

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

July 26, 2017

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## 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, 2017

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

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*Companhia Brasileira  
de Distribuição*

*Individual and Consolidated  
Interim Financial Information for the  
Quarter Ended June 30, 2017 and  
Report on Review of Interim Financial Information*

*Ernst & Young auditores independentes*

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**A free translation from Portuguese into English of Independent Auditor’s Report on Review of Quarterly Financial Information**

**Independent auditor’s report on review of quarterly financial information**

To the Shareholders, Directors and Officers

**Companhia Brasileira de Distribuição**

São Paulo – SP – Brazil

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Brasileira de Distribuição (“Company”), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2017, which comprise the balance sheet as of June 30, 2017 and the related statements of income and comprehensive income for the three and six-months periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, including other explanatory information.

Management is responsible for the preparation of individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) --*Demonstração Intermediária (“CPC 21 (R1)”)* and International Accounting Standard IAS 34 - Interim Financial Reporting (“IAS 34”), issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

## **Scope of the review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*) and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). 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 Brazilian and International 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 the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information Form (ITR), consistently with the rules issued by the CVM.

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## **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, 2017, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the rules issued by the CVM applicable to preparation of Quarterly Information Form (ITR), and considered as supplementary information under IFRS – International Financial Reporting Standards, which does not require the presentation of the statement of value added. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in a manner consistent with the overall individual and consolidated interim financial information.

### **Audit of prior year financial statements and review of prior year interim financial information by other independent auditors**

The audit of the individual and consolidated balance sheet as of December 31, 2016 and the review of individual and consolidated financial information for the three and six-month periods ended June 30, 2016, presented for comparison purposes, were conducted by other independent auditors, who issued an unqualified opinion and review thereon dated February 23, 2017 and July 27, 2016, respectively. As part of our review of individual and consolidated interim financial information for the period ended June 30, 2017, we have reviewed the adjustments to the corresponding prior year figures in the individual and consolidated statements of income and cash flows for the three and six-months periods ended June 30, 2016 made for presentation of discontinued operations, as disclosed in Note 31, and nothing has come to our attention that would lead us to believe that such adjustments have not been made fairly, in all material respects. We have not been engaged to audit, review or apply any other procedures to the information referring to the individual and consolidated balance sheet as of December 31, 2016 and to any other individual and consolidated interim financial information for the three and six-month periods ended June 30, 2016. Accordingly, we do not express an opinion or any other form of assurance on the referred to balance sheet or quarterly financial information taken as a whole.

São Paulo, July 25, 2017.

ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP015199/O-6

Antonio Humberto Barros dos Santos

Accountant CRC-1SP161745/O-3

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ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

| <b>Number of Shares</b> | <b>Current Quarter</b> |
|-------------------------|------------------------|
| <b>(thousand)</b>       | <b>6/30/2017</b>       |
| <b>Share Capital</b>    |                        |
| Common                  | 99,680                 |
| Preferred               | 166,568                |
| Total                   | 266,248                |
| <b>Treasury Shares</b>  |                        |
| Common                  | -                      |
| Preferred               | 233                    |
| Total                   | 233                    |



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ITR – Interim Financial Information – June 30,2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Balance Sheet - Assets****R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>  | <b>Current<br/>Quarter<br/>6.30.2017</b> | <b>Previous<br/>Year<br/>12.31.2016</b> |
|---------------|---|--|---|
| 1             | Total Assets  | 21,401,000                               | 23,660,000                              |
| 1.01          | Current Assets  | 7,751,000                                | 10,702,000                              |
| 1.01.01       | Cash and Cash Equivalents                                   | 1,739,000                                | 4,496,000                               |
| 1.01.03       | Accounts Receivable   | 534,000                                  | 507,000                                 |
| 1.01.03.01    | Trade Receivables   | 445,000                                  | 396,000                                 |
| 1.01.03.02    | Other Receivables   | 89,000                                   | 111,000                                 |
| 1.01.04       | Inventories   | 2,849,000                                | 3,106,000                               |
| 1.01.06       | Recoverable Taxes   | 398,000                                  | 557,000                                 |
| 1.01.07       | Prepaid Expenses  | 175,000                                  | 81,000                                  |
| 1.01.08       | Other Current Assets  | 2,056,000                                | 1,955,000                               |
| 1.01.08.01    | Noncurrent Assets Held for Sale and Discontinued Operations | 1,974,000                                | 1,901,000                               |
| 1.01.08.03    | Other   | 82,000                                   | 54,000                                  |
| 1.01.08.03.01 | Financial Instruments - Fair Value Hedge                    | 42,000                                   | -                                       |
| 1.01.08.03.02 | Others Assets   | 40,000                                   | 54,000                                  |
| 1.02          | Noncurrent Assets   | 13,650,000                               | 12,958,000                              |
| 1.02.01       | Long-term Assets  | 2,386,000                                | 1,663,000                               |
| 1.02.01.03    | Accounts Receivable   | 93,000                                   | 81,000                                  |
| 1.02.01.03.02 | Other Receivables   | 93,000                                   | 81,000                                  |
| 1.02.01.06    | Deferred Taxes  | 152,000                                  | 155,000                                 |
| 1.02.01.07    | Prepaid Expenses  | 11,000                                   | 13,000                                  |
| 1.02.01.08    | Receivables from Related Parties                            | 499,000                                  | 359,000                                 |
| 1.02.01.09    | Other Noncurrent Assets                                     | 1,631,000                                | 1,055,000                               |
| 1.02.01.09.04 | Recoverable Taxes   | 1,036,000                                | 521,000                                 |
| 1.02.01.09.05 | Judicial Deposits   | 593,000                                  | 534,000                                 |
| 1.02.01.09.07 | Financial Instruments - Fair Value Hedge                    | 2,000                                    | -                                       |
| 1.02.02       | Investments   | 3,337,000                                | 3,059,000                               |
| 1.02.02.01    | Investments in Associates and Subsidiaries                  | 3,314,000                                | 3,036,000                               |
| 1.02.02.01.02 | Investments in Subsidiaries                                 | 3,314,000                                | 3,036,000                               |
| 1.02.02.02    | Investment properties                                       | 23,000                                   | 23,000                                  |
| 1.02.03       | Property and Equipment, Net                                 | 6,769,000                                | 7,043,000                               |
| 1.02.04       | Intangible Assets   | 1.158.000                                | 1.193.000                               |

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ITR – Interim Financial Information – June 30,2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Balance Sheet - Liabilities**

R\$ (in thousands)

| <b>Code</b>   | <b>Description</b>                         | <b>Current Quarter<br/>6.30.2017</b> | <b>Previous Year<br/>12.31.2016</b> |
|---------------|--|--------------------------------------|-------------------------------------|
| 2             | Total Liabilities                          | 21,401,000                           | 23,660,000                          |
| 2.01          | Current Liabilities                        | 6,034,000                            | 9,510,000                           |
| 2.01.01       | Payroll and Related Taxes                  | 423,000                              | 446,000                             |
| 2.01.02       | Trade Payables                             | 3,320,000                            | 5,091,000                           |
| 2.01.03       | Taxes and Contributions Payable            | 205,000                              | 189,000                             |
| 2.01.04       | Borrowings and Financing                   | 1,129,000                            | 2,763,000                           |
| 2.01.05       | Other Liabilities                          | 955,000                              | 1,018,000                           |
| 2.01.05.01    | Payables to Related Parties                | 626,000                              | 510,000                             |
| 2.01.05.02    | Other                                      | 329,000                              | 508,000                             |
| 2.01.05.02.04 | Utilities                                  | 27,000                               | 11,000                              |
| 2.01.05.02.05 | Rent Payable                               | 66,000                               | 100,000                             |
| 2.01.05.02.06 | Advertisement Payable                      | 30,000                               | 40,000                              |
| 2.01.05.02.07 | Pass-through to Third Parties              | 13,000                               | 15,000                              |
| 2.01.05.02.08 | Financing Related to Acquisition of Assets | 16,000                               | 32,000                              |
| 2.01.05.02.09 | Deferred Revenue                           | 26,000                               | 127,000                             |
| 2.01.05.02.12 | Other Accounts Payable                     | 121,000                              | 155,000                             |
| 2.01.05.02.13 | Loalty Programs                            | 30,000                               | 28,000                              |
| 2.01.06       | Provisions                                 | 2,000                                | 3,000                               |
| 2.02          | Noncurrent Liabilities                     | 5,200,000                            | 4,290,000                           |
| 2.02.01       | Borrowings and Financing                   | 3,510,000                            | 2,775,000                           |
| 2.02.02       | Other Liabilities                          | 897,000                              | 600,000                             |
| 2.02.02.02    | Other                                      | 897,000                              | 600,000                             |
| 2.02.02.02.03 | Taxes Payable in Installments              | 765,000                              | 540,000                             |
| 2.02.02.02.04 | Provision for Negative Equity              | 86,000                               | 22,000                              |
| 2.02.02.02.05 | Financing Related to Acquisition of Assets | -                                    | 4,000                               |
| 2.02.02.02.07 | Other Accounts Payable                     | 46,000                               | 34,000                              |
| 2.02.04       | Provisions                                 | 774,000                              | 891,000                             |
| 2.02.06       | Deferred Revenue                           | 19,000                               | 24,000                              |
| 2.03          | Shareholders' Equity                       | 10,167,000                           | 9,860,000                           |
| 2.03.01       | Share Capital                              | 6,818,000                            | 6,811,000                           |
| 2.03.02       | Capital Reserves                           | 349,000                              | 331,000                             |
| 2.03.02.04    | Options Granted                            | 342,000                              | 324,000                             |
| 2.03.02.07    | Capital Reserve                            | 7,000                                | 7,000                               |

|            |   |           |           |
|------------|---|-----------|-----------|
| 2.03.04    | Earnings Reserve                            | 2,718,000 | 2,718,000 |
| 2.03.04.01 | Legal Reserve                               | 426,000   | 426,000   |
| 2.03.04.05 | Earnings Retention Reserve                  | 234,000   | 234,000   |
| 2.03.04.10 | Expansion Reserve                           | 2,299,000 | 2,299,000 |
| 2.03.04.12 | Transactions with non-controlling interests | (91,000)  | (91,000)  |
| 2.03.04.14 | Settlement of Equity Instrument             | (150,000) | (150,000) |
| 2.03.05    | Retained Earnings/ Accumulated Losses       | 290,000   | -         |
| 2.03.08    | Other Comprehensive Income                  | (8,000)   | -         |

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ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Operations**

R\$ (in thousands)

| Code       | Description  | Year to date           |                        | Year to date           |                        |
|------------|--|------------------------|------------------------|------------------------|------------------------|
|            |  | Current Quarter        | current period         | Previous Quarter       | previous period        |
|            |  | 4/01/2017 to 6/30/2017 | 1/01/2017 to 6/30/2017 | 4/01/2016 to 6/30/2016 | 1/01/2016 to 6/30/2016 |
| 3.01       | Net Sales of Goods and/or Services   | 6,341,000              | 12,799,000             | 6,048,000              | 11,800,000             |
| 3.02       | Cost of Goods Sold and/or Services Sold  | (4,155,000)            | (8,846,000)            | (4,275,000)            | (8,564,000)            |
| 3.03       | Gross Profit   | 2,186,000              | 3,953,000              | 1,773,000              | 3,236,000              |
| 3.04       | Operating Income/Expenses  | (1,812,000)            | (3,262,000)            | (1,865,000)            | (3,231,000)            |
| 3.04.01    | Selling Expenses   | (1,301,000)            | (2,584,000)            | (1,257,000)            | (2,351,000)            |
| 3.04.02    | General and Administrative Expenses  | (182,000)              | (356,000)              | (159,000)              | (293,000)              |
| 3.04.05    | Other Operating Expenses   | (434,000)              | (562,000)              | (329,000)              | (497,000)              |
| 3.04.05.01 | Depreciation/Amortization  | (149,000)              | (298,000)              | (137,000)              | (262,000)              |
| 3.04.05.03 | Other Operating Expenses/Income Share of Profit of Subsidiaries and Associates | (285,000)              | (264,000)              | (192,000)              | (235,000)              |
| 3.04.06    | Profit before Financial Income   | 105,000                | 240,000                | (120,000)              | (90,000)               |
| 3.05       | (Expenses) and Taxes   | 374,000                | 691,000                | (92,000)               | 5,000                  |
| 3.06       | Financial Income (Expenses)  | (170,000)              | (336,000)              | (206,000)              | (370,000)              |
| 3.07       | Profit (loss) Before Income Tax and Social Contribution                        | 204,000                | 355,000                | (298,000)              | (365,000)              |
| 3.08       | Income Tax and Social Contribution   | (33,000)               | (41,000)               | 41,000                 | 67,000                 |
| 3.08.01    | Current  | (24,000)               | (38,000)               | (6,000)                | (3,000)                |
| 3.08.02    | Deferred   | (9,000)                | (3,000)                | 47,000                 | 70,000                 |
| 3.09       | Net Income (loss) from Continued Operations                                    | 171,000                | 314,000                | (257,000)              | (298,000)              |
| 3.10       | Net Income (loss) from Discontinued Operations                                 | (6,000)                | (24,000)               | (18,000)               | (28,000)               |
| 3.10.01    | Discontinued Operations  | (6,000)                | (24,000)               | (18,000)               | (28,000)               |
| 3.11       | Net Income (loss) for the Period   | 165,000                | 290,000                | (275,000)              | (326,000)              |
| 3.99       | Earnings per Share - (Reais/Share)   |                        |                        |                        |                        |
| 3.99.01    | Basic Earnings per Share   |                        |                        |                        |                        |

|            |                            |         |         |           |           |
|------------|----------------------------|---------|---------|-----------|-----------|
| 3.99.01.01 | Common                     | 0.58022 | 0.90449 | (1.03713) | (1.22968) |
| 3.99.01.02 | Preferred                  | 0.64166 | 0.99494 | (1.03713) | (1.22968) |
| 3.99.02    | Diluted Earnings per Share | -       | -       | -         | -         |
| 3.99.02.01 | Common                     | 0.54508 | 1.02619 | (1.03713) | (1.22968) |
| 3.99.02.02 | Preferred                  | 0.64019 | 1.12881 | (1.03713) | (1.22968) |

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ITR – Interim Financial Information – June 30,2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição**

**Individual Interim Financial Information / Statement of Comprehensive Income**

**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                                 | <b>Year to date</b>    |                       | <b>Year to date</b>     |                        |
|-------------|--|------------------------|-----------------------|-------------------------|------------------------|
|             |  | <b>Current Quarter</b> | <b>current period</b> | <b>Previous Quarter</b> | <b>previous period</b> |
|             |  | <b>4/01/2017</b>       | <b>1/01/2017</b>      | <b>4/01/2016</b>        | <b>1/01/2016</b>       |
|             |  | <b>to</b>              | <b>to</b>             | <b>to</b>               | <b>to</b>              |
|             |  | <b>6/30/2017</b>       | <b>6/30/2017</b>      | <b>6/30/2016</b>        | <b>6/30/2016</b>       |
| 4.01        | Net income (loss) for the Period                   | 170,000                | 290,000               | (275,000)               | (275,000)              |
| 4.02        | Other Comprehensive Income                         | (8,000)                | (8,000)               | 56,000                  | 56,000                 |
| 4.02.02     | Accumulative Translation Adjustment for the Period | (8,000)                | (8,000)               | 56,000                  | 56,000                 |
| 4.03        | Total Comprehensive Income for the Period          | 162,000                | 282,000               | (219,000)               | (219,000)              |

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ITR – Interim Financial Information – June 30,2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Cash Flows - Indirect Method**

R\$ (in thousands)

| <b>Code</b> | <b>Description</b>  | <b>Current<br/>Quarter<br/>1/1/2017 to<br/>6/30/2017</b> | <b>Previous<br/>Quarter<br/>1/01/2016 to<br/>6/30/2016</b> |
|-------------|---|--|--|
| 6.01        | Net Cash Provided by Operating Activities                 | (1,287,000)  | (1,501,000)  |
| 6.01.01     | Cash Provided by the Operations                           | 261,000  | 622,000  |
| 6.01.01.01  | Net Income for the Period                                 | 290,000  | (326,000)  |
| 6.01.01.02  | Deferred Income and Social Contribution Taxes (note 19)   | 3,000  | (70,000)   |
| 6.01.01.03  | Gain (Losses) on Disposal of Fixed Assets and Intangibles | 37,000   | 37,000   |
| 6.01.01.04  | Depreciation/Amortization                                 | 321,000  | 283,000  |
| 6.01.01.05  | Interest and Inflation Adjustments                        | 295,000  | 332,000  |
| 6.01.01.07  | Share of Profit (Loss) of Subsidiaries and Associates     | (240,000)  | 90,000   |
| 6.01.01.08  | Provision for Risks (note 20)                             | (9,000)  | 150,000  |
| 6.01.01.10  | Share-based Payment                                       | 18,000   | 11,000   |
| 6.01.01.11  | Allowance for Doubtful Accounts (note 08)                 | 4,000  | (1,000)  |
| 6.01.01.13  | Provision for Obsolescence/Breakage (note 10)             | (5,000)  | 17,000   |
| 6.01.01.14  | Other Operating Expenses                                  | (447,000)  | 104,000  |
| 6.01.01.15  | Deferred Revenue (note 22)                                | (6,000)  | (5,000)  |
| 6.01.02     | Changes in Assets and Liabilities                         | (1,548,000)  | (2,123,000)  |
| 6.01.02.01  | Accounts Receivable                                       | (52,000)   | (228,000)  |
| 6.01.02.02  | Inventories   | 262,000  | 273,000  |
| 6.01.02.03  | Recoverable Taxes   | 91,000   | (67,000)   |
| 6.01.02.04  | Other Assets  | (66,000)   | 132,000  |
| 6.01.02.05  | Related Parties   | 11,000   | (278,000)  |
| 6.01.02.06  | Restricted Deposits for Legal Proceeding                  | (47,000)   | (38,000)   |
| 6.01.02.07  | Trade Payables  | (1,771,000)  | (1,560,000)  |
| 6.01.02.08  | Payroll and Related Taxes                                 | (23,000)   | (6,000)  |
| 6.01.02.09  | Taxes and Social Contributions Payable                    | 131,000  | (61,000)   |
| 6.01.02.10  | Legal claims  | (27,000)   | (19,000)   |
| 6.01.02.12  | Other Payables  | (57,000)   | (281,000)  |
| 6.01.02.15  | Received Dividends and Interest on shareholders' equity   | -  | 10,000   |
| 6.02        | Net Cash Provided by (Used in) Investing Activities       | (261,000)  | (127,000)  |
| 6.02.01     | Capital Increase/Decrease on Subsidiaries                 | (53,000)   | -  |
| 6.02.02     | Acquisition of Property and Equipment (note 14)           | (267,000)  | (237,000)  |



|         |   |             |             |
|---------|---|-------------|-------------|
| 6.02.03 | Increase in Intangible Assets (note 15)                       | (32,000)    | (46,000)    |
| 6.02.04 | Sales of Property and Equipment                               | 91,000      | 1,000       |
| 6.02.06 | Net Cash Acquisition of Companies and Corporate Restructuring | -           | 155,000     |
| 6.03    | Net Cash Provided by (Used in) Financing Activities           | (1,209,000) | 428,000     |
| 6.03.01 | Capital Increase  | 7,000       | 1,000       |
| 6.03.02 | Proceeds from Debt Issuance                                   | 1,868,000   | 899,000     |
| 6.03.03 | Repayment of Debt   | (3,084,000) | (469,000)   |
| 6.03.05 | Payment of Dividends  | -           | (3,000)     |
| 6.05    | Net Increase (Decrease) in Cash and Cash Equivalents          | (2,757,000) | (1,200,000) |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period      | 4,496,000   | 2,247,000   |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period            | 1,739,000   | 1,047,000   |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2017 to 6/30/2017**

R\$ (in thousands)

| <b>Code</b> | <b>Description</b>                         | <b>Share Capital</b> | <b>Capital Reserves, Options Granted and Treasury Shares</b> | <b>Earnings Reserve</b> | <b>Retained Earnings / Accumulated Losses</b> | <b>Other comprehensive income</b> | <b>Shareholders' Equity</b> |
|-------------|--|----------------------|--|-------------------------|---|-----------------------------------|-----------------------------|
| 5.01        | Opening Balance                            | 6,811,000            | 331,000  | 2,718,000               | -   | -                                 | 9,860,000                   |
| 5.03        | Adjusted Opening Balance                   | 6,811,000            | 331,000  | 2,718,000               | -   | -                                 | 9,860,000                   |
| 5.04        | Capital Transactions with Shareholders     | 7,000                | 18,000   | -                       | -   | -                                 | 25,000                      |
| 5.04.01     | Capital Increases                          | 7,000                | -  | -                       | -   | -                                 | 7,000                       |
| 5.04.03     | Options Granted                            | -                    | 14,000   | -                       | -   | -                                 | 14,000                      |
| 5.04.09     | Options Granted recognized in subsidiaries | -                    | 4,000  | -                       | -   | -                                 | 4,000                       |
| 5.05        | Total Comprehensive Income                 | -                    | -  | -                       | 290,000                                       | (8,000)                           | 282,000                     |
| 5.05.01     | Net Income (loss) for the Period           | -                    | -  | -                       | 290,000                                       | -                                 | 290,000                     |
| 5.05.02     | Other Comprehensive Income                 | -                    | -  | -                       | -   | (8,000)                           | (8,000)                     |
| 5.05.02.04  |  | -                    | -  | -                       | -   | (8,000)                           | (8,000)                     |

|      |   |           |         |           |         |         |            |
|------|---|-----------|---------|-----------|---------|---------|------------|
| 5.07 | Cumulative<br>Translation<br>Adjustment<br>Closing<br>Balance | 6,818,000 | 349,000 | 2,718,000 | 290,000 | (8,000) | 10,167,000 |
|------|---|-----------|---------|-----------|---------|---------|------------|

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2016 to 6/30/2016**

R\$ (in thousands)

| <b>Code</b> | <b>Description</b>                         | <b>Share Capital</b> | <b>Capital Reserves, Options Granted and Treasury Shares</b> | <b>Earnings Reserve</b> | <b>Retained Earnings / Accumulated Losses</b> | <b>Other comprehensive Income</b> | <b>Shareholders' Equity</b> |
|-------------|--|----------------------|--|-------------------------|---|-----------------------------------|-----------------------------|
| 5.01        | Opening Balance Adjusted                   | 6,806,000            | 302,000  | 3,333,000               | -   | (87,000)                          | 10,354,000                  |
| 5.03        | Opening Balance                            | 6,806,000            | 302,000  | 3,333,000               | -   | (87,000)                          | 10,354,000                  |
| 5.04        | Capital Transactions with Shareholders     | 1,000                | 11,000   | (3,000)                 | -   | -                                 | 9,000                       |
| 5.04.01     | Capital Increases                          | 1,000                | -  | -                       | -   | -                                 | 1,000                       |
| 5.04.03     | Options Granted                            | -                    | 7,000  | -                       | -   | -                                 | 7,000                       |
| 5.04.06     | Dividends                                  | -                    | -  | (3,000)                 | -   | -                                 | (3,000)                     |
| 5.04.09     | Options Granted recognized in subsidiaries | -                    | 4,000  | -                       | -   | -                                 | 4,000                       |
| 5.05        | Total Comprehensive Income                 | -                    | -  | -                       | (326,000)                                     | 72,000                            | (254,000)                   |
| 5.05.01     | Net Income (loss) for the Period           | -                    | -  | -                       | (326,000)                                     | -                                 | (326,000)                   |
| 5.05.02     | Other Comprehensive Income                 | -                    | -  | -                       | -   | 72,000                            | 72,000                      |

|            |   |           |         |           |           |          |            |
|------------|---|-----------|---------|-----------|-----------|----------|------------|
| 5.05.02.04 | Cumulative<br>Translation<br>Adjustment   | -         | -       | -         | -         | 72,000   | 72,000     |
| 5.06       | Internal<br>Changes of<br>Shareholders'<br>Equity<br>Transactions<br>with<br>Non-controlling<br>Interests | -         | -       | 1,000     | -         | -        | 1,000      |
| 5.06.05    | Closing<br>Balance  | -         | -       | 1,000     | -         | -        | 1,000      |
| 5.07       |   | 6,807,000 | 313,000 | 3,331,000 | (326,000) | (15,000) | 10,110,000 |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Value Added****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                                       | <b>Year to date</b>           |                               |
|-------------|--|-------------------------------|-------------------------------|
|             |  | <b>Current Quarter</b>        | <b>current period</b>         |
|             |  | <b>4/01/2017 to 6/30/2017</b> | <b>1/01/2017 to 6/30/2017</b> |
| 7.01        | Revenues   | 14.071.000                    | 12.802.000                    |
| 7.01.01     | Sales of Goods, Products and Services                    | 13.870.000                    | 12.810.000                    |
| 7.01.02     | Other Revenues   | 205.000                       | 5.000                         |
| 7.01.04     | Allowance for/Reversal of Doubtful Accounts              | (4.000)                       | (13.000)                      |
| 7.02        | Products Acquired from Third Parties                     | (10.651.000)                  | (10.061.000)                  |
| 7.02.01     | Costs of Products, Goods and Services Sold               | (9.115.000)                   | (8.549.000)                   |
| 7.02.02     | Materials, Energy, Outsourced Services and Other         | (1.536.000)                   | (1.512.000)                   |
| 7.03        | Gross Value Added  | 3.420.000                     | 2.741.000                     |
| 7.04        | Retention  | (321.000)                     | (283.000)                     |
| 7.04.01     | Depreciation and Amortization                            | (321.000)                     | (283.000)                     |
| 7.05        | Net Value Added Produced                                 | 3.099.000                     | 2.458.000                     |
| 7.06        | Value Added Received in Transfer                         | 306.000                       | (41.000)                      |
| 7.06.01     | Share of Profit of Subsidiaries and Associates           | 240.000                       | (90.000)                      |
| 7.06.02     | Financial Revenue  | 90.000                        | 77.000                        |
| 7.06.03     | Other  | (24.000)                      | (28.000)                      |
| 7.06.03.01  | Net Income from Discontinued Operations                  | (24.000)                      | (28.000)                      |
| 7.07        | Total Value Added to Distribute                          | 3.405.000                     | 2.417.000                     |
| 7.08        | Distribution of Value Added                              | 3.405.000                     | 2.417.000                     |
| 7.08.01     | Personnel  | 1.572.000                     | 1.382.000                     |
| 7.08.01.01  | Direct Compensation                                      | 1.009.000                     | 905.000                       |
| 7.08.01.02  | Benefits   | 330.000                       | 290.000                       |
| 7.08.01.03  | Government Severance Indemnity Fund for Employees (FGTS) | 96.000                        | 85.000                        |
| 7.08.01.04  | Other  | 137.000                       | 102.000                       |
| 7.08.02     | Taxes, Fees and Contributions                            | 763.000                       | 614.000                       |
| 7.08.02.01  | Federal  | 892.000                       | 360.000                       |
| 7.08.02.02  | State  | (256.000)                     | 181.000                       |
| 7.08.02.03  | Municipal  | 127.000                       | 73.000                        |
| 7.08.03     | Value Distributed to Providers of Capital                | 780.000                       | 747.000                       |
| 7.08.03.01  | Interest   | 422.000                       | 444.000                       |
| 7.08.03.02  | Rentals  | 358.000                       | 303.000                       |

|            |  |         |           |
|------------|--|---------|-----------|
| 7.08.04    | Value Distributed to Shareholders                    | 290.000 | (326.000) |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | 290.000 | (326.000) |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information /Balance Sheet - Assets**

R\$ (in thousands)

| <b>Code</b>   | <b>Description</b>  | <b>Current<br/>Quarter<br/>6.30.2017</b> | <b>Previous<br/>Year<br/>12.31.2016</b> |
|---------------|---|--|---|
| 1             | Total Assets  | 41,011,000                               | 45,217,000                              |
| 1.01          | Current Assets  | 26,968,000                               | 31,651,000                              |
| 1.01.01       | Cash and Cash Equivalents                                   | 2,366,000                                | 5,112,000                               |
| 1.01.03       | Accounts Receivable   | 598,000                                  | 669,000                                 |
| 1.01.03.01    | Trade Receivables   | 502,000                                  | 543,000                                 |
| 1.01.03.02    | Other Receivables   | 96,000                                   | 126,000                                 |
| 1.01.04       | Inventories   | 4,427,000                                | 4,641,000                               |
| 1.01.06       | Recoverable Taxes   | 449,000                                  | 674,000                                 |
| 1.01.07       | Prepaid Expenses  | 196,000                                  | 97,000                                  |
| 1.01.08       | Other Current Assets  | 18,932,000                               | 20,458,000                              |
| 1.01.08.01    | Noncurrent Assets Held for Sale and Discontinued Operations | 18,790,000                               | 20,303,000                              |
| 1.01.08.03    | Other   | 142,000                                  | 155,000                                 |
| 1.01.08.03.01 | Financial Instruments - Fair Value Hedge                    | 49,000                                   | -                                       |
| 1.01.08.03.02 | Others Assets   | 93,000                                   | 155,000                                 |
| 1.02          | Noncurrent Assets   | 14,043,000                               | 13,566,000                              |
| 1.02.01       | Long-term Assets  | 2,889,000                                | 2,137,000                               |
| 1.02.01.03    | Accounts Receivable   | 624,000                                  | 612,000                                 |
| 1.02.01.03.02 | Other Receivables   | 624,000                                  | 612,000                                 |
| 1.02.01.06    | Deferred Taxes  | 170,000                                  | 170,000                                 |
| 1.02.01.07    | Prepaid Expenses  | 49,000                                   | 45,000                                  |
| 1.02.01.08    | Receivables from Related Parties                            | 19,000                                   | 17,000                                  |
| 1.02.01.09    | Other Noncurrent Assets                                     | 2,027,000                                | 1,293,000                               |
| 1.02.01.09.04 | Recoverable Taxes   | 1,278,000                                | 632,000                                 |
| 1.02.01.09.05 | Judicial Deposits   | 738,000                                  | 661,000                                 |
| 1.02.01.09.06 | Financial Instruments - Fair Value Hedge                    | 11,000                                   | -                                       |
| 1.02.02       | Investments   | 282,000                                  | 339,000                                 |
| 1.02.02.01    | Investments in Associates                                   | 259,000                                  | 316,000                                 |
| 1.02.02.02    | Investments Property  | 23,000                                   | 23,000                                  |
| 1.02.03       | Property and Equipment, Net                                 | 8,985,000                                | 9,182,000                               |
| 1.02.04       | Intangible Assets   | 1,887,000                                | 1,908,000                               |





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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Balance Sheet - Liabilities**

R\$ (in thousands)

| Code          | Description  | Current           |                          |
|---------------|--|-------------------|--------------------------|
|               |  | Quarter 6.30.2017 | Previous Year 12.31.2016 |
| 2             | Total Liabilities                                    | 41,011,000        | 45,217,000               |
| 2.01          | Current Liabilities                                  | 22,161,000        | 27,582,000               |
| 2.01.01       | Payroll and Related Taxes                            | 602,000           | 614,000                  |
| 2.01.02       | Trade Payables                                       | 5,172,000         | 7,232,000                |
| 2.01.03       | Taxes and Contributions Payable                      | 363,000           | 254,000                  |
| 2.01.04       | Borrowings and Financing                             | 1,486,000         | 2,957,000                |
| 2.01.05       | Other Liabilities                                    | 651,000           | 889,000                  |
| 2.01.05.01    | Payables to Related Parties                          | 160,000           | 147,000                  |
| 2.01.05.02    | Other  | 491,000           | 742,000                  |
| 2.01.05.02.04 | Utilities  | 33,000            | 17,000                   |
| 2.01.05.02.05 | Rent Payable   | 75,000            | 110,000                  |
| 2.01.05.02.06 | Advertisement Payable                                | 32,000            | 43,000                   |
| 2.01.05.02.07 | Pass-through to Third Parties                        | 13,000            | 15,000                   |
| 2.01.05.02.08 | Financing Related to Acquisition of Assets           | 28,000            | 116,000                  |
| 2.01.05.02.09 | Deferred revenue                                     | 79,000            | 224,000                  |
| 2.01.05.02.11 | Accounts Payable Related to Acquisition of Companies | -                 | 7,000                    |
| 2.01.05.02.12 | Other Payables                                       | 201,000           | 182,000                  |
| 2.01.05.02.13 | Loalty Programs                                      | 30,000            | 28,000                   |
| 2.01.06       | Provisions   | 2,000             | 4,000                    |
| 2.01.07       | Noncurrent Liabilities Held for Sales                | 13,885,000        | 15,632,000               |
| 2.02          | Noncurrent Liabilities                               | 5,850,000         | 5,038,000                |
| 2.02.01       | Borrowings and Financing                             | 3,649,000         | 2,912,000                |
| 2.02.02       | Other Liabilities                                    | 908,000           | 608,000                  |
| 2.02.02.02    | Other  | 908,000           | 608,000                  |
| 2.02.02.02.03 | Taxes Payable in Installments                        | 765,000           | 540,000                  |
| 2.02.02.02.04 | Provision for Negative Equity                        | 86,000            | 22,000                   |
| 2.02.02.02.05 | Financing Related to Acquisition of Assets           | -                 | 4,000                    |
| 2.02.02.02.07 | Other Payables                                       | 57,000            | 42,000                   |
| 2.02.03       | Deferred Taxes                                       | 258,000           | 317,000                  |
| 2.02.04       | Provisions   | 1,016,000         | 1,177,000                |
| 2.02.06       | Deferred revenue                                     | 19,000            | 24,000                   |
| 2.03          | Consolidated Shareholders' Equity                    | 13,000,000        | 12,597,000               |

|            |   |           |           |
|------------|---|-----------|-----------|
| 2.03.01    | Share Capital                               | 6,818,000 | 6,811,000 |
| 2.03.02    | Capital Reserves                            | 349,000   | 331,000   |
| 2.03.02.04 | Options Granted                             | 342,000   | 324,000   |
| 2.03.02.07 | Capital Reserve                             | 7,000     | 7,000     |
| 2.03.04    | Earnings Reserve                            | 2,718,000 | 2,718,000 |
| 2.03.04.01 | Legal Reserve                               | 426,000   | 426,000   |
| 2.03.04.05 | Earnings Retention Reserve                  | 234,000   | 234,000   |
| 2.03.04.10 | Expansion Reserve                           | 2,299,000 | 2,299,000 |
| 2.03.04.12 | Transactions with Non-Controlling interests | (91,000)  | (91,000)  |
| 2.03.04.14 | Settlement of Equity Instrument             | (150,000) | (150,000) |
| 2.03.05    | Retained Earnings/ Accumulated Losses       | 290,000   | -         |
| 2.03.08    | Other Comprehensive Income                  | (8,000)   | -         |
| 2.03.09    | Non-controlling Interests                   | 2,833,000 | 2,737,000 |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Operations**

R\$ (in thousands)

| Description   | Current Year to date                 |                                | Previous Year to date                |                                 |
|---|--------------------------------------|--------------------------------|--------------------------------------|---------------------------------|
|   | Quarter<br>4/01/2017<br>to 6/30/2017 | current<br>period<br>6/30/2017 | Quarter<br>4/01/2016<br>to 6/30/2016 | previous<br>period<br>6/30/2016 |
| Net Sales from Goods and/or Services                    | 10,663,000                           | 21,215,000                     | 9,735,000                            | 19,623,000                      |
| Cost of Goods Sold and/or Services Sold                 | (7,791,000)                          | (15,982,000)                   | (7,352,000)                          | (15,049,000)                    |
| Gross Profit  | 2,872,000                            | 5,233,000                      | 2,383,000                            | 4,574,000                       |
| Operating Income/Expenses                               | (2,417,000)                          | (4,465,000)                    | (2,245,000)                          | (4,249,000)                     |
| Selling Expenses  | (1,672,000)                          | (3,329,000)                    | (1,642,000)                          | (3,244,000)                     |
| General and Administrative Expenses                     | (232,000)                            | (459,000)                      | (219,000)                            | (429,000)                       |
| Other Operating Expenses                                | (498,000)                            | (654,000)                      | (405,000)                            | (620,000)                       |
| Depreciation/Amortization                               | (190,000)                            | (380,000)                      | (174,000)                            | (344,000)                       |
| Other Operating Expenses                                | (308,000)                            | (274,000)                      | (231,000)                            | (276,000)                       |
| Share of Profit of Subsidiaries and Associates          | (15,000)                             | (23,000)                       | 21,000                               | 44,000                          |
| Profit before Financial Income (Expenses) and Taxes     | 455,000                              | 768,000                        | 138,000                              | 325,000                         |
| Financial Income (Expenses), Net                        | (188,000)                            | (370,000)                      | (237,000)                            | (416,000)                       |
| Profit (loss) Before Income Tax and Social Contribution | 267,000                              | 398,000                        | (99,000)                             | (91,000)                        |
| Income tax and Social Contribution                      | (92,000)                             | (142,000)                      | 15,000                               | 16,000                          |
| Profit  | (154,000)                            | (201,000)                      | (44,000)                             | (57,000)                        |
| Deferred  | 62,000                               | 59,000                         | 59,000                               | 73,000                          |
| Net Income (loss) from Continuing Operations            | 175,000                              | 256,000                        | (84,000)                             | (75,000)                        |
| Net Income from Discontinued Operations                 | (5,000)                              | 128,000                        | (498,000)                            | (664,000)                       |
| Net Income (loss) from Discontinued Operations          | (5,000)                              | 128,000                        | (498,000)                            | (664,000)                       |
| Consolidated Net Income (loss) for the Period           | 170,000                              | 384,000                        | (582,000)                            | (739,000)                       |
| Attributable to Owners of the Company                   | 165,000                              | 290,000                        | (275,000)                            | (326,000)                       |
| Attributable to Non-controlling Interests               | 5,000                                | 94,000                         | (307,000)                            | (413,000)                       |
| Earnings per Share - (Reais/Share)                      |                                      |                                |                                      |                                 |
| Basic Earnings per Share                                |                                      |                                |                                      |                                 |
| Weighted  | 0.58022                              | 0.90449                        | (1.03713)                            | (1.22968)                       |
| Adjusted  | 0.64166                              | 0.99494                        | (1.03713)                            | (1.22968)                       |
| Diluted Earnings per Share                              |                                      |                                |                                      |                                 |
| Weighted  | 0.54508                              | 1.02619                        | (1.03713)                            | (1.22968)                       |
| Adjusted  | 0.64019                              | 1.12881                        | (1.03713)                            | (1.22968)                       |



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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Comprehensive Income**

R\$ (in thousands)

| Code    | Description                               | Current   | Year to   | Previous  | Year to   |
|---------|---|-----------|-----------|-----------|-----------|
|         |   | Quarter   | date      | Quarter   | date      |
|         |   | 4/01/2017 | current   | 4/01/2016 | previous  |
|         |   | to        | period    | to        | period    |
|         |   | 6/30/2017 | to        | 6/30/2016 | to        |
|         |   |           | 6/30/2017 |           | 6/30/2016 |
| 4.01    | Net Income (loss) for the Period          | 170.000   | 384.000   | (582.000) | (739.000) |
| 4.02    | Other Comprehensive Income                | (8.000)   | (8.000)   | 187.000   | 260.000   |
| 4.02.01 | Defined Benefit Plan                      | -         | -         | -         | 260.000   |
| 4.02.02 | Cumulative Translation adjustment         | -         | -         | 187.000   | -         |
| 4.03    | Total Comprehensive Income for the Period | 162.000   | 376.000   | (395.000) | (479.000) |
| 4.03.01 | Attributable to Controlling Interests     | 157.000   | 282.000   | (219.000) | (254.000) |
| 4.03.02 | Attributable to Non-Controlling Interests | 5.000     | 94.000    | (176.000) | (225.000) |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Cash Flows - Indirect Method**

R\$ (in thousands)

| <b>Code</b> | <b>Description</b>  | <b>Current<br/>Quarter<br/>1/1/2017 to<br/>6/30/2017</b> | <b>Previous<br/>Quarter<br/>1/01/2016 to<br/>6/30/2016</b> |
|-------------|---|--|--|
| 6.01        | Net Cash Provided by Operating Activities                       | (3,762,000)  | (7,885,000)  |
| 6.01.01     | Cash from Operations  | 1,178,000  | 820,000  |
| 6.01.01.01  | Net Income (loss) for the Period                                | 384,000  | (739,000)  |
| 6.01.01.02  | Deferred Income Tax and Social Contribution (note 19)           | (184,000)  | (67,000)   |
| 6.01.01.03  | Gain (Losses) on Disposal of Fixed Assets and Intangibles       | 51,000   | 9,000  |
| 6.01.01.04  | Depreciation/Amortization                                       | 406,000  | 558,000  |
| 6.01.01.05  | Interest and Inflation Adjustments                              | 486,000  | 647,000  |
| 6.01.01.07  | Share of Profit (Loss) of Subsidiaries and Associates (note 13) | 9,000  | (61,000)   |
| 6.01.01.08  | Provision for Risks (note 20)                                   | 299,000  | 477,000  |
| 6.01.01.10  | Share-based Payment   | 18,000   | 7,000  |
| 6.01.01.11  | Allowance for Doubtful Accounts (note 08)                       | 337,000  | 295,000  |
| 6.01.01.13  | Provision for Obsolescence/breakage (note 10)                   | (18,000)   | (10,000)   |
| 6.01.01.14  | Other Operating Expenses  | (447,000)  | -  |
| 6.01.01.15  | Deferred revenue (note 22)                                      | (163,000)  | (202,000)  |
| 6.01.01.18  | Gain in disposal of subsidiaries                                | -  | (94,000)   |
| 6.01.02     | Changes in Assets and Liabilities                               | (4,940,000)  | (8,705,000)  |
| 6.01.02.01  | Accounts Receivable   | (1,238,000)  | (1,501,000)  |
| 6.01.02.02  | Inventories   | (497,000)  | (149,000)  |
| 6.01.02.03  | Recoverable Taxes   | 33,000   | (441,000)  |
| 6.01.02.04  | Other Assets  | (85,000)   | (239,000)  |
| 6.01.02.05  | Related Parties   | 129,000  | 48,000   |
| 6.01.02.06  | Restricted Deposits for Legal Proceeding                        | (177,000)  | (137,000)  |
| 6.01.02.07  | Trade Payables  | (2,921,000)  | (5,519,000)  |
| 6.01.02.08  | Payroll and Related Taxes                                       | (46,000)   | 29,000   |
| 6.01.02.09  | Taxes and Social Contributions Payable                          | (6,000)  | (82,000)   |
| 6.01.02.10  | Legal Claims  | (184,000)  | (161,000)  |
| 6.01.02.11  | Other Payables  | (62,000)   | (514,000)  |
| 6.01.02.12  | Deferred revenue  | (10,000)   | 31,000   |
| 6.01.02.13  | Income and Social contribution, paid                            | (31,000)   | (70,000)   |
| 6.01.02.15  | Received Dividends and Interest on Shareholders' Equity         | 155,000  | -  |
| 6.02        | Net Cash Provided by (Used in) Investing Activities             | (576,000)  | (462,000)  |
| 6.02.02     | Acquisition of Property and Equipment (note 14)                 | (553,000)  | (499,000)  |

|         |   |             |             |
|---------|---|-------------|-------------|
| 6.02.03 | Increase in Intangible Assets (note 15)                       | (120,000)   | (162,000)   |
| 6.02.04 | Sales of Property and Equipment (note 14)                     | 97,000      | 108,000     |
| 6.02.08 | Net Cash From Sale of Subsidiary                              | -           | 91,000      |
| 6.03    | Net Cash Provided by Financing Activities                     | (1,688,000) | 1,054,000   |
| 6.03.01 | Capital Increase/Decrease                                     | 7,000       | 1,000       |
| 6.03.02 | Proceeds from Debt Issuance                                   | 4,703,000   | 3,531,000   |
| 6.03.03 | Repayment of Debt (note 16)                                   | (6,390,000) | (3,139,000) |
| 6.03.05 | Payments of Dividends   | -           | (4,000)     |
| 6.03.06 | Funds from share offering, net of costs                       | -           | 665,000     |
| 6.03.07 | Acquisition of Subsidiary                                     | (8,000)     | -           |
| 6.04    | Effects of Exchange Rate Changes on Cash and Cash Equivalents | -           | (6,000)     |
| 6.05    | Increase (Decrease) in Cash and Cash Equivalents              | (6,026,000) | (7,299,000) |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period      | 9,142,000   | 11,015,000  |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period            | 3,116,000   | 3,716,000   |



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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2017 to 6/30/2017**

R\$ (in thousands)

| Code       | Description                            | Share Capital | Capital Reserves, Options Granted and Treasury Shares |                      | Retained Earnings/ |
|------------|--|---------------|---|----------------------|--------------------|
|            |  |               | Reserves  | Earnings Accumulated | Losses             |
| 5.01       | Opening Balance                        | 6,811,000     | 331,000   | 2,718,000            | -                  |
| 5.03       | Adjusted Opening Balance               | 6,811,000     | 331,000   | 2,718,000            | -                  |
| 5.04       | Capital Transactions with Shareholders | 7,000         | 18,000  | -                    | -                  |
| 5.04.01    | Capital Increases                      | 7,000         | -   | -                    | -                  |
| 5.04.03    | Options Granted                        | -             | 14,000  | -                    | -                  |
| 5.04.09    | Options Granted - subsidiaries         | -             | 4,000   | -                    | -                  |
| 5.05       | Total Comprehensive Income             | -             | -   | -                    | 290,000            |
| 5.05.01    | Net Income (loss) for the Period       | -             | -   | -                    | 290,000            |
| 5.05.02    | Other Comprehensive Income             | -             | -   | -                    | -                  |
| 5.05.02.04 | Cumulative Translation Adjustment      | -             | -   | -                    | -                  |
| 5.07       | Closing Balance                        | 6,818,000     | 349,000   | 2,718,000            | 290,000            |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2016 to 6/30/2017**

R\$ (in thousands)

| <b>Code</b> | <b>Description</b>                       | <b>Share Capital</b> | <b>Capital Reserves, Options Granted and Treasury Shares</b> | <b>Earnings Reserves</b> | <b>Retained Earnings/ Accumulated Losses</b> | <b>Other comprehensive income</b> |
|-------------|--|----------------------|--|--------------------------|--|-----------------------------------|
| 5.01        | Opening Balance                          | 6,806,000            | 302,000  | 3,333,000                | -  | (87,000)                          |
| 5.03        | Adjusted Opening Balance                 | 6,806,000            | 302,000  | 3,333,000                | -  | (87,000)                          |
| 5.04        | Capital Transactions with Shareholders   | 1,000                | 11,000   | (3,000)                  | -  | -                                 |
| 5.04.01     | Capital Increases                        | 1,000                | -  | -                        | -  | -                                 |
| 5.04.03     | Options Granted                          | -                    | 7,000  | -                        | -  | -                                 |
| 5.04.06     | Dividends                                | -                    | -  | (3,000)                  | -  | -                                 |
| 5.04.09     | Options Granted - subsidiaries           | -                    | 4,000  | -                        | -  | -                                 |
| 5.05        | Total Comprehensive Income               | -                    | -  | -                        | (326,000)                                    | 72,000                            |
| 5.05.01     | Net Income (loss) for the Period         | -                    | -  | -                        | (326,000)                                    | -                                 |
| 5.05.02     | Other Comprehensive Income               | -                    | -  | -                        | -  | 72,000                            |
| 5.05.02.04  | Cumulative Translation Adjustment        | -                    | -  | -                        | -  | 72,000                            |
| 5.06        | Internal Changes in Shareholders' Equity | -                    | -  | 1,000                    | -  | -                                 |
| 5.06.05     | Settlement of Equity Instrument          | -                    | -  | 1,000                    | -  | -                                 |
| 5.07        | Closing Balance                          | 6,807,000            | 313,000  | 3,331,000                | (326,000)                                    | (15,000)                          |

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

ITR – Interim Financial Information – June 30, 2017 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Value Added****R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                                       | <b>Current<br/>Quarter<br/>1/1/2017 to<br/>6/30/2017</b> | <b>Previous<br/>Quarter<br/>1/01/2016 to<br/>6/30/2016</b> |
|---------------|--|--|--|
| 7.01          | Revenues   | 23,260,000   | 21,289,000   |
| 7.01.01       | Sales of Goods, Products and Services                    | 23,052,000   | 21,282,000   |
| 7.01.02       | Other Revenues   | 210,000  | 19,000   |
| 7.01.04       | Allowance for/Reversal of Doubtful Accounts              | (2,000)  | (12,000)   |
| 7.02          | Products Acquired from Third Parties                     | (18,629,000)   | (17,503,000)   |
| 7.02.01       | Costs of Products, Goods and Services Sold               | (16,751,000)   | (15,438,000)   |
| 7.02.02       | Materials, Energy, Outsourced Services and Other         | (1,878,000)  | (2,065,000)  |
| 7.03          | Gross Value Added  | 4,631,000  | 3,786,000  |
| 7.04          | Retention  | (406,000)  | (371,000)  |
| 7.05          | Net Value Added Produced                                 | 4,225,000  | 3,415,000  |
| 7.06          | Value Added Received in Transfer                         | 210,000  | (507,000)  |
| 7.06.01       | Share of Profit of Subsidiaries and Associates           | (23,000)   | 44,000   |
| 7.06.02       | Financial Income   | 105,000  | 113,000  |
| 7.06.03       | Others   | 128,000  | (664,000)  |
| 7.06.03.01    | Net Income from Discontinued Operations                  | 128,000  | (664,000)  |
| 7.07          | Total Value Added to Distribute                          | 4,435,000  | 2,908,000  |
| 7.08          | Distribution of Value Added                              | 4,435,000  | 2,908,000  |
| 7.08.01       | Personnel  | 2,036,000  | 1,841,000  |
| 7.08.01.01    | Direct Compensation                                      | 1,296,000  | 1,201,000  |
| 7.08.01.02    | Benefits   | 444,000  | 409,000  |
| 7.08.01.03    | Government Severance Indemnity Fund for Employees (FGTS) | 121,000  | 112,000  |
| 7.08.01.04    | Other  | 175,000  | 119,000  |
| 7.08.01.04.01 | Interest   | 175,000  | 119,000  |
| 7.08.02       | Taxes, Fees and Contributions                            | 1,093,000  | 854,000  |
| 7.08.02.01    | Federal  | 1,081,000  | 482,000  |
| 7.08.02.02    | State  | (128,000)  | 274,000  |
| 7.08.02.03    | Municipal  | 140,000  | 98,000   |
| 7.08.03       | Value Distributed to Providers of Capital                | 922,000  | 952,000  |
| 7.08.03.01    | Interest   | 468,000  | 529,000  |
| 7.08.03.02    | Rentals  | 454,000  | 423,000  |

|            |  |         |           |
|------------|--|---------|-----------|
| 7.08.04    | Value Distributed to Shareholders                    | 384,000 | (739,000) |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | 290,000 | (326,000) |
| 7.08.04.04 | Noncontrolling Interest in Retained Earnings         | 94,000  | (413,000) |

**São Paulo, Brazil, July 25, 2017 - GPA** [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] announces its results for the 2<sup>nd</sup> Quarter of 2017. The comments refer to the consolidated results of the Group or of its business units. All comparisons are with the same period in 2016, except where stated otherwise. In the quarterly financial statements of GPA as of June 30, 2017, due to the ongoing divestment of the interest held by GPA in Via Varejo S.A., as announced in the material fact notice of November 23, 2016, the operations of Via Varejo are treated as discontinued operations, with a retrospective adjustment of net sales and other profit or loss accounts, as required under IFRS 5/CPC 31, approved by CVM Resolution 598/09 – Sale of non-current assets and discontinued operations.

## 2Q17 RESULTS

**Net sales up 9.0%<sup>(1)</sup>, driven by 29.2%<sup>(1)</sup> growth at Assaí and continued recovery at Extra banner.**

**Food Segment Adjusted EBITDA of R\$551 million<sup>(2)</sup>, growing 104.3% from 2Q16<sup>(2)</sup>**

**Net income attributable to controlling shareholders improved to R\$165 million, with margin of 1.5%**

### Operating Highlights

#### Multivarejo:

- Continued market share gains in 2017 and accelerated growth at Extra Hiper, driven by commercial actions and sequential growth in the non-food segment;
- Reduction of 3.0% in SG&A expenses supported by efficiency and productivity projects;
- Adjusted EBITDA margin reached 4.9%<sup>(2)</sup>, up 220 bps from 2Q16<sup>(2)</sup>;
- Launch of the My Discount program, with over one million downloads in the first ten days.

#### Assaí:

- Strong net sales growth, as a result of the good performance of the new stores, and acceleration of same-store sales which grew 13.5%<sup>(1)</sup>, with volume growth offsetting the effect from slower inflation;
- Adjusted EBITDA margin reached 5.6%, up 260 bps from 2Q16<sup>(2)</sup>

### Financial Highlights

- Significant growth in net income attributable to controlling shareholders, to R\$165 million, with margin of 1.5%, compared to R\$125 million in 1Q17;
- Stronger financial capacity: Net debt<sup>(3)</sup> fell R\$888 million from 2Q16. Net debt<sup>(3)</sup>/Adjusted EBITDA ratio declined to 0.9x, from 1.4x a year earlier;
- Financial result stood at 1.8% of net sales, down 20.7% from 2Q16.

## Outlook

- **Strategic priorities:** (i) Focus on and strengthening of Food segment; (ii) Outperforming the market in sales growth, supporting market share gains; (iii) Continually expanding the Assaí format; and (iv) Optimizing the store portfolio;
- **Economic environment and business evolution:** High unemployment and weak consumption in Brazil pose a challenge to the recovery of the retail sector. However, in the last 12 months, GPA's sales outperformed the market (ABRAS<sup>(4)</sup> and IBGE<sup>(5)</sup>), confirming the continuous market share gains posted by Extra Hiper and Assaí and the stability in the other segments.
- **Guidance for 2017:** (i) Sales: continued market share gains at both Multivarejo and Assaí; (ii) EBITDA Margin<sup>(6)</sup>: around 5.5% in the Food segment, supported by higher profitability at Assaí and stability at Multivarejo; (iii) CAPEX: approximately R\$1.2 billion; and (iv) Goal of capturing US\$50 million in LATAM synergies

*(1) Net revenue adjusted for the calendar effect. (2) Excluding non-recurring tax credits of R\$447 million in 2Q17 (exclusively at Multivarejo) and R\$288 million in 2Q16 (R\$219 million at Multivarejo and R\$69 million at Assaí). (3) Includes not discounted credit card receivables of R\$329 million in 2Q17 and R\$820 million in 2Q16. (4) Brazilian Supermarkets Association. (5) Monthly Retail Survey (PMC) conducted by IBGE. (6) EBITDA adjusted by Other Operating Income and Expenses.*

*“GPA’s 2Q17 results show our operational, commercial and financial progress across the Company’s businesses, despite a still highly challenging macroeconomic scenario. To cite a few examples, the five initial conversions of hypermarkets to Assaí stores have resulted in higher sales multiples per square meter than our expectations, at Multivarejo we have been increasingly surgical and efficient in our communication with customers through initiatives such as “My Discount”, and in ViaVarejo we have reaped the fruits of integrating e-commerce with brick and mortar stores. We remain confident and focused on implementing our strategic priorities for the second half of the year”.*

**Ronaldo Iabrudi – CEO of GPA**

| (R\$ million)(1)  | Consolidated |              |                 | Food Business |              |                 | Multivarejo  |              |                | Assaí        |              |                |
|---|--------------|--------------|-----------------|---------------|--------------|-----------------|--------------|--------------|----------------|--------------|--------------|----------------|
|   | 2Q17         | 2Q16         |                 | 2Q17          | 2Q16         |                 | 2Q17         | 2Q16         |                | 2Q17         | 2Q16         |                |
| <b>Gross Revenue</b>                                      | 11,623       | 10,561       | 10.1%           | 11,623        | 10,561       | 10.1%           | 6,945        | 6,929        | 0.2%           | 4,678        | 3,632        | 28.8%          |
| <b>Net Revenue</b>  | 10,663       | 9,735        | 9.5%            | 10,663        | 9,735        | 9.5%            | 6,390        | 6,389        | 0.0%           | 4,273        | 3,347        | 27.7%          |
| Gross Profit  | 2,872        | 2,383        | 20.5%           | 2,872         | 2,383        | 20.5%           | 2,198        | 1,869        | 17.6%          | 675          | 514          | 31.2%          |
| <b>Gross Margin</b>                                       | <b>26.9%</b> | <b>24.5%</b> | <b>240 bps</b>  | <b>26.9%</b>  | <b>24.5%</b> | <b>240 bps</b>  | <b>34.4%</b> | <b>29.3%</b> | <b>510 bps</b> | <b>15.8%</b> | <b>15.4%</b> | <b>40 bps</b>  |
| <b>Selling, General and Adm. Expenses</b>                 | (1,904)      | (1,861)      | 2.3%            | (1,904)       | (1,861)      | 2.3%            | (1,468)      | (1,513)      | -3.0%          | (437)        | (348)        | 25.6%          |
| <b>% of Net Revenue</b>                                   | <b>17.9%</b> | <b>19.1%</b> | <b>-120 bps</b> | <b>17.9%</b>  | <b>19.1%</b> | <b>-120 bps</b> | <b>23.0%</b> | <b>23.7%</b> | <b>-70 bps</b> | <b>10.2%</b> | <b>10.4%</b> | <b>-20 bps</b> |
| EBITDA (2)  | 659          | 326          | 102.4%          | 690           | 326          | 112.0%          | 486          | 196          | 147.6%         | 204          | 129          | 57.7%          |
| <b>EBITDA Margin</b>                                      | <b>6.2%</b>  | <b>3.3%</b>  | <b>290 bps</b>  | <b>6.5%</b>   | <b>3.3%</b>  | <b>320 bps</b>  | <b>7.6%</b>  | <b>3.1%</b>  | <b>450 bps</b> | <b>4.8%</b>  | <b>3.9%</b>  | <b>90 bps</b>  |
| Adjusted EBITDA(2)(3)                                     | 967          | 557          | 73.4%           | 998           | 557          | 78.9%           | 758          | 390          | 94.5%          | 239          | 168          | 42.7%          |
| <b>Adjusted EBITDA Margin</b>                             | <b>9.1%</b>  | <b>5.7%</b>  | <b>340 bps</b>  | <b>9.4%</b>   | <b>5.7%</b>  | <b>370 bps</b>  | <b>11.9%</b> | <b>6.1%</b>  | <b>580 bps</b> | <b>5.6%</b>  | <b>5.0%</b>  | <b>60 bps</b>  |
| Net Financial Revenue (Expenses)                          | (188)        | (237)        | -20.7%          | (188)         | (237)        | -20.7%          | (170)        | (208)        | -18.3%         | (18)         | (29)         | -37.8%         |
| <b>% of Net Revenue</b>                                   | <b>1.8%</b>  | <b>2.4%</b>  | <b>-60 bps</b>  | <b>1.8%</b>   | <b>2.4%</b>  | <b>-60 bps</b>  | <b>2.7%</b>  | <b>3.3%</b>  | <b>-60 bps</b> | <b>0.4%</b>  | <b>0.9%</b>  | <b>-50 bps</b> |
| Net Income (Loss) - Consolidated Controlling Shareholders | 165          | (277)        | n.a.            | 206           | (101)        | n.a.            | 110          | (140)        | n.a.           | 96           | 38           | 151.9%         |
| <b>Net Margin</b>   | <b>1.5%</b>  | <b>-2.8%</b> | <b>430 bps</b>  | <b>1.9%</b>   | <b>-1.0%</b> | <b>290 bps</b>  | <b>1.7%</b>  | <b>-2.2%</b> | <b>390 bps</b> | <b>2.3%</b>  | <b>1.1%</b>  | <b>120 bps</b> |

Adjusted Net Income  
(Loss) - Controlling  
Shareholders -

|                              |             |             |                |             |             |                |             |             |                |             |             |               |
|------------------------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|---------------|
|                              | 412         | 100         | 311.7%         | 443         | 100         | 342.7%         | 323         | 28          | n.a.           | 120         | 72          | 67.4%         |
| continuing operations<br>(4) |             |             |                |             |             |                |             |             |                |             |             |               |
| <b>Adjusted Net Margin</b>   | <b>3.9%</b> | <b>1.0%</b> | <b>290 bps</b> | <b>4.2%</b> | <b>1.0%</b> | <b>320 bps</b> | <b>5.1%</b> | <b>0.4%</b> | <b>470 bps</b> | <b>2.8%</b> | <b>2.1%</b> | <b>70 bps</b> |

## Gross Profit and Adjusted EBITDA excluding non-recurring tax credits <sup>(5)</sup>

| (R\$ million)(1)                                | Consolidated |              |                | Food Business |              |                | Multivarejo  |              |                | Assaí        |              |                |
|---|--------------|--------------|----------------|---------------|--------------|----------------|--------------|--------------|----------------|--------------|--------------|----------------|
|   | 2Q17         | 2Q16         |                | 2Q17          | 2Q16         |                | 2Q17         | 2Q16         |                | 2Q17         | 2Q16         |                |
| Gross Profit Excl. tax credits                  | 2,425        | 2,095        | 15.7%          | 2,425         | 2,095        | 15.7%          | 1,751        | 1,650        | 6.1%           | 675          | 445          | 51.6%          |
| <b>Gross Margin Excl. tax credits</b>           | <b>22.7%</b> | <b>21.5%</b> | <b>120 bps</b> | <b>22.7%</b>  | <b>21.5%</b> | <b>120 bps</b> | <b>27.4%</b> | <b>25.8%</b> | <b>160 bps</b> | <b>15.8%</b> | <b>13.3%</b> | <b>250 bps</b> |
| Adjusted EBITDA Excl. tax credits(2)(3)         | 520          | 269          | 92.8%          | 551           | 269          | 104.3%         | 311          | 171          | 82.3%          | 239          | 99           | 142.4%         |
| <b>Adjusted EBITDA Margin Excl. tax credits</b> | <b>4.9%</b>  | <b>2.8%</b>  | <b>210 bps</b> | <b>5.2%</b>   | <b>2.8%</b>  | <b>240 bps</b> | <b>4.9%</b>  | <b>2.7%</b>  | <b>220 bps</b> | <b>5.6%</b>  | <b>3.0%</b>  | <b>260 bps</b> |

(1) Totals and percentages may not add up due to rounding. All margins were calculated as a percentage of net sales; (2) Earnings before interest, tax, depreciation and amortization; (3) Adjusted by "Other Operating Income and Expenses"<sup>(4)</sup> Net Income adjusted by "Other Operating Income and Expenses",<sup>(5)</sup> R\$447 million in 2Q17 (exclusively at Multivarejo) and R\$288 million in 2Q16 (R\$219 million at Multivarejo and R\$69 million at Assaí).



## SALES PERFORMANCE

### **Net Sales totaled R\$10.7 billion, up 9.5%, or 9.0% if adjusted for the calendar effect, driven by:**

- Consistent growth by Assaí, of 27.7% (or 29.2% if adjusted for the calendar effect), with volume growth neutralizing the effect of lower inflation;
- Acceleration of the Extra banner, especially Hiper (same-store sales growth of 7.6%, compared to 5.4% in 1Q17, adjusted for the calendar effect);
- Multivarejo and Assaí continued to gain market share in the quarter .

At **Multivarejo**, net sales in the quarter amounted to R\$6.4 billion, with same-store sales growth of 1.2%, adjusted for the calendar effect. The highlights were the continuous market share gain in 2017 compared to 2016, and accelerated growth of Extra Hiper, driven by the sequential improvement of non-food categories.

In the total-store concept, performance was negatively impacted by the closure of Extra Hiper stores, which will be converted into Assaí stores and also by the sharp decline in food inflation. Some food categories, such as vegetables, registered deflation in June, which affected the performance of the Pão de Açúcar and Extra Super banners, whose share of these categories is higher.

The end of the quarter saw the launch of the **“My Discount” Program**, which consists of personalized offers through a mobile app targeted at around 12 million customers of the loyalty program. Other initiatives were also implemented or are under implementation to increase customer traffic and sales:

- Strengthening of commercial campaigns at regional units;
- Cell phone bonus: promotional discounts obtained at the store may be converted into prepaid bonus;
- Pão de Açúcar store renovations: target of renewing approximately 15-20 stores in the coming quarters.

**At Assaí**, net sales totaled R\$4.3 billion, growing 27.7% from 2Q16 (or 29.2% adjusted for the calendar effect). Same-store sales growth accelerated to 13.5% adjusted for the calendar effect, driven by strong growth in customer traffic and volumes in the quarter, which offset

the decline in food inflation. Important to highlight the acceleration of real growth compared to the previous quarter.

With Carapicuíba store conversion on June, Assaí totaled 110 stores and already accounts for 40.1% of Food Business' net sales, compared to 34.4% last year. The format continued to gain market share in the quarter, of around 400 bps compared to the same period last year, in an expanding market segment.

In 1H17, the converted stores maintained a high sales multiple of around 2.5 times and their profitability was similar to the total profitability of the format, which is already higher than it was prior to their conversion.

## OPERATING PERFORMANCE BY BUSINESS

### Multivarejo

**Gross profit** came to R\$2,198 million, with margin of 34.4%. The period was impacted by the recognition of non-recurring tax credits related to the restitution of ICMS ST (Tax Substitution), which generated a positive impact of R\$447 million on gross margin. Excluding the effects from these tax credits, **gross margin was 27.4%**, virtually stable in relation to 1Q17. Compared to the margin of 25.8%<sup>(\*)</sup> in 2Q16, the expansion was 160 bps. The main impacts were:

- Improved shrinkage levels due to higher logistics efficiency;
- More successful investments in promotions;
- Closure of Extra Hiper stores, whose gross margin is lower than the average of Multivarejo;
- New tax framework for ICMS ST (Tax Substitution), whose positive impact was mostly offset by Easter.

**Selling, general and administrative expenses** came to R\$ 1,468 million, down 3.0% from 2Q16, chiefly due to:

- Reduction in electricity consumption as a result of the efficiency projects;
- Optimization of headcount due to productivity gains in the operations at stores and DCs.

Other Operating Income and Expenses were an expense of R\$272 million and mainly related to the following: (i) inclusion of federal taxes of R\$183 million in the Special Tax Regularization Program (PERT); and (ii) restructuring expenses related to stores under conversion process to Assaí and property, plant and equipment results which totaled R \$ 80 million.

**Adjusted EBITDA**, excluding tax credits, amounted to **R\$311 million in the quarter**, growing 82.3% from 2Q16<sup>(\*)</sup>. **Adjusted EBITDA margin reached 4.9%**, up 220 bps from 2Q16<sup>(\*)</sup>.

## Assaí

Gross margin reached 15.8%, higher than in 2Q16<sup>(\*)</sup>, mainly due to:

- Higher-than-expected maturation of stores opened in the last two years;
- Higher share of individuals;
- Optimization of commercial actions.
- Improvement in shrinkage;
- New tax framework related to ICMS ST (Tax Substitution);

Operating expenses reached 10.2%, down 20 bps from 2Q16, despite the format's strong growth pace. The maturity of stores led to lower operating expenses due to the higher efficiency of the new format and to the greater dilution of administrative expenses.

Adjusted EBITDA amounted to R\$239 million, with margin of 5.6%, up 260 bps from 2Q16<sup>(\*)</sup>, reflecting the improvement in gross margin and the higher dilution of expenses, driven by the strong pace of sales growth.

*(\*) Excluding non-recurring tax credits in 2Q16 of R\$219 million at Multivarejo and of R\$69 million at Assaí.*

## **FINANCIAL PERFORMANCE**

### **Financial Result**

Financial result came to R\$188 million, or 1.8% of net sales, down 20.7% from 2Q16.

The improvement is explained mainly by the gross debt reduction of R\$440 million, as well as by the lower interest rate (14.1% in 2Q16 vs. 10.9% in 2Q17). Cost of receivables discount remained stable at 0.3% of net sales.

### **Net Income**

Net income attributable to controlling shareholders, considering both continuing and discontinued operations, amounted to R\$165 million, with margin of 1.5%, driven by the better business performance.

In the food segment, net income attributable to controlling shareholders, considering continuing operations and adjusted for other operational income and expenses, came to R\$443 million, or R\$343 million more than in 2Q16, led by the significant growth posted by Assaí.

### **Earnings per Share (EPS)**

Diluted EPS was 0.58212 per common share and 0.64033 per preferred share.

### **Net Debt**

Net debt, adjusted for not discounted receivables, amounted to R\$2,380 million, improving R\$888 million from 2Q16. The Company continues to strengthen its financial position, with the net debt / Adjusted EBITDA ratio reaching 0.9x in 2Q17, compared to 1.4x last year.

Gross debt stood at R\$5,075 million, down R\$440 million from 2Q16.

Cash balance was R\$2,366 million and the balance of not discounted receivables was R\$329 million, bringing total cash and cash equivalents to R\$2.7 billion. Moreover, preapproved/confirmed credit lines amounted to R\$1.3 billion.

## Capex

Capex in the Food segment came to R\$286 million, higher than in the same period last year, mainly due to the conversions of Extra Hiper stores into Assaí stores.

Three stores were converted in the quarter, besides 11 more that are undergoing conversion. By the end of 2017, the Company should conclude 16 conversions. Moreover, 3 stores were opened in the quarter, with 1 Assaí and 2 Minuto Pão de Açúcar. Assaí should close the year with 6 to 8 new stores, which includes entering two new states.

The lower maintenance and renovation capex in the quarter is due to the comparison base, since energy efficiency projects were implemented in several stores last year, resulting in fewer stores for 2017.

Continuation of the process to capture synergies in Latin America, with the following highlights:

- Textile project in execution, with store implementation by year-end estimated at over 30 stores;
- Joint negotiations in categories for indirect purchasing (shopping carts, baskets, plastic bags, etc.);
- Exchange of best practices to reduce shrinkage in perishables;
- Aliados Compre Bem Project, which already has 236 partners and aims to reach around 500 by year-end.
- Capture of synergies expected in the total of US\$ 50 million for Latin America. Attainment is progressing in line with the goal.

**Strategic priorities:**

**1) Focus on Food segment:** Continuous investments in higher-return formats, such as Assaí and Pão de Açúcar, and intensification of store renovations;

- 2) Optimization of portfolio:** Focus on conversions of Extra Hiper stores into Assaí;
- 3) Continuous expansion of Assaí:** Total of 16 conversions and 6 to 8 new stores, with an average return of over 20%.

**Guidance for 2017:**

- 1)** Sales: continued market share gains at both Multivarejo and Assaí;
- 2)** EBITDA Margin<sup>(1)</sup>: around 5.5% in the Food segment, supported by higher profitability at Assaí and stability at Multivarejo;
- 3)** CAPEX: approximately R\$1.2 billion;

*(1)EBITDA adjusted by Other Operating Income and Expenses.*



### **2Q17 Results Conference Call and Webcast**

10:30 a.m. (Brasília) | 9:30 a.m. (New York) | 2:30 p.m. (London)

#### **Conference call in Portuguese (original language)**

+55 (11) 3193-1001 or 2820-4001

#### **Conference call in English (simultaneous translation)**

+1 (786) 924-6977

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

#### **Replay**

+55 (11) 3193-1012

Access code for audio in Portuguese: 1449444#

Access code for audio in English: 2325602#

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

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**About GPA:** GPA is Brazil's largest retailer, with a distribution network comprising over 2,000 points of sale as well as electronic channels. Established in 1948 in São Paulo, it has its head office in the city and operations in 20 Brazilian states and the Federal District. With a strategy of focusing its decisions on customers 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 consisting of brick-and-mortar stores and e-commerce operations, divided into three business units: Multivarejo, which operates the supermarket, hypermarket and Minimercado 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 wholesale segment; and Via Varejo's discontinued operations, with its bricks and mortar electronics and home appliances stores under the Casas Bahia and Pontofrio banners, and the e-commerce segment.

**Disclaimer:** Statements contained in this release relating to the business outlook of the Company, projections of operating/financial results, growth prospects of the Company and market and macroeconomic estimates are merely forecasts and are based on the beliefs, plans and 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 hence are subject to change.

## Glossary

**Company's Business:** The Company's business is divided into two segments – Retail and Cash & Carry – grouped as follows:

**Food Segment:** Represents the combined results of Multivarejo and Assaí, excluding equity income (loss) from Cdiscount, which is not included in the operating segments reported by the Company. It includes retail and wholesale activities of products in general, including - but not limited to - food products, clothing, hygiene, medicines, fuels, furniture, consumer electronics and domestic utilities. Such activities are carried out both in physical and virtual establishments.

**Growth and Changes:** The growth and changes presented in this document refer to variations from the same period last year, except where stated otherwise.

**EBITDA:** EBITDA is calculated in accordance with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012.

**Adjusted EBITDA:** Measure of profitability calculated by excluding Other Operating Income and Expenses from EBITDA. Management uses this measure in its analyses as 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 from continuing operations excluding Other Operating Income and Expenses and excluding the effects of

Income and Social Contribution Taxes. Also excluded are the effects of nonrecurring direct income tax. Management uses this metric in its analyses given its belief that it eliminates any nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

## CONSOLIDATED FINANCIAL STATEMENTS

### 1. Balance Sheet

| (R\$ million)                                      | BALANCE SHEET |               |               |                 |               |               |
|--|---------------|---------------|---------------|-----------------|---------------|---------------|
|  | ASSETS        |               |               |                 |               |               |
|  | Consolidated  |               |               | Food Businesses |               |               |
|  | 06.30.2017    | 03.31.2017    | 06.30.2016    | 06.30.2017      | 03.31.2017    | 06.30.2016    |
| <b>Current Assets</b>                              | <b>26,968</b> | <b>27,970</b> | <b>19,448</b> | <b>8,183</b>    | <b>8,126</b>  | <b>7,956</b>  |
| Cash and Marketable Securities                     | 2,366         | 1,683         | 3,716         | 2,366           | 1,683         | 1,426         |
| Accounts Receivable                                | 502           | 682           | 4,310         | 507             | 687           | 1,073         |
| Credit Cards                                       | 329           | 404           | 1,982         | 329             | 404           | 820           |
| Payment book                                       | -             | -             | 1,806         | -               | -             | -             |
| Sales Vouchers and Others                          | 127           | 167           | 792           | 132             | 171           | 180           |
| Allowance for Doubtful Accounts                    | (3)           | (3)           | (357)         | (3)             | (3)           | (2)           |
| Resulting from Commercial Agreements               | 49            | 114           | 87            | 49              | 114           | 74            |
| Inventories  | 4,427         | 4,578         | 8,943         | 4,427           | 4,578         | 4,425         |
| Recoverable Taxes                                  | 449           | 617           | 1,547         | 449             | 617           | 616           |
| Noncurrent Assets for Sale                         | 18,790        | 19,848        | 9             | -               | -             | 8             |
| Expenses in Advance and Other Accounts Receivables | 434           | 562           | 922           | 434             | 561           | 408           |
| <b>Noncurrent Assets</b>                           | <b>14,043</b> | <b>13,422</b> | <b>22,586</b> | <b>14,076</b>   | <b>13,444</b> | <b>16,113</b> |
| Long-Term Assets                                   | 2,889         | 2,197         | 5,113         | 2,917           | 2,215         | 1,960         |
| Accounts Receivables                               | -             | -             | 119           | -               | -             | -             |
| Credit Cards                                       | -             | -             | 15            | -               | -             | -             |
| Payment Book                                       | -             | -             | 119           | -               | -             | -             |
| Allowance for Doubtful Accounts                    | -             | -             | (15)          | -               | -             | -             |
| Recoverable Taxes                                  | 1,278         | 653           | 2,473         | 1,278           | 653           | 569           |
| Deferred Income Tax and Social Contribution        | 170           | 181           | 330           | 170             | 181           | 16            |
| Amounts Receivable from Related Parties            | 19            | 28            | 342           | 48              | 47            | 77            |
| Judicial Deposits                                  | 738           | 680           | 1,151         | 738             | 680           | 629           |
| Expenses in Advance and Others                     | 684           | 655           | 699           | 684             | 655           | 669           |
| Investments  | 282           | 356           | 469           | 282             | 355           | 303           |
| Property and Equipment                             | 8,985         | 8,972         | 10,532        | 8,985           | 8,972         | 9,032         |
| Intangible Assets                                  | 1,887         | 1,897         | 6,472         | 1,892           | 1,902         | 4,819         |
| <b>TOTAL ASSETS</b>                                | <b>41,011</b> | <b>41,392</b> | <b>42,034</b> | <b>22,259</b>   | <b>21,571</b> | <b>24,070</b> |

|                            | LIABILITIES   |               |               |                 |              |              |
|----------------------------|---------------|---------------|---------------|-----------------|--------------|--------------|
|                            |               |               |               | Food Businesses |              |              |
|                            | 06.30.2017    | 03.31.2017    | 06.30.2016    | 06.30.2017      | 03.31.2017   | 06.30.2016   |
| <b>Current Liabilities</b> | <b>22,161</b> | <b>23,912</b> | <b>21,666</b> | <b>8,476</b>    | <b>9,147</b> | <b>9,087</b> |
| Suppliers                  | 5,172         | 5,241         | 10,268        | 5,174           | 5,243        | 4,470        |
| Suppliers ('Forfait')      | -             | -             | 430           | -               | -            | -            |
| Loans and Financing        | 1,439         | 1,379         | 3,184         | 1,439           | 1,379        | 2,390        |

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|   |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Payment Book (CDCI)                         | -             | -             | 2,355         | -             | -             | -             |
| Debentures                                  | 47            | 852           | 575           | 47            | 852           | 575           |
| Payroll and Related Charges                 | 602           | 609           | 1,052         | 602           | 609           | 556           |
| Taxes and Social Contribution Payable       | 363           | 203           | 729           | 363           | 203           | 179           |
| Dividends Proposed                          | -             | -             | 2             | -             | -             | 0             |
| Financing for Purchase of Fixed Assets      | 28            | 49            | 113           | 28            | 49            | 86            |
| Rents                                       | 75            | 76            | 119           | 75            | 76            | 77            |
| Acquisition of minority interest            | -             | 8             | 82            | -             | 8             | 82            |
| Debt with Related Parties                   | 160           | 145           | 1,247         | 351           | 334           | 363           |
| Advertisement                               | 32            | 35            | 67            | 32            | 35            | 50            |
| Provision for Restructuring                 | 2             | 3             | 8             | 2             | 3             | 4             |
| Advanced Revenue                            | 79            | 103           | 350           | 79            | 103           | 56            |
| Non-current Assets Held for Sale            | 13,885        | 14,961        | -             | -             | -             | -             |
| Others                                      | 277           | 248           | 1,086         | 283           | 253           | 200           |
| <b>Long-Term Liabilities</b>                | <b>5,850</b>  | <b>4,659</b>  | <b>7,484</b>  | <b>5,850</b>  | <b>4,659</b>  | <b>5,193</b>  |
| Loans and Financing                         | 669           | 663           | 1,803         | 669           | 663           | 1,653         |
| Payment Book (CDCI)                         | -             | -             | 193           | -             | -             | -             |
| Debentures                                  | 2,980         | 1,906         | 898           | 2,980         | 1,906         | 898           |
| Financing for Purchase of Assets            | -             | -             | 4             | -             | -             | 4             |
| Acquisition of minority interest            | -             | -             | 23            | -             | -             | -             |
| Deferred Income Tax and Social Contribution | 258           | 331           | 1,058         | 258           | 331           | 1,031         |
| Tax Installments                            | 765           | 528           | 555           | 765           | 528           | 554           |
| Provision for Contingencies                 | 1,016         | 1,116         | 1,784         | 1,016         | 1,116         | 992           |
| Advanced Revenue                            | 19            | 22            | 1,117         | 19            | 22            | 29            |
| Others                                      | 143           | 93            | 49            | 143           | 93            | 33            |
| <b>Shareholders' Equity</b>                 | <b>13,000</b> | <b>12,821</b> | <b>12,883</b> | <b>7,933</b>  | <b>7,765</b>  | <b>9,789</b>  |
| Capital                                     | 6,818         | 6,815         | 6,807         | 5,516         | 5,519         | 5,375         |
| Capital Reserves                            | 349           | 336           | 313           | 349           | 336           | 313           |
| Profit Reserves                             | 3,000         | 2,843         | 3,005         | 2,068         | 1,910         | 2,978         |
| Adjustment of Equity Valuation              | -             | -             | (15)          | -             | -             | (14)          |
| Minority Interest                           | 2,833         | 2,827         | 2,773         | 0             | -             | 1,138         |
| <b>TOTAL LIABILITIES</b>                    | <b>41,011</b> | <b>41,392</b> | <b>42,034</b> | <b>22,259</b> | <b>21,571</b> | <b>24,070</b> |

## 2. Income Statement - 2Q17

## INCOME STATEMENT

| R\$ - Million   | Consolidated   |                |               | Food Businesses |                |               | Multivarejo(1) |                |               | Assaí          |                |               |
|---|----------------|----------------|---------------|-----------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|
|   | 2Q17           | 2Q16           |               | 2Q17            | 2Q16           |               | 2Q17           | 2Q16           |               | 2Q17           | 2Q16           |               |
| <b>Gross Revenue</b>  | <b>11,623</b>  | <b>10,561</b>  | <b>10.1%</b>  | <b>11,623</b>   | <b>10,561</b>  | <b>10.1%</b>  | <b>6,945</b>   | <b>6,929</b>   | <b>0.2%</b>   | <b>4,678</b>   | <b>3,632</b>   | <b>28.8%</b>  |
| <b>Net Revenue</b>  | <b>10,663</b>  | <b>9,735</b>   | <b>9.5%</b>   | <b>10,663</b>   | <b>9,735</b>   | <b>9.5%</b>   | <b>6,390</b>   | <b>6,389</b>   | <b>0.0%</b>   | <b>4,273</b>   | <b>3,347</b>   | <b>27.7%</b>  |
| <b>Cost of Goods Sold</b>   | <b>(7,777)</b> | <b>(7,338)</b> | <b>6.0%</b>   | <b>(7,777)</b>  | <b>(7,338)</b> | <b>6.0%</b>   | <b>(4,180)</b> | <b>(4,507)</b> | <b>-7.2%</b>  | <b>(3,597)</b> | <b>(2,832)</b> | <b>27.0%</b>  |
| Depreciation (Logistic)   | (14)           | (14)           | -1.8%         | (14)            | (14)           | -1.8%         | (12)           | (13)           | -3.7%         | (1)            | (1)            | 18.5%         |
| <b>Gross Profit</b>   | <b>2,872</b>   | <b>2,383</b>   | <b>20.5%</b>  | <b>2,872</b>    | <b>2,383</b>   | <b>20.5%</b>  | <b>2,198</b>   | <b>1,869</b>   | <b>17.6%</b>  | <b>675</b>     | <b>514</b>     | <b>31.2%</b>  |
| Selling Expenses  | (1,672)        | (1,642)        | 1.9%          | (1,672)         | (1,642)        | 1.9%          | (1,288)        | (1,342)        | -4.0%         | (384)          | (300)          | 28.0%         |
| General and Administrative Expenses                                       | (232)          | (219)          | 6.0%          | (232)           | (219)          | 6.0%          | (179)          | (171)          | 4.7%          | (53)           | (48)           | 10.9%         |
| <b>Selling, General and Adm. Expenses</b>                                 | <b>(1,904)</b> | <b>(1,861)</b> | <b>2.3%</b>   | <b>(1,904)</b>  | <b>(1,861)</b> | <b>2.3%</b>   | <b>(1,468)</b> | <b>(1,513)</b> | <b>-3.0%</b>  | <b>(437)</b>   | <b>(348)</b>   | <b>25.6%</b>  |
| Equity Income(2)  | (15)           | 21             | n.a.          | 16              | 21             | -23.8%        | 16             | 21             | -23.8%        | -              | -              | n.a.          |
| Other Operating Revenue (Expenses)  | (307)          | (232)          | 32.6%         | (307)           | (232)          | 32.6%         | (272)          | (193)          | 40.6%         | (36)           | (39)           | -7.7%         |
| Depreciation and Amortization   | (190)          | (174)          | 9.6%          | (190)           | (174)          | 9.6%          | (149)          | (142)          | 5.1%          | (41)           | (32)           | 29.9%         |
| <b>Earnings before interest and Taxes - EBIT</b>                          | <b>455</b>     | <b>138</b>     | <b>229.6%</b> | <b>486</b>      | <b>138</b>     | <b>252.1%</b> | <b>325</b>     | <b>42</b>      | <b>680.1%</b> | <b>161</b>     | <b>96</b>      | <b>67.3%</b>  |
| Financial Revenue   | 41             | 49             | -17.7%        | 41              | 49             | -17.7%        | 33             | 40             | -17.1%        | 8              | 10             | -20.2%        |
| Financial Expenses  | (229)          | (286)          | -20.2%        | (229)           | (286)          | -20.2%        | (203)          | (248)          | -18.1%        | (26)           | (39)           | -33.3%        |
| <b>Net Financial Result</b>   | <b>(188)</b>   | <b>(237)</b>   | <b>-20.7%</b> | <b>(188)</b>    | <b>(237)</b>   | <b>-20.7%</b> | <b>(170)</b>   | <b>(208)</b>   | <b>-18.3%</b> | <b>(18)</b>    | <b>(29)</b>    | <b>-37.8%</b> |
| <b>Income (Loss) Before Income Tax</b>                                    | <b>267</b>     | <b>(99)</b>    | <b>n.a.</b>   | <b>298</b>      | <b>(99)</b>    | <b>n.a.</b>   | <b>155</b>     | <b>(166)</b>   | <b>n.a.</b>   | <b>143</b>     | <b>68</b>      | <b>112.3%</b> |
| Income Tax  | (93)           | 14             | n.a.          | (93)            | 14             | n.a.          | (46)           | 43             | n.a.          | (47)           | (29)           | 60.6%         |
| Net Income (Loss) Company - continuing operations                         | 174            | (85)           | n.a.          | 205             | (85)           | n.a.          | 109            | (123)          | n.a.          | 96             | 38             | 151.9%        |
| Net Result from discontinued operations                                   | (5)            | (498)          | -99.0%        | 1               | (16)           | n.a.          | 1              | (16)           | n.a.          | -              | -              | n.a.          |
| <b>Net Income (Loss) - Consolidated Company</b>                           | <b>169</b>     | <b>(583)</b>   | <b>n.a.</b>   | <b>206</b>      | <b>(101)</b>   | <b>n.a.</b>   | <b>109</b>     | <b>(140)</b>   | <b>n.a.</b>   | <b>96</b>      | <b>38</b>      | <b>151.9%</b> |
| Net Income (Loss) - Controlling Shareholders - continuing operations(3)   | 174            | (85)           | n.a.          | 205             | (85)           | n.a.          | 108            | (123)          | n.a.          | 96             | 38             | 151.9%        |
| Net Income (Loss) - Controlling Shareholders - discontinued operations(3) | (9)            | (192)          | -95.3%        | 2               | (16)           | n.a.          | 2              | (16)           | n.a.          | -              | -              | n.a.          |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders(3)</b>       | <b>165</b>     | <b>(277)</b>   | <b>n.a.</b>   | <b>206</b>      | <b>(101)</b>   | <b>n.a.</b>   | <b>110</b>     | <b>(140)</b>   | <b>n.a.</b>   | <b>96</b>      | <b>38</b>      | <b>151.9%</b> |
| Minority Interest - Noncontrolling - continuing operations                | 1              | -              | n.a.          | 1               | -              | n.a.          | 1              | -              | n.a.          | -              | -              | n.a.          |
| Minority Interest - Noncontrolling -                                      | 4              | (306)          | n.a.          | (1)             | -              | n.a.          | (1)            | -              | n.a.          | -              | -              | n.a.          |

discontinued operations

|   |     |       |        |     |     |        |     |     |        |     |     |       |
|---|-----|-------|--------|-----|-----|--------|-----|-----|--------|-----|-----|-------|
| <b>Minority Interest - Noncontrolling - Consolidated</b>                    | 5   | (306) | n.a.   | (0) | -   | n.a.   | (0) | -   | n.a.   | -   | -   | n.a.  |
| <b>Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA</b> | 659 | 326   | 102.4% | 690 | 326 | 112.0% | 486 | 196 | 147.6% | 204 | 129 | 57.7% |
| <b>Adjusted EBITDA (4)</b>  | 967 | 557   | 73.4%  | 998 | 557 | 78.9%  | 758 | 390 | 94.5%  | 239 | 168 | 42.7% |

| % of Net Revenue  | Consolidated |       | Food Businesses |       | Multivarejo(1) |       | Assai |       |
|---|--------------|-------|-----------------|-------|----------------|-------|-------|-------|
|   | 2Q17         | 2Q16  | 2Q17            | 2Q16  | 2Q17           | 2Q16  | 2Q17  | 2Q16  |
| <b>Gross Profit</b>   | 26.9%        | 24.5% | 26.9%           | 24.5% | 34.4%          | 29.3% | 15.8% | 15.4% |
| Selling Expenses  | 15.7%        | 16.9% | 15.7%           | 16.9% | 20.2%          | 21.0% | 9.0%  | 9.0%  |
| General and Administrative Expenses                                     | 2.2%         | 2.2%  | 2.2%            | 2.2%  | 2.8%           | 2.7%  | 1.2%  | 1.4%  |
| <b>Selling, General and Adm. Expenses</b>                               | 17.9%        | 19.1% | 17.9%           | 19.1% | 23.0%          | 23.7% | 10.2% | 10.4% |
| Equity Income(2)  | -0.1%        | 0.2%  | 0.1%            | 0.2%  | 0.2%           | 0.3%  | 0.0%  | 0.0%  |
| Other Operating Revenue (Expenses)                                      | 2.9%         | 2.4%  | 2.9%            | 2.4%  | 4.3%           | 3.0%  | 0.8%  | 1.2%  |
| Depreciation and Amortization   | 1.8%         | 1.8%  | 1.8%            | 1.8%  | 2.3%           | 2.2%  | 1.0%  | 0.9%  |
| <b>EBIT</b>   | 4.3%         | 1.4%  | 4.6%            | 1.4%  | 5.1%           | 0.7%  | 3.8%  | 2.9%  |
| <b>Net Financial Revenue (Expenses)</b>                                 | 1.8%         | 2.4%  | 1.8%            | 2.4%  | 2.7%           | 3.3%  | 0.4%  | 0.9%  |
| <b>Income Before Income Tax</b>   | 2.5%         | -1.0% | 2.8%            | -1.0% | 2.4%           | -2.6% | 3.4%  | 2.0%  |
| Income Tax  | -0.9%        | 0.1%  | -0.9%           | 0.1%  | -0.7%          | 0.7%  | -1.1% | -0.9% |
| Net Income (Loss) Company - continuing operations                       | 1.6%         | -0.9% | 1.9%            | -0.9% | 1.7%           | -1.9% | 2.3%  | 1.1%  |
| <b>Net Income (Loss) - Consolidated Company</b>                         | 1.6%         | -6.0% | 1.9%            | -1.0% | 1.7%           | -2.2% | 2.3%  | 1.1%  |
| Net Income (Loss) - Controlling Shareholders - continuing operations(3) | 1.6%         | -0.9% | 1.9%            | -0.9% | 1.7%           | -1.9% | 2.3%  | 1.1%  |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders(3)</b>     | 1.5%         | -2.8% | 1.9%            | -1.0% | 1.7%           | -2.2% | 2.3%  | 1.1%  |
| Minority Interest - Noncontrolling - continuing operations              | 0.0%         | 0.0%  | 0.0%            | 0.0%  | 0.0%           | 0.0%  | 0.0%  | 0.0%  |
| <b>Minority Interest - Noncontrolling - Consolidated</b>                | 0.0%         | -3.1% | 0.0%            | 0.0%  | 0.0%           | 0.0%  | 0.0%  | 0.0%  |
| <b>EBITDA</b>   | 6.2%         | 3.3%  | 6.5%            | 3.3%  | 7.6%           | 3.1%  | 4.8%  | 3.9%  |
| <b>Adjusted EBITDA (4)</b>  | 9.1%         | 5.7%  | 9.4%            | 5.7%  | 11.9%          | 6.1%  | 5.6%  | 5.0%  |

(1) Includes the result of Malls and Corporation

(2) Cdiscount's equity income is considered in the Consolidated and not in the Retail and Cash and Carry segments.

(3) Net Income after noncontrolling shareholders

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





## 2.1 Income Statement – 1H17

| INCOME STATEMENT  |                 |                 |               |                 |                 |               |                |                |               |                |                |               |
|---|-----------------|-----------------|---------------|-----------------|-----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|
|   | Consolidated    |                 |               | Food Businesses |                 |               | Multivarejo(1) |                |               | Assai          |                |               |
| R\$ - Million   | 1H17            | 1H16            |               | 1H17            | 1H16            |               | 1H17           | 1H16           |               | 1H17           | 1H16           |               |
| <b>Gross Revenue</b>  | <b>23,053</b>   | <b>21,282</b>   | <b>8.3%</b>   | <b>23,053</b>   | <b>21,282</b>   | <b>8.3%</b>   | <b>13,975</b>  | <b>14,236</b>  | <b>-1.8%</b>  | <b>9,078</b>   | <b>7,046</b>   | <b>28.8%</b>  |
| <b>Net Revenue</b>  | <b>21,215</b>   | <b>19,623</b>   | <b>8.1%</b>   | <b>21,215</b>   | <b>19,623</b>   | <b>8.1%</b>   | <b>12,904</b>  | <b>13,129</b>  | <b>-1.7%</b>  | <b>8,312</b>   | <b>6,495</b>   | <b>28.0%</b>  |
| <b>Cost of Goods Sold</b>   | <b>(15,956)</b> | <b>(15,021)</b> | <b>6.2%</b>   | <b>(15,956)</b> | <b>(15,021)</b> | <b>6.2%</b>   | <b>(8,903)</b> | <b>(9,472)</b> | <b>-6.0%</b>  | <b>(7,053)</b> | <b>(5,549)</b> | <b>27.1%</b>  |
| Depreciation (Logistic)   | (26)            | (28)            | -5.4%         | (26)            | (28)            | -5.4%         | (23)           | (25)           | -7.5%         | (3)            | (2)            | 18.4%         |
| <b>Gross Profit</b>   | <b>5,234</b>    | <b>4,575</b>    | <b>14.4%</b>  | <b>5,234</b>    | <b>4,575</b>    | <b>14.4%</b>  | <b>3,978</b>   | <b>3,631</b>   | <b>9.5%</b>   | <b>1,256</b>   | <b>943</b>     | <b>33.2%</b>  |
| Selling Expenses  | (3,329)         | (3,244)         | 2.6%          | (3,329)         | (3,244)         | 2.6%          | (2,574)        | (2,654)        | -3.0%         | (755)          | (589)          | 28.1%         |
| General and Administrative Expenses                                       | (459)           | (429)           | 7.0%          | (459)           | (429)           | 7.0%          | (357)          | (341)          | 4.6%          | (102)          | (88)           | 16.6%         |
| <b>Selling, General and Adm. Expenses</b>                                 | <b>(3,789)</b>  | <b>(3,673)</b>  | <b>3.2%</b>   | <b>(3,789)</b>  | <b>(3,673)</b>  | <b>3.2%</b>   | <b>(2,931)</b> | <b>(2,995)</b> | <b>-2.1%</b>  | <b>(857)</b>   | <b>(677)</b>   | <b>26.6%</b>  |
| Equity Income(2)  | (23)            | 44              | n.a.          | 33              | 44              | -24.7%        | 33             | 44             | -24.7%        | -              | -              | n.a.          |
| Other Operating Revenue (Expenses)  | (274)           | (277)           | -1.0%         | (274)           | (277)           | -1.0%         | (251)          | (237)          | 5.8%          | (23)           | (39)           | -41.6%        |
| Depreciation and Amortization   | (380)           | (344)           | 10.5%         | (380)           | (344)           | 10.5%         | (298)          | (282)          | 5.9%          | (82)           | (62)           | 31.6%         |
| <b>Earnings before interest and Taxes - EBIT</b>                          | <b>768</b>      | <b>326</b>      | <b>135.9%</b> | <b>824</b>      | <b>326</b>      | <b>153.1%</b> | <b>530</b>     | <b>161</b>     | <b>229.5%</b> | <b>294</b>     | <b>165</b>     | <b>78.6%</b>  |
| Financial Revenue   | 98              | 113             | -13.2%        | 98              | 113             | -13.2%        | 83             | 94             | -11.4%        | 15             | 20             | -21.9%        |
| Financial Expenses  | (468)           | (529)           | -11.5%        | (468)           | (529)           | -11.5%        | (417)          | (462)          | -9.7%         | (51)           | (67)           | -23.7%        |
| <b>Net Financial Revenue (Expenses)</b>                                   | <b>(370)</b>    | <b>(416)</b>    | <b>-11.0%</b> | <b>(370)</b>    | <b>(416)</b>    | <b>-11.0%</b> | <b>(334)</b>   | <b>(369)</b>   | <b>-9.3%</b>  | <b>(36)</b>    | <b>(47)</b>    | <b>-24.5%</b> |
| <b>Income Before Income Tax</b>   | <b>398</b>      | <b>(90)</b>     | <b>n.a.</b>   | <b>454</b>      | <b>(90)</b>     | <b>n.a.</b>   | <b>196</b>     | <b>(208)</b>   | <b>n.a.</b>   | <b>258</b>     | <b>117</b>     | <b>120.2%</b> |
| Income Tax  | (142)           | 14              | n.a.          | (142)           | 14              | n.a.          | (57)           | 60             | n.a.          | (86)           | (46)           | 85.6%         |
| Net Income (Loss) Company - continuing operations                         | 256             | (76)            | n.a.          | 312             | (76)            | n.a.          | 139            | (147)          | n.a.          | 172            | 71             | 142.7%        |
| Net Result from discontinued operations                                   | 129             | (663)           | n.a.          | (25)            | (27)            | -7.1%         | (25)           | (27)           | -7.1%         | -              | -              | n.a.          |
| <b>Net Income (Loss) - Consolidated Company</b>                           | <b>384</b>      | <b>(739)</b>    | <b>n.a.</b>   | <b>287</b>      | <b>(103)</b>    | <b>n.a.</b>   | <b>114</b>     | <b>(174)</b>   | <b>n.a.</b>   | <b>172</b>     | <b>71</b>      | <b>142.7%</b> |
| Net Income (Loss) - Controlling Shareholders - continuing operations(3)   | 256             | (76)            | n.a.          | 312             | (76)            | n.a.          | 139            | (147)          | n.a.          | 172            | 71             | 142.7%        |
| Net Income (Loss) - Controlling Shareholders - discontinued operations(3) | 34              | (250)           | n.a.          | (24)            | (27)            | -10.7%        | (24)           | (27)           | -10.7%        | -              | -              | n.a.          |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders(3)</b>       | <b>290</b>      | <b>(326)</b>    | <b>n.a.</b>   | <b>288</b>      | <b>(103)</b>    | <b>n.a.</b>   | <b>115</b>     | <b>(174)</b>   | <b>n.a.</b>   | <b>172</b>     | <b>71</b>      | <b>142.7%</b> |
| Minority Interest - Noncontrolling -                                      | -               | -               | n.a.          | -               | -               | n.a.          | -              | -              | n.a.          | -              | -              | n.a.          |

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|   |              |              |              |              |            |              |              |            |              |            |            |              |
|---|--------------|--------------|--------------|--------------|------------|--------------|--------------|------------|--------------|------------|------------|--------------|
| continuing operations   |              |              |              |              |            |              |              |            |              |            |            |              |
| Minority Interest - Noncontrolling - discontinued operations                | 94           | (414)        | n.a.         | (1)          | -          | n.a.         | (1)          | -          | n.a.         | -          | -          | n.a.         |
| <b>Minority Interest - Noncontrolling - Consolidated</b>                    | <b>94</b>    | <b>(414)</b> | <b>n.a.</b>  | <b>(1)</b>   | <b>-</b>   | <b>n.a.</b>  | <b>(1)</b>   | <b>-</b>   | <b>n.a.</b>  | <b>-</b>   | <b>-</b>   | <b>n.a.</b>  |
| <b>Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA</b> | <b>1,174</b> | <b>697</b>   | <b>68.5%</b> | <b>1,230</b> | <b>697</b> | <b>76.5%</b> | <b>852</b>   | <b>468</b> | <b>82.0%</b> | <b>378</b> | <b>229</b> | <b>65.3%</b> |
| <b>Adjusted EBITDA <sup>(4)</sup></b>                                       | <b>1,448</b> | <b>974</b>   | <b>48.7%</b> | <b>1,504</b> | <b>974</b> | <b>54.5%</b> | <b>1,103</b> | <b>705</b> | <b>56.4%</b> | <b>401</b> | <b>268</b> | <b>49.6%</b> |

| % Net Sales Revenue   | Consolidated |              | Food Businesses |              | Multivarejo(1) |              | Assaí        |              |
|---|--------------|--------------|-----------------|--------------|----------------|--------------|--------------|--------------|
|   | 1H17         | 1H16         | 1H17            | 1H16         | 1H17           | 1H16         | 1H17         | 1H16         |
| <b>Gross Profit</b>   | <b>24.7%</b> | <b>23.3%</b> | <b>24.7%</b>    | <b>23.3%</b> | <b>30.8%</b>   | <b>27.7%</b> | <b>15.1%</b> | <b>14.5%</b> |
| Selling Expenses  | 15.7%        | 16.5%        | 15.7%           | 16.5%        | 20.0%          | 20.2%        | 9.1%         | 9.1%         |
| General and Administrative Expenses                                     | 2.2%         | 2.2%         | 2.2%            | 2.2%         | 2.8%           | 2.6%         | 1.2%         | 1.4%         |
| <b>Selling, General and Adm. Expenses</b>                               | <b>17.9%</b> | <b>18.7%</b> | <b>17.9%</b>    | <b>18.7%</b> | <b>22.7%</b>   | <b>22.8%</b> | <b>10.3%</b> | <b>10.4%</b> |
| Equity Income(2)  | -0.1%        | 0.2%         | 0.2%            | 0.2%         | 0.3%           | 0.3%         | 0.0%         | 0.0%         |
| Other Operating Revenue (Expenses)                                      | 1.3%         | 1.4%         | 1.3%            | 1.4%         | 1.9%           | 1.8%         | 0.3%         | 0.6%         |
| Depreciation and Amortization   | 1.8%         | 1.8%         | 1.8%            | 1.8%         | 2.3%           | 2.1%         | 1.0%         | 1.0%         |
| <b>EBIT</b>   | <b>3.6%</b>  | <b>1.7%</b>  | <b>3.9%</b>     | <b>1.7%</b>  | <b>4.1%</b>    | <b>1.2%</b>  | <b>3.5%</b>  | <b>2.5%</b>  |
| <b>Net Financial Revenue (Expenses)</b>                                 | <b>1.7%</b>  | <b>2.1%</b>  | <b>1.7%</b>     | <b>2.1%</b>  | <b>2.6%</b>    | <b>2.8%</b>  | <b>0.4%</b>  | <b>0.7%</b>  |
| <b>Income Before Income Tax</b>   | <b>1.9%</b>  | <b>-0.5%</b> | <b>2.1%</b>     | <b>-0.5%</b> | <b>1.5%</b>    | <b>-1.6%</b> | <b>3.1%</b>  | <b>1.8%</b>  |
| Income Tax  | -0.7%        | 0.1%         | -0.7%           | 0.1%         | -0.4%          | 0.5%         | -1.0%        | -0.7%        |
| Net Income (Loss) Company - continuing operations                       | 1.2%         | -0.4%        | 1.5%            | -0.4%        | 1.1%           | -1.1%        | 2.1%         | 1.1%         |
| <b>Net Income (Loss) - Consolidated Company</b>                         | <b>1.8%</b>  | <b>-3.8%</b> | <b>1.4%</b>     | <b>-0.5%</b> | <b>0.9%</b>    | <b>-1.3%</b> | <b>2.1%</b>  | <b>1.1%</b>  |
| Net Income (Loss) - Controlling Shareholders - continuing operations(3) | 1.2%         | -0.4%        | 1.5%            | -0.4%        | 1.1%           | -1.1%        | 2.1%         | 1.1%         |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders(3)</b>     | <b>1.4%</b>  | <b>-1.7%</b> | <b>1.4%</b>     | <b>-0.5%</b> | <b>0.9%</b>    | <b>-1.3%</b> | <b>2.1%</b>  | <b>1.1%</b>  |
| Minority Interest - Noncontrolling - continuing operations              | 0.0%         | 0.0%         | 0.0%            | 0.0%         | 0.0%           | 0.0%         | 0.0%         | 0.0%         |
| <b>Minority Interest - Noncontrolling - Consolidated</b>                | <b>0.4%</b>  | <b>-2.1%</b> | <b>0.0%</b>     | <b>0.0%</b>  | <b>0.0%</b>    | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  |
| <b>EBITDA</b>   | <b>5.5%</b>  | <b>3.6%</b>  | <b>5.8%</b>     | <b>3.6%</b>  | <b>6.6%</b>    | <b>3.6%</b>  | <b>4.6%</b>  | <b>3.5%</b>  |
| <b>Adjusted EBITDA <sup>(4)</sup></b>                                   | <b>6.8%</b>  | <b>5.0%</b>  | <b>7.1%</b>     | <b>5.0%</b>  | <b>8.5%</b>    | <b>5.4%</b>  | <b>4.8%</b>  | <b>4.1%</b>  |

(1) Includes the result of Malls and Corporation

(2) Cdiscount's equity income, in the amount of -R \$ 16 million, is considered in the Consolidated and not in the Retail and Cash and Carry segments of Automotive.

(3) Net Income after noncontrolling shareholders

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

### 3. Financial Result

| (R\$ million)  | Consolidated |       |         |       |       |         |
|--|--------------|-------|---------|-------|-------|---------|
|  | 2Q17         | 2Q16  |         | 1H17  | 1H16  |         |
| Financial Revenue  | 41           | 49    | -17.7%  | 98    | 113   | -13.2%  |
| Financial Expenses   | (229)        | (286) | -20.2%  | (468) | (529) | -11.5%  |
| Cost of Debt   | (137)        | (191) | -28.1%  | (311) | (342) | -9.0%   |
| Cost of Sale of Receivables of Credit Card                         | (33)         | (27)  | 21.9%   | (73)  | (57)  | 27.2%   |
| Restatement of Contingent Liabilities and Other financial expenses | (58)         | (68)  | -14.1%  | (85)  | (130) | -34.8%  |
| Net Financial Revenue (Expenses)                                   | (188)        | (237) | -20.7%  | (370) | (416) | -11.0%  |
| % of Net Revenue   | 1.8%         | 2.4%  | -60 bps | 1.7%  | 2.1%  | -40 bps |

In the financial statements of GPA of June 30, 2017, consequent to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact notice of November 23, 2016, **the operations of Via Varejo are treated as discontinued operations**. Accordingly, net sales and other income/expense lines were adjusted retrospectively from January 1, 2015, as defined in IFRS 5 / CPC31, approved by CVM Resolution 598/09 - Sale of non-current assets and discontinued operations. Consequently, the following comments do not include the performance of Via Varejo.

### 4. Net income

| (R\$ million)                                     | Consolidated |       |        |       |       |        | Food Business |       |        |       |       |        |
|---|--------------|-------|--------|-------|-------|--------|---------------|-------|--------|-------|-------|--------|
|   | 2Q17         | 2Q16  |        | 1H17  | 1H16  |        | 2Q17          | 2Q16  | %      | 1H17  | 1H16  | %      |
| EBITDA  | 659          | 326   | 102.4% | 1,174 | 697   | 68.5%  | 690           | 326   | 112.0% | 1,230 | 697   | 76.5%  |
| Depreciation (Logistic)                           | (14)         | (14)  | -1.8%  | (26)  | (28)  | -5.4%  | (14)          | (14)  | -1.8%  | (26)  | (28)  | -5.4%  |
| Depreciation and Amortization                     | (190)        | (174) | 9.6%   | (380) | (344) | 10.5%  | (190)         | (174) | 9.6%   | (380) | (344) | 10.5%  |
| Net Financial Revenue (Expenses)                  | (188)        | (237) | -20.7% | (370) | (416) | -11.0% | (188)         | (237) | -20.7% | (370) | (416) | -11.0% |
| Income (Loss) before Income Tax                   | 267          | (99)  | n.a.   | 398   | (90)  | n.a.   | 298           | (99)  | n.a.   | 454   | (90)  | n.a.   |
| Income Tax  | (93)         | 14    | n.a.   | (142) | 14    | n.a.   | (93)          | 14    | n.a.   | (142) | 14    | n.a.   |
| Net Income (Loss) Company - continuing operations | 174          | (85)  | n.a.   | 256   | (76)  | n.a.   | 205           | (85)  | n.a.   | 312   | (76)  | n.a.   |

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|   |            |              |             |            |              |             |            |              |             |            |              |             |
|---|------------|--------------|-------------|------------|--------------|-------------|------------|--------------|-------------|------------|--------------|-------------|
| Net income from discontinued operations       | (5)        | (498)        | -99.0%      | 129        | (663)        | n.a.        | 1          | (16)         | n.a.        | (25)       | (27)         | -7.1%       |
| <b>Net Income (Loss) Consolidated Company</b> | <b>169</b> | <b>(583)</b> | <b>n.a.</b> | <b>384</b> | <b>(739)</b> | <b>n.a.</b> | <b>206</b> | <b>(101)</b> | <b>n.a.</b> | <b>287</b> | <b>(103)</b> | <b>n.a.</b> |

|   |            |              |             |            |              |             |            |              |             |            |              |             |
|---|------------|--------------|-------------|------------|--------------|-------------|------------|--------------|-------------|------------|--------------|-------------|
| Net Income (Loss) - Controlling Shareholders - continuing operations    | 174        | (85)         | n.a.        | 256        | (76)         | n.a.        | 205        | (85)         | n.a.        | 312        | (76)         | n.a.        |
| Net Income (Loss) - Controlling Shareholders - discontinuing operations | (9)        | (192)        | -95.3%      | 34         | (250)        | n.a.        | 2          | (16)         | n.a.        | (24)       | (27)         | -10.7%      |
| <b>Net Income (Loss) - Controlling Shareholders - Consolidated</b>      | <b>165</b> | <b>(277)</b> | <b>n.a.</b> | <b>290</b> | <b>(326)</b> | <b>n.a.</b> | <b>206</b> | <b>(101)</b> | <b>n.a.</b> | <b>288</b> | <b>(103)</b> | <b>n.a.</b> |

|   |             |             |                |             |             |                |             |             |                |             |             |               |
|---|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|---------------|
| Other Operating Revenue (Expenses)  | (307)       | (232)       | 32.6%          | (274)       | (277)       | -1.0%          | (307)       | (232)       | 32.6%          | (274)       | (277)       | -1.0%         |
| Income Tax from Other Operating Revenues (Expenses) and Income Tax from Nonrecurring                | 69          | 47          | 48.1%          | 60          | 58          | 2.9%           | 69          | 47          | 48.1%          | 60          | 58          | 2.9%          |
| <b>Adjusted Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(1)</sup></b> | <b>412</b>  | <b>100</b>  | <b>311.7%</b>  | <b>470</b>  | <b>142</b>  | <b>230.4%</b>  | <b>443</b>  | <b>100</b>  | <b>342.7%</b>  | <b>526</b>  | <b>142</b>  | <b>269.8%</b> |
| <b>Adjusted Net Margin - Controlling Shareholders</b>   | <b>3.9%</b> | <b>1.0%</b> | <b>290 bps</b> | <b>2.2%</b> | <b>0.7%</b> | <b>150 bps</b> | <b>4.2%</b> | <b>1.0%</b> | <b>320 bps</b> | <b>2.5%</b> | <b>0.7%</b> | <b>2 bps</b>  |

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

*In the financial statements of GPA on June 30, 2017, due to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact notice of November 23, 2016, the operations of Via Varejo are treated as discontinued operations. Hence, net sales and other profit or loss lines were adjusted retroactively as from January 1, 2015, as determined by IFRS 5/CPC 31, and approved by CVM Resolution 598/09 - Sale of non-current assets and discontinued operations.*

## 5. Debt – Consolidated

| (R\$ million)  | 06.30.2017     |                | 06.30.2016                        |
|--|----------------|----------------|-----------------------------------|
|  | Food Business  | Food Business  | Consolidated including Via Varejo |
| <b>Short Term Debt</b>   | <b>(1,437)</b> | <b>(2,965)</b> | <b>(3,759)</b>                    |
| Loans and Financing  | (1,439)        | (2,390)        | (3,184)                           |
| Debentures and Promissory Notes  | (47)           | (575)          | (575)                             |
| Financial Instruments- Fair Value Hedge  | 49             |                |                                   |
| <b>Long Term Debt</b>  | <b>(3,638)</b> | <b>(2,551)</b> | <b>(2,701)</b>                    |
| Loans and Financing  | (669)          | (1,653)        | (1,803)                           |
| Debentures   | (2,980)        | (898)          | (898)                             |
| Financial Instruments- Fair Value Hedge  | 11             |                |                                   |
| <b>Total Gross Debt</b>  | <b>(5,075)</b> | <b>(5,515)</b> | <b>(6,460)</b>                    |
| <b>Cash and Financial investments</b>  | <b>2,366</b>   | <b>1,426</b>   | <b>3,716</b>                      |
| <b>Net Debt</b>  | <b>(2,709)</b> | <b>(4,089)</b> | <b>(2,744)</b>                    |
| <b>EBITDA(1)</b>   | <b>2,660</b>   | <b>2,392</b>   | <b>3,033</b>                      |
| <b>Net Debt / EBITDA(1)</b>  | <b>-1.0x</b>   | <b>-1.7x</b>   | <b>-0.9x</b>                      |
| Payment Book (CDCI)  | -              | -              | (2,548)                           |
| On balance Credit Card Receivables not discounted  | 329            | 820            | 1,997                             |
| <b>Net Debt with Payment Book and Credit Card Receivables not discounted</b>             | <b>(2,380)</b> | <b>(3,268)</b> | <b>(3,295)</b>                    |
| <b>Net Debt with Payment Book and Credit Card Receivables not discounted / EBITDA(1)</b> | <b>-0.9x</b>   | <b>-1.4x</b>   | <b>-1.1x</b>                      |

*In the financial statements of GPA of June 30, 2017, consequent to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact notice of November 23, 2016, the operations of Via Varejo are treated as discontinued operations. Accordingly, net sales and other income/expense lines were adjusted retrospectively from January 1, 2015, as defined in IFRS 5 / CPC31, approved by CVM Resolution 598/09 - Sale of non-current assets and discontinued operations. Consequently, the following comments do not include the performance of Via Varejo.*

*However, this technical standard does not require restatement of the balance sheet in such situations. For better comparison between the periods, a column presenting comparable results for March 2016 was added to the above table on debt.*

*(1) EBITDA in the last 12 months. EBITDA adjusted by Other Operating Income and Expenses.*





**6. Cash Flow -Consolidated (including Via Varejo)**

| (R\$ million)   | STATEMENT OF CASH FLOW |                |
|---|------------------------|----------------|
|   | Consolidated           |                |
|   | 06.30.2017             | 06.30.2016     |
| <b>Net Income (Loss) for the period</b>                       | <b>384</b>             | <b>(739)</b>   |
| Adjustment for reconciliation of net income                   |                        |                |
| Deferred income tax   | (184)                  | (67)           |
| Loss (gain) on disposal of fixed and intangible assets        | 51                     | 9              |
| Depreciation and amortization                                 | 406                    | 558            |
| Interests and exchange variation                              | 486                    | 647            |
| Equity Income   | 9                      | (61)           |
| Provision for contingencies                                   | 299                    | 477            |
| Share-Based Compensation                                      | 18                     | 7              |
| Allowance for doubtful accounts                               | 337                    | 295            |
| Provision for obsolescence/breakage                           | (18)                   | (10)           |
| Gains resulting from sale of subsidiaries                     | -                      | (94)           |
| Deferred revenue  | (163)                  | (202)          |
| Other Operating Expenses                                      | (447)                  | -              |
|   | <b>1,178</b>           | <b>820</b>     |
| <b>Asset (Increase) decreases</b>                             |                        |                |
| Accounts receivable   | (1,238)                | (1,501)        |
| Inventories   | (497)                  | (149)          |
| Taxes recoverable   | 33                     | (441)          |
| Dividends received  | 155                    | -              |
| Other Assets  | (85)                   | (239)          |
| Related parties   | 129                    | 48             |
| Restricted deposits for legal proceeding                      | (177)                  | (137)          |
|   | <b>(1,680)</b>         | <b>(2,419)</b> |
| <b>Liability (Increase) decrease</b>                          |                        |                |
| Suppliers   | (2,921)                | (5,519)        |
| Payroll and charges   | (46)                   | 29             |
| Taxes and Social contributions payable                        | (6)                    | (82)           |
| Other Accounts Payable  | (62)                   | (514)          |
| Contingencies   | (184)                  | (161)          |
| Deferred revenue  | (10)                   | 31             |
| Taxes and Social contributions paid                           | (31)                   | (70)           |
|   | <b>(3,260)</b>         | <b>(6,286)</b> |
| <b>Net cash generated from (used) in operating activities</b> | <b>(3,762)</b>         | <b>(7,885)</b> |
| Acquisition of property and equipment                         | (553)                  | (499)          |
| Increase Intangible assets                                    | (120)                  | (162)          |
| Sales of property and equipment                               | 97                     | 108            |
| Cash provided on sale of subsidiary                           | -                      | 91             |
| <b>Net cash flow investment activities</b>                    | <b>(576)</b>           | <b>(462)</b>   |

**Cash flow from financing activities**

|   |                |              |
|---|----------------|--------------|
| Increase of capital   | 7              | 1            |
| Funding and refinancing                                       | 4,703          | 3,531        |
| Payments of loans and financing                               | (6,390)        | (3,139)      |
| Dividend Payment  | -              | (4)          |
| Acquisition of society  | (8)            | -            |
| Proceeds from stock offering, net of issue costs              | -              | 665          |
| <b>Net cash generated from (used) in financing activities</b> | <b>(1,688)</b> | <b>1,054</b> |

|   |                |                |
|---|----------------|----------------|
| Monetary variation over cash and cash equivalents       | -              | (6)            |
| <b>Increase (decrease) in cash and cash equivalents</b> | <b>(6,026)</b> | <b>(7,299)</b> |

|  |                |                |
|--|----------------|----------------|
| Cash and cash equivalents at the beginning of the year | 9,142          | 11,015         |
| Cash and cash equivalents at the end of the year       | 3,116          | 3,716          |
| <b>Change in cash and cash equivalents</b>             | <b>(6,026)</b> | <b>(7,299)</b> |

**6.1. Simplified Cash Flow Statement - Consolidated (including Via Varejo)**

| (R\$ million)  | Consolidated   |                |
|--|----------------|----------------|
|  | 1H17           | 1H16           |
| <b>Cash Balance at Beginning of Period</b>                       | <b>9,142</b>   | <b>11,015</b>  |
| <b>Cash Flow from Operating Activities</b>                       | <b>(3,855)</b> | <b>(7,885)</b> |
| EBITDA   | 1,631          | 717            |
| Cost of Sale of Receivables                                      | (450)          | (495)          |
| Working Capital  | (4,656)        | (7,169)        |
| Assets and Liabilities Variation                                 | (380)          | (937)          |
| <b>Cash Flow from Investment Activities</b>                      | <b>(576)</b>   | <b>(462)</b>   |
| Net Investment   | (576)          | (553)          |
| Acquisition / Sale of Interest and Others                        | -              | 91             |
| Cash on discontinuity of subsidiary                              | -              | -              |
| <b>Change on net cash after investments</b>                      | <b>(4,431)</b> | <b>(8,347)</b> |
| <b>Cash Flow from Financing Activities</b>                       | <b>(1,595)</b> | <b>1,054</b>   |
| Dividends Payments and Others                                    | -              | (4)            |
| Net Payments   | (1,595)        | 1,058          |
| <b>Change on Net Cash</b>  | <b>(6,026)</b> | <b>(7,293)</b> |
| <b>Exchange Rate</b>   | <b>-</b>       | <b>(6)</b>     |
| <b>Cash Balance at End of Period</b>                             | <b>3,116</b>   | <b>3,716</b>   |
| <b>Cash includes "Assets held for sale and op. Discontinued"</b> | <b>750</b>     | <b>-</b>       |
| <b>Cash as balance sheet (excluding Via Varejo)</b>              | <b>2,366</b>   | <b>3,716</b>   |

*In the financial statements of GPA of June 30, 2017, consequent to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact notice of November 23, 2016, the operations of Via Varejo are treated as discontinued operations. Accordingly, net sales and other income/expense lines were adjusted retrospectively from January 1, 2015, as defined in IFRS 5 / CPC31, approved by CVM Resolution 598/09 - Sale of non-current assets and discontinued operations.*

***Held-for-sale assets and the corresponding liabilities were reclassified only on the reporting date, i.e. December 31, 2016, and therefore all of the above changes in balance sheet accounts include Via Varejo, although the closing cash position has been reconciled to reflect only continuing operations.***



## 7. Capex

| (R\$ million)                                | Food Business |            |              |            |            |             |
|--|---------------|------------|--------------|------------|------------|-------------|
|  | 2Q17          | 2Q16       |              | 1H17       | 1H16       |             |
| New stores, land acquisition and conversions | 127           | 93         | 35.8%        | 154        | 196        | -21.4%      |
| Store renovations and Maintenance            | 103           | 171        | -39.9%       | 177        | 305        | -42.0%      |
| Infrastructure and Others                    | 45            | 56         | -19.4%       | 88         | 198        | -55.7%      |
| <b>Non-cash Effect</b>                       |               |            |              |            |            |             |
| Financing Assets                             | 11            | (118)      | n.a.         | 135        | (177)      | n.a.        |
| <b>Total</b>                                 | <b>286</b>    | <b>203</b> | <b>40.9%</b> | <b>554</b> | <b>522</b> | <b>6.2%</b> |

## 8. Breakdown of Sales by Business

| (R\$ million)                     | BREAKDOWN OF GROSS SALES BY BUSINESS |               |               |               |              |               |               |               |               |             |
|-----------------------------------|--------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|-------------|
|                                   | 2Q17                                 | %             | 2Q16          | %             |              | 1H17          | %             | 1H16          | %             |             |
| Pão de Açúcar                     | 1,766                                | 15.2%         | 1,778         | 16.8%         | -0.7%        | 3,484         | 15.1%         | 3,582         | 16.8%         | -2.7%       |
| Extra <sup>(1)</sup>              | 4,316                                | 37.1%         | 4,270         | 40.4%         | 1.1%         | 8,732         | 37.9%         | 8,850         | 41.6%         | -1.3%       |
| Convenience Stores <sup>(2)</sup> | 293                                  | 2.5%          | 301           | 2.9%          | -2.7%        | 589           | 2.6%          | 605           | 2.8%          | -2.6%       |
| Assaí                             | 4,678                                | 40.2%         | 3,632         | 34.4%         | 28.8%        | 9,078         | 39.4%         | 7,046         | 33.1%         | 28.8%       |
| Other Businesses <sup>(3)</sup>   | 569                                  | 4.9%          | 579           | 5.5%          | -1.7%        | 1,169         | 5.1%          | 1,199         | 5.6%          | -2.5%       |
| <b>Food Business</b>              | <b>11,623</b>                        | <b>100.0%</b> | <b>10,561</b> | <b>100.0%</b> | <b>10.1%</b> | <b>23,053</b> | <b>100.0%</b> | <b>21,282</b> | <b>100.0%</b> | <b>8.3%</b> |

(1) Includes Extra Supermercado and Extra Hiper.

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

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

| (R\$ million)                     | BREAKDOWN OF NET SALES BY BUSINESS |               |              |               |             |               |               |               |               |             |
|-----------------------------------|------------------------------------|---------------|--------------|---------------|-------------|---------------|---------------|---------------|---------------|-------------|
|                                   | 2Q17                               | %             | 2Q16         | %             |             | 1H17          | %             | 1H16          | %             |             |
| Pão de Açúcar                     | 1,615                              | 15.1%         | 1,634        | 16.8%         | -1.2%       | 3,200         | 15.1%         | 3,294         | 16.8%         | -2.9%       |
| Extra <sup>(1)</sup>              | 3,950                              | 37.0%         | 3,907        | 40.1%         | 1.1%        | 8,015         | 37.8%         | 8,098         | 41.3%         | -1.0%       |
| Convenience Stores <sup>(2)</sup> | 273                                | 2.6%          | 280          | 2.9%          | -2.8%       | 549           | 2.6%          | 563           | 2.9%          | -2.5%       |
| Assaí                             | 4,273                              | 40.1%         | 3,347        | 34.4%         | 27.7%       | 8,312         | 39.2%         | 6,495         | 33.1%         | 28.0%       |
| Other Businesses <sup>(3)</sup>   | 553                                | 5.2%          | 567          | 5.8%          | -2.5%       | 1,139         | 5.4%          | 1,173         | 6.0%          | -2.9%       |
| <b>Food Business</b>              | <b>10,663</b>                      | <b>100.0%</b> | <b>9,735</b> | <b>100.0%</b> | <b>9.5%</b> | <b>21,215</b> | <b>100.0%</b> | <b>19,623</b> | <b>100.0%</b> | <b>8.1%</b> |

(1) Includes Extra Supermercado and Extra Hiper.

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

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

**9. Breakdown of Sales (% of Net Sales)**

|                     | Food Business |       |       |       |
|---------------------|---------------|-------|-------|-------|
|                     | 2Q17          | 2Q16  | 1H17  | 1H16  |
| <b>Cash</b>         | 51.5%         | 51.3% | 51.5% | 51.9% |
| <b>Credit Card</b>  | 38.4%         | 38.7% | 38.3% | 38.3% |
| <b>Food Voucher</b> | 10.1%         | 10.0% | 10.2% | 9.8%  |

**10. Store Activity by Banner**

|   | STORE OPENINGS/CLOSINGS BY BANNER |          |                      |            |                      | 06/30/2017   |
|---|-----------------------------------|----------|----------------------|------------|----------------------|--------------|
|   | 03/31/2017                        | Opened   | Opened by conversion | Closed     | Closed to conversion |              |
| Pão de Açúcar                           | 185                               | -        | -                    | -          | -                    | 185          |
| Extra Hiper                             | 129                               | -        | -                    | (1)        | (9)                  | 119          |
| Extra Supermercado                      | 194                               | -        | -                    | -          | -                    | 194          |
| Minimercado Extra                       | 197                               | -        | -                    | -          | -                    | 197          |
| Minuto Pão de Açúcar                    | 77                                | 2        | -                    | -          | -                    | 79           |
| Assaí                                   | 106                               | 1        | 3                    | -          | -                    | 110          |
| Other Business                          | 229                               | -        | -                    | (5)        | -                    | 224          |
| Gas Station                             | 77                                | -        | -                    | -          | -                    | 77           |
| Drugstores                              | 152                               | -        | -                    | (5)        | -                    | 147          |
| <b>Food Business</b>                    | <b>1,117</b>                      | <b>3</b> | <b>3</b>             | <b>(6)</b> | <b>(9)</b>           | <b>1,108</b> |
| <b>Sales Area ('000 m<sup>2</sup> )</b> |                                   |          |                      |            |                      |              |
| Food Business                           | 1,789                             |          |                      |            |                      | 1,771        |
| <b># of employees ('000) (1)</b>        | <b>89</b>                         |          |                      |            |                      | <b>89</b>    |

(1) Excludes employees of discontinued operations.

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

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

June 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**1. Corporate information**

Companhia Brasileira de Distribuição ("Company" or "CBD"), directly or through its subsidiaries ("Group" or "GPA") is engaged in the retail of food, clothing, home appliances, electronics and other products through its chain of hypermarkets, supermarkets, specialized stores and department stores principally under the trade names "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai", and the neighborhood shopping mall brand "Conviva". The activities related to the segments of electronics and e-commerce are presented with discontinued activities (note 31) and represent the stores under the brands "Ponto Frio" and "Casas Bahia", as well as the e-commerce platforms "CasasBahia.com", "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com" and "Cdiscount.com". Its headquarters are located in the city of São Paulo, State of São Paulo, Brazil.

The Company's shares are listed on the São Paulo Stock Exchange ("B3") Level 1 of Corporate Governance under the ticker symbol "PCAR4" and on the New York Stock Exchange (ADR level III), under the ticker symbol "CBD".

The Company is indirectly controlled by Almacenes Exitto S.A., through Wilkes Participações S.A. ("Wilkes"), and its ultimate controlling company is Casino Guichard Perrachon ("Casino"), French company listed on Paris Stock Exchange.

**1.1. Morzan arbitration request**

On August 14, 2015, CBD and its controlling shareholder Wilkes were jointly convicted by International Court of Arbitration - ICA, to indemnify Morzan Empreendimentos e Participações Ltda. ("Morzan"). Such decision was amended on January 27, 2016 with no significant changes. The account payable in the amount of R\$233, including legal fees, was fully settled in April 1, 2016.

On October 25, 2016 the Company received a notice from Securities Registration Office ("SRE") of Brazilian Securities Exchange Commission ("CVM") stating that the Company pay the equivalent additional amount 80% of effectively paid to Morzan as indemnification to other shareholders of Globex Utilidades S.A. ("Globex") that applied to Share Purchase Agreement resulting in the sale of control of the Company, in accordance to your OPA, the mix payment option, that defined in public notice of public offer for shares acquisition realized for the Company on January 4, 2010. The Company presented on appeal to CVM's



arbitral award and received a suspensive effect of the decision, with the estimated amount in R\$150 and likelihood of loss classified as possible.

## 1.2. Notices from CVM to GPA and subsidiary Via Varejo

On February 18, 2016, the subsidiary Via Varejo received a notice from CVM, the notice 18/2016-CVM/SEP/GEA-5 containing the understanding of the Superintendence of Business Relations – SEP in relation to certain accounting entries related to corporate transactions at Via Varejo level in 2013. Due to the effects in its consolidated financial statements the Company received the notice 19/2016-CVM/SEP/GEA-5.

CVM's technical area notified its understanding on accounting treatment which is different from those applied by Company in its financial statements of that year, in relation to (i) remeasurement of remaining investment held in Nova Pontocom Comércio Eletrônico S.A. ("NPC") due to partial sale of interest to Companhia Brasileira de Distribuição; and (ii) accounting treatment applied on acquisition of additional 75% interest of Indústria de Móveis Bartira ("Bartira") equity.

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

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

June 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**1. Corporate information - Continued**

**1.2. Notices from CVM to GPA and subsidiary Via Varejo - Continued**

Via Varejo and the Company presented an appeal to CVM's board of commissioners. At July 26, 2016, Via Varejo published relevant fact announcing the end of Cnova's investigations, and informed that attended partially the requirements on notice 18/2016CVM/SEP/GEA5, specifically to the accounting entries of sale participation on NPC, occurred in 2013. At January 26, 2017 the CVM reported the Company that (i) the appeal was accepted related to Bartira; and (ii) The CVM's Superintendence of Business Relations – SEP will ask reconsideration of the board of commissioner's decision. On April 20, 2017 Via Varejo and the Company received the final determination of the board of commissioner informing that kept the decision after reconsideration asked by SEP. Therefore there is not effect to be considered related with this assumption.

**1.3. Agreement between CBD, Via Varejo and Grupo Casas Bahia**

In July 4, 2017, the Via Varejo celebrated a agreement together with the Company, for the settlement of losses and damages related to the "Acordo de Associação" celebrated in July 1, 2010, incurred until November 8, 2016, as well established warrants for the obligation of Grupo Casas Bahia to indemnify potential risks, therefore grasped which not materialized until November 8, 2016.

In this agreement, the Via Varejo and the Grupo Casas Bahia compensate funds due from part to part, remaining a balance of R\$70 to be paid by the Grupo Casas Bahia to Via Varejo in 7 installments which fall due until December 2017.

As warrant of potential risk indemnifies was kept, beyond personal guarantee of Grupo Casas Bahia shareholders, mortgage on property at total amount of potential risks notified.

This agreement is subject to resolutive condition wich, in 90 days, it been approved by special commitees and board of directors of the Company and Via Varejo.

As a result of this agreement, Via Varejo recognized on its financial statements for the period ended in June 30, 2017, at item "Other operating income (expense)" a loss of R\$97.

## **2. Basis of preparation**

The individual and consolidated interim financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting issued by the International Accounting Standard Board ("IASB") and CPC 21 (R1) - Interim Financial Reporting and presented consistently with the standards approved and issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of interim financial information – ITR.

The individual and consolidated interim financial information is being presented in millions of Brazilian Reais. The reporting currency of the Company is Real and for subsidiaries located abroad is the local currency of each jurisdiction.

The individual and consolidated interim financial information for the quarter ended June 30, 2017 was approved by the Board of Directors on July 25, 2017.

As a result of the process in progress for the sale of the subsidiary Via Varejo S.A. (note 35 on the financial statements for year ended December 31, 2016, presented in February 23, 2017) and in accordance to the CPC 31 / IFRS 5 – Non current assets held for sale and discontinued operation, the individual and consolidated interim financial information of the statement of the operations and the statement of the added value for the periods ended June 30, 2017 and June 30, 2016 were presented with the effects of the transaction.

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

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

June 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**3. Basis of consolidation**

The information on the basis of consolidation did not have significant modification and was presented in the annual financial statements for 2016, in note 3.

**4. Significant accounting policies**

The significant accounting policies adopted by the Company in the preparation of the individual and consolidated interim financial information are consistent with those adopted and disclosed on Note 4 of the financial statements for the year ended December 31, 2016 and therefore should be read in conjunction with those annual financial statements.

**5. Adoption of new standards, amendments to and interpretations of existing standards issued by the IASB and CPC and standards issued but not yet effective**

The adoption of new standards, amendments to and interpretations of existing standards issued by the IASB and CPC and standards issued but not yet effective are consistent with those adopted and disclosed in note 5 to the financial statements for the year ended December 31, 2016 and had no significant effects to the Company.

Except for standards “IFRS 15 – Revenue from contracts with customers” and “IFRS 16 – Leases”. For the IFRS 15, the Company started a project that has a prevision of conclusion until the end of 2017, for this moment, significatives events are not expected as a result of this adoption. Related to IFRS 16, relevant impacts are expected, whose measurement is in progress with prevision of conclusion until the end of 2017.

## **6. Significant accounting judgments, estimates and assumptions**

### Judgments, estimates and assumptions

The preparation of the Company's individual and consolidated interim financial information requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period; however, uncertainties about these assumptions and estimates may result in outcomes that require adjustments to the carrying amount of the affected asset or liability in future periods.

The significant assumptions and estimates for interim financial information for the six-month period ended June 30, 2017 were the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2016.

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**7. Cash and cash equivalents**

The detailed information on cash and cash equivalents was presented in the annual financial statements for 2016, in note 7.

|                                |             | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--------------------------------|-------------|-----------------------|-------------------|---------------------|-------------------|
|                                | <u>Rate</u> | <u>6.30.2017</u>      | <u>12.31.2016</u> | <u>6.30.2017</u>    | <u>12.31.2016</u> |
| Cash and banks - Brazil        |             | <b>64</b>             | 255               | <b>101</b>          | 349               |
| Cash and banks - Abroad        | (*)         | <b>67</b>             | 66                | <b>67</b>           | 66                |
| Temporary investments - Brazil | (**)        | <b>1,608</b>          | 4,175             | <b>2,198</b>        | 4,697             |
|                                |             | <b>1,739</b>          | 4,496             | <b>2,366</b>        | 5,112             |

(\*) Refers to cash and banks denominated in US Dollars.

(\*\*) Temporary investments as at June 30, 2017 refer substantially to repurchase agreements, which are remunerated by a weighted average rate equivalent to 98.63% of the Interbank Deposit Certificate ("CDI") and redeemable less than 90 days as of investment date and not subject to significant variations in the amount.

**8. Trade receivables**

The detailed information on trade receivables was presented in the annual financial statements for 2016, in note 8.

|  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| Credit card companies                        | <b>301</b>            | 178               | <b>329</b>          | 241               |
| Sales vouchers                               | <b>48</b>             | 94                | <b>83</b>           | 142               |
| Private label credit card                    | <b>38</b>             | 62                | <b>39</b>           | 62                |
| Receivables from related parties (note 12.2) | <b>10</b>             | 15                | <b>5</b>            | 5                 |
| Receivables from suppliers                   | <b>49</b>             | 48                | <b>49</b>           | 95                |
| Allowance for doubtful accounts (note 8.1)   | <b>(1)</b>            | (1)               | <b>(3)</b>          | (2)               |
|  | <b>445</b>            | 396               | <b>502</b>          | 543               |

## 8.1. Allowance for doubtful accounts

|  | <b>Parent Company</b> |                  | <b>Consolidated</b> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>6.30.2017</b>      | <b>6.30.2016</b> | <b>6.30.2017</b>    | <b>6.30.2016</b> |
| <b>At the beginning of the period</b>  | <b>(1)</b>            | (2)              | <b>(2)</b>          | (275)            |
| Loss/reversal in the period  | <b>(4)</b>            | 1                | <b>(337)</b>        | (232)            |
| Write-off of receivables   | <b>4</b>              | -                | <b>288</b>          | 257              |
| Reclassification to assets held for sale and discontinued operations (note 31) | -                     | -                | <b>48</b>           | 249              |
| <b>At the end of the period</b>  | <b>(1)</b>            | (1)              | <b>(3)</b>          | (1)              |

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**8. Trade receivables – Continued**

Below is the aging list of consolidated gross receivables:

|                  | Total      | Due        | Past-due receivables - Consolidated |            |            |           |
|------------------|------------|------------|-------------------------------------|------------|------------|-----------|
|                  |            |            | <30 days                            | 30-60 days | 61-90 days | >90 days  |
| <b>6.30.2017</b> | <b>505</b> | <b>489</b> | <b>2</b>                            | <b>2</b>   | <b>2</b>   | <b>10</b> |
| 12.31.2016       | 545        | 524        | 13                                  | 6          | 1          | 1         |

**9. Other receivables**

The detailed information on other receivables was presented in the annual financial statements for 2016, in note 9.

|  | Parent Company |            | Consolidated |            |
|--|----------------|------------|--------------|------------|
|  | 6.30.2017      | 12.31.2016 | 6.30.2017    | 12.31.2016 |
| Receivables from sale of fixed assets        | 4              | 6          | 4            | 6          |
| Rental advances                              | 2              | 3          | 2            | 3          |
| Accounts receivable from private pension     | 11             | 9          | 11           | 9          |
| Accounts receivable from insurance companion | 10             | 10         | 10           | 10         |
| Rental receivable                            | 47             | 60         | 48           | 61         |
| Receivable from Paes Mendonça                | -              | -          | 532          | 532        |
| Receivable from sale of subsidiaries         | 75             | 69         | 75           | 69         |
| Other  | 33             | 35         | 38           | 48         |
| Total  | 182            | 192        | 720          | 738        |
| Current                                      | 89             | 111        | 96           | 126        |
| Noncurrent                                   | 93             | 81         | 624          | 612        |



**10. Inventories**

The detailed information on inventories was presented in the annual financial statements for 2016, in note 10.

|   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| Stores  | <b>1,924</b>          | 2,032             | <b>3,200</b>        | 3,400             |
| Distribution centers                                      | <b>961</b>            | 1,115             | <b>1,225</b>        | 1,255             |
| Real estate inventories under construction                | -                     | -                 | <b>55</b>           | 61                |
| Estimated losses on obsolescence and breakage (note 10.1) | <b>(36)</b>           | (41)              | <b>(53)</b>         | (75)              |
| Total   | <b>2,849</b>          | 3,106             | <b>4,427</b>        | 4,641             |

**10. Inventories - Continued**

10.1. Estimated losses on obsolescence and breakage

|  | <b>Parent Company</b> |                  | <b>Consolidated</b> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>6.30.2017</b>      | <b>6.30.2016</b> | <b>6.30.2017</b>    | <b>6.30.2016</b> |
| <b>At the beginning of the period</b>            | <b>(41)</b>           | (14)             | <b>(75)</b>         | (96)             |
| Additions  | <b>(15)</b>           | (33)             | <b>(64)</b>         | (79)             |
| Write-offs / reversal                            | <b>20</b>             | 16               | <b>82</b>           | 81               |
| Assets held for sale and discontinued operations | -                     | -                | <b>4</b>            | (53)             |
| <b>At the end of the period</b>                  | <b>(36)</b>           | (31)             | <b>(53)</b>         | (147)            |

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**11. Recoverable taxes**

The detailed information on recoverable taxes was presented in the annual financial statements for 2016, in note 11.

|  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| State value-added tax on sales and services – ICMS                               | <b>894</b>            | 436               | <b>1,456</b>        | 545               |
| Estimated loses for non realization of ICMS                                      | -                     | -                 | <b>(369)</b>        | -                 |
| Social Integration Program/Contribution for Social Security Financing-PIS/COFINS | <b>246</b>            | 338               | <b>304</b>          | 418               |
| Income tax on Financial investments  | <b>14</b>             | 38                | <b>18</b>           | 45                |
| Income tax and Social Contribution   | <b>69</b>             | 71                | <b>82</b>           | 80                |
| Social Security Contribution - INSS  | <b>210</b>            | 194               | <b>229</b>          | 211               |
| Other  | <b>1</b>              | 1                 | <b>7</b>            | 7                 |
| <b>Total</b>   | <b>1,434</b>          | 1,078             | <b>1,727</b>        | 1,306             |
| Current  | <b>398</b>            | 557               | <b>449</b>          | 674               |
| Noncurrent   | <b>1,036</b>          | 521               | <b>1,278</b>        | 632               |

11.1. ICMS is expected to be realized as follows (including the accrual for non realization):

| <b>In</b>    | <b>Parent Company</b> | <b>Consolidated</b> |
|--------------|-----------------------|---------------------|
| Up to 1 year | <b>87</b>             | <b>90</b>           |
| 1 to 2 years | <b>123</b>            | <b>126</b>          |
| 2 to 3 years | <b>140</b>            | <b>170</b>          |
| 3 to 4 years | <b>145</b>            | <b>185</b>          |

|               |            |              |
|---------------|------------|--------------|
| 4 to 5 years  | <b>135</b> | <b>251</b>   |
| After 5 years | <b>264</b> | <b>265</b>   |
|               | <b>894</b> | <b>1,087</b> |

For the ICMS tax credits, management, based on technical feasibility studies, based on growth projections and related tax payments in the normal course of the operations, understand be viable the future compensation. The studies mentioned are prepared and reviewed periodically based on information extracted from Strategic Planning report, previously approved by the Board of Directors of the Company. For the accounting information as of June 30, 2017, management has monitoring controls over the progress of the plan annually established, revaluating and including eventual new elements that contribute to the realization of the balance.

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**11. Recoverable taxes - Continued**

11.1. ICMS is expected to be realized as follows: - Continued

In the 2nd quarter of 2017, the Company revisited its position in relation to the recognition of ICMS Tax substitution related to prior periods, changing the prospective recognition of the recovery of the tax substitution ICMS calculated over the sales since November 2016. STF decided in October 2016 with full application to all claims in the country over this same matter, the right over the difference of the tax paid (ICMS ST) between the purchase and the sale of products. The disclosure of the written sentence was done in April/2017.

Company still evaluated in the conjunction of the elements that supported the recognition of the tax credit in 2017, judged in October 2016, current tax positions over other tax matters that were potentially conflicting with the thesis being analyzed, legal opinions from advisors, and based on available information and in the best estimations of the amounts calculated starting from January 2009, Company recognized R\$816, covering R\$447 in the Company and R\$369 in the subsidiary Sendas Distribuidora, having recorded simultaneously a provision in the amount of R\$369, due to the lack of perspective of realization of the related credit in its realization plan and period evaluated by the Company for the full compensation of the credit. The net amount of R\$447 was recognized as a reduction of the cost of goods sold in accordance with the accounting practice adopted by the Company.

**12. Related parties**

12.1. Management and Board of Directors compensation

The expenses related to management compensation (officers appointed pursuant to the Bylaws including members of the Board of Directors and the related support committees) and Fiscal Council for the period ended June 30, 2017, were as follows:

|                        | <b>Base salary</b> |             | <b>Variable compensation</b> |             | <b>Stock option plan</b> |             | <b>Total</b> |             |
|------------------------|--------------------|-------------|------------------------------|-------------|--------------------------|-------------|--------------|-------------|
|                        | <b>2017</b>        | <b>2016</b> | <b>2017</b>                  | <b>2016</b> | <b>2017</b>              | <b>2016</b> | <b>2017</b>  | <b>2016</b> |
| Board of directors (*) | <b>3</b>           | 2           | -                            | -           | -                        | -           | <b>3</b>     | 2           |
| Executive officers     | <b>12</b>          | 11          | <b>13</b>                    | 16          | <b>18</b>                | 4           | <b>43</b>    | 31          |
|                        | <b>15</b>          | 13          | <b>13</b>                    | 16          | <b>18</b>                | 4           | <b>46</b>    | 33          |

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

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**12. Related parties – Continued**

12.2. Balances and transactions with related parties.

The detailed information on related parties was presented in the annual financial statements for 2016, in note 12.

|                             | Parent Company    |      |              |      |                |      |                   |      |                     |      |           |      |      |      |
|-----------------------------|-------------------|------|--------------|------|----------------|------|-------------------|------|---------------------|------|-----------|------|------|------|
|                             | Balances          |      |              |      | Transactions   |      |                   |      | Revenues (Expenses) |      |           |      |      |      |
|                             | Trade receivables |      | Other assets |      | Trade payables |      | Other liabilities |      | Sales               |      | Purchases |      |      |      |
| 2017                        | 2016              | 2017 | 2016         | 2017 | 2016           | 2017 | 2016              | 2017 | 2016                | 2017 | 2016      | 2017 | 2016 |      |
| <b><u>Controlling:</u></b>  |                   |      |              |      |                |      |                   |      |                     |      |           |      |      |      |
| Casino                      | 5                 | 5    | -            | 1    | -              | -    | 11                | -    | -                   | -    | -         | -    | (17) | (55) |
| Euris                       | -                 | -    | -            | -    | -              | -    | 2                 | 1    | -                   | -    | -         | -    | (2)  | (2)  |
| <b><u>Subsidiaries:</u></b> |                   |      |              |      |                |      |                   |      |                     |      |           |      |      |      |
| Novasoc Comercial           | -                 | -    | 204          | 197  | -              | 1    | -                 | -    | -                   | -    | -         | -    | -    | 1    |
| Sendas Distribuidora        | 1                 | 3    | 231          | 123  | 4              | 4    | 55                | -    | -                   | 104  | -         | 89   | -    | 38   |
| Via Varejo (i)              | 4                 | 7    | -            | -    | 2              | 4    | 187               | 230  | -                   | -    | -         | -    | (50) | (70) |
| VVLOG Logística Ltda.       | -                 | -    | -            | -    | -              | -    | 2                 | 2    | -                   | -    | -         | -    | -    | (1)  |
| Cnova Brasil                | -                 | -    | 28           | 4    | -              | -    | -                 | -    | -                   | -    | -         | -    | 36   | 36   |
| GPA M&P                     | -                 | -    | -            | -    | -              | -    | 3                 | 2    | -                   | -    | -         | -    | -    | -    |
| GPA Logística               | -                 | -    | 18           | 19   | 16             | 17   | -                 | -    | -                   | -    | -         | -    | -    | -    |
| Bellamar                    | -                 | -    | -            | -    | -              | -    | 219               | 128  | -                   | -    | -         | -    | -    | -    |
| Others                      | -                 | -    | -            | -    | -              | -    | -                 | 1    | -                   | -    | -         | -    | -    | -    |
| <b><u>Associates:</u></b>   |                   |      |              |      |                |      |                   |      |                     |      |           |      |      |      |
| FIC                         | -                 | -    | 17           | 14   | 7              | 14   | -                 | -    | -                   | -    | -         | -    | (8)  | 23   |

**Other related parties:**

|   |           |           |            |            |           |           |            |            |          |            |          |           |             |             |
|---|-----------|-----------|------------|------------|-----------|-----------|------------|------------|----------|------------|----------|-----------|-------------|-------------|
| Greenyellow do Brasil Energia e Serviços Ltda. ( <i>Greenyellow</i> ) | -         | -         | -          | -          | -         | -         | 147        | 146        | -        | -          | -        | -         | (17)        | (9)         |
| (ii) Others   | -         | -         | 1          | 1          | -         | -         | -          | -          | -        | -          | -        | -         | -           | (2)         |
| <b>Total</b>  | <b>10</b> | <b>15</b> | <b>499</b> | <b>359</b> | <b>29</b> | <b>40</b> | <b>626</b> | <b>510</b> | <b>-</b> | <b>104</b> | <b>-</b> | <b>89</b> | <b>(58)</b> | <b>(41)</b> |

(i) Via Varejo: The subsidiary has an amount to pay referring to “Primeiro Aditivo ao Acordo de Associação” between Via Varejo e Casas Bahia, that ensure the right to indemnify of some judicial claims and reimbursement of expenses recognized as of June 30, 2010.

(ii) Amount refers to acquisition of products and services with purpose the Company’s energy efficiency.

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**12. Related parties –Continued**

## 12.2. Balances and transactions with related parties – Continued

|                                      | Trade receivables |          | Others assets |           | Consolidated Trade payables |           | Other liabilities |            | Revenues (Expenses) |             |
|--------------------------------------|-------------------|----------|---------------|-----------|-----------------------------|-----------|-------------------|------------|---------------------|-------------|
|                                      | 2017              | 2016     | 2017          | 2016      | 2017                        | 2016      | 2017              | 2016       | 2017                | 2016        |
| <b><u>Controlling:</u></b>           |                   |          |               |           |                             |           |                   |            |                     |             |
| Casino                               | 5                 | 5        | -             | 1         | -                           | -         | 11                | -          | (17)                | (55)        |
| Euris                                | -                 | -        | -             | -         | -                           | -         | 2                 | 1          | (2)                 | (2)         |
| <b><u>Subsidiaries:</u></b>          |                   |          |               |           |                             |           |                   |            |                     |             |
| Others                               | -                 | -        | 1             | 1         | -                           | -         | -                 | -          | -                   | -           |
| <b><u>Associates:</u></b>            |                   |          |               |           |                             |           |                   |            |                     |             |
| FIC                                  | -                 | -        | 17            | 14        | 7                           | 14        | -                 | -          | 40                  | 11          |
| <b><u>Other related parties:</u></b> |                   |          |               |           |                             |           |                   |            |                     |             |
| Viaw Consultoria Ltda.               | -                 | -        | -             | -         | -                           | -         | -                 | -          | -                   | (1)         |
| Greenyellow                          | -                 | -        | -             | -         | -                           | -         | 147               | 146        | (17)                | (9)         |
| Others                               | -                 | -        | 1             | 1         | -                           | -         | -                 | -          | -                   | (1)         |
| <b>Total</b>                         | <b>5</b>          | <b>5</b> | <b>19</b>     | <b>17</b> | <b>7</b>                    | <b>14</b> | <b>160</b>        | <b>147</b> | <b>4</b>            | <b>(57)</b> |



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**13. Investments**

The detailed information on investments was presented in the annual financial statements for 2016, in note 13.

**13.1. Breakdown of investments**

|   | Parent Company |            |            |            |           |              |
|---|----------------|------------|------------|------------|-----------|--------------|
|   | Sendas         | Novasoc    | Via Varejo | Bellamar   | Others    | Total (*)    |
| <b>Balances at 12.31.2016</b>                         | 2,330          | 168        | -          | 443        | 73        | 3,014        |
| Share of profit (loss) of subsidiaries and associates | 180            | 9          | 73         | 33         | (55)      | 240          |
| Stock option  | 2              | -          | 2          | -          | -         | 4            |
| Capital increase                                      | 53             | -          | -          | -          | -         | 53           |
| Other transactions (**)                               | -              | -          | -          | -          | (8)       | (8)          |
| Reclassification to Held for Sale (note 31)           | -              | -          | (75)       | -          | -         | (75)         |
| <b>Balances at 6.30.2017</b>                          | <b>2,565</b>   | <b>177</b> | <b>-</b>   | <b>476</b> | <b>10</b> | <b>3,228</b> |

(\*) Includes the effects of uncovered liabilities on the investment on Luxco of R\$86.

(\*\*) Includes the effects of other comprehensive income on investment on Luxco.

|  | Parent Company |         |            |         |           |          |                    |           |
|--|----------------|---------|------------|---------|-----------|----------|--------------------|-----------|
|  | Sendas         | Novasoc | Via Varejo | NCB (*) | Barcelona | Bellamar | GPA M&P and others | Total (*) |
| <b>Balances at 12.31.2015</b>                        | 1,349          | 174     | 1,844      | 501     | 770       | 367      |                    | (132) 4,8 |
| Share of profit(loss) of subsidiaries and associates | 50             | (4)     | (34)       | (3)     | 29        | 44       |                    | (172) (9) |
| Dividends  | -              | -       | -          | -       | -         | -        |                    | (10) (-)  |
| Spin-off   | (2)            | -       | -          | -       | -         | -        |                    | -         |

|                              |              |            |              |            |          |            |              |
|------------------------------|--------------|------------|--------------|------------|----------|------------|--------------|
| Merger                       | 800          | -          | -            | -          | (800)    | -          | -            |
| Stock option                 | -            | -          | 2            | -          | 1        | -          | 1            |
| Write-off                    | -            | -          | -            | -          | -        | -          | 7            |
| Other transactions (**)      | -            | -          | 15           | -          | -        | -          | 56           |
| <b>Balances at 6.30.2016</b> | <b>2,197</b> | <b>170</b> | <b>1,827</b> | <b>498</b> | <b>-</b> | <b>411</b> | <b>(250)</b> |

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

(\*\*) Includes the effects of other comprehensive income in the case of subsidiary Nova Pontocom and Luxco.

(\*\*\*)Includes the effects of uncovered liabilities on the investment on Luxco of R\$397.

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**13. Investments – Continued**

## 13.1. Breakdown of investments – Continued

|  | <b>Consolidated</b> |                  |
|--|---------------------|------------------|
|  | <b>6.30.2017</b>    | <b>6.30.2016</b> |
| <b>At the beginning of the period</b>                      | 294                 | 382              |
| Share of profit (loss) – Continued operations              | <b>(23)</b>         | 44               |
| Share of profit (loss) – Discontinued operations           | <b>14</b>           | 17               |
| Dividends – Continued operations                           | <b>(90)</b>         | -                |
| Dividends – Discontinued operations                        | <b>(36)</b>         | -                |
| Other transactions   | <b>(8)</b>          | -                |
| Assets held for sale and discontinued operations (note 31) | <b>(22)</b>         | (18)             |
| <b>At the end of the period</b>                            | <b>173</b>          | <b>425</b>       |

**14. Property and equipment**

|                          | <b>Parent Company</b> |                  |                     |                   |                  |                   |
|--------------------------|-----------------------|------------------|---------------------|-------------------|------------------|-------------------|
|                          | <b>Balance at</b>     |                  |                     |                   |                  | <b>Balance at</b> |
|                          | <b>12.31.2016</b>     | <b>Additions</b> | <b>Depreciation</b> | <b>Write-offs</b> | <b>Transfers</b> | <b>6.30.2017</b>  |
| Land                     | 1,261                 | -                | -                   | (31)              | -                | 1,230             |
| Buildings                | 1,611                 | 2                | (26)                | (125)             | (1)              | 1,461             |
| Leasehold improvements   | 2,226                 | 12               | (88)                | (46)              | 77               | 2,181             |
| Machinery and equipment  | 1,047                 | 15               | (89)                | (15)              | 49               | 1,007             |
| Facilities               | 319                   | 30               | (17)                | (4)               | 3                | 331               |
| Furniture and fixtures   | 396                   | -                | (30)                | (4)               | 12               | 374               |
| Vehicles                 | 3                     | -                | (1)                 | -                 | -                | 2                 |
| Construction in progress | 113                   | 147              | -                   | (2)               | (137)            | 121               |
| Other                    | 45                    | 6                | (7)                 | (1)               | (3)              | 40                |
| <b>Total</b>             | <b>7,021</b>          | <b>212</b>       | <b>(258)</b>        | <b>(228)</b>      | <b>-</b>         | <b>6,747</b>      |

Finance lease

|              |       |            |              |              |   |              |
|--------------|-------|------------|--------------|--------------|---|--------------|
| IT equipment | 5     | -          | -            | -            | - | <b>5</b>     |
| Buildings    | 17    | -          | -            | -            | - | <b>17</b>    |
|              | 22    | -          | -            | -            | - | <b>22</b>    |
| Total        | 7,043 | <b>212</b> | <b>(258)</b> | <b>(228)</b> | - | <b>6,769</b> |

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**14. Property and equipment – Continued**

|                          | <b>Parent Company</b>            |                  |                     |                   |               |                  | <b>Balance<br/>at<br/>6.30.2016</b> |
|--------------------------|----------------------------------|------------------|---------------------|-------------------|---------------|------------------|-------------------------------------|
|                          | <b>Balance at<br/>12.31.2015</b> | <b>Additions</b> | <b>Depreciation</b> | <b>Write-offs</b> | <b>Merger</b> | <b>Transfers</b> |                                     |
| Land                     | 1,272                            | -                | -                   | -                 | -             | 1                | 1,273                               |
| Buildings                | 1,799                            | 2                | (28)                | -                 | 18            | (104)            | 1,687                               |
| Leasehold improvements   | 1,858                            | 12               | (78)                | (9)               | 301           | 156              | 2,240                               |
| Machinery and equipment  | 892                              | 72               | (75)                | (16)              | 150           | -                | 1,023                               |
| Facilities               | 179                              | 5                | (10)                | (1)               | 37            | 1                | 211                                 |
| Furniture and fixtures   | 375                              | 19               | (27)                | (2)               | 52            | -                | 417                                 |
| Vehicles                 | 3                                | -                | (1)                 | (1)               | 1             | -                | 2                                   |
| Construction in progress | 73                               | 207              | -                   | (7)               | 9             | (52)             | 230                                 |
| Other                    | 50                               | 4                | (6)                 | (2)               | 6             | (4)              | 48                                  |
| <b>Total</b>             | <b>6,501</b>                     | <b>321</b>       | <b>(225)</b>        | <b>(38)</b>       | <b>574</b>    | <b>(2)</b>       | <b>7,131</b>                        |
| <u>Finance lease</u>     |                                  |                  |                     |                   |               |                  |                                     |
| IT equipment             | 7                                | -                | (2)                 | -                 | -             | 1                | 6                                   |
| Buildings                | 17                               | -                | -                   | -                 | -             | 1                | 18                                  |
|                          | 24                               | -                | (2)                 | -                 | -             | 2                | 24                                  |
| <b>Total</b>             | <b>6,525</b>                     | <b>321</b>       | <b>(227)</b>        | <b>(38)</b>       | <b>574</b>    | <b>-</b>         | <b>7,155</b>                        |

| <b>Parent Company</b>       |            |                              |            |
|-----------------------------|------------|------------------------------|------------|
| <b>Balance at 6.30.2017</b> |            | <b>Balance at 12.31.2016</b> |            |
| <b>Cost</b>                 | <b>Net</b> | <b>Cost</b>                  | <b>Net</b> |

|                          | <b>Accumulated<br/>depreciation</b> |                |              | <b>Accumulated<br/>depreciation</b> |                |       |
|--------------------------|-------------------------------------|----------------|--------------|-------------------------------------|----------------|-------|
| Land                     | <b>1,230</b>                        | -              | <b>1,230</b> | 1,261                               | -              | 1,261 |
| Buildings                | <b>2,341</b>                        | <b>(880)</b>   | <b>1,461</b> | 2,555                               | <b>(944)</b>   | 1,611 |
| Leasehold improvements   | <b>3,716</b>                        | <b>(1,535)</b> | <b>2,181</b> | 3,685                               | <b>(1,459)</b> | 2,226 |
| Machinery and equipment  | <b>2,363</b>                        | <b>(1,356)</b> | <b>1,007</b> | 2,345                               | <b>(1,298)</b> | 1,047 |
| Facilities               | <b>614</b>                          | <b>(283)</b>   | <b>331</b>   | 589                                 | <b>(270)</b>   | 319   |
| Furniture and fixtures   | <b>959</b>                          | <b>(585)</b>   | <b>374</b>   | 959                                 | <b>(563)</b>   | 396   |
| Vehicles                 | <b>8</b>                            | <b>(6)</b>     | <b>2</b>     | 9                                   | <b>(6)</b>     | 3     |
| Construction in progress | <b>121</b>                          | -              | <b>121</b>   | 113                                 | -              | 113   |
| Other                    | <b>122</b>                          | <b>(82)</b>    | <b>40</b>    | 126                                 | <b>(81)</b>    | 45    |
|                          | <b>11,474</b>                       | <b>(4,727)</b> | <b>6,747</b> | 11,642                              | <b>(4,621)</b> | 7,021 |
| <u>Finance lease</u>     |                                     |                |              |                                     |                |       |
| IT equipment             | <b>39</b>                           | <b>(34)</b>    | <b>5</b>     | 38                                  | <b>(33)</b>    | 5     |
| Buildings                | <b>39</b>                           | <b>(22)</b>    | <b>17</b>    | 41                                  | <b>(24)</b>    | 17    |
|                          | <b>78</b>                           | <b>(56)</b>    | <b>22</b>    | 79                                  | <b>(57)</b>    | 22    |
| Total                    | <b>11,552</b>                       | <b>(4,783)</b> | <b>6,769</b> | 11,721                              | <b>(4,678)</b> | 7,043 |

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**14. Property and equipment - Continued**

|                          | <b>Consolidated</b>              |                  |                     |                            |                                       |  |                                     |
|--------------------------|----------------------------------|------------------|---------------------|----------------------------|---------------------------------------|--|-------------------------------------|
|                          | <b>Balance at<br/>12.31.2016</b> | <b>Additions</b> | <b>Depreciation</b> | <b>Write-offs<br/>(**)</b> | <b>Transfers to<br/>Held For Sale</b> | <b>Reclassification<br/>to Held For Sale<br/>(*)</b> | <b>Balance<br/>at<br/>6.30.2017</b> |
| Land                     | 1,414                            | -                | -                   | (31)                       | -                                     | -  | 1,383                               |
| Buildings                | 1,856                            | 26               | (30)                | (124)                      | 33                                    | -  | 1,761                               |
| Leasehold improvements   | 3,284                            | 63               | (120)               | (52)                       | 105                                   | (8)  | 3,272                               |
| Machinery and equipment  | 1,340                            | 51               | (116)               | (18)                       | 64                                    | (14)   | 1,307                               |
| Facilities               | 433                              | 44               | (22)                | (7)                        | 11                                    | (1)  | 458                                 |
| Furniture and fixtures   | 543                              | 14               | (39)                | (5)                        | 15                                    | (4)  | 524                                 |
| Vehicles                 | 2                                | -                | (1)                 | (6)                        | -                                     | 6  | 1                                   |
| Construction in progress | 204                              | 216              | -                   | (2)                        | (232)                                 | (2)  | 184                                 |
| Other                    | 63                               | 9                | (11)                | (2)                        | (2)                                   | (1)  | 56                                  |
| <b>Total</b>             | <b>9,139</b>                     | <b>423</b>       | <b>(339)</b>        | <b>(247)</b>               | <b>(6)</b>                            | <b>(24)</b>  | <b>8,946</b>                        |
| <b>Finance lease</b>     |                                  |                  |                     |                            |                                       |  |                                     |
| Equipment                | 9                                | -                | (1)                 | -                          | (1)                                   | -  | 7                                   |
| IT equipment             | 8                                | -                | (1)                 | (1)                        | -                                     | -  | 6                                   |
| Furniture and fixtures   | 6                                | -                | -                   | -                          | -                                     | -  | 6                                   |
| Buildings                | 20                               | -                | -                   | -                          | -                                     | -  | 20                                  |
|                          | 43                               | -                | (2)                 | (1)                        | (1)                                   | -  | 39                                  |
| <b>Total</b>             | <b>9,182</b>                     | <b>423</b>       | <b>(341)</b>        | <b>(248)</b>               | <b>(7)</b>                            | <b>(24)</b>  | <b>8,985</b>                        |

(\*) See note 31

(\*\*) The write-offs at rubric buildings refer to the sell of Distribution Centre.

**Additions Depreciation Desconsolidation Write-offs Transfers**

|                          | <b>Balance at<br/>12.31.2015</b> |     |       |     |      | <b>Exchange<br/>rate<br/>changes</b> |     |
|--------------------------|----------------------------------|-----|-------|-----|------|--------------------------------------|-----|
| Land                     | 1,464                            | -   | -     | -   | -    | 14                                   | -   |
| Buildings                | 2,023                            | 9   | (32)  | -   | (1)  | (107)                                | -   |
| Leasehold improvements   | 3,675                            | 77  | (133) | (3) | (27) | 197                                  | -   |
| Machinery and equipment  | 1,676                            | 133 | (142) | (1) | (18) | 11                                   | (1) |
| Facilities               | 422                              | 22  | (24)  | (1) | (4)  | 6                                    | -   |
| Furniture and fixtures   | 701                              | 44  | (48)  | -   | (3)  | 4                                    | -   |
| Vehicles                 | 75                               | -   | (4)   | -   | (7)  | -                                    | -   |
| Construction in progress | 172                              | 337 | -     | -   | (9)  | (117)                                | (1) |
| Other                    | 97                               | 15  | (15)  | (2) | (3)  | (1)                                  | -   |
| Total                    | 10,305                           | 637 | (398) | (7) | (72) | 7                                    | (2) |
| <u>Finance lease</u>     |                                  |     |       |     |      |                                      |     |
| Equipment                | 13                               | -   | (1)   | -   | -    | -                                    | -   |
| IT equipment             | 31                               | 1   | (10)  | -   | -    | -                                    | -   |
| Facilities               | 1                                | -   | -     | -   | -    | -                                    | -   |
| Furniture and fixtures   | 6                                | -   | -     | -   | -    | -                                    | -   |
| Buildings                | 21                               | -   | -     | -   | -    | -                                    | -   |
|                          | 72                               | 1   | (11)  | -   | -    | -                                    | -   |
| Total                    | 10,377                           | 638 | (409) | (7) | (72) | 7                                    | (2) |



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**14. Property and equipment – Continued**

|                          | <b>Consolidated</b>         |                                 |              |                              |                                 |              |
|--------------------------|-----------------------------|---------------------------------|--------------|------------------------------|---------------------------------|--------------|
|                          | <b>Balance at 6.30.2017</b> |                                 |              | <b>Balance at 12.31.2016</b> |                                 |              |
|                          | <b>Cost</b>                 | <b>Accumulated depreciation</b> | <b>Net</b>   | <b>Cost</b>                  | <b>Accumulated depreciation</b> | <b>Net</b>   |
| Land                     | 1,383                       | -                               | 1,383        | 1,414                        | -                               | 1,414        |
| Buildings                | 2,658                       | (897)                           | 1,761        | 2,823                        | (967)                           | 1,856        |
| Leasehold improvements   | 5,019                       | (1,747)                         | 3,272        | 4,926                        | (1,642)                         | 3,284        |
| Machinery and equipment  | 2,831                       | (1,524)                         | 1,307        | 2,779                        | (1,439)                         | 1,340        |
| Facilities               | 767                         | (309)                           | 458          | 723                          | (290)                           | 433          |
| Furniture and fixtures   | 1,170                       | (646)                           | 524          | 1,159                        | (616)                           | 543          |
| Vehicles                 | 8                           | (7)                             | 1            | 8                            | (6)                             | 2            |
| Construction in progress | 184                         | -                               | 184          | 204                          | -                               | 204          |
| Other                    | 169                         | (113)                           | 56           | 168                          | (105)                           | 63           |
|                          | <b>14,189</b>               | <b>(5,243)</b>                  | <b>8,946</b> | <b>14,204</b>                | <b>(5,065)</b>                  | <b>9,139</b> |
| <b>Finance lease</b>     |                             |                                 |              |                              |                                 |              |
| Equipment                | 27                          | (20)                            | 7            | 30                           | (21)                            | 9            |
| IT equipment             | 46                          | (40)                            | 6            | 46                           | (38)                            | 8            |
| Facilities               | 1                           | (1)                             | -            | 1                            | (1)                             | -            |
| Furniture and fixtures   | 15                          | (9)                             | 6            | 14                           | (8)                             | 6            |
| Buildings                | 43                          | (23)                            | 20           | 43                           | (23)                            | 20           |
|                          | <b>132</b>                  | <b>(93)</b>                     | <b>39</b>    | <b>134</b>                   | <b>(91)</b>                     | <b>43</b>    |
| <b>Total</b>             | <b>14,321</b>               | <b>(5,336)</b>                  | <b>8,985</b> | <b>14,338</b>                | <b>(5,156)</b>                  | <b>9,182</b> |

**14.1. Capitalized borrowing costs**

The consolidated borrowing costs for the six-month period ended June 30, 2017 were R\$6 (R\$6 for the six-month period ended June 30, 2016). The rate used to determine the borrowing costs eligible for capitalization was 102.21% of the CDI (104.50% of the CDI for the period ended June 30, 2016), corresponding to the effective interest rate on the Company's borrowings.

**14.2. Additions to property and equipment**

|  | <b>Parent Company</b>   |                         | <b>Consolidated</b>     |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <b><u>6.30.2017</u></b> | <b><u>6.30.2016</u></b> | <b><u>6.30.2017</u></b> | <b><u>6.30.2016</u></b> |
| Additions                                    | <b>212</b>              | 321                     | <b>423</b>              | 638                     |
| Finance lease                                | -                       | -                       | -                       | (1)                     |
| Capitalized interest                         | <b>(3)</b>              | (3)                     | <b>(6)</b>              | (6)                     |
| Property and equipment financing - Additions | <b>(22)</b>             | (311)                   | <b>(205)</b>            | (527)                   |
| Property and equipment financing - Payments  | <b>80</b>               | 230                     | <b>341</b>              | 395                     |
| Total  | <b>267</b>              | 237                     | <b>553</b>              | 499                     |

**14. Property and equipment – Continued**

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**14.3. Other information**

As at June 30, 2017, the Company and its subsidiaries recorded in cost of goods sold and services sold, the amount of R\$23 (R\$23 as at June 30, 2016) in parent company and R\$26 (R\$28 as at June 30, 2016) in consolidated related to the depreciation of its fleet of trucks, machinery, buildings and facilities of its distribution centers.

The Company monitored the plan for impairment test performed on December 31, 2016 and do not observed significant gaps that been denote indicatives of loose or need for a new avaliation at June 30, 2017.

**15. Intangible assets**

The detailed information on intangible assets was presented in the annual financial statements for 2016, in note 15.

|                             | <b>Balance at<br/>12.31.2016</b> | <b>Parent company</b> |                     | <b>Balance at<br/>6.30.2017</b> |
|-----------------------------|----------------------------------|-----------------------|---------------------|---------------------------------|
|                             |                                  | <b>Additions</b>      | <b>Amortization</b> |                                 |
| Goodwill                    | 501                              | -                     | -                   | <b>501</b>                      |
| Commercial rigths           | 46                               | -                     | -                   | <b>46</b>                       |
| Software and implementation | 488                              | <b>28</b>             | <b>(43)</b>         | <b>473</b>                      |
| Software - capital leasing  | 158                              | -                     | <b>(20)</b>         | <b>138</b>                      |
| Total                       | 1,193                            | <b>28</b>             | <b>(63)</b>         | <b>1,158</b>                    |

|                   | <b>Balance at<br/>12.31.2016</b> | <b>Consolidated</b> |                     |                  |   | <b>Balance at<br/>6.30.2017</b> |
|-------------------|----------------------------------|---------------------|---------------------|------------------|---|---------------------------------|
|                   |                                  | <b>Additions</b>    | <b>Amortization</b> | <b>Transfers</b> | <b>Assets held<br/>for sale and<br/>discontinued<br/>operations (*)</b> |                                 |
| Goodwill          | 1,107                            | -                   | -                   | -                | -   | <b>1,107</b>                    |
| Brands            | 39                               | -                   | -                   | -                | -   | <b>39</b>                       |
| Commercial rigths | 80                               | <b>5</b>            | -                   | -                | -   | <b>85</b>                       |

|                             |       |           |             |          |             |              |
|-----------------------------|-------|-----------|-------------|----------|-------------|--------------|
| Software and implementation | 523   | <b>46</b> | <b>(45)</b> | <b>7</b> | <b>(19)</b> | <b>512</b>   |
| Software - capital leasing  | 159   | <b>5</b>  | <b>(20)</b> | <b>-</b> | <b>-</b>    | <b>144</b>   |
| Total                       | 1,908 | <b>56</b> | <b>(65)</b> | <b>7</b> | <b>(19)</b> | <b>1,887</b> |

(\*) See note 31.

In the Parent Company, the balance of accumulated cost at June 30, 2017 is R\$2,656 (R\$2,631 at December 31, 2016) and of accumulated amortization R\$1,498 (R\$1,438 at December 31, 2016). In the Consolidated the balance of accumulated cost at June 30, 2017 is R\$3,657 (R\$3,614 at December 31, 2016) and of accumulated amortization R\$1,770 (R\$1,706 at December 31, 2016).

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**15. Intangible assets – Continued****15.1. Impairment testing of goodwill/brands and intangible assets without useful life**

Goodwill and intangible assets were tested for impairment as at December 31, 2016 according to the method described in note 4 - Significant accounting policies, in the financial statements for the year ended December 31, 2016.

The Company has not observed any significant changes that would indicate an impairment test for a new performed as at June 30, 2017.

**15.2. Additions to intangible assets for cash flow purposes**

|  | <b>Parent Company</b>   |                         | <b>Consolidated</b>     |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <b><u>6.30.2017</u></b> | <b><u>6.30.2016</u></b> | <b><u>6.30.2017</u></b> | <b><u>6.30.2016</u></b> |
| Additions                              | <b>28</b>               | 123                     | <b>56</b>               | 239                     |
| Finance lease                          | -                       | (79)                    | <b>(5)</b>              | (79)                    |
| Intangible assets financing - Payments | <b>4</b>                | 2                       | <b>69</b>               | 2                       |
| Total                                  | <b>32</b>               | 46                      | <b>120</b>              | 162                     |

**16. Borrowings and financing**

The detailed information on borrowings and financing was presented in the annual financial statements for 2016, in note 17.

**16.1. Debt breakdown**

|  |                                     | <b>Parent Company</b>   |                          | <b>Consolidated</b>     |                          |
|--|-------------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
|  | <b><u>Weighted average rate</u></b> | <b><u>6.30.2017</u></b> | <b><u>12.31.2016</u></b> | <b><u>6.30.2017</u></b> | <b><u>12.31.2016</u></b> |
| <b><u>Debentures and promissory note</u></b> |                                     |                         |                          |                         |                          |
| Debentures, net (note 16.4)                  | 107% of CDI                         | <b>931</b>              | 939                      | <b>931</b>              | 939                      |
| Certificate of Agribusiness                  | 96.7% of CDI                        |                         |                          |                         |                          |
| Receivables (note 16.4)                      |                                     | <b>2,116</b>            | 1,017                    | <b>2,116</b>            | 1,017                    |

|                                     |                       |              |       |              |       |
|-------------------------------------|-----------------------|--------------|-------|--------------|-------|
| Promissory note, net (note 16.4)    | 103.95% of CDI        | -            | 530   | -            | 530   |
| Borrowing cost                      |                       | <b>(20)</b>  | (14)  | <b>(20)</b>  | (14)  |
|                                     |                       | <b>3,027</b> | 2,472 | <b>3,027</b> | 2,472 |
| <u>Borrowings and financing</u>     |                       |              |       |              |       |
| <u>Local currency</u>               |                       |              |       |              |       |
| BNDES                               | 3.80% per year        | <b>8</b>     | 8     | <b>48</b>    | 51    |
| Working capital                     | 104.80% of CDI        | <b>281</b>   | 1,129 | <b>281</b>   | 1,302 |
| Working capital                     | TR + 9.80% per year   | <b>20</b>    | 21    | <b>131</b>   | 135   |
| Finance lease (note 21)             |                       | <b>181</b>   | 203   | <b>196</b>   | 215   |
| Swap contracts (note 16.7)          | 101.44% of CDI        | <b>(2)</b>   | (2)   | <b>(11)</b>  | (10)  |
| Borrowing cost                      |                       | <b>(2)</b>   | (3)   | <b>(5)</b>   | (6)   |
|                                     |                       | <b>486</b>   | 1,356 | <b>640</b>   | 1,687 |
| <u>Foreign currency (note 16.5)</u> |                       |              |       |              |       |
| Working capital                     | USD + 2.66% per year  | <b>803</b>   | 1,360 | <b>1,135</b> | 1,361 |
| Working capital                     | EURO + 1.55% per year | <b>194</b>   | 173   | <b>194</b>   | 172   |
| Swap contracts (note 16.7)          | 101.92% of CDI        | <b>85</b>    | 177   | <b>79</b>    | 177   |
|                                     |                       | <b>1,082</b> | 1,710 | <b>1,408</b> | 1,710 |
| Total of borrowing and financing    |                       | <b>4,595</b> | 5,538 | <b>5,075</b> | 5,869 |
| Total current assets                |                       | <b>42</b>    | -     | <b>49</b>    | -     |
| Total non current assets            |                       | <b>2</b>     | -     | <b>11</b>    | -     |
| Total current liabilities           |                       | <b>1,129</b> | 2,763 | <b>1,486</b> | 2,957 |
| Total non current liabilities       |                       | <b>3,510</b> | 2,775 | <b>3,649</b> | 2,912 |

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

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**16. Borrowings and financing**

## 16.2. Changes in borrowings

|   | <b>Parent Company</b> | <b>Consolidated</b> |
|---|-----------------------|---------------------|
| <b>At December 31, 2016</b>   | 5,538                 | 5,869               |
| Additions - working capital   | <b>1,868</b>          | <b>4,708</b>        |
| Accrued interest  | <b>197</b>            | <b>410</b>          |
| Accrued swap  | <b>38</b>             | <b>74</b>           |
| Mark-to-market  | <b>13</b>             | <b>12</b>           |
| Monetary and exchange rate changes  | <b>21</b>             | <b>7</b>            |
| Borrowing cost  | <b>4</b>              | <b>4</b>            |
| Interest paid   | <b>(491)</b>          | <b>(761)</b>        |
| Payments  | <b>(2,468)</b>        | <b>(5,403)</b>      |
| Swap paid   | <b>(125)</b>          | <b>(226)</b>        |
| Liabilities related to assets held for sale and discontinued operations (note 31) | -                     | <b>381</b>          |
| <b>At June 30, 2017</b>   | <b>4,595</b>          | <b>5,075</b>        |

|                                    | <b>Parent Company</b> | <b>Consolidated</b> |
|------------------------------------|-----------------------|---------------------|
| <b>At December 31, 2015</b>        | 4,105                 | 7,978               |
| Additions – working capital        | 899                   | 3,531               |
| Additions – finance lease          | 79                    | 82                  |
| Accrued interest                   | 205                   | 420                 |
| Accrued swap                       | 565                   | 869                 |
| Mark-to-market                     | (24)                  | (33)                |
| Monetary and exchange rate changes | (459)                 | (701)               |
| Borrowing cost                     | 2                     | 1                   |
| Interest paid                      | (121)                 | (300)               |
| Payments                           | (339)                 | (2,816)             |
| Swap paid                          | (9)                   | (23)                |

|                         |              |              |
|-------------------------|--------------|--------------|
| Incorporation           | 5            | -            |
| <b>At June 30, 2016</b> | <b>4,908</b> | <b>9,008</b> |

16.3. Maturity schedule of borrowings and financing including derivatives recorded in assets and noncurrent liabilities.

| <u>Year</u>     | <u>Parent Company</u> | <u>Consolidated</u> |
|-----------------|-----------------------|---------------------|
| 1 to 2 years    | 851                   | 860                 |
| 2 to 3 years    | 2,592                 | 2,603               |
| 3 to 4 years    | 38                    | 46                  |
| 4 to 5 years    | 4                     | 12                  |
| After 5 years   | 36                    | 133                 |
| Subtotal        | 3,521                 | 3,654               |
| Borrowing costs | (13)                  | (16)                |
| Total           | 3,508                 | 3,638               |



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**16. Borrowings and financing – Continued****16.4. Debentures, Promissory Note and Certificate of Agribusiness Receivables**

|   | Type       | Issue<br>Amount (in<br>thousands) | Outstanding<br>debentures | Date      |           | Annual<br>financial<br>charges | Unit<br>(i<br>thous |
|---|------------|-----------------------------------|---------------------------|-----------|-----------|--------------------------------|---------------------|
|   |            |                                   |                           | Issue     | Maturity  |                                |                     |
| <u>Parent Company</u>                     |            |                                   |                           |           |           |                                |                     |
| 12th Issue of Debentures – CBD            | preference | 900,000                           | 900,000                   | 9/17/14   | 9/12/19   | 107.00% of CDI                 |                     |
| 13th Issue of Debentures – CBD<br>and CRA | preference | 1,012,500                         | 1,012,500                 | 12/20/16  | 12/20/19  | 97.50% of CDI                  |                     |
| 14th Issue of Debentures – CBD<br>and CRA | preference | 1,080,000                         | 1,080,000                 | 4/17/2017 | 4/13/2020 | 96.00% of CDI                  |                     |
| 2nd Issue of Promissory Note –<br>CBD     | preference | 500,000                           | 200,000                   | 08/01/16  | 01/30/17  | 108.00% of CDI                 |                     |

Borrowing cost

**Parent Company/Consolidated**

Current liabilities

Noncurrent liabilities

On February 23, 2017 the board of directors approved an offer Certificate of Agribusiness Receivables (CRA) by Ápice Securitizadora, represented by debentures issued by the Company, no convertible in shares, unsecured, in a single series, with face value of R\$1,000.00 of 14<sup>o</sup> issue of the Company. The offer was coordinated by Banco Bradesco BBI S.A., Banco Safra S.A. and Banco BNP Paribas Brasil S.A., the total amount was R\$1,080 and final remuneration of 96% of CDI after Bookbuilding procedures. The amount was available for the Company at April 17, 2017.

## Companhia Brasileira de Distribuição

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### 16. Borrowings and financing – Continued

#### 16.5. Borrowings in foreign currencies

On June 30, 2017 GPA had loans in foreign currencies (dollar and euro) to strengthen its working capital, maintain its cash strategy, lengthen its debt profile and make investments, being the last due date in October, 2018

#### 16.6. Guarantees

The Company signed promissory notes for some borrowings agreements.

#### 16.7. Swap contracts

The Company uses swap transactions for 100% of its borrowings denominated in US dollars and fixed interest rates, exchanging these obligations for Real linked to CDI (floating) interest rates. These contracts have a total debt term and protect the interest and the principal and are signed, with the same due dates and with same counterparty. The weighted average annual rate of CDI as of June 2017 was 12.85% (14.09% at June 2016).

#### 16.8. Financial covenants

In connection with the debentures and promissory note and part of the transactions in borrowings in foreign currencies, GPA is required to maintain certain debt financial covenants. These ratios are calculated in each quarter based on consolidated financial statements of the Company prepared in accordance with accounting practices adopted in Brazil, as follows: (i) net debt (debt minus cash and cash equivalents and trade accounts receivable) not greater than equity and (ii) consolidated net debt/EBITDA ratio lower than or equal to 3.25. At June 30, 2017, GPA complied with these ratios.



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**17. Financial instruments**

The detailed information on financial instruments was presented in the annual financial statements for 2016, in note 18.

The main financial instruments and their carrying amounts in the interim financial information, by category, are as follows:

|  | <b>Parent Company</b>  |                   | <b>Consolidated</b>    |                   |
|--|------------------------|-------------------|------------------------|-------------------|
|  | <b>Carrying amount</b> |                   | <b>Carrying amount</b> |                   |
|  | <b>6.30.2017</b>       | <b>12.31.2016</b> | <b>6.30.2017</b>       | <b>12.31.2016</b> |
| <u>Financial assets:</u>                               |                        |                   |                        |                   |
| <u>Loans and receivables (including cash)</u>          |                        |                   |                        |                   |
| Cash and cash equivalents                              | 1,739                  | 4,496             | 2,366                  | 5,112             |
| Trade receivables and other receivables                | 627                    | 588               | 1,222                  | 1,281             |
| Related parties - assets                               | 499                    | 359               | 19                     | 17                |
| Financial instruments – Fair value hedge               | 44                     | -                 | 60                     | -                 |
| <u>Financial liabilities:</u>                          |                        |                   |                        |                   |
| <u>Other financial liabilities - amortized cost</u>    |                        |                   |                        |                   |
| Related parties -liabilities                           | (626)                  | (510)             | (160)                  | (147)             |
| Trade payables   | (3,320)                | (5,091)           | (5,172)                | (7,232)           |
| Financing for purchase of assets                       | (16)                   | (36)              | (28)                   | (120)             |
| Acquisition of non-controlling interest                | -                      | -                 | -                      | (7)               |
| Debentures   | (3,027)                | (2,472)           | (3,027)                | (2,472)           |
| Borrowings and financing                               | (467)                  | (1,336)           | (519)                  | (1,562)           |
| <u>Fair value through profit or loss</u>               |                        |                   |                        |                   |
| Loans and financing, including derivatives             | (1,017)                | (1,730)           | (1,461)                | (1,835)           |
| Financial instruments – Fair Value Hedge (Liabilities) | (128)                  | -                 | (128)                  | -                 |

The fair value of other financial instruments detailed in table above approximates the carrying amount based on the existing terms and conditions. The financial instruments measured at amortized cost, the related fair values of which differ from the carrying amounts, are disclosed in note 17.3.

17.1. Considerations on risk factors that may affect the business of the Company and its subsidiaries

## (i) Capital risk management

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 taking into account changes in the economic conditions.

There were no changes as to objectives, policies or processes during the period ended in June 30, 2017.

|   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| Cash and cash equivalents                                       | <b>1,739</b>          | 4,496             | <b>2,366</b>        | 5,112             |
| Financial instruments – Fair value hedge                        | <b>44</b>             | -                 | <b>60</b>           | -                 |
| Borrowings and financing  | <b>(4,639)</b>        | (5,538)           | <b>(5,135)</b>      | (5,869)           |
| Other liabilities with related parties (note 12.2 and 17.2) (*) | <b>(147)</b>          | (149)             | <b>(147)</b>        | (149)             |

(\*) Represents the trade payables' balance of Greenyellow.

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**17. Financial instruments - Continued**

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

## (ii) Liquidity risk management

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

The table below summarizes the aging profile of the Company's financial liabilities as at June 30, 2017.

17.1.1 Parent Company

|                                | Up to 1 Year | 1 – 5 years  | More than 5 years | Total        |
|--------------------------------|--------------|--------------|-------------------|--------------|
| Borrowings and financing       | 955          | 377          | 13                | 1,345        |
| Debentures and promissory note | 269          | 3,404        | -                 | 3,673        |
| Derivatives                    | 106          | 39           | -                 | 145          |
| Finance lease                  | 54           | 155          | 154               | 363          |
| Trade payables                 | 3,320        | -            | -                 | 3,320        |
| <b>Total</b>                   | <b>4,704</b> | <b>3,975</b> | <b>167</b>        | <b>8,846</b> |

17.1.2 Consolidated

|                                | Up to 1 Year | 1 – 5 years  | More than 5 years | Total         |
|--------------------------------|--------------|--------------|-------------------|---------------|
| Borrowings and financing       | 1,319        | 483          | 88                | 1,890         |
| Debentures and promissory note | 269          | 3,404        | -                 | 3,673         |
| Derivatives                    | 127          | 35           | (1)               | 161           |
| Finance lease                  | 60           | 329          | -                 | 389           |
| Trade payables                 | 5,172        | -            | -                 | 5,172         |
| <b>Total</b>                   | <b>6,947</b> | <b>4,251</b> | <b>87</b>         | <b>11,285</b> |

## (iii) Derivative financial instruments

**Consolidated**

|                              | <u>Notional value</u> |                   | <u>Fair value</u> |                   |
|------------------------------|-----------------------|-------------------|-------------------|-------------------|
|                              | <u>6.30.2017</u>      | <u>12.31.2016</u> | <u>6.30.2017</u>  | <u>12.31.2016</u> |
| <i>Swap with hedge</i>       |                       |                   |                   |                   |
| Purpose of hedge<br>(debt)   | <b>1,513</b>          | 1,768             | <b>1,461</b>      | 1,666             |
| <u>Long position (buy)</u>   |                       |                   |                   |                   |
| Prefix rate                  |                       |                   |                   |                   |
| TR+9.80% per year            | <b>122</b>            | 127               | <b>131</b>        | 134               |
| US\$ + fixed                 |                       |                   |                   |                   |
| 2.66% per year               | <b>1,171</b>          | 1,421             | <b>1,135</b>      | 1,362             |
| EUR + fixed                  |                       |                   |                   |                   |
| 2.28% per year               | <b>220</b>            | 220               | <b>194</b>        | 176               |
|                              | <b>1,513</b>          | 1,768             | <b>1,460</b>      | 1,672             |
| <u>Short position (sell)</u> |                       |                   |                   |                   |
|                              |                       |                   |                   |                   |
| 101.87% per year             | <b>(1,513)</b>        | (1,768)           | <b>(1,528)</b>    | (1,839)           |
| Net hedge position           | -                     | -                 | <b>(68)</b>       | (167)             |

**Companhia Brasileira de Distribuição**

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**17. Financial instruments – Continued**

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

(iii) Derivative financial instruments - continued

Realized and unrealized gains and losses on these contracts during the six-month period ended June 30, 2017 are recorded in financial income (expenses), net and the balance payable at fair value is R\$68 (balance payable of R\$167 as at December 31, 2016), recorded in line item “Borrowings and financing”.

The effects of the fair value hedge recorded in the Statement of Operations for the period ended June 30, 2017 were a gain of R\$95 (gain of R\$683 as at June 30, 2016).

17.2. Sensitivity analysis of financial instruments

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

For the probable scenario, exchange weighted average rate was R\$3.49 on the due date, and the interest rate weighted was 9.18% per year.

(i) Other financial instruments

| <b>Operations</b>                | <b>Risk (CDI increase)</b> | <b>Balance at 6.30.2017</b> | <b>Market projection</b> |                    |                     |
|----------------------------------|----------------------------|-----------------------------|--------------------------|--------------------|---------------------|
|                                  |                            |                             | <b>Scenario I</b>        | <b>Scenario II</b> | <b>Scenario III</b> |
| Pre fixed swap (liabilities)     | 101.40% of CDI             | (120)                       | (187)                    | (191)              | (195)               |
| Exchange rate swap (liabilities) | 101.92% of CDI             | (1,408)                     | (1,759)                  | (1,778)            | (1,793)             |
| Debentures                       | 107% of CDI                | (931)                       | (1,018)                  | (1,040)            | (1,062)             |



|                               |                |                |                |                |                |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| 1st Emission - CRA            | 97.50% of CDI  | <b>(1,016)</b> | <b>(1,119)</b> | <b>(1,145)</b> | <b>(1,171)</b> |
| 2nd Emission - CRA            | 96.00% of CDI  | <b>(1,102)</b> | <b>(1,220)</b> | <b>(1,249)</b> | <b>(1,279)</b> |
| Bank loans - CBD              | 104.80% of CDI | <b>(281)</b>   | <b>(308)</b>   | <b>(314)</b>   | <b>(321)</b>   |
| Leases                        | 100.19% of CDI | <b>(66)</b>    | <b>(72)</b>    | <b>(73)</b>    | <b>(75)</b>    |
| Leases                        | 95.31% of CDI  | <b>(75)</b>    | <b>(83)</b>    | <b>(85)</b>    | <b>(87)</b>    |
| Leases                        | 100.00% of CDI | <b>(7)</b>     | <b>(7)</b>     | <b>(7)</b>     | <b>(8)</b>     |
| Net exposure                  |                | <b>(5,006)</b> | <b>(5,773)</b> | <b>(5,882)</b> | <b>(5,991)</b> |
|                               |                |                |                |                |                |
| Cash and cash equivalents (*) |                |                |                |                |                |
|                               | 98.63% of CDI  | <b>2,198</b>   | <b>2,397</b>   | <b>2,447</b>   | <b>2,496</b>   |
| Net exposure                  |                | <b>(2,808)</b> | <b>(3,376)</b> | <b>(3,435)</b> | <b>(3,495)</b> |
| Net effect - loss             |                |                | <b>(568)</b>   | <b>(627)</b>   | <b>(687)</b>   |
| <i>(*) weighted average</i>   |                |                |                |                |                |

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### 17. Financial instruments – Continued

#### 17.2.Sensitivity analysis of financial instruments - Continued

In addition the Company has the following transaction that do not represent significant risks for sensitive test:

§ The Company has a net exposure (between foreign suppliers and cash applied abroad) of US\$4 million American dollars and €3 million euros, besides the negative investment balance at foreigner subsidiaries at €23 million euros. The Company management do not prepared the sensitivity analyses related to cambial exposition because understand that the involving amounts there are no representative.

§ The Company has accounts payable to Greenyellow of R\$147, referring to the acquisition of property aiming the energy efficiency of the Company. The payment will occur in 96 instalments with pre-fixed interest of 9% per year.

#### 17.3. Fair value measurements

The Company discloses the fair value of financial instruments measured at fair value and of financial instruments measured at amortized cost, the fair value of which differ from the carrying amount, in accordance with CPC 46 (“IFRS13”), which refer to the concepts of measurement and disclosure requirements.

The fair values of cash and cash equivalents, trade receivables, short and long-term debt and trade payables are equivalent to their carrying amounts.

The table below presents the fair value hierarchy of financial assets and liabilities measured at fair value and of financial instruments measured at amortized cost, the fair value of which is disclosed in the financial statements:

|  | Carrying amount at<br>6.30.2017 | Fair value at<br>6.30.2017 | (*) Level |
|--|---------------------------------|----------------------------|-----------|
| <i>Financial instruments at fair value through profit (loss)</i> |                                 |                            |           |
| Cross-currency interest rate swaps                               | (80)                            | (80)                       | 2         |

|   |                |                |          |
|---|----------------|----------------|----------|
| Interest rate swaps                       | <b>11</b>      | <b>11</b>      | <b>2</b> |
| Borrowings and financing (fair value)     | <b>(1,460)</b> | <b>(1,460)</b> | <b>2</b> |
| Borrowings and financing (amortized cost) | <b>(3,546)</b> | <b>(3,505)</b> | <b>2</b> |
| Total                                     | <b>(5,075)</b> | <b>(5,034)</b> |          |

(\*) **Level 2**: Fair value measurement at the end of the reporting period using other significant observable assumptions.

There were no changes between the fair value measurements levels in the six-month period ended June 30, 2017.

Cross-currency and interest rate swaps and borrowings and financing are classified in level 2 since the fair value of such financial instruments was determined based on readily observable market inputs, such as expected interest rate and current and future foreign exchange rate.

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**17. Financial instruments – Continued**

## 17.4. Consolidated position of derivative transactions

The consolidated position of outstanding derivative transactions is presented in the table below:

| <b>Outstanding</b>  | <b>Notional Contracting</b> |              |             |                 |
|---|-----------------------------|--------------|-------------|-----------------|
| <b>Description</b>  | <b>Counterparties</b>       | <b>value</b> | <b>date</b> | <b>Maturity</b> |
| <i>Exchange swaps</i> registered with CETIP (US\$ x CDI)        | Banco Tokyo                 | US\$ 75      | 1/14/2014   | 1/10/2017       |
|   | Mizuho                      | US\$ 50      | 10/31/2014  | 10/31/2017      |
|   | Bank of America             | US\$ 40      | 9/14/2015   | 9/14/2017       |
|   | Banco Tokyo                 | US\$ 50      | 7/31/2015   | 7/31/2017       |
|   | Scotiabank                  | US\$ 50      | 9/30/2015   | 9/29/2017       |
|   | Agricole                    | EUR 50       | 10/7/2015   | 10/8/2018       |
|   | Itaú BBA                    | US\$ 50      | 10/27/2015  | 1/17/2017       |
|   | Bradesco                    | US\$ 50      | 3/3/2016    | 3/6/2017        |
|   | Scotiabank                  | US\$ 50      | 1/15/2016   | 1/16/2018       |
|   | Banco Tokyo                 | US\$ 100     | 1/20/2017   | 1/19/2018       |
| Interest rate swap registered with CETIP (pre-fixed rate x CDI) | Itaú BBA                    | R\$ 21       | 11/11/2014  | 11/5/2026       |
|   | Itaú BBA                    | R\$ 54       | 1/14/2015   | 1/5/2027        |
|   | Itaú BBA                    | R\$ 52       | 5/26/2015   | 5/5/2027        |

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**18. Taxes and contributions payable and taxes payable in installments**

The detailed information on taxes and contributions payable and taxes payable in installments was presented in the annual financial statements for 2016, in note 19.

**18.1. Taxes and contributions payable and taxes payable in installments**

|  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| PIS and COFINS                                   | 19                    | 46                | 22                  | 49                |
| Provision for income tax and social contribution | 32                    | -                 | 169                 | 10                |
| ICMS   | 39                    | 48                | 54                  | 75                |
| Withholding Income Tax                           | -                     | -                 | -                   | 22                |
| Instalment taxes - PERT                          | 268                   | -                 | 268                 | -                 |
| INSS   | 8                     | 8                 | 9                   | 9                 |
| Taxes payable in installments - Law 11.941/09    | 600                   | 621               | 600                 | 624               |
| Others   | 4                     | 6                 | 6                   | 5                 |
|  | <b>970</b>            | <b>729</b>        | <b>1,128</b>        | <b>794</b>        |
| Current  | <b>205</b>            | 189               | <b>363</b>          | 254               |
| Noncurrent                                       | <b>765</b>            | 540               | <b>765</b>          | 540               |

18.2. Maturity schedule of taxes payable in installments is as follows:

|                          | <b><u>Parent Company</u></b>   |
|--------------------------|--------------------------------|
| <b><u>Noncurrent</u></b> | <b><u>and Consolidated</u></b> |
| 1 to 2 years             | 51                             |
| 2 to 3 years             | 86                             |
| 3 to 4 years             | 86                             |
| 4 to 5 years             | 86                             |
| After 5 years            | 456                            |
|                          | <b>765</b>                     |

The Company decided to include federal tax debts in the Special Program on Tax Settlements – PERT, as per the conditions established on the provisional penalties measure no. 783, issued on May 31, 2017. The

program allows the payment in monthly installments, and grants reductions in the amounts levied of Interest and penalties. The Company included tax debts accrued related to (i) tax assessments over purchase transactions, manufacturing and exports sales of soil beans (PIS/COFINS), (ii) non-validation of tax offsets (IRPJ, PIS/COFINS); and other tax debts previously classified as possible risks related mainly to CPMF and other claims.

The impacts in the income statement of the continued activities related to the decision to adhere to the program amount R\$183, net of the benefits given by the program.

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**19. Income tax and social contribution**

The detailed information on income tax and social contribution was presented in the annual financial statements for 2016, in note 20.

## 19.1. Income and social contribution tax expense reconciliation

|  | <b>Parent Company</b> |                  | <b>Consolidated</b> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>6.30.2017</b>      | <b>6.30.2016</b> | <b>6.30.2017</b>    | <b>6.30.2016</b> |
| Profit before income tax and social contribution   | <b>355</b>            | (365)            | <b>398</b>          | (91)             |
| Income tax and social contribution at the nominal rate of 25% for the Company and 34% for subsidiaries | <b>(89)</b>           | 91               | <b>(130)</b>        | 23               |
| Tax penalties  | <b>(12)</b>           | (7)              | <b>(12)</b>         | (14)             |
| Share of profit of subsidiaries and associates   | <b>60</b>             | (23)             | <b>(6)</b>          | 11               |
| Other permanent differences (nondeductible)  | -                     | 6                | <b>6</b>            | (4)              |
| Effective income tax and social contribution   | <b>(41)</b>           | 67               | <b>(142)</b>        | 16               |
| Income tax and social contribution for the period:   |                       |                  |                     |                  |
| Current  | <b>(38)</b>           | (3)              | <b>(201)</b>        | (57)             |
| Deferred   | <b>(3)</b>            | 70               | <b>59</b>           | 73               |
| Deferred income tax and social contribution expense  | <b>(41)</b>           | 67               | <b>(142)</b>        | 16               |
| Effective rate   | <b>11.55%</b>         | 18.36%           | <b>35.68%</b>       | 17.58%           |

CBD does not pay social contribution based on a final and unappealable court decision in the past; therefore its nominal rate is 25%.

The Company (or the Group) calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Such policy is in accordance with IAS 34 / CPC 21 (R1). This rule requests the companies recognize the income tax expense in its interim statements with the same base used in the complete annual financial statement.

## 19.2. Breakdown of deferred income tax and social contribution

|   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| Tax losses  | <b>15</b>             | 32                | <b>32</b>           | 112               |
| Provision for risks   | <b>265</b>            | 251               | <b>503</b>          | 347               |
| Provision for derivative transactions taxed on a cash basis | <b>(2)</b>            | (18)              | <b>9</b>            | (5)               |
| Estimated loss on doubtful accounts                         | <b>2</b>              | 2                 | <b>2</b>            | 2                 |
| Provision for current expenses                              | <b>9</b>              | 11                | <b>15</b>           | 23                |
| Goodwill tax amortization                                   | <b>(46)</b>           | (37)              | <b>(552)</b>        | (531)             |
| Present value adjustment                                    | <b>1</b>              | 1                 | <b>1</b>            | 1                 |
| Lease adjustment  | <b>5</b>              | 7                 | -                   | 2                 |
| Mark-to-market adjustment                                   | <b>(3)</b>            | (6)               | <b>(4)</b>          | (8)               |
| Technological innovation – future realization               | <b>(14)</b>           | (16)              | <b>(14)</b>         | (16)              |
| Depreciation of fixed assets as per tax rates               | <b>(88)</b>           | (80)              | <b>(88)</b>         | (81)              |
| Other   | <b>8</b>              | 8                 | <b>8</b>            | 7                 |
| Deferred income tax and social contribution                 | <b>152</b>            | 155               | <b>(88)</b>         | (147)             |
| Noncurrent assets   | <b>152</b>            | 155               | <b>170</b>          | 170               |
| Noncurrent liabilities                                      | -                     | -                 | <b>(258)</b>        | (317)             |
| Deferred Income tax and social contribution                 | <b>152</b>            | 155               | <b>(88)</b>         | (147)             |



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**19. Income tax and social contribution - continued**

## 19.2. Breakdown of deferred income tax and social contribution – Continued

The Company estimates to recover these deferred tax assets as follows:

| <u>Year</u>  | Parent Company | Consolidated |
|--------------|----------------|--------------|
| Up to 1 year | 52             | 97           |
| 1 to 2 years | 75             | 57           |
| 2 to 3 years | 25             | 16           |
|              | 152            | 170          |

## 19.3. Changes in deferred income tax and social contribution balances

|   | Parent Company |           | Consolidated |           |
|---|----------------|-----------|--------------|-----------|
|   | 6.30.2017      | 6.30.2016 | 6.30.2017    | 6.30.2016 |
| <b>At the beginning of the period</b>                               | 155            | 49        | (147)        | (778)     |
| Expense for the period – Continued activities                       | (3)            | 70        | 59           | 73        |
| Expense for the period – Discontinued activities                    | -              | -         | 125          | (6)       |
| Exchange rate variation   | -              | -         | -            | (8)       |
| Special program on tax settlements – PERT – Discontinued activities | -              | -         | (89)         | -         |
| Assets held for sale and discontinued operations (note 31)          | -              | -         | (36)         | -         |
| Other   | -              | -         | -            | (9)       |
| <b>At the end of the period</b>                                     | 152            | 119       | (88)         | (728)     |

**20. Provision for risks**

The provision for risks is estimated by the Company's management, supported by its legal counsel. The provision was recognized in an amount considered sufficient to cover probable losses.

## 20.1. Parent Company

|                                      | Taxes and  |       | Social             | Civil | Regulatory | Total |
|--------------------------------------|------------|-------|--------------------|-------|------------|-------|
|                                      | PIS/COFINS | other | security and labor |       |            |       |
| <b>Balances at December 31, 2016</b> | 109        | 428   | 254                | 80    | 20         | 891   |
| Additions                            | 25         | 16    | 64                 | 18    | 14         | 137   |
| Payments                             | -          | -     | (20)               | (4)   | (3)        | (27)  |
| Reversals                            | (50)       | (42)  | (29)               | (20)  | (5)        | (146) |

|                                  |           |            |            |           |           |            |
|----------------------------------|-----------|------------|------------|-----------|-----------|------------|
| Transfer to instalments taxes    | -         | (89)       | -          | -         | -         | (89)       |
| Inflation adjustment             | (18)      | 1          | 17         | 6         | 2         | 8          |
| <b>Balances at June 30, 2017</b> | <b>66</b> | <b>314</b> | <b>286</b> | <b>80</b> | <b>28</b> | <b>774</b> |

|                                      | Social     |                 |                    |           |            |            |
|--------------------------------------|------------|-----------------|--------------------|-----------|------------|------------|
|                                      | PIS/COFINS | Taxes and other | security and labor | Civil     | Regulatory | Total      |
| <b>Balances at December 31, 2015</b> | 63         | 187             | 152                | 71        | 17         | 490        |
| Additions                            | 14         | 75              | 57                 | 19        | 12         | 177        |
| Payments                             | -          | -               | (11)               | (4)       | (4)        | (19)       |
| Reversals                            | -          | (3)             | (3)                | (15)      | (6)        | (27)       |
| Inflation adjustment                 | 5          | 13              | 8                  | 8         | 2          | 36         |
| <b>Balances at June 30, 2016</b>     | <b>82</b>  | <b>272</b>      | <b>203</b>         | <b>79</b> | <b>21</b>  | <b>657</b> |

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**20. Provision for risks – Continued**

## 20.2. Consolidated

|   | PIS/COFINS  | Taxes and other | Social security and labor | Civil       | Regulatory  | Total        |
|---|-------------|-----------------|---------------------------|-------------|-------------|--------------|
| <b>Balance at December 31, 2016</b>   | 148         | 586             | 302                       | 109         | 32          | 1,177        |
| Additions   | <b>146</b>  | <b>21</b>       | <b>311</b>                | <b>64</b>   | <b>30</b>   | <b>572</b>   |
| Payments  | <b>(15)</b> | <b>(23)</b>     | <b>(114)</b>              | <b>(26)</b> | <b>(6)</b>  | <b>(184)</b> |
| Reversals   | <b>(89)</b> | <b>(64)</b>     | <b>(56)</b>               | <b>(46)</b> | <b>(18)</b> | <b>(273)</b> |
| Transfer to instalments taxes   | -           | <b>(89)</b>     | -                         | -           | -           | <b>(89)</b>  |
| Inflation adjustment  | <b>(30)</b> | <b>16</b>       | <b>58</b>                 | <b>10</b>   | <b>3</b>    | <b>57</b>    |
| Liabilities related to assets held for sale and discontinued operations (note 31) | <b>(95)</b> | <b>17</b>       | <b>(162)</b>              | <b>(5)</b>  | <b>1</b>    | <b>(244)</b> |
| <b>Balance at June 30, 2017</b>   | <b>65</b>   | <b>464</b>      | <b>339</b>                | <b>106</b>  | <b>42</b>   | <b>1,016</b> |

|                                     | PIS/COFINS | Taxes and other | Social security and labor | Civil      | Regulatory | Total        |
|-------------------------------------|------------|-----------------|---------------------------|------------|------------|--------------|
| <b>Balance at December 31, 2015</b> | 103        | 414             | 597                       | 248        | 34         | 1,396        |
| Additions                           | 57         | 150             | 280                       | 122        | 19         | 628          |
| Payments                            | -          | -               | (103)                     | (51)       | (7)        | (161)        |
| Reversals                           | (4)        | (11)            | (60)                      | (65)       | (11)       | (151)        |
| Inflation adjustment                | 7          | 18              | 32                        | 21         | 4          | 82           |
| Exchange rate changes               | -          | (2)             | (2)                       | (6)        | -          | (10)         |
| <b>Balance at June 30, 2016</b>     | <b>163</b> | <b>569</b>      | <b>744</b>                | <b>269</b> | <b>39</b>  | <b>1,784</b> |

## 20.3. Tax

As per prevailing legislation, tax claims are subject to monetary indexation, which refers to an adjustment to the provision for tax risks according to the indexation rates used by each tax jurisdiction. Both the interest charges and fines, when applicable, were computed and provisioned with respect to unpaid amounts.

The main provisioned tax claims are as follows:

20.3.1. COFINS and PIS

Since the adoption of the noncumulative regime to calculate PIS and COFINS, Company and its subsidiaries have challenged the right to deduct ICMS from the calculation basis for both contributions. On March 15, 2017, STF ruled that ICMS should be excluded from the calculation basis of PIS/Cofins, in accordance to the thesis pleaded by the Company. Based on the judgement of the thesis by the STF (Federal Supreme court) and on the legal opinion of its advisors, the Company understood that it a disbursement of cash, related to the values not paid in previous periods, is not probable and reversed the provision of R\$117 on the first quarter.

This decision of the STF is still pending of the disclosure of the written sentence and analysis by this court of the potential recourses over the timing of application of the decision. The Company and its advisors estimate that the decision related to the application of the effects will not limit the right of the judicial claim proposed by the Company, nevertheless, the elements of the process still pendings of decision do not allow the recognition of the asset related to the credits to be measured since the Company started the claim in 2003. According to the preliminary evaluation, based on the available information on June 30, 2017, the Company estimates the potential tax credit for the retail activity in a range from R\$1,300 to R\$1,850. At this moment the calculation for the Cash & Carry activity is not completed.

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### 20. Provision for risks - Continued

#### 20.3. Tax - Continued

##### 20.3.1. COFINS and PIS - Continued

As disclosed in Via Varejo's interim financial statements of June 30, 2017, the tax credits for this subsidiary, classified as discontinued operations, were estimated approximately R\$670.

Related to remainder accrued amount the others assumptions like discussions related to PIS and COFINS, not certified of compensations, including less relevant amounts, as at June 30, 2017 is R\$160, being R\$65 of continued operation and R\$95 of discontinued operations (R\$204 as at December 31, 2016, being R\$148 of continued operation and R\$56 of discontinued operations).

##### 20.3.2. Tax

The Company and its subsidiaries have other tax claims, which after analysis by its legal counsel, were considered as probable losses and accrued by the Company. These refer to: (i) tax assessment notices related to purchase, industrialization and sale of soybean and byproducts exports (PIS, COFINS and IRPJ); (ii) challenge on the non-application of the Accident Prevention Factor - FAP for 2011; (iii) challenge on the Poverty Fighting Fund established by the Rio de Janeiro State Government; (iv) challenges on purchases from suppliers considered not qualified in the State Finance Department registry, error in application of rate and accessory obligations by State tax authorities; (v) no approval on tax compensations; and (vi) other less relevant issues.

The amount accrued for these matters as at June 30, 2017 is R\$100, being R\$117 of continued operation and R\$(17) of discontinued operations (R\$408 as at December 31, 2016, being R\$356 of continued operation and R\$52 of discontinued operations).

##### ICMS

The Federal Supreme Court ("STF") on October 16, 2014 decided that ICMS taxpayers that trade products included in the "basked of food staples" have no right to fully utilize the ICMS credits. The Company, with the

assistance of its legal counsel, decided that it would be an appropriate procedure to record a provision for this matter amounting to R\$150 as at June 30, 2017 (R\$153 as at December 31, 2016) since this claim is considered a “probable” loss. The amounts accrued represent Management’s best estimate of the probable cash disbursement to settle this claim.

Additionally, among the contingent liabilities not accrued there are cases assessed by São Paulo State tax authorities related to the refund of ICMS over tax substitution without proper compliance with accessory tax obligations introduced by CAT Administrative Rule 17. Considering the court judgments occurred in 2016 the Company accrued R\$141 related to Management estimative of probable loss, related to proof aspect of the process.

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### 20. Provision for risks - Continued

#### 20.3. Tax - Continued

##### 20.3.3. Supplementary Law 110/2001

The Company claims in court the eligibility to not pay the contributions provided for by Supplementary Law 110/01, referring to the FGTS (Government Severance Indemnity Fund for Employees) costs. The accrued amount as at June 30, 2017 is R\$56 (R\$77 as at December 31, 2016).

##### 20.3.4. Others contingent tax liabilities - Via Varejo

Provisions for contingent tax liabilities were recorded as a result of the business combination with Via Varejo, as required by CPC 15(R1) (IFRS 3). As at June 30, 2017, the recorded amount related to contingent tax liabilities is R\$92 (R\$89 as at December 31, 2016). These accrued claims refer to administrative proceedings related to the offset of tax debts against credits from the contribution levied on coffee exports.

##### 20.3.5. Others contingent tax liabilities - Bartira

On the third quarter 2016, the Company reversed most of its contingencies arising from business combination of Bartira recorded in 2013. The amount reversed is composed for R\$6 of tax contingency and R\$11 of labor contingency, totalizing R\$17. The remaining balance at June 30, 2017 is R\$1 (R\$1 at December 31, 2016).

#### 20.4. Labor

The Company and its subsidiaries are parties to various labor lawsuits mainly due to termination of employees in the ordinary course of business. At June 30, 2017, the Company recorded a provision amount of R\$501, being R\$339 for continued operation and R\$162 for discontinued operations (R\$950 as at December 31, 2016, being R\$302 for continued operation and R\$648 for discontinued operations) related to the potential risk of loss on these lawsuits. Management, with the assistance of its legal counsel, assesses these claims recording a provision for losses when reasonably estimable, based on past experiences in relation to the amounts claimed.

#### 20.5. Civil and others

The Company and its subsidiaries are parties to civil lawsuits at several court levels (indemnities and collections, among others) and at different courts. The Company's management records provisions in amounts considered sufficient to cover unfavorable court decisions, when its legal counsel considers the loss as probable.

Among these lawsuits, we point out the following:

- The Company and its subsidiaries are parties to various lawsuits requesting the renewal of rental agreements and the review of the current rent 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 (owner of the property) in the lawsuit, when internal and external legal counsel consider that it is probable that the actually rent amount will be changed by the entity. As at June 30, 2017, the amount accrued for these lawsuits is R\$64, being R\$62 for continued operation and R\$2 for discontinued operations (R\$121 as at December 31, 2016, being R\$49 of continued operation and R\$72 for discontinued operations), for which there are no escrow deposits.



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### 20. Provision for risks – Continued

#### 20.5. Civil and others - continued

- Company and its subsidiaries answer to legal claims related to penalties applied by regulatory agencies, from the federal, state and municipal administrations, among which Consumer Protection Agencies (Procon) , National Institute of Metrology, Standardization and Industrial Quality (INMETRO) and Municipalities. Company supported by its legal counsel, revises that claims, recording a provision according to probable cash expending and estimative of loss. As at June 30, 2017 the amount of this provision is R\$43, being R\$42 for continued activities and R\$1 for discontinued activities (R\$39 at December 31, 2016, being R\$32 for continued operations and R\$7 for discontinued operations).
- The subsidiary Via Varejo is a party to lawsuits involving consumer relationship rights (civil actions and assessments from PROCON) and lawsuits involving contracts terminated with suppliers and the amount claimed in these lawsuits was R\$97 as at June 30, 2017 (R\$58 as at December 31, 2016).

Total civil lawsuits and others as at June 30, 2017 amount to R\$153, being R\$148 for continued activities and R\$5 for discontinued activities (R\$343 as at December 31, 2016, being R\$141 for continued operation and R\$202 for discontinued operations).

#### 20.6. Non-accrued contingent liabilities

The Company has other litigations which have been analyzed by the legal counsel and considered as possible, therefore, have not been accrued. In this process, there are litigations related to charges of differences in IRPJ payment, for which the Company, based on management and legal assessment, has the right of compensation from its former and actual shareholders, supposedly due related to years from 2007 to 2013, under allegation that had improper deduction of goodwill amortizations paid. The involved amount is R\$1,193 in June 30, 2017 (R\$1,141 in December 31, 2016), classified at possible loss and exist other part classified at remote loss. Additionally, the possible litigations balance without compensation is an updated amount of R\$12,080, being R\$10,545 for continued activities and R\$1,535 for discontinued activities at June 30, 2017 (R\$12,221 in December 31, 2016, being R\$10,736 for continued operation and R\$1,485 for discontinued operations), and are principally related to:

- INSS (Social Security Contribution) – GPA was assessed for non-levy of payroll charges on benefits granted to its employees, among other matters, for which possible loss amounts to R\$431, being R\$398 for continued operation and R\$33 for as at June 30, 2017 (R\$421 at December 31, 2016, being R\$389 for continued operation and R\$32 for discontinued operations). The lawsuits are under administrative and court discussions.

- IRPJ, withholding income tax - IRRF, CSLL, tax on financial transactions - IOF, withholding income tax on net income, ILL – GPA has several assessment notices regarding offsetting proceedings, rules on the deductibility of provisions, payment divergences and overpayments; fine for failure to comply with accessory obligations, among other less significant taxes. Among those claims, there are one tax assessment related to the tax deduction of goodwill in the years of 2012 and 2013, originated by the acquisition of Ponto Frio (goodwill Mandala) accrued in the year of 2009. The restated amount of the assessment notice correspond to R\$82 of income tax and social contribution (R\$79 at December 31, 2016). The lawsuits await administrative and court ruling. The amount involved is R\$1,238, being R\$1,103 for continued operation and R\$135 for discontinued activities as June 30, 2017 (R\$1,192 at December 31, 2016, being 1,052 for continued operation and R\$140 for discontinued operations).

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### 20. Provision for risks – Continued

#### 20.6. Non-accrued contingent liabilities - continued

- COFINS, PIS, provisional contribution on financial transactions – CPMF and IPI – the Company has been challenged about offsets of COFINS and PIS against IPI credits – inputs subject to zero rate or exempt – acquired from third parties with a final and un-appeal decision, other requests for offset, disallowance of COFINS and PIS credits on one-phase products, among other less significant taxes. The amount involved in these assessments is R\$2,334, being R\$1,903 for continued activities and R\$431 for discontinued activities at June 30, 2017 (R\$2,532 at December 31, 2016, being R\$2,140 for continued operation and R\$392 for discontinued operations). The Company recognized the effects of PERT and will perform the subscription on August 2017. The subjects are related to the claims of CPMF, PIS/COFINS and others subjects with less expression, totaling R\$344.
- ICMS – GPA received tax assessment notices by the State tax authorities regarding: (i) utilization of electric energy credits; (ii) purchases from suppliers considered not qualified in the State Finance Department registry; (iii) levied on its own operation of merchandise purchase (own ICMS) – article 271 of ICMS by-law; (iv) resulting from sale of extended warranty, (v) resulting from financed sales; and (vi) among other matters. The total amount of these assessments is R\$7,095, being R\$6,449 for continued activities and R\$646 for discontinued activities as June 30, 2017 (R\$6,832 as at December 31, 2016, being 6,269 for continued operation and R\$563 for discontinued operations), which await a final decision at the administrative and court levels.
- Municipal service tax - ISS, Municipal Real Estate Tax (“IPTU”), Fees, and others – these refer to assessments on withholdings of third parties, IPTU payment divergences, fines for failure to comply with accessory obligations, ISS – reimbursement of advertising expenses and sundry taxes, in the amount of R\$304, being R\$175 for continued activities and R\$129 for discontinued activities as June 30, 2017 (R\$292 at December 31, 2016, being R\$165 for continued operation and R\$127 for discontinued operations), which await decision at the administrative and court levels.
- Other litigations – these refer to administrative proceedings and lawsuits in which the Company pleads the renewal of rental agreements and setting of rents according to market values and actions in the civil court, special civil court, Consumer Protection Agency - PROCON (in many States), Institute of Weights and Measure - IPEM, National Institute of Metrology, Standardization and Industrial Quality - INMETRO and National Health Surveillance Agency - ANVISA, among others, amounting to R\$678, being R\$517 for continued activities and R\$161 for discontinued activities at June 30, 2017 (R\$953 at December 31, 2016, being R\$722 for continued operation and R\$231 for discontinued operations).

The Company engages external attorneys to represent it in the tax assessments received, whose fees are contingent upon a percentage to be applied to the amount of success in the final outcome of these lawsuits. This percentage may vary according to qualitative and quantitative factors of each claim, and as at June 30, 2017 the estimated amount, in case of success in all lawsuits, is approximately R\$206, being R\$189 for continued activities and R\$17 for discontinued activities (R\$168, being R\$155 of continued operation and R\$13 of discontinued operations at December 31, 2016).

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**20. Provision for risks – Continued****20.7. Restricted deposits for legal proceedings**

The Company is challenging the payment of certain taxes, contributions and labor-related obligations and has made court restricted deposits in the corresponding amounts, as well as escrow deposits related to the provision for legal proceedings.

The Company has recorded judicial deposits in the assets.

|                 | <b>Parent Company</b>   |                          | <b>Consolidated</b>     |                          |
|-----------------|-------------------------|--------------------------|-------------------------|--------------------------|
|                 | <b><u>6.30.2017</u></b> | <b><u>12.31.2016</u></b> | <b><u>6.30.2017</u></b> | <b><u>12.31.2016</u></b> |
| Tax             | <b>129</b>              | 120                      | <b>193</b>              | 181                      |
| Labor           | <b>428</b>              | 383                      | <b>473</b>              | 414                      |
| Civil and other | <b>21</b>               | 17                       | <b>30</b>               | 26                       |
| Regulatory      | <b>15</b>               | 14                       | <b>42</b>               | 40                       |
| Total           | <b>593</b>              | 534                      | <b>738</b>              | 661                      |

**20.8. Guarantees**

| <u>Judicial deposits</u> | <b>Real estate</b> | <b>Guarantee</b> | <b>Total</b> |
|--------------------------|--------------------|------------------|--------------|
| Tax                      | <b>855</b>         | <b>6,822</b>     | <b>7,677</b> |
| Labor                    | <b>3</b>           | <b>58</b>        | <b>61</b>    |
| Civil and other          | -                  | <b>131</b>       | <b>131</b>   |
| Regulatory               | <b>9</b>           | <b>143</b>       | <b>152</b>   |
| Total                    | <b>867</b>         | <b>7,154</b>     | <b>8,021</b> |

The cost of guarantees is approximately 0.89% of the amount of the lawsuits and is recorded as expense by the passage of time.

**20.9. Share of Cnova N.V. minorities**

The associate Cnova N.V., some of its former and current directors, and the underwriters of Cnova's initial public offering, or IPO, have been named as defendants in a lawsuit at South District Court of New York – United States, related to the internal revision, concluded in July 22, 2016, conducted by Cnova N.V., Cnova Brasil and consultants. As result of this lawsuit, Cnova N.V., could incur in expenses (including, no limited,

legal fees and others fees of consultants and obligation to indemnify some old and actual directors, and the subscribers of the share public offer that are, or can be part, or involving this subject). The Company and its subsidiary Cnova are unable, at this moment, even if insurances policies for such claims have been activated, to predict the extension of potential responsibility in these subjects, including, if any, parallel lawsuit that can be taking by Securities and Exchange Commission as result of the facts of this subject or of internal investigation conducted by Cnova N.V., Cnova Brasil and its advisors.

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**21. Leasing transactions**

## 21.1. Operating lease

## (i) Minimum rental payments on the agreement termination date

The Company analyzed and concluded that the rental agreements are cancelable over their duration. In case of termination, minimum payments will be due as a termination fee, which can vary from 1 to 12 months of rental or a fixed percentage of the contractual balance.

|  | <b>Parent Company<br/>6.30.2017</b> | <b>Consolidated<br/>6.30.2017</b> |
|--|-------------------------------------|-----------------------------------|
| Minimum rental payments                  |                                     |                                   |
| Minimum payments on the termination date | <b>334</b>                          | <b>367</b>                        |
| <b>Total</b>                             | <b>334</b>                          | <b>367</b>                        |

## (ii) Contingent payments

Management considers the payment of additional rents as contingent payments, which vary between 0.1% and 4.5% of sales.

|                                 | <b>Parent Company</b> |                  | <b>Consolidated</b> |                  |
|---------------------------------|-----------------------|------------------|---------------------|------------------|
|                                 | <b>6.30.2017</b>      | <b>6.30.2016</b> | <b>6.30.2017</b>    | <b>6.30.2016</b> |
| Expenses(Income) for the period |                       |                  |                     |                  |
| Contingent payments             | <b>235</b>            | 111              | <b>252</b>          | 162              |
| Non contingent payments         | <b>123</b>            | 164              | <b>202</b>          | 229              |
| Sublease rentals (*)            | <b>(78)</b>           | (67)             | <b>(81)</b>         | (78)             |

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

## 21.2. Finance lease

Finance lease agreements amounted to R\$196 as at June 30, 2017 (R\$215 as at December 31, 2016), as shown in the table below:

|   | <b>6.30.2017</b> | 12.31.2016 | <b>6.30.2017</b> | 12.31.2016 |
|---|------------------|------------|------------------|------------|
| Financial lease liability –minimum rental payments: |                  |            |                  |            |
| Up to 1 year  | <b>39</b>        | 38         | <b>43</b>        | 41         |
| 1 - 5 years   | <b>116</b>       | 138        | <b>124</b>       | 144        |
| Over 5 years  | <b>26</b>        | 27         | <b>29</b>        | 30         |
| Present value of finance lease agreements           | <b>181</b>       | 203        | <b>196</b>       | 215        |

|  |            |     |            |     |
|--|------------|-----|------------|-----|
| Future financing charges                 | <b>182</b> | 195 | <b>193</b> | 207 |
| Gross amount of finance lease agreements | <b>363</b> | 398 | <b>389</b> | 422 |



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**22. Deferred revenue**

The Company and its subsidiary Via Varejo received in advance amounts from business partners on exclusivity in the intermediation of additional or extended warranties services, and the subsidiary Barcelona received in advance amounts for the rental of back lights for exhibition of products from its suppliers.

The detailed information on deferred revenue was presented in the annual financial statements for 2016, in note 24.

|                                   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-----------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                   | <b>6.30.2017</b>      | <b>12.31.2016</b> | <b>6.30.2017</b>    | <b>12.31.2016</b> |
| Additional or extended warranties | <b>32</b>             | 35                | <b>32</b>           | 35                |
| Barter agreement                  | -                     | -                 | <b>6</b>            | 12                |
| Services agreement - Allpark      | <b>13</b>             | 15                | <b>13</b>           | 15                |
| Back lights                       | -                     | -                 | <b>47</b>           | 85                |
| Future revenue term (*)           | -                     | 100               | -                   | 100               |
| Others                            | -                     | 1                 | -                   | 1                 |
|                                   | <b>45</b>             | 151               | <b>98</b>           | 248               |
| Current                           | <b>26</b>             | 127               | <b>79</b>           | 224               |
| Noncurrent                        | <b>19</b>             | 24                | <b>19</b>           | 24                |

(\*) Related to the sell of distribution centre, that was full received in May 2017.

**23. Shareholders' equity**

The detailed information on shareholders' equity was presented in the annual financial statements for 2016, in note 25.

**23.1. Capital stock**

The subscribed and paid-up capital as at June 30, 2017 is represented by 266,248 (266,076 as at December 31, 2016) in thousands of registered shares with no par value, of which 99,680 in thousands of

common shares as at June 30, 2017 (99,680 as at December 31, 2016) and 166,568 in thousands of preferred shares as at June 30, 2017 (166,396 as at December 31, 2016).

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

- At the Board of Directors' Meetings held on February 23, 2017, March 23, 2017 and April 27, 2017, were approved capital increases in the amount R\$7 (R\$5 on December 31, 2016) through the issue of 172 thousands preferred shares (374 thousands of preferred shares on December 31, 2016).

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**23. Shareholders' equity****23.2. Stock option plan for preferred shares**Consolidated information, stock option plans - GPA

The Company granted 1,073,192 purchase options of preferred shares, denominated B4 and C4 series, as the remuneration plan and option plan approved by the shareholders meeting on May 4, 2014. The plan regulation is describe in note 25.5 of the annual financial statements for 2016.

The fair value of each option granted is estimated on the granted date, by using the options pricing model "Black&Scholes" taking into account the following assumptions for the series B4 and C4: (a) expectation of dividends of 0.57%, (b) expectation of volatility of nearly 35.19% and (c) the weighted average interest rate without risk of 9.28% and 10.07%; (d) vesting period of 18 to 36 months

| Series granted                  | Grant date | 1st date of exercise | Expiration date | Price             |                 | Number of shares granted (in thousands) | Lots of shares |                            | Total in effect |
|---------------------------------|------------|----------------------|-----------------|-------------------|-----------------|---|----------------|----------------------------|-----------------|
|                                 |            |                      |                 | At the grant date | End of the year |   | Exercised      | Not exercised by dismissal |                 |
| <b>Balance at June 30, 2017</b> |            |                      |                 |                   |                 |   |                |                            |                 |
| Series B1                       | 5/30/2014  | 6/01/2017            | 11/30/2017      | 0.01              | 0.01            | 239                                     | (28)           | (59)                       | 152             |
| Series C1                       | 5/30/2014  | 6/01/2017            | 11/30/2017      | 83.22             | 83.22           | 239                                     | (11)           | (88)                       | 140             |
| Series B2                       | 5/29/2015  | 6/01/2018            | 11/30/2018      | 0.01              | 0.01            | 337                                     | (77)           | (36)                       | 224             |
| Series C2                       | 5/29/2015  | 6/01/2018            | 11/30/2018      | 77.27             | 77.27           | 337                                     | -              | (68)                       | 269             |
| Series B3                       | 5/30/2016  | 5/30/2019            | 11/30/2019      | 0.01              | 0.01            | 823                                     | (168)          | (34)                       | 621             |
| Series C3                       | 5/30/2016  | 5/30/2019            | 11/30/2019      | 37.21             | 37.21           | 823                                     | (10)           | (36)                       | 777             |
| Series B4                       | 5/31/2017  | 5/31/2020            | 11/30/2020      | 0.01              | 0.01            | 537                                     | -              | (7)                        | 530             |

|           |           |           |            |       |       |              |              |              |              |
|-----------|-----------|-----------|------------|-------|-------|--------------|--------------|--------------|--------------|
| Series C4 | 5/31/2017 | 5/31/2020 | 11/30/2020 | 56.78 | 56.78 | <b>537</b>   | -            | <b>(7)</b>   | <b>530</b>   |
|           |           |           |            |       |       | <b>3,872</b> | <b>(294)</b> | <b>(335)</b> | <b>3,243</b> |

The movimentation of the quantity of exercised options, the weighted average of the exercise price, and the weighted average of the remaining term are presented at the chart bellow:

|   | Shares       | Weighted average of exercise price | Weighted average of remaining contractual term |
|---|--------------|------------------------------------|--|
|   | in thousands | R\$                                |  |
| <b>Total to be exercised at December 31, 2016</b> | 2,394        | 29.21                              | 1.84   |
| Cancelled during the year                         | <b>1,073</b> | <b>28.40</b>                       |  |
| Expired during the year                           | <b>(52)</b>  | <b>39.88</b>                       |  |
| Exercised during the year                         | <b>(172)</b> | <b>38.64</b>                       |  |
| <b>Total to be exercised at June 30, 2017</b>     | <b>3,243</b> | <b>28.37</b>                       | <b>1.91</b>                                    |

The weighted average of the provided options' fair value at June 30, 2017 were R\$43.40 (R\$43.06 at the December 31, 2016).

The recorded amounts at the Parent Company and Consolidated's statement of operations at the June 30, 2017 were R\$14 (R\$7 at June 30, 2016).

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**23. Shareholders' equity - Continued****23.3. Cumulative other comprehensive income**

Cumulative other comprehensive income refers to: (i) Cumulative Translation Reserve, corresponding to cumulative effect of exchange gains and losses on the translation of assets, liabilities and operations in Brazilian Real, corresponding to the investment of CBD in subsidiary Cdiscount. At June 30, 2017 there was effect of R\$8 on Parent Company and there was not for non-controlling (R\$88 in Parent Company and R\$146 for non-controlling on December 31, 2016).

**24. Net sales of goods and/or services**

|                                 | <b>Parent Company</b> |                  | <b>Consolidated</b> |                  |
|---------------------------------|-----------------------|------------------|---------------------|------------------|
|                                 | <b>6.30.2017</b>      | <b>6.30.2016</b> | <b>6.30.2017</b>    | <b>6.30.2016</b> |
| Gross sales:                    |                       |                  |                     |                  |
| Goods                           | <b>13,948</b>         | 12,903           | <b>23,146</b>       | 21,402           |
| Services rendered               | <b>172</b>            | 129              | <b>174</b>          | 146              |
| Sales returns and cancellations | <b>(250)</b>          | (222)            | <b>(267)</b>        | (266)            |
|                                 | <b>13,870</b>         | 12,810           | <b>23,053</b>       | 21,282           |
| Taxes                           | <b>(1,071)</b>        | (1,010)          | <b>(1,838)</b>      | (1,659)          |
| Net sales                       | <b>12,799</b>         | 11,800           | <b>21,215</b>       | 19,623           |

**25. Expenses by nature**

|  | <b>Parent Company</b> |                  | <b>Consolidated</b> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>6.30.2017</b>      | <b>6.30.2016</b> | <b>6.30.2017</b>    | <b>6.30.2016</b> |

|                                     |                 |          |                 |          |
|-------------------------------------|-----------------|----------|-----------------|----------|
| Cost of inventories                 | <b>(8,199)</b>  | (7,998)  | <b>(15,248)</b> | (14,368) |
| Personnel expenses                  | <b>(1,761)</b>  | (1,604)  | <b>(2,271)</b>  | (2,146)  |
| Outsourced services                 | <b>(255)</b>    | (188)    | <b>(305)</b>    | (278)    |
| Functional expenses                 | <b>(961)</b>    | (862)    | <b>(1,196)</b>  | (1,180)  |
| Commercial expenses                 | <b>(371)</b>    | (364)    | <b>(483)</b>    | (493)    |
| Other expenses                      | <b>(239)</b>    | (192)    | <b>(267)</b>    | (257)    |
|                                     | <b>(11,786)</b> | (11,208) | <b>(19,770)</b> | (18,722) |
| <br>                                |                 |          |                 |          |
| Cost of sales                       | <b>(8,846)</b>  | (8,564)  | <b>(15,982)</b> | (15,049) |
| Selling expenses                    | <b>(2,584)</b>  | (2,351)  | <b>(3,329)</b>  | (3,244)  |
| General and administrative expenses | <b>(356)</b>    | (293)    | <b>(459)</b>    | (429)    |
|                                     | <b>(11,786)</b> | (11,208) | <b>(19,770)</b> | (18,722) |

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**26. Other operating income (expenses), net**

|   | Parent Company |              | Consolidated |              |
|---|----------------|--------------|--------------|--------------|
|   | 6.30.2017      | 6.30.2016    | 6.30.2017    | 6.30.2016    |
| Taxes installments and risk                           | (180)          | (151)        | (155)        | (189)        |
| Restructuring   | (45)           | (35)         | (74)         | (37)         |
| Gain (loss) on the disposal of property and equipment | (37)           | (37)         | (44)         | (39)         |
| Others  | (2)            | (12)         | (1)          | (11)         |
| <b>Total</b>  | <b>(264)</b>   | <b>(235)</b> | <b>(274)</b> | <b>(276)</b> |

**27. Financial income (expenses), net**

|                                       | Parent Company |              | Consolidated |              |
|---------------------------------------|----------------|--------------|--------------|--------------|
|                                       | 6.30.2017      | 6.30.2016    | 6.30.2017    | 6.30.2016    |
| <b>Finance expenses:</b>              |                |              |              |              |
| Cost of debt                          | (294)          | (308)        | (311)        | (342)        |
| Cost of sales of receivables          | (52)           | (40)         | (73)         | (57)         |
| Monetary loss                         | (43)           | (62)         | (46)         | (79)         |
| Other finance expenses                | (33)           | (38)         | (38)         | (51)         |
| <b>Total financial expenses</b>       | <b>(422)</b>   | <b>(448)</b> | <b>(468)</b> | <b>(529)</b> |
| <b>Financial income:</b>              |                |              |              |              |
| Income from cash and cash equivalents | 25             | 24           | 27           | 41           |
| Monetary gain                         | 54             | 51           | 68           | 72           |
| Other financial income                | 7              | 3            | 3            | -            |
| <b>Total financial income</b>         | <b>86</b>      | <b>78</b>    | <b>98</b>    | <b>113</b>   |
| <b>Total</b>                          | <b>(336)</b>   | <b>(370)</b> | <b>(370)</b> | <b>(416)</b> |

The hedge effects in the period ended June 30, 2017 and June 30, 2016 are disclosed in note 17.





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**28. Earnings per share**

The information on earnings per share was presented in the annual financial statements for 2016, in note 30.

The table below presents the determination of net income (loss) available to holders of common and preferred shares and the weighted average number of common and preferred shares outstanding used to calculate basic and diluted earnings (loss) per share in each reporting period:

|  | <b>6.30.2017</b>        |                      |                     | <b>6.30.2016</b>        |                      |                     |
|--|-------------------------|----------------------|---------------------|-------------------------|----------------------|---------------------|
|  | <b><u>Preferred</u></b> | <b><u>Common</u></b> | <b><u>Total</u></b> | <b><u>Preferred</u></b> | <b><u>Common</u></b> | <b><u>Total</u></b> |
| <b>Basic numerator</b>   |                         |                      |                     |                         |                      |                     |
| Net income (loss) allocated to common and preferred shareholders - continued operations    | <b>166</b>              | <b>90</b>            | <b>256</b>          | (47)                    | (28)                 | (75)                |
| Net income (loss) allocated to common and preferred shareholders - discontinued operations | <b>22</b>               | <b>12</b>            | <b>34</b>           | (157)                   | (94)                 | (251)               |
| Net income (loss) allocated to common and preferred shareholders                           | <b>188</b>              | <b>102</b>           | <b>290</b>          | (204)                   | (122)                | (326)               |
| <b>Basic denominator (millions of shares)</b>  |                         |                      |                     |                         |                      |                     |
| Weighted average of shares   | <b>166</b>              | <b>100</b>           | <b>266</b>          | 166                     | 100                  | 266                 |
| Basic earnings per millions of shares (R\$) - continued operations                         | <b>0.99494</b>          | <b>0.90449</b>       |                     | (0.28450)               | (0.28450)            |                     |
| Basic earnings per millions of shares (R\$) - discontinued operations                      | <b>0.13386</b>          | <b>0.12169</b>       |                     | (0.94519)               | (0.94519)            |                     |
| Basic earnings per millions of shares (R\$) - total  | <b>1.12881</b>          | <b>1.02619</b>       |                     | (1.22968)               | (1.22968)            |                     |
| <b>Diluted numerator</b>   |                         |                      |                     |                         |                      |                     |
| Net income (loss) allocated to common and preferred shareholders - continued operations    | <b>166</b>              | <b>90</b>            | <b>256</b>          | (47)                    | (28)                 | (75)                |
|  | <b>22</b>               | <b>12</b>            | <b>34</b>           | (157)                   | (94)                 | (251)               |

Net income (loss) allocated to common  
and preferred shareholders -  
discontinued operations

|   |            |            |            |       |       |       |
|---|------------|------------|------------|-------|-------|-------|
| Net income (loss) allocated to common<br>and preferred shareholders | <b>188</b> | <b>102</b> | <b>290</b> | (204) | (122) | (326) |
|---|------------|------------|------------|-------|-------|-------|

**Diluted denominator**

|  |            |            |            |     |     |     |
|--|------------|------------|------------|-----|-----|-----|
| Weighted average of shares (in millions)         | <b>166</b> | <b>100</b> | <b>266</b> | 166 | 100 | 266 |
| Stock options                                    | <b>1</b>   | <b>-</b>   | <b>1</b>   | -   | -   | -   |
| Diluted weighted average of shares<br>(millions) | <b>167</b> | <b>100</b> | <b>267</b> | 166 | 100 | 266 |

|  |                |                |  |           |           |  |
|--|----------------|----------------|--|-----------|-----------|--|
| <b>Diluted earnings per millions of shares<br/>(R\$) – continued operations</b>    | <b>0.99050</b> | <b>0.90357</b> |  | (0.28450) | (0.28450) |  |
| <b>Diluted earnings per millions of shares<br/>(R\$) – discontinued operations</b> | <b>0.13291</b> | <b>0.12077</b> |  | (0.94519) | (0.94519) |  |
| <b>Diluted earnings per millions of shares<br/>(R\$) – total</b>                   | <b>1.12382</b> | <b>1.02527</b> |  | (1.22968) | (1.22968) |  |

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### 29. Segment information

The information about segments was presented in the annual financial statements of 2016, in note 33.

Management considers the following segments:

- Retail – includes the banners “Pão de Açúcar”, “Extra Hiper”, “Extra Supermercado”, “Minimercado Extra”, “Minuto Pão de Açúcar”, “Posto Extra”, “Drogaria Extra” and “GPA Malls & Properties”.
- Cash & Carry – includes the brand “ASSAÍ”.

Home appliances and e-commerce segments were reclassified to discontinued operations at June 30, 2017 and 2016 (see note 31).

Information about the Company’s segments is included in the table below:

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**29. Segment information – Continued**

| Description  | Retail (*)    |        | Cash & Carry |       | Assets held for sale and discontinued activities (**) |        | Subtotal      |        | Eliminations/ Others(***) |       | Total         |        |
|--|---------------|--------|--------------|-------|---|--------|---------------|--------|---------------------------|-------|---------------|--------|
|  | 2017          | 2016   | 2017         | 2016  | 2017  | 2016   | 2017          | 2016   | 2017                      | 2016  | 2017          | 2016   |
|  |               |        |              |       |   |        |               |        |                           |       |               |        |
| Net sales  | <b>12,903</b> | 15,141 | <b>8,312</b> | 4,482 | -   | -      | <b>21,215</b> | 19,623 | -                         | -     | <b>21,215</b> | 19,623 |
| Gross profit   | <b>3,977</b>  | 3,973  | <b>1,256</b> | 601   | -   | -      | <b>5,233</b>  | 4,574  | -                         | -     | <b>5,233</b>  | 4,574  |
| Depreciation and amortization                          | <b>(298)</b>  | (301)  | <b>(82)</b>  | (43)  | -   | -      | <b>(380)</b>  | (344)  | -                         | -     | <b>(380)</b>  | (344)  |
| Share of profit of subsidiaries and associates         | <b>33</b>     | 44     | -            | -     | -   | -      | <b>33</b>     | 44     | <b>(56)</b>               | -     | <b>(23)</b>   | 44     |
| Operating income                                       | <b>530</b>    | 236    | <b>294</b>   | 89    | -   | -      | <b>824</b>    | 325    | <b>(56)</b>               | -     | <b>768</b>    | 325    |
| Net financial expenses                                 | <b>(334)</b>  | (392)  | <b>(36)</b>  | (24)  | -   | -      | <b>(370)</b>  | (416)  | -                         | -     | <b>(370)</b>  | (416)  |
| Profit(loss) before income tax and social contribution | <b>196</b>    | (156)  | <b>258</b>   | 65    | -   | -      | <b>454</b>    | (91)   | <b>(56)</b>               | -     | <b>398</b>    | (91)   |
| Income tax and social contribution                     | <b>(56)</b>   | 38     | <b>(86)</b>  | (22)  | -   | -      | <b>(142)</b>  | 16     | -                         | -     | <b>(142)</b>  | 16     |
| Profit (loss) for continued activities                 | <b>140</b>    | (118)  | <b>172</b>   | 43    | -   | -      | <b>312</b>    | (75)   | <b>(56)</b>               | -     | <b>256</b>    | (75)   |
| Profit (loss) for discontinued activities              | <b>(24)</b>   | (28)   | -            | -     | <b>152</b>  | (636)  | <b>128</b>    | (664)  | -                         | -     | <b>128</b>    | (664)  |
| Profit (loss) of year end                              | <b>116</b>    | (146)  | <b>172</b>   | 43    | <b>152</b>  | (636)  | <b>440</b>    | (739)  | <b>(56)</b>               | -     | <b>384</b>    | (739)  |
| Current assets   | <b>5,925</b>  | 8,938  | <b>2,259</b> | 2,417 | <b>18,995</b>   | 20,538 | <b>27,179</b> | 31,893 | <b>(211)</b>              | (242) | <b>26,968</b> | 31,651 |
| Noncurrent assets                                      | <b>11,209</b> | 10,955 | <b>2,867</b> | 2,620 | -   | -      | <b>14,076</b> | 13,575 | <b>(33)</b>               | (9)   | <b>14,043</b> | 13,566 |
| Current liabilities                                    | <b>5,582</b>  | 9,171  | <b>2,893</b> | 3,020 | <b>13,930</b>   | 15,642 | <b>22,405</b> | 27,833 | <b>(244)</b>              | (251) | <b>22,161</b> | 27,582 |
| Noncurrent liabilities                                 | <b>5,570</b>  | 4,747  | <b>280</b>   | 291   | -   | -      | <b>5,850</b>  | 5,038  | -                         | -     | <b>5,850</b>  | 5,038  |
| Shareholders' equity                                   | <b>5,982</b>  | 5,975  | <b>1,953</b> | 1,726 | <b>5,065</b>  | 4,896  | <b>13,000</b> | 12,597 | -                         | -     | <b>13,000</b> | 12,597 |

(\*) Retail includes GPA Malls & Properties.

(\*\*) See note 31.

(\*\*\*) The eliminations consist of intercompany balances. In the management's view, the net earnings eliminations are made inside of own segment, besides, the equity pickup of the Company in Luxco.

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### 29. Segment information – Continued

#### Company's 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 brands:

|                        | <b>6.30.2017</b> | <b>6.30.2016</b> |
|------------------------|------------------|------------------|
| Extra                  | <b>8,015</b>     | 8,098            |
| Assaí                  | <b>8,312</b>     | 6,495            |
| Pão de Açúcar          | <b>3,200</b>     | 3,294            |
| Proximidade            | <b>549</b>       | 563              |
| Other business         | <b>1,139</b>     | 1,173            |
| <b>Total net sales</b> | <b>21,215</b>    | 19,623           |

### 30. Non cash transactions

During the three-month period ended at June 30, 2017 and June 30, 2016 the Company had transactions that was not presented at the statement of cash flow, as presented below:

- Merger of subsidiaries and company reorganizations as per note 1.2 of the financial statements of 2016;
- Purchase of fixed assets not paid yet as note 14.2;
- Purchase of intangible assets not paid yet as per note 15.2;
- Deferred income tax as per note 19;
- Additions/reversals to provisions for risk as per note 20;
- Transactions with non-controlling interest as per note 25.4 of the financial statements of 2016 and as note 23.3 of this interim financial statement;
- Capital increase at Sendas with property and equipment as per note 13 of the financial statements of 2016.
- Recognize of taxes credits of ICMS, in accordance to note 11.1.



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### 31. Non current assets held for sale and discontinued activities

The detailed information about assets held for sale and discontinued operations were presented in the annual financial statements of 2016, in note 35.

#### 31.1. Ongoing transaction to dispose of Via Varejo subsidiary

The Board of Directors held on November 23, 2016 approved a process to disposed of the Company's interest in Via Varejo's capital stock, in line with its long-term strategy of focusing on the development of the food activity.

As per CPC 31 – Non-current assets held for sale and discontinued activities (IFRS 5), Company consider highly probable the sale of Via Varejo due to the efforts made. As a consequence, Via Varejo (and its subsidiary Cnova Brasil) net results, after tax, is disclosed in statement of operations as a single line, and assets and liabilities balances are disclosed as held for sale and discontinued activities. Statement of operations and statement of value added on December 31, 2016 also discloses the discontinued operations in single line, but for cash flows there were no effects as per IFRS5 being disclosed at this note the effect of discontinued operations. Noncurrent assets and liabilities held for sale on June 30, 2017 were R\$18,790 and R\$13,885, respectively. The net effects on discontinued operations were a profit of R\$128 as at June 30, 2017 (loss of R\$(664) as at June 30, 2016).

Via Varejo shares are listed on B3 under ticker symbol "VVAR11" and "VVAR3".

See below the summary of the consolidated statement of operations, balance sheet and cash flow statement of Via Varejo before the eliminations, including effects of the purchase price allocation of Globex and Casa Bahia acquisition.

#### Balance sheet (\*):

|                                | 6.30.2017    | 12.31.2016 |
|--------------------------------|--------------|------------|
| <b>Assets</b>                  |              |            |
| <b>Current</b>                 |              |            |
| Cash and cash equivalents      | 750          | 4,030      |
| Trade accounts receivable, net | 3,751        | 2,782      |
| Inventories                    | 3,782        | 3,054      |
| Other receivables              | 670          | 704        |
| Total current assets           | <b>8,953</b> | 10,570     |



**Noncurrent**

|   |               |        |
|---|---------------|--------|
| Trade accounts receivable, net                | <b>178</b>    | 204    |
| Other accounts receivable, net                | <b>3,129</b>  | 2,932  |
| Deferred income and social contribution taxes | <b>282</b>    | 289    |
| Related parties                               | <b>569</b>    | 681    |
| Investment Properties                         | <b>122</b>    | 144    |
| Property and equipment, net                   | <b>1,574</b>  | 1,550  |
| Intangible assets                             | <b>4,189</b>  | 4,170  |
| <b>Total noncurrent assets</b>                | <b>10,043</b> | 9,970  |
| <b>Total assets</b>                           | <b>18,996</b> | 20,540 |

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

June 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**31. Non current assets held for sale and discontinued activities – Continued**

31.1 Ongoing transaction to dispose of Via Varejo subsidiary – continued

**Balance sheet (\*):**

| <b>Liabilities</b>                                | <b>6.30.2017</b> | <b>12.31.2016</b> |
|---|------------------|-------------------|
| <b>Current</b>                                    |                  |                   |
| Trade accounts payable                            | 5,145            | 5,618             |
| Suppliers - structured program                    | 100              | 489               |
| Loans and financing                               | 3,199            | 3,532             |
| Related parties                                   | 149              | 189               |
| Other accounts payable                            | 1,701            | 2,231             |
| <b>Total current liabilities</b>                  | <b>10,294</b>    | <b>12,059</b>     |
| <b>Noncurrent</b>                                 |                  |                   |
| Loans and financing                               | 358              | 407               |
| Deferred income and social contribution taxes     | 845              | 849               |
| Other accounts payable                            | 2,432            | 2,329             |
| <b>Total noncurrent liabilities</b>               | <b>3,635</b>     | <b>3,585</b>      |
| Equity  | 5,067            | 4,896             |
| <b>Total liabilities and shareholders' equity</b> | <b>18,996</b>    | <b>20,540</b>     |

(\*) Before related parties eliminations with GPA in the amount R\$206 of assets and R\$44 of liabilities.

**Companhia Brasileira de Distribuição**

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June 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**31. Non current assets held for sale and discontinued activities – continued****31.1 Ongoing transaction to dispose of Via Varejo subsidiary – continued**

| <b>Combined statement of operations (*)</b>                      | <b>6.30.2017</b> | <b>6.30.2016</b> |
|--|------------------|------------------|
| Net sales from goods and services                                | <b>12,344</b>    | 11,273           |
| Cost of goods sold and services sold                             | <b>(8,477)</b>   | (8,024)          |
| <b>Gross profit</b>  | <b>3,867</b>     | 3,249            |
| Operating income (expenses)                                      |                  |                  |
| General and administrative                                       | <b>(3,196)</b>   | (2,964)          |
| Depreciation and amortization                                    | -                | (117)            |
| Equity pickup  | <b>14</b>        | 17               |
| Other operating income (expenses), net                           | <b>(189)</b>     | (257)            |
|  | <b>(3,371)</b>   | (3,321)          |
| <b>Profit (loss) before Net finance income result</b>            | <b>496</b>       | (72)             |
| Net financial result   | <b>(338)</b>     | (462)            |
| <b>Profit (loss) before income and social contribution taxes</b> | <b>158</b>       | (534)            |
| Income and social contribution taxes                             | <b>8</b>         | (21)             |
| <b>Net income (loss) for the year</b>                            | <b>166</b>       | (555)            |
| Attributed to:   |                  |                  |
| Controlling shareholders   | <b>72</b>        | (196)            |
| Non-controlling shareholders                                     | <b>94</b>        | (359)            |

(\*) Before eliminations of amounts of related parties with GPA.

| <b>Description</b>                   | <b>6.30.2017</b> | <b>6.30.2016</b> |
|--------------------------------------|------------------|------------------|
| Sales net income                     | <b>(16)</b>      | (10)             |
| Cost of goods sold                   | <b>(4)</b>       | (4)              |
| Selling costs                        | <b>1</b>         | 1                |
| Financial result                     | <b>1</b>         | 3                |
| Income and social contribution taxes | <b>4</b>         | 2                |
| <b>Total</b>                         | <b>(14)</b>      | (8)              |

Additionally a reclassification was made of incurred costs on Parent Company basically related to indemnity costs of contingences form prior periods to acquisition, paid to Via Varejo. According to IFRS 5, these costs

were reclassified to discontinued operations in the amount of R\$(24) as at June 30, 2017 and (R\$(28) as at June 30, 2016).

| <b>Statement of cash flows</b>                              | <b>6.30.2017</b> | <b>6.30.2016</b> |
|---|------------------|------------------|
| Cash flow used in operating activities                      | <b>(2,657)</b>   | (4,972)          |
| Cash flow provided by (used in) investing activities        | <b>(116)</b>     | (95)             |
| Cash flow from financing activities                         | <b>(507)</b>     | 91               |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>(3,280)</b>   | (4,976)          |

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

June 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**31. Non current assets held for sale and discontinued activities – continued****31.2 Effects in 2016**

Below the consolidated statement of operations of the Company on June 30, 2016, before and after considering subsidiaries that represent e-commerce and home appliance segments, disclosed as discontinued operations.

| Statement of operations                 | 6.30.2016 | Discontinued activities |                      |  | 6.30.2016 |
|---|-----------|-------------------------|----------------------|--|-----------|
|   |           | discount (*)            | Varejo and Cnova (*) | Discontinued activities Multivarejo (**) |           |
| Net sales from goods and services       | 34,458    | 3,572                   | 11,263               | -  | 19,623    |
| Cost of goods sold and services sold    | (26,301)  | (3,224)                 | (8,028)              | -  | (15,049)  |
| <b>Gross profit</b>                     | 8,157     | 348                     | 3,235                | -  | 4,574     |
| Operating income (expenses)             |           |                         |                      |  |           |
| Selling costs                           | (6,047)   | (245)                   | (2,558)              | -  | (3,244)   |
| General and administrative              | (947)     | (113)                   | (405)                | -  | (429)     |
| Depreciation and amortization           | (502)     | (41)                    | (117)                | -  | (344)     |
| Equity pickup                           | 61        | -                       | 17                   | -  | 44        |
| Other operating income (expenses), net  | (548)     | 14                      | (257)                | (29)                                     | (276)     |
|   | (7,983)   | (385)                   | (3,320)              | (29)                                     | (4,249)   |
| <b>Profit before Net finance result</b> | 174       | (37)                    | (85)                 | (29)                                     | 325       |
| Net financial results                   | (907)     | (26)                    | (458)                | (7)                                      | (416)     |
|   | (733)     | (63)                    | (543)                | (36)                                     | (91)      |

**Profit (loss)  
before income  
and social  
contribution taxes**

|                                      |     |      |      |   |    |
|--------------------------------------|-----|------|------|---|----|
| Income and social contribution taxes | (6) | (12) | (18) | 8 | 16 |
|--------------------------------------|-----|------|------|---|----|

**Net income (loss)  
for the year  
related to  
continued  
operations**

|  |       |      |       |      |      |
|--|-------|------|-------|------|------|
|  | (739) | (75) | (561) | (28) | (75) |
|--|-------|------|-------|------|------|

**Attributed to:**

|                          |       |      |       |      |      |
|--------------------------|-------|------|-------|------|------|
| Controlling shareholders | (326) | (20) | (203) | (28) | (75) |
|--------------------------|-------|------|-------|------|------|

|                              |       |      |       |   |   |
|------------------------------|-------|------|-------|---|---|
| Non-controlling shareholders | (413) | (55) | (358) | - | - |
|------------------------------|-------|------|-------|---|---|

(\*)After related parties elimination.

(\*\*)Expenses related directly to discontinued operations.

**Companhia Brasileira de Distribuição**

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**Other information deemed as relevant by the Company****Shareholding at 6/30/2017****SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE INDIVIDUAL LEVEL****COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO (Publicly-held company)****Shareholding at  
6/30/2017  
(In units)**

| Shareholder                      | Common Shares     |                | Preferred Shares   |                | Total              |             |
|----------------------------------|-------------------|----------------|--------------------|----------------|--------------------|-------------|
|                                  | Number            | %              | Number             | %              | Number             | %           |
| Wilkes Participações S/A         | 94,019,178        | 94.32%         | -                  | 0.00%          | 94,019,178         | 35.32%      |
| Jean-Charles Naouri              | -                 | 0.00%          | 1                  | 0.00%          | 1                  | 0.00%       |
| Geant International BV*          | -                 | 0.00%          | 9,423,742          | 5.66%          | 9,423,742          | 3.54%       |
| Segisor*                         | 5,600,050         | 5.62%          | -                  | 0.00%          | 5,600,050          | 2.10%       |
| Casino Guichard Perrachon*       | 1                 | 0.00%          | -                  | 0.00%          | 1                  | 0.00%       |
| Almacenes Éxito S.A.*            | 1                 | 0.00%          | -                  | 0.00%          | 1                  | 0.00%       |
| King LLC*                        | -                 | 0.00%          | 852,000            | 0.51%          | 852,000            | 0.32%       |
| Helicco Participações Ltda.      | -                 | 0.00%          | 581,600            | 0.35%          | 581,600            | 0.22%       |
| Carmignac Gestion*               | -                 | 0.00%          | 13,576,698         | 8.15%          | 13,576,698         | 5.10%       |
| Harding Loevner, LP*             | -                 | 0.00%          | 6,708,049          | 4.03%          | 6,708,049          | 2.52%       |
| Brandes Investment Partners, LP* | -                 | 0.00%          | 8,510,442          | 5.11%          | 8,510,442          | 3.20%       |
| Board of Executive Officers      | -                 | 0.00%          | 217,762            | 0.13%          | 217,762            | 0.08%       |
| Board of Directors               | -                 | 0.00%          | 262,469            | 0.16%          | 262,469            | 0.10%       |
| Treasury Shares                  | -                 | 0.00%          | 232,586            | 0.14%          | 232,586            | 0.09%       |
| Others                           | 60,621            | 0.06%          | 126,202,287        | 75.77%         | 126,262,908        | 47.41%      |
| <b>TOTAL</b>                     | <b>99,679,851</b> | <b>100.00%</b> | <b>166,567,636</b> | <b>100.00%</b> | <b>266,247,487</b> | <b>100%</b> |

(\*) Foreign Company

**CORPORATE'S CAPITAL STOCK DISTRIBUTION (COMPANY'S SHAREHOLDER). UP TO THE INDIVIDUAL LEVEL****WILKES PARTICIPAÇÕES S.A****Shareholding at  
6/30/2017 (In units)**

| Shareholder/Quotaholder    | Common Shares |       | Preferred Shares |       | Total  |       |
|----------------------------|---------------|-------|------------------|-------|--------|-------|
|                            | Number        | %     | Number           | %     | Number | %     |
| Casino Guichard Perrachon* | 1             | 0.00% | -                | 0.00% | 1      | 0.00% |

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|                         |                    |                |          |              |                    |             |
|-------------------------|--------------------|----------------|----------|--------------|--------------------|-------------|
| Segisor*                | 217,402,606        | 97.23%         | -        | 0.00%        | 217,402,606        | 97.23%      |
| Bengal LLc*             | 2,119,162          | 0.95%          | -        | 0.00%        | 2,119,162          | 0.95%       |
| Oregon LLc*             | 2,119,162          | 0.95%          | -        | 0.00%        | 2,119,162          | 0.95%       |
| Pincher LLc*            | 1,961,612          | 0.88%          | -        | 0.00%        | 1,961,612          | 0.88%       |
| Almanacenes Éxito S.A.* | 1                  | 0.00%          | -        | 0.00%        | 1                  | 0.00%       |
| Treasury Shares         | -                  | 0.00%          | -        | 0.00%        | -                  | 0.00%       |
| <b>TOTAL</b>            | <b>223,602,544</b> | <b>100.00%</b> | <b>-</b> | <b>0.00%</b> | <b>223,602,544</b> | <b>100%</b> |



**Companhia Brasileira de Distribuição**

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**Other information deemed as relevant by the Company****SHAREHOLDING OF CONTROLLING PARTIES OF  
THE COMPANY'S SHARES. UP TO THE  
INDIVIDUAL LEVEL**

| Quotaholder                       | SEGISOR              |             |                  |           | Shareholding at<br>6/30/2017 (In units) |             |
|-----------------------------------|----------------------|-------------|------------------|-----------|---|-------------|
|                                   | Quotas               | %           | Preferred Shares | %         | Number                                  | %           |
| Onper Investimentos 2015<br>S.L.* | 887,239,543          | 50.00%      | -                | 0.00%     | 887,239,543                             | 50.00%      |
| Casino Guichard<br>Perrachon*     | 887,239,543          | 50.00%      | -                | 0.00%     | 887,239,543                             | 50.00%      |
| <b>TOTAL</b>                      | <b>1,774,479,086</b> | <b>100%</b> | <b>-</b>         | <b>0%</b> | <b>1,774,479,086</b>                    | <b>100%</b> |

(\*) Foreign Company

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

| Shareholder                | ONPER INVESTIMENTOS 2015 S.L. |             |                  |           | Shareholding at<br>6/30/2017 (In units) |                |
|----------------------------|-------------------------------|-------------|------------------|-----------|---|----------------|
|                            | Common Shares                 | %           | Preferred Shares | %         | Number                                  | %              |
| Almanacenes Éxito<br>S.A.* | 3,000                         | 100.00%     | -                | 0,00%     | 3,000                                   | 100,00%        |
| <b>TOTAL</b>               | <b>3,000</b>                  | <b>100%</b> | <b>-</b>         | <b>0%</b> | <b>3,000</b>                            | <b>100,00%</b> |

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

| Shareholders*                                       | ALMANACENES ÉXITO S.A. |        |                  |        | Shareholding at<br>6/30/2017 (In units) |
|---|------------------------|--------|------------------|--------|---|
|   | Common Shares          | %      | Preferred Shares | %      |   |
| Geant International B.V.                            | 187,689,792            | 41.83% | -                | -0.00% | 187,689,792                             |
| Geant Fonciere B.V.                                 | 47,725,428             | 10.64% | -                | -0.00% | 47,725,428                              |
| Fondo de Pensiones Obligatorias Porvenir Moderado   | 22,047,343             | 4.91%  | -                | -0.00% | 22,047,343                              |
| Fondo de Pensiones Obligatorias Protección          | 18,145,251             | 4.04%  | -                | -0.00% | 18,145,251                              |
| Bergsaar B.V.                                       | 12,130,244             | 2.70%  | -                | -0.00% | 12,130,244                              |
| Jara Albarracín Manuel                              | 11,946,467             | 2.66%  | -                | -0.00% | 11,946,467                              |
| Alianza Fiduciaria S.A. Fideicomiso ADM Sonnenblume | 7,558,552              | 1.68%  | -                | -0.00% | 7,558,552                               |
| Moreno Barbosa Jaime                                | 7,416,776              | 1.65%  | -                | -0.00% | 7,416,776                               |
| Fondo de Pensiones Obligatorias Colfondos Moderado  | 6,572,492              | 1.46%  | -                | -0.00% | 6,572,492                               |

|   |                    |                |               |              |
|---|--------------------|----------------|---------------|--------------|
| Fondo Bursatil Ishares COLCAP                   | 6,567,565          | 1.46%          | -0.00%        | 6,5          |
| Fondo de Pensiones Obligatorias Skandia S.A.    | 3,665,527          | 0.82%          | -0.00%        | 3,6          |
| Inversiones Pinamar S.A.                        | 1,863,934          | 0.42%          | -0.00%        | 1,8          |
| Vanguard Emerging Markets Stock Index Fund      | 3,777,311          | 0.84%          | -0.00%        | 3,7          |
| NAT. Westminster Bank PLC Depo for 1st Ste Glob | 2,075,326          | 0.46%          | -0.00%        | 2,0          |
| TIAA-CREF Funds - Emerging Markets Equit        | 2,729,200          | 0.61%          | -0.00%        | 2,7          |
| Vanguard Total International Stock Index Fund   | 1,790,482          | 0.40%          | -0.00%        | 1,7          |
| Other Shareholders                              | 104,986,539        | 23.40%         | -0.00%        | 104,9        |
| <b>TOTAL</b>                                    | <b>448,688,229</b> | <b>100.00%</b> | <b>-0.00%</b> | <b>448,6</b> |

**Companhia Brasileira de Distribuição**

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(In millions of Brazilian reais, unless otherwise stated)

**Other information deemed as relevant by the Company**

| Shareholder                 | CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND<br>MANAGEMENT AND OUTSTANDING SHARES |                |                    |                | Shareholding at<br>6/30/2017<br>(In units) |                |
|-----------------------------|---|----------------|--------------------|----------------|--|----------------|
|                             | Shareholding at 6/30/2017   |                | Preferred Shares   |                | Number                                     | %              |
|                             | Common Shares<br>Number   | %              | Number             | %              |  |                |
| <b>Controlling parties</b>  | 99,619,230  | 99.94%         | 10,857,343         | 6.52%          | 110,476,573                                | 41.49%         |
| <b>Management</b>           |   |                |                    |                |  |                |
| Board of Directors          | -   | 0.00%          | 217,762            | 0.13%          | 217,762                                    | 0.08%          |
| Board of Executive Officers | -   | 0.00%          | 262,469            | 0.16%          | 262,469                                    | 0.10%          |
| <b>Treasury Shares</b>      | -   | 0.00%          | 232,586            | 0.14%          | 232,586                                    | 0.09%          |
| <b>Other Shareholders</b>   | 60,621  | 0.06%          | 154,997,476        | 93.05%         | 155,,058,097                               | 58.24%         |
| <b>Total</b>                | <b>99,679,851</b>   | <b>100.00%</b> | <b>166,567,636</b> | <b>100.00%</b> | <b>266,247,487</b>                         | <b>100.00%</b> |
| <b>Outstanding Shares</b>   | <b>60,621</b>   | <b>0.06%</b>   | <b>155,477,707</b> | <b>93.34%</b>  | <b>155,538,328</b>                         | <b>58.42%</b>  |

| Shareholder                 | CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND<br>MANAGEMENT AND OUTSTANDING SHARES |                |                    |                | Shareholding at<br>6/30/2016<br>(In units) |                |
|-----------------------------|---|----------------|--------------------|----------------|--|----------------|
|                             | Shareholding at 6/30/2016   |                | Preferred Shares   |                | Number                                     | %              |
|                             | Common Shares<br>Number   | %              | Number             | %              |  |                |
| <b>Controlling parties</b>  | 99,619,230  | 99.94%         | 10,857,343         | 6.54%          | 110,476,573                                | 41.58%         |
| <b>Management</b>           |   |                |                    |                |  |                |
| Board of Directors          | -   | 0.00%          | 2                  | 0.00%          | 2  | 0.00%          |
| Board of Executive Officers | -   | 0.00%          | 26,701             | 0.02%          | 26,701                                     | 0.01%          |
| <b>Treasury Shares</b>      | -   | 0.00%          | 232,586            | 0.14%          | 232,586                                    | 0.09%          |
| <b>Other Shareholders</b>   | 60,621  | 0.06%          | 154,927,709        | 93.31%         | 154,988,330                                | 58.33%         |
| <b>Total</b>                | <b>99,679,851</b>   | <b>100.00%</b> | <b>166,044,341</b> | <b>100.00%</b> | <b>265,724,192</b>                         | <b>100.00%</b> |

|                           |               |              |                    |               |                    |               |
|---------------------------|---------------|--------------|--------------------|---------------|--------------------|---------------|
| <b>Outstanding Shares</b> | <b>60,621</b> | <b>0.06%</b> | <b>154,927,709</b> | <b>93.31%</b> | <b>154,988,330</b> | <b>58.33%</b> |
|---------------------------|---------------|--------------|--------------------|---------------|--------------------|---------------|

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**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 26, 2017

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.

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