

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

November 02, 2016

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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 October, 2016

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

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

Brazil

(Address of Principal Executive Offices)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No

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

*Companhia Brasileira  
de Distribuição*

*Individual and Consolidated  
Interim Financial Information for the  
Quarter Ended September 30, 2016 and  
Report on Review of Interim Financial Information*

*Deloitte Touche Tohmatsu Auditores Independentes*

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Officers of

Companhia Brasileira de Distribuição

São Paulo - SP

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Brasileira de Distribuição (the “Company”), included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2016, which comprises the balance sheet as of September 30, 2016 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

**Scope of review**

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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 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 ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the CVM.

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## **Other matters**

### *Statements of value added*

We have also reviewed the individual and consolidated interim statements of value added (“DVA”) for the nine-month period ended September 30, 2016, prepared under Management’s responsibility, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information under International Financial Reporting Standards - IFRSs, which do not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, consistently with the interim financial statements taken as a whole.

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

São Paulo, October 27, 2016

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Eduardo Franco Tenório  
Engagement Partner

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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

| <b>Number of Shares</b> | <b>Current Quarter</b> |
|-------------------------|------------------------|
| <b>(thousand)</b>       | <b>9/30/2016</b>       |
| <b>Share Capital</b>    |                        |
| Common                  | 99,680                 |
| Preferred               | 166,087                |
| Total                   | 265,767                |
| <b>Treasury Shares</b>  |                        |
| Common                  | -                      |
| Preferred               | 233                    |
| Total                   | 233                    |

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ITR – Interim Financial Information – September 30, 2016 – 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 Quarter<br/>9.30.2016</b> | <b>Previous Year<br/>12.31.2015</b> |
|---------------|--|--------------------------------------|-------------------------------------|
| 1             | Total Assets                               | 21,215,000                           | 21,399,000                          |
| 1.01          | Current Assets                             | 5,726,000                            | 6,176,000                           |
| 1.01.01       | Cash and Cash Equivalents                  | 1,416,000                            | 2,247,000                           |
| 1.01.03       | Accounts Receivable                        | 626,000                              | 520,000                             |
| 1.01.03.01    | Trade Receivables                          | 519,000                              | 387,000                             |
| 1.01.03.02    | Other Receivables                          | 107,000                              | 133,000                             |
| 1.01.04       | Inventories                                | 3,038,000                            | 2,828,000                           |
| 1.01.06       | Recoverable Taxes                          | 493,000                              | 357,000                             |
| 1.01.07       | Prepaid Expenses                           | 113,000                              | 74,000                              |
| 1.01.08       | Other Current Assets                       | 40,000                               | 150,000                             |
| 1.02          | Noncurrent Assets                          | 15,489,000                           | 15,223,000                          |
| 1.02.01       | Long-term Assets                           | 1,664,000                            | 2,205,000                           |
| 1.02.01.03    | Accounts Receivable                        | 70,000                               | 67,000                              |
| 1.02.01.03.02 | Other Receivables                          | 70,000                               | 67,000                              |
| 1.02.01.06    | Deferred Taxes                             | 138,000                              | 50,000                              |
| 1.02.01.07    | Prepaid Expenses                           | 15,000                               | 19,000                              |
| 1.02.01.08    | Receivables from Related Parties           | 399,000                              | 1,076,000                           |
| 1.02.01.09    | Other Noncurrent Assets                    | 1,042,000                            | 993,000                             |
| 1.02.01.09.04 | Recoverable Taxes                          | 493,000                              | 534,000                             |
| 1.02.01.09.05 | Restricted Deposits for Legal Proceedings  | 549,000                              | 459,000                             |
| 1.02.02       | Investments                                | 5,292,000                            | 5,173,000                           |
| 1.02.02.01    | Investments in Associates and Subsidiaries | 5,267,000                            | 5,149,000                           |
| 1.02.02.01.02 | Investments in Subsidiaries                | 5,267,000                            | 5,149,000                           |
| 1.02.02.02    | Investment properties                      | 25,000                               | 24,000                              |
| 1.02.03       | Property and Equipment, Net                | 7,148,000                            | 6,525,000                           |
| 1.02.04       | Intangible Assets                          | 1,385,000                            | 1,320,000                           |





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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| Code          | Description                                | Current Quarter | Previous Year |
|---------------|--|-----------------|---------------|
|               |  | 9.30.2016       | 12.31.2015    |
| 2             | Total Liabilities                          | 21,215,000      | 21,399,000    |
| 2.01          | Current Liabilities                        | 7,548,000       | 6,375,000     |
| 2.01.01       | Payroll and Related Taxes                  | 494,000         | 390,000       |
| 2.01.02       | Trade Payables                             | 3,073,000       | 4,103,000     |
| 2.01.03       | Taxes and Contributions Payable            | 137,000         | 135,000       |
| 2.01.04       | Borrowings and Financing                   | 2,984,000       | 828,000       |
| 2.01.05       | Other Liabilities                          | 852,000         | 915,000       |
| 2.01.05.01    | Payables to Related Parties                | 491,000         | 268,000       |
| 2.01.05.02    | Other                                      | 361,000         | 647,000       |
| 2.01.05.02.04 | Utilities                                  | 10,000          | 3,000         |
| 2.01.05.02.05 | Rent Payable                               | 75,000          | 83,000        |
| 2.01.05.02.06 | Advertisement Payable                      | 40,000          | 45,000        |
| 2.01.05.02.07 | Pass-through to Third Parties              | 10,000          | 43,000        |
| 2.01.05.02.08 | Financing Related to Acquisition of Assets | 46,000          | 100,000       |
| 2.01.05.02.09 | Deferred Revenue                           | 27,000          | 28,000        |
| 2.01.05.02.11 | Other Payables                             | 126,000         | 318,000       |
| 2.01.05.02.12 | Loyalty Programs                           | 27,000          | 27,000        |
| 2.01.06       | Provisions                                 | 2,000           | 4,000         |
| 2.01.07       | Noncurrent Liabilities Held for Sales      | 6,000           | -             |
| 2.02          | Noncurrent Liabilities                     | 3,648,000       | 4,670,000     |
| 2.02.01       | Borrowings and Financing                   | 1,881,000       | 3,277,000     |
| 2.02.02       | Other Liabilities                          | 1,025,000       | 871,000       |
| 2.02.02.02    | Other                                      | 1,025,000       | 871,000       |
| 2.02.02.02.03 | Taxes Payable in Installments              | 545,000         | 572,000       |
| 2.02.02.02.05 | Financing Related to Acquisition of Assets | 4,000           | 4,000         |
| 2.02.02.02.07 | Other Accounts Payable                     | 31,000          | 19,000        |
| 2.02.02.02.08 | Provision for Negative Equity              | 445,000         | 276,000       |
| 2.02.04       | Provision for risks                        | 715,000         | 490,000       |
| 2.02.06       | Deferred Revenue                           | 27,000          | 32,000        |

|            |   |            |            |
|------------|---|------------|------------|
| 2.03       | Shareholders' Equity                        | 10,019,000 | 10,354,000 |
| 2.03.01    | Share Capital                               | 6,808,000  | 6,806,000  |
| 2.03.02    | Capital Reserves                            | 321,000    | 302,000    |
| 2.03.02.04 | Options Granted                             | 314,000    | 295,000    |
| 2.03.02.07 | Capital Reserve                             | 7,000      | 7,000      |
| 2.03.04    | Earnings Reserve                            | 3,342,000  | 3,333,000  |
| 2.03.04.01 | Legal Reserve                               | 426,000    | 426,000    |
| 2.03.04.05 | Earnings Retention Reserve                  | 274,000    | 400,000    |
| 2.03.04.10 | Expansion Reserve                           | 2,743,000  | 2,624,000  |
| 2.03.04.12 | Transactions with non-controlling interests | 49,000     | 33,000     |
| 2.03.04.14 | Settlement of Equity Instrument             | (150,000)  | (150,000)  |
| 2.03.05    | Retained Earnings/ Accumulated Losses       | (446,000)  | -          |
| 2.03.08    | Other Comprehensive Income                  | (6,000)    | (87,000)   |

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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Profit or Loss**

R\$ (in thousands)

| Code       | Description   | Year To<br>Date<br>Current<br>Period<br>7/1/2016 to<br>9/30/2016 | Year To<br>Date<br>Current<br>Period<br>1/01/2016 to<br>9/30/2016 | Year To<br>Date<br>Previous<br>Period<br>7/01/2015<br>to<br>9/30/2015 | Year To<br>Date<br>Previous<br>Period<br>1/01/2015<br>to<br>9/30/2015 |
|------------|---|--|---|---|---|
| 3.01       | Net Sales of Goods and/or Services                      | 6,303,000  | 18,103,000  | 5,313,000   | 16,298,000  |
| 3.02       | Cost of Goods Sold and/or Services Sold                 | (4,611,000)  | (13,175,000)  | (3,882,000)   | (11,909,000)  |
| 3.03       | Gross Profit  | 1,692,000  | 4,928,000   | 1,431,000   | 4,389,000   |
| 3.04       | Operating Income/Expenses                               | (1,624,000)  | (4,885,000)   | (1,248,000)   | (3,567,000)   |
| 3.04.01    | Selling Expenses  | (1,228,000)  | (3,579,000)   | (943,000)   | (2,886,000)   |
| 3.04.02    | General and Administrative Expenses                     | (173,000)  | (466,000)   | (121,000)   | (355,000)   |
| 3.04.05    | Other Operating Expenses                                | (185,000)  | (712,000)   | (187,000)   | (517,000)   |
| 3.04.05.01 | Depreciation/Amortization                               | (144,000)  | (406,000)   | (121,000)   | (357,000)   |
| 3.04.05.02 | Other Operating Expenses                                | (41,000)   | (306,000)   | (66,000)  | (160,000)   |
| 3.04.06    | Share of Profit of Subsidiaries and Associates          | (38,000)   | (128,000)   | 3,000   | 191,000   |
| 3.05       | Profit before Financial Income (Expenses) and Taxes     | 68,000   | 43,000  | 183,000   | 822,000   |
| 3.06       | Financial Income (Expenses)                             | (208,000)  | (585,000)   | (195,000)   | (547,000)   |
| 3.07       | Profit (loss) Before Income Tax and Social Contribution | (140,000)  | (542,000)   | (12,000)  | 275,000   |
| 3.08       | Income Tax and Social Contribution                      | 20,000   | 96,000  | 2,000   | (27,000)  |
| 3.08.01    | Current   | 2,000  | 9,000   | 3,000   | 2,000   |
| 3.08.02    | Deferred  | 18,000   | 87,000  | (1,000)   | (29,000)  |
| 3.09       | Net Income (loss) from Continued Operations             | (120,000)  | (446,000)   | (10,000)  | 248,000   |
| 3.11       | Net Income (loss) for the Period                        | (120,000)  | (446,000)   | (10,000)  | 248,000   |
| 3.99       | Earnings per Share - (Reais/Share)                      | -  | -   | -   | -   |
| 3.99.01    | Basic Earnings per Share                                | -  | -   | -   | -   |
| 3.99.01.01 | Common  | (0.45186)  | (1.67917)   | (0.03875)   | 0.88000   |
| 3.99.01.02 | Preferred   | (0.45186)  | (1.67917)   | (0.03875)   | 0.96800   |

|                                    |           |           |           |       |
|------------------------------------|-----------|-----------|-----------|-------|
| 3.99.02 Diluted Earnings per Share | -         | -         | -         |       |
| 3.99.02.01 Common                  | (0.45186) | (1.67917) | (0.03875) | 0.880 |
| 3.99.02.02 Preferred               | (0.45186) | (1.67917) | (0.03875) | 0.965 |

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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição**

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

R\$ (in thousands)

| Code    | Description  | Year To   | Year To   | Year To   | Year To   |
|---------|--|-----------|-----------|-----------|-----------|
|         |  | Date      | Date      | Date      | Date      |
|         |  | Current   | Current   | Previous  | Previous  |
|         |  | Period    | Period    | Period    | Period    |
|         |  | 7/1/2016  | 1/01/2016 | 7/01/2015 | 1/01/2015 |
|         |  | to        | to        | to        | to        |
|         |  | 9/30/2016 | 9/30/2016 | 9/30/2015 | 9/30/2015 |
| 4.01    | Net income (loss) for the Period                   | (120,000) | (446,000) | (10,000)  | 248,000   |
| 4.02    | Other Comprehensive Income                         | 9,000     | 81,000    | (83,000)  | (95,000)  |
| 4.02.01 | Defined benefit contribution plan                  | -         | -         | -         | (1,000)   |
| 4.02.02 | Accumulative Translation Adjustment for the Period | 9,000     | 81,000    | (82,000)  | (93,000)  |
| 4.02.03 | Adjustments to financial instruments               | -         | -         | (1,000)   | (1,000)   |
| 4.03    | Total Comprehensive Income for the Period          | (111,000) | (365,000) | (93,000)  | 153,000   |

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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| Code       | Description   | Year To      | Year To      |
|------------|---|--------------|--------------|
|            |   | Date         | Date         |
|            |   | Current      | Previous     |
|            |   | Period       | Period       |
|            |   | 1/01/2016 to | 1/01/2015 to |
|            |   | 9/30/2016    | 9/30/2015    |
| 6.01       | Net Cash Provided by Operating Activities                       | (813,000)    | 776,000      |
| 6.01.01    | Cash Provided by the Operations                                 | 940,000      | 1,077,000    |
| 6.01.01.01 | Net Income for the Period                                       | (446,000)    | 248,000      |
| 6.01.01.02 | Deferred Income and Social Contribution Taxes (note 20)         | (87,000)     | 29,000       |
| 6.01.01.03 | Gain (Losses) on Disposal of Fixed Assets and Intangibles       | 45,000       | 22,000       |
| 6.01.01.04 | Depreciation/Amortization                                       | 437,000      | 389,000      |
| 6.01.01.05 | Interest and Inflation Adjustments                              | 520,000      | 533,000      |
| 6.01.01.06 | Adjustment to Present Value                                     | -            | 2,000        |
| 6.01.01.07 | Share of Profit (Loss) of Subsidiaries and Associates (note 13) | 128,000      | (191,000)    |
| 6.01.01.08 | Provision for Risks (note 22)                                   | 191,000      | (14,000)     |
| 6.01.01.10 | Share-based Payment   | 19,000       | 18,000       |
| 6.01.01.13 | Provision for Obsolescence/Breakage (note 10)                   | 23,000       | (1,000)      |
| 6.01.01.14 | Other Operating Expenses  | 119,000      | 65,000       |
| 6.01.01.15 | Deferred Revenue (note 24)                                      | (9,000)      | (23,000)     |
| 6.01.02    | Changes in Assets and Liabilities                               | (1,753,000)  | (301,000)    |
| 6.01.02.01 | Accounts Receivable   | 20,000       | 112,000      |
| 6.01.02.02 | Recoverable Taxes   | (42,000)     | (156,000)    |
| 6.01.02.03 | Inventories   | 275,000      | 104,000      |
| 6.01.02.04 | Other Assets  | 217,000      | (76,000)     |
| 6.01.02.06 | Trade Payables  | (1,486,000)  | (846,000)    |
| 6.01.02.07 | Payroll and Related Taxes                                       | 69,000       | 24,000       |
| 6.01.02.08 | Related Parties   | (418,000)    | 79,000       |
| 6.01.02.09 | Restricted Deposits for Legal Proceeding                        | (74,000)     | (33,000)     |
| 6.01.02.10 | Taxes and Social Contributions Payable                          | (88,000)     | (109,000)    |
| 6.01.02.11 | Legal claims  | (21,000)     | (22,000)     |
| 6.01.02.12 | Deferred Revenue  | 32,000       | 605,000      |
| 6.01.02.13 | Other Payables  | (239,000)    | 26,000       |
| 6.01.02.14 | Received Dividends  | 2,000        | 21,000       |
| 6.01.02.15 | Income Tax and Social contribution                              | -            | (30,000)     |

|         |   |             |             |
|---------|---|-------------|-------------|
| 6.02    | Net Cash Provided by (Used in) Investing Activities           | (236,000)   | (597,000)   |
| 6.02.02 | Acquisition of Property and Equipment (note 14)               | (343,000)   | (536,000)   |
| 6.02.03 | Increase in Intangible Assets (note 15)                       | (60,000)    | (88,000)    |
| 6.02.04 | Sales of Property and Equipment (note 14)                     | 12,000      | 27,000      |
| 6.02.05 | Net Cash Acquisition of Companies and Corporate Restructuring | 155,000     | -           |
| 6.03    | Net Cash Provided by (Used in) Financing Activities           | 218,000     | (1,358,000) |
| 6.03.01 | Capital Increase  | 2,000       | 14,000      |
| 6.03.02 | Borrowings  | 1,398,000   | 740,000     |
| 6.03.03 | Payments (note 17)  | (1,179,000) | (1,837,000) |
| 6.03.05 | Payment of Dividends  | (3,000)     | (271,000)   |
| 6.03.06 | Transactions with Non-controlling Interest                    | -           | (4,000)     |
| 6.05    | Net Increase (Decrease) in Cash and Cash Equivalents          | (831,000)   | (1,179,000) |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period      | 2,247,000   | 2,923,000   |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period            | 1,416,000   | 1,744,000   |



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ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2016 to 9/30/2016**

R\$ (in thousands)

| Code       | Description                                 | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserve | Retained Earnings / Accumulated Losses | Other Comprehensive Income |
|------------|---|---------------|---|------------------|--|----------------------------|
| 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      | 2,000         | 19,000  | (4,000)          | -                                      | -                          |
| 5.04.01    | Capital Increases                           | 2,000         | -   | -                | -                                      | -                          |
| 5.04.03    | Options Granted                             | -             | 13,000  | -                | -                                      | -                          |
| 5.04.06    | Dividends                                   | -             | -   | (4,000)          | -                                      | -                          |
| 5.04.08    | Options Granted recognized in subsidiaries  | -             | 6,000   | -                | -                                      | -                          |
| 5.05       | Total Comprehensive Income                  | -             | -   | -                | (446,000)                              | 8,000                      |
| 5.05.01    | Net Income (loss) for the Period            | -             | -   | -                | (446,000)                              | 8,000                      |
| 5.05.02    | Other Comprehensive Income                  | -             | -   | -                | -                                      | 8,000                      |
| 5.05.02.04 | Cumulative Translation Adjustment           | -             | -   | -                | -                                      | 8,000                      |
| 5.06       | Internal Changes of Shareholders' Equity    | -             | -   | 13,000           | -                                      | -                          |
| 5.06.04    | Put Option CD Colombia                      | -             | -   | 11,000           | -                                      | -                          |
| 5.06.05    | Transactions with Non-controlling Interests | -             | -   | 2,000            | -                                      | -                          |
| 5.07       | Closing Balance                             | 6,808,000     | 321,000   | 3,342,000        | (446,000)                              | (6,000)                    |

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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Individual Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2015 to 9/30/2016**

R\$ (in thousands)

| Code       | Description                                 | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserve | Retained Earnings / Accumulated Losses | Other Comprehensive Income |
|------------|---|---------------|---|------------------|--|----------------------------|
| 5.01       | Opening Balance                             | 6,792,000     | 282,000   | 3,402,000        | -                                      | -                          |
| 5.03       | Adjusted Opening Balance                    | 6,792,000     | 282,000   | 3,402,000        | -                                      | -                          |
| 5.04       | Capital Transactions with Shareholders      | 14,000        | 18,000  | -                | (77,000)                               | -                          |
| 5.04.01    | Capital Increases                           | 14,000        | -   | -                | -                                      | -                          |
| 5.04.03    | Options Granted                             | -             | 11,000  | -                | -                                      | -                          |
| 5.04.06    | Dividends                                   | -             | -   | -                | (77,000)                               | -                          |
| 5.04.08    | Options Granted recognized in subsidiaries  | -             | 7,000   | -                | -                                      | -                          |
| 5.05       | Total Comprehensive Income                  | -             | -   | -                | 248,000                                | (95,000)                   |
| 5.05.01    | Net Income (loss) for the Period            | -             | -   | -                | 248,000                                | -                          |
| 5.05.02    | Other Comprehensive Income                  | -             | -   | -                | -                                      | (95,000)                   |
| 5.05.02.01 | Adjusts to Financial Instruments            | -             | -   | -                | -                                      | (1,000)                    |
| 5.05.02.04 | Cumulative Translation Adjustment           | -             | -   | -                | -                                      | (93,000)                   |
| 5.05.02.06 | Defined benefit plan                        | -             | -   | -                | -                                      | (1,000)                    |
| 5.06       | Internal Changes of Shareholders' Equity    | -             | -   | (217,000)        | -                                      | -                          |
| 5.06.04    | Settlement of Equity Instrument             | -             | -   | (212,000)        | -                                      | -                          |
| 5.06.05    | Transactions with Non-controlling Interests | -             | -   | (5,000)          | -                                      | -                          |
| 5.07       | Closing Balance                             | 6,806,000     | 300,000   | 3,185,000        | 171,000                                | (94,000)                   |

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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| Code       | Description  | Year To Date                                   | Year To Date                                    |
|------------|--|--|---|
|            |  | Current<br>Period<br>1/01/2016 to<br>9/30/2016 | Previous<br>Period<br>1/01/2015 to<br>9/30/2015 |
| 7.01       | Revenues   | 19,664,000                                     | 17,640,000                                      |
| 7.01.01    | Sales of Goods, Products and Services                    | 19,647,000                                     | 17,640,000                                      |
| 7.01.02    | Other Revenues   | 17,000   | -   |
| 7.02       | Products Acquired from Third Parties                     | (15,467,000)                                   | (13,693,000)                                    |
| 7.02.01    | Costs of Products, Goods and Services Sold               | (13,186,000)                                   | (12,101,000)                                    |
| 7.02.02    | Materials, Energy, Outsourced Services and Other         | (2,281,000)                                    | (1,592,000)                                     |
| 7.03       | Gross Value Added  | 4,197,000                                      | 3,947,000                                       |
| 7.04       | Retention  | (437,000)                                      | (389,000)                                       |
| 7.04.01    | Depreciation and Amortization                            | (437,000)                                      | (389,000)                                       |
| 7.05       | Net Value Added Produced                                 | 3,760,000                                      | 3,558,000                                       |
| 7.06       | Value Added Received in Transfer                         | 2,000  | 379,000   |
| 7.06.01    | Share of Profit of Subsidiaries and Associates           | (128,000)                                      | 191,000   |
| 7.06.02    | Financial Revenue  | 130,000  | 188,000   |
| 7.07       | Total Value Added to Distribute                          | 3,762,000                                      | 3,937,000                                       |
| 7.08       | Distribution of Value Added                              | 3,762,000                                      | 3,937,000                                       |
| 7.08.01    | Personnel  | 2,136,000                                      | 1,928,000                                       |
| 7.08.01.01 | Direct Compensation                                      | 1,392,000                                      | 1,294,000                                       |
| 7.08.01.02 | Benefits   | 472,000  | 426,000   |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 129,000  | 125,000   |
| 7.08.01.04 | Other  | 143,000  | 83,000  |
| 7.08.02    | Taxes, Fees and Contributions                            | 892,000  | 653,000   |
| 7.08.02.01 | Federal  | 512,000  | 397,000   |
| 7.08.02.02 | State  | 264,000  | 153,000   |
| 7.08.02.03 | Municipal  | 116,000  | 103,000   |
| 7.08.03    | Value Distributed to Providers of Capital                | 1,180,000                                      | 1,108,000                                       |
| 7.08.03.01 | Interest   | 709,000  | 733,000   |
| 7.08.03.02 | Rentals  | 471,000  | 375,000   |
| 7.08.04    | Value Distributed to Shareholders                        | (446,000)                                      | 248,000   |

|            |  |           |         |
|------------|--|-----------|---------|
| 7.08.04.02 | Dividends  | 3,000     | 77,000  |
| 7.08.04.03 | Retained Earnings/ Accumulated Losses for the Period | (449,000) | 171,000 |

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

ITR – Interim Financial Information – September 30, 2016 – 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 Quarter<br/>9.30.2016</b> | <b>Previous Year<br/>12.31.2015</b> |
|---------------|---|--------------------------------------|-------------------------------------|
| 1             | Total Assets                              | 41,956,000                           | 47,241,000                          |
| 1.01          | Current Assets                            | 19,918,000                           | 24,960,000                          |
| 1.01.01       | Cash and Cash Equivalents                 | 3,385,000                            | 11,015,000                          |
| 1.01.03       | Accounts Receivable                       | 4,149,000                            | 3,585,000                           |
| 1.01.03.01    | Trade Receivables                         | 3,907,000                            | 3,210,000                           |
| 1.01.03.02    | Other Receivables                         | 242,000                              | 375,000                             |
| 1.01.04       | Inventories                               | 7,864,000                            | 8,965,000                           |
| 1.01.06       | Recoverable Taxes                         | 1,563,000                            | 1,080,000                           |
| 1.01.07       | Prepaid Expenses                          | 244,000                              | 157,000                             |
| 1.01.08       | Other Current Assets                      | 2,713,000                            | 158,000                             |
| 1.01.08.01    | Noncurrent Assets Held for Sales          | 2,562,000                            | 15,000                              |
| 1.01.08.03    | Other                                     | 151,000                              | 143,000                             |
| 1.02          | Noncurrent Assets                         | 22,038,000                           | 22,281,000                          |
| 1.02.01       | Long-term Assets                          | 4,908,000                            | 4,954,000                           |
| 1.02.01.03    | Accounts Receivable                       | 776,000                              | 723,000                             |
| 1.02.01.03.01 | Trade Receivables                         | 147,000                              | 98,000                              |
| 1.02.01.03.02 | Other Receivables                         | 629,000                              | 625,000                             |
| 1.02.01.06    | Deferred Taxes                            | 296,000                              | 406,000                             |
| 1.02.01.07    | Prepaid Expenses                          | 47,000                               | 50,000                              |
| 1.02.01.08    | Receivables from Related Parties          | 345,000                              | 309,000                             |
| 1.02.01.09    | Other Noncurrent Assets                   | 3,444,000                            | 3,466,000                           |
| 1.02.01.09.04 | Recoverable Taxes                         | 2,247,000                            | 2,467,000                           |
| 1.02.01.09.05 | Restricted Deposits for Legal Proceedings | 1,197,000                            | 999,000                             |
| 1.02.02       | Investments                               | 488,000                              | 407,000                             |
| 1.02.02.01    | Investments in Associates                 | 463,000                              | 382,000                             |
| 1.02.02.02    | Investments Property                      | 25,000                               | 25,000                              |
| 1.02.03       | Property and Equipment, Net               | 10,603,000                           | 10,377,000                          |
| 1.02.04       | Intangible Assets                         | 6,039,000                            | 6,543,000                           |



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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| <b>Code</b>   | <b>Description</b>                                   | <b>Current<br/>Quarter<br/>9.30.2016</b> | <b>Previous Year<br/>12.31.2015</b> |
|---------------|--|--|-------------------------------------|
| 2             | Total Liabilities                                    | 41,956,000                               | 47,241,000                          |
| 2.01          | Current Liabilities                                  | 22,328,000                               | 25,273,000                          |
| 2.01.01       | Payroll and Related Taxes                            | 1,111,000                                | 1,023,000                           |
| 2.01.02       | Trade Payables                                       | 8,520,000                                | 15,508,000                          |
| 2.01.03       | Taxes and Contributions Payable                      | 696,000                                  | 830,000                             |
| 2.01.04       | Borrowings and Financing                             | 6,993,000                                | 3,814,000                           |
| 2.01.05       | Other Liabilities                                    | 1,879,000                                | 4,092,000                           |
| 2.01.05.01    | Payables to Related Parties                          | 171,000                                  | 563,000                             |
| 2.01.05.02    | Other  | 1,708,000                                | 3,529,000                           |
| 2.01.05.02.01 | Dividends and Interest on Capital Payable            | 3,000                                    | -                                   |
| 2.01.05.02.04 | Utilities  | 15,000                                   | 16,000                              |
| 2.01.05.02.05 | Rent Payable   | 126,000                                  | 151,000                             |
| 2.01.05.02.06 | Advertisement Payable                                | 66,000                                   | 121,000                             |
| 2.01.05.02.07 | Pass-through to Third Parties                        | 250,000                                  | 398,000                             |
| 2.01.05.02.08 | Financing Related to Acquisition of Assets           | 136,000                                  | 114,000                             |
| 2.01.05.02.09 | Deferred revenue                                     | 327,000                                  | 420,000                             |
| 2.01.05.02.11 | Accounts Payable Related to Acquisition of Companies | 7,000                                    | 76,000                              |
| 2.01.05.02.12 | Other Payables                                       | 410,000                                  | 1,148,000                           |
| 2.01.05.02.13 | Loalty Programs                                      | 27,000                                   | 30,000                              |
| 2.01.05.02.14 | Suppliers - structured program                       | 341,000                                  | 1,055,000                           |
| 2.01.06       | Provisions   | 5,000                                    | 6,000                               |
| 2.01.07       | Noncurrent Liabilities Held for Sales                | 3,124,000                                | -                                   |
| 2.02          | Noncurrent Liabilities                               | 6,992,000                                | 8,616,000                           |
| 2.02.01       | Borrowings and Financing                             | 2,376,000                                | 4,164,000                           |
| 2.02.02       | Other Liabilities                                    | 609,000                                  | 649,000                             |
| 2.02.02.02    | Other  | 609,000                                  | 649,000                             |
| 2.02.02.02.03 | Taxes Payable in Installments                        | 545,000                                  | 572,000                             |
| 2.02.02.02.04 | Payables Related to Acquisition of Companies         | -  | 28,000                              |
| 2.02.02.02.05 | Financing Related to Acquisition of Assets           | 4,000                                    | 4,000                               |
| 2.02.02.02.06 | Pension Plan   | -  | 11,000                              |
| 2.02.02.02.07 | Other Payables                                       | 60,000                                   | 34,000                              |
| 2.02.03       | Deferred Taxes                                       | 1,039,000                                | 1,184,000                           |

|            |   |            |            |
|------------|---|------------|------------|
| 2.02.04    | Provision for risks                         | 1,831,000  | 1,396,000  |
| 2.02.06    | Deferred revenue                            | 1,137,000  | 1,223,000  |
| 2.03       | Consolidated Shareholders' Equity           | 12,636,000 | 13,352,000 |
| 2.03.01    | Share Capital                               | 6,808,000  | 6,806,000  |
| 2.03.02    | Capital Reserves                            | 321,000    | 302,000    |
| 2.03.02.04 | Options Granted                             | 314,000    | 295,000    |
| 2.03.02.07 | Capital Reserve                             | 7,000      | 7,000      |
| 2.03.04    | Earnings Reserve                            | 3,342,000  | 3,333,000  |
| 2.03.04.01 | Legal Reserve                               | 426,000    | 426,000    |
| 2.03.04.05 | Earnings Retention Reserve                  | 274,000    | 400,000    |
| 2.03.04.10 | Expansion Reserve                           | 2,743,000  | 2,624,000  |
| 2.03.04.12 | Transactions with Non-Controlling interests | 49,000     | 33,000     |
| 2.03.04.14 | Settlement of Equity Instrument             | (150,000)  | (150,000)  |
| 2.03.05    | Retained Earnings/ Accumulated Losses       | (446,000)  | -          |
| 2.03.08    | Other Comprehensive Income                  | (6,000)    | (87,000)   |
| 2.03.09    | Non-controlling Interests                   | 2,617,000  | 2,998,000  |



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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Profit or Loss**

R\$ (in thousands)

| Code       | Description   | Year To      | Year To      | Year To      | Year    |
|------------|---|--------------|--------------|--------------|---------|
|            |   | Date         | Date         | Date         | Previ   |
|            |   | Current      | Current      | Previous     | Prev    |
|            |   | Period       | Period       | Period       | Pe      |
|            |   | 7/1/2016 to  | 1/01/2016 to | 7/01/2015 to | 1/01/20 |
|            |   | 9/30/2016    | 9/30/2016    | 9/30/2015    | 9/30/   |
| 3.01       | Net Sales from Goods and/or Services                    | 15,094,000   | 45,980,000   | 14,457,000   | 45,170  |
| 3.02       | Cost of Goods Sold and/or Services Sold                 | (11,306,000) | (34,382,000) | (10,852,000) | (33,788 |
| 3.03       | Gross Profit  | 3,788,000    | 11,598,000   | 3,605,000    | 11,382  |
| 3.04       | Operating Income/Expenses                               | (3,534,000)  | (11,146,000) | (3,380,000)  | (9,872  |
| 3.04.01    | Selling Expenses  | (2,833,000)  | (8,635,000)  | (2,594,000)  | (7,885  |
| 3.04.02    | General and Administrative Expenses                     | (382,000)    | (1,230,000)  | (379,000)    | (1,122  |
| 3.04.05    | Other Operating Expenses                                | (339,000)    | (1,362,000)  | (429,000)    | (949    |
| 3.04.05.01 | Depreciation/Amortization                               | (222,000)    | (683,000)    | (225,000)    | (662    |
| 3.04.05.02 | Other Operating Expenses                                | (117,000)    | (679,000)    | (204,000)    | (287    |
| 3.04.06    | Share of Profit of Subsidiaries and Associates          | 20,000       | 81,000       | 22,000       | 84      |
| 3.05       | Profit before Financial Income (Expenses) and Taxes     | 254,000      | 452,000      | 225,000      | 1,510   |
| 3.06       | Financial Income (Expenses), Net                        | (477,000)    | (1,331,000)  | (345,000)    | (1,063  |
| 3.07       | Profit (loss) Before Income Tax and Social Contribution | (223,000)    | (879,000)    | (120,000)    | 447     |
| 3.08       | Income tax and Social Contribution                      | 13,000       | 18,000       | 65,000       | (88     |
| 3.08.01    | Current   | (13,000)     | (74,000)     | (28,000)     | (84     |
| 3.08.02    | Deferred  | 26,000       | 92,000       | 93,000       | (4      |
| 3.09       | Net Income (loss) from Continuing Operations            | (210,000)    | (861,000)    | (55,000)     | 359     |
| 3.10       | Net Income (loss) from Discontinued Operations          | (99,000)     | (187,000)    | (74,000)     | (250    |
| 3.10.01    | Net Income (loss) from Discontinued Operations          | (99,000)     | (187,000)    | (74,000)     | (250    |
| 3.11       | Consolidated Net Income (loss) for the Period           | (309,000)    | (1,048,000)  | (129,000)    | 109     |
| 3.11.01    | Attributable to Owners of the Company                   | (120,000)    | (446,000)    | (9,000)      | 248     |
| 3.11.02    | Attributable to Non-controlling Interests               | (189,000)    | (602,000)    | (120,000)    | (139    |
| 3.99       | Earnings per Share - (Reais/Share)                      | -            | -            | -            | -       |
| 3.99.01    | Basic Earnings per Share                                | -            | -            | -            | -       |
| 3.99.01.01 | Common  | (0.45186)    | (1.67917)    | (0.03875)    | 0.8     |
| 3.99.01.02 | Preferred   | (0.45186)    | (1.67917)    | (0.03875)    | 0.9     |
| 3.99.02    | Diluted Earnings per Share                              | -            | -            | -            | -       |

|                      |           |           |           |     |
|----------------------|-----------|-----------|-----------|-----|
| 3.99.02.01 Common    | (0.45186) | (1.67917) | (0.03875) | 0.8 |
| 3.99.02.02 Preferred | (0.45186) | (1.67917) | (0.03875) | 0.9 |

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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| Code    | Description                               | Year To     | Year To      | Year To   | Year To   |
|---------|---|-------------|--------------|-----------|-----------|
|         |   | Date        | Date         | Date      | Date      |
|         |   | Current     | Current      | Previous  | Previous  |
|         |   | Period      | Period       | Period    | Period    |
|         |   | 7/1/2016 to | 1/01/2016 to | 7/01/2015 | 1/01/2015 |
|         |   | 9/30/2016   | 9/30/2016    | to        | to        |
|         |   |             |              | 9/30/2015 | 9/30/2015 |
| 4.01    | Net Income (loss) for the Period          | (309,000)   | (1,048,000)  | (129,000) | 109,000   |
| 4.02    | Other Comprehensive Income                | 21,000      | 281,000      | (224,000) | (250,000) |
| 4.02.01 | Defined Benefit Plan                      | -           | -            | -         | (2,000)   |
| 4.02.02 | Cumulative Translation adjustment         | 21,000      | 281,000      | (223,000) | (247,000) |
| 4.02.03 | Adjustments to financial instruments      | -           | -            | (1,000)   | (1,000)   |
| 4.03    | Total Comprehensive Income for the Period | (288,000)   | (767,000)    | (353,000) | (141,000) |
| 4.03.01 | Attributable to Controlling Interests     | (111,000)   | (365,000)    | (93,000)  | 153,000   |
| 4.03.02 | Attributable to Non-Controlling Interests | (177,000)   | (402,000)    | (260,000) | (294,000) |

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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| Code       | Description   | Year To                | Year To                |
|------------|---|------------------------|------------------------|
|            |   | Date                   | Date                   |
|            |   | Current                | Previous               |
|            |   | Period                 | Period                 |
|            |   | 1/01/2016 to 9/30/2016 | 1/01/2015 to 9/30/2015 |
| 6.01       | Net Cash Provided by Operating Activities                       | (7,081,000)            | (3,279,000)            |
| 6.01.01    | Cash from Operations  | 1,531,000              | 2,208,000              |
| 6.01.01.01 | Net Income (loss) for the Period                                | (1,048,000)            | 109,000                |
| 6.01.01.02 | Deferred Income Tax and Social Contribution (note 20)           | (92,000)               | 12,000                 |
| 6.01.01.03 | Gain (Losses) on Disposal of Fixed Assets and Intangibles       | 146,000                | 65,000                 |
| 6.01.01.04 | Depreciation/Amortization                                       | 826,000                | 818,000                |
| 6.01.01.05 | Interest and Inflation Adjustments                              | 996,000                | 832,000                |
| 6.01.01.06 | Adjustment to Present Value                                     | -                      | (4,000)                |
| 6.01.01.07 | Share of Profit (Loss) of Subsidiaries and Associates (note 13) | (81,000)               | (84,000)               |
| 6.01.01.08 | Provision for Risks (note 22)                                   | 638,000                | 151,000                |
| 6.01.01.10 | Share-based Payment   | 19,000                 | 22,000                 |
| 6.01.01.11 | Allowance for Doubtful Accounts (note 08)                       | 438,000                | 429,000                |
| 6.01.01.13 | Provision for Obsolescence/breakage (note 10)                   | 19,000                 | (5,000)                |
| 6.01.01.14 | Other Operating Expenses  | -                      | 2,000                  |
| 6.01.01.15 | Deferred revenue (note 24)                                      | (236,000)              | (139,000)              |
| 6.01.01.18 | Gain in disposal of subsidiaries                                | (94,000)               | -                      |
| 6.01.02    | Changes in Assets and Liabilities                               | (8,612,000)            | (5,487,000)            |
| 6.01.02.01 | Accounts Receivable   | (1,638,000)            | (835,000)              |
| 6.01.02.02 | Inventories   | 90,000                 | 184,000                |
| 6.01.02.03 | Recoverable Taxes   | (319,000)              | (537,000)              |
| 6.01.02.04 | Other Assets  | (36,000)               | (285,000)              |
| 6.01.02.05 | Related Parties   | 3,000                  | (157,000)              |
| 6.01.02.06 | Restricted Deposits for Legal Proceeding                        | (184,000)              | (117,000)              |
| 6.01.02.07 | Trade Payables  | (5,055,000)            | (3,199,000)            |
| 6.01.02.08 | Payroll and Related Taxes                                       | 152,000                | 47,000                 |
| 6.01.02.09 | Taxes and Social Contributions Payable                          | (51,000)               | (31,000)               |
| 6.01.02.10 | Legal Claims  | (271,000)              | (217,000)              |
| 6.01.02.11 | Other Payables  | (574,000)              | (190,000)              |
| 6.01.02.12 | Deferred revenue  | 95,000                 | 43,000                 |
| 6.01.02.13 | Income and Social contribution, paid                            | (110,000)              | (193,000)              |
| 6.01.02.14 | Suppliers - structured program                                  | (714,000)              | -                      |

|         |   |             |             |
|---------|---|-------------|-------------|
| 6.02    | Net Cash Provided by (Used in) Investing Activities           | (942,000)   | (1,376,000) |
| 6.02.02 | Acquisition of Property and Equipment                         | (850,000)   | (1,170,000) |
| 6.02.03 | Increase in Intangible Assets (note 15)                       | (221,000)   | (314,000)   |
| 6.02.04 | Sales of Property and Equipment (note 14)                     | 38,000      | 57,000      |
| 6.02.06 | Net Cash From Sale of Subsidiary                              | 91,000      | 51,000      |
| 6.03    | Net Cash Provided by Financing Activities                     | 1,030,000   | (1,253,000) |
| 6.03.01 | Capital Increase/Decrease                                     | 2,000       | 14,000      |
| 6.03.02 | Borrowings  | 5,422,000   | 4,624,000   |
| 6.03.03 | Payments (note 17)  | (4,987,000) | (6,603,000) |
| 6.03.05 | Payments of Dividends   | (4,000)     | (397,000)   |
| 6.03.07 | Acquisition of Subsidiary                                     | (80,000)    | (74,000)    |
| 6.03.08 | Transactions with non-controlling interests                   | -           | (4,000)     |
| 6.03.09 | Borrowings with Related Parties                               | 677,000     | 1,187,000   |
| 6.04    | Effects of Exchange Rate Changes on Cash and Cash Equivalents | 22,000      | 173,000     |
| 6.05    | Increase (Decrease) in Cash and Cash Equivalents              | (6,971,000) | (5,735,000) |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period      | 11,015,000  | 11,149,000  |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period            | 4,044,000   | 5,414,000   |

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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2016 to 9/30/2016**

R\$ (in thousands)

| Code       | Description                                 | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserves | Retained Earnings Accumulated Losses |
|------------|---|---------------|---|-------------------|--------------------------------------|
| 5.01       | Opening Balance                             | 6,806,000     | 302,000   | 3,333,000         |                                      |
| 5.03       | Adjusted Opening Balance                    | 6,806,000     | 302,000   | 3,333,000         |                                      |
| 5.04       | Capital Transactions with Shareholders      | 2,000         | 19,000  | (4,000)           |                                      |
| 5.04.01    | Capital Increases                           | 2,000         | -   | -                 |                                      |
| 5.04.03    | Options Granted                             | -             | 13,000  | -                 |                                      |
| 5.04.06    | Dividends                                   | -             | -   | (4,000)           |                                      |
| 5.04.08    | Options Granted Recognized in Subsidiaries  | -             | 6,000   | -                 |                                      |
| 5.05       | Total Comprehensive Income                  | -             | -   | -                 | (446,000)                            |
| 5.05.01    | Net Income (loss) for the Period            | -             | -   | -                 | (446,000)                            |
| 5.05.02    | Other Comprehensive Income                  | -             | -   | -                 |                                      |
| 5.05.02.04 | Cumulative Translation Adjustment           | -             | -   | -                 |                                      |
| 5.06       | Internal Changes in Shareholders' Equity    | -             | -   | 13,000            |                                      |
| 5.06.04    | Transactions With Non-controlling interests | -             | -   | 2,000             |                                      |
| 5.06.05    | Put Option CD Colombia                      | -             | -   | 11,000            |                                      |
| 5.07       | Closing Balance                             | 6,808,000     | 321,000   | 3,342,000         | (446,000)                            |

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

ITR – Interim Financial Information – September 30, 2016 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Companhia Brasileira de Distribuição****Consolidated Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2015 to 9/30/2016**

R\$ (in thousands)

| Code       | Description                                 | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserves | Retained Earnings/ Accumulated Losses | Other Comprehensive Income |
|------------|---|---------------|---|-------------------|---------------------------------------|----------------------------|
| 5.01       | Opening Balance                             | 6,792,000     | 282,000   | 3,402,000         | -                                     | -                          |
| 5.03       | Adjusted Opening Balance                    | 6,792,000     | 282,000   | 3,402,000         | -                                     | -                          |
| 5.04       | Capital Transactions with Shareholders      | 14,000        | 18,000  | -                 | (77,000)                              | -                          |
| 5.04.01    | Capital Increases                           | 14,000        | -   | -                 | -                                     | -                          |
| 5.04.03    | Options Granted                             | -             | 11,000  | -                 | -                                     | -                          |
| 5.04.06    | Dividends                                   | -             | -   | -                 | (77,000)                              | -                          |
| 5.04.08    | Options Granted Recognized in Subsidiaries  | -             | 7,000   | -                 | -                                     | -                          |
| 5.05       | Total Comprehensive Income                  | -             | -   | -                 | 248,000                               | (93,000)                   |
| 5.05.01    | Net Income (loss) for the Period            | -             | -   | -                 | 248,000                               | -                          |
| 5.05.02    | Other Comprehensive Income                  | -             | -   | -                 | -                                     | (93,000)                   |
| 5.05.02.01 | Adjusts to Financial Instruments            | -             | -   | -                 | -                                     | (-)                        |
| 5.05.02.04 | Cumulative Translation Adjustment           | -             | -   | -                 | -                                     | (93,000)                   |
| 5.05.02.06 | Defined Benefit Plan                        | -             | -   | -                 | -                                     | (-)                        |
| 5.06       | Internal Changes in Shareholders' Equity    | -             | -   | (217,000)         | -                                     | -                          |
| 5.06.04    | Settlement of Equity Instrument             | -             | -   | (212,000)         | -                                     | -                          |
| 5.06.05    | Transactions With Non-controlling interests | -             | -   | (5,000)           | -                                     | -                          |
| 5.07       | Closing Balance                             | 6,806,000     | 300,000   | 3,185,000         | 171,000                               | (93,000)                   |

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

| <b>Code</b>   | <b>Description</b>                                       | <b>Year To</b>      | <b>Year To</b>      |
|---------------|--|---------------------|---------------------|
|               |  | <b>Date</b>         | <b>Date</b>         |
|               |  | <b>Current</b>      | <b>Previous</b>     |
|               |  | <b>Period</b>       | <b>Period</b>       |
|               |  | <b>1/01/2016 to</b> | <b>1/01/2015 to</b> |
|               |  | <b>9/30/2016</b>    | <b>9/30/2015</b>    |
| 7.01          | Revenues   | 50,940,000          | 49,436,000          |
| 7.01.01       | Sales of Goods, Products and Services                    | 51,343,000          | 49,867,000          |
| 7.01.02       | Other Revenues   | 48,000              | (2,000)             |
| 7.01.04       | Allowance for/Reversal of Doubtful Accounts              | (451,000)           | (429,000)           |
| 7.02          | Products Acquired from Third Parties                     | (40,762,000)        | (38,738,000)        |
| 7.02.01       | Costs of Products, Goods and Services Sold               | (35,004,000)        | (34,030,000)        |
| 7.02.02       | Materials, Energy, Outsourced Services and Other         | (5,758,000)         | (4,708,000)         |
| 7.03          | Gross Value Added  | 10,178,000          | 10,698,000          |
| 7.04          | Retention  | (767,000)           | (760,000)           |
| 7.04.01       | Depreciation and Amortization                            | (767,000)           | (760,000)           |
| 7.05          | Net Value Added Produced                                 | 9,411,000           | 9,938,000           |
| 7.06          | Value Added Received in Transfer                         | 276,000             | 416,000             |
| 7.06.01       | Share of Profit of Subsidiaries and Associates           | 81,000              | 84,000              |
| 7.06.02       | Financial Income   | 382,000             | 582,000             |
| 7.06.03       | Others   | (187,000)           | (250,000)           |
| 7.06.03.01    | Net Income from Discontinued Operations                  | (187,000)           | (250,000)           |
| 7.07          | Total Value Added to Distribute                          | 9,687,000           | 10,354,000          |
| 7.08          | Distribution of Value Added                              | 9,687,000           | 10,354,000          |
| 7.08.01       | Personnel  | 4,778,000           | 4,927,000           |
| 7.08.01.01    | Direct Compensation                                      | 3,385,000           | 3,505,000           |
| 7.08.01.02    | Benefits   | 863,000             | 883,000             |
| 7.08.01.03    | Government Severance Indemnity Fund for Employees (FGTS) | 300,000             | 365,000             |
| 7.08.01.04    | Other  | 230,000             | 174,000             |
| 7.08.01.04.01 | Interest   | 230,000             | 174,000             |
| 7.08.02       | Taxes, Fees and Contributions                            | 3,063,000           | 2,481,000           |
| 7.08.02.01    | Federal  | 1,887,000           | 1,263,000           |
| 7.08.02.02    | State  | 975,000             | 1,023,000           |
| 7.08.02.03    | Municipal  | 201,000             | 195,000             |
| 7.08.03       | Value Distributed to Providers of Capital                | 2,894,000           | 2,837,000           |
| 7.08.03.01    | Interest   | 1,705,000           | 1,645,000           |
| 7.08.03.02    | Rentals  | 1,189,000           | 1,192,000           |
| 7.08.04       | Value Distributed to Shareholders                        | (1,048,000)         | 109,000             |
| 7.08.04.02    | Dividends  | 4,000               | 77,000              |
| 7.08.04.03    | Retained Earnings/ Accumulated Losses for the Period     | (450,000)           | 171,000             |



|            |  |           |           |
|------------|--|-----------|-----------|
| 7.08.04.04 | Noncontrolling Interest in Retained Earnings | (602,000) | (139,000) |
|------------|--|-----------|-----------|



### Third-quarter 2016 Results

São Paulo, Brazil, October 27, 2016 - GPA [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] announces its results for the third quarter of 2016 (3Q16). The comments refer to the consolidated results of the Group or of its business units. All comparisons are with the same period in 2015, except where stated otherwise.

**Consolidated net sales reached R\$15.1 billion, driven mainly by the following factors:**

- Assaí's total sales growth accelerates to 45.7%, with double-digit SSS growth
- Extra's sales volume and market share begin to recover, primarily in the Hyper format
- Via Varejo's sales growth outperforms the market average
- 40 stores opened in the last 12 months

**Consolidated adjusted EBITDA of R\$619 million, with margin of 4.1%, an improvement compared to 2Q16<sup>(a)</sup>:**

- Multivarejo's adjusted EBITDA margin expands 140 bps, driven by the 230 bps recovery in EBITDA margin at Extra stores vs. 2Q16<sup>(a)</sup>
- Assaí's existing and new store base posts a solid performance, supporting Adjusted EBITDA growth of 62.2%
- Via Varejo's adjusted EBITDA margin<sup>(a)</sup> expands 140 bps to 3.6%, reflecting its capacity to adapt to market conditions

**Solid cash position of R\$5.2 billion<sup>(b)</sup> in highly liquid resources, besides R\$1.3 billion in pre-approved/confirmed credit facilities. Reduction of net debt of brick-and-mortar stores compared to June 2016:**

- Improvement in Food segment of R\$130 million<sup>(b)</sup>, even with the organic expansion at Assaí
- Via Varejo continues to strengthen its solid financial position, with improvement of R\$180 million<sup>(b)(c)</sup>

### **Multivarejo:**

- Effectiveness of new commercial strategy confirmed by a stronger sales trend at Extra (Hyper and Super), with Extra Hiper's SSS growth accelerating 720 bps and its sales volume recovering 1210 bps vs. 1Q16, with market share volume gains in the Hyper format in the last 5 measurements (April to August);
- Adjusted EBITDA of R\$313 million with margin of 4.9%, up 140 bps from 2Q16<sup>(a)</sup>, led by the strong decrease in SG&A. The highlight was the 230 bps EBITDA margin recovery at Extra stores (Hyper and Super)
- Continued profitability at Pão de Açúcar and gradual improvement in the Proximity business

### **Assaí:**

- Strong growth of 45.7% in total sales: double-digit SSS growth, with solid double-digit growth in customer traffic and continued organic expansion
- Focus on expansion: 8 stores under construction, including 2 conversions of Extra Hiper to Assaí
- Adjusted EBITDA Margin of 4.4% (+40 bps vs. 3Q15), despite the opening of 12 stores in the last 12 months
- Net income growth of 75.6% to R\$65 million supported by the higher operational leverage

### **Via Varejo:**

- Consistent market share gains combined with growing profitability
- Adjusted EBITDA margin expansion of 30 bps, demonstrating the better trend compared to 2Q16<sup>(a)</sup>

### **Cnova Brasil:**

- Expansion in marketplace share of GMV to 21.2% (up 930 bps vs. 3Q15), with significant acceleration when compared to previous quarters;
- Focus on increasing traffic, capturing logistics efficiency gains and encouraging active clients to return.

(a) Excluding non-recurring tax credits. (b) Includes credit card receivables available for sale, (c) Excludes CDCI.

| (R\$ million) <sup>(2)</sup>   |              |              |                 |              |              |                 | Via Varejo   |              |                |
|--|--------------|--------------|-----------------|--------------|--------------|-----------------|--------------|--------------|----------------|
|  | 3Q16         | 3Q15         | Δ               | 3Q16         | 3Q15         | Δ               | 3Q16         | 3Q15         | Δ              |
| <b>Gross Revenue</b>   | 16,816       | 15,933       | 5.5%            | 10,946       | 9,574        | 14.3%           | 4,667        | 4,615        | 1.1%           |
| <b>Net Revenue</b>   | 15,094       | 14,458       | 4.4%            | 10,090       | 8,852        | 14.0%           | 4,060        | 4,077        | -0.4%          |
| Gross Profit   | 3,789        | 3,605        | 5.1%            | 2,238        | 2,126        | 5.2%            | 1,407        | 1,343        | 4.8%           |
| <b>Gross Margin</b>  | <b>25.1%</b> | <b>24.9%</b> | <b>20 bps</b>   | <b>22.2%</b> | <b>24.0%</b> | <b>-180 bps</b> | <b>34.7%</b> | <b>32.9%</b> | <b>180 bps</b> |
| <b>Selling, General and Adm. Expenses</b>  | (3,216)      | (2,973)      | 8.2%            | (1,787)      | (1,619)      | 10.4%           | (1,216)      | (1,168)      | 4.2%           |
| <b>% of Net Revenue</b>  | <b>21.3%</b> | <b>20.6%</b> | <b>70 bps</b>   | <b>17.7%</b> | <b>18.3%</b> | <b>-60 bps</b>  | <b>30.0%</b> | <b>28.6%</b> | <b>140 bps</b> |
| Other Operating Revenue (Expenses)   | (116)        | (203)        | -42.8%          | (51)         | (81)         | -37.6%          | (45)         | (119)        | -62.4%         |
| EBITDA <sup>(3)</sup>  | 503          | 483          | 4.2%            | 428          | 455          | -6.0%           | 163          | 77           | 112.0%         |
| <b>EBITDA Margin</b>   | <b>3.3%</b>  | <b>3.3%</b>  | <b>0 bps</b>    | <b>4.2%</b>  | <b>5.1%</b>  | <b>-90 bps</b>  | <b>4.0%</b>  | <b>1.9%</b>  | <b>210 bps</b> |
| Adjusted EBITDA <sup>(4)</sup>   | 619          | 686          | -9.7%           | 478          | 536          | -10.8%          | 208          | 196          | 6.0%           |
| <b>Adjusted EBITDA Margin</b>  | <b>4.1%</b>  | <b>4.7%</b>  | <b>-60 bps</b>  | <b>4.7%</b>  | <b>6.1%</b>  | <b>-140 bps</b> | <b>5.1%</b>  | <b>4.8%</b>  | <b>30 bps</b>  |
| Net Financial Revenue (Expenses)   | (477)        | (345)        | 38.4%           | (241)        | (205)        | 17.7%           | (160)        | (69)         | 133.3%         |
| <b>% of Net Revenue</b>  | <b>3.2%</b>  | <b>2.4%</b>  | <b>80 bps</b>   | <b>2.4%</b>  | <b>2.3%</b>  | <b>10 bps</b>   | <b>3.9%</b>  | <b>1.7%</b>  | <b>220 bps</b> |
| Net Income (Loss) - Company - continuing operations  | (210)        | (56)         | 274.2%          | (14)         | 44           | n.a.            | (32)         | (12)         | 160.9%         |
| <b>Net Margin</b>  | <b>-1.4%</b> | <b>-0.4%</b> | <b>-100 bps</b> | <b>-0.1%</b> | <b>0.5%</b>  | <b>-60 bps</b>  | <b>-0.8%</b> | <b>-0.3%</b> | <b>-50 bps</b> |
| Net Income (Loss) - Controlling Shareholders - continuing operations                         | (85)         | 12           | n.a.            | (12)         | 51           | n.a.            | (14)         | (5)          | 160.9%         |
| <b>Net Margin</b>  | <b>-0.6%</b> | <b>0.1%</b>  | <b>-70 bps</b>  | <b>-0.1%</b> | <b>0.6%</b>  | <b>-70 bps</b>  | <b>-0.3%</b> | <b>-0.1%</b> | <b>-20 bps</b> |
| Adjusted Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(5)</sup> | (27)         | 108          | n.a.            | 26           | 113          | -77.2%          | (1)          | 29           | n.a.           |
| <b>Adjusted Net Margin</b>   | <b>-0.2%</b> | <b>0.7%</b>  | <b>-90 bps</b>  | <b>0.3%</b>  | <b>1.3%</b>  | <b>-100 bps</b> | <b>0.0%</b>  | <b>0.7%</b>  | <b>-70 bps</b> |

(1) Due to the ongoing ownership restructuring, GPA will no longer control of Cnova NV activities outside Brazil. As a result, in September 2016, the net result after taxes from these activities was reported as a single line of the income statement and the balances of assets and liabilities as held-for-sale assets and discontinued operations. The September 2015 income statement has been adjusted using the same concept, in accordance with IFRS 5/CPC31. (2) Sums and percentages may present discrepancies due to rounding. All margins were calculated as a ratio of net sales; (3) Earnings before interest, tax, depreciation and amortization; (4) EBITDA adjusted by the line "Other Operating Income and Expenses" to eliminate nonrecurring income and expenses. (5) Net Income Adjusted for the total of "Other Operating Income and Expenses," which eliminates nonrecurring income and expenses, as well as the respective effects from associated income tax.



## Sales Performance

| (R\$ million)                            | 3Q16 x<br>3Q15 |               | 1H16 x<br>1H15 |               |
|--|----------------|---------------|----------------|---------------|
|  | 3Q16           | Δ             | 1H16           | Δ             |
| <b>Consolidated<sup>(1)</sup></b>        | <b>15,094</b>  | <b>4.4%</b>   | <b>30,887</b>  | <b>0.6%</b>   |
| <b>Food Businesses</b>                   | <b>10,090</b>  | <b>14.0%</b>  | <b>19,623</b>  | <b>9.8%</b>   |
| <b>Multivarejo<sup>(2)</sup></b>         | 6,354          | 1.1%          | 13,129         | 0.1%          |
| <b>Assaí</b>                             | 3,737          | 45.7%         | 6,495          | 36.6%         |
| <b>Non-Food Businesses<sup>(3)</sup></b> | <b>5,057</b>   | <b>-10.1%</b> | <b>11,295</b>  | <b>-12.3%</b> |
| <b>Cnova<sup>(4)</sup></b>               | 944            | -38.3%        | 2,253          | -28.8%        |
| <b>Via Varejo<sup>(3)</sup></b>          | 4,113          | 0.4%          | 9,042          | -6.9%         |

|                                   | 3Q16        | 1H16         |
|-----------------------------------|-------------|--------------|
| <b>Consolidated<sup>(1)</sup></b> | <b>1.9%</b> | <b>-1.7%</b> |
| <b>Multivarejo + Assaí</b>        | <b>8.9%</b> | <b>5.3%</b>  |
| <b>Via Varejo<sup>(3)</sup></b>   | <b>1.8%</b> | <b>-5.4%</b> |

(1) Excludes revenue from intercompany transactions; (2) Extra and Pão de Açúcar. Includes revenue from the leasing of commercial centers; (3) Includes revenue from intercompany transactions. (4) Due to the ongoing ownership restructuring, as announced on September 12, 2016, GPA will no longer control Cnova NV activities outside Brazil. As a result, at September 30, 2016, these activities are classified as discontinued operations, with a retrospective adjustment of sales through January 1, 2015, as required under IFRS 5/CPC31 – Non-current Assets Held for Sale and Discontinued Operations.

## Sales Performance – Consolidated

§ Consolidated net sales grew 4.4% to R\$15.1 billion, supported by the recovery in sales at Multivarejo, the acceleration in sales growth at Assaí and the continued recovery at Via Varejo.

§ The Food segment (Multivarejo + Assaí) posted strong growth in total net sales of 14.0%, driven by the acceleration in sales growth at Assaí (+45.7%) and by the gradual recovery in sales at Multivarejo (+1.1%) due to the better performance of Extra. Same-store sales growth in Food categories was 11.4%.

§ Continued sales recovery at Via Varejo, with same-store sales growth of 1.8% and the marketplace share of GMV near the highest level ever, demonstrating the format's capacity to adapt to current market conditions.

§ Four stores opened in the quarter (3 Assaí and 1 Casas Bahia), bringing total store openings in the last 12 months to 40. At present, 14 stores are under construction: 8 Assaí stores, including 2 conversions from Extra Hiper, 1 Pão de Açúcar and 5 Minuto Pão de Açúcar stores. Higher-return formats remain the priority of both expansions and format conversions.

### **Food Segment (Multivarejo + Assaí)**

§ Net sales in the quarter were R\$10.1 billion, advancing 14.0%, the strongest growth pace since 3Q14. Food categories posted total sales growth of 18.6%. This acceleration is explained by the continued strong growth of Assaí and by the sales recovery at Multivarejo, driven by the commercial actions implemented at Extra in 2Q16 . The opening of 36 stores in the last 12 months also helped drive sales growth in the period.



§ Same-store sales growth in the Food segment was 8.9%, the best performance in three years, driven by sales volume growth at Multivarejo and the strong sales performance by Assaí, whose double-digit growth significantly outpaced inflation. Meanwhile, Food categories posted same-store sales growth of 11.4%.

§ The better performance at Multivarejo reflects the initial results of the new commercial strategy implemented at Extra (Extra Super and Extra Hiper) during 2Q16 to reinforce the banner's low-price reputation through the following actions:

- “1,2,3 Savings Steps”: progressive discounts, starting with 20% on the purchase of the first unit and increasing to 33% on the third unit, to meet all the food, home care and personal care needs;
- "Hyper Fair": competitive everyday prices in the Fresh Produce category; and
- “The Lowest Price”: lowest price on a selection of staples.

§ These three initiatives supported recoveries in sales and volumes in the food category at Extra, which registered an acceleration in same-store sales growth of 500 bps (from around 1% in 1H16 to over 6% in 3Q16). The banner will continue to focus on initiatives to grow its sales volume. The non-food category at Extra showed signs of recovery, though sales performance was still negative, in line with the market, reflecting the adverse macroeconomic scenario.

§ The performance of Pão de Açúcar and Proximity stores (Minuto Pão de Açúcar and Minimercado Extra) was stable in the quarter compared to the first half of the year.

§ Assaí registered net sales growth in the quarter of 45.7% to R\$3.7 billion. The result reflects the strong double-digit growth in same-store sales, significantly outpacing inflation, as well as the substantial double-digit increase in customer traffic and organic expansion (12 new stores in the last 12 months). Another highlight is the continued growth in the format's share of the Food segment, which already accounts for 37% of sales (vs. 29% in 3Q15).

## Via Varejo

§ Same-store sales growth of 1.8% and total sales growth of 0.4%, despite the impact from store closures in 2H15 and 1Q16. This growth was driven by the performance of the Technology category, especially mobile phones, televisions and washing machines, and by the continuation of the effective and unique product assortment at stores, which gives sales teams the tools needed to boost conversion rates. Financial services also helped the format maintain its contribution to total sales in the quarter.

§ Via Varejo remains focused on improving its sales performance. This quarter, it found a better balance between sales growth, market share gain and profitability, despite the challenging macroeconomic scenario and the still weak market for electronics and home appliances.

§ According to the Monthly Retail Survey (PMC) published by the IBGE, the furniture and electronics/home appliances market contracted by 6.8% in July compared to the same period in 2015, which, given the positive growth in net sales in 3Q16, suggests that Via Varejo continues to capture structural market share gains in both the specialty and total markets, despite the strategy adopted in 3Q16 to boost margins.

§ Via Varejo will continue to focus on capturing operating efficiency gains at its stores by integrating the brick-and-mortar and e-commerce businesses, capturing the synergies already announced, continually improving the quality of customer service in both channels and monitoring the cost and expense structure to optimize its results and profitability in 2016 and the coming years.

## Cnova

*Due to the ongoing ownership restructuring, as announced through the material fact notice of September 12, 2016, GPA will no longer control Cnova NV activities outside Brazil. As a result, at September 30, 2016, these activities were classified as discontinued operations, with a retrospective adjustment of sales through January 1, 2015, as required under IFRS 5/CPC31 – Non-current Assets Held for Sale and Discontinued Operations.*

§ GMV in 3Q16 amounted to R\$1.5 billion, down 24.2% from 3Q15. In addition to the severe impact from Brazil's current macroeconomic conditions on consumer spending, the contraction is explained by the commercial dynamics adopted by Cnova Brasil in the quarter. Compared to 2Q16, and consistent with Via Varejo's strategy, Cnova Brasil pursued a better balance between its GMV, market share and profitability in the quarter.

§ The marketplace share of GMV reached 21.2% in 3Q16 (+930 bps vs. 3Q15).

§ Customer traffic was stable compared to the same period last year at 210.8 million visits in 3Q16, 45.7% of which originated from mobile devices, compared to 32.4% in 3Q15.

§ This quarter, Cnova Brasil focused exclusively on improving its customer service. This led to a reduction in cart abandonment rates to near zero and to a 39.6% drop in the customer contact rate (% of customers seeking assistance from the call center).

## Operating Performance

| Consolidated                              |         |         |         |         |         |          |
|---|---------|---------|---------|---------|---------|----------|
| (R\$ million)                             | 3Q16    | 3Q15    | Δ       | 9M16    | 9M15    | Δ        |
| <b>Gross Revenue</b>                      | 16,816  | 15,933  | 5.5%    | 51,343  | 49,867  | 3.0%     |
| <b>Net Revenue</b>                        | 15,094  | 14,458  | 4.4%    | 45,980  | 45,170  | 1.8%     |
| <b>Gross Profit</b>                       | 3,789   | 3,605   | 5.1%    | 11,599  | 11,382  | 1.9%     |
| <b>Gross Margin</b>                       | 25.1%   | 24.9%   | 20 bps  | 25.2%   | 25.2%   | 0 bps    |
| Selling Expenses                          | (2,833) | (2,594) | 9.2%    | (8,635) | (7,885) | 9.5%     |
| General and Administrative Expenses       | (383)   | (379)   | 1.1%    | (1,230) | (1,122) | 9.7%     |
| <b>Selling, General and Adm. Expenses</b> | (3,216) | (2,973) | 8.2%    | (9,866) | (9,007) | 9.5%     |
| <b>% of Net Revenue</b>                   | 21.3%   | 20.6%   | 70 bps  | 21.5%   | 19.9%   | 160 bps  |
| Equity Income                             | 20      | 22      | -8.2%   | 81      | 84      | -3.0%    |
| Other Operating Revenue (Expenses)        | (116)   | (203)   | -42.8%  | (679)   | (286)   | 137.3%   |
| Depreciation (Logistic)                   | 27      | 32      | -16.8%  | 84      | 97      | -13.5%   |
| <b>EBITDA</b>                             | 503     | 483     | 4.2%    | 1,220   | 2,270   | -46.3%   |
| <b>EBITDA Margin</b>                      | 3.3%    | 3.3%    | 0 bps   | 2.7%    | 5.0%    | -230 bps |
| <b>Adjusted EBITDA <sup>(1)</sup></b>     | 619     | 686     | -9.7%   | 1,898   | 2,556   | -25.7%   |
| <b>Adjusted EBITDA Margin</b>             | 4.1%    | 4.7%    | -60 bps | 4.1%    | 5.7%    | -160 bps |

(1) EBITDA adjusted for “Other Operating Income and Expenses,” thus eliminating nonrecurring income and expenses.

*Due to the ongoing ownership restructuring, as announced through the material fact notice of September 12, 2016, GPA will no longer control of Cnova NV activities outside Brazil. As a result, in September 2016, the net result after taxes from these activities was reported as a single line of the income statement and the balances of assets and liabilities were reported as held-for-sale assets and discontinued operations. The September 2015 statements of income and cash flow have been adjusted using the same concept, in accordance with IFRS 5/CPC31.*

Adjusted EBITDA reached R\$619 million with margin of 4.1%, an evolution in compared to 2Q16 excluding tax credits mainly due to:

- i) Adjusted EBITDA margin expansion of 140 bps at Multivarejo to 4.9%, led by a 230 bps recovery in EBITDA margin at Extra stores compared to 2Q16. Assaí's adjusted EBITDA margin expanded 40 bps, due to the solid performance of existing and new stores;
- ii) EBITDA margin expansion of 140 bps at Via Varejo to 3.6%, excluding non-recurring tax credits, demonstrating its capacity to adjust to market conditions.

Note that the end of tax relief under the law to benefit technology and IT products (*Lei do Bem*) generated a significant negative impact on Consolidated EBITDA margin in 3Q16 of 100 bps, which corresponds to approximately R\$137 million. In 9M16, this impact corresponded to approximately R\$430 million. Note that GPA is one of the segment's only players to adopt this practice and continues to evaluate its position regarding the law, which should be concluded in 4Q16.

The main factors impacting EBITDA in the quarter were:

§ **Gross profit** of R\$3,789 million, with margin expansion of 20 bps to 25.1%, led by the shift in gross margin mix at each business, as follows:

- (i) Assaí: gross margin was practically stable compared to 3Q15 (14.5%), with margin gain of 10 bps;
- (ii) Multivarejo: margin contraction of 130 bps, due to the continued price competitiveness initiatives at Extra and to the change in consumer behavior arising from the current economic scenario;
- (iii) Via Varejo: margin expansion of 180 bps explained by the better balance among sales growth, market share gains and profitability, despite the challenging scenario and weak market;

§ **Selling, general and administrative expenses** were R\$3,216 million, increasing 8.2% in the quarter, in line with period inflation. The streamlining initiatives at Multivarejo and Via Varejo led expenses to increase significantly slower than inflation, by 4.4% and 4.2%, respectively. Assaí's expenses increased 40.8%, still lagging sales growth, reflecting the strong organic expansion with 12 store openings in the last 12 months.

In the quarter, Other Operating Income and Expenses came to R\$116 million, most of which involved expenses with integration and restructuring (R\$ 77 million) and the result from property and equipment (R\$20 million).

## Multivarejo

| (R\$ million)                             | 3Q16    | 3Q15    | Δ        | 9M16    | 9M15    | Δ        |
|---|---------|---------|----------|---------|---------|----------|
| <b>Gross Revenue</b>                      | 6,888   | 6,794   | 1.4%     | 21,124  | 20,991  | 0.6%     |
| <b>Net Revenue</b>                        | 6,354   | 6,287   | 1.1%     | 19,482  | 19,400  | 0.4%     |
| <b>Gross Profit</b>                       | 1,697   | 1,758   | -3.5%    | 5,314   | 5,385   | -1.3%    |
| <b>Gross Margin</b>                       | 26.7%   | 28.0%   | -130 bps | 27.3%   | 27.8%   | -50 bps  |
| Selling Expenses                          | (1,235) | (1,190) | 3.8%     | (3,889) | (3,635) | 7.0%     |
| General and Administrative Expenses       | (175)   | (161)   | 8.5%     | (516)   | (469)   | 10.0%    |
| <b>Selling, General and Adm. Expenses</b> | (1,411) | (1,351) | 4.4%     | (4,405) | (4,105) | 7.3%     |
| <b>% of Net Revenue</b>                   | 22.2%   | 21.5%   | 70 bps   | 22.6%   | 21.2%   | 140 bps  |
| Equity Income                             | 14      | 16      | -11.3%   | 58      | 61      | -5.3%    |
| Other Operating Revenue (Expenses)        | (42)    | (80)    | -48.2%   | (308)   | (184)   | 67.7%    |
| Depreciation (Logistic)                   | 13      | 12      | 7.7%     | 38      | 38      | -0.4%    |
| <b>EBITDA</b>                             | 272     | 354     | -23.3%   | 697     | 1,196   | -41.7%   |
| <b>EBITDA Margin</b>                      | 4.3%    | 5.6%    | -130 bps | 3.6%    | 6.2%    | -260 bps |
| <b>Adjusted EBITDA (1)</b>                | 313     | 434     | -27.9%   | 1,005   | 1,380   | -27.2%   |
| <b>Adjusted EBITDA Margin</b>             | 4.9%    | 6.9%    | -200 bps | 5.2%    | 7.1%    | -190 bps |

(1) EBITDA adjusted for "Other Operating Income and Expenses," thus eliminating nonrecurring income and expenses

The effectiveness of the new commercial strategy was confirmed by the stronger sales trend at Extra (Hyper and Super), with Extra Hiper's same-store sales growth accelerating 720 bps and its sales volume recovering 1210 bps compared to 1Q16, with market share gains in volume in the Hyper format in the last 5 measurements (April to August).

On a total-store basis, net sales grew 1.1%, reflecting the closure of 41 stores, net of openings, in the last 12 months, which consisted of 25 convenience stores, 5 Extra Super and 3 Extra Hiper (2 stores to be converted into Assaí), in addition to 6 service stations and 2 drugstores.

Adjusted EBITDA came to R\$313 million, with margin of 4.9%, expanding 140 bps from 2Q16 (excluding tax credits), due to the strong decrease in SG&A. The highlight was the 230 bps recovery in EBITDA margin at Extra stores (Hyper and Super).

The main factors influencing EBITDA in the period were:

§ **Gross profit** of R\$1,697 million, with margin of 26.7%, remains stable compared to 2Q16 (excluding tax credits). The decrease compared to 3Q15 reflects the price competitiveness initiatives implemented at Extra since 2Q16 and the changes in consumer habits due to the current economic scenario.

§ **Selling, general and administrative expenses** fell 6.7% compared to 2Q16, to R\$ 1,411 million, with the highlight the 7.9% decrease in selling expenses, which was mainly due to:

i) 5.4% reduction in personnel expenses due to the reviews of processes conducted at stores, which led to the streamlining of approximately 7,000 employees (FTE criteria) since the beginning of the year;

ii) Streamlining of marketing efforts, leading to a decrease of 8.8%;



iii) Energy efficiency projects led to a sharp drop in consumption that supported to a 19.1% decrease in electricity expenses.

Compared to 3Q15, **SG&A expenses** rose 4.4%, or by half the rate of inflation, reflecting the expense-streamlining projects.

Other Operating Income and Expenses came to R\$42 million in the quarter and are mainly related to restructuring expenses and the result of property and equipment.

## Assaí

| (R\$ million)                             | 3Q16  | 3Q15  | Δ       | 9M16    | 9M15  | Δ       |
|---|-------|-------|---------|---------|-------|---------|
| <b>Gross Revenue</b>                      | 4,059 | 2,779 | 46.0%   | 11,104  | 7,922 | 40.2%   |
| <b>Net Revenue</b>                        | 3,737 | 2,564 | 45.7%   | 10,232  | 7,321 | 39.8%   |
| <b>Gross Profit</b>                       | 541   | 368   | 46.8%   | 1,484   | 1,019 | 45.6%   |
| <b>Gross Margin</b>                       | 14.5% | 14.4% | 10 bps  | 14.5%   | 13.9% | 60 bps  |
| Selling Expenses                          | (327) | (235) | 39.3%   | (917)   | (686) | 33.7%   |
| General and Administrative Expenses       | (49)  | (32)  | 51.6%   | (137)   | (88)  | 55.6%   |
| <b>Selling, General and Adm. Expenses</b> | (377) | (267) | 40.8%   | (1,054) | (774) | 36.2%   |
| <b>% of Net Revenue</b>                   | 10.1% | 10.4% | -30 bps | 10.3%   | 10.6% | -30 bps |
| Other Operating Revenue (Expenses)        | (9)   | (1)   | 598.5%  | (49)    | 2     | n.a.    |
| Depreciation (Logistic)                   | 1     | 1     | 11.2%   | 3       | 3     | 0.3%    |
| <b>EBITDA</b>                             | 156   | 101   | 55.1%   | 385     | 251   | 53.2%   |
| <b>EBITDA Margin</b>                      | 4.2%  | 3.9%  | 30 bps  | 3.8%    | 3.4%  | 40 bps  |
| <b>Adjusted EBITDA (1)</b>                | 165   | 102   | 62.2%   | 434     | 249   | 74.1%   |
| <b>Adjusted EBITDA Margin</b>             | 4.4%  | 4.0%  | 40 bps  | 4.2%    | 3.4%  | 80 bps  |

(1) EBITDA adjusted for “Other Operating Income and Expenses,” thus eliminating nonrecurring income and expenses

For yet another quarter, Assaí posted strong net sales growth, of 45.7%, driven by double-digit same-store sales growth, significantly outpacing inflation, solid double-digit growth in customer traffic and the ongoing organic expansion. The banner already accounts for the largest share of sales in the Food segment, of 37% (vs. 29% in 3Q15), and will continue to focus its efforts on organic expansion, with 8 stores currently under construction, including 2 conversions from Extra Hyper to Assaí stores.

Assaí registered a significant improvement in profitability in the quarter, given the stability in gross margin and dilution of selling, general and administrative expenses by 30 bps supported by sales growth and the more disciplined control of expenses.

Consequently, Adjusted EBITDA was R\$165 million, representing robust growth of 62.2% and outpacing sales growth in the period. Meanwhile, Adjusted EBITDA margin expanded 40 bps to 4.4%.

The improvement in profitability was achieved despite the opening of 12 stores in the last 12 months.

As a result of the increased operational leverage, Assaí posted net income of R\$65 million, an increase of 75.6% on the prior-year period.



## Via Varejo (1)

| (R\$ million)                             | 3Q16    | 3Q15    | Δ       | 9M16    | 9M15    | Δ        |
|---|---------|---------|---------|---------|---------|----------|
| <b>Gross Revenue</b>                      | 4,667   | 4,615   | 1.1%    | 15,046  | 15,563  | -3.3%    |
| <b>Net Revenue</b>                        | 4,060   | 4,077   | -0.4%   | 13,070  | 13,755  | -5.0%    |
| <b>Gross Profit</b>                       | 1,407   | 1,343   | 4.8%    | 4,501   | 4,528   | -0.6%    |
| <b>Gross Margin</b>                       | 34.7%   | 32.9%   | 180 bps | 34.4%   | 32.9%   | 150 bps  |
| Selling Expenses                          | (1,130) | (1,050) | 7.6%    | (3,409) | (3,238) | 5.3%     |
| General and Administrative Expenses       | (86)    | (117)   | -26.4%  | (365)   | (370)   | -1.2%    |
| <b>Selling, General and Adm. Expenses</b> | (1,216) | (1,168) | 4.2%    | (3,774) | (3,608) | 4.6%     |
| <b>% of Net Revenue</b>                   | 30.0%   | 28.6%   | 140 bps | 28.9%   | 26.2%   | 270 bps  |
| Equity Income                             | 6       | 6       | 0.0%    | 23      | 23      | 3.1%     |
| Other Operating Revenue (Expenses)        | (45)    | (119)   | -62.4%  | (124)   | (87)    | 43.2%    |
| Depreciation (Logistic)                   | 10      | 15      | -29.3%  | 30      | 42      | -28.4%   |
| <b>EBITDA</b>                             | 163     | 77      | 112.0%  | 656     | 898     | -27.0%   |
| <b>EBITDA Margin</b>                      | 4.0%    | 1.9%    | 210 bps | 5.0%    | 6.5%    | -150 bps |
| <b>Adjusted EBITDA (2)</b>                | 208     | 196     | 6.0%    | 780     | 985     | -20.8%   |
| <b>Adjusted EBITDA Margin</b>             | 5.1%    | 4.8%    | 30 bps  | 6.0%    | 7.2%    | -120 bps |

(1) Some figures in this earnings release differ from those presented in the Via Varejo release due to the effects of intercompany transactions; (2) EBITDA adjusted for “Other Operating Income and Expenses,” thus eliminating nonrecurring income and expenses.

In the quarter, Via Varejo registered consistent market share gains accompanied by higher profitability, reflecting the better adjustment to the assortment at stores, the solid performance of the technology and services categories and the better balance between sales and results.

Adjusted EBITDA amounted to R\$208 million, with margin of 5.1%, expanding 30 bps from 3Q15. The main factors contributing to this result were:

§ **Gross profit** of R\$1,407 million, growing by 4.8% or R\$ 64 million from 3Q15, impacted by:

- positive effect of R\$39 million from the recognition of tax credits;
- negative effect of R\$ 43 million related to the impact from the end of tax relief on payroll charges;
- on a comparable basis, i.e., adjusted for the aforementioned impacts, gross margin in 3Q16 was stable compared to 3Q15 (33.5%), an improvement from gross margin adjusted for tax credits in 1H16, reflecting

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the better balancing of sales and profitability, as well as the higher penetration of the technology category.

§ **Selling, general and administrative expenses** increased 4.2% compared to 3Q15 to R\$ 1,216 million:

○ on a comparable basis, i.e., adjusted for the impact of R\$61 million in 3Q15, and partially offset by the reversal of the provision of R\$16 million in 3Q16, expenses were virtually stable as a ratio of net sales, reflecting Via Varejo's capacity to adapt to current market conditions.

A highlight was the better trend in adjusted EBITDA margin excluding non-recurring tax credits of 140 bps compared to 2Q16, to 3.6%, reflecting the capacity to adapt to market conditions.

Via Varejo will continue to focus on capturing operating efficiency gains at its stores, implementing strategic projects and monitoring its cost and expense structure to continue delivering better results and higher profitability in the coming periods.

## Financial Result

| Consolidated                                    |              |              |               |  |                |                |               |
|---|--------------|--------------|---------------|--|----------------|----------------|---------------|
| (R\$ million)                                   | 3Q16         | 3Q15         | Δ             |  | 9M16           | 9M15           | Δ             |
| <b>Financial Revenue</b>                        | <b>101</b>   | <b>168</b>   | <b>-39.6%</b> |  | <b>382</b>     | <b>581</b>     | <b>-34.3%</b> |
| <b>Financial Expenses</b>                       | <b>(579)</b> | <b>(513)</b> | <b>12.8%</b>  |  | <b>(1,713)</b> | <b>(1,645)</b> | <b>4.2%</b>   |
| <b>Net Financial Revenue (Expenses)</b>         | <b>(477)</b> | <b>(345)</b> | <b>38.4%</b>  |  | <b>(1,332)</b> | <b>(1,064)</b> | <b>25.2%</b>  |
| <b>% of Net Revenue</b>                         | <b>3.2%</b>  | <b>2.4%</b>  | <b>80 bps</b> |  | <b>2.9%</b>    | <b>2.4%</b>    | <b>50 bps</b> |
| Charges on Net Bank Debt                        | (196)        | (153)        | 28.6%         |  | (511)          | (388)          | 31.6%         |
| Cost of Discount of Receivables of Payment Book | (91)         | (78)         | 16.6%         |  | (263)          | (246)          | 6.9%          |
| Cost of Sale of Receivables of Credit Card      | (139)        | (114)        | 22.0%         |  | (463)          | (432)          | 7.0%          |
| Restatement of Other Assets and Liabilities     | (51)         | (0)          | n.a.          |  | (95)           | 3              | n.a.          |
| <b>Net Financial Revenue (Expenses)</b>         | <b>(477)</b> | <b>(345)</b> | <b>38.4%</b>  |  | <b>(1,332)</b> | <b>(1,064)</b> | <b>25.2%</b>  |

In 3Q16, the net financial result was an expense of R\$477 million, increasing 38.4% on the same period last year. For a better understanding of the financial result and to eliminate potential distortions between quarters, the following explanations refer to the main variations in the year to date (9M16).

In 9M16, the net financial result was an expense of R\$1,332 million, increasing 25.2%, or faster than the variation in the basic interest rate (average CDI rate in period), which is basically explained by the deterioration in net debt at Cnova and by the effects on the comparison base in the line Restatement of Other Assets and Liabilities. The main variations in the net financial result were:

§ increase of R\$123 million, or 31.6%, in charges on net debt, reflecting the lower average cash balance held in the period, which is basically explained by the deterioration in Cnova's net debt, among other factors;

§ increase of R\$48 million, or 6.9%, in the cost of sale of receivables from cards and payment books, or slower than the variation in the CDI rate in the period. The Company held approximately R\$1.8 billion in credit card receivables available for sale, consistent with its cash management strategy;

§ increase of R\$98 million in the line Restatement of Other Assets and Liabilities, which is mainly related to the positive impacts in 2015 from the inflation adjustment of recoverable taxes and real estate projects (INCC inflation).

In the current scenario marked by expectations of lower interest rates (based on target SELIC rate), the net financial result at the end of the year is expected to correspond to approximately 3% of net revenue. From an annualized perspective, a reduction of 50 bps in the interest rate would generate savings of R\$40 to R\$60 million in the financial result.

## Net Income

| (R\$ million)   | Consolidated |              |                 | Food Businesses |             |                 | Via Varejo   |              |                 |
|---|--------------|--------------|-----------------|-----------------|-------------|-----------------|--------------|--------------|-----------------|
|   | 3Q16         | 3Q15         | Δ               | 3Q16            | 3Q15        | Δ%              | 3Q16         | 3Q15         | Δ%              |
| <b>EBITDA</b>   | <b>503</b>   | <b>483</b>   | <b>4.2%</b>     | <b>428</b>      | <b>455</b>  | <b>-6.0%</b>    | <b>163</b>   | <b>77</b>    | <b>112.0%</b>   |
| Depreciation (Logistic)   | (27)         | (32)         | -16.8%          | (14)            | (13)        | 8.0%            | (10)         | (15)         | -29.3%          |
| Depreciation and Amortization   | (222)        | (225)        | -1.5%           | (182)           | (172)       | 5.9%            | (42)         | (45)         | -6.2%           |
| Net Financial Revenue (Expenses)  | (477)        | (345)        | 38.4%           | (241)           | (205)       | 17.7%           | (160)        | (69)         | 133.3%          |
| <b>Income (Loss) before Income Tax</b>  | <b>(223)</b> | <b>(119)</b> | <b>86.6%</b>    | <b>(9)</b>      | <b>65</b>   | <b>n.a.</b>     | <b>(49)</b>  | <b>(51)</b>  | <b>-3.6%</b>    |
| Income Tax  | 13           | 63           | -80.2%          | (5)             | (21)        | -76.3%          | 17           | 39           | -55.2%          |
| <b>Net Income (Loss) Company - continuing operations</b>  | <b>(210)</b> | <b>(56)</b>  | <b>274.2%</b>   | <b>(14)</b>     | <b>44</b>   | <b>n.a.</b>     | <b>(32)</b>  | <b>(12)</b>  | <b>160.9%</b>   |
| <b>Net Margin</b>   | <b>-1.4%</b> | <b>-0.4%</b> | <b>-100 bps</b> | <b>-0.1%</b>    | <b>0.5%</b> | <b>-60 bps</b>  | <b>-0.8%</b> | <b>-0.3%</b> | <b>-50 bps</b>  |
| <b>Net Income (Loss) - Controlling Shareholders - continuing operations</b>                         | <b>(85)</b>  | <b>12</b>    | <b>n.a.</b>     | <b>(12)</b>     | <b>51</b>   | <b>n.a.</b>     | <b>(14)</b>  | <b>(5)</b>   | <b>160.9%</b>   |
| <b>Net Margin - Controlling Shareholders</b>  | <b>-0.6%</b> | <b>0.1%</b>  | <b>-70 bps</b>  | <b>-0.1%</b>    | <b>0.6%</b> | <b>-70 bps</b>  | <b>-0.3%</b> | <b>-0.1%</b> | <b>-20 bps</b>  |
| <b>Other Operating Revenue (Expenses)</b>   | <b>(116)</b> | <b>(203)</b> | <b>-42.8%</b>   | <b>(51)</b>     | <b>(81)</b> | <b>-37.6%</b>   | <b>(45)</b>  | <b>(119)</b> | <b>-62.4%</b>   |
| Income Tax from Other Operating Revenues (Expenses) and Income Tax from Nonrecurring                | 28           | 61           | -54.0%          | 13              | 20          | -35.1%          | 15           | 40           | n.a.            |
| <b>Adjusted Net Income (Loss) Company - continuing operations <sup>(1)</sup></b>                    | <b>(122)</b> | <b>85</b>    | <b>n.a.</b>     | <b>23</b>       | <b>106</b>  | <b>-77.8%</b>   | <b>(2)</b>   | <b>66</b>    | <b>n.a.</b>     |
| <b>Adjusted Net Margin - Company</b>  | <b>-0.8%</b> | <b>0.6%</b>  | <b>-140 bps</b> | <b>0.2%</b>     | <b>1.2%</b> | <b>-100 bps</b> | <b>-0.1%</b> | <b>1.6%</b>  | <b>-170 bps</b> |
| <b>Adjusted Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(1)</sup></b> | <b>(27)</b>  | <b>108</b>   | <b>n.a.</b>     | <b>26</b>       | <b>113</b>  | <b>-77.2%</b>   | <b>(1)</b>   | <b>29</b>    | <b>n.a.</b>     |
| <b>Adjusted Net Margin - Controlling Shareholders</b>   | <b>-0.2%</b> | <b>0.7%</b>  | <b>-90 bps</b>  | <b>0.3%</b>     | <b>1.3%</b> | <b>-100 bps</b> | <b>0.0%</b>  | <b>0.7%</b>  | <b>-70 bps</b>  |

(1) Net Income adjusted for “Other Operating Income and Expenses,” thus eliminating nonrecurring income and expenses, excluding the effects of Income and social contribution taxes.

The consolidated net loss attributable to controlling shareholders of continuing operations was R\$85 million in the quarter, which was affected primarily by Cnova Brasil. However, the improvement compared to 2Q16 demonstrates the Company’s gradual recovery despite the adverse economic scenario.



A highlight was the net income growth of 75.6% to R\$65 million at Assaí, driven by the banner's increased operational leverage.

In the Food segment, net income attributable to controlling shareholders and adjusted by other operating income and expenses was R\$26 million, while Via Varejo's result was virtually breakeven.

## Indebtedness

| Consolidated  |                |                |                          |
|---|----------------|----------------|--------------------------|
| (R\$ million)   | 09.30.2016     | 09.30.2015     | 09.30.2015<br>Comparable |
| <b>Short Term Debt</b>  | <b>(4,532)</b> | <b>(2,093)</b> | <b>(2,093)</b>           |
| Loans and Financing   | (4,014)        | (817)          | (817)                    |
| Debentures and Promissory Notes   | (518)          | (1,276)        | (1,276)                  |
| <b>Long Term Debt</b>   | <b>(2,149)</b> | <b>(4,267)</b> | <b>(4,267)</b>           |
| Loans and Financing   | (1,250)        | (3,370)        | (3,370)                  |
| Debentures  | (898)          | (897)          | (897)                    |
| <b>Total Gross Debt</b>   | <b>(6,680)</b> | <b>(6,360)</b> | <b>(6,360)</b>           |
| <b>Cash and Financial investments</b>   | <b>3,385</b>   | <b>5,414</b>   | <b>4,489</b>             |
| <b>Net Debt</b>   | <b>(3,296)</b> | <b>(946)</b>   | <b>(1,871)</b>           |
| <b>EBITDA<sup>(1)</sup></b>   | <b>2,032</b>   | <b>3,865</b>   | <b>3,865</b>             |
| <b>Net Debt / EBITDA<sup>(1)</sup></b>  | <b>-1.62x</b>  | <b>-0.24x</b>  | <b>-0.48x</b>            |
| Payment Book - Short Term   | (2,461)        | (2,153)        | (2,153)                  |
| Payment Book - Long Term  | (228)          | (122)          | (122)                    |
| <b>Net Debt with Payment Book</b>   | <b>(5,984)</b> | <b>(3,221)</b> | <b>(4,146)</b>           |
| <b>Net Debt with Payment Book / EBITDA<sup>(1)</sup></b>  | <b>-2.95x</b>  | <b>-0.83x</b>  | <b>-1.07x</b>            |
| On balance Credit Card Receivables  | 1,824          | 1,223          | 1,069                    |
| <b>Net Debt with Payment Book and Credit Card Receivables not sold<sup>(2)</sup></b>                        | <b>(4,160)</b> | <b>(1,998)</b> | <b>(3,077)</b>           |
| <b>Net Debt with Payment Book and Credit Card Receivables not sold<sup>(2)</sup> / EBITDA<sup>(1)</sup></b> | <b>-2.05x</b>  | <b>-0.52x</b>  | <b>-0.80x</b>            |

*Due to the ongoing ownership restructuring, as announced through the material fact notice of September 12, 2016, GPA will no longer control of Cnova NV activities outside Brazil. As a result, in September 2016, the net result after taxes from these activities was reported as a single line on the income statement and the balances of assets and liabilities were reported as held-for-sale assets and discontinued operations. The September 2015 statements of income and cash flow were adjusted using the same concept, in accordance with IFRS 5/CPC31. However, said technical rule does not require restatement of the balance sheet in such cases. To improve comparisons between periods, a column presenting comparable results for September 2015 was added to the above indebtedness table.*

The Company ended September 2016 with a cash balance of R\$3.4 billion and a balance of R\$1.8 billion in receivables available for sale, bringing the aggregate amount of funds with immediately liquidity (if needed) to R\$5.2 billion. In the same period of 2015, the cash position was R\$5.6 billion. The Company also has approximately R\$1.3 billion in pre-approved/confirmed credit facilities.

Gross debt ended the period at R\$6.7 billion, increasing R\$320 million, or 5%, from September 2015, although with an average cost below the interest rate in the period (9%). The payment book operation (CDCI) increased R\$414 million, surpassing the growth in gross debt.

Consequently, net debt, including the payment book operation and receivables available for sale, stood at R\$4.2 billion at end-September. The increase of R\$ 1.1 billion in net debt<sup>(2)</sup> compared to September 2015 is mainly due to the higher debt at Cnova in 2016 (increase of around R\$1.1 billion).

(1) EBITDA in the last 12 months.

(2) Includes unsold credit card receivables of R\$1,824 million in 3Q16 and R\$1,069 million in 3Q15.

## Simplified Cash Flow Statement

| Consolidated                                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| (R\$ million)                               | 3Q16           | 3Q15           | 9M16           | 9M15           |
| <b>Cash Balance at Beginning of Period</b>  | <b>3,716</b>   | <b>6,811</b>   | <b>11,015</b>  | <b>11,149</b>  |
| <b>Cash Flow from Operating Activities</b>  | <b>804</b>     | <b>(820)</b>   | <b>(7,081)</b> | <b>(3,279)</b> |
| EBITDA                                      | 503            | 483            | 1,220          | 2,270          |
| Cost of Sale of Receivables                 | (230)          | (192)          | (725)          | (678)          |
| Working Capital                             | (148)          | (1,371)        | (7,317)        | (3,850)        |
| Assets and Liabilities Variation            | 679            | 260            | (258)          | (1,021)        |
| <b>Cash Flow from Investment Activities</b> | <b>(480)</b>   | <b>(431)</b>   | <b>(942)</b>   | <b>(1,376)</b> |
| Net Investment                              | (480)          | (475)          | (1,033)        | (1,427)        |
| Acquisition / Sale of Interest and Others   |                | 44             | 91             | 51             |
| <b>Change on net cash after investments</b> | <b>324</b>     | <b>(1,251)</b> | <b>(8,023)</b> | <b>(4,655)</b> |
| <b>Cash Flow from Financing Activities</b>  | <b>(24)</b>    | <b>(317)</b>   | <b>1,030</b>   | <b>(1,253)</b> |
| Dividends Payments and Others               |                | (39)           | (4)            | (397)          |
| Net Payments                                | (24)           | (278)          | 1,034          | (856)          |
| <b>Change on Net Cash</b>                   | <b>300</b>     | <b>(1,568)</b> | <b>(6,993)</b> | <b>(5,908)</b> |
| <b>Exchange Rate</b>                        | <b>28</b>      | <b>171</b>     | <b>22</b>      | <b>173</b>     |
| <b>Cash Balance at End of Period</b>        | <b>4,044</b>   | <b>5,414</b>   | <b>4,044</b>   | <b>5,414</b>   |
| <b>Net Debt</b>                             | <b>(2,636)</b> | <b>(946)</b>   | <b>(2,636)</b> | <b>(946)</b>   |

*Due to the ongoing ownership restructuring, as announced through the material fact notice of September 12, 2016, GPA will no longer control of Cnova NV activities outside Brazil. The above cash flow includes Cnova NV activities outside Brazil in all periods*

The Company's cash position ended September 2016 at R\$4 billion, down some R\$1.4 billion from a year earlier. In the last nine months, the main variations were as follows:

§ Deterioration in working capital, which is mainly explained by (i) the comparison-base effect from the increased gap between inventories and suppliers in 2015; (ii) weaker growth in Non-Food segments; and

(iii) higher volume of receivables not sold in 2016;

§ EBITDA suffered an impact of R\$1 billion, which is mainly explained by the reduction of approximately R\$500 million in Cnova's operating result and by extraordinary payments at Multivarejo;

§ These effects were partially mitigated by (i) higher net financing (comparison-base effect due to the higher volume of maturities in 2015); (ii) lower investments, given the focus on profitability; and (iii) lower cash out of dividends and taxes.

## Capital Expenditure

| (R\$ million)                     | Consolidated |            |               |              |              |               | Food Businesses |            |               |            |              |               |
|-----------------------------------|--------------|------------|---------------|--------------|--------------|---------------|-----------------|------------|---------------|------------|--------------|---------------|
|                                   | 3Q16         | 3Q15       | Δ             | 9M16         | 9M15         | Δ             | 3Q16            | 3Q15       | Δ             | 9M16       | 9M15         | Δ             |
| New stores and land acquisition   | 108          | 158        | -31.3%        | 309          | 416          | -25.9%        | 107             | 140        | -23.8%        | 303        | 366          | -17.2%        |
| Store renovations and conversions | 177          | 155        | 14.1%         | 509          | 448          | 13.6%         | 154             | 137        | 12.8%         | 460        | 375          | 22.6%         |
| Infrastructure and Others         | 133          | 187        | -28.8%        | 472          | 626          | -24.6%        | 87              | 89         | -2.3%         | 286        | 271          | 5.2%          |
| <b>Non-cash Effect</b>            |              |            |               |              |              |               |                 |            |               |            |              |               |
| Financing Assets                  | (8)          | 10         | n.a.          | (218)        | 6            | n.a.          | (9)             | 10         | n.a.          | (187)      | 26           | n.a.          |
| <b>Total</b>                      | <b>410</b>   | <b>510</b> | <b>-19.6%</b> | <b>1,071</b> | <b>1,496</b> | <b>-28.4%</b> | <b>339</b>      | <b>376</b> | <b>-10.0%</b> | <b>862</b> | <b>1,039</b> | <b>-17.1%</b> |

The Group's investment amounted R\$410 million in 3Q16, of which 83% was allocated to the Food segment. In the first nine months of the year, investment came to R\$1.1 billion, 80% of which was allocated to the Food segment.

Three Assaí stores and 1 Casas Bahia were opened in the quarter.

New stores accounted for 26% of total investment, or R\$108 million, which was almost entirely allocated to the Food segment, given the current macroeconomic scenario, which is not as favorable for the Non-Food segment. There are currently 14 stores under construction, with priority given to higher-return formats.

Renovations and store conversions accounted for 43%, or R\$177 million, of investment. The 14.1% increase reflects the need to renovate older stores and the energy efficiency project in partnership with Green Yellow, especially at Extra.

Infrastructure and other investments consumed R\$133 million, or 32% of total investment, and were chiefly allocated to IT modernization projects and to improving logistics infrastructure.

## Appendix II – Definitions used in this document

**Company's Business Units:** The Company's business is divided into four units - Retail, Cash & Carry, Bricks and mortar (sale of home appliances and furniture) and E-commerce – grouped as follows:

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

**Growth and changes:** The growth and changes presented in this document refer to variations from the same period of the previous 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 because it believes it eliminates nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

**Adjusted net income:** Measure of profitability calculated as Net Income excluding Other Operating Income and Expenses and 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.

## BALANCE SHEET

## ASSETS

| (R\$ million)  | Consolidated  |               |               | Food Businesses |               |               |
|--|---------------|---------------|---------------|-----------------|---------------|---------------|
|  | 09.30.2016    | 06.30.2016    | 09.30.2015    | 09.30.2016      | 06.30.2016    | 09.30.2015    |
| <b>Current Assets</b>  | <b>19,918</b> | <b>19,448</b> | <b>19,622</b> | <b>7,988</b>    | <b>7,956</b>  | <b>7,497</b>  |
| Cash and Marketable Securities                                       | 3,385         | 3,716         | 5,414         | 1,937           | 1,426         | 2,667         |
| Accounts Receivable  | 3,907         | 4,310         | 3,755         | 639             | 999           | 164           |
| Credit Cards   | 1,802         | 1,982         | 1,223         | 402             | 820           | 57            |
| Payment book   | 1,813         | 1,806         | 1,834         | -               | -             | -             |
| Sales Vouchers and Others  | 523           | 792           | 874           | 161             | 180           | 108           |
| Allowance for Doubtful Accounts Resulting from Commercial Agreements | (310)         | (357)         | (384)         | (3)             | (2)           | (1)           |
| Inventories  | 79            | 87            | 208           | 79              | 74            | 15            |
| Recoverable Taxes  | 7,864         | 8,943         | 8,617         | 4,477           | 4,425         | 4,032         |
| Noncurrent Assets for Sale   | 1,563         | 1,547         | 1,100         | 620             | 616           | 244           |
| Expenses in Advance and Other  | 2,562         | 9             | 15            | (0)             | 8             | 8             |
| Accounts Receivables   | 638           | 922           | 720           | 315             | 408           | 367           |
| <b>Noncurrent Assets</b>   | <b>22,038</b> | <b>22,586</b> | <b>22,645</b> | <b>16,257</b>   | <b>16,113</b> | <b>15,877</b> |
| Long-Term Assets   | 4,907         | 5,113         | 5,368         | 1,964           | 1,960         | 2,146         |
| Accounts Receivables   | 147           | 119           | 89            | -               | -             | -             |
| Credit Cards   | 22            | 15            | -             | -               | -             | -             |
| Payment Book   | 143           | 119           | 99            | -               | -             | -             |
| Allowance for Doubtful Accounts                                      | (18)          | (15)          | (10)          | -               | -             | -             |
| Recoverable Taxes  | 2,247         | 2,473         | 2,664         | 554             | 569           | 608           |
| Deferred Income Tax and Social Contribution                          | 296           | 330           | 568           | 15              | 16            | 79            |
| Amounts Receivable from Related Parties                              | 345           | 342           | 358           | 66              | 77            | 218           |
| Judicial Deposits  | 1,197         | 1,151         | 1,023         | 673             | 629           | 593           |
| Expenses in Advance and Others                                       | 675           | 699           | 667           | 656             | 669           | 648           |
| Investments  | 488           | 469           | 504           | 317             | 303           | 329           |
| Property and Equipment   | 10,603        | 10,532        | 10,192        | 9,155           | 9,032         | 8,634         |
| Intangible Assets  | 6,039         | 6,472         | 6,581         | 4,821           | 4,819         | 4,768         |
| <b>TOTAL ASSETS</b>  | <b>41,956</b> | <b>42,034</b> | <b>42,267</b> | <b>24,245</b>   | <b>24,070</b> | <b>23,374</b> |

## LIABILITIES

| Consolidated |            |            | Food Businesses |            |            |
|--------------|------------|------------|-----------------|------------|------------|
| 09.30.2016   | 06.30.2016 | 09.30.2015 | 09.30.2016      | 06.30.2016 | 09.30.2015 |



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|   |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Current Liabilities</b>                  | <b>22,328</b> | <b>21,666</b> | <b>20,200</b> | <b>9,737</b>  | <b>9,087</b>  | <b>7,282</b>  |
| Suppliers                                   | 8,520         | 10,268        | 10,792        | 4,537         | 4,470         | 3,822         |
| Suppliers ('Forfait')                       | 341           | 430           | -             | -             | -             | -             |
| Loans and Financing                         | 4,014         | 3,184         | 817           | 2,943         | 2,390         | 424           |
| Payment Book (CDCI)                         | 2,461         | 2,355         | 2,153         | -             | -             | -             |
| Debentures                                  | 518           | 575           | 1,276         | 518           | 575           | 1,276         |
| Payroll and Related Charges                 | 1,111         | 1,052         | 914           | 662           | 556           | 505           |
| Taxes and Social Contribution Payable       | 696           | 729           | 768           | 172           | 179           | 198           |
| Dividends Proposed                          | 3             | 2             | 1             | 0             | 0             | 1             |
| Financing for Purchase of Fixed Assets      | 136           | 113           | 64            | 136           | 86            | 64            |
| Rents                                       | 126           | 119           | 103           | 83            | 77            | 69            |
| Acquisition of minority interest            | 7             | 82            | 71            | 7             | 82            | 70            |
| Debt with Related Parties                   | 171           | 1,247         | 1,647         | 374           | 363           | 277           |
| Advertisement                               | 66            | 67            | 62            | 44            | 50            | 32            |
| Provision for Restructuring                 | 5             | 8             | 8             | 3             | 4             | 7             |
| Advanced Revenue                            | 327           | 350           | 306           | 39            | 56            | 104           |
| Non-current Assets Held for Sale            | 3,124         | -             | -             | -             | -             | -             |
| Others                                      | 702           | 1,086         | 1,217         | 218           | 200           | 432           |
| <b>Long-Term Liabilities</b>                | <b>6,992</b>  | <b>7,484</b>  | <b>8,274</b>  | <b>4,724</b>  | <b>5,193</b>  | <b>6,442</b>  |
| Loans and Financing                         | 1,250         | 1,803         | 3,370         | 1,116         | 1,653         | 2,961         |
| Payment Book (CDCI)                         | 228           | 193           | 122           | -             | -             | -             |
| Debentures                                  | 898           | 898           | 897           | 898           | 898           | 897           |
| Financing for Purchase of Assets            | 4             | 4             | 4             | 4             | 4             | 4             |
| Acquisition of minority interest            | -             | 23            | -             | -             | -             | -             |
| Deferred Income Tax and Social Contribution | 1,039         | 1,058         | 1,195         | 1,016         | 1,031         | 1,166         |
| Tax Installments                            | 545           | 555           | 580           | 544           | 554           | 580           |
| Provision for Contingencies                 | 1,831         | 1,784         | 1,395         | 1,064         | 992           | 769           |
| Advanced Revenue                            | 1,137         | 1,117         | 653           | 27            | 29            | 29            |
| Others                                      | 59            | 49            | 59            | 54            | 33            | 36            |
| <b>Shareholders' Equity</b>                 | <b>12,637</b> | <b>12,883</b> | <b>13,793</b> | <b>9,784</b>  | <b>9,789</b>  | <b>9,650</b>  |
| Capital                                     | 6,808         | 6,807         | 6,806         | 5,436         | 5,375         | 4,842         |
| Capital Reserves                            | 321           | 313           | 300           | 321           | 313           | 300           |
| Profit Reserves                             | 2,891         | 3,005         | 3,355         | 2,891         | 2,978         | 3,456         |
| Adjustment of Equity Valuation              | -             | (15)          | (94)          | -             | (14)          | (94)          |
| Minority Interest                           | 2,617         | 2,773         | 3,425         | 1,136         | 1,138         | 1,146         |
| <b>TOTAL LIABILITIES</b>                    | <b>41,956</b> | <b>42,034</b> | <b>42,267</b> | <b>24,245</b> | <b>24,070</b> | <b>23,374</b> |

## INCOME STATEMENT

| R\$ - Million                                     | Consolidated   |                |              | Food Businesses |                |               | Multivarejo    |                |               | Assai        |              |              | Via Varejo     |                |               |
|---|----------------|----------------|--------------|-----------------|----------------|---------------|----------------|----------------|---------------|--------------|--------------|--------------|----------------|----------------|---------------|
|   | 3Q16           | 3Q15           | Δ            | 3Q16            | 3Q15           | Δ             | 3Q16           | 3Q15           | Δ             | 3Q16         | 3Q15         | Δ            | 3Q16           | 3Q15           | Δ             |
| <b>Gross</b>                                      |                |                |              |                 |                |               |                |                |               |              |              |              |                |                |               |
| <b>Revenue</b>                                    | 16,816         | 15,933         | 5.5%         | 10,946          | 9,574          | 14.3%         | 6,888          | 6,794          | 1.4%          | 4,059        | 2,779        | 46.0%        | 4,667          | 4,615          | 1.1%          |
| <b>Net Revenue</b>                                | 15,094         | 14,458         | 4.4%         | 10,090          | 8,852          | 14.0%         | 6,354          | 6,287          | 1.1%          | 3,737        | 2,564        | 45.7%        | 4,060          | 4,077          | -0.4%         |
| <b>Cost of Goods Sold</b>                         | (11,279)       | (10,821)       | 4.2%         | (7,839)         | (6,713)        | 16.8%         | (4,644)        | (4,518)        | 2.8%          | (3,195)      | (2,195)      | 45.5%        | (2,642)        | (2,720)        | -2.8%         |
| Depreciation (Logistic)                           | (27)           | (32)           | -16.8%       | (14)            | (13)           | 8.0%          | (13)           | (12)           | 7.7%          | (1)          | (1)          | 11.2%        | (10)           | (15)           | -29.3%        |
| <b>Gross Profit</b>                               | 3,789          | 3,605          | 5.1%         | 2,238           | 2,126          | 5.2%          | 1,697          | 1,758          | -3.5%         | 541          | 368          | 46.8%        | 1,407          | 1,343          | 4.8%          |
| Selling Expenses                                  | (2,833)        | (2,594)        | 9.2%         | (1,563)         | (1,425)        | 9.7%          | (1,235)        | (1,190)        | 3.8%          | (327)        | (235)        | 39.3%        | (1,130)        | (1,050)        | 7.6%          |
| General and Administrative Expenses               | (383)          | (379)          | 1.1%         | (224)           | (194)          | 15.7%         | (175)          | (161)          | 8.5%          | (49)         | (32)         | 51.6%        | (86)           | (117)          | -26.4%        |
| <b>Selling, General and Adm. Expenses</b>         | <b>(3,216)</b> | <b>(2,973)</b> | <b>8.2%</b>  | <b>(1,787)</b>  | <b>(1,619)</b> | <b>10.4%</b>  | <b>(1,411)</b> | <b>(1,351)</b> | <b>4.4%</b>   | <b>(377)</b> | <b>(267)</b> | <b>40.8%</b> | <b>(1,216)</b> | <b>(1,168)</b> | <b>4.2%</b>   |
| Equity Income                                     | 20             | 22             | -8.2%        | 14              | 16             | -11.3%        | 14             | 16             | -11.3%        | -            | -            | n.a.         | 6              | 6              | 0.0%          |
| Other Operating Revenue                           | (116)          | (203)          | -42.8%       | (51)            | (81)           | -37.6%        | (42)           | (80)           | -48.2%        | (9)          | (1)          | 598.5%       | (45)           | (119)          | -62.4%        |
| (Expenses) Depreciation and Amortization          | (222)          | (225)          | -1.5%        | (182)           | (172)          | 5.9%          | (149)          | (147)          | 1.1%          | (33)         | (24)         | 34.6%        | (42)           | (45)           | -6.2%         |
| <b>Earnings before interest and Taxes - EBIT</b>  | <b>254</b>     | <b>226</b>     | <b>12.8%</b> | <b>232</b>      | <b>270</b>     | <b>-14.2%</b> | <b>110</b>     | <b>195</b>     | <b>-43.6%</b> | <b>122</b>   | <b>75</b>    | <b>62.4%</b> | <b>110</b>     | <b>17</b>      | <b>541.2%</b> |
| Financial Revenue                                 | 101            | 168            | -39.6%       | 56              | 81             | -30.9%        | 47             | 71             | -33.2%        | 9            | 10           | -14.5%       | 33             | 90             | -63.0%        |
| Financial Expenses                                | (579)          | (513)          | 12.8%        | (297)           | (286)          | 4.0%          | (264)          | (257)          | 2.5%          | (34)         | (29)         | 17.2%        | (193)          | (158)          | 22.0%         |
| <b>Net Financial Result</b>                       | <b>(477)</b>   | <b>(345)</b>   | <b>38.4%</b> | <b>(241)</b>    | <b>(205)</b>   | <b>17.7%</b>  | <b>(216)</b>   | <b>(186)</b>   | <b>16.1%</b>  | <b>(25)</b>  | <b>(19)</b>  | <b>34.1%</b> | <b>(160)</b>   | <b>(69)</b>    | <b>133.3%</b> |
| <b>Income (Loss) Before Income Tax</b>            | <b>(223)</b>   | <b>(119)</b>   | <b>86.6%</b> | <b>(9)</b>      | <b>65</b>      | <b>n.a.</b>   | <b>(106)</b>   | <b>9</b>       | <b>n.a.</b>   | <b>97</b>    | <b>56</b>    | <b>71.8%</b> | <b>(49)</b>    | <b>(51)</b>    | <b>-3.6%</b>  |
| Income Tax  | 13             | 63             | -80.2%       | (5)             | (21)           | -76.3%        | 27             | (2)            | n.a.          | (31)         | (19)         | 64.6%        | 17             | 39             | -55.2%        |
| Net Income (Loss) Company - continuing operations | (210)          | (56)           | 274.2%       | (14)            | 44             | n.a.          | (80)           | 7              | n.a.          | 65           | 37           | 75.6%        | (32)           | (12)           | 160.9%        |

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|   |              |              |               |             |            |               |             |            |               |            |            |              |             |             |               |
|---|--------------|--------------|---------------|-------------|------------|---------------|-------------|------------|---------------|------------|------------|--------------|-------------|-------------|---------------|
| Net Result from discontinued operations   | (98)         | (74)         | 32.5%         | -           | -          | n.a.          | -           | -          | n.a.          | -          | -          | n.a.         | -           | -           | n.a.          |
| <b>Net Income (Loss) - Company Minority Interest - Noncontrolling - continuing operations</b> | <b>(308)</b> | <b>(130)</b> | <b>136.8%</b> | <b>(14)</b> | <b>44</b>  | <b>n.a.</b>   | <b>(80)</b> | <b>7</b>   | <b>n.a.</b>   | <b>65</b>  | <b>37</b>  | <b>75.6%</b> | <b>(32)</b> | <b>(12)</b> | <b>160.9%</b> |
| <b>Net Income (Loss) - Controlling Shareholders - continuing operations<sup>(1)</sup></b>     | <b>(125)</b> | <b>(68)</b>  | <b>83.3%</b>  | <b>(2)</b>  | <b>(7)</b> | <b>-68.4%</b> | <b>(2)</b>  | <b>(7)</b> | <b>-68.4%</b> | <b>-</b>   | <b>-</b>   | <b>n.a.</b>  | <b>(18)</b> | <b>(7)</b>  | <b>160.9%</b> |
| <b>Minority Interest - Noncontrolling - discontinued operations</b>                           | <b>(85)</b>  | <b>12</b>    | <b>n.a.</b>   | <b>(12)</b> | <b>51</b>  | <b>n.a.</b>   | <b>(77)</b> | <b>14</b>  | <b>n.a.</b>   | <b>65</b>  | <b>37</b>  | <b>75.6%</b> | <b>(14)</b> | <b>(5)</b>  | <b>160.9%</b> |
| <b>Net Income (Loss) - Controlling Shareholders - discontinued operations<sup>(1)</sup></b>   | <b>(64)</b>  | <b>(52)</b>  | <b>24.1%</b>  | <b>-</b>    | <b>-</b>   | <b>n.a.</b>   | <b>-</b>    | <b>-</b>   | <b>n.a.</b>   | <b>-</b>   | <b>-</b>   | <b>n.a.</b>  | <b>-</b>    | <b>-</b>    | <b>n.a.</b>   |
| <b>Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA Adjusted</b>          | <b>503</b>   | <b>483</b>   | <b>4.2%</b>   | <b>428</b>  | <b>455</b> | <b>-6.0%</b>  | <b>272</b>  | <b>354</b> | <b>-23.3%</b> | <b>156</b> | <b>101</b> | <b>55.1%</b> | <b>163</b>  | <b>77</b>   | <b>112.0%</b> |
| <b>EBITDA (2)</b>   | <b>619</b>   | <b>686</b>   | <b>-9.7%</b>  | <b>478</b>  | <b>536</b> | <b>-10.8%</b> | <b>313</b>  | <b>434</b> | <b>-27.9%</b> | <b>165</b> | <b>102</b> | <b>62.2%</b> | <b>208</b>  | <b>196</b>  | <b>6.0%</b>   |

| % of Net Revenue                                | Consolidated |       | Food Businesses |       | Multivarejo |       | Assai |       | Via Varejo |       |
|---|--------------|-------|-----------------|-------|-------------|-------|-------|-------|------------|-------|
|   | 3Q16         | 3Q15  | 3Q16            | 3Q15  | 3Q16        | 3Q15  | 3Q16  | 3Q15  | 3Q16       | 3Q15  |
| <b>Gross Profit</b>                             | 25.1%        | 24.9% | 22.2%           | 24.0% | 26.7%       | 28.0% | 14.5% | 14.4% | 34.7%      | 32.9% |
| Selling Expenses                                | 18.8%        | 17.9% | 15.5%           | 16.1% | 19.4%       | 18.9% | 8.8%  | 9.2%  | 27.8%      | 25.8% |
| General and Administrative Expenses             | 2.5%         | 2.6%  | 2.2%            | 2.2%  | 2.8%        | 2.6%  | 1.3%  | 1.3%  | 2.1%       | 2.9%  |
| Selling, General and Adm. Expenses              | 21.3%        | 20.6% | 17.7%           | 18.3% | 22.2%       | 21.5% | 10.1% | 10.4% | 30.0%      | 28.6% |
| Equity Income                                   | 0.1%         | 0.2%  | 0.1%            | 0.2%  | 0.2%        | 0.3%  | 0.0%  | 0.0%  | 0.1%       | 0.1%  |
| Other Operating Revenue                         | 0.8%         | 1.4%  | 0.5%            | 0.9%  | 0.7%        | 1.3%  | 0.3%  | 0.1%  | 1.1%       | 2.9%  |
| (Expenses) <b>Depreciation and Amortization</b> | 1.5%         | 1.6%  | 1.8%            | 1.9%  | 2.3%        | 2.3%  | 0.9%  | 1.0%  | 1.0%       | 1.1%  |
| <b>EBIT</b>                                     | 1.7%         | 1.6%  | 2.3%            | 3.1%  | 1.7%        | 3.1%  | 3.3%  | 2.9%  | 2.7%       | 0.4%  |

|   |       |       |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Net Financial Revenue</b>  |       |       |       |       |       |       |       |       |       |       |
| <b>(Expenses) Income (Loss) Before Income Tax</b>   | 3.2%  | 2.4%  | 2.4%  | 2.3%  | 3.4%  | 3.0%  | 0.7%  | 0.7%  | 3.9%  | 1.7%  |
| <b>Tax</b>  | -1.5% | -0.8% | -0.1% | 0.7%  | -1.7% | 0.1%  | 2.6%  | 2.2%  | -1.2% | -1.3% |
| <b>Income Tax</b>   | 0.1%  | 0.4%  | 0.0%  | -0.2% | 0.4%  | 0.0%  | -0.8% | -0.7% | 0.4%  | 1.0%  |
| <b>Net Income (Loss) - Company Minority Interest - Noncontrolling - continuing operations</b> | -0.8% | -0.5% | 0.0%  | -0.1% | 0.0%  | -0.1% | 0.0%  | 0.0%  | -0.4% | -0.2% |
| <b>Net Income (Loss) - Controlling Shareholders - continuing operations<sup>(1)</sup></b>     | -0.6% | 0.1%  | -0.1% | 0.6%  | -1.2% | 0.2%  | 1.7%  | 1.5%  | -0.3% | -0.1% |
| <b>EBITDA</b>   | 3.3%  | 3.3%  | 4.2%  | 5.1%  | 4.3%  | 5.6%  | 4.2%  | 3.9%  | 4.0%  | 1.9%  |
| <b>Adjusted EBITDA <sup>(2)</sup></b>   | 4.1%  | 4.7%  | 4.7%  | 6.1%  | 4.9%  | 6.9%  | 4.4%  | 4.0%  | 5.1%  | 4.8%  |

(1) Net Income after noncontrolling shareholders

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

## INCOME STATEMENT

| R\$ - Million                                    | Consolidated   |                |               | Food Businesses |                |               | Multivarejo    |                |               | Assaí          |              |              | Via Varejo     |                |               |
|--|----------------|----------------|---------------|-----------------|----------------|---------------|----------------|----------------|---------------|----------------|--------------|--------------|----------------|----------------|---------------|
|  | 9M16           | 9M15           | Δ             | 9M16            | 9M15           | Δ             | 9M16           | 9M15           | Δ             | 9M16           | 9M15         | Δ            | 9M16           | 9M15           | Δ             |
| <b>Gross</b>                                     |                |                |               |                 |                |               |                |                |               |                |              |              |                |                |               |
| <b>Revenue</b>                                   | 51,343         | 49,867         | 3.0%          | 32,228          | 28,913         | 11.5%         | 21,124         | 20,991         | 0.6%          | 11,104         | 7,922        | 40.2%        | 15,046         | 15,563         | -3.3%         |
| <b>Net Revenue</b>                               | 45,980         | 45,170         | 1.8%          | 29,714          | 26,721         | 11.2%         | 19,482         | 19,400         | 0.4%          | 10,232         | 7,321        | 39.8%        | 13,070         | 13,755         | -5.0%         |
| <b>Cost of Goods Sold</b>                        | (34,298)       | (33,691)       | 1.8%          | (22,874)        | (20,275)       | 12.8%         | (14,130)       | (13,977)       | 1.1%          | (8,744)        | (6,298)      | 38.8%        | (8,539)        | (9,184)        | -7.0%         |
| Depreciation (Logistic)                          | (84)           | (97)           | -13.5%        | (41)            | (42)           | -0.4%         | (38)           | (38)           | -0.4%         | (3)            | (3)          | 0.3%         | (30)           | (42)           | -28.4%        |
| <b>Gross Profit</b>                              | 11,599         | 11,382         | 1.9%          | 6,798           | 6,404          | 6.1%          | 5,314          | 5,385          | -1.3%         | 1,484          | 1,019        | 45.6%        | 4,501          | 4,528          | -0.6%         |
| Selling Expenses                                 | (8,635)        | (7,885)        | 9.5%          | (4,806)         | (4,321)        | 11.2%         | (3,889)        | (3,635)        | 7.0%          | (917)          | (686)        | 33.7%        | (3,409)        | (3,238)        | 5.3%          |
| General and Administrative Expenses              | (1,230)        | (1,122)        | 9.7%          | (653)           | (557)          | 17.2%         | (516)          | (469)          | 10.0%         | (137)          | (88)         | 55.6%        | (365)          | (370)          | -1.2%         |
| <b>Selling, General and Adm. Expenses</b>        | <b>(9,866)</b> | <b>(9,007)</b> | <b>9.5%</b>   | <b>(5,459)</b>  | <b>(4,878)</b> | <b>11.9%</b>  | <b>(4,405)</b> | <b>(4,105)</b> | <b>7.3%</b>   | <b>(1,054)</b> | <b>(774)</b> | <b>36.2%</b> | <b>(3,774)</b> | <b>(3,608)</b> | <b>4.6%</b>   |
| Equity Income                                    | 81             | 84             | -3.0%         | 58              | 61             | -5.3%         | 58             | 61             | -5.3%         | -              | -            | n.a.         | 23             | 23             | 3.1%          |
| Other Operating Revenue                          | (679)          | (286)          | 137.3%        | (357)           | (182)          | 96.5%         | (308)          | (184)          | 67.7%         | (49)           | 2            | n.a.         | (124)          | (87)           | 43.2%         |
| (Expenses) Depreciation and Amortization         | (683)          | (662)          | 3.2%          | (535)           | (506)          | 5.8%          | (441)          | (435)          | 1.2%          | (95)           | (71)         | 34.0%        | (129)          | (132)          | -2.1%         |
| <b>Earnings before interest and Taxes - EBIT</b> | <b>453</b>     | <b>1,511</b>   | <b>-70.0%</b> | <b>505</b>      | <b>900</b>     | <b>-43.8%</b> | <b>219</b>     | <b>723</b>     | <b>-69.7%</b> | <b>286</b>     | <b>177</b>   | <b>62.0%</b> | <b>497</b>     | <b>724</b>     | <b>-31.4%</b> |
| Financial Revenue                                | 382            | 581            | -34.3%        | 173             | 297            | -41.9%        | 145            | 280            | -48.3%        | 28             | 18           | 56.6%        | 205            | 267            | -23.3%        |
| Financial Expenses                               | (1,713)        | (1,645)        | 4.2%          | (836)           | (844)          | -1.0%         | (736)          | (768)          | -4.1%         | (101)          | (77)         | 30.6%        | (662)          | (611)          | 8.3%          |
| <b>Net Financial Revenue (Expenses)</b>          | <b>(1,332)</b> | <b>(1,064)</b> | <b>25.2%</b>  | <b>(664)</b>    | <b>(547)</b>   | <b>21.3%</b>  | <b>(591)</b>   | <b>(488)</b>   | <b>21.2%</b>  | <b>(72)</b>    | <b>(59)</b>  | <b>22.7%</b> | <b>(457)</b>   | <b>(344)</b>   | <b>32.8%</b>  |
| <b>Income Before Income Tax</b>                  | <b>(879)</b>   | <b>447</b>     | <b>n.a.</b>   | <b>(159)</b>    | <b>353</b>     | <b>n.a.</b>   | <b>(373)</b>   | <b>235</b>     | <b>n.a.</b>   | <b>214</b>     | <b>118</b>   | <b>81.6%</b> | <b>40</b>      | <b>380</b>     | <b>-89.6%</b> |
| Income Tax                                       | 17             | (89)           | n.a.          | 25              | (88)           | n.a.          | 103            | (48)           | n.a.          | (78)           | (40)         | 93.2%        | (6)            | (102)          | -94.2%        |
|  | (861)          | 358            | n.a.          | (133)           | 264            | n.a.          | (270)          | 187            | n.a.          | 136            | 78           | 75.5%        | 34             | 278            | -87.9%        |

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|   |                |              |               |              |              |               |              |              |               |            |            |              |            |            |               |
|---|----------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|------------|------------|--------------|------------|------------|---------------|
| Net Income (Loss) Company - continuing operations   | (186)          | (250)        | -25.5%        | -            | -            | n.a.          | -            | -            | n.a.          | -          | -          | n.a.         | -          | -          | n.a.          |
| Net Result from discontinued operations   | (186)          | (250)        | -25.5%        | -            | -            | n.a.          | -            | -            | n.a.          | -          | -          | n.a.         | -          | -          | n.a.          |
| <b>Net Income - Company</b>   | <b>(1,048)</b> | <b>108</b>   | <b>n.a.</b>   | <b>(133)</b> | <b>264</b>   | <b>n.a.</b>   | <b>(270)</b> | <b>187</b>   | <b>n.a.</b>   | <b>136</b> | <b>78</b>  | <b>75.5%</b> | <b>34</b>  | <b>278</b> | <b>-87.9%</b> |
| <b>Minority Interest - Noncontrolling - continuing operations</b>                           | <b>(475)</b>   | <b>33</b>    | <b>n.a.</b>   | <b>(7)</b>   | <b>(14)</b>  | <b>-52.4%</b> | <b>(7)</b>   | <b>(14)</b>  | <b>-52.4%</b> | <b>-</b>   | <b>-</b>   | <b>n.a.</b>  | <b>19</b>  | <b>157</b> | <b>-87.9%</b> |
| <b>Net Income (Loss) - Controlling Shareholders - continuing operations<sup>(1)</sup></b>   | <b>(387)</b>   | <b>325</b>   | <b>n.a.</b>   | <b>(127)</b> | <b>278</b>   | <b>n.a.</b>   | <b>(263)</b> | <b>201</b>   | <b>n.a.</b>   | <b>136</b> | <b>78</b>  | <b>75.5%</b> | <b>15</b>  | <b>120</b> | <b>-87.9%</b> |
| <b>Minority Interest - Noncontrolling - discontinued operations</b>                         | <b>(128)</b>   | <b>(173)</b> | <b>-26.0%</b> | <b>-</b>     | <b>-</b>     | <b>n.a.</b>   | <b>-</b>     | <b>-</b>     | <b>n.a.</b>   | <b>-</b>   | <b>-</b>   | <b>n.a.</b>  | <b>-</b>   | <b>-</b>   | <b>n.a.</b>   |
| <b>Net Income (Loss) - Controlling Shareholders - discontinued operations<sup>(1)</sup></b> | <b>(58)</b>    | <b>(77)</b>  | <b>-24.5%</b> | <b>-</b>     | <b>-</b>     | <b>n.a.</b>   | <b>-</b>     | <b>-</b>     | <b>n.a.</b>   | <b>-</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>1,220</b>   | <b>2,270</b> | <b>-46.3%</b> | <b>1,082</b> | <b>1,447</b> | <b>-25.2%</b> | <b>697</b>   | <b>1,196</b> | <b>-41.7%</b> | <b>385</b> | <b>251</b> | <b>53.2%</b> | <b>656</b> | <b>898</b> | <b>-27.0%</b> |
| <b>Adjusted EBITDA <sup>(2)</sup></b>   | <b>1,898</b>   | <b>2,556</b> | <b>-25.7%</b> | <b>1,439</b> | <b>1,629</b> | <b>-11.7%</b> | <b>1,005</b> | <b>1,380</b> | <b>-27.2%</b> | <b>434</b> | <b>249</b> | <b>74.1%</b> | <b>780</b> | <b>985</b> | <b>-20.8%</b> |

| % Net Sales Revenue                 | Consolidated |             | Food Businesses |             | Multivarejo |             | Assai       |             | Via Varejo  |             |
|-------------------------------------|--------------|-------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                     | 9M16         | 9M15        | 9M16            | 9M15        | 9M16        | 9M15        | 9M16        | 9M15        | 9M16        | 9M15        |
| <b>Gross Profit</b>                 | 25.2%        | 25.2%       | 22.9%           | 24.0%       | 27.3%       | 27.8%       | 14.5%       | 13.9%       | 34.4%       | 32.9%       |
| Selling Expenses                    | 18.8%        | 17.5%       | 16.2%           | 16.2%       | 20.0%       | 18.7%       | 9.0%        | 9.4%        | 26.1%       | 23.5%       |
| General and Administrative Expenses | 2.7%         | 2.5%        | 2.2%            | 2.1%        | 2.6%        | 2.4%        | 1.3%        | 1.2%        | 2.8%        | 2.7%        |
| Selling, General and Adm. Expenses  | 21.5%        | 19.9%       | 18.4%           | 18.3%       | 22.6%       | 21.2%       | 10.3%       | 10.6%       | 28.9%       | 26.2%       |
| Equity Income                       | 0.2%         | 0.2%        | 0.2%            | 0.2%        | 0.3%        | 0.3%        | 0.0%        | 0.0%        | 0.2%        | 0.2%        |
| Other Operating Revenue (Expenses)  | 1.5%         | 0.6%        | 1.2%            | 0.7%        | 1.6%        | 0.9%        | 0.5%        | 0.0%        | 1.0%        | 0.6%        |
| <b>Depreciation and</b>             | <b>1.5%</b>  | <b>1.5%</b> | <b>1.8%</b>     | <b>1.9%</b> | <b>2.3%</b> | <b>2.2%</b> | <b>0.9%</b> | <b>1.0%</b> | <b>1.0%</b> | <b>1.0%</b> |

|                                 |       |      |       |       |       |       |      |      |      |      |
|---------------------------------|-------|------|-------|-------|-------|-------|------|------|------|------|
| <b>Amortization</b>             |       |      |       |       |       |       |      |      |      |      |
| <b>EBIT</b>                     | 1.0%  | 3.3% | 1.7%  | 3.4%  | 1.1%  | 3.7%  | 2.8% | 2.4% | 3.8% | 5.3% |
| <b>Net Financial Revenue</b>    |       |      |       |       |       |       |      |      |      |      |
| <b>(Expenses)</b>               | 2.9%  | 2.4% | 2.2%  | 2.0%  | 3.0%  | 2.5%  | 0.7% | 0.8% | 3.5% | 2.5% |
| <b>Income Before</b>            |       |      |       |       |       |       |      |      |      |      |
| <b>Income Tax</b>               | -1.9% | 1.0% | -0.5% | 1.3%  | -1.9% | 1.2%  | 2.1% | 1.6% | 0.3% | 2.8% |
| <b>Income Tax</b>               | 0.0%  | 0.2% | -0.1% | 0.3%  | -0.5% | 0.2%  | 0.8% | 0.5% | 0.0% | 0.7% |
| <b>Net Income -</b>             |       |      |       |       |       |       |      |      |      |      |
| <b>Company</b>                  | -2.3% | 0.2% | -0.4% | 1.0%  | -1.4% | 1.0%  | 1.3% | 1.1% | 0.3% | 2.0% |
| <b>Minority</b>                 |       |      |       |       |       |       |      |      |      |      |
| <b>Interest -</b>               |       |      |       |       |       |       |      |      |      |      |
| <b>Noncontrolling</b>           |       |      |       |       |       |       |      |      |      |      |
| <b>- continuing</b>             |       |      |       |       |       |       |      |      |      |      |
| <b>operations</b>               | -1.0% | 0.1% | 0.0%  | -0.1% | 0.0%  | -0.1% | 0.0% | 0.0% | 0.1% | 1.1% |
| <b>Net Income</b>               |       |      |       |       |       |       |      |      |      |      |
| <b>(Loss) -</b>                 |       |      |       |       |       |       |      |      |      |      |
| <b>Controlling</b>              |       |      |       |       |       |       |      |      |      |      |
| <b>Shareholders -</b>           |       |      |       |       |       |       |      |      |      |      |
| <b>continuing</b>               |       |      |       |       |       |       |      |      |      |      |
| <b>operations<sup>(1)</sup></b> | -0.8% | 0.7% | -0.4% | 1.0%  | -1.3% | 1.0%  | 1.3% | 1.1% | 0.1% | 0.9% |
| <b>EBITDA</b>                   | 2.7%  | 5.0% | 3.6%  | 5.4%  | 3.6%  | 6.2%  | 3.8% | 3.4% | 5.0% | 6.5% |
| <b>Adjusted</b>                 |       |      |       |       |       |       |      |      |      |      |
| <b>EBITDA (2)</b>               | 4.1%  | 5.7% | 4.8%  | 6.1%  | 5.2%  | 7.1%  | 4.2% | 3.4% | 6.0% | 7.2% |

(1) Net Income after noncontrolling shareholders

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

## STATEMENT OF CASH FLOW

(R\$ million)

|   | Consolidated   |                |
|---|----------------|----------------|
|   | 09.30.2016     | 09.30.2015     |
| <b>Net Income (Loss) for the period</b>                       | <b>(1,048)</b> | <b>109</b>     |
| Adjustment for reconciliation of net income                   |                |                |
| Deferred income tax   | (92)           | 12             |
| Loss (gain) on disposal of fixed and intangible assets        | 146            | 65             |
| Depreciation and amortization                                 | 826            | 818            |
| Interests and exchange variation                              | 996            | 832            |
| Adjustment to present value                                   | -              | (4)            |
| Equity Income   | (81)           | (84)           |
| Provision for contingencies                                   | 638            | 151            |
| Share-Based Compensation                                      | 19             | 22             |
| Allowance for doubtful accounts                               | 438            | 429            |
| Provision for obsolescence/breakage                           | 19             | (5)            |
| Gains resulting from sale of subsidiaries                     | (94)           | -              |
| Deferred revenue  | (236)          | (139)          |
| Other Operating Expenses                                      | -              | 2              |
|   | <b>1,531</b>   | <b>2,208</b>   |
| <b>Asset (Increase) decreases</b>                             |                |                |
| Accounts receivable   | (1,638)        | (835)          |
| Inventories   | 90             | 184            |
| Taxes recoverable   | (319)          | (537)          |
| Other Assets  | (36)           | (285)          |
| Related parties   | 3              | (157)          |
| Restricted deposits for legal proceeding                      | (184)          | (117)          |
|   | <b>(2,084)</b> | <b>(1,747)</b> |
| <b>Liability (Increase) decrease</b>                          |                |                |
| Suppliers   | (5,055)        | (3,199)        |
| Suppliers ('Forfait')   | (714)          | -              |
| Payroll and charges   | 152            | 47             |
| Taxes and Social contributions payable                        | (51)           | (31)           |
| Other Accounts Payable  | (574)          | (190)          |
| Contingencies   | (271)          | (217)          |
| Deferred revenue  | 95             | 43             |
| Taxes and Social contributions paid                           | (110)          | (193)          |
|   | <b>(6,528)</b> | <b>(3,740)</b> |
| <b>Net cash generated from (used in) operating activities</b> | <b>(7,081)</b> | <b>(3,279)</b> |

## CASH FLOW FROM INVESTMENT AND FINANCING ACTIVITIES

(R\$ million)

|  | Consolidated |            |
|--|--------------|------------|
|  | 09.30.2016   | 09.30.2015 |



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|   |                |                |
|---|----------------|----------------|
| Acquisition of property and equipment                         | (850)          | (1,170)        |
| Increase Intangible assets                                    | (221)          | (314)          |
| Sales of property and equipment                               | 38             | 57             |
| Cash provided on sale of subsidiary                           | 91             | 51             |
| <b>Net cash flow investment activities</b>                    | <b>(942)</b>   | <b>(1,376)</b> |
| <b>Cash flow from financing activities</b>                    |                |                |
| Increase of capital   | 2              | 14             |
| Funding and refinancing                                       | 5,422          | 4,624          |
| Payments of loans and financing                               | (4,987)        | (6,603)        |
| Dividend Payment  | (4)            | (397)          |
| Acquisition of society  | (80)           | (74)           |
| Transactions with minorities                                  | -              | (4)            |
| Intercompany loans  | 677            | 1,187          |
| <b>Net cash generated from (used in) financing activities</b> | <b>1,030</b>   | <b>(1,253)</b> |
| Monetary variation over cash and cash equivalents             | 22             | 173            |
| <b>Increase (decrease) in cash and cash equivalents</b>       | <b>(6,971)</b> | <b>(5,735)</b> |
| Cash and cash equivalents at the beginning of the year        | 11,015         | 11,149         |
| Cash and cash equivalents at the end of the year              | 4,044          | 5,414          |
| <b>Change in cash and cash equivalents</b>                    | <b>(6,971)</b> | <b>(5,735)</b> |

| (R\$ million)                     | BREAKDOWN OF GROSS SALES BY BUSINESS |               |               |               |              |               |               |               |               |              |
|-----------------------------------|--------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
|                                   | 3Q16                                 | %             | 3Q15          | %             | Δ            | 9M16          | %             | 9M15          | %             | Δ            |
| Pão de Açúcar                     | 1,777                                | 10.6%         | 1,728         | 10.8%         | 2.8%         | 5,359         | 10.4%         | 5,160         | 10.3%         | 3.9%         |
| Extra <sup>(1)</sup>              | 4,251                                | 25.3%         | 4,238         | 26.6%         | 0.3%         | 13,109        | 25.5%         | 13,455        | 27.0%         | -2.6%        |
| Convenience Stores <sup>(2)</sup> | 298                                  | 1.8%          | 262           | 1.6%          | 13.8%        | 903           | 1.8%          | 721           | 1.4%          | 25.1%        |
| Assaí                             | 4,059                                | 24.1%         | 2,779         | 17.4%         | 46.0%        | 11,104        | 21.6%         | 7,922         | 15.9%         | 40.2%        |
| Other Businesses <sup>(3)</sup>   | 562                                  | 3.3%          | 566           | 3.6%          | -0.7%        | 1,753         | 3.4%          | 1,655         | 3.3%          | 5.9%         |
| <b>Food Businesses</b>            | <b>10,946</b>                        | <b>65.1%</b>  | <b>9,574</b>  | <b>60.1%</b>  | <b>14.3%</b> | <b>32,228</b> | <b>62.8%</b>  | <b>28,913</b> | <b>58.0%</b>  | <b>11.5%</b> |
| Pontofrio                         | 739                                  | 4.4%          | 942           | 5.9%          | -21.5%       | 2,542         | 5.0%          | 3,353         | 6.7%          | -24.2%       |
| Casas Bahia                       | 3,929                                | 23.4%         | 3,673         | 23.1%         | 6.9%         | 12,505        | 24.4%         | 12,210        | 24.5%         | 2.4%         |
| Cnova                             | 1,203                                | 7.2%          | 1,744         | 10.9%         | -31.0%       | 4,069         | 7.9%          | 5,390         | 10.8%         | -24.5%       |
| <b>Non-Food Businesses</b>        | <b>5,870</b>                         | <b>34.9%</b>  | <b>6,359</b>  | <b>39.9%</b>  | <b>-7.7%</b> | <b>19,115</b> | <b>37.2%</b>  | <b>20,954</b> | <b>42.0%</b>  | <b>-8.8%</b> |
| <b>Consolidated</b>               | <b>16,816</b>                        | <b>100.0%</b> | <b>15,933</b> | <b>100.0%</b> | <b>5.5%</b>  | <b>51,343</b> | <b>100.0%</b> | <b>49,867</b> | <b>100.0%</b> | <b>3.0%</b>  |

(1) Includes Extra Supermercado and Extra Hiper,

(2) Includes Minimercado Extra and Minuto 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 |              |              |              |               |               |              |               |              |               |
|-----------------------------------|------------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|---------------|--------------|---------------|
|                                   | 3Q16                               | %            | 3Q15         | %            | Δ             | 9M16          | %            | 9M15          | %            | Δ             |
| Pão de Açúcar                     | 1,634                              | 10.8%        | 1,592        | 11.0%        | 2.6%          | 4,928         | 10.7%        | 4,749         | 10.5%        | 3.8%          |
| Extra <sup>(1)</sup>              | 3,890                              | 25.8%        | 3,896        | 26.9%        | -0.1%         | 11,991        | 26.1%        | 12,353        | 27.3%        | -2.9%         |
| Convenience Stores <sup>(2)</sup> | 277                                | 1.8%         | 245          | 1.7%         | 13.4%         | 841           | 1.8%         | 676           | 1.5%         | 24.3%         |
| Assaí                             | 3,737                              | 24.8%        | 2,564        | 17.7%        | 45.7%         | 10,232        | 22.3%        | 7,321         | 16.2%        | 39.8%         |
| Other Businesses <sup>(3)</sup>   | 552                                | 3.7%         | 555          | 3.8%         | -0.4%         | 1,723         | 3.7%         | 1,622         | 3.6%         | 6.2%          |
| <b>Food Businesses</b>            | <b>10,090</b>                      | <b>66.8%</b> | <b>8,852</b> | <b>61.2%</b> | <b>14.0%</b>  | <b>29,714</b> | <b>64.6%</b> | <b>26,721</b> | <b>59.2%</b> | <b>11.2%</b>  |
| Pontofrio                         | 672                                | 4.4%         | 828          | 5.7%         | -18.9%        | 2,240         | 4.9%         | 2,978         | 6.6%         | -24.8%        |
| Casas Bahia                       | 3,389                              | 22.4%        | 3,250        | 22.5%        | 4.3%          | 10,831        | 23.6%        | 10,777        | 23.9%        | 0.5%          |
| Cnova                             | 944                                | 6.3%         | 1,530        | 10.6%        | -38.3%        | 3,196         | 7.0%         | 4,694         | 10.4%        | -31.9%        |
| <b>Non-Food Businesses</b>        | <b>5,004</b>                       | <b>33.2%</b> | <b>5,607</b> | <b>38.8%</b> | <b>-10.8%</b> | <b>16,267</b> | <b>35.4%</b> | <b>18,449</b> | <b>40.8%</b> | <b>-11.8%</b> |

|  |        |        |        |        |      |        |        |        |        |      |
|--|--------|--------|--------|--------|------|--------|--------|--------|--------|------|
| <b>Consolidated</b>                              | 15,094 | 100.0% | 14,458 | 100.0% | 4.4% | 45,980 | 100.0% | 45,170 | 100.0% | 1.8% |
| (1) Includes Extra Supermercado and Extra Hiper. |        |        |        |        |      |        |        |        |        |      |

(1) Includes Extra Supermercado and Extra Hiper,

(2) Includes Minimercado Extra and Minuto Pão de Açúcar sales.

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

|                     | 3Q16  | 3Q15  | 9M16  | 9M15  | 3Q16  | 3Q15  | 9M16  | 9M15  |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Cash</b>         | 44.6% | 43.6% | 44.1% | 43.8% | 51.6% | 51.4% | 51.8% | 51.8% |
| <b>Credit Card</b>  | 44.8% | 46.4% | 45.9% | 46.5% | 38.3% | 38.7% | 38.3% | 38.5% |
| <b>Food Voucher</b> | 6.8%  | 6.2%  | 6.4%  | 5.8%  | 10.1% | 9.9%  | 9.9%  | 9.7%  |
| <b>Payment Book</b> | 3.8%  | 3.9%  | 3.6%  | 3.9%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  |

(1) Does not include Cdiscount.

| STORE OPENINGS/CLOSINGS BY BANNER      |              |              |          |             |           |              |
|--|--------------|--------------|----------|-------------|-----------|--------------|
|  | 09/30/2015   | 06/30/2016   | Opened   | Closed      | Converted | 09/30/2016   |
| Pão de Açúcar                          | 184          | 184          | -        | -           | -         | 184          |
| Extra Hiper                            | 137          | 135          | -        | (1)         | -         | 134          |
| Extra Supermercado                     | 199          | 194          | -        | -           | -         | 194          |
| Minimercado Extra                      | 262          | 230          | -        | (21)        | (1)       | 208          |
| Minuto Pão de Açúcar                   | 39           | 67           | -        | -           | 1         | 68           |
| Assaí                                  | 88           | 97           | 3        | -           | -         | 100          |
| Other Business                         | 239          | 231          | -        | -           | -         | 231          |
| Gas Station                            | 82           | 76           | -        | -           | -         | 76           |
| Drugstores                             | 157          | 155          | -        | -           | -         | 155          |
| <b>Food Businesses</b>                 | <b>1,148</b> | <b>1,138</b> | <b>3</b> | <b>(22)</b> | <b>-</b>  | <b>1,119</b> |
| Pontofrio                              | 301          | 225          | -        | (5)         | -         | 220          |
| Casas Bahia                            | 715          | 750          | 1        | (1)         | -         | 750          |
| <b>Consolidated</b>                    | <b>2,164</b> | <b>2,113</b> | <b>4</b> | <b>(28)</b> | <b>-</b>  | <b>2,089</b> |
| <b>Sales Area ('000 m<sup>2</sup>)</b> |              |              |          |             |           |              |
| Food Businesses                        | 1,780        | 1,782        |          |             |           | 1,787        |
| Consolidated                           | 2,880        | 2,854        |          |             |           | 2,853        |
| <b># of employees ('000)</b>           |              |              |          |             |           |              |
| (1)                                    | 142          | 137          |          |             |           | 135          |

(1) Does not include Cdiscount employees.

**3Q16 Results Conference Call and Webcast**

Friday, October 28, 2016

11:00 a.m. (Brasília) | 9:00 a.m. (New York) | 14:00 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 Portuguese audio: 2291494#

Access code for English audio: 7887044#

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

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The individual and parent company financial statements are presented in accordance with IFRS and the accounting practices adopted in Brazil and refer to the third quarter of 2016 (3Q16), except where stated otherwise, with comparisons in relation to the prior-year period.

**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

Any and all non-accounting information or derived from non-accounting figures has not been reviewed by independent auditors.

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

GPA adopts the IPCA consumer price index as its benchmark inflation index, which is also used by the Brazilian Supermarkets Association (ABRAS), since it more accurately reflects the mix of products and brands sold by the Company. The IPCA in the 12 months ended September 2016 was 8.48%.

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

based on their consumer profile in the wide variety of shopping experiences it offers, GPA adopts a multi-business and multi-channel platform with brick-and-mortar stores and e-commerce operations divided into five business units: Multivarejo, which operates the supermarket, hypermarket and 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; Via Varejo, with its bricks and mortar electronics and home appliances stores under the Casas Bahia and Pontofrio banners; GPA Malls, which is responsible for managing the real estate assets, expansion projects and new store openings; and the e-commerce segment.

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**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2016

(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") engages 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", "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" and the neighborhood shopping mall brand "Conviva". Its headquarter is located in the city of São Paulo, State of São Paulo, Brazil.

The Company's shares are listed on the São Paulo Stock Exchange ("BM&FBovespa") 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". Subsidiaries that are public companies are Via Varejo S.A ("Via Varejo") which has its shares listed on BM&FBovespa, under ticker symbols "VVAR11" and "VVAR3" and Cnova N.V ("Cnova Holanda") which has its shares listed in Nasdaq Global Select Market under ticker symbol "CNV" and in Euronext Paris under ticker symbol "CNV".

The Company is indirectly controlled by Almacenes Exito S.A., through Wilkes Participações S.A. ("Wilkes"), through the holding companies of Casino Guichard Perrachon ("Casino"), which continued to be the final controller.

### 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 (see note 34.2).

### 1.2 Investigation Cnova and restatement of corresponding amounts

As disclosed in the note 1.5 of the restated consolidated financial statements as of December 31, 2015, the investigation conducted by Cnova N.V ("Cnova") was concluded and resulting adjustments were recorded in corresponding financial statements, which were restated on July 27, 2016, as well as in all interim financial information of 2015, restated on October 27, 2016, and other impacted prior periods.

There are no impacts related to the investigation in the nine-month period ended September 30, 2016.

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**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2016

(In millions of Brazilian reais, unless otherwise stated)

**1. Corporate information – Continued**

1.3. Corporate restructuring

1.3.1. Corporate restructuring – Barcelona, Sendas and Xantocarpa

On April 27, 2016, was approved in Ordinary and Extraordinary Shareholders' Meeting of CBD, the part of incorporation of the net assets of Sendas Distribuidora. With the objective to consolidate the cash and carry segment in a single entity and to improve operational and financial efficiency, the following corporate actions were taken:

(i) Redemption of Barcelona's stock

On February 22, 2016, it was approved at the Extraordinary General Meeting the redemption of all preferred shares issued by Barcelona, that corresponding to 3,722,470 shares held by Novasoc at book value of R\$160. The transaction did not generate impacts on the consolidated balances of the Company.

(ii) Total merger of Barcelona

At the Ordinary and Extraordinary General Meeting of April 27, 2016 was approved the merger of Barcelona by Sendas.

On April 30, 2016 Barcelona's assets and liabilities were fully incorporated by Sendas, consequently Barcelona was extinguished.

(iii) Partial spin-off of Sendas

Still at the Annual and Extraordinary General Meeting of April 27, 2016 it was approved the spin off of Sendas. On April 30, 2016, after the total merger and extinction of Barcelona, Sendas was partially spun off and incorporated into the CBD. The value of the split assets was R\$2.

In August, 2016 Xantocarpa was merged and consequently extinguished, by Sendas Distribuidora.



As a result of this reorganization, there was no effect on the consolidated interim financial information of the Company, since the subsidiaries are fully held by Company.

### 1.3.2. Rede Duque disposal

On January 31, 2016, the Company concluded the disposal of subsidiaries Auto Posto Império Ltda., Auto Posto Duque Salim Maluf Ltda., Auto Posto Duque Santo André Ltda., Auto Posto Duque Lapa Ltda and Auto Posto Ciara Ltda., to Rede Duque, referring to the agreement previously signed on December 1, 2015. The agreement amount was R\$8.

Company had no gain or loss over this transaction. Gas stations assets and liabilities amounts are not consolidated in interim financial information on September 30, 2016.

### 1.3.3. Sale of Cdiscount subsidiaries

During the first quarter of 2016, subsidiaries CD Vietnam, CD Thailand, CD Asia and E-cavi were sold, no longer being consolidated in the Company, however CD Vietnam and E-Cavi still remain in Casino Group.

#### (i) Sale of interest - CDiscount Thailand

On March 21, 2016, subsidiary CDiscount sold its interest over CDiscount Thailand to TCC Group, by the amount of R\$94. This transaction resulted in a cash inflow of R\$ 91, net of borrowings payment, and a gain of R\$94 recorded in the first quarter of 2016 within other operating income (expenses), the amount was transferred to profit or loss on discontinued operations on September 30, 2016 (see note 1.5).

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**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2016

(In millions of Brazilian reais, unless otherwise stated)

**1. Corporate information – Continued**

1.3. Corporate restructuring - Continued

1.3.3. Sale of Cdiscount subsidiaries - continued

(ii) Cdiscount corporate restructuring

On March 1, 2016 subsidiary CDiscount sold its interest over CDiscount Vietnam to E-Cavi, a Casino's subsidiary. This transaction did not impact Company's result.

These transactions did not impact segments information.

1.3.4. Spin-off of Marneylectro S.A.R.L ("Luxco") and Marneylectro B.V ("Dutchco")

As part of Company's e-commerce operations restructuring process (see note 1.5) on July 24, 2016 the Holdings Marneylectro S.A.R.L. ("Luxco") and Marneylectro B.V. ("Dutchco"), were spun-off among Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. ("CBD Luxco"), Via Varejo Luxembourg Holding S.A.R.L. ("VV Luxco") and Companhia Brasileira de Distribuição Netherlands Holding B.V. ("CBD Dutchco") and Via Varejo Netherlands Holding B.V. ("VV Dutchco") respectively, keeping the same former interest held by CBD and Via Varejo. As a result of this reorganization, there was no effect on the consolidated interim financial information of the Company, since the subsidiaries are fully held by Company.

1.4. Notices from CVM to GPA and subsidiary Via Varejo

On February 18, 2016, the subsidiary Via Varejo received a notice from CVM, the notice number 18/2016-CVM/SEP/GEA-5 showing the understanding of the Department of Relationship with Companies – SEP in relation to certain accounting entries related to corporate transactions at the level of Via Varejo in 2013. Due to the disclosed effects in its financial statements the Company received the notice number 19/2016-CVM /SEP/GEA-5.

CVM notified its understanding which is different from the applied by Via Varejo in financial statements of that year, in relation to (a) revaluation revaluation gain on investment held in Nova Pontocom resulting from partial sale of interest to the Company (This transaction has no effect in the consolidated financial statements); and (b) accounting treatment on control acquisition of Movéis Bartira, by the acquisition of additional 75% interest. In the case of the Company, CVM noticed its understanding related to item (b) above mentioned.

Via Varejo presented an appeal to CVM collegiate requesting suspensive effect in the terms of Deliberation 463, however decided for a restatement of item (i) from CVM notice in its subsidiary Via Varejo, which has no effects in the Company's consolidated financial statements or interim financial information. Via Varejo and the Company awaits for a collegiate decision about the presented arguments for the item (ii), related to effects in acquisition of Indústria de Móveis Bartira.

Until this date, there are no effects recorded in the financial statements neither in the interim financial information of the Company or its Subsidiaries related to the requested by CVM notice about acquisition of Bartira.

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**1. Corporate information – Continued**

**1.5. Assets held for sale and discontinued activities**

On May 12th, 2016, the subsidiary Via Varejo signed a non-binding memo of understanding (“MoU”) with its subsidiary Cnova N.V., over the corporate reorganization involving Cnova Brasil and Via Varejo itself. The Board of directors of Via Varejo established a Special committee, composed of three members of the Board of directors, to overview the process and determine the terms and conditions of the proposal.

At the Shareholders’ Meeting held on September 12, 2016, Via Varejo’s non-controlling shareholders, holders of preferred and common shares, approved the reorganization proposal for the integration of the businesses of electronic commerce operated by Cnova Brasil into Via Varejo’s business, as recommended by the Special committee of Via Varejo’s board of directors.

After the approval by the parties, Cnova Brasil shall incorporate VV Dutchco. To eliminate the reciprocal interest resulting from the exchange of shares between Cnova Brasil and Cnova NV., Cnova Brasil will receive part of the its shares held by Cnova NV, through the return of capital. The remaining shares will be purchased by Cnova Brasil, resulting in Cnova Brasil to be whole subsidiary of Via Varejo. According to the loan terms and conditions between Cnova Brasil and Cnova NV (valued at approximately R\$160 million at the end of September 2016), such event will result in prepayment obligation of such loans, which should be paid to Cnova N.V. by Via Varejo.

The reorganization was approved by the boards of CBD, Casino, Via Varejo and Cnova N.V and is awaiting legal procedures. With the conclusion of the transaction Cnova Brasil will be a whole subsidiary of Via Varejo, which will no longer have interest in Cnova N.V. Consequently, GPA will also no longer have majority voting on Cnova N.V., and will no longer consolidate subsidiaries which represents the e-commerce segment abroad.

According to CPC 31 – Noncurrent assets held for sale and discontinued operation (IFRS 5), on September 30, 2016, the Company disclosed the net income of subsidiaries which represents e-commerce segment abroad in a single line in the income statement, and the assets and liabilities balances as assets held for sale and discontinued operation, impacting the “E-commerce” segment. The income statement and Value added of Setember 30, 2015 were restated utilizing the same concept.

See below the condensed income statement, condensed balance sheet and condensed cash flow statement of Cdiscount before the eliminations:

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**1. Corporate information – Continued**

1.5. Assets held for sale and discontinued activities - continued

**Balance Sheet (\*):**

|   | <b>9.30.2016</b> |
|---|------------------|
| <b>Assets</b>                               |                  |
| Cash and cash equivalents (**)              | 659              |
| Accounts receivable                         | 420              |
| Inventories                                 | 819              |
| Other receivables                           | 133              |
| <b>Total current assets</b>                 | <b>2,031</b>     |
| Deferred income tax and social contribution | 39               |
| Related parties                             | 546              |
| Other accounts receivable                   | 16               |
| Property and equipment, net                 | 42               |
| Intangible                                  | 434              |
| <b>Total non current assets</b>             | <b>1,077</b>     |
| <b>Total assets</b>                         | <b>3,108</b>     |
| <b>Liabilities</b>                          |                  |
| Trade payables                              | 1,558            |
| Related parties                             | 1,099            |
| Other accounts payable                      | 398              |
| <b>Total current liabilities</b>            | <b>3,055</b>     |
| Provision for risks                         | 53               |
|   | 86               |

|                                      |           |
|--------------------------------------|-----------|
| Other accounts payable               | 16        |
| <b>Total non current liabilities</b> | <b>69</b> |

|  |              |
|--|--------------|
| <b>Total liabilities</b>                               | <b>3,124</b> |
| Net liabilities directly attributable to held for sale | (16)         |
| <b>Total liabilities and shareholders equity</b>       | <b>3,108</b> |

(\*) Balance sheet of Cdiscount, before related parties eliminations with Cnova Brasil in the amount R\$546.

**(\*\*) Reconciliation of Cash and Cash Equivalents:**

|  |       |
|--|-------|
| Cash and Cash Equivalents as presented in Statement of Cash Flows on 9.30.2016 | 4,044 |
| Cash and Cash Equivalents as presented in Balance Sheet on 9.30.2016           | 3,385 |
| Cash and Cash Equivalents classified as held for sale on 9.30.2016             | 659   |

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**1. Corporate information – Continued**

1.5. Assets held for sale and discontinued activities - continued

**Statement of Loss (\*):**

|   | <b>9.30.2016</b> | <b>9.30.2015</b> |
|---|------------------|------------------|
| Net sales of goods and services                       | <b>5,062</b>     | 4,231            |
| Cost of goods sold and services sold                  | <b>(4,567)</b>   | (3,853)          |
| <b>Gross profit</b>                                   | <b>495</b>       | 378              |
| Operating income (expenses)                           |                  |                  |
| Selling, General and Administrative expenses          | <b>(483)</b>     | (480)            |
| Depreciation and amortization                         | <b>(57)</b>      | (52)             |
| Others operating income (expenses), net               | <b>(44)</b>      | (98)             |
|   | <b>(584)</b>     | (630)            |
| <b>Loss before financial income (expenses)</b>        | <b>(89)</b>      | (252)            |
| Net financial income (expenses)                       | <b>(52)</b>      | 41               |
| <b>Loss before income tax and social contribution</b> | <b>(141)</b>     | (211)            |
| Income tax and social contribution                    | <b>(10)</b>      | (12)             |
| <b>Net loss for the period</b>                        | <b>(151)</b>     | (223)            |
| Atributable to:                                       |                  |                  |
| Controlling shareholders                              | <b>(46)</b>      | (66)             |
| Noncontrolling shareholders                           | <b>(105)</b>     | (157)            |

(\* ) Before related parties eliminations with Cnova Brasil in the amount R\$41 in financial income and R\$(6) in administrative expenses during nine-month period ended September 30, 2016 and R\$21 in financial income and R\$6 in administrative expenses during nine-month period ended September 30, 2015.

**Statement of Cash Flows**



|   | <b>9.30.2016</b> | <b>9.30.2015</b> |
|---|------------------|------------------|
| Net cash flow (used in)/provided by operating activities      | <b>(724)</b>     | (1,341)          |
| Net cash flow (used in)/provided by investing activities      | <b>45</b>        | (79)             |
| Net cash flow (used in)/provided by financing activities      | <b>677</b>       | 1,187            |
| Effects of Exchange Rate Changes on Cash and Cash Equivalents | <b>22</b>        | 173              |
| <b>Net cash flow for the period</b>                           | <b>20</b>        | (60)             |

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**1. Corporate information – Continued**

## 1.5. Assets held for sale and discontinued activities - continued

Below the consolidated statement of profit or loss of the Company on September 30, 2015, before and after considering subsidiaries which represent e-commerce segment abroad, as discontinued activity.

| Statement of profit                  | <b>9/30/2015</b> (including effects of Cnova investigation) | <b>Discontinued operations (*) 9/30/2015</b> (witho |
|--------------------------------------|---|---|
| Net sales of goods and services      | 49,401  | 4,231   |
| Cost of goods sold and services sold | (37,641)  | (3,853)   |
| <b>Gross profit</b>                  | <b>11,760</b>   | <b>378</b>  |
| Operating income (expenses)          |   |   |
| Selling expenses                     | (8,191)   | (306)   |
| General and Administrative expenses  | (1,302)   | (180)   |
| Depreciation and amortization        | (714)   | (52)  |
|                                      | (385)   | (98)  |

|  |                 |              |
|--|-----------------|--------------|
| Others operating income (expenses)                               |                 |              |
| Share of profit of associates                                    | 84              | -            |
|  | <b>(10,508)</b> | <b>(636)</b> |
| <b>Income (Loss) before financial income</b>                     | <b>1,252</b>    | <b>(258)</b> |
| Financial income (expenses), net                                 | (1,043)         | 20           |
| <b>Income (Loss) before income tax and social contribution</b>   | <b>209</b>      | <b>(238)</b> |
| Income tax and social contribution                               | (100)           | (12)         |
| <b>Net Income (Loss) from continued operations in the period</b> | <b>109</b>      | <b>(250)</b> |
| Atributable to:  |                 |              |
| Controlling shareholders   | 248             | (76)         |
| Noncontrolling shareholders                                      | (139)           | (174)        |

(\*) Statement of loss of e-commerce segment abroad after related parties eliminations with Cnova Brasil.

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**Companhia Brasileira de Distribuição**

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**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 - 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.

Significant accounting policies adopted in the preparation of the individual and consolidated interim financial information are consistent with those adopted and disclosed in note 4 of the annual financial statements for the year ended December 31, 2015 disclosed on July 27, 2016 and, therefore, should be read in conjunction with those annual financial statements.

The interim financial information for the nine-month period ended September 30, 2016 was approved by the Board of Directors on October 27, 2016.

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**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 2015, in note 3.

**3.1. Interest in subsidiaries and associates:**

| <b>Companies</b>  | <b>Direct and indirect equity interests - %</b> |                          |                   |                          |
|---|---|--------------------------|-------------------|--------------------------|
|   | <b>9.30.2016</b>                                |                          | <b>12.31.2015</b> |                          |
|   | <b>Company</b>                                  | <b>Indirect interest</b> | <b>Company</b>    | <b>Indirect interest</b> |
| <b>Subsidiaries</b>   |   |                          |                   |                          |
| Novasoc Comercial Ltda. ("Novasoc")   | <b>10.00</b>                                    | -                        | 10.00             | -                        |
| Sendas Distribuidora S.A. ("Sendas")  | <b>100.00</b>                                   | -                        | 100.00            | -                        |
| Bellamar Empreend. e Participações Ltda. ("Bellamar")                             | <b>100.00</b>                                   | -                        | 100.00            | -                        |
| GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P") | <b>100.00</b>                                   | -                        | 100.00            | -                        |
| CBD Holland B.V. ("CBD Holland")  | <b>100.00</b>                                   | -                        | 100.00            | -                        |
| CBD Panamá Trading Corp. ("CBD Panamá")   | -   | <b>100.00</b>            | -                 | 100.00                   |
| Barcelona Comércio Varejista e Atacadista S.A. ("Barcelona") (*)                  | -   | -                        | 68.86             | 31.14                    |
| Xantocarpa Participações Ltda. ("Xantocarpa") (*)                                 | -   | -                        | -                 | 100.00                   |
| GPA 2 Empreend. e Participações Ltda. ("GPA 2")                                   | <b>100.00</b>                                   | -                        | 99.99             | 0.01                     |
| GPA Logística e Transporte Ltda. ("GPA Logística")                                | <b>100.00</b>                                   | -                        | 100.00            | -                        |
| Posto Ciara Ltda. ("Posto Ciara") (**)  | -   | -                        | 100.00            | -                        |
| Auto Posto Império Ltda. ("Posto Império") (**)                                   | -   | -                        | 100.00            | -                        |
| Auto Posto Duque Salim Maluf Ltda. ("Posto Duque Salim Maluf") (**)               | -   | -                        | 100.00            | -                        |
|   | -   | -                        | 100.00            | -                        |

Auto Posto Duque Santo André Ltda. (“Ponto Duque Santo André”) (\*\*)