

ITR – Quarterly Financial Information – June 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 |

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

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

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

| Code | Description | Current Quarter 06.30.2014 | Previous Year 12.31.2013 |
|---------------|---|---------------------------------------|-------------------------------------|
| 1 | Total Assets | 20,661,258 | 22,214,075 |
| 1.01 | Current Assets | 3,610,299 | 5,623,474 |
| 1.01.01 | Cash and Cash Equivalents | 867,761 | 2,851,220 |
| 1.01.03 | Accounts Receivable | 225,220 | 360,361 |
| 1.01.03.01 | Trade Accounts Receivable | 175,369 | 312,471 |
| 1.01.03.02 | Other Accounts Receivable | 49,851 | 47,890 |
| 1.01.04 | Inventories | 2,219,486 | 2,165,609 |
| 1.01.06 | Recoverable Taxes | 128,630 | 148,034 |
| 1.01.06.01 | Current Recoverable Taxes | 128,630 | 148,034 |
| 1.01.07 | Prepaid Expenses | 93,648 | 27,497 |
| 1.01.08 | Other Current Assets | 75,554 | 70,753 |
| 1.01.08.01 | Noncurrent Assets Held for Sales | 2,418 | 4,355 |
| 1.01.08.03 | Other | 73,136 | 66,398 |
| 1.02 | Noncurrent Assets | 17,050,959 | 16,590,601 |
| 1.02.01 | Long-term Assets | 1,832,157 | 1,614,381 |
| 1.02.01.03 | Accounts Receivable | 30,427 | 31,338 |
| 1.02.01.03.02 | Other Accounts Receivable | 30,427 | 31,338 |
| 1.02.01.06 | Deferred Taxes | 132,333 | 120,869 |
| 1.02.01.06.01 | Deferred Income and Social Contribution Taxes | 132,333 | 120,869 |
| 1.02.01.07 | Prepaid Expenses | 28,198 | 37,803 |
| 1.02.01.08 | Receivables from Related Parties | 879,963 | 646,478 |
| 1.02.01.08.02 | Receivables from Subsidiaries | 841,639 | 608,573 |
| 1.02.01.08.03 | Receivables from Controlling Shareholders | 641 | 2,738 |
| 1.02.01.08.04 | Receivables from Other Related Parties | 37,683 | 35,167 |
| 1.02.01.09 | Other Noncurrent Assets | 761,236 | 777,893 |
| 1.02.01.09.04 | Recoverable Taxes | 337,173 | 350,880 |
| 1.02.01.09.05 | Restricted Deposits for Legal Proceeding | 424,063 | 427,013 |
| 1.02.02 | Investments | 8,043,124 | 7,774,250 |
| 1.02.02.01 | Investments in Associates | 8,043,124 | 7,774,250 |
| 1.02.02.01.02 | Investments in Subsidiaries | 8,043,124 | 7,774,250 |
| 1.02.03 | Property and Equipment, net | 6,057,873 | 6,074,815 |
| 1.02.03.01 | Property and Equipment in Use | 5,953,527 | 5,911,544 |
| 1.02.03.02 | Leased properties | 28,731 | 32,210 |
| 1.02.03.03 | In Progress | 75,615 | 131,061 |
| 1.02.04 | Intangible Assets | 1,117,805 | 1,127,155 |
| 1.02.04.01 | Intangible Assets | 1,117,805 | 1,127,155 |
| 1.02.04.01.02 | Intangible Assets | 1,117,805 | 1,127,155 |

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

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

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

| Code | Description | Current Quarter 06.30.2014 | Previous Year 12.31.2013 |
|---------------|---|---------------------------------------|-------------------------------------|
| 2 | Total Liabilities | 20,661,258 | 22,214,075 |
| 2.01 | Current Liabilities | 6,601,028 | 8,022,610 |
| 2.01.01 | Payroll and Related Charges | 305,661 | 368,584 |
| 2.01.01.01 | Payroll Liabilities | 46,984 | 67,385 |
| 2.01.01.02 | Social Security Liabilities | 258,677 | 301,199 |
| 2.01.02 | Trade Accounts Payable | 1,917,022 | 2,631,704 |
| 2.01.02.01 | Local Trade Accounts Payable | 1,872,913 | 2,529,066 |
| 2.01.02.02 | Foreign Trade Accounts Payable | 44,109 | 102,638 |
| 2.01.03 | Taxes and Contributions Payable | 281,165 | 365,382 |
| 2.01.03.01 | Federal Tax Liabilities | 269,091 | 335,395 |
| 2.01.03.01.01 | Income and Social Contribution Tax Payable | 88,649 | 132,077 |
| 2.01.03.01.02 | Other (PIS, COFINS, IOF, INSS, Funrural) | 40,309 | 67,524 |
| 2.01.03.01.03 | Taxes Payable in Installments | 140,133 | 135,794 |
| 2.01.03.02 | State Tax Liabilities | 12,074 | 29,987 |
| 2.01.04 | Loans and Financing | 1,696,416 | 1,973,889 |
| 2.01.04.01 | Loans and Financing | 716,996 | 917,290 |
| 2.01.04.01.01 | In Local Currency | 716,116 | 754,137 |
| 2.01.04.01.02 | In Foreign Currency | 880 | 163,153 |
| 2.01.04.02 | Debentures | 962,289 | 1,028,475 |
| 2.01.04.03 | Financing by Leasing | 17,131 | 28,124 |
| 2.01.05 | Other Liabilities | 2,396,336 | 2,661,800 |
| 2.01.05.01 | Related Parties | 2,157,229 | 2,224,015 |
| 2.01.05.01.01 | Debts with Associated Companies | 2,353 | 6,180 |
| 2.01.05.01.02 | Debts with Subsidiaries | 2,154,136 | 2,217,835 |
| 2.01.05.01.03 | Debts with Controlling Shareholders | 740 | 0 |
| 2.01.05.02 | Other | 239,107 | 437,785 |
| 2.01.05.02.01 | Dividends and Interest on Equity Payable | 917 | 151,480 |
| 2.01.05.02.04 | Utilities | 3,791 | 6,667 |
| 2.01.05.02.05 | Rent Payable | 45,508 | 53,027 |
| 2.01.05.02.06 | Advertisement Payable | 31,745 | 39,723 |
| 2.01.05.02.07 | Pass-through to Third Parties | 7,832 | 8,799 |
| 2.01.05.02.08 | Financing Related to Acquisition of Real Estate | 41,383 | 36,161 |
| 2.01.05.02.09 | Deferred revenue | 9,916 | 0 |
| 2.01.05.02.11 | Other Accounts Payable | 98,015 | 141,928 |
| 2.01.06 | Provisions | 4,428 | 21,251 |
| 2.01.06.02 | Other Provisions | 4,428 | 21,251 |
| 2.01.06.02.02 | Provisions for Restructuring | 4,428 | 21,251 |

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

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

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

| Code | Description | Current Quarter 06.30.2014 | Previous Year 12.31.2013 |
|---------------|--|---------------------------------------|-------------------------------------|
| 2.02 | Noncurrent Liabilities | 4,064,855 | 4,708,275 |
| 2.02.01 | Loans and Financing | 2,575,079 | 3,142,472 |
| 2.02.01.01 | Loans and Financing | 1,252,698 | 1,018,920 |
| 2.02.01.01.01 | In Local Currency | 950,676 | 1,018,920 |
| 2.02.01.01.02 | In Foreign Currency | 302,022 | 0 |
| 2.02.01.02 | Debentures | 1,199,752 | 1,998,705 |
| 2.02.01.03 | Financing by Leasing | 122,629 | 124,847 |
| 2.02.02 | Other Liabilities | 915,983 | 1,039,851 |
| 2.02.02.02 | Other | 915,983 | 1,039,851 |
| 2.02.02.02.03 | Taxes Payable by Installments | 895,055 | 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 | 12,928 | 36,134 |
| 2.02.04 | Provision for Contingencies | 530,044 | 495,952 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 530,044 | 495,952 |
| 2.02.04.01.01 | Tax Provisions | 287,834 | 276,031 |
| 2.02.04.01.02 | Social Security and Labor Provisions | 159,238 | 149,196 |
| 2.02.04.01.04 | Civil Provisions | 82,972 | 70,725 |
| 2.02.06 | Deferred revenue | 43,749 | 30,000 |
| 2.02.06.02 | Deferred revenue | 43,749 | 30,000 |
| 2.03 | Shareholders' Equity | 9,995,375 | 9,483,190 |
| 2.03.01 | Paid-in Capital Stock | 6,786,171 | 6,764,300 |
| 2.03.02 | Capital Reserves | 257,277 | 233,149 |
| 2.03.02.04 | Granted Options | 249,879 | 225,751 |
| 2.03.02.07 | Capital Reserve | 7,398 | 7,398 |
| 2.03.04 | Profit Reserves | 2,479,463 | 2,485,741 |
| 2.03.04.01 | Legal Reserve | 353,433 | 353,433 |
| 2.03.04.05 | Retention of Profits Reserve | 1,035,275 | 1,709,083 |
| 2.03.04.10 | Expansion Reserve | 1,134,627 | 460,557 |
| 2.03.04.12 | Transactions with non-controlling interest | -43,872 | -37,332 |
| 2.03.05 | Retained Earnings/ Accumulated Losses | 472,464 | 0 |

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

ITR – Quarterly Financial Information – June 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 |
| | | 04/01/2014 | 01/01/2014 | 04/01/2014 |
| | | to | to | to |
| | | 06/30/2014 | 06/30/2014 | 06/30/2014 |
| 3.01 | Net Sales from Goods and/or Services | 5,452,885 | 10,852,425 | 5,030,700 |
| 3.02 | Cost of Goods Sold and/or Services Sold | (3,973,363) | (7,937,658) | (3,658,130) |
| 3.03 | Gross Profit | 1,479,522 | 2,914,767 | 1,372,566 |
| 3.04 | Operating Income/Expenses | (1,028,927) | (2,038,951) | (1,219,366) |
| 3.04.01 | Selling Costs | (904,253) | (1,764,820) | (790,960) |
| 3.04.02 | General and Administrative | (120,803) | (256,859) | (163,900) |
| 3.04.04 | Other Operating Expense | - | - | 10,060 |
| 3.04.04.02 | Other Operating Income | - | - | 10,060 |
| 3.04.05 | Other Operating Expenses | (147,119) | (283,829) | (332,090) |
| 3.04.05.01 | Depreciation/Amortization | (105,750) | (211,554) | (100,110) |
| 3.04.05.02 | Income Related to Fixed Assets | (8,693) | (9,859) | (2,060) |
| 3.04.05.03 | Other Operating Expenses | (32,676) | (62,416) | (229,910) |
| 3.04.06 | Equity Pickup | 143,248 | 266,557 | 57,530 |
| 3.05 | Profit before Net Financial Expenses and Social Contribution Taxes | 450,595 | 875,816 | 153,200 |
| 3.06 | Net Financial Expenses | (143,119) | (278,436) | (135,620) |
| 3.06.01 | Financial Revenue | 43,179 | 103,912 | 47,040 |
| 3.06.02 | Financial Expenses | (186,298) | (382,348) | (182,670) |
| 3.07 | Earnings Before Income and Social Contribution Taxes | 307,476 | 597,380 | 17,570 |
| 3.08 | Income and Social Contribution Taxes | (43,178) | (89,124) | 24,510 |
| 3.08.01 | Current | (56,206) | (100,588) | 5,520 |
| 3.08.02 | Deferred | 13,028 | 11,464 | 18,990 |
| 3.09 | Net Income from Continued Operations | 264,298 | 508,256 | 42,080 |
| 3.11 | Net Income for the Period | 264,298 | 508,256 | 42,080 |
| 3.99.01.01 | Common | 0.94029 | 1.80821 | 0.15029 |
| 3.99.01.02 | Preferred | 1.03432 | 1.98903 | 0.16530 |
| 3.99.02.01 | Common | 0.94029 | 1.80821 | 0.15029 |
| 3.99.02.02 | Preferred | 1.03233 | 1.98521 | 0.16410 |

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

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

Version: 1

Individual 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 |
| | | 04/01/2014 | 01/01/2014 | 04/01/2013 | 01/01/2013 |
| | | to | to | to | to |
| | | 06/30/2014 | 06/30/2014 | 06/30/2013 | 06/30/2013 |
| 4.01 | Net income for the Period | 264,298 | 508,256 | 42,089 | 278,665 |
| 4.03 | Comprehensive Income for the Period | 264,298 | 508,256 | 42,089 | 278,665 |

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

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

Version: 1**Individual Quarterly Financial Information / Statement of Cash Flows - Indirect Method****R\$ (in thousands)**

| Code | Description | Year To Date Current Period 01/01/2014 to 06/30/2014 | Year To Date Previous Period 01/01/2013 to 06/30/2013 |
|-------------|--|---|--|
| 6.01 | Net Cash Flow Operating Activities | (470,251) | 189,133 |
| 6.01.01 | Cash Provided by the Operations | 848,847 | 917,436 |
| 6.01.01.01 | Net Income for the Period | 508,256 | 278,665 |
| 6.01.01.02 | Deferred Income and Social Contribution Taxes | (11,464) | (13,860) |
| 6.01.01.03 | Results from Disposal of Fixed Assets | 9,859 | 4,226 |
| 6.01.01.04 | Depreciation/Amortization | 231,588 | 217,837 |
| 6.01.01.05 | Net Finance Results | 330,252 | 269,795 |
| 6.01.01.06 | Adjustment to Present Value | - | 126 |
| 6.01.01.07 | Equity Pickup | (266,557) | (131,800) |
| 6.01.01.08 | Provision for Contingencies | 24,923 | 185,060 |
| 6.01.01.09 | Provision for Disposals and Impairment of Property and Equipment | (390) | 2,705 |
| 6.01.01.10 | Share-based Payment | 24,128 | 23,653 |
| 6.01.01.11 | Allowance for doubtful accounts | (2,195) | 2,853 |
| 6.01.01.13 | Provision for Obsolescence/breakage | 6,782 | (3,824) |
| 6.01.01.14 | Other Operating Expenses | - | 82,000 |
| 6.01.01.15 | Deferred Revenue | (6,335) | - |
| 6.01.02 | Changes in Assets and Liabilities | (1,319,098) | (728,303) |
| 6.01.02.01 | Accounts Receivable | 137,336 | 186,136 |
| 6.01.02.02 | Inventories | (60,659) | 114,444 |
| 6.01.02.03 | Recoverable Taxes | 33,111 | (79,205) |
| 6.01.02.04 | Other Assets | (62,020) | (43,092) |
| 6.01.02.05 | Related Parties | (293,572) | (179,412) |
| 6.01.02.06 | Restricted Deposits for Legal Proceeding | 4,180 | (66,650) |
| 6.01.02.07 | Trade Accounts Payable | (714,682) | (492,956) |
| 6.01.02.08 | Payroll Charges | (62,923) | (19,734) |
| 6.01.02.09 | Taxes and Social Contributions Payable | (208,306) | (122,599) |
| 6.01.02.10 | Other Accounts Payable | (108,284) | (13,874) |
| 6.01.02.11 | Contingencies | (13,279) | (11,361) |
| 6.01.02.12 | Deferred Revenue | 30,000 | - |
| 6.02 | Net Cash Flow Investment Activities | (202,865) | (392,753) |
| 6.02.01 | Capital Increase/Decrease on Subsidiaries | (241) | (58,750) |
| 6.02.02 | Acquisition of Property and Equipment | (176,974) | (319,686) |
| 6.02.03 | Increase Intangible Assets | (31,548) | (29,232) |

| | | | |
|---------|--|-------------|-------------|
| 6.02.04 | Sales of Property and Equipment | 5,898 | 14,915 |
| 6.03 | Net Cash Flow Financing Activities | (1,310,343) | (1,393,624) |
| 6.03.01 | Capital Increase/Decrease | 21,871 | 10,871 |
| 6.03.02 | Loans Obtained | 330,052 | - |
| 6.03.03 | Payments | (994,683) | (1,048,119) |
| 6.03.04 | Interest Paid | (474,043) | (157,438) |
| 6.03.05 | Payment of Dividends | (186,356) | (198,938) |
| 6.03.06 | Acquisition of Subsidiary | (7,184) | - |
| 6.05 | Net Increase (Decrease) in Cash and Cash Equivalents | (1,983,459) | (1,597,244) |
| 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 | 867,761 | 1,293,087 |

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

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

Version: 1**Individual Quarterly Financial Information / Statement of Changes in Shareholders' Equity 01/01/2014 to 06/30/2014****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 | 21,871 | 24,128 | - | (35,792) |
| 5.04.01 | Capital Increases | 21,871 | - | - | - |
| 5.04.03 | Granted Options | - | 24,128 | - | - |
| 5.04.06 | Dividends | - | - | - | (35,792) |
| 5.05 | Total Comprehensive Income | - | - | - | 508,256 |
| 5.05.01 | Net Income for the Period | - | - | - | 508,256 |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (6,278) | - |
| 5.06.04 | Gain (Loss) in Equity Interest | - | - | 262 | - |
| 5.06.05 | Transactions With Non-controlling Interest | - | - | (6,540) | - |
| 5.07 | Closing Balance | 6,786,171 | 257,277 | 2,479,463 | 472,464 |

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

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

Version: 1**Individual Quarterly Financial Information / Statement of Changes in Shareholders' Equity 01/01/2013 to 06/30/2014**

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 | 6,710,035 | 228,459 | 1,556,231 | - | |
| 5.03 | Restated Opening Balance | 6,710,035 | 228,459 | 1,556,231 | - | |
| 5.04 | Capital Transactions with Shareholders | 48,896 | (14,372) | - | (33,111) | |
| 5.04.01 | Capital Increases | 10,871 | - | - | - | |
| 5.04.03 | Granted Options | - | 23,653 | - | - | |
| 5.04.06 | Dividends | - | - | - | (33,111) | |
| 5.04.08 | Capitalization of reserve | 38,025 | (38,025) | - | - | |
| 5.05 | Total Comprehensive Income | - | - | - | 278,665 | |
| 5.05.01 | Net Income for the Period | - | - | - | 278,665 | |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (873) | - | |
| 5.06.04 | Gain (Loss) in Equity Interest | - | - | (873) | - | |
| 5.07 | Closing Balance | 6,758,931 | 214,087 | 1,555,358 | 245,554 | |

11

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

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

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

| Code | Description | YTD Current | YTD Current |
|------------|--|---------------------------------------|---------------------------------------|
| | | Period 01/01/2014 to 06/30/2014 | Period 01/01/2013 to 06/30/2013 |
| 7.01 | Revenues | 11,804,852 | 11,191,154 |
| 7.01.01 | Sales of Goods, Products and Services | 11,778,062 | 11,138,238 |
| 7.01.02 | Other Revenues | 24,595 | 55,769 |
| 7.01.04 | Allowance for/Reversal of Doubtful Accounts | 2,195 | (2,853) |
| 7.02 | Raw Materials Acquired from Third Parties | (9,184,980) | (8,859,906) |
| 7.02.01 | Costs of Products, Goods and Services Sold | (8,191,732) | (7,804,514) |
| 7.02.02 | Materials, Energy, Outsourced Services and Other | (993,248) | (1,055,392) |
| 7.03 | Gross Added Value | 2,619,872 | 2,331,248 |
| 7.04 | Retention | (231,588) | (217,837) |
| 7.04.01 | Depreciation and Amortization | (231,588) | (217,837) |
| 7.05 | Net Added Value Produced | 2,388,284 | 2,113,411 |
| 7.06 | Added Value Received in Transfer | 370,469 | 242,279 |
| 7.06.01 | Equity Pickup | 266,557 | 131,800 |
| 7.06.02 | Financial Revenue | 103,912 | 110,479 |
| 7.07 | Total Added Value to Distribute | 2,758,753 | 2,355,690 |
| 7.08 | Distribution of Added Value | 2,758,753 | 2,355,690 |
| 7.08.01 | Personnel | 1,141,213 | 1,047,913 |
| 7.08.01.01 | Direct Compensation | 774,262 | 715,626 |
| 7.08.01.02 | Benefits | 240,577 | 245,793 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 71,706 | 62,300 |
| 7.08.01.04 | Other | 54,668 | 24,194 |
| 7.08.02 | Taxes, Fees and Contributions | 493,471 | 457,143 |
| 7.08.02.01 | Federal | 379,704 | 290,431 |
| 7.08.02.02 | State | 85,750 | 116,329 |
| 7.08.02.03 | Municipal | 28,017 | 50,383 |
| 7.08.03 | Value Distributed to Providers of Capital | 615,813 | 571,969 |
| 7.08.03.01 | Interest | 382,348 | 353,019 |
| 7.08.03.02 | Rentals | 233,465 | 218,950 |
| 7.08.04 | Value Distributed to Shareholders | 508,256 | 278,665 |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | 508,256 | 278,665 |

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

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

Version: 1**Consolidated Quarterly Financial Information /Balance Sheet - Assets**

R\$ (in thousands)

| Code | Description | Current Quarter 06.30.2014 | Previous Year 12.31.2013 |
|---------------|---|-------------------------------|-----------------------------|
| 1 | Total Assets | 35,462,142 | 38,008,352 |
| 1.01 | Current Assets | 15,669,379 | 18,609,735 |
| 1.01.01 | Cash and Cash Equivalents | 5,355,930 | 8,367,176 |
| 1.01.02 | Financial Investments | 22,990 | 24,453 |
| 1.01.02.01 | Financial Investments Measured Fair Value | 22,990 | 24,453 |
| 1.01.02.01.02 | Marketable Securities | 22,990 | 24,453 |
| 1.01.03 | Accounts Receivable | 2,696,403 | 2,743,033 |
| 1.01.03.01 | Trade Accounts Receivable | 2,496,850 | 2,515,666 |
| 1.01.03.02 | Other Accounts Receivable | 199,553 | 227,367 |
| 1.01.04 | Inventories | 6,463,993 | 6,381,544 |
| 1.01.06 | Recoverable Taxes | 759,836 | 907,983 |
| 1.01.06.01 | Current Recoverable Taxes | 759,836 | 907,983 |
| 1.01.07 | Prepaid Expenses | 226,412 | 92,279 |
| 1.01.08 | Other Current Assets | 143,815 | 93,267 |
| 1.01.08.01 | Noncurrent Assets Held for Sales | 25,780 | 39,133 |
| 1.01.08.03 | Other | 118,035 | 54,134 |
| 1.02 | Noncurrent Assets | 19,792,763 | 19,398,617 |
| 1.02.01 | Long-term Assets | 4,548,575 | 4,334,832 |
| 1.02.01.03 | Accounts Receivable | 789,116 | 744,834 |
| 1.02.01.03.01 | Trade Accounts Receivable | 97,275 | 114,899 |
| 1.02.01.03.02 | Other Accounts Receivable | 691,841 | 629,935 |
| 1.02.01.04 | Inventories | 172,280 | 172,280 |
| 1.02.01.06 | Deferred Taxes | 870,413 | 950,757 |
| 1.02.01.06.01 | Deferred Income and Social Contribution Taxes | 870,413 | 950,757 |
| 1.02.01.07 | Prepaid Expenses | 46,575 | 49,914 |
| 1.02.01.08 | Receivables from Related Parties | 203,876 | 172,836 |
| 1.02.01.08.01 | Receivables from Associated Parties | 12,913 | 683 |
| 1.02.01.08.03 | Receivables from Controlling Shareholders | 641 | 3,404 |
| 1.02.01.08.04 | Receivables from Other Related Parties | 190,322 | 168,749 |
| 1.02.01.09 | Other Noncurrent Assets | 2,466,315 | 2,244,211 |
| 1.02.01.09.04 | Recoverable Taxes | 1,583,081 | 1,429,021 |
| 1.02.01.09.05 | Restricted Deposits for Legal Proceeding | 883,234 | 815,190 |
| 1.02.02 | Investments | 358,576 | 309,528 |
| 1.02.02.01 | Investments in Associates | 358,576 | 309,528 |

| | | | |
|---------------|-------------------------------|-----------|-----------|
| 1.02.02.01.01 | Investments in Associates | 358,576 | 309,528 |
| 1.02.03 | Property and Equipment, net | 9,187,073 | 9,053,600 |
| 1.02.03.01 | Property and Equipment in Use | 8,945,763 | 8,747,479 |
| 1.02.03.02 | Leased properties | 85,334 | 97,161 |
| 1.02.03.03 | In Progress | 155,976 | 208,960 |
| 1.02.04 | Intangible Assets | 5,698,539 | 5,700,657 |
| 1.02.04.01 | Intangible Assets | 5,698,539 | 5,700,657 |
| 1.02.04.01.02 | Intangible Assets | 5,698,539 | 5,700,657 |

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

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

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

| Code | Description | Current Quarter 06.30.2014 | Previous Year 12.31.2013 |
|---------------|--|---|-------------------------------------|
| 2 | Total Liabilities | 35,462,142 | 38,008,352 |
| 2.01 | Current Liabilities | 14,596,779 | 17,012,754 |
| 2.01.01 | Payroll and Related Charges | 850,138 | 796,188 |
| 2.01.01.01 | Payroll Liabilities | 138,331 | 166,087 |
| 2.01.01.02 | Social Security Liabilities | 711,807 | 630,101 |
| 2.01.02 | Trade Accounts Payable | 6,753,298 | 8,547,544 |
| 2.01.02.01 | Local Trade Accounts Payable | 6,695,822 | 8,406,225 |
| 2.01.02.02 | Foreign Trade Accounts Payable | 57,476 | 141,319 |
| 2.01.03 | Taxes and Contributions Payable | 769,163 | 968,462 |
| 2.01.03.01 | Federal Tax Liabilities | 638,736 | 737,422 |
| 2.01.03.01.01 | Income and Social Contribution Tax Payable | 118,437 | 166,535 |
| 2.01.03.01.02 | Other (PIS, COFINS, IOF, INSS, Funrural) | 371,822 | 426,589 |
| 2.01.03.01.03 | Taxes Payable in Installments | 148,477 | 144,298 |
| 2.01.03.02 | State Tax Liabilities | 121,521 | 226,644 |
| 2.01.03.03 | Municipal Tax Liabilities | 8,906 | 4,396 |
| 2.01.04 | Loans and Financing | 5,057,753 | 5,171,418 |
| 2.01.04.01 | Loans and Financing | 3,642,955 | 3,870,195 |
| 2.01.04.01.01 | In Local Currency | 3,642,075 | 3,665,660 |
| 2.01.04.01.02 | In Foreign Currency | 880 | 204,535 |
| 2.01.04.02 | Debentures | 1,380,066 | 1,244,893 |
| 2.01.04.03 | Financing by Leasing | 34,732 | 56,330 |
| 2.01.05 | Other Liabilities | 1,161,999 | 1,507,891 |
| 2.01.05.01 | Related Parties | 23,343 | 32,621 |
| 2.01.05.01.01 | Debts with Associated Companies | 2,261 | 9,012 |
| 2.01.05.01.03 | Debts with Controlling Shareholders | 740 | - |
| 2.01.05.01.04 | Debts with Others Related Parties | 20,342 | 23,609 |
| 2.01.05.02 | Other | 1,138,656 | 1,475,270 |
| 2.01.05.02.01 | Dividends and Interest on Equity Payable | 1,272 | 151,835 |
| 2.01.05.02.04 | Utilities | 17,184 | 22,314 |
| 2.01.05.02.05 | Rent Payable | 65,914 | 112,439 |
| 2.01.05.02.06 | Advertisement Payable | 71,269 | 89,050 |
| 2.01.05.02.07 | Pass-through to Third Parties | 177,042 | 226,008 |
| 2.01.05.02.08 | Financing Related to Acquisition of Real Estate | 46,383 | 36,161 |
| 2.01.05.02.09 | Deferred revenue | 141,321 | 114,749 |
| 2.01.05.02.11 | Accounts Payable Related to Acquisition of Companies | 71,512 | 69,014 |
| 2.01.05.02.12 | Other Accounts Payable | 546,759 | 653,700 |
| 2.01.06 | Provisions | 4,428 | 21,251 |

| | | | |
|---------------|------------------------------|-------|--------|
| 2.01.06.02 | Other Provisions | 4,428 | 21,251 |
| 2.01.06.02.02 | Provisions for Restructuring | 4,428 | 21,251 |

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

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

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

| Code | Description | Current Quarter 06.30.2014 | Previous Year 12.31.2013 |
|---------------|--|---|-------------------------------------|
| 2.02 | Noncurrent Liabilities | 7,451,903 | 8,283,634 |
| 2.02.01 | Loans and Financing | 3,394,729 | 4,321,850 |
| 2.02.01.01 | Loans and Financing | 1,599,470 | 1,524,795 |
| 2.02.01.01.01 | In Local Currency | 1,297,448 | 1,524,795 |
| 2.02.01.01.02 | In Foreign Currency | 302,022 | - |
| 2.02.01.02 | Debentures | 1,599,731 | 2,598,544 |
| 2.02.01.03 | Financing by Leasing | 195,528 | 198,511 |
| 2.02.02 | Other Liabilities | 1,185,810 | 1,297,773 |
| 2.02.02.02 | Other | 1,185,810 | 1,297,773 |
| 2.02.02.02.03 | Taxes Payable by Installments | 974,460 | 1,072,849 |
| 2.02.02.02.04 | Accounts Payable Related to Acquisition of Companies | 118,071 | 107,790 |
| 2.02.02.02.05 | Financing related to acquisition of real estate | 8,000 | 12,000 |
| 2.02.02.02.06 | Other Accounts Payable | 85,279 | 105,134 |
| 2.02.03 | Deferred taxes | 1,041,905 | 1,060,852 |
| 2.02.03.01 | Income and social taxes, deferred | 1,041,905 | 1,060,852 |
| 2.02.04 | Provision for Contingencies | 1,346,384 | 1,147,522 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 1,346,384 | 1,147,522 |
| 2.02.04.01.01 | Tax Provisions | 702,522 | 674,898 |
| 2.02.04.01.02 | Social Security and Labor Provisions | 429,166 | 297,464 |
| 2.02.04.01.04 | Civil Provisions | 214,696 | 175,160 |
| 2.02.06 | Deferred revenue | 483,075 | 455,637 |
| 2.02.06.02 | Deferred revenue | 483,075 | 455,637 |
| 2.03 | Shareholders' Equity | 13,413,460 | 12,711,964 |
| 2.03.01 | Paid-in Capital Stock | 6,786,171 | 6,764,300 |
| 2.03.02 | Capital Reserves | 257,277 | 233,149 |
| 2.03.02.04 | Granted Options | 249,879 | 225,751 |
| 2.03.02.07 | Capital Reserve | 7,398 | 7,398 |
| 2.03.04 | Profit Reserves | 2,479,463 | 2,485,741 |
| 2.03.04.01 | Legal Reserve | 353,433 | 353,433 |
| 2.03.04.05 | Retention of Profits Reserve | 1,035,275 | 1,709,083 |
| 2.03.04.10 | Expansion Reserve | 1,134,627 | 460,557 |
| 2.03.04.12 | Transactions with non-controlling interest | (43,872) | (37,332) |
| 2.03.05 | Retained Earnings/ Accumulated Losses | 472,464 | - |
| 2.03.09 | Non-Controlling Interest | 3,418,085 | 3,228,774 |

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

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

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

| Code | Description | Year To | Year To |
|------------|--|--------------|--------------|
| | | Date | Date |
| | | Current | Current |
| | | Period | Period |
| | | 04/01/2014 | 01/01/2014 |
| | | to | to |
| | | 06/30/2014 | 06/30/2014 |
| 3.01 | Net Sales from Goods and/or Services | 15,202,900 | 30,211,540 |
| 3.02 | Cost of Goods Sold and/or Services Sold | (11,253,868) | (22,503,689) |
| 3.03 | Gross Profit | 3,949,032 | 7,707,851 |
| 3.04 | Operating Income/Expenses | (3,074,972) | (6,001,285) |
| 3.04.01 | Selling Costs | (2,522,496) | (4,906,106) |
| 3.04.02 | General and Administrative | (323,737) | (669,252) |
| 3.04.04 | Other Operating Income | 464 | 627 |
| 3.04.04.02 | Other Operating Income | 464 | 627 |
| 3.04.05 | Other Operating Expenses | (256,673) | (475,706) |
| 3.04.05.01 | Depreciation/Amortization | (191,295) | (382,581) |
| 3.04.05.02 | Income Related to Fixed Assets | (22,754) | (23,661) |
| 3.04.05.03 | Other Operating Expenses | (42,624) | (69,464) |
| 3.04.06 | Equity Pickup | 27,470 | 49,152 |
| 3.05 | Profit before Net Financial Expenses and Social Contribution Taxes | 874,060 | 1,706,566 |
| 3.06 | Net Financial Expenses | (361,139) | (700,159) |
| 3.06.01 | Financial Revenue | 154,066 | 332,951 |
| 3.06.02 | Financial Expenses | (515,205) | (1,033,110) |
| 3.07 | Earnings Before Income and Social Contribution Taxes | 512,921 | 1,006,407 |
| 3.08 | Income and Social Contribution Taxes | (154,486) | (309,535) |
| 3.08.01 | Current | (125,212) | (246,140) |
| 3.08.02 | Deferred | (29,274) | (63,395) |
| 3.09 | Net Income from Continued Operations | 358,435 | 696,872 |
| 3.11 | Net Income for the Period | 358,435 | 696,872 |
| 3.11.01 | Attributed to Partners of Parent Company | 264,298 | 508,256 |
| 3.11.02 | Attributed to Noncontrolling Shareholders | 94,137 | 188,616 |
| 3.99.01.01 | Common | 0.94029 | 1.80821 |
| 3.99.01.02 | Preferred | 1.03432 | 1.98903 |
| 3.99.02.01 | Common | 0.94029 | 1.80821 |
| 3.99.02.02 | Preferred | 1.03233 | 1.98521 |

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

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

Version: 1

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 |
| | | 04/01/2014 | 01/01/2014 | 04/01/2013 | 01/01/2013 |
| | | to | to | to | to |
| | | 06/30/2014 | 06/30/2014 | 06/30/2013 | 06/30/2013 |
| 4.01 | Net Income for the Period | 358,435 | 696,872 | 76,968 | 352,235 |
| 4.03 | Comprehensive Income for the Period | 358,435 | 696,872 | 76,968 | 352,235 |
| 4.03.01 | Attributed to Controlling Shareholders | 264,298 | 508,256 | 42,089 | 278,665 |
| 4.03.02 | Attributed to Non-Controlling Shareholders | 94,137 | 188,616 | 34,879 | 73,570 |

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

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

Version: 1**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 |
| | | 06/30/2014 | 06/30/2013 |
| 6.01 | Net Cash Flow Operating Activities | (721,016) | 602,187 |
| 6.01.01 | Cash Provided by the Operations | 2,163,336 | 1,912,884 |
| 6.01.01.01 | Net Income for the Period | 696,872 | 352,235 |
| 6.01.01.02 | Deferred Income and Social Contribution Taxes | 63,395 | (4,804) |
| 6.01.01.03 | Results from Disposal of Fixed Assets | 23,661 | 13,813 |
| 6.01.01.04 | Depreciation/Amortization | 432,759 | 426,701 |
| 6.01.01.05 | Net Finance Results | 588,318 | 464,450 |
| 6.01.01.06 | Adjustment to Present Value | 35 | 1,724 |
| 6.01.01.07 | Equity Pickup | (49,152) | (12,777) |
| 6.01.01.08 | Provision for Contingencies | 180,963 | 287,614 |
| 6.01.01.09 | Provision for Disposals and Impairment of Property and Equipment | 2 | 2,773 |
| 6.01.01.10 | Share-based Payment | 24,128 | 23,653 |
| 6.01.01.11 | Allowance for doubtful accounts | 215,252 | 216,418 |
| 6.01.01.14 | Provision for Obsolescence/breakage | (2,261) | (15,840) |
| 6.01.01.15 | Deferred revenue | (10,636) | (30,844) |
| 6.01.01.16 | Other operation expenses | - | 187,768 |
| 6.01.02 | Changes in Assets and Liabilities | (2,884,352) | (1,310,697) |
| 6.01.02.01 | Accounts Receivable | (179,816) | (77,194) |
| 6.01.02.02 | Inventories | (80,188) | (136,172) |
| 6.01.02.03 | Recoverable Taxes | (27,146) | (146,375) |
| 6.01.02.05 | Other Assets | (213,154) | (110,627) |
| 6.01.02.06 | Related Parties | (39,182) | (82,938) |
| 6.01.02.07 | Restricted Deposits for Legal Proceeding | (55,308) | (155,693) |
| 6.01.02.08 | Trade Accounts Payable | (1,794,246) | (370,827) |
| 6.01.02.09 | Payroll Charges | 53,950 | 46,795 |
| 6.01.02.10 | Taxes and Social Contributions Payable | (306,556) | (155,452) |
| 6.01.02.11 | Other Accounts Payable | (260,118) | (78,025) |
| 6.01.02.12 | Financial Investments | - | (22,977) |
| 6.01.02.13 | Contingencies | (47,234) | (21,212) |
| 6.01.02.14 | Deferred revenue | 64,646 | - |
| 6.02 | Net Cash Flow Investment Activities | (561,231) | (774,496) |

| | | | |
|---------|--|-------------|-------------|
| 6.02.01 | Acquisition of Subsidiary | - | 8,192 |
| 6.02.02 | Capital Increase/Decrease on Subsidiaries | (152) | - |
| 6.02.03 | Acquisition of Property and Equipment | (503,384) | (768,278) |
| 6.02.04 | Increase Intangible Assets | (84,081) | (58,649) |
| 6.02.05 | Sales of Property and Equipment | 26,386 | 44,239 |
| 6.03 | Net Cash Flow Financing Activities | (1,728,999) | (1,876,691) |
| 6.03.01 | Capital Increase/Decrease | 21,871 | 10,871 |
| 6.03.02 | Loans Obtained | 2,755,775 | 2,408,397 |
| 6.03.03 | Payments | (3,633,441) | (3,782,204) |
| 6.03.04 | Interest Paid | (679,664) | (312,584) |
| 6.03.05 | Payment of Dividends | (186,356) | (201,171) |
| 6.03.06 | Acquisition of Subsidiary | (7,184) | - |
| 6.05 | Net Increase (Decrease) in Cash and Cash Equivalents | (3,011,246) | (2,049,000) |
| 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 | 5,355,930 | 5,037,251 |

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

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

Version: 1**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 | com |
|-------------|--|------------------------|--|--|------------|
| 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 | 21,871 | 24,128 | - | (35,792) |
| 5.04.01 | Capital Increases | 21,871 | - | - | - |
| 5.04.03 | Granted Options | - | 24,128 | - | - |
| 5.04.06 | Dividends | - | - | - | (35,792) |
| 5.05 | Total Comprehensive Income | - | - | - | 508,256 |
| 5.05.01 | Net Income for the Period | - | - | - | 508,256 |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (6,278) | - |
| 5.06.04 | Gain (Loss) in Equity Interest | - | - | 262 | - |
| 5.06.05 | Transactions With Non-controlling | - | - | (6,540) | - |
| 5.07 | Closing Balance | 6,786,171 | 257,277 | 2,479,463 | 472,464 |

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

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

Version: 1**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 | com |
|---------|--|-----------------|---|-----------------------------|---------------|-----|
| 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 | 48,896 | (14,372) | - | (33,111) | |
| 5.04.01 | Capital Increases | 10,871 | - | - | - | |
| 5.04.03 | Granted Options | - | 23,653 | - | - | |
| 5.04.06 | Dividends | - | - | - | (33,111) | |
| 5.04.08 | Capitalization of reserve | 38,025 | (38,025) | - | - | |
| 5.05 | Total Comprehensive Income | - | - | - | 278,665 | |
| 5.05.01 | Net Income for the Period | - | - | - | 278,665 | |
| 5.06 | Internal Changes of Shareholders' Equity | - | - | (873) | - | |
| 5.06.04 | Gain (Loss) in Equity Interest | - | - | (873) | - | |
| 5.07 | Closing Balance | 6,758,931 | 214,087 | 1,555,358 | 245,554 | |

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

ITR – Quarterly Financial Information – June 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 | Date |
| | | Current | Current |
| | | Period | Period |
| | | 01/01/2014 | 01/01/2013 |
| | | to | to |
| | | 06/30/2014 | 06/30/2013 |
| 7.01 | Revenues | 33,304,807 | 29,857,524 |
| 7.01.01 | Sales of Goods, Products and Services | 33,507,321 | 29,964,231 |
| 7.01.02 | Other Revenues | 12,776 | 109,711 |
| 7.01.04 | Allowance for/Reversal of Doubtful Accounts | (215,290) | (216,418) |
| 7.02 | Raw Materials Acquired from Third Parties | (25,800,379) | (23,057,634) |
| 7.02.01 | Costs of Products, Goods and Services Sold | (23,024,904) | (20,190,341) |
| 7.02.02 | Materials, Energy, Outsourced Services and Other | (2,775,475) | (2,867,293) |
| 7.03 | Gross Added Value | 7,504,428 | 6,799,890 |
| 7.04 | Retention | (432,759) | (426,701) |
| 7.04.01 | Depreciation and Amortization | (432,759) | (426,701) |
| 7.05 | Net Added Value Produced | 7,071,669 | 6,373,189 |
| 7.06 | Added Value Received in Transfer | 382,103 | 283,451 |
| 7.06.01 | Equity Pickup | 49,152 | 12,777 |
| 7.06.02 | Financial Revenue | 332,951 | 270,674 |
| 7.07 | Total Added Value to Distribute | 7,453,772 | 6,656,640 |
| 7.08 | Distribution of Added Value | 7,453,772 | 6,656,640 |
| 7.08.01 | Personnel | 3,057,584 | 2,785,890 |
| 7.08.01.01 | Direct Compensation | 2,201,611 | 2,021,319 |
| 7.08.01.02 | Benefits | 525,448 | 496,144 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 217,311 | 179,529 |
| 7.08.01.04 | Other | 113,214 | 88,898 |
| 7.08.01.04.01 | Interest | 113,214 | 88,898 |
| 7.08.02 | Taxes, Fees and Contributions | 1,907,538 | 2,033,429 |
| 7.08.02.01 | Federal | 1,207,872 | 1,225,086 |
| 7.08.02.02 | State | 605,559 | 698,832 |
| 7.08.02.03 | Municipal | 94,107 | 109,511 |
| 7.08.03 | Value Distributed to Providers of Capital | 1,791,778 | 1,485,086 |
| 7.08.03.01 | Interest | 1,033,111 | 824,687 |
| 7.08.03.02 | Rentals | 758,667 | 660,399 |

| | | | |
|------------|--|---------|---------|
| 7.08.04 | Value Distributed to Shareholders | 696,872 | 352,235 |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | 508,256 | 278,665 |
| 7.08.04.04 | Noncontrolling Interest in Retained Earnings | 188,616 | 73,570 |

2Q14 Earnings Release

São Paulo, Brazil, July 23, 2014 – GPA [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] announces its results for the second quarter of 2014. The comments refer to the consolidated results of the Group or of its business units.

Consolidated

Total net sales revenue increases 13.4%, or 9.5% on a same-store basis

Adjusted Net Income advances 26.3%, with net margin improving 30 basis points

- ◆ Revenue growth was driven by the performance of the Food businesses and Nova Pontocom. In the last 12 months, 116 new stores were opened;
- ◆ Adjusted EBITDA grew 21.1% to R\$1.155 billion, with adjusted EBITDA margin of 7.6%, increasing 50 basis points from 2Q13, due to margin gains at Via Varejo as well as Multivarejo.

Food Businesses (Multivarejo + Assaí)

Solid performance of Multivarejo and Assaí with net sales revenue growth of 14.5%, or 8.3% on a same-store basis

Adjusted net income advances 31.0%, with adjusted net margin expanding 40 basis points

- ◆ Gross margin impacted mainly by the higher contribution to sales by Assaí;

- ◆ Total operating expenses as a ratio of net revenue decreased from 21.7% in 2Q13 to 18.2% in 2Q14;
- ◆ Adjusted EBITDA increased 20.1% to R\$615 million, with margin of 7.3%, compared to 7.0% in 2Q13.

Via Varejo and Nova Pontocom

Adjusted EBITDA growth of 22.3% with EBITDA margin expansion of 60 basis points

- ◆ Net sales revenue growth of 12.0% to R\$6.791 billion;
- ◆ The increase in operating expenses lagged sales revenue growth in the period due to continued efficiency gains at Via Varejo;
- ◆ Adjusted net income of R\$183 million, up 20.9% from 2Q13.

| (R\$ million) ⁽¹⁾ | Consolidated | | | | | | Food Businesses | | | Via Varejo + Nova Pontocom | | |
|--|--------------|--------------|-----------------|--------------|--------------|-----------------|-----------------|--------------|-----------------|----------------------------|--------------|-----------------|
| | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ | 2Q14 | 2Q13 | Δ | 2Q14 | 2Q13 | Δ |
| Gross Revenue ⁽²⁾ | 16,869 | 14,950 | 12.8% | 33,506 | 29,964 | 11.8% | 9,133 | 8,014 | 14.0% | 7,736 | 6,936 | 11.5% |
| Net Revenue ⁽²⁾ | 15,203 | 13,411 | 13.4% | 30,212 | 26,821 | 12.6% | 8,412 | 7,349 | 14.5% | 6,791 | 6,062 | 12.0% |
| Gross Profit | 3,949 | 3,532 | 11.8% | 7,708 | 7,041 | 9.5% | 2,073 | 1,840 | 12.7% | 1,876 | 1,692 | 10.8% |
| Gross Margin | 26.0% | 26.3% | -30 bps | 25.5% | 26.3% | -80 bps | 24.6% | 25.0% | -40 bps | 27.6% | 27.9% | -30 bps |
| Total Operating Expenses ⁽²⁾ | (2,884) | (2,941) | -2.0% | (5,619) | (5,607) | 0.2% | (1,528) | (1,598) | -4.4% | (1,356) | (1,344) | 0.9% |
| % of Net Revenue | 19.0% | 21.9% | -290 bps | 18.6% | 20.9% | -230 bps | 18.2% | 21.7% | -350 bps | 20.0% | 22.2% | -220 bps |
| EBITDA ⁽³⁾ | 1,090 | 609 | 79.1% | 2,139 | 1,471 | 45.4% | 558 | 253 | 121.0% | 532 | 356 | 49.3% |
| EBITDA Margin | 7.2% | 4.5% | 270 bps | 7.1% | 5.5% | 160 bps | 6.6% | 3.4% | 320 bps | 7.8% | 5.9% | 190 bps |
| Adjusted EBITDA ⁽⁴⁾ | 1,155 | 953 | 21.1% | 2,232 | 1,829 | 22.0% | 615 | 512 | 20.1% | 540 | 441 | 22.3% |
| Adjusted EBITDA Margin | 7.6% | 7.1% | 50 bps | 7.4% | 6.8% | 60 bps | 7.3% | 7.0% | 30 bps | 7.9% | 7.3% | 60 bps |

| | | | | | | | | | | | | |
|------------------------------------|-------------|-------------|----------------|-------------|-------------|------------|-------------|--------------|----------------|-------------|-------------|------------|
| Net Financial Revenue (Expenses) | (361) | (300) | 20.5% | (700) | (554) | 26.4% | (143) | (129) | 10.3% | (219) | (170) | 28.3% |
| % of Net Revenue | 2.4% | 2.2% | 20 bps | 2.3% | 2.1% | bps | 1.7% | 1.8% | -10 bps | 3.2% | 2.8% | bps |
| Company's Net Profit | 358 | 77 | 365.7% | 697 | 352 | 97.8% | 182 | (18) | - | 176 | 95 | 84.7% |
| Net Margin | 2.4% | 0.6% | 180 bps | 2.3% | 1.3% | bps | 2.2% | -0.3% | bps | 2.6% | 1.6% | bps |
| Adjusted Net Income ⁽⁵⁾ | 407 | 323 | 26.3% | 770 | 610 | 26.1% | 224 | 171 | 31.0% | 183 | 152 | 20.9% |
| Adjusted Net Margin | 2.7% | 2.4% | 30 bps | 2.5% | 2.3% | bps | 2.7% | 2.3% | 40 bps | 2.7% | 2.5% | bps |

(1) Totals and percentage changes are rounded off and all margins were calculated as percentage of net revenue.

(2) In 2Q14 revenues from the leasing of commercial galleries, which were previously recorded in selling expenses, started to be recognized as revenues. Revenues from previous periods have been adjusted for comparability purpose.

(3) Earnings before interest, taxes, depreciation and amortization.

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

(5) Adjusted Net Income by excluding the Other Operating Revenue (Expenses), so it eliminates nonrecurring expenses, revenues and other nonrecurring items.

Sales Performance

| (R\$ million) | Gross Sales | | | | | | Net Sales | | | | | |
|--|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ |
| Consolidated ⁽¹⁾ | 16,869 | 14,950 | 12.8% | 33,506 | 29,964 | 11.8% | 15,203 | 13,411 | 13.4% | 30,212 | 26,821 | 12.6% |
| Food Businesses ⁽²⁾ | 9,133 | 8,014 | 14.0% | 18,066 | 16,193 | 11.6% | 8,412 | 7,349 | 14.5% | 16,670 | 14,759 | 13.0% |
| Multivarejo ⁽³⁾ | 7,034 | 6,456 | 9.0% | 13,996 | 13,208 | 6.0% | 6,465 | 5,915 | 9.3% | 12,893 | 12,020 | 7.3% |
| Assaí | 2,099 | 1,558 | 34.7% | 4,070 | 2,985 | 36.4% | 1,947 | 1,434 | 35.8% | 3,778 | 2,738 | 38.0% |
| Nova Pontocom ⁽⁴⁾ | 1,464 | 1,062 | 37.8% | 2,930 | 2,014 | 45.5% | 1,283 | 949 | 35.1% | 2,591 | 1,806 | 43.4% |
| Via Varejo ⁽⁵⁾ | 6,290 | 5,877 | 7.0% | 12,534 | 11,765 | 6.5% | 5,525 | 5,116 | 8.0% | 10,974 | 10,263 | 6.9% |

| | Gross 'Same-Store' Sales | | Net 'Same-Store' Sales | |
|-------------------------------------|--------------------------|-------|------------------------|-------|
| | 2Q14 | 1H14 | 2Q14 | 1H14 |
| Consolidated ⁽¹⁾ | 9.0% | 7.7% | 9.5% | 8.5% |
| By category | | | | |
| Food ⁽⁶⁾ | 9.1% | 5.5% | 9.7% | 6.9% |
| Non-Food ⁽⁷⁾ | 9.0% | 9.4% | 9.3% | 9.7% |
| By business | | | | |
| Multivarejo + Assaí | 7.8% | 5.2% | 8.3% | 6.5% |
| Nova Pontocom ⁽⁴⁾ | 37.8% | 45.5% | 35.1% | 43.4% |
| Via Varejo ⁽⁵⁾ | 5.7% | 4.7% | 6.8% | 5.3% |

(1) Excludes revenue from intercompany transactions; (2) Multivarejo + Assaí, including revenue from the leasing of commercial centers as from 2Q14. Prior periods were reclassified for comparison purposes; (3) Extra and Pão de Açúcar banners, includes revenue from the leasing of commercial centers as from 2Q14. Prior periods were reclassified for comparison purposes; (4) Includes revenue from the commissions of marketplace, not considering the volume of goods; (5) Includes revenue from intercompany transactions; (6) Includes the food categories of Multivarejo and Assaí and excludes the non-food categories of Multivarejo; (7) Includes the non-food categories of Multivarejo, Nova Pontocom and Via Varejo.

Sales Performance - Consolidated

Net sales revenue amounted to R\$15.2 billion, increasing 13.4% on the prior-year period, driven by the opening of 116 new stores in the last 12 months and by the 9.5% growth in same-store sales. The quarter's results also benefited from a positive calendar impact of 110 basis points.

A total of 25 stores were opened in the quarter, bringing the total number of new store openings in the first six months of the year to 46.

Performance by category:

ü **Food:** strong same-store sales growth of 9.7%; adjusted for the calendar effect, growth was still strong, at 7.8%. The best performing categories were grocery, beverages and seafood, all of which benefitted from the Easter holiday falling in the period this year.

ü **Non-food:** growth of 9.3%, led by technology products, especially TVs and smartphones.

Food Businesses (Multivarejo + Assaí)

ü Net sales revenue grew 14.5%, with 19 new stores opened in the period, of which 16 were neighborhood stores (including 15 Minimercados Extra and 1 Minuto Pão de Açúcar), 1 Pão de Açúcar, 1 Assaí and 1 drugstore. On a same-store basis, net sales revenue grew 8.3% and benefitted from the calendar effect. Adjusted for this effect, same-store sales grew 6.3% in the quarter.

ü At **Multivarejo**, the best-performing banners in the quarter were Pão de Açúcar and Minimercado Extra, which maintained the positive trend of prior periods. Private-label brands continued to register robust growth to account already for over 10% of the business unit's sales.

ü June marked the opening of the first Minuto Pão de Açúcar, a neighborhood store with approximately 300 m² and a unique assortment and services to meet the needs of higher income customers.

ü **Assaí** posted yet another quarter of strong net sales growth (35.8%), driven by solid same-store growth and the significant contribution from new store openings. The format's strategy continues to focus on expanding into strategic regions, such as Brazil's Northeast, which already has 12 stores (over 15% of total stores). In the last 12 months, 11 new stores were added, three of which were opened in the first six months of 2014. In the last six months of this year, Assaí plans to accelerate the number of store openings.

Nova Pontocom

ü Business volume at Nova Pontocom, which includes direct sales and the volume of marketplace goods, grew approximately 41% in 2Q14 compared to 2Q13, driven by strong growth in site traffic, better conversion rates and the higher contribution to sales by the marketplace business, which in this quarter alone registered sales volume one and a half times higher than in the whole of last year.

Via Varejo

ü Net sales revenue amounted to R\$5.5 billion, with total-store sales growing 8.0% and same-store sales growing 6.8%.

ü In line with the trend observed in recent quarters, the top performing categories were smartphones and TVs. Six new stores were opened in the quarter, all under the Casas Bahia banner, bringing the total number of stores opened in the last 12 months to 45.

Operating Performance

Consolidated

| (R\$ million) | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ |
|---------------------------------------|---------|---------|----------|---------|---------|----------|
| Gross Revenue ⁽¹⁾ | 16,869 | 14,950 | 12.8% | 33,506 | 29,964 | 11.8% |
| Net Revenue ⁽¹⁾ | 15,203 | 13,411 | 13.4% | 30,212 | 26,821 | 12.6% |
| Gross Profit | 3,949 | 3,532 | 11.8% | 7,708 | 7,041 | 9.5% |
| Gross Margin | 26.0% | 26.3% | -30 bps | 25.5% | 26.3% | -80 bps |
| Selling Expenses ⁽¹⁾ | (2,522) | (2,235) | 12.8% | (4,906) | (4,494) | 9.2% |
| General and Administrative Expenses | (324) | (365) | -11.3% | (669) | (768) | -12.8% |
| Equity Income | 27 | 4 | 600.4% | 49 | 13 | 284.7% |
| Other Operating Revenue (Expenses) | (65) | (345) | -81.2% | (92) | (358) | -74.2% |
| Total Operating Expenses | (2,884) | (2,941) | -2.0% | (5,619) | (5,607) | 0.2% |
| % of Net Revenue | 19.0% | 21.9% | -290 bps | 18.6% | 20.9% | -230 bps |
| Depreciation (Logistic) | 24 | 18 | -34.5% | 50 | 37 | -36.9% |
| EBITDA | 1,090 | 609 | 79.1% | 2,139 | 1,471 | 45.4% |
| EBITDA Margin | 7.2% | 4.5% | 270 bps | 7.1% | 5.5% | 160 bps |
| Adjusted EBITDA ⁽²⁾ | 1,155 | 953 | 21.1% | 2,232 | 1,829 | 22.0% |
| Adjusted EBITDA Margin | 7.6% | 7.1% | 50 bps | 7.4% | 6.8% | 60 bps |

(1) In 2Q14 revenues from the leasing of commercial galleries, which were previously recorded in selling expenses, started to be recognized as revenues. Revenues from previous periods have been adjusted for comparability purpose.

(2) Adjusted EBITDA by total "Other Operating Revenue (Expenses)", eliminating extraordinary Revenues and Expenses.

The higher share of Nova Pontocom and Assaí in the Company's sales mix contributed to the 30 basis point contraction in consolidated gross margin.

Selling, general and administrative expenses as a ratio of net sales revenue continued the downward trend of recent quarters, decreasing from 19.4% in 2Q13 to 18.7% in 2Q14, which is explained by efficiency gains at Via Varejo, the continuation of the plan to adopt greater discipline in spending and the streamlining of processes at Multivarejo.

EBITDA amounted to R\$1.090 billion, increasing 79.1% from 2Q13. Adjusted for the line Other Operating Income (Expenses), EBITDA amounted to R\$1.155 billion, increasing 21.1% on the prior-year period to outpace revenue growth. Adjusted EBITDA margin was 7.6%, which is explained by the margin gains at Via Varejo and Multivarejo.

In the first six months of the year, which neutralizes the calendar effect, adjusted EBITDA grew by 22.0% to R\$2.232 billion, with margin expanding from 6.8% in 1H13 to 7.4% in 1H14.

Multivarejo

| (R\$ million) | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ |
|---------------------------------------|---------|---------|----------|---------|---------|----------|
| Gross Revenue ⁽¹⁾ | 7,034 | 6,456 | 9.0% | 13,996 | 13,208 | 6.0% |
| Net Revenue ⁽¹⁾ | 6,465 | 5,915 | 9.3% | 12,893 | 12,020 | 7.3% |
| Gross Profit | 1,803 | 1,639 | 10.0% | 3,539 | 3,360 | 5.3% |
| Gross Margin | 27.9% | 27.7% | 20 bps | 27.5% | 28.0% | -50 bps |
| Selling Expenses ⁽¹⁾ | (1,142) | (1,002) | 14.0% | (2,229) | (2,042) | 9.1% |
| General and Administrative Expenses | (144) | (186) | -22.7% | (303) | (379) | -20.1% |
| Equity Income | 19 | 3 | 622.4% | 35 | 10 | 252.9% |
| Other Operating Revenue (Expenses) | (57) | (261) | -78.2% | (92) | (284) | -67.7% |
| Total Operating Expenses | (1,323) | (1,446) | -8.5% | (2,589) | (2,696) | -3.9% |
| % of Net Revenue | 20.5% | 24.4% | -390 bps | 20.1% | 22.4% | -230 bps |
| Depreciation (Logistic) | 12 | 11 | -9.7% | 23 | 21 | -10.2% |
| EBITDA | 492 | 204 | 141.5% | 973 | 685 | 42.0% |
| EBITDA Margin | 7.6% | 3.4% | 420 bps | 7.5% | 5.7% | 180 bps |
| Adjusted EBITDA ⁽²⁾ | 549 | 465 | 18.2% | 1,065 | 969 | 9.9% |
| Adjusted EBITDA Margin | 8.5% | 7.9% | 60 bps | 8.3% | 8.1% | 20 bps |

(1) In 2Q14 revenues from the leasing of commercial galleries, which were previously recorded in selling expenses, started to be recognized as revenues. Revenues from previous periods have been adjusted for comparability purpose.

(2) Adjusted EBITDA by total "Other Operating Revenue (Expenses)", eliminating extraordinary Revenues and Expenses.

In 2Q14, Multivarejo maintained its efforts to increase price competitiveness with the aim of capturing market share. The gross margin expansion of 20 basis points mainly reflects the higher share of revenue from commercial centers, which were previously classified as selling expenses and, as of this quarter, are now classified as revenue. Moreover, note that since the strategy to increase sales competitiveness was begun in 2Q13, gross margin is now comparable between the periods.

Selling, general and administrative expenses amounted to R\$1.286 billion, increasing 8.2% from 2Q13 and lagging sales revenue growth in the period, due to the continued adoption of greater discipline in corporate expenses and the efficiency gains captured at stores.

EBITDA amounted to R\$492 million, with EBITDA margin of 7.6%. EBITDA adjusted by Other Operating Income (Expenses) amounted to R\$549 billion, increasing 18.2% on the prior-year period to outpace sales revenue growth in the period. Adjusted EBITDA margin was 8.5%, expanding by 60 basis points from 2Q13. In the first six months of the year, which neutralizes the calendar effect, adjusted EBITDA amounted to R\$1.065 billion, growing by 9.9% to outpace sales revenue growth in the period.

| (R\$ million) | Assaí | | | | | |
|-------------------------------------|-------|-------|---------|-------|-------|---------|
| | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ |
| Gross Revenue | 2,099 | 1,558 | 34.7% | 4,070 | 2,985 | 36.4% |
| Net Revenue | 1,947 | 1,434 | 35.8% | 3,778 | 2,738 | 38.0% |
| Gross Profit | 270 | 200 | 34.6% | 513 | 375 | 36.6% |
| Gross Margin | 13.9% | 14.0% | -10 bps | 13.6% | 13.7% | -10 bps |
| Selling Expenses | (184) | (136) | 35.9% | (354) | (259) | 36.8% |
| General and Administrative Expenses | (20) | (17) | 17.5% | (40) | (33) | 21.9% |
| Other Operating Revenue (Expenses) | 0 | 1 | -93.4% | (0) | 1 | - |
| Total Operating Expenses | (204) | (152) | 34.8% | (395) | (291) | 35.8% |
| % of Net Revenue | 10.5% | 10.6% | -10 bps | 10.4% | 10.6% | -20 bps |
| Depreciation (Logistic) | 1 | 0 | N/A | 1 | 0 | N/A |
| EBITDA | 66 | 49 | 35.4% | 119 | 85 | 40.4% |
| EBITDA Margin | 3.4% | 3.4% | 0 bps | 3.2% | 3.1% | 10 bps |
| Adjusted EBITDA (1) | 66 | 48 | 38.6% | 119 | 84 | 42.7% |
| Adjusted EBITDA Margin | 3.4% | 3.3% | 10 bps | 3.2% | 3.1% | 10 bps |

(1) Adjusted EBITDA by total "Other Operating Revenue (Expenses)", eliminating extraordinary Revenues and Expenseses.

In line with recent quarters, Assaí posted net sales revenue growth of 35.8% to R\$1.947 billion, driven by **solid same-store sales growth and the significant contribution from the expansion in the store network**. In the last 12 months, 11 new stores were added, three of which were opened in the first six months of 2014. In the last six months of this year, Assaí plans to accelerate the number of store openings.

EBITDA amounted to R\$66 million in the quarter, advancing 35.4% from 2Q13, which is in line with sales revenue growth in the period. Despite the investments in price competitiveness, the higher expenses to support the strong expansion plan and the stores still in the maturation phase, EBITDA margin was 3.4%, unchanged from the level in 2Q13.

In the first six months of 2014, EBITDA amounted to R\$119 million, increasing 40.4% on the prior-year period to outpace gross sales revenue growth in the period. EBITDA margin expanded by 10 basis points to 3.2% due to operational efficiency gains. The decrease in operating expenses as a ratio of net sales revenue surpassed by 10 basis points the contraction in gross margin in the six-month period.

| (R\$ million) | Via Varejo + Nova Pontocom | | | | | |
|---------------------------------------|----------------------------|---------|----------|---------|---------|----------|
| | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ |
| Gross Revenue | 7,736 | 6,936 | 11.5% | 15,440 | 13,771 | 12.1% |
| Net Revenue | 6,791 | 6,062 | 12.0% | 13,541 | 12,062 | 12.3% |
| Gross Profit | 1,876 | 1,692 | 10.8% | 3,656 | 3,306 | 10.6% |
| Gross Margin | 27.6% | 27.9% | -30 bps | 27.0% | 27.4% | -40 bps |
| Selling Expenses | (1,196) | (1,098) | 9.0% | (2,323) | (2,192) | 5.9% |
| General and Administrative Expenses | (160) | (162) | -1.4% | (326) | (355) | -8.4% |
| Equity Income | 8 | 1 | 552.3% | 14 | 3 | 392.9% |
| Other Operating Revenue (Expenses) | (8) | (85) | -90.6% | (1) | (76) | -99.3% |
| Total Operating Expenses | (1,356) | (1,344) | 0.9% | (2,635) | (2,621) | 0.5% |
| % of Net Revenue | 20.0% | 22.2% | -220 bps | 19.5% | 21.7% | -220 bps |
| Depreciation (Logistic) | 12 | 8 | -60.7% | 26 | 16 | 66.3% |
| EBITDA | 532 | 356 | 49.3% | 1,047 | 701 | 49.4% |
| EBITDA Margin | 7.8% | 5.9% | 190 bps | 7.7% | 5.8% | 190 bps |
| Adjusted EBITDA ⁽¹⁾ | 540 | 441 | 22.3% | 1,048 | 776 | 34.9% |
| Adjusted EBITDA Margin | 7.9% | 7.3% | 60 bps | 7.7% | 6.4% | 130 bps |

(1) Adjusted EBITDA by total "Other Operating Revenue (Expenses)", eliminating extraordinary Revenues and Expenses.

Net sales revenue in 2Q14 grew by 12.0% to R\$6.8 billion. The strong growth in the quarter enabled Nova Pontocom to increase its share in the sales mix.

EBITDA amounted to R\$532 million, increasing 49.3% from 2Q13. **Adjusted EBITDA excluding other operating income and expenses amounted to R\$540 million, increasing 22.3% from 2Q13, with EBITDA margin expanding from 7.3% to 7.9%.** This result was achieved despite the lower gross margin in the period and was driven by the change in the sales mix and particularly by the continued efficiency gains, such as in logistics and processes at stores, and the streamlining of corporate, telephony and IT expenses. Selling, general and administrative expenses as a ratio of net revenue decreased by 80 basis points in 2Q14 (20.0%) compared to 2Q13 (20.8%).

In the first six months of the year, adjusted EBITDA amounted R\$1.048 million, increasing 34.9% from the prior-year period. Adjusted EBITDA margin increased to 7.7%, an improvement of 130 basis points.

Indebtedness

| (R\$ million) | Consolidated | |
|---|----------------|----------------|
| | 06.30.2014 | 06.30.2013 |
| Short Term Debt | (2,434) | (2,112) |
| Loans and Financing | (1,054) | (1,083) |
| Debentures | (1,380) | (1,029) |
| Long Term Debt | (3,273) | (4,545) |
| Loans and Financing | (1,673) | (1,649) |
| Debentures | (1,600) | (2,896) |
| Total Gross Debt | (5,706) | (6,657) |
| Cash | 5,379 | 5,060 |
| Net Cash (Debt) | (327) | (1,597) |
| EBITDA (1) | 4,482 | 3,598 |
| Net Debt / EBITDA(1) | 0.07x | 0.44x |
| Payment Book - Short Term | (2,624) | (2,463) |
| Payment Book - Long Term | (122) | (108) |
| Net Debt with payment book | (3,074) | (4,168) |
| Net Debt with Payment Book / EBITDA(1) | 0.69x | 1.16x |

(1) EBITDA for the last 12 months.

Net debt declined by R\$1.270 billion from the balance at the end of June 2013, mainly due to the following factors:

- Higher cash flow from operating activities;
- Improvement in working capital needs;
- Inflow of the net proceeds from Via Varejo's public share offering.

As a result, the Net Debt/EBITDA ratio decreased from 0.44x to 0.07x.

Net debt including the payment book operation amounted to R\$3.074 billion, a reduction of R\$1.094 million from the balance at the end of June 2013. The Net Debt/EBITDA ratio including the payment book operation ended the quarter at 0.69x, down significantly from the ratio at the end of 2Q13.

Financial Result

| (R\$ million) | Consolidated | | | | | |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
| | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ |
| Financial Revenue | 154 | 128 | 20.3% | 333 | 271 | 23.0% |
| Financial Expenses | (515) | (428) | 20.5% | (1,033) | (825) | 25.3% |
| Net Financial Revenue (Expenses) | (361) | (300) | 20.5% | (700) | (554) | 26.4% |
| % of Net Revenue | 2.4% | 2.2% | 20 bps | 2.3% | 2.1% | 20 bps |
| Charges on Net Bank Debt | (62) | (57) | 8.1% | (107) | (109) | -1.9% |
| Cost of Discount of Receivables of Payment Book | (84) | (62) | 34.2% | (164) | (123) | 33.4% |
| Cost of Discount of Receivables of Credit Card | (182) | (140) | 29.9% | (364) | (260) | 40.4% |
| Restatement of Other Assets and Liabilities | (34) | (40) | -15.7% | (64) | (62) | 3.7% |
| Net Financial Revenue (Expenses) | (361) | (300) | 20.5% | (700) | (554) | 26.4% |

The increase of 20.5% in the net financial expense of R\$361 million in the quarter lagged the cumulative increase of 40.2% in interest rates (CDI) in the period. **As a ratio of net revenue, the net financial expense increased from 2.2% in 2Q13 to 2.4% in 2Q14.**

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

- **R\$5 million in net debt charges**, which increased 8.1% driven by the higher interest rates (CDI) in the quarter, which was offset by the reduction in net debt from a year earlier.
- **Increase of R\$22 million or 34.2% in the cost of sales of payment book receivables**, which corresponded to 0.6% of net sales in 2Q14, compared to 0.5% in 2Q13, due to higher interest rates.
- **Increase of R\$42 million or 29.9% in cost of sales of credit card receivables**, mainly due to higher interest rates.

Note that all the following variations lagged the increase in the CDI rate in the period.

Total sales of receivables (cards and payment books) in 2Q14 increased by approximately 2.7% to R\$8.7 billion.

Net Income

Consolidated

| (R\$ million) | 2Q14 | 2Q13 | Δ% | 1H14 | 1H13 | Δ% |
|---|--------------|--------------|----------------|--------------|--------------|----------------|
| EBITDA | 1,090 | 609 | 79.1% | 2,139 | 1,471 | 45.4% |
| Depreciation (Logistic) | (24) | (18) | 34.5% | (50) | (37) | 36.9% |
| Depreciation and Amortization | (191) | (195) | -2.0% | (383) | (390) | -1.9% |
| Net Financial Revenue (Expenses) | (361) | (300) | 20.5% | (700) | (554) | 26.4% |
| Income Before Income Tax | 513 | 96 | 435.9% | 1,006 | 490 | 105.3% |
| Income Tax | (154) | (19) | 723.9% | (310) | (138) | 124.5% |
| Company's net income | 358 | 77 | 365.7% | 697 | 352 | 97.8% |
| Net Margin | 2.4% | 0.6% | 180 bps | 2.3% | 1.3% | 100 bps |
| Net Income - Controlling Shareholders | 264 | 42 | 527.9% | 508 | 279 | 82.4% |
| Net Margin - Controllings Shareholders | 1.7% | 0.3% | 140 bps | 1.7% | 1.0% | 70 bps |
| Total Nonrecurring | (65) | (345) | -81.2% | (92) | (358) | -74.2% |
| Income Tax from Nonrecurring | 16 | 99 | -83.9% | 20 | 100 | -80.4% |
| Adjusted Net Income ⁽¹⁾ | 407 | 323 | 26.3% | 770 | 610 | 26.1% |
| Adjusted Net Margin | 2.7% | 2.4% | 30 bps | 2.5% | 2.3% | 20 bps |

(1) Adjusted Net Income by total "Other Operating Revenue (Expenses)", eliminating extraordinary Revenues and Expenses.

Net income amounted to R\$358 million in 2Q14, with net margin of 2.4%. Net Income adjusted by Other Operating Income and Expenses amounted to R\$407 million, an increase of 26.3% from the prior-year period, which reflects the operational improvements captured in the Company's business units.

Simplified Cash Flow Statement

| | Consolidated | | | |
|---|--------------|----------------|----------------|----------------|
| (R\$ million) | 2Q14 | 2Q13 | 1H14 | 1H13 |
| Cash Balance at beginning of period | 5,350 | 6,002 | 8,367 | 7,086 |
| Cash Flow from operating activities | 1,091 | 887 | (721) | 602 |
| EBITDA | 1,090 | 609 | 2,139 | 1,471 |
| Cost of Sale of Receivables | (265) | (202) | (529) | (383) |
| Working Capital | 233 | 165 | (2,054) | (584) |
| Assets and Liabilities Variation | 34 | 315 | (277) | 98 |
| Cash flow from investment activities | (296) | (483) | (561) | (774) |
| Net Investment | (296) | (491) | (561) | (783) |
| Aquisition and Others | (0) | 8 | (0) | 8 |
| Change on net cash after investments | 795 | 404 | (1,282) | (172) |
| Cash Flow from financing activities | (789) | (1,369) | (1,729) | (1,877) |
| Dividends payments and others | (186) | (201) | (186) | (201) |
| Net Proceeds | (603) | (1,168) | (1,543) | (1,676) |
| Change on net cash | 5 | (965) | (3,011) | (2,049) |
| Cash Balance at end of period | 5,356 | 5,037 | 5,356 | 5,037 |
| Net debt | (327) | (1,597) | (327) | (1,597) |

On June 30, 2014, the cash position stood at R\$5.356 billion, or virtually stable in comparison with the start of the quarter.

The main variations are explained by the operational improvements at business units, the greater discipline adopted in investment activities and the lower level of borrowing in the period.

Another highlight was the improvement in the Company's working capital needs, especially in the account inventories, which decreased from 54 days to 51 days ⁽¹⁾.

(1) In days of COGS.

Capital Expenditure

| (R\$ million) | Consolidated | | | | | | Food Businesses | | | Via Varejo + Nova Pontocom | | |
|-----------------------------------|--------------|------------|---------------|------------|------------|---------------|-----------------|------------|---------------|----------------------------|-----------|--------------|
| | 2Q14 | 2Q13 | Δ | 1H14 | 1H13 | Δ | 2Q14 | 2Q13 | Δ | 2Q14 | 2Q13 | Δ |
| New stores and land acquisition | 114 | 201 | -43.2% | 222 | 401 | -44.7% | 87 | 184 | -53.0% | 27 | 17 | 62.5% |
| Store renovations and conversions | 60 | 118 | -48.9% | 130 | 239 | -45.4% | 46 | 80 | -42.8% | 14 | 37 | -62.0% |
| Infrastructure and Others | 143 | 132 | 8.4% | 242 | 202 | 19.6% | 78 | 104 | -25.6% | 66 | 28 | 136.0% |
| Non-cash Effect | | | | | | | | | | | | |
| Financing and Leasing Assets | (6) | 68 | - | (6) | (15) | -58.2% | (6) | 68 | - | - | - | - |
| Total | 311 | 519 | -40.0% | 587 | 827 | -29.0% | 204 | 437 | -53.3% | 107 | 82 | 30.8% |

Consolidated capital expenditure amounted to R\$311 million in 2Q14, of which 66% was invested in Food Businesses (Multivarejo + Assaí) and 34% was invested in Via Varejo and Nova Pontocom.

In 2Q14, a total of 19 new stores were delivered (15 Minimercado Extra, 1 Minuto Pão de Açúcar, 1 Pão de Açúcar, 1 Assaí and 1 drugstore). In addition to the stores at Food Businesses (Multivarejo + Assaí), another 6 new stores were opened at Via Varejo in the period, all of which under the Casas Bahia banner.

The reduction in capital expenditure in 2014 compared to 2013 is in line with the strategy to optimize investments, which has resulted in a reduction in capital expenditure per square meter, among other initiatives. The Company expects to invest R\$1.9 billion in line with the previous year, however with a larger number of stores opening due to these optimizations.

Dividends

The meeting of the Board of Directors held on July 22, 2014 approved the distribution of interim dividends based on the net income recorded on the balance sheet of July 31, 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 August 1, 2014 will be entitled to the payment. As of August 4, 2014, the shares will trade

Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K
ex-dividends. The dividends will be paid on August 13, 2014.

CADE

In compliance with the Settlement (*Termo de Compromisso de Desempenho - TCD*) entered into with Brazil's antitrust agency CADE (*Conselho Administrativo de Defesa Econômica*) after the merger of Ponto Frio and Casas Bahia, Via Varejo closed 32 stores in 2Q14.

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 are not included in the same-store calculation base in their first 12 months of operation.

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 | | | | | | |
| (R\$ million) | Consolidated | | | Food Businesses | | |
| | 06.30.2014 | 03.31.2014 | 06.30.2013 | 06.30.2014 | 03.31.2014 | 06.30.2013 |
| Current Assets | 15,669 | 16,382 | 14,910 | 6,407 | 6,930 | 6,566 |
| Cash and Marketable Securities | 5,379 | 5,374 | 5,060 | 2,307 | 2,431 | 2,707 |
| Accounts Receivable | 2,497 | 2,410 | 2,501 | 158 | 222 | 326 |
| Credit Cards | 273 | 189 | 343 | 58 | 76 | 191 |
| Payment book | 2,259 | 2,245 | 2,127 | - | - | - |
| Sales Vouchers and Others | 174 | 167 | 230 | 79 | 111 | 119 |
| Allowance for Doubtful Accounts | (231) | (227) | (214) | (1) | (1) | (0) |
| Resulting from Commercial Agreements | 22 | 36 | 15 | 22 | 36 | 15 |
| Inventories | 6,464 | 7,166 | 5,896 | 3,468 | 3,785 | 2,992 |
| Recoverable Taxes | 760 | 760 | 958 | 174 | 149 | 317 |
| Noncurrent Assets for Sale | 26 | 41 | 51 | 8 | 24 | 25 |
| Expenses in Advance and Other Accounts Receivables | 544 | 630 | 443 | 292 | 320 | 199 |
| Noncurrent Assets | 19,793 | 19,576 | 18,492 | 15,373 | 15,266 | 15,333 |
| Long-Term Assets | 4,549 | 4,440 | 4,716 | 2,483 | 2,425 | 2,806 |
| Accounts Receivables | 97 | 103 | 99 | - | - | - |
| Payment Book | 106 | 112 | 99 | - | - | - |
| Others | - | - | 8 | - | - | - |
| Allowance for Doubtful Accounts | (9) | (9) | (8) | - | - | - |
| Inventories | 172 | 172 | 172 | 172 | 172 | 172 |
| Recoverable Taxes | 1,583 | 1,532 | 1,258 | 371 | 382 | 261 |
| Financial Instruments | - | - | 361 | - | - | 361 |
| Deferred Income Tax and Social Contribution | 870 | 918 | 1,057 | 351 | 358 | 387 |
| Amounts Receivable from Related Parties | 204 | 167 | 199 | 395 | 306 | 314 |
| Judicial Deposits | 883 | 844 | 950 | 528 | 530 | 714 |
| Expenses in Advance and Others | 738 | 704 | 619 | 666 | 676 | 596 |
| Investments | 359 | 331 | 374 | 243 | 223 | 280 |
| Property and Equipment | 9,187 | 9,107 | 8,506 | 7,913 | 7,866 | 7,485 |
| Intangible Assets | 5,699 | 5,698 | 4,897 | 4,735 | 4,752 | 4,761 |
| TOTAL ASSETS | 35,462 | 35,958 | 33,402 | 21,780 | 22,196 | 21,899 |

| LIABILITIES | | | | | | |
|----------------------------|---------------|---------------|---------------|-----------------|--------------|--------------|
| | Consolidated | | | Food Businesses | | |
| | 06.30.2014 | 03.31.2014 | 06.30.2013 | 06.30.2014 | 03.31.2014 | 06.30.2013 |
| Current Liabilities | 14,597 | 14,295 | 13,310 | 6,499 | 5,856 | 6,573 |
| Suppliers | 6,753 | 7,005 | 5,857 | 2,936 | 3,019 | 2,716 |
| Loans and Financing | 1,054 | 901 | 1,083 | 997 | 838 | 1,005 |
| Payment Book (CDCI) | 2,624 | 2,667 | 2,463 | - | - | - |
| Debentures | 1,380 | 691 | 1,029 | 962 | 275 | 1,016 |

Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K

| | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Payroll and Related Charges | 850 | 781 | 776 | 412 | 388 | 397 |
| Taxes and Social Contribution Payable | 769 | 720 | 728 | 326 | 293 | 282 |
| Dividends Proposed | 1 | 152 | 1 | 1 | 151 | 1 |
| Financing for Purchase of Fixed Assets | 46 | 35 | 102 | 46 | 35 | 102 |
| Rents | 66 | 70 | 48 | 66 | 70 | 48 |
| Acquisition of Companies | 72 | 70 | 68 | 72 | 70 | 68 |
| Debt with Related Parties | 23 | 25 | 49 | 395 | 361 | 426 |
| Advertisement | 71 | 71 | 82 | 32 | 35 | 47 |
| Provision for Restructuring | 4 | 23 | 3 | 4 | 23 | 3 |
| Advanced Revenue | 141 | 131 | 85 | 35 | 35 | 9 |
| Others | 741 | 953 | 935 | 215 | 261 | 451 |
| Long-Term Liabilities | 7,452 | 8,584 | 8,672 | 5,842 | 7,058 | 7,096 |
| Loans and Financing | 1,673 | 2,000 | 1,649 | 1,517 | 1,840 | 1,637 |
| Payment Book (CDCI) | 122 | 126 | 108 | - | - | - |
| Debentures | 1,600 | 2,399 | 2,896 | 1,200 | 1,999 | 2,096 |
| Financing for Purchase of Assets | 8 | 8 | - | 8 | 8 | - |
| Acquisition of Companies | 118 | 113 | 163 | 118 | 113 | 163 |
| Deferred Income Tax and Social Contribution | 1,042 | 1,061 | 1,111 | 1,039 | 1,058 | 1,108 |
| Tax Installments | 974 | 1,054 | 1,109 | 936 | 1,015 | 1,068 |
| Provision for Contingencies | 1,346 | 1,201 | 1,078 | 831 | 798 | 869 |
| Advanced Revenue | 483 | 514 | 441 | 108 | 120 | 40 |
| Others | 85 | 107 | 116 | 85 | 107 | 115 |
| Shareholders' Equity | 13,413 | 13,079 | 11,421 | 9,439 | 9,283 | 8,230 |
| Capital | 6,786 | 6,780 | 6,759 | 5,059 | 5,125 | 5,077 |
| Capital Reserves | 257 | 251 | 214 | 257 | 251 | 214 |
| Profit Reserves | 2,952 | 2,725 | 1,801 | 2,952 | 2,725 | 1,801 |
| Minority Interest | 3,418 | 3,323 | 2,647 | 1,171 | 1,182 | 1,138 |
| TOTAL LIABILITIES | 35,462 | 35,958 | 33,402 | 21,780 | 22,196 | 21,899 |

INCOME STATEMENT

| R\$ - Million | Consolidated | | | Food Businesses | | | Multivarejo | | | Assaí | | | Via Varejo + Nova Pontocom | | |
|---|--------------|---------|--------|-----------------|---------|--------|-------------|---------|--------|---------|---------|--------|----------------------------|---------|--------|
| | 2Q14 | 2Q13 | Δ | 2Q14 | 2Q13 | Δ | 2Q14 | 2Q13 | Δ | 2Q14 | 2Q13 | Δ | 2Q14 | 2Q13 | Δ |
| Gross Revenue (1) | 16,869 | 14,950 | 12.8% | 9,133 | 8,014 | 14.0% | 7,034 | 6,456 | 9.0% | 2,099 | 1,558 | 34.7% | 7,736 | 6,936 | 11.5% |
| Net Revenue (1) | 15,203 | 13,411 | 13.4% | 8,412 | 7,349 | 14.5% | 6,465 | 5,915 | 9.3% | 1,947 | 1,434 | 35.8% | 6,791 | 6,062 | 12.0% |
| Cost of Goods Sold | (11,230) | (9,861) | 13.9% | (6,326) | (5,499) | 15.0% | (4,650) | (4,265) | 9.0% | (1,676) | (1,233) | 35.9% | (4,903) | (4,362) | 12.4% |
| Depreciation (Logistic) | (24) | (18) | 34.5% | (12) | (11) | 15.8% | (12) | (11) | 9.7% | (1) | (0) | N/A | (12) | (8) | 60.7% |
| Gross Profit | 3,949 | 3,532 | 11.8% | 2,073 | 1,840 | 12.7% | 1,803 | 1,639 | 10.0% | 270 | 200 | 34.6% | 1,876 | 1,692 | 10.8% |
| Selling Expenses (1) | (2,522) | (2,235) | 12.8% | (1,326) | (1,138) | 16.6% | (1,142) | (1,002) | 14.0% | (184) | (136) | 35.9% | (1,196) | (1,098) | 9.0% |
| General and Administrative Expenses | (324) | (365) | -11.3% | (164) | (203) | -19.3% | (144) | (186) | -22.7% | (20) | (17) | 17.5% | (160) | (162) | -1.4% |
| Equity Income | 27 | 4 | 600.4% | 19 | 3 | 622.4% | 19 | 3 | 622.4% | - | - | - | 8 | 1 | 552.3% |
| Other Operating Revenue (Expenses) | (65) | (345) | -81.2% | (57) | (260) | -78.1% | (57) | (261) | -78.2% | 0 | 1 | -93.4% | (8) | (85) | -90.6% |
| Total Operating Expenses | (2,884) | (2,941) | -2.0% | (1,528) | (1,598) | -4.4% | (1,323) | (1,446) | -8.5% | (204) | (152) | 34.8% | (1,356) | (1,344) | 0.9% |
| Depreciation and Amortization | (191) | (195) | -2.0% | (154) | (161) | -4.3% | (135) | (148) | -8.6% | (19) | (13) | 43.4% | (37) | (34) | 9.3% |
| Earnings before interest and Taxes - EBIT | 874 | 395 | 121.1% | 392 | 81 | 385.2% | 345 | 45 | 664.8% | 46 | 36 | 30.6% | 483 | 315 | 53.3% |
| Financial Revenue | 154 | 128 | 20.3% | 80 | 83 | -3.0% | 76 | 77 | -1.0% | 4 | 6 | -29.8% | 92 | 53 | 71.4% |
| Financial Expenses | (515) | (428) | 20.5% | (223) | (212) | 5.1% | (206) | (202) | 1.7% | (17) | (10) | 74.6% | (310) | (224) | 38.6% |
| Net Financial Revenue (Expenses) | (361) | (300) | 20.5% | (143) | (129) | 10.3% | (130) | (125) | 3.4% | (13) | (4) | 223.6% | (219) | (170) | 28.3% |
| Income Before Income Tax | 513 | 96 | 435.9% | 249 | (49) | - | 216 | (80) | - | 33 | 32 | 6.0% | 264 | 144 | 83.0% |
| Income Tax | (154) | (19) | 723.9% | (67) | 30 | - | (56) | 41 | - | (11) | (11) | 3.8% | (88) | (49) | 79.5% |
| Net Income - Company | 358 | 77 | 365.7% | 182 | (18) | - | 160 | (39) | - | 22 | 21 | 7.1% | 176 | 95 | 84.7% |
| Minority Interest - Noncontrolling | 94 | 35 | 169.9% | (11) | (13) | -14.1% | (11) | (13) | -14.1% | - | - | - | 105 | 48 | 120.8% |
| Net Income - Controlling | | | | | | | | | | | | | | | |
| Shareholders (2) | 264 | 42 | 527.9% | 193 | (6) | - | 171 | (26) | - | 22 | 21 | 7.1% | 71 | 48 | 48.8% |
| Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA | 1,090 | 609 | 79.1% | 558 | 253 | 121.0% | 492 | 204 | 141.5% | 66 | 49 | 35.4% | 532 | 356 | 49.3% |
| | 1,155 | 953 | 21.1% | 615 | 512 | 20.1% | 549 | 465 | 18.2% | 66 | 48 | 38.6% | 540 | 441 | 22.3% |

Adjusted
EBITDA ⁽³⁾

| % of Net Revenue | Consolidated | | Food Businesses | | Multivarejo | | Assai | | Via Varejo + Nova Pontocom | |
|---|--------------|-------|-----------------|-------|-------------|-------|-------|-------|----------------------------|-------|
| | 2Q14 | 2Q13 | 2Q14 | 2Q13 | 2Q14 | 2Q13 | 2Q14 | 2Q13 | 2Q14 | 2Q13 |
| Gross Profit | 26.0% | 26.3% | 24.6% | 25.0% | 27.9% | 27.7% | 13.9% | 14.0% | 27.6% | 27.9% |
| Selling Expenses (1) | 16.6% | 16.7% | 15.8% | 15.5% | 17.7% | 16.9% | 9.5% | 9.5% | 17.6% | 18.1% |
| General and Administrative Expenses | 2.1% | 2.7% | 1.9% | 2.8% | 2.2% | 3.1% | 1.0% | 1.2% | 2.4% | 2.7% |
| Equity Income | 0.2% | 0.0% | 0.2% | 0.0% | 0.3% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% |
| Other Operating Revenue (Expenses) | 0.4% | 2.6% | 0.7% | 3.5% | 0.9% | 4.4% | 0.0% | 0.1% | 0.1% | 1.4% |
| Total Operating Expenses | 19.0% | 21.9% | 18.2% | 21.7% | 20.5% | 24.4% | 10.5% | 10.6% | 20.0% | 22.2% |
| Depreciation and Amortization | 1.3% | 1.5% | 1.8% | 2.2% | 2.1% | 2.5% | 1.0% | 0.9% | 0.5% | 0.6% |
| EBIT | 5.7% | 2.9% | 4.7% | 1.1% | 5.3% | 0.8% | 2.4% | 2.5% | 7.1% | 5.2% |
| Net Financial Revenue (Expenses) | 2.4% | 2.2% | 1.7% | 1.8% | 2.0% | 2.1% | 0.7% | 0.3% | 3.2% | 2.8% |
| Income Before Income Tax | 3.4% | 0.7% | 3.0% | 0.7% | 3.3% | 1.4% | 1.7% | 2.2% | 3.9% | 2.4% |
| Income Tax | 1.0% | 0.1% | 0.8% | 0.4% | 0.9% | 0.7% | 0.6% | 0.8% | 1.3% | 0.8% |
| Net Income - Company | 2.4% | 0.6% | 2.2% | -0.3% | 2.5% | -0.7% | 1.1% | 1.4% | 2.6% | 1.6% |
| Minority Interest - noncontrolling | 0.6% | 0.3% | 0.1% | 0.2% | 0.2% | 0.2% | 0.0% | 0.0% | 1.5% | 0.8% |
| Net Income - Controlling Shareholders(2) | 1.7% | 0.3% | 2.3% | 0.1% | 2.6% | 0.4% | 1.1% | 1.4% | 1.0% | 0.8% |
| EBITDA | 7.2% | 4.5% | 6.6% | 3.4% | 7.6% | 3.4% | 3.4% | 3.4% | 7.8% | 5.9% |
| Adjusted EBITDA ⁽³⁾ | 7.6% | 7.1% | 7.3% | 7.0% | 8.5% | 7.9% | 3.4% | 3.3% | 7.9% | 7.3% |

(1) In 2Q14 revenues from the leasing of commercial galleries, which were previously recorded in selling expenses, started to be recognized as revenues. Revenues from previous periods have been adjusted for comparability purpose.

(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 | | | Assai | | | Via Varejo + Nova Pontocom | | |
|---|-----------------|-----------------|---------------|-----------------|-----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------------------|----------------|---------------|
| | 1H14 | 1H13 | ? | 1H14 | 1H13 | ? | 1H14 | 1H13 | ? | 1H14 | 1H13 | ? | 1H14 | 1H13 | ? |
| Gross Revenue (1) | 33,506 | 29,964 | 11.8% | 18,066 | 16,193 | 11.6% | 13,996 | 13,208 | 6.0% | 4,070 | 2,985 | 36.4% | 15,440 | 13,771 | 12.1% |
| Net Revenue (1) | 30,212 | 26,821 | 12.6% | 16,670 | 14,759 | 13.0% | 12,893 | 12,020 | 7.3% | 3,778 | 2,738 | 38.0% | 13,541 | 12,062 | 12.3% |
| Cost of Goods Sold | (22,454) | (19,743) | 13.7% | (12,594) | (11,002) | 14.5% | (9,330) | (8,639) | 8.0% | (3,264) | (2,363) | 38.1% | (9,859) | (8,741) | 12.8% |
| Depreciation (Logistic) | (50) | (37) | 36.9% | (24) | (21) | 14.7% | (23) | (21) | 10.2% | (1) | (0) | N/A | (26) | (16) | 66.3% |
| Gross Profit | 7,708 | 7,041 | 9.5% | 4,052 | 3,736 | 8.5% | 3,539 | 3,360 | 5.3% | 513 | 375 | 36.6% | 3,656 | 3,306 | 10.6% |
| Selling Expenses (1) | (4,906) | (4,494) | 9.2% | (2,583) | (2,301) | 12.3% | (2,229) | (2,042) | 9.1% | (354) | (259) | 36.8% | (2,323) | (2,192) | 5.9% |
| General and Administrative Expenses | (669) | (768) | -12.8% | (344) | (412) | -16.7% | (303) | (379) | -20.1% | (40) | (33) | 21.9% | (326) | (355) | -8.4% |
| Equity Income | 49 | 13 | 284.7% | 35 | 10 | 252.9% | 35 | 10 | 252.9% | - | - | - | 14 | 3 | 392.9% |
| Other Operating Revenue (Expenses) | (92) | (358) | -74.2% | (92) | (283) | -67.5% | (92) | (284) | -67.7% | (0) | 1 | - | (1) | (76) | -99.3% |
| Total Operating Expenses | (5,619) | (5,607) | 0.2% | (2,984) | (2,986) | -0.1% | (2,589) | (2,696) | -3.9% | (395) | (291) | 35.8% | (2,635) | (2,621) | 0.5% |
| Depreciation and Amortization | (383) | (390) | -1.9% | (308) | (321) | -4.1% | (271) | (296) | -8.4% | (37) | (25) | 45.7% | (74) | (69) | 8.3% |
| Earnings before interest and Taxes - EBIT | 1,707 | 1,044 | 63.4% | 760 | 428 | 77.6% | 679 | 368 | 84.3% | 81 | 59 | 36.5% | 947 | 616 | 53.6% |
| Financial Revenue | 333 | 271 | 23.0% | 182 | 177 | 2.8% | 173 | 166 | 4.7% | 9 | 11 | -24.3% | 178 | 107 | 67.1% |
| Financial Expenses | (1,033) | (825) | 25.3% | (456) | (415) | 10.1% | (422) | (395) | 7.0% | (34) | (20) | 72.4% | (604) | (423) | 42.7% |
| Net Financial Revenue (Expenses) | (700) | (554) | 26.4% | (274) | (237) | 15.6% | (249) | (229) | 8.7% | (25) | (8) | 203.9% | (426) | (317) | 34.5% |
| Income Before Income Tax | 1,006 | 490 | 105.3% | 486 | 190 | 155.1% | 430 | 139 | 208.5% | 56 | 51 | 9.1% | 521 | 300 | 73.7% |
| Income Tax | (310) | (138) | 124.5% | (131) | (33) | 300.8% | (112) | (15) | 663.0% | (19) | (18) | 5.6% | (178) | (105) | 69.4% |
| Net Income - Company | 697 | 352 | 97.8% | 354 | 158 | 124.8% | 317 | 125 | 154.8% | 37 | 33 | 11.0% | 343 | 195 | 76.1% |
| Minority Interest - Noncontrolling | 189 | 74 | 156.4% | (17) | (24) | -28.8% | (17) | (24) | -28.8% | - | - | - | 206 | 97 | 111.1% |
| Net Income - Controlling Shareholders(2) | 508 | 279 | 82.4% | 371 | 181 | 104.6% | 334 | 148 | 125.4% | 37 | 33 | 11.0% | 137 | 97 | 41.0% |
| Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA | 2,139 | 1,471 | 45.4% | 1,092 | 770 | 41.8% | 973 | 685 | 42.0% | 119 | 85 | 40.4% | 1,047 | 701 | 49.4% |
| | 2,232 | 1,829 | 22.0% | 1,184 | 1,053 | 12.5% | 1,065 | 969 | 9.9% | 119 | 84 | 42.7% | 1,048 | 776 | 34.9% |

Adjusted
EBITDA (3)

| % Net Sales Revenue | Consolidated | | Food Businesses | | Multivarejo | | Assaí | | Via Varejo + Nova Pontocom | |
|---|--------------|-------|-----------------|-------|-------------|-------|-------|-------|----------------------------|-------|
| | 1H14 | 1H13 | 1H14 | 1H13 | 1H14 | 1H13 | 1H14 | 1H13 | 1H14 | 1H13 |
| Gross Profit | 25.5% | 26.3% | 24.3% | 25.3% | 27.5% | 28.0% | 13.6% | 13.7% | 27.0% | 27.4% |
| Selling Expenses (1) | 16.2% | 16.8% | 15.5% | 15.6% | 17.3% | 17.0% | 9.4% | 9.5% | 17.2% | 18.2% |
| General and Administrative Expenses | 2.2% | 2.9% | 2.1% | 2.8% | 2.4% | 3.2% | 1.1% | 1.2% | 2.4% | 2.9% |
| Equity Income | 0.2% | 0.0% | 0.2% | 0.1% | 0.3% | 0.1% | 0.0% | 0.0% | 0.1% | 0.0% |
| Other Operating Revenue (Expenses) | 0.3% | 1.3% | 0.6% | 1.9% | 0.7% | 2.4% | 0.0% | 0.0% | 0.0% | 0.6% |
| Total Operating Expenses | 18.6% | 20.9% | 17.9% | 20.2% | 20.1% | 22.4% | 10.4% | 10.6% | 19.5% | 21.7% |
| Depreciation and Amortization | 1.3% | 1.5% | 1.8% | 2.2% | 2.1% | 2.5% | 1.0% | 0.9% | 0.5% | 0.6% |
| EBIT | 5.6% | 3.9% | 4.6% | 2.9% | 5.3% | 3.1% | 2.1% | 2.2% | 7.0% | 5.1% |
| Net Financial Revenue (Expenses) | 2.3% | 2.1% | 1.6% | 1.6% | 1.9% | 1.9% | 0.7% | 0.3% | 3.1% | 2.6% |
| Income Before Income Tax | 3.3% | 1.8% | 2.9% | 1.3% | 3.3% | 1.2% | 1.5% | 1.9% | 3.8% | 2.5% |
| Income Tax | 1.0% | 0.5% | 0.8% | 0.2% | 0.9% | 0.1% | 0.5% | 0.7% | 1.3% | 0.9% |
| Net Income - Company | 2.3% | 1.3% | 2.1% | 1.1% | 2.5% | 1.0% | 1.0% | 1.2% | 2.5% | 1.6% |
| Minority Interest - noncontrolling | 0.6% | 0.3% | 0.1% | 0.2% | 0.1% | 0.2% | 0.0% | 0.0% | 1.5% | 0.8% |
| Net Income - Controlling Shareholders(2) | 1.7% | 1.0% | 2.2% | 1.2% | 2.6% | 1.2% | 1.0% | 1.2% | 1.0% | 0.8% |
| EBITDA | 7.1% | 5.5% | 6.6% | 5.2% | 7.5% | 5.7% | 3.2% | 3.1% | 7.7% | 5.8% |
| Adjusted EBITDA (3) | 7.4% | 6.8% | 7.1% | 7.1% | 8.3% | 8.1% | 3.2% | 3.1% | 7.7% | 6.4% |

(1) In 2Q14 revenues from the leasing of commercial galleries, which were previously recorded in selling expenses, started to be recognized as revenues. Revenues from previous periods have been adjusted for comparability purpose.

(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 | |
| | 06.30.2014 | 06.30.2013 |
| Net Income for the period | 697 | 352 |
| Adjustment for Reconciliation of Net Income | | |
| Deferred Income Tax | 63 | (5) |
| Gain on disposal of fixed assets | 24 | 14 |
| Depreciation and Amortization | 433 | 427 |
| Interests and Exchange Variation | 588 | 464 |
| Adjustment to Present Value | 0 | 2 |
| Equity Income | (49) | (13) |
| Provision for Contingencies | 181 | 288 |
| Provision for low and losses of fixed assets | 0 | 3 |
| Share-Based Compensation | 24 | 24 |
| Allowance for Doubtful Accounts | 215 | 216 |
| Net profit/loss on shareholder interest | (2) | (16) |
| Net gains (losses) resulting from dilution of equity interest | - | - |
| Swap revenue | 24 | (31) |
| Deferred Revenue | - | 188 |
| | 2,198 | 1,913 |
| Asset (Increase) Decreases | | |
| Accounts Receivable | (180) | (77) |
| Inventories | (80) | (136) |
| Taxes recoverable | (27) | (146) |
| Related Parties | (39) | (83) |
| Other assets | - | (23) |
| Swap revenue | 30 | - |
| Judicial Deposits | (55) | (156) |
| | (352) | (621) |
| Liability (Increase) Decrease | | |
| Suppliers | (1,794) | (371) |
| Payroll and Charges | 54 | 47 |
| Taxes and Social Contributions Payable | (307) | (155) |
| Legal proceedings | (47) | (21) |
| Taxes and Contributions | (473) | (189) |
| | (2,567) | (689) |
| Net cash generated from (used in) operating activities | (721) | 602 |

| CASH FLOW FROM INVESTMENT AND FINANCING ACTIVITIES | | |
|--|--------------|------------|
| (R\$ million) | Consolidated | |
| | 06.30.2014 | 06.30.2013 |
| Increase of Capital in Subsidiaries | (0) | - |
| Net Cash Acquisition | | |

Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K

| | | |
|---|----------------|----------------|
| Acquisition of Property and Equipment | (503) | (768) |
| Increase Intangible Assets | (84) | (59) |
| Sales of Property and Equipment | 26 | 44 |
| Net cash flow investment activities | (561) | (774) |
| Cash flow from financing activities | | |
| Increase (Decrease) of Capital | 22 | 11 |
| Companies Acquisition | (7) | - |
| Funding and Refinancing | 2,756 | 2,408 |
| Payments | (3,633) | (3,782) |
| Interest Paid | (680) | (313) |
| Dividend Payments | (186) | (201) |
| Net Cash Generated from (used in) Financing Activities | (1,729) | (1,877) |
| Cash and cash equivalents at the beginning of the year | 8,367 | 7,086 |
| Cash and cash equivalents at the end of the year | 5,356 | 5,037 |
| Change in cash and cash equivalents | (3,011) | (2,049) |

| (R\$ million) | BREAKDOWN OF GROSS SALES BY BUSINESS | | | | | | | | | |
|-----------------------------------|--------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| | 2Q14 | % | 2Q13 | % | Δ | 1H14 | % | 1H13 | % | Δ |
| Pão de Açúcar ⁽¹⁾ | 1,681 | 10.0% | 1,468 | 9.8% | 14.5% | 3,300 | 9.8% | 2,977 | 9.9% | 10.8% |
| Extra Hiper | 3,515 | 20.8% | 3,292 | 22.0% | 6.8% | 6,996 | 20.9% | 6,803 | 22.7% | 2.8% |
| Minimercado Extra | 157 | 0.9% | 108 | 0.7% | 45.1% | 307 | 0.9% | 201 | 0.7% | 53.2% |
| Minuto Pão de Açúcar | 0 | 0.0% | - | - | - | 0 | 0.0% | - | - | - |
| Extra Supermercado | 1,243 | 7.4% | 1,169 | 7.8% | 6.3% | 2,504 | 7.5% | 2,405 | 8.0% | 4.1% |
| Assaí | 2,099 | 12.4% | 1,558 | 10.4% | 34.7% | 4,070 | 12.1% | 2,985 | 10.0% | 36.4% |
| Other Businesses ⁽²⁾ | 437 | 2.6% | 418 | 2.8% | 4.5% | 888 | 2.7% | 822 | 2.7% | 8.0% |
| Food Businesses | 9,133 | 54.1% | 8,014 | 53.6% | 14.0% | 18,066 | 53.9% | 16,193 | 54.0% | 11.6% |
| Pontofrio | 1,428 | 8.5% | 1,433 | 9.6% | -0.3% | 2,930 | 8.7% | 2,916 | 9.7% | 0.5% |
| Casas Bahia | 4,844 | 28.7% | 4,441 | 29.7% | 9.1% | 9,579 | 28.6% | 8,841 | 29.5% | 8.3% |
| Nova Pontocom | 1,464 | 8.7% | 1,062 | 7.1% | 37.8% | 2,930 | 8.7% | 2,014 | 6.7% | 45.5% |
| Via Varejo + Nova Pontocom | 7,736 | 45.9% | 6,936 | 46.4% | 11.5% | 15,440 | 46.1% | 13,771 | 46.0% | 12.1% |
| Consolidated | 16,869 | 100.0% | 14,950 | 100.0% | 12.8% | 33,506 | 100.0% | 29,964 | 100.0% | 11.8% |

(1) Includes Delivery sales.

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

| (R\$ million) | BREAKDOWN OF NET SALES BY BUSINESS | | | | | | | | | |
|-----------------------------------|------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| | 2Q14 | % | 2Q13 | % | Δ | 1H14 | % | 1H13 | % | Δ |
| Pão de Açúcar ⁽¹⁾ | 1,541 | 10.1% | 1,341 | 10.0% | 14.9% | 3,030 | 10.0% | 2,701 | 10.1% | 12.2% |
| Extra Hiper | 3,179 | 20.9% | 2,973 | 22.2% | 6.9% | 6,344 | 21.0% | 6,100 | 22.7% | 4.0% |
| Minimercado Extra | 148 | 1.0% | 102 | 0.8% | 44.9% | 290 | 1.0% | 188 | 0.7% | 54.0% |
| Minuto Pão de Açúcar | 0 | 0.0% | - | - | - | 0 | 0.0% | - | - | - |
| Extra Supermercado | 1,167 | 7.7% | 1,087 | 8.1% | 7.3% | 2,356 | 7.8% | 2,221 | 8.3% | 6.0% |
| Assaí | 1,947 | 12.8% | 1,434 | 10.7% | 35.8% | 3,778 | 12.5% | 2,738 | 10.2% | 38.0% |
| Other Businesses ⁽²⁾ | 430 | 2.8% | 412 | 3.1% | 4.3% | 874 | 2.9% | 809 | 3.0% | 7.9% |
| Food Businesses | 8,412 | 55.3% | 7,349 | 54.8% | 14.5% | 16,671 | 55.2% | 14,758 | 55.0% | 13.0% |
| Pontofrio | 1,257 | 8.3% | 1,246 | 9.3% | 0.9% | 2,567 | 8.5% | 2,535 | 9.5% | 1.3% |
| Casas Bahia | 4,251 | 28.0% | 3,866 | 28.8% | 10.0% | 8,383 | 27.7% | 7,721 | 28.8% | 8.6% |
| Nova Pontocom | 1,283 | 8.4% | 949 | 7.1% | 35.1% | 2,591 | 8.6% | 1,806 | 6.7% | 43.4% |
| Via Varejo + Nova Pontocom | 6,791 | 44.7% | 6,062 | 45.2% | 12.0% | 13,541 | 44.8% | 12,062 | 45.0% | 12.3% |
| Consolidated | 15,203 | 100.0% | 13,411 | 100.0% | 13.4% | 30,212 | 100.0% | 26,821 | 100.0% | 12.6% |

(1) Includes Delivery sales.

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

SALES BREAKDOWN (% of Net Sales)

| | Consolidated | | | | Food Businesses | | | |
|---------------------|--------------|-------|-------|-------|-----------------|-------|-------|-------|
| | 2Q14 | 2Q13 | 1H14 | 1H13 | 2Q14 | 2Q13 | 1H14 | 1H13 |
| Cash | 40.8% | 41.1% | 41.8% | 41.8% | 52.0% | 52.9% | 52.7% | 53.3% |
| Credit Card | 49.2% | 48.5% | 48.4% | 48.1% | 39.2% | 38.8% | 38.6% | 38.5% |
| Food Voucher | 5.0% | 4.4% | 4.8% | 4.4% | 8.8% | 8.2% | 8.6% | 8.1% |
| Credit | 5.1% | 6.0% | 5.1% | 5.7% | 0.0% | 0.1% | 0.0% | 0.1% |
| Post-Dated Checks | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.1% |
| Payment Book | 5.1% | 5.9% | 5.1% | 5.7% | - | - | - | - |

| | STORE OPENINGS/CLOSINGS BY BANNER | | | | 06/30/2014 |
|--|-----------------------------------|-----------|-------------|-----------|--------------|
| | 03/31/2014 | Opened | Closed | Converted | |
| Pão de Açúcar | 166 | 1 | (1) | - | 166 |
| Extra Hiper | 141 | - | (1) | (3) | 137 |
| Extra Supermercado | 213 | - | (1) | 1 | 213 |
| Minimercado Extra | 168 | 15 | (2) | 2 | 183 |
| Minuto Pão de Açucar | - | 1 | - | - | 1 |
| Assaí | 77 | 1 | - | - | 78 |
| Other Business | 242 | 1 | (1) | - | 242 |
| <i>Gas Station</i> | <i>83</i> | - | - | - | <i>83</i> |
| <i>Drugstores</i> | <i>159</i> | <i>1</i> | <i>(1)</i> | - | <i>159</i> |
| Food Businesses | 1,007 | 19 | (6) | - | 1,020 |
| Pontofrio | 393 | - | (32) | - | 361 |
| Casas Bahia | 608 | 6 | (3) | - | 611 |
| Consolidated | 2,008 | 25 | (41) | - | 1,992 |
| Sales Area ('000 m²) | | | | | |
| Food Businesses | 1,694 | | | | 1,697 |
| Consolidated | 2,781 | | | | 2,765 |
| # of employees ('000) | | | | | |
| | 157 | | | | 154 |

2Q14 Results Conference Call and Webcast

Wednesday, July 24, 2014

11:00 a.m. (Brasília) | 10:00 a.m. (New York) | 3:00 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>

Investor Relations Contacts

GPA

Tel: 55 (11) 3886-0421

Fax: 55 (11) 3884-2677

gpa.ri@gpabr.com

www.gpari.com.br

The individual and parent company financial statements are presented in accordance with IFRS and the accounting practices adopted in Brazil and refer to the second quarter of 2014 (2Q14), except where stated otherwise, with comparisons in relation

Via Varejo

Tel: 55 (11) 4225-8668

Fax: 55 (11) 4225-9596

ri@viavarejo.com.br

www.viavarejo.com.br/ri

About GPA: GPA is Brazil's largest retailer, with a distribution network comprising approximately 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

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 June 2014 was 6.52%.

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; Nova Pontocom, with e-commerce operations through the sites pontofrio.com, casabahia.com.br, extra.com.br, barateiro.com, partiuviagens.com.br and eHub.com.br; and GPA Malls, which is responsible for managing the Group's real estate assets, expansion projects and new store openings.

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.

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

Companhia Brasileira de Distribuição

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

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 to the e-commerce platforms "CasasBahia.com," "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com" and "Conviva" which is the neighborhood's mall brand. Its headquarters are located at São Paulo, SP, Brazil.

Founded in 1948, the Company has 154 thousand employees, 1,992 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 at June 30, 2014. The Company's shares are listed in the Level 1 Corporate Governance trading segment of the São Paulo Stock Exchange ("BM&FBovespa"), code "PCAR4" and its shares are also listed on the New York Stock Exchange (ADR level III), 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 a controlled of Casino Guichard Perrachon ("Casino").

Corporate information about Morzan Empreendimentos e Participações Ltda. ("Morzan") arbitration, appraisal of the net assets of the Association between CBD and Casas Bahia Comercial Ltda. ("CB"), acquisition of interest in Nova Pontocom Comércio Eletrônico S.A ("Nova Pontocom") and acquisition of Indústria de Móveis Bartira Ltda. ("Bartira"), did not have any modification and were 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 compliance with PCS, 42 stores were sold, however the precedent conditions contained in the purchase agreements entered into with the buyers had not been yet complied with, which may have a substantial influence on the final sale price of the 42 stores. Any gain that may arise from this transaction will be recognized when the precedent conditions is fulfilled.

In April 2, 2014, CADE analyzed the fulfillment of one more PCS' step, determining the payment of a fee in amount of R\$11,645 as penalty for the 32 stores that had not been sold, authorizing their closing. During the months of May and June, in compliance with CADE's guidance, the Company closed the remaining 32 stores. The Company recorded all the lingering effects of non-realization of assets related to closed stores (note 29), and does not expect new effects.

The Company understands that had accomplished with the obligations stated in PCS and waits for a formal pronouncement from CADE.

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

Companhia Brasileira de Distribuição

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

1. Corporate information - continued

b) E-commerce business combination.

On June 4, 2014 the Boards of Directors of the Company and Via Varejo approved the project of combination 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 Cdiscount affiliates ("Cdiscount")

Special Committees implemented by the Boards to evaluate the transactions, delivered a favorable recommendation with regards to the implementation of the e-Commerce Business Combination considering the following elements: (a) the commercial interests of the Companies in the eCommerce activities will be preserved; and (b) the potential for generation of value for the Companies and their shareholders through the integration of the e-Commerce activities currently developed by Nova and Cdiscount into one of the largest global e-Commerce companies, organized under the laws of the Netherlands, as Cnova N.V. ("Cnova").

The Special Committees, following their review and analysis of the opinions issued by their respective financial advisors, recommended that the respective weights of Nova and Cdiscount be 53.5% (Company and Via Varejo) and 46.5% (Cdiscount). Thus, upon completion of the corporate reorganization necessary to implement the e-Commerce Business Combination, CBD and Via Varejo will indirectly hold 28.0% and 23.5% of the outstanding and voting capital stock of Cnova, respectively, and Casino (including its Colombian subsidiary Almacenes Exito S.A.) will hold 46.5% of the outstanding and voting capital stock of Cnova. The remainder of the capital of Cnova will be indirectly held by certain non-controlling shareholders of Nova.

Additional information about the transaction conditions, as preservation of the existing rights, additional conditions and management decisions were presented in material fact released to the market.

2. Basis of preparation

The consolidated quarterly financial information ("Interim Financial Information") of the Company were prepared of 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 are 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.

In the individual quarterly financial statements, investments in subsidiaries were evaluated by the equity method, whereas under the International Financial Reporting Standards - IFRS would be by cost or fair value. However there is no difference between equity and consolidated profit or loss attributable to the Company's shareholders' and the Company's equity and profit or loss in the Parent Company financial statement.

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.

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

2. Basis of preparation – Continued

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 six-month period ended June 30, 2014 was approved by the Board of Directors at July 22, 2014.

The Company made certain reclassifications in the statements of income, cash flows and value added for the six-month period ended June 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 galleries |
| and/or Services | 10,154,048 | 40,939 | 10,194,987 | 26,765,785 | | 5 |
| d/or Services Sold | (7,402,606) | | (7,402,606) | (19,681,982) | (97,662) | |
| | 2,751,442 | 40,939 | 2,792,381 | 7,083,803 | (97,662) | 5 |
| | (1,557,782) | (40,939) | (1,598,721) | (4,536,249) | 97,662 | (55 |

a) Reclassification of commercial galleries revenues, mainly related to rental of stores, which was recorded as a reduction of selling expenses, amounting R\$ 55,012, due to increased this activity in the retail segment and considering the release of new ventures "Conviva", this revenue was reclassified to "sales from goods and / or services" to better representation the 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\$97,662(consolidated)

c) Statement of cash flows: reclassification from “trade accounts receivable” in the amount of R\$193,089 (consolidated), to the account “allowance for doubtful accounts”, without effect in cash flow from operating activities;

d) Statement of Value Added: Reclassification related to item (a) above. In addition there was a reclassification of “other revenues(expenses)” to Materials, Energy, Outsourced Services and Other, in the amounting of R\$ 225,090, (Parent Company) and R\$ 298,350 (Consolidated).

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

3. Basis for consolidation

The Information regarding the basis for consolidation 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 - % | | | |
|---|-------------------------|-------------------|------------|-------------------|
| | 06.30.2014 | | 12.31.2013 | |
| | Company | Indirect interest | Company | Indirect interest |
| <u>Subsidiaries</u> | | | | |
| Novasoc Comercial Ltda. ("Novasoc") | 10.00 | - | 10.00 | - |
| Sé Supermercados Ltda. ("Sé") | 100.00 | - | 100.00 | - |
| Sendas Distribuidora S.A. ("Sendas") | 100.00 | - | 100.00 | - |
| PA Publicidade Ltda. ("PA Publicidade") | 100.00 | - | 100.00 | - |
| Barcelona Comércio Varejista e Atacadista S.A. ("Barcelona") | 82.75 | 17.25 | 82.75 | 17.25 |
| CBD Holland B.V. | 100.00 | - | 100.00 | - |
| CBD Panamá Trading Corp. | - | 100.00 | - | 100.00 |
| Xantocarpa Participações Ltda. ("Xantocarpa") | - | 100.00 | - | 100.00 |
| Vedra Empreend. e Participações S.A. | 99.99 | 0.01 | 99.99 | 0.01 |
| Bellamar Empreend. e Participações Ltda. | 100.00 | - | 100.00 | - |
| Vancouver Empreend. e Participações Ltda. | 100.00 | - | 100.00 | - |
| Bruxellas Empreend. e Participações S.A. | - | 71.45 | 99.99 | 0.01 |
| Monte Tardeli Empreendimentos e Participações S.A. | 99.91 | 0.09 | 99.91 | 0.09 |
| GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P") | 100.00 | - | 100.00 | - |
| GPA 2 Empreend. e Participações Ltda. | 99.99 | 0.01 | 99.99 | 0.01 |
| GPA 4 Empreend. e Participações S.A. | 99.91 | 0.09 | 99.91 | 0.09 |
| GPA 5 Empreend. e Participações S.A. | 99.91 | 0.09 | 99.91 | 0.09 |
| GPA 6 Empreend. e Participações Ltda. (GPA Logística e Transporte Ltda) | 100.00 | - | 99.99 | 0.01 |

| | | | | |
|--|---------------|---------------|--------|--------|
| ECQD Participações Ltda. | 100.00 | | 100.00 | - |
| API SPE Planej. e Desenv. de Empreend. Imobiliários Ltda. | 100.00 | - | 100.00 | - |
| Posto Ciara Ltda. | - | 100.00 | - | 100.00 |
| Auto Posto Império Ltda. | - | 100.00 | - | 100.00 |
| Auto Posto Duque Salim Maluf Ltda. | - | 100.00 | - | 100.00 |
| Auto Posto Duque Santo André Ltda. | - | 100.00 | - | 100.00 |
| Auto Posto Duque Lapa Ltda. | - | 100.00 | - | 100.00 |
| Duque Conveniências Ltda. | - | 100.00 | - | 100.00 |
| Lake Niassa Empreend. e Participações Ltda. | - | 43.35 | - | 43.35 |
| Via Varejo S.A. ("Via Varejo") | 43.35 | - | 43.35 | - |
| Indústria de Móveis Bartira Ltda. ("Bartira") | - | 43.35 | - | 43.35 |
| Globex Administração e Serviços Ltda. ("GAS") | - | 43.35 | - | 43.35 |

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

3. Basis for consolidation – Continued

a) Interest in subsidiaries and associated companies– continued

| <u>Companies</u> | 06.30.2014 | | 12.31.2013 | |
|--|-------------------|--------------------------|-------------------|--------------------------|
| | Company | Indirect interest | Company | Indirect interest |
| Ponto Frio Adm. e Importação de Bens Ltda. | - | 43.35 | - | 43.34 |
| Rio Expresso Com. Atacad. de Eletrodoméstico Ltda. | - | 43.35 | - | 43.35 |
| Globex Adm. Consórcio Ltda. | - | 43.35 | - | 43.35 |
| PontoCred Negócio de Varejo Ltda. | - | 43.35 | - | 43.35 |
| Nova Extra Eletro Comercial Ltda (Átino Comunicação Ltda) | - | - | 0.10 | 43.31 |
| Nova Pontocom Comércio Eletrônico S.A. (“Nova Pontocom”) (*) | 47.52 | 23.92 | 47.43 | 23.99 |
| E-Hub Consult. Particip. e Com. S.A. | - | 71.45 | - | 71.42 |
| Nova Experiência Pontocom S.A. | - | 71.45 | - | 71.42 |
| Sabara S.A | - | 43.35 | - | 43.35 |
| Casa Bahia Contact Center Ltda. | - | 43.35 | - | 43.35 |
| <u>Associated companies</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 |

(*) Excluding Treasury shares.

All interests are calculated considering the percentages held by CBD or its subsidiaries, except in cases in which CBD and its subsidiaries hold 100% of shareholders' equity, for which the consolidation, being integral, does not reflect these percentages.

b) Associates - BINV and FIC

The Company's investments FIC and BINV are accounted for under the equity method because they are entities over which the Company exercises significant influence, but not control, since (a) is a party 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").

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

Companhia Brasileira de Distribuição

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

3. Basis for consolidation – Continued

FIC's summarized interim financial information is as follows:

| | Consolidated | |
|------------------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 |
| Current assets | 3,548,631 | 3,521,684 |
| Noncurrent assets | 14,759 | 32,209 |
| Total assets | 3,563,390 | 3,553,893 |
| Current liabilities | 2,746,363 | 2,826,367 |
| Noncurrent liabilities | 12,956 | 23,192 |
| Shareholders | 804,071 | 704,434 |
| Total liabilities and equity | 3,563,390 | 3,553,893 |
| <u>Income statement:</u> | 06.30.2014 | 06.30.2013 |
| Revenues | 499,231 | 420,442 |
| Operating income | 178,779 | 36,913 |
| Profit for the year | 99,739 | 19,506 |

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

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.

5. New standards issued but not yet effective

a) Tax 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 MP 627 and the Law 12,973, to assess the implications of its anticipated application and the possible impact on the parent company and consolidated interim financial information for the six-month period ended June 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

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 (ICPC 02) e IFRIC18 (ICPC 11). IFRS 15 specifies how and when an entity will recognize 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 applies to an annual reporting period beginning on or after January 1, 2017. The Company still assessing the full impact of the new pronouncement on its annual financial statements.

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

Companhia Brasileira de Distribuição

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

5. New standards issued but not yet effective - Continued

It does not exist other standards and interpretations issued by IASB and CPC but not yet effective that could have, in management's opinion, have significant impact in the income statement for the period or in the shareholders' equity in Management's opinion. 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.

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 six-month period ended June 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.

| Rate (*) | Parent Company | | Consolidated | |
|----------|------------------|-------------------|------------------|-------------------|
| | <u>6.30.2014</u> | <u>12.31.2013</u> | <u>6.30.2014</u> | <u>12.31.2013</u> |

| | | | | | |
|--------------------------------|---------|----------------|-----------|------------------|-----------|
| Cash on hand and bank accounts | | 48,163 | 115,112 | 199,813 | 343,114 |
| <u>Financial investments:</u> | | | | | |
| Itaú BBA | 100.53% | 188 | 527,521 | 109,570 | 778,881 |
| Itaú – Delta Fund | 101.60% | 727 | 5,115 | 194,507 | 181,384 |
| Banco do Brasil | 101.50% | 360,508 | 206,246 | 1,667,643 | 1,425,957 |
| Bradesco | 101.47% | 31,175 | 824,736 | 626,936 | 2,051,130 |
| Santander | 102.04% | 276,670 | 322,548 | 740,623 | 995,568 |
| CEF | 101.50% | 11,612 | 99,031 | 679,765 | 732,424 |
| Votorantim | 102.09% | 54,154 | 101,436 | 139,358 | 439,082 |
| Safra | 102.07% | 19,840 | 356,477 | 494,385 | 645,197 |
| Credit Agricole | 102.58% | 51,363 | 127,731 | 254,108 | 362,996 |
| BNP | 101.70% | 4 | 105,100 | 210,606 | 279,469 |
| Other | - | 13,357 | 60,167 | 38,616 | 131,974 |
| | | 867,761 | 2,851,220 | 5,355,930 | 8,367,176 |

(*) Weighted average rate of CDI

8. Trade accounts receivable

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

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

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Credit card companies (a) | 33,687 | 82,554 | 272,845 | 276,262 |
| Sales vouchers | 46,431 | 98,849 | 105,235 | 148,101 |
| Consumer finance – CDCI | - | - | 2,258,971 | 2,249,407 |
| Credit sales with post-dated checks | 1,401 | 2,076 | 1,882 | 3,018 |
| Trade accounts receivable from wholesale customers | - | - | 27,447 | 18,394 |
| Private label credit card | 7,815 | 13,545 | 7,809 | 13,539 |
| Accounts receivable from related parties (Note 12 a) | 69,571 | 105,047 | - | - |
| Present value adjustment (b) | - | - | (7,299) | (7,264) |
| Loss in allowance for doubtful accounts (c) | (405) | (2,600) | (231,033) | (228,733) |
| Rebates | 16,869 | 13,000 | 21,749 | 18,205 |
| Other | - | - | 39,244 | 24,737 |
| Current | 175,369 | 312,471 | 2,496,850 | 2,515,666 |
| Consumer finance – CDCI | - | - | 106,353 | 125,219 |
| Loss in allowance for doubtful accounts (c) | - | - | (9,078) | (10,320) |
| Noncurrent | - | - | 97,275 | 114,899 |
| | 175,369 | 312,471 | 2,594,125 | 2,630,565 |

(a) Credit card companies

During the six-month period ended at June 30, 2014 the Company and its subsidiaries sold credit card receivables to banks or credit card companies in the amount of R\$15,074,413 (R\$13,742,179 at June 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 six-month period ended June 30, 2014 these rates averaged 0.90% per month (0.72% per month at December 31, 2013).

(c) Loss in allowance for doubtful accounts

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

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 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) | (215,252) | (475,857) |
| Allowance write-off | - | 210 | 214,194 | 435,284 |
| At the end of the period | (405) | (2,600) | (240,111) | (239,053) |
| Current | (405) | (2,600) | (231,033) | (228,733) |
| Noncurrent | - | - | (9,078) | (10,320) |

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

8. Trade accounts receivable - Continued

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

| | Total | Falling due | <30 days | Past-due receivables | | |
|-------------------|------------------|------------------|----------------|----------------------|---------------|---------------|
| | | | | 30-60 days | 61-90 days | >90 days |
| 06.30.2014 | 2,834,236 | 2,507,457 | 151,900 | 59,038 | 41,648 | 74,193 |
| 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 | |
|---|----------------|------------|----------------|------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Accounts receivable related to sale of fixed assets | 13,942 | 16,609 | 49,429 | 55,320 |
| Rebates | - | - | 16,489 | 20,556 |
| Advances to suppliers | - | - | 21,575 | 28,965 |
| Other advances | 11,049 | 12,521 | 11,179 | 12,651 |
| Accounts receivable – Audax | 7,784 | 7,491 | 13,364 | 13,028 |
| Amounts to be reimbursed | 26,275 | 25,871 | 130,811 | 108,635 |
| Rental receivable | 20,220 | 15,455 | 28,812 | 22,346 |
| Accounts receivable - Paes Mendonça | - | - | 531,899 | 514,615 |
| Rede Duque | - | - | 49,737 | 49,255 |
| Other | 1,008 | 1,281 | 38,099 | 31,931 |
| | 80,278 | 79,228 | 891,394 | 857,302 |
| Current | 49,851 | 47,890 | 199,553 | 227,367 |
| Noncurrent | 30,427 | 31,338 | 691,841 | 629,935 |

10. Inventories

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

| | Parent Company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>06.30.2014</u> | <u>12.31.2013</u> | <u>06.30.2014</u> | <u>12.31.2013</u> |
| Stores | 1,375,418 | 1,425,069 | 3,705,068 | 3,597,410 |
| Distribution centers | 849,676 | 752,930 | 2,808,680 | 2,836,150 |
| Inventories under construction | | - | 172,280 | 172,280 |
| Loss with obsolescence and breakage (a) | (5,608) | (12,390) | (49,755) | (52,016) |
| | 2,219,486 | 2,165,609 | 6,636,273 | 6,553,824 |
| Current | 2,219,486 | 2,165,609 | 6,463,993 | 6,381,544 |
| Noncurrent | - | - | 172,280 | 172,280 |

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

10. Inventories - Continued

(a) Loss with obsolescence and breakage

| | Parent Company | | Consolidated | |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>06.30.2014</u> | <u>12.31.2013</u> | <u>06.30.2014</u> | <u>12.31.2013</u> |
| At the beginning of the period | (12,390) | (8,141) | (52,016) | (53,126) |
| Additions | (2,277) | (11,219) | (12,051) | (64,898) |
| Write-offs / reversal | 9,059 | 6,970 | 14,312 | 66,008 |
| At the end of the period | (5,608) | (12,390) | (49,755) | (52,016) |

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>06.30.2014</u> | <u>12.31.2013</u> | <u>06.30.2014</u> | <u>12.31.2013</u> |
| Current | | | | |
| State value-added tax on sales and services – ICMS recoverable (a) | 89,506 | 98,360 | 618,638 | 769,086 |
| Social Integration Program/ Tax for Social Security Financing-PIS/COFINS recoverable | 12,849 | 4,142 | 41,289 | 20,242 |
| Income tax on Financial investments | 22,834 | 43,112 | 47,324 | 50,864 |
| Income and Social Contribution taxes | 3,441 | 2,420 | 44,385 | 31,031 |
| Social Security Contribution - INSS | - | - | - | 30,796 |
| Other | - | - | 8,200 | 5,964 |
| Total current | 128,630 | 148,034 | 759,836 | 907,983 |
| Noncurrent | | | | |
| ICMS recoverable (a) | 265,750 | 279,457 | 1,198,705 | 1,088,787 |
| PIS/COFINS recoverable | - | - | 265,639 | 254,228 |
| Social Security Contribution- INSS | 71,423 | 71,423 | 118,737 | 86,006 |
| Total noncurrent | 337,173 | 350,880 | 1,583,081 | 1,429,021 |
| Total | 465,803 | 498,914 | 2,342,917 | 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 | 89,506 | 618,638 |
| 2015 | 78,714 | 408,506 |
| 2016 | 69,520 | 331,200 |
| 2017 | 53,150 | 326,594 |
| 2018 | 31,308 | 99,350 |
| 2019 | 33,058 | 33,055 |
| | 355,256 | 1,817,343 |

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

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

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 | |
|-----------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| <u>Customers</u> | | | | |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 89 | 36,386 | - | - |
| Sé Supermercados | 37,549 | 13,166 | - | - |
| Sendas Distribuidora | 28,377 | 49,856 | - | - |
| Barcelona | 2,711 | 2,577 | - | - |
| Via Varejo | 2 | 2,197 | - | - |
| Nova Pontocom | 843 | 865 | - | - |
| | 69,571 | 105,047 | - | - |
| <u>Suppliers</u> | | | | |
| <i>Controlling shareholder:</i> | | | | |
| Casino | 1,110 | 1,450 | 1,113 | 1,450 |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 150 | 20,234 | - | - |
| Sé Supermercados | 1,709 | 2,235 | - | - |
| Sendas Distribuidora | 22,484 | 44,417 | - | - |
| Barcelona | 2,238 | 2,957 | - | - |
| Xantocarpa | 329 | 1,356 | - | - |
| Via Varejo | 940 | 3,151 | - | - |
| Nova Pontocom | 531 | 928 | - | - |
| GPA logística | 14,187 | - | - | - |
| <i>Associated Companies:</i> | | | | |
| FIC | 7,016 | 10,904 | 13,114 | 12,897 |
| <i>Other related parties:</i> | | | | |
| Grupo Diniz (*) | - | 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 |
| | 50,694 | 90,012 | 14,227 | 17,323 |

(*) Balances were presented until the date of settlement 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

June 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 | |
|--------------------------------------|-----------------------|------------------|---------------------|------------------|
| | 06.30.2014 | 3.31.2013 | 06.30.2014 | 3.31.2013 |
| <u>Sales</u> | | | | |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 113,763 | 171,846 | - | - |
| Sé Supermercados | 105,047 | 25,828 | - | - |
| Sendas Distribuidora | 167,560 | 168,564 | - | - |
| Via Varejo S.A. | - | 234 | - | - |
| Nova Pontocom | - | 287 | - | - |
| Nova Casa Bahia | - | 176 | - | - |
| Other | 52 | - | - | - |
| | 386,422 | 366,935 | - | - |
| <u>Purchases</u> | | | | |
| <i>Subsidiaries:</i> | | | | |
| Novasoc Comercial | 1,628 | 2,718 | - | - |
| Sé Supermercados | 1,398 | 142 | - | - |
| Sendas Distribuidora | 133,244 | 113,287 | - | - |
| E-Hub Consult. Particip. e Com. S.A. | - | 920 | - | - |
| Other | 4 | - | - | - |
| <i>Joint operation:</i> | | | | |
| Indústria de Móveis Bartira Ltda. | - | - | - | 260,443 |
| <i>Other related parties:</i> | | | | |
| Globalbev Bebidas e Alimentos (*) | - | 2,274 | - | 2,589 |
| Globalfruit (*) | - | 1,319 | - | 1,319 |
| Bravo Café (*) | - | 458 | - | 458 |
| Sykué Geração de Energia (*) | - | 3,468 | - | 7,400 |
| Fazenda da Toca Ltda. (*) | - | 1,650 | - | 2,107 |
| Indigo Distribuidora | - | 731 | - | 884 |
| | 136,274 | 126,967 | - | 275,200 |

(*) 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

June 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 | |
|---------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| <u>Assets</u> | | | | |
| <i>Controlling shareholder:</i> | | | | |
| Casino | 641 | 2,738 | 641 | 3,404 |
| <i>Subsidiaries:</i> | | | | |
| Novasoc | 59,135 | 80,890 | - | - |
| Sendas Distribuidora | 218,347 | 82,485 | - | - |
| Xantocarpa | 21,663 | 21,873 | - | - |
| Nova Pontocom | 355,456 | 259,553 | - | - |
| GPA M&P | 26,285 | 25,808 | - | - |
| GPA logística & transportes | 19,994 | - | - | - |
| Vancouver | 29,819 | 28,229 | - | - |
| Posto Duque - Salim Maluf | 1,243 | 980 | - | - |
| Posto GPA - Santo André | 669 | 503 | - | - |
| Posto GPA - Império | 1,788 | 1,416 | - | - |
| Posto Duque - Lapa | 775 | 651 | - | - |
| Posto GPA - Ciara | 1,002 | 816 | - | - |
| Vedra | 20 | 20 | - | - |
| Bellamar | 50 | - | - | - |
| Barcelona | 105,000 | 105,000 | - | - |
| Other | 393 | 349 | - | - |
| <i>Associated Companies:</i> | | | | |
| FIC | - | - | 12,913 | 683 |
| <i>Other related parties:</i> | | | | |
| Casa Bahia Comercial Ltda.(*) | - | - | 152,487 | 134,112 |
| Management of Nova Pontocom | 36,246 | 34,307 | 36,246 | 34,307 |
| Rede Duque | - | - | 158 | 158 |
| Instituto Grupo Pão de Açúcar | 41 | 3 | 36 | - |
| Other | 1,396 | 857 | 1,395 | 172 |
| | 879,963 | 646,478 | 203,876 | 172,836 |

Liabilities*Controlling shareholder:*

| | | | | |
|----------------------|------------|---|-----|---|
| Wilkes participações | 740 | - | 740 | - |
|----------------------|------------|---|-----|---|

Subsidiaries:

| | | | | |
|------------------|------------------|-----------|---|---|
| Sé Supermercados | 1,399,034 | 1,410,685 | - | - |
|------------------|------------------|-----------|---|---|

| | | | | |
|-----------|----------------|---------|---|---|
| Barcelona | 350,355 | 430,549 | - | - |
|-----------|----------------|---------|---|---|

| | | | | |
|------------|----------------|---------|---|---|
| Via Varejo | 363,423 | 338,371 | - | - |
|------------|----------------|---------|---|---|

| | | | | |
|--------------------|------------|-------|---|---|
| PontoCred Negócios | 722 | 1,491 | - | - |
|--------------------|------------|-------|---|---|

| | | | | |
|----------|---------------|--------|---|---|
| Bellamar | 16,866 | 16,867 | - | . |
|----------|---------------|--------|---|---|

| | | | | |
|------------------|---------------|--------|---|---|
| P.A. Publicidade | 23,727 | 19,863 | - | - |
|------------------|---------------|--------|---|---|

| | | | | |
|---------------------------------|----------|---|---|---|
| Posto Duque – Loja Conveniência | 9 | 9 | - | - |
|---------------------------------|----------|---|---|---|

Associated companies:

| | | | | |
|-----|--------------|-------|--------------|-------|
| FIC | 2,353 | 6,180 | 2,261 | 9,012 |
|-----|--------------|-------|--------------|-------|

Other related parties:

| | | | | |
|---------------------------|---|---|---------------|--------|
| Casa Bahia Comercial Ltda | - | - | 20,342 | 23,609 |
|---------------------------|---|---|---------------|--------|

| | | | | |
|--|------------------|-----------|---------------|--------|
| | 2,157,229 | 2,224,015 | 23,343 | 32,621 |
|--|------------------|-----------|---------------|--------|

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

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

Notes to the interim financial information

June 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 | |
|---|-----------------------|-------------------|---------------------|-------------------|
| <u>Revenues (Expenses)</u> | <u>06.30.2014</u> | <u>06.30.2013</u> | <u>06.30.2014</u> | <u>06.30.2013</u> |
| <i>Controlling shareholder:</i> | | | | |
| Casino | (11,918) | (12,372) | (12,030) | (12,372) |
| Wilkes Participações | (1,461) | (958) | (1,461) | (958) |
| <i>Subsidiaries:</i> | | | | |
| Novasoc | 2,982 | 4,546 | - | - |
| Sé Supermercados | 2,812 | 1,216 | - | - |
| Sendas Distribuidora | 21,140 | 25,827 | - | - |
| Via Varejo | (32,635) | (15,926) | - | - |
| PontoCred Negócios | 769 | - | - | - |
| Nova Pontocom | 16,977 | 10,448 | - | - |
| <i>Associates:</i> | | | | |
| FIC | 14,004 | 8,794 | 8,624 | 9,016 |
| Dunnhumby | - | (195) | - | (195) |
| <i>Other related parties:</i> | | | | |
| Fundo Península | - | (74,755) | - | (78,432) |
| Grupo Diniz (*) | - | (9,761) | - | (10,388) |
| Sykué Consultoria em Energia Ltda. (*) | - | (127) | - | (241) |
| Casa Bahia Comercial Ltda. | - | - | (124,535) | (98,286) |
| Management of Nova Pontocom | 1,939 | 1,303 | 1,939 | 1,303 |
| Habile Segurança e Vigilância Ltda. | - | - | - | (4,673) |
| Pão de Açúcar S.A. Indústria e Comércio | - | (516) | - | (516) |
| Audax SP | - | (8,637) | - | (8,638) |
| Audax Rio | - | (1,618) | - | (5,491) |
| Instituto Grupo Pão de Açúcar | (2,981) | (3,381) | (2,966) | (3,378) |
| Viaw Consultoria Ltda (a) | (186) | - | (2,353) | - |
| | 11,442 | (76,112) | (132,782) | (213,249) |

(*) Balances were presented until the date of settlement 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 six-month period ended June 30, 2014 and 2013, were as follows:

| | In relation to total compensation at June 30, 2014 | | | |
|-------------------------|---|------------------------------|--------------------------|---------------|
| | Base salary | Variable compensation | Stock option plan | Total |
| Board of directors (**) | 2,278 | - | - | 2,278 |
| Executive officers | 29,213 | 10,216 | 2,447 | 41,876 |
| Fiscal council | 168 | - | - | 168 |
| | 31,659 | 10,216 | 2,447 | 44,322 |

55

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

Companhia Brasileira de Distribuição

Notes to the interim financial information

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

12. Related parties – Continued

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

| | In relation to total compensation at June 30, 2013 | | | Total |
|------------------------|--|-----------------------|-------------------|--------|
| | Base salary | Variable compensation | Stock option plan | |
| Board of directors (*) | 3,428 | - | - | 3,428 |
| Executive officers | 6,494 | 9,912 | 5,528 | 21,934 |
| Fiscal council | 252 | - | - | 252 |
| | 10,174 | 9,912 | 5,528 | 25,614 |

(*) 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.

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

Notes to the interim financial information

June 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 |
| 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 | - | - | - | - | - | - | - | - |
| Equity accounting | 4,536 | 72,497 | 6,302 | 158,392 | (19,140) | (14,388) | 25,288 | 34,793 |
| Dividends | - | - | - | - | - | - | (335) | - |
| Stock option | - | - | 165 | 332 | 18 | - | 794 | - |
| Other (b) | - | - | - | 167 | 531 | - | - | - |
| Balances at 06.30.2014 | 2,789,484 | 1,623,155 | 133,013 | 1,719,289 | 7,249 | 460,363 | 766,599 | 267,537 |

(a) In case of NCB, the investment amount refers to the effects of fair value measurements recorded in connection with the business combination. For Via Varejo, these 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 acquired by amount R\$2,831.

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

Notes to the interim financial statements

June 30, 2014

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

13. Investments –Continued

a) Breakdown of investments – Continued

| | Consolidated | | | |
|-------------------------------|---------------------|---------------|--------------|----------------|
| | FIC | BINV | Other | Total |
| Balances at 12.31.2013 | 289,805 | 19,260 | 463 | 309,528 |
| Additions | - | - | 152 | 152 |
| Dividends receivable | - | (256) | - | (256) |
| Share of profit in associate | 48,619 | 533 | - | 49,152 |
| Balances at 06.30.2014 | 338,424 | 19,537 | 615 | 358,576 |

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 six-month period ended June 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 | 06.30.2014 |
| Land | 1,198,468 | - | - | - | 227 | 1,198,695 |
| Buildings | 1,928,702 | 1,405 | (29,315) | (770) | - | 1,900,022 |
| Leasehold improvements | 1,513,578 | 646 | (54,008) | (4,243) | 129,232 | 1,585,205 |
| Machinery and equipment | 765,647 | 69,233 | (67,423) | (4,727) | 276 | 763,006 |

| | | | | | | |
|--------------------------|------------------|----------------|------------------|-----------------|------------------|------------------|
| Facilities | 155,906 | 5,873 | (8,009) | (331) | 6,583 | 160,022 |
| Furniture and fixtures | 293,472 | 21,340 | (20,201) | (930) | 387 | 294,068 |
| Vehicles | 17,917 | 3,821 | (2,332) | (2,404) | 341 | 17,343 |
| Construction in progress | 131,060 | 80,086 | - | (119) | (135,412) | 75,615 |
| Other | 37,855 | 4,777 | (5,998) | (223) | (1,245) | 35,166 |
| | 6,042,605 | 187,181 | (187,286) | (13,747) | 389 | 6,029,142 |
| | - | | | | | |
| <u>Financial lease</u> | - | | | | | |
| Hardware | 12,617 | - | (2,944) | - | - | 9,673 |
| Buildings | 19,593 | - | (535) | - | - | 19,058 |
| | 32,210 | - | (3,479) | - | - | 28,731 |
| Total | 6,074,815 | 187,181 | (190,765) | (13,747) | 389 | 6,057,873 |

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

Notes to the interim financial statements

June 30, 2014

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

15. Property and equipment - Continued

| | Balance at 06.30.2014 | | | Balance at 12.31.2013 | | |
|--------------------------|------------------------------|---------------------------------|------------------|------------------------------|---------------------------------|------------------|
| | Cost | Accumulated depreciation | Net | Cost | Accumulated depreciation | Net |
| Land | 1,198,695 | - | 1,198,695 | 1,198,468 | - | 1,198,468 |
| Buildings | 2,771,089 | (871,067) | 1,900,022 | 2,770,650 | (841,948) | 1,928,702 |
| Leasehold improvements | 2,771,137 | (1,185,932) | 1,585,205 | 2,649,493 | (1,135,915) | 1,513,578 |
| Machinery and equipment | 1,750,409 | (987,403) | 763,006 | 1,701,269 | (935,622) | 765,647 |
| Facilities | 376,159 | (216,137) | 160,022 | 364,411 | (208,505) | 155,906 |
| Furniture and fixtures | 686,528 | (392,460) | 294,068 | 668,947 | (375,475) | 293,472 |
| Vehicles | 26,814 | (9,471) | 17,343 | 27,158 | (9,241) | 17,917 |
| Construction in progress | 75,615 | - | 75,615 | 131,060 | - | 131,060 |
| Other | 96,092 | (60,926) | 35,166 | 92,988 | (55,133) | 37,855 |
| | 9,752,538 | (3,723,396) | 6,029,142 | 9,604,444 | (3,561,839) | 6,042,605 |
| <u>Financial lease</u> | | | | | | |
| Hardware | 31,687 | (22,014) | 9,673 | 31,687 | (19,070) | 12,617 |
| Buildings | 34,447 | (15,389) | 19,058 | 34,448 | (14,855) | 19,593 |
| | 66,134 | (37,403) | 28,731 | 66,135 | (33,925) | 32,210 |
| Total | 9,818,672 | (3,760,799) | 6,057,873 | 9,670,579 | (3,595,764) | 6,074,815 |

b) Consolidated

| | Balance at: 12.31.2013 | Additions | Depreciation | Write-offs | Transfers | Balance at: 06.30.2014 |
|-----------|-----------------------------------|------------------|---------------------|-------------------|------------------|-----------------------------------|
| Land | 1,411,882 | 7,306 | - | - | (659) | 1,418,529 |
| Buildings | 2,016,452 | 14,160 | (31,974) | (808) | 63,216 | 2,061,046 |

| | | | | | | |
|--------------------------|------------------|----------------|------------------|-----------------|------------------|------------------|
| Leasehold improvements | 2,787,342 | 98,574 | (96,013) | (4,234) | 118,388 | 2,904,057 |
| Machinery and equipment | 1,444,434 | 121,994 | (132,047) | (7,172) | 43,203 | 1,470,412 |
| Facilities | 325,871 | 32,594 | (17,546) | (350) | 8,134 | 348,703 |
| Furniture and fixtures | 527,510 | 44,240 | (35,004) | (1,176) | (2,183) | 533,387 |
| Vehicles | 166,581 | 6,463 | (8,941) | (19,239) | (95) | 144,769 |
| Construction in progress | 208,960 | 179,286 | - | (859) | (231,411) | 155,976 |
| Other | 67,407 | 9,691 | (11,398) | (225) | (615) | 64,860 |
| | 8,956,439 | 514,308 | (332,923) | (34,063) | (2,022) | 9,101,739 |
| <u>Financial lease</u> | | | | | | |
| Equipment | 19,618 | - | (1,621) | (1) | (1) | 17,995 |
| Hardware | 43,643 | 475 | (9,097) | (2) | (2) | 35,017 |
| Facilities | 934 | - | (55) | - | - | 879 |
| Furniture and fixtures | 7,720 | - | (580) | (3) | (7) | 7,130 |
| Vehicles | 1,103 | - | (16) | (199) | 9 | 897 |
| Buildings | 24,143 | - | (727) | - | - | 23,416 |
| | 97,161 | 475 | (12,096) | (205) | (1) | 85,334 |
| Total | 9,053,600 | 514,783 | (345,019) | (34,268) | (2,023) | 9,187,073 |

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

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

Notes to the interim financial statements

June 30, 2014

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

15. Property and equipment –Continued

b) Consolidated – Continued

| | Balance at 06.30.2014 | | | Balance at 12.31.2013 | | |
|--------------------------|-----------------------|--------------------------|------------------|-----------------------|--------------------------|------------------|
| | Cost | Accumulated depreciation | Net | Cost | Accumulated depreciation | Net |
| Land | 1,418,529 | - | 1,418,529 | 1,411,882 | - | 1,411,882 |
| Buildings | 2,997,515 | (936,469) | 2,061,046 | 2,921,600 | (905,148) | 2,016,452 |
| Leasehold improvements | 4,564,992 | (1,660,935) | 2,904,057 | 4,396,106 | (1,608,764) | 2,787,342 |
| Machinery and equipment | 2,938,988 | (1,468,576) | 1,470,412 | 2,809,446 | (1,365,012) | 1,444,434 |
| Facilities | 664,205 | (315,502) | 348,703 | 630,753 | (304,882) | 325,871 |
| Furniture and fixtures | 1,061,214 | (527,827) | 533,387 | 1,033,295 | (505,785) | 527,510 |
| Vehicles | 206,389 | (61,620) | 144,769 | 231,440 | (64,859) | 166,581 |
| Construction in progress | 155,976 | - | 155,976 | 208,960 | - | 208,960 |
| Other | 166,092 | (101,232) | 64,860 | 158,512 | (91,105) | 67,407 |
| | 14,173,900 | (5,072,161) | 9,101,739 | 13,801,994 | (4,845,555) | 8,956,439 |
| <u>Financial lease</u> | | | | | | |
| Equipment | 36,470 | (18,475) | 17,995 | 36,473 | (16,855) | 19,618 |
| Hardware | 182,892 | (147,875) | 35,017 | 182,516 | (138,873) | 43,643 |
| Facilities | 1,859 | (980) | 879 | 1,858 | (924) | 934 |
| Furniture and fixtures | 15,130 | (8,000) | 7,130 | 15,147 | (7,427) | 7,720 |
| Vehicles | 1,462 | (565) | 897 | 1,746 | (643) | 1,103 |
| Buildings | 43,402 | (19,986) | 23,416 | 43,403 | (19,260) | 24,143 |
| | 281,215 | (195,881) | 85,334 | 281,143 | (183,982) | 97,161 |
| Total | 14,455,115 | (5,268,042) | 9,187,073 | 14,083,137 | (5,029,537) | 9,053,600 |

c) Capitalized borrowing costs

The consolidated amount of the capitalized borrowing costs for the six-month ended of June 30, 2014 was R\$5,177 (R\$9,612 for the six-months period ended June 30, 2013). The rate used to determine the borrowing costs eligible for capitalization was 105.08% of CDI(107.63% for the six-month period ended June 30, 2013) , corresponding to the effective interest rate of the Company's borrowings.

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

Notes to the interim financial statements

June 30, 2014

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

15. Property and equipment –Continued

d) Additions to the property and equipment

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Additions | 187,181 | 325,266 | 514,783 | 792,790 |
| Financial lease | - | | - | (792) |
| Capitalized interest | (3,985) | (6,972) | (5,177) | (9,612) |
| Real estate financing - Additions (i) | (6,222) | 1,392 | (6,222) | (14,108) |
| Total | 176,974 | 319,686 | 503,384 | 768,278 |

(i) The additions to property and equipment below 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 June 30, 2014, the Company and its subsidiaries recorded in the cost of goods sold and services rendered the amount of R\$20,035(R\$18,094 at June 30, 2013) in parent company and R\$50,177 (R\$36,666 at June 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 June 30, 2014.

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

Notes to the interim financial statements

June 30, 2014

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

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: 06.30.2014 |
|-----------------------------|-----------------------------------|------------------|---------------------|-------------------|-----------------------------------|
| Goodwill – home appliances | 179,064 | - | - | - | 179,064 |
| Goodwill – retail | 355,412 | - | - | - | 355,412 |
| Commercial rights – retail | 41,512 | - | - | - | 41,512 |
| Software and implementation | 551,167 | 31,548 | (40,823) | (75) | 541,817 |
| | 1,127,155 | 31,548 | (40,823) | (75) | 1,117,805 |

| | Balance at 06.30.2014 | | | 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 | 41,512 | - | 41,512 | 41,512 | - | 41,512 |
| Software and implementation | 863,539 | (321,722) | 541,817 | 832,123 | (280,956) | 551,167 |
| | 2,158,105 | (1,040,300) | 1,117,805 | 2,126,689 | (999,534) | 1,127,155 |

b) Consolidated

| | Balance at: 12.31.2013 | Additions | Amortization | Write-offs | Transfers | Balance at: 06.30.2014 |
|--|-----------------------------------|------------------|---------------------|-------------------|------------------|-----------------------------------|
| Goodwill – cash and carry | 361,567 | - | - | - | - | 361,567 |
| Goodwill – home appliances | 895,582 | - | - | - | - | 895,582 |
| Goodwill – retail | 746,965 | - | - | - | - | 746,965 |
| Brand– cash and carry | 38,639 | - | - | - | - | 38,639 |
| Brand– home appliances | 2,061,077 | - | - | - | - | 2,061,077 |
| Commercial rights – home appliances | 577,141 | - | (3,461) | - | (17) | 573,663 |
| Commercial rights – retail | 43,002 | - | - | - | 1,490 | 44,492 |
| Commercial rights - cash and carry | 28,842 | - | - | - | - | 28,842 |
| Customer relationship – home appliances | 5,998 | - | (3,141) | - | - | 2,857 |
| Lease agreement –stores under advantageous condition | 137,930 | - | (20,649) | - | - | 117,281 |
| Software | 727,163 | 84,081 | (55,072) | (74) | 142 | 756,240 |
| Software CL | 76,751 | - | (5,417) | - | - | 71,334 |
| Total intangible assets | 5,700,657 | 84,081 | (87,740) | (74) | 1,615 | 5,698,539 |

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

Notes to the interim financial statements

June 30, 2014

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

16. Intangible assets – Continued

| | Balance at 06.30.2014 | | | 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 |
| 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 |
| Commercial rights – home appliances | 635,569 | (61,906) | 573,663 | 635,557 | (58,416) | 577,141 |
| Commercial rights – retail | 44,492 | - | 44,492 | 43,002 | - | 43,002 |
| Commercial rights - cash and carry | 28,842 | - | 28,842 | 28,842 | - | 28,842 |
| Customer relationship– home appliances | 34,268 | (31,411) | 2,857 | 34,268 | (28,270) | 5,998 |
| Lease agreement –stores under advantageous condition | 292,040 | (174,759) | 117,281 | 292,040 | (154,110) | 137,930 |
| Software | 1,177,351 | (421,111) | 756,240 | 1,093,451 | (366,288) | 727,163 |
| Software CL | 81,266 | (9,932) | 71,334 | 81,265 | (4,514) | 76,751 |
| Total intangible assets | 7,508,537 | (1,809,998) | 5,698,539 | 7,423,134 | (1,722,477) | 5,700,657 |

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,

As a result of the impairment test conducted in 2013 and because there is no evidence of nonrecovery in June 30, 2014, the Company did not perform 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

There were no non-cash transactions in the group of intangible assets to the parent company and consolidated for the six-month periods ended June 30, 2014 and 2013.

17. Trade accounts payable

| | Parent Company | | Consolidated | |
|-------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Trade suppliers | 2,168,186 | 2,878,804 | 7,069,740 | 8,833,380 |
| Service suppliers | 81,815 | 189,216 | 265,736 | 489,671 |
| Rebates (a) | (332,979) | (436,316) | (582,178) | (775,507) |
| | 1,917,022 | 2,631,704 | 6,753,298 | 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.

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

Notes to the interim financial statements

June 30, 2014

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

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

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| <u>Current</u> | | | | |
| <u>Debentures (j)</u> | | | | |
| Debentures | 965,590 | 1,033,189 | 1,383,806 | 1,250,205 |
| Borrowing cost | (3,301) | (4,714) | (3,740) | (5,312) |
| | 962,289 | 1,028,475 | 1,380,066 | 1,244,893 |
| <u>Loans and financing</u> | | | | |
| <u>Local currency</u> | | | | |
| BNDES (f) | 90,428 | 90,587 | 101,506 | 110,911 |
| IBM | - | - | - | 23,817 |
| Working capital (d) | 641,269 | 679,517 | 932,989 | 822,070 |
| Direct consumer credit - CDCI (d) (e) | - | - | 2,624,134 | 2,726,425 |
| Financial lease (Note 24) | 17,131 | 28,124 | 34,732 | 56,330 |
| Swap contracts (d), (h) | (12,998) | (12,384) | (12,998) | (12,384) |
| Borrowing cost | (2,583) | (3,583) | (3,556) | (5,179) |
| | 733,247 | 782,261 | 3,676,807 | 3,721,990 |
| <u>Foreign currency</u> | | | | |
| Working capital (d) | 880 | 238,955 | 880 | 293,949 |
| Swap contracts (d), (h) | - | (75,802) | - | (89,414) |
| | 880 | 163,153 | 880 | 204,535 |
| Total current | 1,696,416 | 1,973,889 | 5,057,753 | 5,171,418 |

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

Notes to the interim financial statements

June 30, 2014

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

18. Loans and financing – Continued

a) Debt breakdown – Continued

| <u>Noncurrent</u> | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| <u>Debentures (i)</u> | | | | |
| Debentures | 1,200,000 | 2,000,000 | 1,600,000 | 2,600,000 |
| Borrowing cost | (248) | (1,295) | (269) | (1,456) |
| | 1,199,752 | 1,998,705 | 1,599,731 | 2,598,544 |
| <u>Loans and financing</u> | | | | |
| <u>Local currency</u> | | | | |
| BNDES (f) | 137,242 | 179,394 | 158,109 | 200,524 |
| IBM | - | - | - | 95,822 |
| Working capital (d) | 817,894 | 855,398 | 1,023,069 | 1,105,399 |
| Direct consumer credit - CDCI (d) (e) | - | - | 122,195 | 140,603 |
| Financial lease (Note 24) | 122,629 | 124,847 | 195,528 | 198,511 |
| Swap contracts (d), (h) | - | (11,742) | - | (11,742) |
| Borrowing cost | (4,460) | (4,130) | (5,925) | (5,811) |
| | 1,073,305 | 1,143,767 | 1,492,976 | 1,723,306 |
| <u>Foreign currency</u> | | | | |
| Working capital (d) | 278,601 | - | 278,601 | - |
| Swap contracts (d), (h) | 23,421 | - | 23,421 | - |
| | 302,022 | - | 302,022 | - |
| <u>Total noncurrent</u> | 2,575,079 | 3,142,472 | 3,394,729 | 4,321,850 |

b) Changes in loans

| | Parent Company 06.30.2014 | Consolidated 06.30.2014 |
|---------------------------------|--|--|
| At December 31, 2013 | 5,116,360 | 9,493,268 |
| Additions | 330,052 | 2,755,775 |
| Accrued interest | 210,595 | 430,582 |
| Swap | 109,091 | 107,915 |
| Mark to Market | (825) | (825) |
| Monetary and exchange variation | (30,287) | (27,501) |
| Borrowing cost | 5,235 | 6,373 |
| Interest paid | (474,043) | (679,664) |
| Payments | (994,683) | (3,633,441) |
| At June 30, 2014 | 4,271,495 | 8,452,482 |

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

| <u>Year</u> | Parent Company | Consolidated |
|----------------|-----------------------|---------------------|
| 2015 | 1,332,836 | 1,873,904 |
| 2016 | 296,758 | 330,125 |
| 2017 | 799,789 | 954,171 |
| After 2017 | 150,404 | 242,723 |
| Subtotal | 2,579,787 | 3,400,923 |
| Borrowing cost | (4,708) | (6,194) |
| Total | 2,575,079 | 3,394,729 |

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

Notes to the interim financial statements

June 30, 2014

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

18. Loans and financing – Continued

d) Financing of working capital, swap and direct consumer credit – CDCI

| Debt | Rate* | Parent Company | | Consolidated | |
|-------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | | <u>06.30.2014</u> | <u>12.31.2013</u> | <u>06.30.2014</u> | <u>12.31.2013</u> |
| <u>Local currency</u> | | | | | |
| Banco do Brasil | 11.58% per year | 202,877 | 386,471 | 202,877 | 386,471 |
| Banco do Brasil | 107.41% of CDI | 816,414 | 761,675 | 2,422,369 | 2,226,792 |
| Bradesco | 110.50% of CDI | - | - | 502,305 | 605,975 |
| Safra | 108.89% of CDI | 407,223 | 386,769 | 1,427,715 | 386,769 |
| Safra | CDI + 0.85% per year | - | - | - | 1,188,489 |
| IBM | 100% of CDI (-) 0.61% | 32,649 | - | 147,121 | - |
| | | 1,459,163 | 1,534,915 | 4,702,387 | 4,794,496 |
| Current | | 641,269 | 679,517 | 3,557,123 | 3,548,495 |
| Noncurrent | | 817,894 | 855,398 | 1,145,264 | 1,246,001 |
| <u>Foreign currency</u> | | | | | |
| Citibank | Libor USD+ 1.45% per year | - | - | - | 54,993 |
| Itaú BBA | USD + 3.47% per year | - | 238,199 | - | 238,199 |
| Santander | USD + 0.65% per year | - | 756 | - | 757 |
| JP Morgan | USD + 1.44% per year | 110,870 | - | 110,870 | - |
| Tokyo | USD + 2.25% per year | 168,611 | - | 168,611 | - |
| | | 279,481 | 238,955 | 279,481 | 293,949 |
| Current | | 880 | 238,955 | 880 | 293,949 |
| Noncurrent | | 278,601 | - | 278,601 | - |
| <u>Swap contracts</u> | | | | | |
| Citibank | 105.% of CDI | - | - | - | (13,611) |

| | | | | | |
|-----------------|----------------|------------------|-----------|------------------|-----------|
| Itaú BBA | 100% of CDI | - | (75,803) | - | (75,803) |
| Banco do Brasil | 102% of CDI | (12,998) | (24,125) | (12,998) | (24,126) |
| JP Morgan | 103.50% of CDI | 7,794 | - | 7,794 | - |
| Tokyo | 105.85% of CDI | 15,627 | - | 15,627 | - |
| | | | - | | - |
| | | 10,423 | (99,928) | 10,423 | (113,540) |
| Current | | (12,998) | (88,186) | (12,998) | (101,798) |
| Noncurrent | | 23,421 | (11,742) | 23,421 | (11,742) |
| | | 1,749,067 | 1,673,942 | 4,992,291 | 4,974,905 |

(*) Weighted average rate per year.

e) Direct consumer credit - CDCI

The average CDCI financial charges are 109.4% of the CDI (110.3% at June 30,2013). In these contracts, the Company retains substantially all the risks and benefits related to loans financed, guaranteed by assignment of receivables.

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

Notes to the interim financial statements

June 30, 2014

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

18. Loans and financing – Continued

f) BNDES

| <u>Annual financial charges</u> | <u>Number of monthly installments</u> | <u>Issue date</u> | <u>Maturity</u> | <u>Parent Company</u> | | <u>Consolidated</u> | |
|---------------------------------------|---------------------------------------|-------------------|-----------------|-----------------------|-------------------|---------------------|-------------------|
| | | | | <u>06.30.2014</u> | <u>12.31.2013</u> | <u>06.30.2014</u> | <u>12.31.2013</u> |
| TJLP + 3.6% | 60 | Jul/10 | Dec/16 | 205,038 | 246,102 | 205,038 | 246,102 |
| 4.5% per year | 60 | Feb/11 | Dec/16 | 19,896 | 23,879 | 19,896 | 23,879 |
| 3% per year | 96 | Jan/14 | May/23 | 844 | - | 844 | - |
| 3% per year | 96 | Mar/14 | May/23 | 1,867 | - | 1,867 | - |
| 3% per year | 96 | May/14 | May/23 | 25 | - | 25 | - |
| 3% per year | 96 | Aug/13 | Jul/23 | - | - | 955 | 955 |
| 2.5% per year | 96 | Jun/13 | Jan/23 | - | - | 2,291 | 2,291 |
| 2.5% per year | 96 | Jul/13 | Jan/23 | - | - | 2,306 | 2,306 |
| 3% per year | 96 | Jul/13 | Mar/23 | - | - | 270 | 270 |
| 2.5% per year | 96 | Aug/13 | Jan/23 | - | - | 1,254 | 1,254 |
| 2.5% per year | 96 | Sep/13 | Jan/23 | - | - | 165 | 165 |
| 2.5% per year | 96 | Oct/13 | Jan/23 | - | - | 1,214 | 1,214 |
| 2.5% per year | 96 | Dec/13 | Jan/23 | - | - | 554 | 553 |
| 2.5% per year | 96 | Jan/14 | Jan/23 | - | - | 511 | - |
| 2.5% per year | 96 | Feb/14 | Jan/23 | - | - | 2,711 | - |
| 2.5% per year | 96 | Mar/14 | Jan/23 | - | - | 659 | - |
| 2.5% per year | 96 | Apr/14 | Jan/23 | - | - | 530 | - |
| 2.5% per year | 96 | May/14 | Jan/23 | - | - | 368 | - |
| 3% per year | 96 | Jul/13 | Feb/23 | - | - | 30 | 30 |
| 3% per year | 96 | Feb/14 | Mar/23 | - | - | 887 | - |
| TJLP + 2.5% per year | 24 | Sep/12 | Aug/15 | - | - | 11,853 | 16,934 |
| TJLP + 1.9% | 30 | May/11 | Jun/14 | - | - | - | 5,643 |
| TJLP + 1.9% per year plus 1% per year | 30 | May/11 | Jun/14 | - | - | - | 2,420 |

| | | | | | | | |
|--|----|--------|--------|----------------|----------------|----------------|----------------|
| TJLP + 3.5% per year plus 1% per year | 30 | May/11 | Jun/14 | - | - | - | 2,018 |
| 3% per year | 48 | Oct/13 | Apr/18 | - | - | 199 | 209 |
| 3.5% per year | 36 | Nov/13 | Sep/18 | - | - | 329 | 329 |
| 3.0 % per year | 96 | Nov/13 | May/23 | - | - | 500 | - |
| 3% per year | 96 | Nov/13 | Jun/23 | - | - | 396 | 396 |
| 3% per year | 96 | Sep/13 | Apr/23 | - | - | 2,715 | 2,715 |
| 3% per year | 96 | Oct/13 | Apr/23 | - | - | 135 | 135 |
| 3% per year | 96 | Dec/13 | Apr/23 | - | - | 14 | 14 |
| 3% per year | 96 | Sep/13 | May/23 | - | - | 1,092 | 1,591 |
| 4.5% per year | 11 | Sep/09 | Nov/14 | - | - | 7 | 14 |
| | | | | 227,670 | 269,981 | 259,615 | 311,435 |
| Current | | | | 90,428 | 90,587 | 101,506 | 110,911 |
| Noncurrent | | | | 137,242 | 179,394 | 158,109 | 200,524 |

g) Guarantees

The Company signed promissory notes and letters of guarantee as collateral to the loans and financings obtained from BNDES.

h) Swap contracts

The Company uses swap transactions in 100% of borrowings in U.S dollars and fixed interest rates, to exchange these liabilities for Real pegged to CDI floating interest rates. These agreements protect the interest and principal throughout the term of the debt. The CDI annual benchmark rate at June 30, 2014 was 9,68% (8.06% at 2013).

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

Companhia Brasileira de Distribuição

Notes to the interim financial statements

June 30, 2014

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

18. Loans and financing – Continued

i) Credit Line

The Company and the subsidiary Sé signed an agreement with Banco Itaú in order to open a credit line in the amount of R\$400.000 and R\$250.000, respectively. The agreement was made with market conditions and is due on 2016 and 2017.

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

Notes to the interim financial statements

June 30, 2014

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

18. Loans and financing – Continued

j) Debentures

| Company | Type | Issue Amount | Outstanding debentures | Date | | Annual financial charges | Unit price | Parent Company | | Consolidated | |
|-----------------------------|---------------|--------------|------------------------|----------|----------|--------------------------|------------|----------------|------------|--------------|------------|
| | | | | Issue | Maturity | | | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Issue – Single - GPA | No preference | 500,000 | 500,000 | 12/15/09 | 12/15/14 | 109.5% of CDI | 201 | 100,402 | 200,812 | 100,402 | 200,812 |
| Issue – Single - GPA | No preference | 610,000 | - | 1/5/11 | 1/5/14 | 107.75% of CDI | - | - | 813,103 | - | 813,103 |
| Issue – Single - GPA | No preference | 800,000 | 80,000 | 12/29/11 | 6/29/15 | 108.5% of CDI | 11 | 843,564 | 800,323 | 843,564 | 800,323 |
| Issue – Single - GPA | No preference | 1,200,000 | 120,000 | 5/2/12 | 11/2/15 | CDI + 1% | 10 | 1,221,624 | 1,218,952 | 1,221,624 | 1,218,952 |
| Issue - Single - Via Varejo | No preference | 400,000 | 40,000 | 2/17/12 | 7/30/15 | CDI + 1% | 10 | - | - | 418,216 | 418,216 |
| Issue - 1st - NCB | No preference | 200,000 | 20,000 | 6/29/12 | 12/29/14 | CDI + 0.72% | 10 | - | - | 200,000 | 200,000 |
| Issue - 2nd - NCB | No preference | 200,000 | 20,000 | 6/29/12 | 1/29/15 | CDI + 0.72% | 10 | - | - | 200,000 | 200,000 |
| Issuance cost | | | | | | | | (3,549) | (6,010) | (4,009) | (4,009) |
| Total liabilities | | | | | | | | 2,162,041 | 3,027,180 | 2,979,797 | 3,027,180 |
| Current liabilities | | | | | | | | 962,289 | 1,028,475 | 1,380,066 | 1,028,475 |
| Long-term liabilities | | | | | | | | 1,199,752 | 1,998,705 | 1,599,731 | 2,000,000 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

18. Loans and financing – Continued

j) Debentures – Continued

GPA assumed the obligation to maintain certain debt financial covenants in connection with the issuance of debentures. At June 30, 2014, GPA was in compliance 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 June 30, 2014 was 0.10.

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 | |
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Financial assets: | | | | |
| <u>Loans and receivables (including cash)</u> | | | | |
| Cash and cash equivalents | 867,761 | 2,851,220 | 867,761 | 2,851,220 |
| Accounts receivable and other | 255,647 | 391,699 | 255,647 | 391,699 |
| Related parties - assets | 879,963 | 646,478 | 879,963 | 646,478 |
| <u>Financial liabilities:</u> | | | | |
| <u>Other financial liabilities – amortized cost</u> | | | | |
| Related parties -liabilities | (2,157,229) | (2,224,015) | (2,157,229) | (2,224,015) |
| Trade accounts payable | (1,917,022) | (2,631,704) | (1,917,022) | (2,631,704) |
| Financing for purchase of assets | (49,383) | (48,161) | (49,383) | (48,161) |
| Debentures | (2,162,041) | (3,027,180) | (2,162,041) | (3,025,684) |
| Loans and financing | (1,617,544) | (1,571,396) | (1,665,478) | (1,641,991) |
| <u>Fair value through profit or loss</u> | | | | |
| Loans and financing, including derivatives | (491,910) | (517,785) | (491,910) | (517,785) |
| <u>Net exposure</u> | (6,391,758) | (6,130,844) | (6,439,692) | (6,199,943) |

| | Consolidated | | | |
|---|------------------------|-------------|--------------------|-------------|
| | Carrying amount | | Fair value | |
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| <u>Financial assets:</u> | | | | |
| <u>Loans and receivables (including cash)</u> | | | | |
| Cash and cash equivalents | 5,355,930 | 8,367,176 | 5,355,930 | 8,367,176 |
| Accounts receivable and other | 3,485,519 | 3,487,867 | 3,545,277 | 3,535,048 |
| Related parties - assets | 203,876 | 172,836 | 203,876 | 172,836 |
| <u>Fair value through profit or loss</u> | | | | |
| Financial investments measured at fair value | 22,990 | 24,453 | 22,990 | 24,453 |
| <u>Financial liabilities:</u> | | | | |
| <u>Other financial liabilities - amortized cost</u> | | | | |
| Related parties -liabilities | (23,343) | (32,621) | (23,343) | (32,621) |
| Trade accounts payable | (6,753,298) | (8,547,544) | (6,753,298) | (8,547,544) |
| Financing for purchase of assets | (54,383) | (48,161) | (54,383) | (48,161) |
| Debentures | (2,979,797) | (3,843,437) | (2,979,797) | (3,839,608) |
| Loans and financing | (4,980,775) | (5,091,922) | (5,073,067) | (5,205,890) |
| <u>Fair value through profit or loss</u> | | | | |
| Loans and financing, including derivatives | (491,910) | (557,909) | (491,910) | (557,909) |
| <u>Net exposure</u> | (6,215,191) | (6,069,262) | (6,247,725) | (6,132,220) |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 six-month period ended June 30, 2014.

| | Parent Company | | Consolidated | |
|-------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Loans and financing | 4,271,495 | 5,116,361 | 8,452,482 | 9,493,268 |
| (-) Cash and cash equivalents | (867,761) | (2,851,220) | (5,355,930) | (8,367,176) |
| Net debt | 3,403,734 | 2,265,141 | 3,096,552 | 1,126,092 |
| Equity | 9,995,375 | 9,483,190 | 13,413,460 | 12,711,964 |
| Equity and net debt | 13,399,109 | 11,748,331 | 16,510,012 | 13,838,056 |
| Net debt index | <u>0.34</u> | <u>0.24</u> | <u>0.23</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 June 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 | 814,539 | 1,572,155 | 6,586 | 2,393,280 |
| Debentures | 1,182,263 | 1,271,006 | - | 2,453,269 |
| Derivatives | 11,400 | 1,842 | - | 13,242 |
| Finance lease | 20,375 | 80,977 | 51,561 | 152,913 |
| At June 30, 2014 | 2,028,577 | 2,925,980 | 58,147 | 5,012,704 |

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 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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

(v) Liquidity management risk – Continued

b) Consolidated

| | Consolidated | | | |
|-------------------------|---------------------|--------------------|------------------------------|------------------|
| | Up to 1 year | 1 – 5 years | More than 5 years | Total |
| Loans and financing | 3,872,434 | 1,997,759 | 15,878 | 5,886,071 |
| Debtentures | 1,653,158 | 1,693,732 | - | 3,346,890 |
| Derivatives | 11,400 | 1,842 | - | 13,242 |
| Finance lease | 47,767 | 144,335 | 78,802 | 270,904 |
| At June 30, 2014 | 5,584,759 | 3,837,668 | 94,680 | 9,517,107 |

| | Consolidated | | | |
|-----------------------------|---------------------|--------------------|------------------------------|-------------------|
| | Up to 1 year | 1 – 5 years | More than 5 years | Total |
| Loans and financing | 4,045,687 | 1,783,679 | 18,889 | 5,848,255 |
| Debtentures | 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 | |
|------------------------------|---------------------|-----------------------|-------------------|-------------------|-------------------|
| | | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Fair value hedge | | | | | |
| Purpose of hedge (debt) | | 427,698 | 460,300 | 482,358 | 679,662 |
| <u>Long position (buy)</u> | | | | | |
| Prefixed rate | 11.58% p.a. | 130,000 | 260,000 | 202,687 | 385,104 |
| US\$ + fixed | 1.93% p.a. | 297,698 | 200,300 | 282,144 | 293,768 |
| | | 427,698 | 460,300 | 484,831 | 678,872 |
| <u>Short position (sell)</u> | | | | | |
| | 104.10% of CDI p.a. | (427,698) | (460,300) | (495,254) | (565,332) |
| Net hedge position | | - | - | (10,423) | 113,540 |
| Total net swap position | | - | - | (10,423) | 113,540 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 six-month period ended June 30, 2014 are recorded in the net financial result and balance payable by fair value is R\$10,423 (R\$113,540 at December 31, 2013) and recorded under “Loans and financing”.

Fair value hedge effects through profit or loss for the six-month period ended June 30, 2014 resulted in a loss of R\$38,657 (loss of R\$15.160 at June 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\$2.71 on the due date, and the interest rate weighted was 11.45% 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 | (208,484) | (213,275) | (218,060) |
| Net effect profit (Loss) | | (18,800) | (23,591) | (28,376) |

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

| Operations | Risk | Market projection | | |
|------------------------------|---------------|-------------------|------------------|------------------|
| | | Scenario I | Scenario II | Scenario III |
| Debt - US\$ | | (356,593) | (445,741) | (534,890) |
| Swap (long position in US\$) | US\$ decrease | 359,302 | 449,127 | 538,953 |
| | Net effect | 2,709 | 3,386 | 4,063 |
| Swap (short position in CDI) | CDI increase | (396,204) | (419,765) | (444,162) |
| Estimated financial expenses | | (393,495) | (416,379) | (440,099) |
| Net effect profit (Loss) | | (90,640) | (113,524) | (137,244) |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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% | (1,367,095) | (1,400,409) | (1,433,723) |
| Debentures | 108.61% of CDI | (1,135,930) | (1,163,610) | (1,191,291) |
| Debentures - Via Varejo | 100% of CDI + 0.8% | (913,322) | (935,578) | (957,834) |
| Bank loan – CDB | 106.37% of CDI | (1,480,633) | (1,516,713) | (1,552,793) |
| Leasing | 100.10% of CDI | (221,346) | (226,740) | (232,134) |
| Leasing | IGP-DI + 6% per year | (36,043) | (36,921) | (37,799) |
| Bank loan- Via Varejo | 109.43% of CDI | (3,466,459) | (3,550,930) | (3,635,402) |
| Total loans and financing exposure | | (8,620,828) | (8,830,901) | (9,040,976) |
| Cash and cash equivalents (*) | 101.08% of CDI (*) | 5,998,461 | 6,144,633 | 6,290,805 |
| Net exposure | | (2,622,367) | (2,686,268) | (2,750,171) |
| Total net effect (loss) (*) <i>weighted average</i> | | (649,433) | (713,334) | (775,237), |

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 a assets may be exchange, or a liability settled, between knowledgeable parties, in a transaction with no favored parts. 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 prices 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 of cash and cash equivalentes, short term debt and trade suppliers accounts payable are the same of the amounts 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

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

19. Financial instruments – Continued

| | | Quoted price in an active market for an identical instrument (Level 1) | Fair value measurement at the end of the reporting period adopting other observable relevant assumptions (Level 2) |
|--|-------------------|---|--|
| | 06.30.2014 | | |
| Financial investments measured at fair value | 22,990 | 22,990 | - |
| Cross-currency interest rate swaps | (23,421) | - | (23,421) |
| Interest rate swaps | 12,998 | - | 12,998 |
| Loans and financing | (481,787) | - | (481,487) |
| | (468,920) | 22,990 | (491,910) |

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

- Financial investments are classified on level 1, since they are highly available in dolar and their price is available on the market.
- Foreign exchange and interest rate swaps and loans and financing are classified on level 2, since are utilized readily observable market inputs are utilized, for example, expected interest rate, current and future foreign exchange rate.

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 | |
|--|--------------------|-------------------|---------------------|-----------|----------------------------------|------------|-----------------|------------|
| | | | | | 06.30.2014 | 12.31.2013 | 06.30.2014 | 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 |
| | Itaú Unibanco | US\$100,000 | 5/5/2011 | 4/16/2014 | - | 73,007 | - | 75,803 |
| | Banco JP Morgan | US\$ 50.000 | 3/19/2014 | 3/21/2016 | (8,312) | - | (7,783) | - |
| | Banco Tokyo | US\$ 75.000 | 1/14/2014 | 1/10/2017 | (17,268) | - | (15,638) | - |
| Interest rate swap registered at CETIP (fixed rate x CDI) | | | | | | | | |
| | Banco do Brasil | R\$130,000 | 6/28/2010 | 6/6/2014 | - | 11,545 | - | 12,384 |
| | Banco do Brasil | R\$130,000 | 6/28/2010 | 6/2/2015 | 12,226 | 10,943 | 12,998 | 11,742 |
| | | | | | (13,354) | 108,857 | (10,423) | 113,540 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

20. Income and social contribution 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) Payable taxes, contributions and taxes installments.

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| PIS and COFINS | 40,309 | 62,011 | 344,905 | 368,386 |
| Provision for income and social contribution taxes | 88,649 | 132,077 | 118,437 | 166,535 |
| ICMS | 12,074 | 29,987 | 121,521 | 226,644 |
| Other | - | 5,513 | 35,823 | 62,599 |
| | 141,032 | 229,588 | 620,686 | 824,164 |
| Taxes payable in installments - | | | | |
| Law 11941/09 | 1,022,052 | 1,112,780 | 1,096,284 | 1,188,312 |
| INSS | - | - | 12,850 | 13,323 |
| Other | 13,136 | 14,731 | 13,803 | 15,512 |
| | 1,035,188 | 1,127,511 | 1,122,937 | 1,217,147 |
| Current | 281,165 | 365,382 | 769,163 | 968,462 |
| Noncurrent | 895,055 | 991,717 | 974,460 | 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 | 70,113 | 77,347 |
| 2016 | 139,866 | 149,836 |
| 2017 | 139,329 | 149,094 |
| 2018 | 135,371 | 145,136 |
| 2019 | 86,530 | 96,295 |
| After 2019 | 323,846 | 356,752 |

895,055

974,460

77

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

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 | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Profit before income and social contribution taxes | 597,380 | 311,509 | 1,006,407 | 490,123 |
| Income and social contribution taxes at the notional rate of 25% for the Parent Company and 34% for subsidiaries | (149,345) | (77,877) | (301,922) | (147,037) |
| Tax penalties | (1,303) | (1,884) | (3,639) | (3,180) |
| Share of profit associates | 66,639 | 32,950 | 14,746 | 3,833 |
| Extemporaneous credits | - | 16,890 | - | 16,890 |
| Other permanent differences (undeductible) | (5,115) | (2,923) | (18,720) | (8,394) |
| Effective income and social contribution taxes | (89,124) | (32,844) | (309,535) | (137,888) |
| Income and social contribution taxes for the period: | | | | |
| Current | (100,588) | (46,704) | (246,140) | (142,692) |
| Deferred | 11,464 | 13,860 | (63,395) | 4,804 |
| Deferred income and social contribution taxes expenses | (89,124) | (32,844) | (309,535) | (137,888) |
| Effective rate | 14.92% | 10.54% | 30.76% | 28.13% |

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 | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Tax losses | - | 28,016 | 685,045 | 793,633 |
| Provision for contingencies | 194,360 | 151,125 | 403,785 | 301,686 |
| Provision for derivative operations taxed on a cash basis | 13,042 | 1,793 | 8,948 | 5,997 |
| Allowance for doubtful accounts | 1,456 | 2,004 | 89,650 | 81,731 |
| Provision for current expenses | 1,402 | - | 44,433 | 63,576 |
| Goodwill tax amortization | 15,596 | 24,801 | (429,448) | (395,564) |

| | | | | |
|---|-----------------|----------|--------------------|-------------|
| Present value adjustment (PVA) | 840 | 779 | (4,849) | (929) |
| Lease adjustment | 5,751 | 5,331 | (107,168) | (75,110) |
| Mark-to-market adjustment | 2,019 | 534 | 2,019 | 534 |
| Fair value of assets acquired in business combination | - | - | (796,035) | (808,318) |
| Technological innovation – future realization | (19,505) | (20,708) | (19,505) | (20,708) |
| Depreciation as per tax rates | (91,640) | (87,442) | (99,065) | (89,577) |
| Other | 9,012 | 14,636 | 50,698 | 32,954 |
| Deferred income and social contribution tax, net | 132,333 | 120,869 | (171,492) | (110,095) |
| Noncurrent assets | 132,333 | 120,869 | 870,413 | 950,757 |
| Noncurrent liabilities | - | - | (1,041,905) | (1,060,852) |
| Deferred income and social contribution taxes, net | 132,333 | 120,869 | (171,492) | (110,095) |

78

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 | 11,422 | 394,208 |
| 2015 | 11,001 | 213,580 |
| 2016 | 14,014 | 67,832 |
| 2017 | 11,855 | 39,797 |
| After 2018 | 84,041 | 154,996 |
| | 132,333 | 870,413 |

c) Changes in income and social contribution taxes deferred.

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| At the beginning of the period | 120,869 | 185,491 | (110,095) | (58,534) |
| Expense in the period | 11,464 | (64,622) | (63,395) | (89,090) |
| Bartira (acquisition) | - | - | - | 29,534 |
| Public offering of shares - Via Varejo | - | - | - | 8,288 |
| Other | - | - | 1,998 | (293) |
| At the end of the period | 132,333 | 120,869 | (171,492) | (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 | |
|--------------------------------|---------------------|-------------------|
| | 6.30.2014 | 12.31.2013 |
| Interest acquisition in Assai | 5,607 | 5,339 |
| Interest acquisition in Sendas | 183,976 | 171,465 |
| | 189,583 | 176,804 |

| | | |
|------------------------|----------------|---------|
| Current liabilities | 71,512 | 69,014 |
| Noncurrent liabilities | 118,071 | 107,790 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 | - | 4,448 | 17,189 | 12,814 | 34,451 |
| Payments | - | - | (12,736) | (543) | (13,279) |
| Reversals | - | - | (1,800) | (7,728) | (9,528) |
| Monetary restatement | 4,765 | 2,590 | 7,389 | 7,704 | 22,448 |
| Balance at June 30, 2014 | 213,891 | 73,943 | 159,238 | 82,972 | 530,044 |

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 | 5,067 | 7,645 | 164,526 | 81,613 | 258,851 |
| Payments | - | - | (32,993) | (14,241) | (47,234) |
| Reversals | - | - | (24,489) | (53,399) | (77,888) |
| Monetary restatement | 6,555 | 8,357 | 24,182 | 24,136 | 63,230 |
| Transfer | - | - | 476 | 1,427 | 1,903 |
| Balance at June 30, 2014 | 283,820 | 418,702 | 429,166 | 214,696 | 1,346,384 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 offsetted tax debts related to PIS and COFINS against - 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 June 30, 2014 is R\$100,033 (R\$91,898 at December 31, 2013).

In addition, in 2013 there were progresses in the claims related to the offset of Finsocial, COFINS and PIS, which lead our legal counsel to change their estimation of losses from possible to probable in the amount of R\$176,671 at June 30, 2014 (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 sale of 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.

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\$45,353 at June 30, 2014 (R\$ 44,060 at December 31,2013).

The amount recorded for these subjects at June 30, 2014 is R\$106,440 (R\$100,094 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, referring to the FGTS (Government Severance Indemnity Fund for Employees) costs, The amount of provision at June 30, 2014 is R\$44,180 (R\$38,509 at December 31, 2013).

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 June 30, 2014, the amount recorded was R\$169,265 (R\$165,282 at December 31, 2013) in tax contingent liabilities.

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.

Contingencies Bartira

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 17). Provisions, Contingent Liabilities and Contingent Assets (IAS 17) used for the evaluation of other contingencies. The main issue is the possible lack of support documentation for the operations, amounting R\$95,310 for Social Contribution, Income Tax, PIS, COFINS and ICMS. The total contingencies amount R\$117,644.

d) Labor

The Company is party in numerous lawsuits involving disputes with its employees, primarily arising from layoffs in the ordinary course of business, At June 30, 2014, the Company had a provision of R\$429,166 (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”), 0.35% accumulated at June 30, 2014 (0.03% at June 30 2013) plus 1% monthly interest rates.

e) Civil and other

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

Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K
to be 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 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 June 30, 2014, the provision for these lawsuits is R\$55,983 (R\$42,791 at December 31, 2013), for which there are no restricted deposits.

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies –Continued

e) Civil and other–Continued

- 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\$80,898 at June 30, 2014 (R\$68,694 at December 31, 2013).

The total amount of civil actions and other at June 30, 2014 is R\$214,696 (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\$ 8,118,960 at June 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\$290,693 at June 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, with holding 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 of the Company's legal advisors the chances of loss are classified partly as possible, in the amount of R\$668,272 at June 30, 2014 (R\$636,787 at December 31, 2013) and partly as remote.

These proceedings await decision in the administrative and court level. The amount involved in these assessments corresponds to R\$1,348,111 at June 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\$1,084,932 at June 30, 2014 (R\$982,419 at December 31, 2013).

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies –Continued

f) Other non-accrued contingent liabilities –Continued

- 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 CAT Ordinance 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\$4,454,509 at June 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\$388,800 at June 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\$551,915 at June 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 June 30, 2014, the estimated amount, in case of finalization of all claims with success, is approximately R\$117,332 (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

Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K
decisions, in addition to collateral deposits related to provisions for lawsuits.

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

| | Parent Company | | Consolidated | |
|-----------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Tax | 59,873 | 59,410 | 152,464 | 145,271 |
| Labor | 333,704 | 321,769 | 648,508 | 567,924 |
| Civil and other | 30,486 | 45,834 | 82,263 | 101,995 |
| Total | 424,063 | 427,013 | 883,235 | 815,190 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

23. Provision for contingencies – Continued

h) Guarantees

| <u>Lawsuits</u> | Real estate | Equipment | Guarantee | Total |
|-----------------|-------------|-----------|-----------|-----------|
| Tax | 837,893 | 14 | 5,864,030 | 6,701,937 |
| Labor | 7,195 | 2,661 | 60,782 | 70,638 |
| Civil and other | 10,949 | 990 | 336,979 | 348,918 |
| Total | 856,037 | 3,665 | 6,261,791 | 7,121,493 |

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 | |
|--|----------------|------------|--------------|------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Gross commitments from operating lease | | | | |
| Minimum rental payment: | | | | |
| Up to 1 year | 433,004 | 404,944 | 1,227,094 | 1,270,330 |
| 1 - 5 years | 1,421,359 | 1,315,029 | 3,924,447 | 3,873,476 |
| Over 5 years | 1,421,063 | 1,318,415 | 5,112,580 | 5,085,869 |
| | 3,275,426 | 3,038,388 | 10,264,121 | 10,229,675 |
| Future sublease rentals (*) | (86,917) | (85,507) | (121,585) | (105,930) |
| Total | 3,188,509 | 2,952,881 | 10,142,536 | 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.

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 June 30, 2014, the fine amount would be R\$560,268 (R\$631,515 at December 31, 2013).

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

24. Leasing transactions - Continued

(i) Payments

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

| | Parent Company | | Consolidated | |
|---------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Expenses(income) in the period | | | | |
| Contingent payments | 178,639 | 168,074 | 299,556 | 263,350 |
| Non contingent payments | 70,302 | 65,801 | 433,820 | 360,887 |
| Sublease rentals (*) | (69,372) | (61,511) | (87,821) | (80,380) |

(*) 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\$424,462 at June 30, 2014 (R\$482,543 at December 31, 2013), according to the chart below:

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| Financial lease liability –minimum lease payments: | | | | |
| Up to 1 year | 17,131 | 28,124 | 34,732 | 56,330 |
| 1 - 5 years | 64,884 | 97,587 | 110,450 | 142,857 |
| Over 5 years | 57,745 | 27,260 | 85,078 | 55,654 |
| Present value of financial lease agreements | 139,760 | 152,971 | 230,260 | 254,841 |

| | | | | |
|--|----------------|---------|----------------|---------|
| Future financing charges | 149,776 | 152,074 | 194,202 | 227,702 |
| Gross amount of financial lease agreements | 289,536 | 305,045 | 424,462 | 482,543 |

| | Parent Company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Contingent payments recognized as expense in the period | 1,406 | 1,162 | 1,406 | 1,162 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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.

| | Controladora | | Consolidated | |
|-----------------------------------|---------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 12.31.2013 | 06.30.2014 | 12.31.2013 |
| | | | | - |
| Additional or extended warranties | 27,916 | 30,000 | 439,655 | 471,586 |
| Bradesco agreement | - | - | 36,132 | 11,395 |
| Swap agreement | - | - | 54,736 | 50,378 |
| Investments in media | 25,749 | - | 59,082 | - |
| <i>Back lights</i> | - | - | 34,791 | 37,027 |
| | 53,665 | 30,000 | 624,396 | 570,386 |
| Current | 9,916 | - | 141,321 | 114,749 |
| Noncurrent | 43,749 | 30,000 | 483,075 | 455,637 |

Management estimates that the value classified as noncurrent will be recognized in profit or loss according to the passage of time and the financial performance of each contract, in the following proportion:

| | Parent Company | Consolidated |
|------|-----------------------|---------------------|
| | 06.30.2014 | 06.30.2014 |
| 2015 | 5,000 | 58,785 |
| 2016 | 10,000 | 164,698 |
| 2017 | 833 | 76,621 |
| 2018 | - | 54,053 |
| 2019 | - | 49,608 |
| 2020 | 27,916 | 79,310 |
| | 43,749 | 483,075 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 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 265,138 (264,453 at December 31, 2013) thousands of registered shares with no par value at June 30, 2014, of which 99,680 in thousands of common shares at June 30, 2014 and December 31, 2013, and 165,458 in thousands of preferred shares at June 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.

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 |
|--------------------------------------|------------|----------------------------------|-------------------|---|-----------------|--|---------------|----------------------------|-----------------|
| | | | On the grant date | 2 nd date of exercise and expiration | | | Exercised | Not exercised by dismissal | |
| Balance at December 31 , 2013 | | | | | | | | | |
| Series A4 - | | | | | | | | | |
| Gold | 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 | |

| Series granted | Grant date | 1 st date of exercise | Price 2 nd date of exercise and expiration | On the grant date | End of the period | Number of options granted (in thousands) | Lot of shares | | Total in effect |
|---------------------------------|------------|----------------------------------|--|-------------------|-------------------|--|---------------|----------------------------|-----------------|
| | | | | | | | Exercised | Not exercised by dismissal | |
| Balance at June 30, 2014 | | | | | | | | | |
| 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 | (282) | (14) | 3 |
| Series A5 - | | | | | | | | | |
| <i>Silver</i> | 5/31/2011 | 5/31/2014 | 5/31/2015 | 54.69 | 54.69 | 299 | (282) | (14) | 3 |
| Series A6 - | | | | | | | | | |
| <i>Gold</i> | 3/15/2012 | 3/15/2015 | 3/15/2016 | 0.01 | 0.01 | 526 | (293) | (26) | 207 |
| Series A6 - | | | | | | | | | |
| <i>Silver</i> | 3/15/2012 | 3/15/2015 | 3/15/2016 | 64.13 | 64.13 | 526 | (293) | (26) | 207 |
| Series A7 - | | | | | | | | | |
| <i>Gold</i> | 3/15/2013 | 3/31/2016 | 3/31/2017 | 0.01 | 0.01 | 358 | (105) | (18) | 235 |
| Series A7 - | | | | | | | | | |
| <i>Silver</i> | 3/15/2013 | 3/31/2016 | 3/31/2017 | 80.00 | 80.00 | 358 | (105) | (18) | 235 |
| 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 | (2,053) | (119) | 1,368 |

88

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

26. Equity – Continued

b) Share-based payment plans - Continued

(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:

| | 06.30.2014 | 12.31.2013 |
|-------------------------------------|-------------------|-------------------|
| Number of shares | 265,138 | 264,453 |
| Balance of granted series in effect | 1,368 | 1,580 |
| Maximum percentage of dilution | 0.52% | 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 June 30, 2014 was 2.00 year (1.46 year at December 31, 2013). The weighted average fair value of options granted at June 30, 2014 was R\$69.57 (R\$62.59 at December 31, 2013).

| | 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 June 30, 2014

| | | | | |
|---|--------------|--------------|-------------|---------------|
| Granted during the year | 478 | 41.61 | | |
| Cancelled during the period | (4) | 35.03 | | |
| Exercised during the period | (686) | 31.93 | | |
| Outstanding at the end of the period | 1,368 | 38.14 | 2.00 | 87,855 |
| Total to be exercised at June 30, 2014 | 1,368 | 38.14 | 2.00 | 87,855 |

At June 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 June 30, 2014 were R\$25,711 (R\$23,653 at Junho 30, 2013).

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

26. Equity – Continued

b) Share-based payment plans - Continued

(ii) Consolidated information stock option plan – GPA – New series B1 and C1

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. On both plans, there is a vesting period of 36 months from the date 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. The series are different, 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) 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\$259,968 (R\$259,655 at December 31, 2012), including the anticipated dividends already declared, amounting 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 six-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.

(i) Dividends prepaid

The Board of Directors' meeting held at April 24, 2014 approved the payment of dividends prepaid 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.

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

27. Net operating revenue

| | Parent Company | | Consolidated | |
|-------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Gross sales | | | | |
| Goods | 11,845,231 | 11,181,965 | 33,010,806 | 29,629,617 |
| Rendering of services | 125,138 | 103,864 | 790,352 | 784,109 |
| Financial services | - | - | 691,384 | 498,145 |
| Sales return and cancellation | (192,307) | (147,591) | (985,221) | (947,640) |
| | 11,778,062 | 11,138,238 | 33,507,321 | 29,964,231 |
| Sales taxes | (925,637) | (943,251) | (3,295,781) | (3,143,434) |
| Net sales | 10,852,425 | 10,194,987 | 30,211,540 | 26,820,797 |

28. Expenses by nature

| | Parent Company | | Consolidated | |
|-------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Cost of goods sold | (7,937,658) | (7,402,606) | (22,503,689) | (19,779,644) |
| Personnel expenses | (1,068,504) | (1,042,497) | (2,580,346) | (2,489,375) |
| Outsourced services | (169,502) | (170,560) | (956,230) | (1,488,677) |
| Functional expenses | (508,477) | (480,817) | (1,066,533) | (618,345) |
| Selling expenses | (202,175) | (179,999) | (687,696) | (263,945) |
| Other expenses | (73,021) | (52,637) | (284,553) | (401,035) |
| | (9,959,337) | (9,329,116) | (28,079,047) | (25,041,021) |
| Cost of goods sold | (7,937,658) | (7,402,606) | (22,503,689) | (19,779,644) |
| Selling expenses | (1,764,820) | (1,598,721) | (4,906,106) | (4,493,600) |
| General and administrative expenses | (256,859) | (327,789) | (669,252) | (767,777) |
| | (9,959,337) | (9,329,116) | (28,079,047) | (25,041,021) |

29. Other operating revenue (expenses), net

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |

| | | | | |
|------------------------------------|-----------------|-----------|-----------------|-----------|
| Provision for legal claims | - | (163,291) | - | (163,291) |
| Indemnified amounts | (14,870) | (35,283) | (14,870) | (73,941) |
| Integration/restructuring expenses | (45,852) | (27,585) | (55,622) | (39,457) |
| Property and equipment result | (9,859) | (4,226) | (23,661) | (13,781) |
| Others | (1,649) | (13,494) | 1,655 | (67,912) |
| | (72,275) | (243,879) | (92,498) | (358,382) |
| Other operating income | - | 10,066 | 627 | 10,787) |
| Other operation expenses | (72,275) | (253,945) | (93,125) | (369,169) |
| | (72,275) | (243,879) | (92,498) | (358,382) |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

30. Financial result, net

| | Parent Company | | Consolidated | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | 06.30.2014 | 06.30.2013 | 06.30.2014 | 06.30.2013 |
| Finance expenses: | | | | |
| Cost of debt | (258,096) | (229,727) | (472,177) | (409,400) |
| Cost of sales of receivables sales | (49,992) | (40,913) | (367,087) | (264,584) |
| Monetary restatement | (35,406) | (56,616) | (117,755) | (105,016) |
| Other finance expenses | (38,854) | (25,763) | (76,091) | (45,687) |
| Total finance expenses | (382,348) | (353,019) | (1,033,110) | (824,687) |
| Finance income: | | | | |
| Profitability in cash and cash equivalents | 50,389 | 66,189 | 200,352 | 176,635 |
| Monetary restatement | 51,013 | 40,152 | 120,933 | 88,338 |
| Other finance income | 2,510 | 4,138 | 11,666 | 5,701 |
| Total finance income | 103,912 | 110,479 | 332,951 | 270,674 |
| Total | (278,436) | (242,540) | (700,159) | (554,013) |

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

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

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:

| | 06.30.2014 | | | 06.30.2013 | | |
|--|------------|---------|---------|------------|---------|---------|
| | Preferred | Common | Total | Preferred | Common | Total |
| Basic numerator | | | | | | |
| Basic earnings allocated | 328,014 | 180,242 | 508,256 | 179,483 | 99,182 | 278,665 |
| Net income allocated available for common and preferred shareholders | 328,014 | 180,242 | 508,256 | 179,483 | 99,182 | 278,665 |
| Basic denominator (thousands of shares) | | | | | | |
| Weighted average of shares | 164,912 | 99,680 | 264,592 | 163,986 | 99,680 | 263,666 |
| Basic earnings per thousands of shares (R\$) | 1.98903 | 1.80821 | | 1.09450 | 0.99500 | |
| Diluted denominator | | | | | | |
| Weighted average of shares | 164,912 | 99,680 | 264,592 | 163,986 | 99,680 | 263,666 |
| (in thousands) | | | | | | |
| Stock call option | 317 | - | 317 | 1,217 | - | 1,217 |
| Diluted weighted average of shares (in thousands) | 165,229 | 99,680 | 264,909 | 165,203 | 99,680 | 264,883 |
| Diluted earnings per thousands of shares (R\$) | 1.98521 | 1.80821 | | 1.08644 | 0.99500 | |

32. Private pension plan of defined contribution

In July 2007, the Company established a supplementary private pension plan of defined contribution 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 amounts paid referring to the six-month period ended June 30, 2014 is R\$1,962 (R\$1,871 at June 30, 2013), and employees contributions is R\$2,788 (R\$2,380 at June 30, 2013); The plan had 945 participants at June 30, 2014 (1,012 at December 31, 2013).

33. Insurance coverage

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

| Insured assets | Covered risks | Parent Company Amount insured | Consolidated Amount insured |
|-------------------------------------|----------------------|--|--|
| Property, equipment and inventories | Assigning profit | 8,165,268 | 20,068,361 |
| Profit | Loss of profits | 2,010,577 | 4,277,275 |
| Cars and other (*) | Damages | 381,049 | 708,697 |

The Company maintains specific policies referring to civil, directors and officers liability amounting to R\$311,625.

(*) The value reported above does not include coverage of the hooves, which are insured by the value of 100% of Foundation Institute of Economic Research – FIPE table.

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

34. Segment information

The information of segments was presented in the annual financial statements of 2013, in note 35.

Management considers the following segments:

- Retail – includes the banners “Pão de Açúcar”, “Minuto Pão de Açúcar”, “Extra Hiper”, “Extra Supermercado”, “Minimercado Extra”, “Posto Extra”, “Drogaria Extra” and “Conviva”.
- Home appliances – includes the banners “Ponto Frio” and “Casas Bahia”.
- Cash & Carry – includes the banner “ASSAI”.
- E-commerce includes the sites www.pontofrio.com.br; www.extra.com.br; www.casasbahia.com.br; www.barateiro.com.br and www.partiuviagens.com.br.

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

34. Segment information - Continued

Information about the segments is included in the following table:

| Description | Balance at 06.30.2014 | | | | Total | Eliminations (b) | Total |
|--|-----------------------|--------------|-----------------|------------|-------------|------------------|-------------|
| | Retail (a) | Cash & Carry | Home appliances | E-commerce | | | |
| Net sales revenue | 12,892,679 | 3,777,664 | 10,973,840 | 2,593,129 | 30,237,312 | (25,772) | 30,211,540 |
| Gross profit | 3,539,395 | 512,746 | 3,410,135 | 252,534 | 7,714,810 | (6,959) | 7,707,851 |
| Depreciation and amortization | (271,099) | (37,138) | (68,001) | (6,343) | (382,581) | - | (382,581) |
| Equity pickup | 34,845 | - | 14,307 | - | 49,152 | - | 49,152 |
| Operating income | 678,886 | 81,037 | 908,298 | 38,345 | 1,706,566 | - | 1,706,566 |
| Finance expenses | (422,417) | (34,007) | (496,176) | (107,710) | (1,060,310) | 27,200 | (1,033,110) |
| Finance income | 173,424 | 8,598 | 169,535 | 8,594 | 360,151 | (27,200) | 332,951 |
| Earnings before income and social contribution taxes | 429,893 | 55,628 | 581,657 | (60,771) | 1,006,407 | - | 1,006,407 |
| Income and social contribution taxes | (112,408) | (19,083) | (198,504) | 20,460 | (309,535) | - | (309,535) |
| Profit (loss) for the year | 317,484 | 36,545 | 383,153 | (40,310) | 696,872 | - | 696,872 |
| Current assets | 5,239,619 | 1,167,279 | 8,265,248 | 998,078 | 15,670,224 | (845) | 15,669,379 |
| Noncurrent assets | 13,963,101 | 1,403,538 | 4,513,812 | 722,111 | 20,602,562 | (809,799) | 19,792,763 |
| Current liabilities | 5,071,670 | 1,427,757 | 7,212,410 | 1,383,092 | 15,094,929 | (498,150) | 14,596,779 |
| Noncurrent liabilities | 5,669,189 | 172,929 | 1,600,438 | 321,841 | 7,764,397 | (312,494) | 7,451,903 |
| Equity | 8,461,861 | 970,131 | 3,966,212 | 15,256 | 13,413,460 | - | 13,413,460 |

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of Brazilian reais, unless otherwise stated)

34. Segment information – Continued

| Description | Balance at 06.30.2013 | | | | | Eliminations (b) | Total |
|--|-----------------------|--------------|-----------------|------------|------------|------------------|------------|
| | Retail (a) | Cash & Carry | Home appliances | E-commerce | Total | | |
| Net sales | 12,020,381 | 2,738,131 | 10,255,838 | 1,806,447 | 26,820,797 | - | 26,820,797 |
| Gross profit | 3,360,241 | 375,332 | 3,153,182 | 152,398 | 7,041,153 | - | 7,041,153 |
| Depreciation and amortization | (295,935) | (25,423) | (65,893) | (2,784) | (390,035) | - | (390,035) |
| Equity accounting | 9,875 | - | 2,902 | - | 12,777 | - | 12,777 |
| Operating income | 368,425 | 59,356 | 599,489 | 16,866 | 1,044,136 | - | 1,044,136 |
| Finance expenses | (394,813) | (19,721) | (363,167) | (59,976) | (837,677) | 12,990 | (824,687) |
| Finance income | 165,716 | 11,359 | 102,430 | 4,159 | 283,664 | (12,990) | 270,674 |
| Earnings before income and social contribution taxes | 139,329 | 50,993 | 338,752 | (38,951) | 490,123 | - | 490,123 |
| Income and social contribution taxes | (14,732) | (18,074) | (117,586) | 12,504 | (137,888) | - | (137,888) |
| Profit (loss) for the year | 124,596 | 32,919 | 221,167 | (26,447) | 352,235 | - | 352,235 |

December 31, 2013

| | | | | | | | |
|------------------------|------------|-----------|-----------|-----------|------------|-----------|------------|
| Current assets | 7,087,919 | 1,358,757 | 8,753,861 | 1,412,263 | 18,612,800 | (3,065) | 18,609,735 |
| Noncurrent assets | 12,717,447 | 2,456,542 | 4,376,438 | 550,254 | 20,100,681 | (702,064) | 19,398,617 |
| Current liabilities | 5,379,993 | 2,603,726 | 7,833,044 | 1,901,120 | 17,717,883 | (705,129) | 17,012,754 |
| Noncurrent liabilities | 6,300,186 | 278,946 | 1,697,586 | 6,916 | 8,283,634 | - | 8,283,634 |
| Equity | 8,125,187 | 932,627 | 3,599,669 | 54,481 | 12,711,964 | - | 12,711,964 |

a) Retail segment includes GPA Malls & Properties.

b) Eliminations consists on intercompany balances.

Companhia Brasileira de Distribuição

Notes to the financial statements

June 30, 2014

(In thousands of reais, unless otherwise stated)

34. Segment information – Continued

Company general information

The Company and its subsidiaries operate primarily as a retailer of food, clothing, home appliances and other products. Total revenues are composed of the following types of products:

| | 06.30.2014 | 06.30.2013 |
|-------------|-------------------|-------------------|
| Food | 55.2% | 55.0% |
| Non-food | 44.8% | 45.0% |
| Total sales | 100.0% | 100.0% |

At June 30, 2014, capital expenditures (Capex) were as follows:

| | 06.30.2014 | 06.30.2013 |
|----------------------------|-------------------|-------------------|
| Food | 404,513 | 678,228 |
| Non-food | 182,952 | 148,694 |
| Total capital expenditures | 587,465 | 826,922 |

35. Subsequent events

a) Prepaid dividends

Prepaid dividends related to the second quarter of 2014 will be anticipated, according to the Dividend Policy of the Company, in the total amount of R\$35,818, of which R\$0.14 per preferred share and R\$0.127272 per common share. The dividends will be paid at August 13, 2014. All the shares shall be entitled to dividends on August 01, 2014 base date. As of August 04, 2014, the shares shall be negotiated

Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K
“ex-rights” to the dividends payment date.

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

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

Version: 1**Other Information Deemed as Relevant by the Company****SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE INDIVIDUAL LEVEL**

| Shareholder | Common Shares | | Preferred Shares | | Shareholding at 06/30/2014 (In units) Total | |
|-----------------------------|-------------------|----------------|--------------------|----------------|---|----------------|
| | Number | % | Number | % | Number | % |
| WILKES PARTICIPAÇÕES S.A. | 65,400,000 | 65.61% | - | 0.00% | 65,400,000 | 24.67% |
| SUDACO PARTICIPAÇÕES LTDA. | 28,619,178 | 28.71% | - | 0.00% | 28,619,178 | 10.79% |
| COFIDOL SAS * | - | 0.00% | 8,907,123 | 5.38% | 8,907,123 | 3.36% |
| CASINO GUICHARD PERRACHON * | 5,600,052 | 5.62% | - | 0.00% | 5,600,052 | 2.11% |
| SEGISOR * | - | 0.00% | 13,460 | 0.01% | 13,460 | 0.01% |
| KING LLC * | - | 0.00% | 852,000 | 0.51% | 852,000 | 0.32% |
| PINCHER LLC * | - | 0.00% | 115,235 | 0.07% | 115,235 | 0.04% |
| TREASURY SHARES | - | 0.00% | 232,586 | 0.14% | 232,586 | 0.09% |
| OTHER | 60,621 | 0.06% | 155,337,536 | 93.88% | 155,398,157 | 58.61% |
| TOTAL | 99,679,851 | 100.00% | 165,457,940 | 100.00% | 265,137,791 | 100.00% |

(*) Foreign Company

CORPORATE'S CAPITAL STOCK DISTRIBUTION (COMPANY'S SHAREHOLDER). UP TO THE INDIVIDUAL LEVEL**WILKES PARTICIPAÇÕES S.A**

| Shareholder/Quotaholder | Common Shares | | Preferred Shares Class A | | Preferred Shares Class B | | Shareholding at 06/30/2014 (In units) Total | |
|-------------------------|---------------|--------|--------------------------|---------|--------------------------|---------|---|--------|
| | Number | % | Number | % | Number | % | Number | % |
| SUDACO | | | | | | | | |
| PARTICIPAÇÕES LTDA. | 24,466,566 | 60.04% | 24,650,000 | 100.00% | 10,073,824 | 100.00% | 59,190,390 | 78.43% |
| SEGISOR | 5,078,294 | 12.46% | - | 0.00% | - | 0.00% | 5,078,294 | 6.73% |

| | | | | | | | | |
|-----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| BENGAL LLC | 1,550,000 | 3.80% | - | 0.00% | - | 0.00% | 1,550,000 | 2.05% |
| OREGON LLC | 1,550,000 | 3.80% | - | 0.00% | - | 0.00% | 1,550,000 | 2.05% |
| PINCHER LLC | 1,434,765 | 3.52% | - | 0.00% | - | 0.00% | 1,434,765 | 1.90% |
| GEANT | 4,894,544 | 12.01% | - | 0.00% | - | 0.00% | 4,894,544 | 6.49% |
| TREASURY SHARES | 1,775,831 | 4.36% | - | 0.00% | - | 0.00% | 1,775,831 | 2.35% |
| TOTAL | 40,750,000 | 100.00% | 24,650,000 | 100.00% | 10,073,824 | 100.00% | 75,473,824 | 100.00% |

SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE INDIVIDUAL LEVEL

| Shareholder/Quotaholder | SUDACO PARTICIPAÇÕES LTDA | | Shareholding at 06/30/2014 (In units) | |
|----------------------------|---------------------------|----------------|--|----------------|
| | Number | % | Number | % |
| PUMPIDO PARTICIPAÇÕES LTDA | 3,585,804,573 | 100.00% | 3,585,804,573 | 100.00% |
| TOTAL | 3,585,804,573 | 100.00% | 3,585,804,573 | 100.00% |

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

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

Version: 1**Other Information Deemed as Relevant by the Company****SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE INDIVIDUAL LEVEL****PUMPIDO PARTICIPAÇÕES LTDA****Shareholding at 06/30/2014
(In units)
Total**

| Shareholder/Quotaholder | Quotas | | Total | |
|-------------------------|----------------------|----------------|----------------------|----------------|
| | Number | % | Number | % |
| SEGISOR* | 3,633,544,694 | 100.00% | 3,633,544,694 | 100.00% |
| TOTAL | 3,633,544,694 | 100.00% | 3,633,544,694 | 100.00% |

(*) Foreign Company

SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE INDIVIDUAL LEVEL**SEGISOR****Shareholding at 06/30/2014
(In units)
Total**

| Shareholder/Quotaholder | Quotas | | Total | |
|-------------------------------|--------------------|----------------|--------------------|----------------|
| | Number | % | Number | % |
| CASINO GUICHARD PERRACHON (*) | 937,121,094 | 100.00% | 937,121,094 | 100.00% |
| TOTAL | 937,121,094 | 100.00% | 937,121,094 | 100.00% |

(*) Foreign Company

CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND MANAGEMENT AND OUTSTANDING SHARES**Shareholding at 06/30/2014**

| Shareholder | Common Shares | | Preferred Shares | | Total | |
|----------------------------|---------------|--------|------------------|-------|-------------|--------|
| | Number | % | Number | % | Number | % |
| Controlling parties | 99,619,230 | 99.94% | 9,887,818 | 5.98% | 109,507,048 | 41.30% |

Management

| | | | | | | |
|-----------------------------|-------------------|----------------|--------------------|----------------|--------------------|----------------|
| Board of Directors | - | 0.00% | 3 | 0.00% | 3 | 0.00% |
| Board of Executive Officers | - | 0.00% | 124,256 | 0.08% | 124,256 | 0.05% |
| Fiscal Council | - | 0.00% | - | 0.00% | - | 0.00% |
| Treasury Shares | - | 0.00% | 232,586 | 0.14% | 232,586 | 0.09% |
| Other Shareholders | 60,621 | 0.06% | 155,212,277 | 93.81% | 155,272,898 | 58.56% |
| Total | 99,679,851 | 100.00% | 165,457,940 | 100.00% | 265,137,791 | 100.00% |
| Outstanding Shares | 60,621 | 0.06% | 155,213,277 | 93.81% | 155,273,898 | 58.56% |

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

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

Version: 1**Other Information Deemed as Relevant by the Company****CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND MANAGEMENT AND OUTSTANDING SHARES**
Shareholding at 06/30/2013

| Shareholder | Common Shares | | Preferred Shares | | Total | |
|-----------------------------|-------------------|----------------|--------------------|----------------|--------------------|----------------|
| | Number | % | Number | % | Number | % |
| Controlling parties | 99,619,331 | 99.94% | 33,199,379 | 20.17% | 132,818,710 | 50.25% |
| Management | | | | | | |
| Board of Directors | 100 | 0.00% | 11 | 0.00% | 111 | 0.00% |
| Board of Executive Officers | - | 0.00% | 214,428 | 0.13% | 214,428 | 0.08% |
| Treasury Shares | - | 0.00% | 232,586 | 0.14% | 232,586 | 0.09% |
| Other Shareholders | 60,420 | 0.06% | 130,964,627 | 79.56% | 131,025,047 | 49.58% |
| Total | 99,679,851 | 100.00% | 164,612,031 | 100.00% | 264,291,882 | 100.00% |
| Outstanding Shares | 60,420 | 0.06% | 130,964,627 | 79.56% | 131,025,047 | 49.58% |

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: July 24, 2014

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.
